

TiantuCapital  天图投资

—— 专注消费品投资 ——

深圳市天圖投資管理股份有限公司
TIAN TU CAPITAL CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 1973

GLOBAL OFFERING

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Joint Bookrunners and Joint Lead Managers



IMPORTANT

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should obtain professional independent advice.

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Tian Tu Capital Co., Ltd.
深圳市天圖投資管理股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

Global Offering

Number of Offer Shares under the Global Offering	: 173,258,000 H Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	: 17,326,000 H Shares (subject to reallocation)
Number of International Offer Shares	: 155,932,000 H Shares (subject to reallocation and the Over-allotment Option)
Maximum Offer Price	: HK\$11.40 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	: RMB1.00 per H Share
Stock code	: 1973

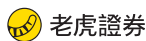
*Joint Sponsors, Overall Coordinators, Joint Global Coordinators,
Joint Bookrunners and Joint Lead Managers*



Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Joint Bookrunners and Joint Lead Managers



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the section headed "Appendix VII – Documents Delivered to the Registrar of Companies and Available On Display" in this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Thursday, September 28, 2023 (Hong Kong time) and, in any event, not later than Thursday, October 5, 2023 (Hong Kong time). The Offer Price will not be more than HK\$11.40 per Offer Share and is currently expected to be not less than HK\$5.80 per Offer Share unless otherwise announced. If, for any reason, the Offer Price is not agreed by Thursday, October 5, 2023 (Hong Kong time) between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Overall Coordinators (for themselves and on behalf of the Underwriters), may, where considered appropriate and with the consent of our Company, reduce the number of Hong Kong Offer Shares and/or the indicative Offer Price range below that is stated in this prospectus (being HK\$5.80 per Offer Share to HK\$11.40 per Offer Share) at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, notices of the reduction in the number of Hong Kong Offer Shares and/or the indicative Offer Price range will be published on the website of our Company at www.tiantucapital.com and on the website of the Hong Kong Stock Exchange at www.hkexnews.hk as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. For further details, please refer to the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (for themselves and on behalf of the Underwriters) if certain events occur prior to 8:00 a.m. on the Listing Date. Please refer to the section headed "Underwriting" in this prospectus.

Our Company has not been and will not be registered under the U.S. Investment Company Act. The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered, sold, pledged or otherwise transferred within the United States or to U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws and in a manner which would not require the Company to register under the U.S. Investment Company Act. The Offer Shares may be offered and sold only outside the United States to persons that are not, and are not acting for the account or benefit of, U.S. Persons in offshore transactions in reliance on Regulation S. There has been and will be no public offering of the H Shares in the United States.

The Global Offering is not an offering of any interest in the funds managed by our Group.

September 25, 2023

IMPORTANT

Your application through the **HK eIPO White Form** service or the **CCASS EIPO** service must be for a minimum of 400 Hong Kong Offer Shares and in one of the numbers set out in the table below. You are required to pay the amount next to the number you select.

Tian Tu Capital Co., Ltd.

(HK\$11.40 per Hong Kong Offer Share)

NUMBER OF HONG KONG OFFER SHARES THAT MAY BE APPLIED FOR AND PAYMENTS

No. of Hong Kong Offer Shares applied for	Amount payable on application <i>HK\$</i>	No. of Hong Kong Offer Shares applied for	Amount payable on application <i>HK\$</i>	No. of Hong Kong Offer Shares applied for	Amount payable on application <i>HK\$</i>	No. of Hong Kong Offer Shares applied for	Amount payable on application <i>HK\$</i>
400	4,605.99	6,000	69,089.81	90,000	1,036,347.21	1,000,000	11,514,969.00
800	9,211.98	8,000	92,119.75	100,000	1,151,496.90	2,000,000	23,029,938.00
1,200	13,817.96	10,000	115,149.69	200,000	2,302,993.80	3,000,000	34,544,907.00
1,600	18,423.95	20,000	230,299.38	300,000	3,454,490.70	4,000,000	46,059,876.00
2,000	23,029.94	30,000	345,449.06	400,000	4,605,987.60	5,000,000	57,574,845.00
2,400	27,635.93	40,000	460,598.75	500,000	5,757,484.50	6,000,000	69,089,814.00
2,800	32,241.91	50,000	575,748.46	600,000	6,908,981.40	7,000,000	80,604,783.00
3,200	36,847.89	60,000	690,898.15	700,000	8,060,478.30	8,000,000	92,119,752.00
3,600	41,453.89	70,000	806,047.84	800,000	9,211,975.20	8,662,800*	99,751,873.45
4,000	46,059.88	80,000	921,197.52	900,000	10,363,472.10		

* Maximum number of Hong Kong Offer Shares you may apply for

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

EXPECTED TIMETABLE⁽¹⁾

Hong Kong Public Offering commences 9:00 a.m. on
Monday, September 25, 2023

Latest time to complete electronic applications under
the **HK eIPO White Form** service through one of the below ways⁽²⁾:

(1) the **IPO App**, which can be downloaded by searching
“**IPO App**” in App Store or Google Play or downloaded at
www.hkeipo.hk/IPOApp or www.tricorglobal.com/IPOApp

(2) the designated website www.hkeipo.hk. 11:30 a.m. on
Thursday, September 28, 2023

Application lists open⁽³⁾ 11:45 a.m. on
Thursday, September 28, 2023

Latest time to give electronic application instructions to
HKSCC⁽⁴⁾ 12:00 noon on
Thursday, September 28, 2023

Latest time to complete payment of
HK eIPO White Form applications by effecting internet
banking transfer(s) or PPS payment transfer(s) 12:00 noon on
Thursday, September 28, 2023

If you are instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your broker or custodian for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists close⁽³⁾ 12:00 noon on
Thursday, September 28, 2023

Expected Price Determination Date⁽⁵⁾ Thursday, September 28, 2023

(1) Announcement of the Offer Price, the level of
applications in the Hong Kong Public Offering,
the level of indications of interest in the International Offering;
and the basis of allocation of the Hong Kong Offer Shares to be
published on our website at www.tiantucapital.com⁽⁶⁾ and
the website of the Hong Kong Stock Exchange at
www.hkexnews.hk⁽⁶⁾ on or before⁽¹⁰⁾ Thursday,
October 5, 2023

EXPECTED TIMETABLE⁽¹⁾

(2) Results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels as described in "How to Apply for Hong Kong Offer Shares – 11. Publication of Results" in this prospectus from⁽¹⁰⁾ Thursday, October 5, 2023

(3) A full announcement of the Hong Kong Public Offering containing (1) and (2) above to be published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.tiantucapital.com⁽⁶⁾ from⁽¹⁰⁾ Thursday, October 5, 2023

Result of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) will be available at the "IPO Results" function in the **IPO App** or at www.tricor.com.hk/ipo/result or www.hkeipo.hk/IPOResult with a "search by ID" function from⁽¹⁰⁾ Thursday, October 5, 2023

H Share certificates in respect of wholly or partially successful applications to be dispatched or collected or deposited into CCASS on or before⁽⁷⁾⁽¹⁰⁾ Thursday, October 5, 2023

HK eIPO White Form e-Auto Refund payment instructions/refund cheques in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering to be dispatched on or before⁽⁸⁾⁽⁹⁾⁽¹⁰⁾ Thursday, October 5, 2023

Dealings in H Shares on the Hong Kong Stock Exchange expected to commence at⁽¹⁰⁾ 9:00 a.m. on Friday, October 6, 2023

Notes:

(1) All dates and times refer to Hong Kong local dates and time, except as otherwise stated. For details of the structure of the Global Offering, including conditions of the Hong Kong Public Offering, please refer to "Structure of the Global Offering" in this prospectus.

EXPECTED TIMETABLE⁽¹⁾

- (2) You will not be permitted to submit your application under the **HK eIPO White Form** service through the **IPO App** or the designated website at www.hkeipo.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application through the **IPO App** or the designated website at www.hkeipo.hk and obtained a payment reference number from the **IPO App** or the designated website before 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is/are a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning signal and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, September 28, 2023, the application lists will not open on that day. Please refer to “How to Apply for Hong Kong Offer Shares – 10. Effect of Bad Weather and/or Extreme Conditions on the Opening and Closing of the Application Lists” in this prospectus.
- (4) Applicants who apply for the Hong Kong Offer Shares by giving electronic application instructions to HKSCC via CCASS should refer to “How to Apply for Hong Kong Offer Shares – 6. Applying through the **CCASS EIPO Service**” in this prospectus.
- (5) The Price Determination Date is expected to be on or about Thursday, September 28, 2023 and, in any event, not later than Thursday, October 5, 2023. If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us on or before Thursday, October 5, 2023, the Global Offering will lapse.
- (6) None of the websites or any of the information contained on the websites forms part of this prospectus.
- (7) No temporary documents of title will be issued in respect of the Offer Shares. H Share certificates for the Hong Kong Offer Shares will only become valid evidence of title provided that (i) the Global Offering has become unconditional in all respects and (ii) neither of the Underwriting Agreements has been terminated in accordance with their terms prior to 9:00 a.m. on the Listing Date. Investors who trade H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid do so at their own risk.
- (8) e-Auto Refund payment instruction/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application.
- (9) Applicants who have applied for Hong Kong Offer Shares through the **CCASS EIPO** service should refer to the section headed “How to Apply for Hong Kong Offer Shares – 14. Dispatch/Collection of H Share Certificates and Refund Monies – Personal Collection – (ii) If you apply through the **CCASS EIPO** service” in this prospectus for details. For details of the arrangements, please refer to “How to Apply for Hong Kong Offer Shares” in this prospectus.

Applicants who have applied through the **HK eIPO White Form** service and paid their application monies through single bank account may have refund monies (if any) dispatched to the bank account, in the form of e-Auto Refund payment instructions. Applicants who have applied through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions, in the form of refund cheques, by ordinary post at their own risk.

Further information is set out in “How to Apply for Hong Kong Offer Shares – 13. Refund of Application Monies” and “How to Apply for Hong Kong Offer Shares – 14. Dispatch/Collection of H Share Certificates and Refund Monies” in this prospectus.

- (10) In case a typhoon warning signal no. 8 or above, a black rainstorm warning signal and/or Extreme Conditions between Monday, September 25, 2023 to Friday, October 6, 2023, then the day of (i) announcement of results of allocations in the Hong Kong Public Offering; (ii) dispatch of H Share certificates and refund cheques/**HK eIPO White Form** e-Auto Refund payment instructions; and (iii) dealings in the Shares on the Stock Exchange may be postponed and an announcement may be made in such event.

EXPECTED TIMETABLE⁽¹⁾

The H Share certificates will only become valid evidence of title provided that the Global Offering has become unconditional in all respects and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement is terminated in accordance with their respective terms prior to 8:00 a.m. on the Listing Date. The Listing Date is expected to be on or about Friday, October 6, 2023. Investors who trade the H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

The above expected timetable is a summary only. You should refer to “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares” in this prospectus for details of the structure of the Global Offering, including the conditions of the Global Offering, and the procedures for application for the Hong Kong Offer Shares.

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained nor made in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the Global Offering.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by and should be read in conjunction with, the full text of this prospectus. You should read the whole document before you decide to invest in the Offer Shares.

The Group's business performance is subject to high volatility due to business nature, and may be materially affected by market and economic conditions in China and potentially across the globe. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set forth in "Risk Factors" of this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

Tiantu is a leading private equity investor and fund manager committed to driving the growth of Chinese consumer brands and companies. We manage capital for institutional investors and high-net-worth individuals, and make investments through our funds under management and directly using our own capital.

We manage capital mainly through our funds. As of March 31, 2023, our funds contributed approximately RMB20.4 billion out of our total assets under management ("AUM") of approximately RMB25.5 billion. We managed eight Renminbi-denominated funds and three U.S. dollar-denominated funds as of March 31, 2023, and launched three new Renminbi-denominated funds after the Track Record Period and up to the Latest Practicable Date. These funds are financed with a mix of capital raised from external investors and our own capital. As of March 31, 2023, external capital represented 82.0% of the total committed capital for our managed funds, which was raised from 98 fund investors, while we contributed 18.0% with our own capital in our capacity as a general partner or as a limited partner. Our fund investors consist primarily of institutional investors including renowned multinational corporations and financial institutions, government guiding funds, and high-net-worth individuals. In addition to our managed funds, we also manage our own capital and make direct investments to seek optimal returns. As of March 31, 2023, approximately RMB5.1 billion of our total AUM was under direct investments. We receive fund management fees and carried interest from our managed funds and also recognize investment gains as we make investments with our own capital.

Our endeavor and commitment trace back to 2002, when our chairman Mr. Wang Yonghua founded our predecessor. We were the first consumer-focused investment firm in China according to CIC, and have been specializing in investments in the consumer industry for more than a decade. In a survey of over a hundred entrepreneurs in the consumer business conducted by CIC, over 80% of them think of Tiantu as a "consumer focused investment expert," and approximately 56% of them believe we help with the upgrading of consumer brands in China.

SUMMARY

According to CIC, the number of our investment projects in China's consumer industry from 2020 to 2022 ranked no. 3 among all private equity investors after Tencent Investment and Sequoia China, and ranked no. 1 among all consumer-focused private equity firms over the same period; our AUM as of December 31, 2022 ranked 130+ among more than 7,000 private equity investors in China, including private equity investment arm of conglomerates, multinational corporations and state-owned financial institutions, and no. 2 among more than 20 consumer-focused private equity firms in China. As of March 31, 2023, we had a total of RMB25.5 billion assets under management, including RMB11.0 billion managed through consolidated funds, RMB9.4 billion managed through unconsolidated funds and RMB5.1 billion for direct investments. As of March 31, 2023, our funds had raised a total committed capital of RMB11.1 billion from external investors, with 95.7% from institutional investors and 4.3% from high-net-worth individual investors, and another RMB2.4 billion from our own capital.

We see the golden era of China's consumer industry right at the horizon. China's consumer industry increased from RMB43.8 trillion in 2017 to RMB55.7 trillion in 2022 at a CAGR of 4.9%, and it is expected to reach RMB77.0 trillion in 2027 with a CAGR of 6.7% from 2022 to 2027 according to CIC. Within the overall massive consumption industry, the new consumption sector has shown especially strong growth momentum, growing at a CAGR of 15.3% from 2017 to reach RMB10.8 trillion in 2022 and is projected to further rise at a CAGR of 15.7% to reach RMB22.5 trillion in 2027, according to the same source. Benefiting from the maturing supply chain, ample supply of talent, and ever-growing consumer confidence of the new generations, Chinese brands and companies, especially emerging new brands, have been quickly gaining market share in China.

Across every wave of rising brands, capital has consistently been an important catalyst that drives growth, incubating rising consumer brands out of their initial capital constraints and bringing widely desired services and products to people on a large scale. Along with the growth of Chinese consumer brands and companies, the volume of private equity investments in this specific area increased at a CAGR of 7.3% from 2017 to 2021 reaching RMB217.5 billion in 2021. In 2022, the volume of private equity investments in China's consumer industry declined to RMB95.1 billion mainly because under tough market situations, consumer companies with sufficient cash were less active in seeking external fund raising. In early 2023, China's consumption market has shown a trend of strong rebound, with improving investor sentiment and market conditions. Further driven by the rising middle class, consumption upgrade and favorable policy support, the volume of private equity investments in China's consumer industry is expected to further grow at a CAGR of 19.9% from 2022 to 2027, according to CIC.

We emerged and prospered during this strong industry tailwind and transformative decades. With about 20 years of expertise in understanding consumer brands, entrepreneurship, organization and consumers, we have delivered a consistent track record of identifying great companies, ahead of their time. For example, we invested in Zhou Hei Ya (周黑鴨) when few major investors were investing in casual food; in Nayuki (奈雪的茶) when it had only 16 stores; and became one of the largest early financial investors in Xiaohongshu (小紅書).

SUMMARY

We prudently manage the pace of our expansion according to our judgement of investment opportunities, with the goal of maximizing the returns of our investments through our management funds and through direct investments. While managing a solid pool of capital has been the foundation of our business, we make investments primarily to achieve strong returns, by exploring and seeking to invest in corporates and entrepreneurs that carry the spirit of the time.

The funds under our management realized an average internal rate of return (“**IRR**”) of 16.2%, 17.8%, 28.2%, 16.0% and 16.0% as of January 1, 2020, December 31, 2020, 2021 and 2022, and March 31, 2023, respectively. For our continuing operations, we recorded total revenue and net investment gains or losses of RMB1,195.2 million in 2020, RMB495.2 million in 2021 and RMB423.2 million in 2022. For the three months ended March 31, 2023, our revenue and net investment gains or losses from continuing operations amounted to negative RMB193.9 million. The majority of our net investment gains or losses are based on unrealized fair value, which may fluctuate from time to time. We recorded net profit of RMB1,057.9 million, RMB719.8 million, and RMB532.9 million in 2020, 2021 and 2022, including one-off gains from the deconsolidation of Mengtian Dairy in 2021 and Yoplait China in 2022, which represent the fair value gains on deemed loss of control over them. We recorded a net loss of RMB80.9 million for the three months ended March 31, 2023.

High uncertainty accompanies high return in private equity investment. Investments are inherently volatile. Our business and financial conditions are therefore subject to high volatility due to this business nature and may be materially affected by market and economic conditions in China and potentially across the globe. Our historical financial performance may not be indicative of future performance. Investors should exercise due care in investing in our Shares.

OUR PRINCIPAL BUSINESS

We are a leading private equity investor and fund manager specializing in the consumer sector in China. Our AUM had grown at a CAGR of 19.5% from December 31, 2015 to December 31, 2022. We have achieved RMB20.2 billion, RMB20.2 billion, RMB24.9 billion and RMB25.1 billion in AUM, with 121, 147, 178 and 187 investee companies in our portfolio as of January 1, 2020, and December 31, 2020, 2021 and 2022, respectively. As of March 31, 2023, our AUM was RMB25.5 billion, including approximately RMB20.4 billion managed through funds and approximately RMB5.1 billion under direct investments. Meanwhile, we had 187 investee companies in our portfolio as of March 31, 2023, 149 of which were invested by our funds.

We manage capital and make investments primarily through our funds. As of the Latest Practicable Date, we managed eleven Renminbi-denominated funds and three U.S. dollar-denominated funds. We generally launch and manage funds through wholly-owned subsidiaries, and receive fund management fees and carried interest. Fund management fees are generally charged as a percentage, typically 2% each year, of (i) committed capital during the investment period, and (ii) committed or paid-in capital minus cost of exited investments after

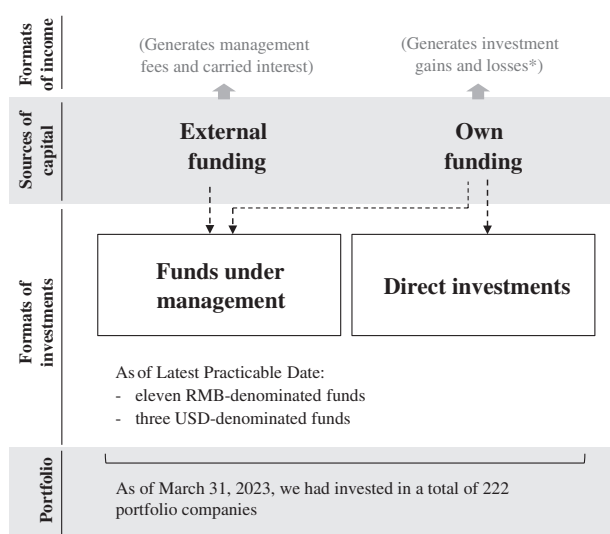
SUMMARY

the investment period. Cost of exited investments refers to the initial investment amount of projects that we have already exited. Carried interest is generally charged as a percentage, typically 20%, of the realized gains when the gain exceeds certain hurdle rates. The average IRR of our funds was 16.0% as of March 31, 2023. For further details, please see “Business – Income From Our Fund Management and Investments – Revenue From Managing External Capital” in this prospectus.

We also invest our own capital both through investments in these funds under management and through direct investments. We recognize investment gains and losses as we make investments with our own capital.

The description of our business and performance in this prospectus covers both funds under management and our direct investments, unless stated otherwise.

The following chart illustrates the overall structure of our private equity investment business, our sources of capital and formats of investments:



* A portion of our investment gains and losses from unconsolidated funds are recognized as “share of results of associates” or “share of results of joint ventures”. For further details, see “Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income – Continuing Operations – Share of Results of Associates, Share of Results of Joint Ventures” in this prospectus.

As of March 31, 2023, we had cumulatively invested in a total of 222 portfolio companies, which included 180 companies in the consumer sectors covering food & beverage, clothing, healthcare and others, and 42 companies in other industries such as biotech and technology industries. In particular, our investments include early and late stage investments in a large number of successful consumer brands and companies, such as Zhou Hei Ya (周黑鴨), China Feihe (中國飛鶴), Nayuki (奈雪的茶), Xiaohongshu (小紅書), CYYS (茶顏悅色), ATRenew (萬物新生) and Pagoda (百果園).

SUMMARY

While most of our historical investments were minority investments, we may also occasionally consider control transactions when suitable opportunities arise. Historically, we acquired control in certain dairy businesses operated by Mengtian Dairy and Yoplait China. Pursuant to the certain adjustment of corporate governance and the disposal of certain economic interests, Mengtian Dairy ceased to be our subsidiary as of December 31, 2021 and Yoplait China ceased to be our subsidiary as of June 15, 2022, and each of them is our associate measured at fair value after their respective deconsolidation. As a result, the historical operations of Mengtian Dairy and Yoplait China together with the gains on the deconsolidation thereof were presented as discontinued operations in our financial statements contained in this prospectus. For details, please see “Business – Deconsolidated Investments (Dairy Business)” in this prospectus.

We have developed an efficient and systematic investment process, across investment opportunity sourcing, due diligence and investment, post-investment management, and exit. For further information, see “Business – Investment Process and Arrangement” in this prospectus.

As a private equity investor and fund manager, gains derived from investments are an important source of our revenue and income, including fund management fees, net investment gains or losses and share of results of associates and joint ventures. During the period from 2020 to 2022, approximately 88.3% to 97.0% of our revenue and income were our investment gains and losses and share of results of associates and joint ventures.

On our balance sheet, our interests in associates measured at fair value, interests in associates measured using equity method, interests in joint ventures, and financial assets at FVTPL together accounted for 95.4% of our total assets as of March 31, 2023.

As a private equity investor and fund manager, we manage our long-term volatility mainly through portfolio and investment theme diversification, in addition to stringent investment screening processes for quality companies. However, according to the applicable accounting standards, mark-to-market valuation of the shares of each of our listed portfolio companies tracks its stock value at the balance sheet date of each reporting period, and the valuation of our unlisted portfolio companies typically references stock prices of comparable listed companies. As a result, our investment performance for a particular period may be significantly affected by short-term market volatility. For example, while we achieved strong performance in most periods since 2015, our revenue and income experienced significant fluctuations in 2018, 2022 and 2023, primarily due to the general market conditions.

Our private equity investment business is driven by a number of factors, including the development of China’s consumer market, our fundraising capabilities, and relevant regulatory policies. Benefiting from the aforementioned factors, as reflected in our annual reports published on the NEEQ, our revenue and income achieved a stable increase from 2015 to 2017, and recorded a loss in 2018. During the Track Record Period, we were consistently profitable between 2020 and 2022, achieving an average annual revenue and income, which includes fund management fees, net investment gains or losses, and our share of results from associates and joint ventures from investments held under funds and direct investments, of RMB858.0 million, while we recorded a loss for the three months ended March 31, 2023, mainly due to difficult market conditions.

SUMMARY

Our Funds

We manage capital mainly through funds, which act as investment vehicles to accept capital commitment for investments. Our funds contributed RMB20.4 billion out of our total AUM of RMB25.5 billion as of March 31, 2023. We managed eight Renminbi-denominated funds and three U.S. dollar-denominated funds as of March 31, 2023, and launched three new Renminbi-denominated funds after the Track Record Period and up to the Latest Practicable Date.

The following table sets forth the key operating information of our funds as of March 31, 2023.

	Number of Funds	AUM ⁽¹⁾		Committed capital ⁽²⁾		Contribution of our own capital to total committed capital ⁽³⁾		Contribution of our own capital to total paid-in capital		Initial investment year	Average IRR
		RMB billion		RMB billion		RMB billion		RMB billion			
Consolidated Funds	6	11.0	9.6	1.8	8.8	1.7			/	12.6%	
– RMB-denominated funds	4	8.0	7.3	1.0	6.6	1.0			2015-2021	10.6%	
– USD-denominated funds	2	3.0	2.3	0.8	2.2	0.7			2018-2020	16.6%	
Unconsolidated Funds	5	9.4	3.8	0.6	3.8	0.6			/	20.2%	
– RMB-denominated funds	4	7.2	3.1	0.5	3.1	0.5			2017-2018	20.9%	
– USD-denominated funds	1	2.2	0.8	0.1	0.8	0.1			2014	17.2%	
Overall	11	20.4	13.5	2.4	12.6	2.3			/	16.0%	

Notes:

- (1) Represents the assets managed under our funds, including the net asset value of assets managed by the fund manager or general partner, which is in fair value, and the capital that the fund's limited partners committed and the fund manager or general partner is entitled to call.
- (2) Represents the total committed capital managed under our funds in terms of cost.
- (3) Represents contribution of our own capital to the total committed capital of our managed funds in terms of cost.

SUMMARY

As of March 31, 2023, we had six funds under management focused on early-stage investments and five funds under management focused on growth and late-stage investments. The table below sets out a summary of our funds as of March 31, 2023:

Fund	Fund inception year	Fund life	Phase of fund ⁽¹⁾	Investment period	Post-investment period	Committed capital	Committed capital by the Group	Fund type	% Capital called	Uncalled capital ⁽¹¹⁾	Hurdle rate ⁽³⁾	Carried interest % ⁽⁴⁾	Invested amount ⁽⁶⁾	Realized cost ⁽⁷⁾	Remaining cost ⁽⁸⁾	Realized fair value ⁽⁹⁾	Remaining fair value ⁽¹⁰⁾	NAV ⁽¹¹⁾
Funds focused on early-stage investments:																		
Tianru Xingzhou ⁽²⁾	2021	Seven years	Investment period	2021-2025	2025-2028	RMB1,140 million	RMB90 million	Consolidated	50%	RMB570 million	8% per annum	20% ⁽⁵⁾	RMB517 million	-	RMB517 million	RMB1 million	RMB549 million	RMB564 million
Tianru VC USD Fund L.P.	2019	Ten years	Investment period	2020-2025	2025-2030	USD139 million	USD20 million	Consolidated	98%	USD3 million	8% per annum	20%	USD124 million	-	USD124 million	-	USD180 million	USD180 million
Tianru Xingshen	2018	Eight years	Post-investment period	2018-2022	2022-2026	RMB500 million	RMB73 million	Consolidated	100%	-	-	20% ⁽⁵⁾	RMB430 million	RMB5 million	RMB425 million	RMB7 million	RMB699 million	RMB747 million
Tianru Dongfeng	2017	Eight years	Post-investment period	2017-2022	2022-2025	RMB1,200 million	RMB305 million	Non-consolidated	100%	-	8% per annum	20%	RMB1,091 million	RMB13 million	RMB1,078 million	RMB12 million	RMB4,766 million	RMB4,755 million
Tiangenshen	2017	Eight years	Post-investment period	2017-2021	2021-2025	RMB571 million	RMB81 million	Non-consolidated	100%	-	8% per annum	20%	RMB305 million	RMB178 million	RMB327 million	RMB331 million	RMB447 million	RMB454 million
Tianru Tianou ⁽¹²⁾	2016	Seven years	Post-investment period	2016-2020	2020-2023	RMB300 million	RMB15 million	Non-consolidated	100%	-	6% per annum	20%	RMB263 million	RMB4 million	RMB259 million	RMB38 million	RMB761 million	RMB803 million
Funds focused on growth and late-stage investments:																		
Tianru Xingzhan	2018	Seven years	Post-investment period	2018-2022	2022-2025	RMB1,000 million	RMB230 million	Non-consolidated	100%	-	8% per annum	20% ⁽⁵⁾	RMB760 million	RMB65 million	RMB696 million	RMB73 million	RMB1,096 million	RMB1,162 million
Tianru China Consumer Fund I, L.P.	2018	Nine years	Post-investment period	2018-2023	2023-2027	USD200 million	USD10 million	Consolidated	91%	USD18 million	8% per annum	20%	USD173 million	-	USD173 million	-	USD244 million	USD243 million
Tianru Xingpeng	2017	Seven years	Post-investment period	2017-2021	2021-2024	RMB2,660 million	RMB539 million	Consolidated	95%	RMB132 million	8% per annum	20% ⁽⁵⁾	RMB2,226 million	RMB27 million	RMB2,209 million	RMB75 million	RMB2,594 million	RMB2,720 million
Tianru Xingbei	2015	Ten years	Post-investment period	2015-2018	2018-2025	RMB3,000 million	RMB299 million	Consolidated	100%	-	8% per annum	20%	RMB2,612 million	RMB145 million	RMB2,468 million	RMB309 million	RMB1,250 million	RMB3,394 million
Tianru China Consumer Fund I, L.P.	2014	Ten years	Post-investment period	2014-2018	2018-2024	USD113 million	USD10 million	Non-consolidated	98%	USD2 million	8% per annum	20%	USD104 million	USD27 million	USD77 million	USD8 million	USD325 million	USD317 million

SUMMARY

Notes:

- (1) Represents the phase of the fund as of March 31, 2023. Our fund life can be divided into two phases: the investment period and the post-investment period. For details, see “Business – Income From Our Fund Management and Investments – Revenue From Managing External Capital” in this prospectus.
- (2) Tiantu Xingzhou was in its fundraising stage as of March 31, 2023.
- (3) Hurdle rate represents the minimum rate of return on an investment for a given fund in order for the general partner to obtain carried interest.
- (4) Carried interest % represents the percentage of the fund’s profits that the general partners are entitled to provided that a hurdle rate of the fund has been achieved.
- (5) If the fund’s gains exceed three times of its paid-in capital, carried interest % for such excess gains would be 30%.
- (6) Represents the cumulative investment cost of the fund that has been invested in its portfolio companies.
- (7) Represents the initial investment amount in portfolio companies that the fund has fully or partially exited.
- (8) Refers to the invested amount of the fund minus its realized cost.
- (9) Refers to the cash received or realized by the fund from exit of investments and dividend distribution.
- (10) Refers to the fair value of all portfolio companies directly held under the fund and indirectly through holding vehicles.
- (11) AUM of a fund is calculated as the fund’s NAV plus uncalled capital. Uncalled capital is equal to committed capital minus capital called. NAV equals total assets minus total liabilities. Total assets mainly include financial assets measured at fair value and cash, and total liabilities mainly include accrued expenses such as management fee payables.
- (12) We are considering to extend the fund term of Tiantu Tiantou according to its partnership agreement.

SUMMARY

In addition, after March 31, 2023 and up to the Latest Practicable Date, we launched three new Renminbi-denominated funds focusing on early-stage investments in China's consumer industry, including a fund established in April 2023 with a committed capital of RMB60 million, a fund established in June 2023 with a committed capital of RMB100 million and a fund established in July 2023 with a committed capital of RMB175 million. The fund life of these funds ranges from five to seven years. As of the Latest Practicable Date, these new funds were in their fundraising stage and had not yet made any investment. Besides, we entered into a partnership agreement with external investors in August 2023 for the establishment of a new fund with a committed capital of RMB200 million. We are currently preparing for the establishment of this new fund according to the partnership agreement.

The average IRR of our funds was 16.2%, 17.8%, 28.2%, 16.0% and 16.0% as of January 1, 2020, December 31, 2020, 2021 and 2022, and March 31, 2023, respectively. The following tables set forth certain performance information of these funds as of the dates indicated. Performance of funds that had made investments for less than one year as of each indicated date is not presented in the below table, as these funds had not started generated meaningful return yet:

	IRR	IRR for unrealized or partially realized portions	Net IRR	MOIC	DPI	TVPI
As of March 31, 2023						
Tiantu VC USD Fund I L.P.	20.9%	20.9%	17.8%	1.4x	–	1.3x
Tiantu Xingshen	27.7%	27.7%	24.1%	1.6x	–	1.5x
Tiantu Dongfeng	40.7%	40.8%	38.1%	4.4x	–	4.0x
Tangrenshen	10.3%	11.7%	8.3%	1.5x	58%	1.4x
Tiantu Tiantou	20.8%	20.8%	19.1%	3.0x	–	2.7x
Tiantu Xingnan	11.7%	11.7%	7.0%	1.5x	15%	1.3x
Tiantu China Consumer Fund II, L.P.	12.2%	12.2%	10.3%	1.4x	–	1.3x
Tiantu Xingpeng	4.0%	4.0%	1.4%	1.2x	–	1.1x
Tiantu Xingbei	5.3%	5.4%	3.4%	1.4x	8%	1.2x
Tiantu China Consumer Fund I, L.P.	17.2%	21.0%	16.2%	3.2x	7%	2.9x
Tiantu Xingzhou	5.3%	5.3%	(3.0%)	1.1x	–	1.0x
As of December 31, 2022						
Tiantu VC USD Fund I L.P.	25.2%	25.2%	21.7%	1.5x	–	1.4x
Tiantu Xingshen	23.2%	23.2%	19.2%	1.4x	–	1.3x
Tiantu Dongfeng	37.4%	37.6%	34.7%	3.6x	–	3.3x
Tangrenshen	11.0%	12.7%	8.9%	1.6x	58%	1.4x
Tiantu Tiantou	21.4%	21.4%	19.5%	3.0x	–	2.6x
Tiantu Xingnan	11.0%	11.0%	5.9%	1.5x	15%	1.3x

SUMMARY

	IRR	IRR for unrealized or partially realized portions	Net IRR	MOIC	DPI	TVPI
Tiantu China Consumer Fund II, L.P.	12.4%	12.4%	10.3%	1.4x	–	1.3x
Tiantu Xingpeng	4.1%	4.1%	1.9%	1.2x	–	1.1x
Tiantu Xingbei	5.8%	5.9%	3.8%	1.4x	7%	1.2x
Tiantu China Consumer Fund I, L.P.	17.1%	21.1%	16.1%	3.1x	7%	2.8x
Tiantu Xingzhou	7.2%	7.2%	0.4%	1.1x	–	1.0x
As of December 31, 2021						
Tiantu VC USD Fund I L.P.	78.4%	78.4%	72.5%	1.5x	–	1.5x
Tiantu Xingshen	38.1%	38.1%	32.6%	1.5x	–	1.2x
Tiantu Dongfeng	49.9%	49.9%	46.4%	3.5x	–	3.2x
Tangrenshen	13.6%	13.6%	11.7%	1.6x	33%	1.4x
Tiantu Tiantou	30.9%	30.9%	28.9%	3.5x	–	3.1x
Tiantu Xingnan	13.5%	13.5%	6.7%	1.4x	6%	1.2x
Tiantu China Consumer Fund II, L.P.	23.8%	23.8%	21.4%	1.5x	–	1.4x
Tiantu Xingpeng	5.7%	5.7%	3.5%	1.2x	–	1.1x
Tiantu Xingbei	8.0%	8.1%	5.5%	1.4x	6%	1.3x
Tiantu China Consumer Fund I, L.P.	20.1%	22.3%	18.9%	3.1x	6%	2.8x
As of December 31, 2020						
Tiantu Xingshen	35.3%	35.3%	26.3%	1.2x	–	1.1x
Tiantu Dongfeng	17.8%	17.8%	14.0%	1.4x	–	1.3x
Tangrenshen	10.7%	10.7%	7.6%	1.3x	2%	1.2x
Tiantu Tiantou	34.1%	34.1%	31.7%	2.9x	–	2.6x
Tiantu Xingnan	12.9%	12.9%	6.3%	1.2x	–	1.1x
Tiantu China Consumer Fund II, L.P.	15.8%	15.8%	12.4%	1.2x	–	1.1x
Tiantu Xingpeng	6.0%	6.0%	3.7%	1.1x	–	1.1x
Tiantu Xingbei	11.1%	11.1%	8.4%	1.5x	4%	1.4x
Tiantu China Consumer Fund I, L.P.	16.8%	16.9%	15.4%	2.2x	6%	2.1x
As of January 1, 2020						
Tiantu Dongfeng	11.2%	11.2%	6.6%	1.2x	–	1.1x
Tangrenshen	15.9%	15.9%	12.1%	1.3x	–	1.2x
Tiantu Tiantou	39.6%	39.6%	37.0%	2.4x	–	2.2x
Tiantu Xingnan	8.0%	8.0%	1.4%	1.1x	–	1.0x
Tiantu China Consumer Fund II, L.P.	14.5%	14.5%	10.3%	1.2x	–	1.1x
Tiantu Xingpeng	8.1%	8.1%	7.0%	1.1x	–	1.1x
Tiantu Xingbei	14.6%	14.6%	11.4%	1.5x	1%	1.4x
Tiantu China Consumer Fund I, L.P.	17.7%	17.8%	16.0%	2.0x	6%	1.8x

SUMMARY

Tangrenshen, Tiantu Xingbei, Tiantu China Consumer Fund I, L.P. and Tiantu Dongfeng had fully exited and realized certain investments as of March 31, 2023. The following table sets forth their respective IRR for fully exited and realized portions as of the dates indicated:

	IRR for fully exited and realized portions				
	As of January 1,	As of December 31,			As of March 31,
	2020	2020	2021	2022	2023
Tangrenshen	N/A	N/A	N/A	5.6%	5.6%
Tiantu Xingbei	N/A	N/A	2.9%	2.9%	2.9%
Tiantu China Consumer Fund I, L.P. ⁽¹⁾	11.8%	11.8%	(60.5)%	(76.8)%	(76.8)%
Tiantu Dongfeng ⁽¹⁾	N/A	N/A	N/A	(47.7)%	(47.7)%

Note:

- (1) The negative IRR for fully exited and realized portions was mainly due to the liquidation or disposal of a few investees that experienced particular difficulties in business operations or did not perform as expected. While we are generally cautious about exiting over unfavorable market conditions, we exited from these investments in 2021 and 2022 to cut loss after prudent evaluations. The rest of the portfolio remains high quality with promising potential of future value appreciation, including investments in industry leaders in their respective verticals, such as Nayuki (奈雪的茶), Pagoda (百果園) and Xiaohongshu (小紅書). The invested cost of such fully exited positions only accounted for 2.6% of the total NAV of these two funds as of March 31, 2023. For further details, see “Business – Investment Process and Arrangement – Our Investment Process – Post-Investment Management” and “Business – Investment Process and Arrangement – Our Investment Process – Exit From Investments” in this prospectus.

If taking the Wind Hong Kong Index (Consumer Discretionary) and the Wind Hong Kong Index (Consumer Staples) as proxies, our funds outperformed these two indices during the Track Record Period, which is demonstrated by our funds’ IRR consistently exceeding the annualized returns of these indices as detailed in the section headed “Business – Our Funds – Fund Performance” in this prospectus.

Our External Fund Investors

The external investors of our funds mainly consist of institutional investors, including renowned multinational corporations and insurance companies, such as Nestle and Greatwall Life, and high-net-worth individuals. As of March 31, 2023, 47% of the total committed capital from external fund investors were from financial institutions and government-guiding funds, and approximately 81% of the external investors of our funds were located in mainland China.

SUMMARY

Many of our external fund investors have invested in our funds for more than once, which we believe is attributable to our ability to generate optimal returns for our fund investors. During the Track Record Period, we raised new capital of RMB2,548.1 million from external fund investors, approximately 29.2% of which were re-up capital commitments from existing limited partners of our funds.

Thanks to our access to diverse pools of capital, we had 11 funds under management which were supported by a total of 98 external fund investors as of March 31, 2023. Our five largest external fund investors as of December 31, 2020, 2021 and 2022 and March 31, 2023 in aggregate contributed 28.7%, 27.3%, 27.2% and 27.3% of our funds' total committed capital as of the same dates, respectively, and our ten largest external fund investors as of December 31, 2020, 2021 and 2022 and March 31, 2023 contributed 43.1%, 41.7%, 42.4% and 42.5% of our funds' total committed capital as of the same dates, respectively. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any default by our fund investors according to relevant partnership agreements.

For further details, see “Business – Sources of Capital and Fundraising” and “Business – Major Customers and Suppliers – Our Customers” in this prospectus.

Direct Investments

In addition to our managed funds, we also manage our own capital and make direct investments to seek optimal returns. Such investments are made through holding vehicles, in most cases 100% controlled by us, by way of direct equity holding by our Company, and in certain cases through wholly owned limited partnerships. As of March 31, 2023, the IRR of our direct investments made during the Track Record Period was 14.8%. As of January 1, 2020, December 31, 2020, 2021 and 2022, and March 31, 2023, the IRR of our direct investments was 7.4%, 7.9%, 7.6%, 8.2% and 7.7%, respectively. In the future, we anticipate that our fund management business will continue to grow into an increasingly dominant component of our business operations, while the overall scale of our direct investments will remain stable and moderate.

For further information, see “Business – Direct Investments” in this prospectus.

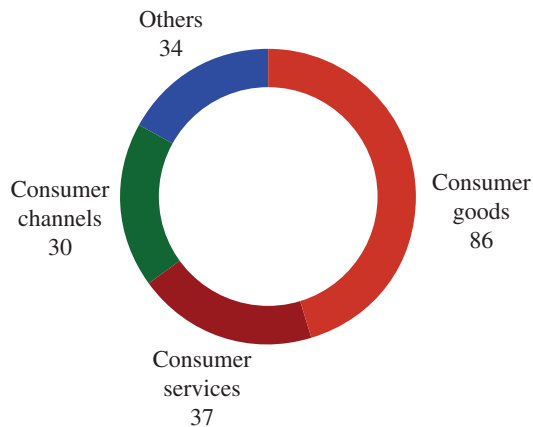
Portfolio Companies

We have a proven track record of investing in the consumer industry in China, covering mainly early-stage investments, and growth and late-stage investments, and we seek to optimize returns mainly through effective management and seizing good exit opportunities. As of March 31, 2023, we had cumulatively invested in a total of 222 portfolio companies, including 180 companies in the consumer space, through the funds under our management and/or direct investments. As of the same date, our investments in 35 of these companies had been fully exited, while the remaining 187 companies were still in our portfolio with our investments in 24 of them partially exited. From January 1, 2020 and up to March 31, 2023, we made investments in 100 portfolio companies, including 83 new portfolio companies and 17 existing portfolio companies.

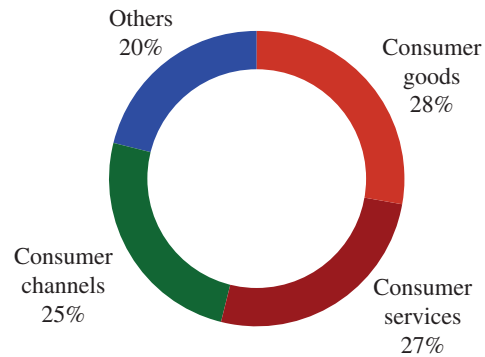
SUMMARY

As of March 31, 2023, 153 of our 187 existing portfolio companies are in the consumer industry, including consumer goods, consumer services, and consumer channels sectors, with the remaining 34 companies primarily in the biotech or technology industries. The following charts illustrate our existing portfolio companies and invested capital by sector as of March 31, 2023.

Number of portfolio companies by sector



Invested capital by sector



We have a proven track record of identifying great companies early in their development. For instance, we were the lead investor in Zhou Hei Ya (周黑鴨)'s first round financing in 2010. Six years after our initial investment, Zhou Hei Ya (周黑鴨) was listed on the Hong Kong Stock Exchange with its market value growing by over 20 times since our initial investment. Another example is Nayuki (奈雪的茶), a premium teahouse chain brand. We were the only institutional investor in Nayuki (奈雪的茶)'s earliest round of financing.

Portfolio Companies of Our Funds Under Management

Out of our 187 existing portfolio companies as of March 31, 2023, 149 were invested by our funds. The movements in the number of portfolio companies managed under our funds and their fair value during the Track Record Period are as follows:

	For the years ended December 31,			For the three months ended
	2020	2021	2022	March 31, 2023
Number of portfolio companies				
– As of the beginning of the period	80	106	138	149
– Investments in new portfolio companies	26	35	17	–
– Full exit of the investments	–	3	6	–
– As of the end of the period	106	138	149	149

SUMMARY

	For the years ended December 31,			For the three months ended
				March 31,
	2020	2021	2022	2023
	<i>RMB</i> <i>million</i>	<i>RMB</i> <i>million</i>	<i>RMB</i> <i>million</i>	<i>RMB</i> <i>million</i>
Fair value of portfolio companies				
Fair value as of the beginning of the period	10,854.3	12,819.7	18,117.7	18,513.6
– Add: new investments in existing portfolio companies	620.0	502.7	67.4	0.7
– Add: new investments in new portfolio companies	655.7	919.1	411.4	–
– (Less): original investment cost of partially exited investments	(69.1)	(128.3)	(5.2)	(41.9)
– (Less): original investment cost of fully exited investments	–	(66.8)	(290.6)	–
– Add: unrealized fair value change during the period	758.8	4,071.4	212.9	828.4
Unrealized fair value as of the end of the period	12,819.7	18,117.7	18,513.6	19,300.7
Cash received/realized from exit of investments and dividend distribution	156.4	225.6	180.9	164.1

Portfolio Companies of Our Direct Investments

The movements in the number of portfolio companies invested through direct investments and their fair value during the Track Record Period are as follows:

	For the years ended December 31,			For the three months ended
				March 31,
	2020	2021	2022	2023
Number of portfolio companies⁽¹⁾				
– As of the beginning of the period	53	56	55	53
– Investments in new portfolio companies	5	4	–	1
– Full exit of the investments	2	5	2	–
– As of the end of the period	56	55	53	54

SUMMARY

Note:

- (1) As 16 portfolio companies were co-invested by our funds and direct investments, the total number of our portfolio companies does not equal the number of portfolio companies invested by our funds plus the number of portfolio companies invested through direct investments.

	For the years ended December 31,			For the three months ended March 31,
	2020	2021	2022	2023
	<i>RMB</i> <i>million</i>	<i>RMB</i> <i>million</i>	<i>RMB</i> <i>million</i>	<i>RMB</i> <i>million</i>
Fair value of portfolio companies				
Fair value as of the beginning of the period	6,180.1	5,031.2	4,722.6	5,082.0
– Add: new investments in existing portfolio companies	75.0	70.0	2.5	–
– Add: new investments in new portfolio companies	408.9	137.3	–	9.2
– (Less): original investment cost of partially exited investments	(490.1)	(293.4)	(151.3)	(3.8)
– (Less): original investment cost of fully exited investments	(90.3)	(119.0)	(10.0)	–
– Add/(Less): unrealized fair value change during the period	(1,052.5)	(103.4)	518.2	(246.2)
Unrealized fair value as of the end of the period	5,031.2	4,722.6	5,082.0	4,841.3
 Cash received/realized from exit of investments and dividend distribution	 2,130.4	 734.7	 349.9	 63.4

For more information about our investment strategies, our funds and portfolio companies, see “Business – Investment Strategies,” “Business – Investment Approach”, “Business – Our Funds” and “Business – Portfolio Companies” in this prospectus.

SUMMARY

Valuation of Portfolio Companies

During the Track Record Period, our portfolio companies under our managed funds and direct investments were measured at fair value on which our financial position and performance are highly dependent. Since a large number of our portfolio companies are unlisted companies which we have not yet started to exit, we have maintained consistent and disciplined valuation methods to assess and manage valuation-related impacts on our business operations and financial performance. For more details regarding the valuation methodology and competency of the valuers, please see “Business – Risk Management and Internal Control – Risks Management Related to Post-Investment Management – (5) Provision of post-investment value-added support – Established Valuation Process,” “Financial Information – Significant Accounting Policies and Critical Judgements and Estimates – Critical Accounting Judgments and Key Sources of Estimation Uncertainty – Fair Value Measurements and Valuation Process” and Note 48 *Financial Risk Management* to the Accountants’ Report in Appendix I to this prospectus.

OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors:

- Leading private equity investor and fund manager driving the growth of China’s consumer brands and companies;
- Well-positioned to capture the industry opportunities of China’s consumption and investment industry;
- 20 years of insight and understanding into brands, entrepreneurs, organizations and consumers;
- Long-term dedicated risk management systems; and
- Our talent retention and visionary leadership that strongly support the longevity of our business.

For more details regarding our strengths, please see “Business – Our Strengths.”

SUMMARY

OUR STRATEGIES

Our mission is to become the investor of choice for Chinese consumer companies. We plan to implement the following strategies to achieve our goal:

- Continue to strengthen our leading position in investments in China’s consumer industry and expand into other selected areas of investments;
- Continue to empower Chinese consumer companies through strategic M&A;
- Explore flexible investment strategies and products, and expand our presence into various stages of investment projects with varying needs; and
- Continue to attract, motivate and retain high-quality talent.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

This summary of key financial information set forth below has been derived from, and should be read in conjunction with, our consolidated audited financial statements, including the accompanying notes, set forth in the Accountants’ Report set out in Appendix I to this prospectus, as well as the information set forth in the section headed “Financial Information”.

Summary Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss for the periods indicated. For more details, please see “Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income” in this prospectus.

	Year Ended December 31,			Three Months Ended	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Continuing Operation					
Revenue	38,602	34,823	45,983	8,491	12,442
Investment gains or losses, net	1,156,557	460,408	377,234	(195,600)	(206,349)
Total revenue and investment gains or losses, net	1,195,159	495,231	423,217	(187,109)	(193,907)
Share of result of associates and joint ventures	77,774	411,992	(29,228)	37,654	158,036

SUMMARY

	Year Ended December 31,			Three Months Ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Profit (loss) before tax	967,398	663,037	159,481	(208,631)	(96,545)
Income tax credit (expense)	90,326	(13,682)	(107,317)	900	15,607
Profit (loss) for the year/period from continuing operation	1,057,724	649,355	52,164	(207,731)	(80,938)
Discontinued operations					
Profit (loss) for the year/period from discontinued operations	165	70,468	480,749	(27,651)	–
Profit (loss) for the year/period	1,057,889	719,823	532,913	(235,382)	(80,938)
Total comprehensive income (expense) for the year/period	920,085	663,983	748,678	(251,792)	(111,112)
Profit (loss) for the year/period attributable to owners of the Company					
– From continuing operation	747,261	656,506	59,814	(195,674)	(80,343)
– From discontinued operations	(26,262)	73,627	499,471	(27,657)	–
	720,999	730,133	559,285	(223,331)	(80,343)
Profit (loss) for the year/period attributable to non-controlling interests					
– From continuing operation	310,463	(7,151)	(7,650)	(12,057)	(595)
– From discontinued operations	26,427	(3,159)	(18,722)	6	–
	336,890	(10,310)	(26,372)	(12,051)	(595)
Total comprehensive income (expense) for the year/period attributable to					
– Owners of the Company	585,113	675,083	772,762	(239,614)	(110,229)
– Non-controlling interests	334,972	(11,100)	(24,084)	(12,178)	(883)
	920,085	663,983	748,678	(251,792)	(111,112)

SUMMARY

During the Track Record Period, our revenue was generated from our private equity investment business in the form of fund management fees. Our revenue was RMB38.6 million, RMB34.8 million, RMB46.0 million and RMB12.4 million in 2020, 2021 and 2022 and for the three months ended March 31, 2023, respectively.

Our net profit or loss fluctuated during the Track Record Period. Our net profit decreased from RMB1,057.9 million in 2020 to RMB719.8 million in 2021, and to RMB532.9 million in 2022. We recorded a net loss of RMB235.4 million and RMB80.9 million for the three months ended March 31, 2022 and 2023, respectively. The fluctuation of our net profit and net loss mostly reflect the valuation changes of our portfolio companies. 2020 was a very lucrative year for the capital market, and the valuation of both public and private companies, especially in the consumer industry, grew very rapidly. The capital market and valuation level gradually cooled down in 2021 and afterwards. In terms of realized gains, several of our portfolio companies managed to go public, and we successfully exited several investments in 2020, rightly capturing the uptrend of the capital market. These all contribute to the high net profit in 2020, and the fluctuations thereafter. Our net losses for the three months ended March 31, 2022 and 2023 were primarily due to our net investment losses in the first three months of 2022 and 2023. The net investment losses in the first three months of 2022 was primarily caused by the fluctuations in the stock prices of our listed investments. The net investment losses in the first three months of 2023 was primarily due to the changes in the valuation of certain of our equity investments in the field of transactions and services platform, finance, and food.

Income From Our Fund Management and Investments

We generally launch and manage funds through wholly-owned subsidiaries, and receive fund management fees and carried interest. Fund management fees are generally charged as a percentage, typically 2% each year, of (i) committed capital during the investment period, and (ii) committed or paid-in capital minus cost of exited investments after the investment period. Cost of exited investments refers to the initial investment amount of projects that we have already exited. Carried interest is generally charged as a percentage, typically 20%, of our funds' realized gains when the gain exceeds certain hurdle rates. We also recognize investment gains and losses as we make investments with our own capital.

The following table sets forth a breakdown of our revenue and income from private equity investment business for the periods indicated.

	Years ended December 31,			Three Months Ended	
	2020	2021	2022	March 31, 2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Revenue from private equity					
investment business	38,602	34,823	45,983	8,491	12,442
– Fund management fees	38,602	34,823	45,983	8,491	12,442
– Carried interest	–	–	–	–	–
Investment gains or losses, net	1,156,557	460,408	377,234	(195,600)	(206,349)

SUMMARY

	Years ended December 31,			Three Months Ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
– Subtotal	1,195,159	495,231	423,217	(187,109)	(193,907)
Share of results of associates and joint ventures	77,774	411,992	(29,228)	37,654	158,036
Total	<u>1,272,933</u>	<u>907,223</u>	<u>393,989</u>	<u>(149,455)</u>	<u>(35,871)</u>

Fund Management Fees

Our revenue from our private equity investment business only presents our fund management fees from unconsolidated funds under our management during the Track Record Period. We also received fund management fees from our consolidated funds on a similar fee scale, but those amounts were offset as inter group transactions when we prepare the consolidated financial statements. The following table sets forth the revenue from funds under our management for the periods indicated:

	Years ended December 31,			Three Months Ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Gross fund management fees ⁽¹⁾	176,625	166,162	179,575	46,487	39,816
Less fund management fees charged from consolidated funds	(138,023)	(131,339)	(133,592)	(37,996)	(27,374)
Revenue from private equity investment business	<u>38,602</u>	<u>34,823</u>	<u>45,983</u>	<u>8,491</u>	<u>12,442</u>

Note:

(1) Refers to the fund management fees charged from all the funds under our management.

SUMMARY

Carried Interest

Before the Track Record Period, we recognized carried interest from our early funds, but during the Track Record Period, we did not recognize any accrued carried interest as most of our funds were in their investment periods or early post-investment periods and have not achieved the targeted thresholds of realized gains to recognize carried interest pursuant to the relevant agreements.

Investment Gains or Losses, Net

We recognized net investment gains of RMB1,156.6 million, RMB460.4 million and RMB377.2 million in 2020, 2021 and 2022, respectively. We recorded net investment losses of RMB195.6 million and RMB206.3 million for the three months ended March 31, 2022 and 2023, respectively. Such investment gains or losses are mainly in the form of dividends and interests, realized gains or losses, and unrealized gains or losses from financial assets at fair value through profit or loss (“FVTPL”) and interests in associates measured at fair value. When our consolidated funds or we directly make a minority investment into a portfolio company and appoint directors onto its board, such investment is recorded as interests in associates as representation on the board is evidence of significant influence, which are measured at fair value as they are held through venture capital organizations; otherwise the minority investment is recorded as financial assets at FVTPL. For further information, see “Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income – Continuing Operations – Investment Gains or Losses, Net” in this prospectus. Performance of our unconsolidated funds accounted for as financial assets is recorded as investment gains or losses, while performance of our unconsolidated funds accounted for with the equity method is recorded as share of results of associates or joint ventures, which is further discussed in “– Share of Results of Associates and Joint Ventures” below.

The fluctuation in our net investment gains or losses is mostly the reflection of the valuation changes of our portfolio companies. 2020 was a very lucrative year for the capital market, and valuations of both public and private companies, especially in the consumer industry, grew very rapidly. The market and valuation level gradually cooled down in 2021 and afterwards. In terms of realized gains, several of our portfolio companies managed to go public, and we successfully exited several investments in 2020, rightly capturing the uptrend of the capital market. These all contribute to the high net investment gains in 2020, and the fluctuations thereafter.

As we and our consolidated funds both fulfill the characteristics of venture capital organizations, portfolio companies held thereunder since initial recognition are able to be measured at fair value within IAS 28 *Investments in Associates and Joint Ventures*. For more details, please see “Financial Information – Significant Accounting Policies and Critical Judgements and Estimates – Significant Accounting Policies – Investment in Associates and Joint Ventures” in this prospectus.

SUMMARY

Share of Results of Associates and Joint Ventures

We recognized share of gains of associates and joint ventures of RMB77.8 million, RMB412.0 million and share of loss of RMB29.2 million in 2020, 2021 and 2022, respectively. We recognized share of gains of associates and joint ventures of RMB37.7 million and RMB158.0 million for the three months ended March 31, 2022 and 2023, respectively. Such shares of results represent investment gains from our unconsolidated entities, mainly funds under management, measured using equity method accounting, and thus they also reflect our ability to generate investment income through our managed funds. For further information, see “Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income – Continuing Operations – Share of Results of Associates, Share of Results of Joint Ventures” in this prospectus.

The significant increases in share of results of associates and joint ventures in 2021 and the three months ended March 31, 2023 were primarily due to the increased investment gains of underlying portfolio companies from our unconsolidated funds under our management, which were in line with the financial performance of those funds. The decrease in share of results of associates and joint ventures in 2022 was primarily due to the loss generated from the fair value changes of certain investments held under our fund, Tiantu Tiantou, and our direct investment entity, Tiantu Maverick, in 2022.

The table below summarizes the presentation of our investment performance in financial statement:

	Consolidated funds or consolidated direct investment entities	Unconsolidated funds or unconsolidated direct investment entities (with significant influence/joint control)	An unconsolidated fund (without significant influence)	Portfolio companies under consolidated funds or consolidated direct investment entities
Accounting Methodology	Consolidated subsidiaries, with limited partner portion accounted as financial liability	Accounted with equity method as associates/joint ventures	Accounted as financial assets at FVTPL	Accounted as financial assets at FVTPL or interests in associated measured at fair value
Consolidated Statements of Profit or Loss Reflection	Consolidated in every line, as subsidiaries; limited partner portion accounted as “unrealized losses from financial liabilities at FVTPL”	Share of results from associates/joint ventures	Investment gains/losses from financial assets at FVTPL	Our gains or losses from portfolio companies are presented as realized or unrealized gains or losses from financial assets at FVTPL or interests in associates measured at fair value

SUMMARY

	Consolidated funds or consolidated direct investment entities	Unconsolidated funds or unconsolidated direct investment entities (with significant influence/joint control)	An unconsolidated fund (without significant influence)	Portfolio companies under consolidated funds or consolidated direct investment entities
Consolidated Statements of Financial Position Reflection	Consolidated in every line, as subsidiaries; limited partner portion accounted as “financial liabilities at FVTPL”	Interests in associates measured using equity method; or interests in joint ventures	Accounted as financial assets at FVTPL	Portfolio companies are presented as interests in associates measured at fair value or financial assets at FVTPL

In addition, for details of the accounting treatments of our different funds and investments, see “Financial Information – Significant Accounting Policies and Critical Judgements and Estimates – Significant Accounting Policies – Presentation of Investment Performance in Financial Statements” in this prospectus.

Historically, we deployed buyout investment strategies and have invested in certain dairy businesses, the operating entities of which were Mengtian Dairy and Yoplait China. Due to commercial reasons, primarily including to avoid potential confusion as to our primary business as a private equity investor and fund manager and to allow more flexibility in capital market initiatives for both Mengtian Dairy and Yoplait China, we ceased to consolidate Mengtian Dairy and Yoplait China. Mengtian Dairy was deconsolidated as of December 31, 2021 because we ceased to control Mengtian Dairy after the change in the board composition of Mengtian Dairy despite the unchanged equity interest held by us. Yoplait China was deconsolidated as of June 15, 2022 because we ceased to control Yoplait China as a result of the investment from a new investor and unwinding of certain concert arrangements among our Group and other relevant shareholders of Yoplait China. For more details, please see “History, Development and Corporate Structure – Deconsolidation of Dairy Businesses (Discontinued Operations).” Upon the deconsolidation of Mengtian Dairy Business, a one-off gain of RMB123.3 million was recognized and was included in the profit from discontinued operations in our financial statements. Upon the deconsolidation of Yoplait China, a one-off gain of RMB520.4 million was recognized which was also included in the profit from discontinued operations. Such gains represent primarily the value appreciation of all our equity interest in Mengtian Dairy and Yoplait China, with reference to the fair value of our retained interests recognized as interests in an associate measured on the date of deconsolidation, since our acquisition. There was significant accounting judgment involved in the above deconsolidation. For more details, please see “Business – Deconsolidated Investments (Dairy Business),” “Financial Information – Discontinued Operations” and Note 4 *Critical Accounting Judgments and Key Sources of Estimation Uncertainty*, Note 39 *Discontinued Operation of Mengtian Dairy Business and Yoplait China* and Note 53 *Events After Reporting Period* to the Accountants’ Report in Appendix I to this prospectus.

SUMMARY

Summary Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of
	2020	2021	2022	March 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>2023</i> <i>RMB'000</i>
Total non-current assets	13,075,380	15,201,571	16,119,945	16,089,932
Total current assets	2,680,527	2,137,520	1,433,015	1,275,520
Total assets	15,755,907	17,339,091	17,552,960	17,365,452
Total non-current liabilities	8,655,142	8,084,070	9,791,999	9,736,756
Total current liabilities	1,042,315	2,643,108	433,861	412,708
Net current assets (liabilities)	1,638,212	(505,588)	999,154	862,812
Total liabilities	9,697,457	10,727,178	10,225,860	10,149,464
Net assets	6,058,450	6,611,913	7,327,100	7,215,988
Share capital	519,773	519,773	519,773	519,773
Reserves	5,241,047	6,008,587	6,776,765	6,666,536
Equity attributable to owners of the Company	5,760,820	6,528,360	7,296,538	7,186,309
Non-controlling interests	297,630	83,553	30,562	29,679
Total equity	6,058,450	6,611,913	7,327,100	7,215,988

We recorded net assets of RMB6,058.5 million, RMB6,611.9 million, RMB7,327.1 million and RMB7,216.0 million as of December 31, 2020, 2021 and 2022 and March 31, 2023, respectively. The increase of net assets in 2021 was primarily attributable to the profit for 2021 of RMB719.8 million, partially offset by the deduction arising from the deconsolidation of Mengtian Dairy and dilution of the Group's interests in Yoplait China totaling RMB112.3 million in December 2021. The increase of net assets in 2022 was primarily attributable to the profit for 2022 of RMB532.9 million, partially offset by the deduction arising from the deconsolidation of Yoplait China of RMB30.4 million in June 2022. The slight decrease in net assets as of March 31, 2023 was mainly attributable to the net loss of RMB80.9 million for the three months ended March 31, 2023.

SUMMARY

During the Track Record Period, our current assets were mainly affected by (i) financial assets at FVTPL, which mainly represented fair value of certain listed companies under our consolidated funds and direct investments and (ii) bank balance and cash. Meanwhile, our current liabilities were mainly affected by (i) outstanding balance of bonds payables due within one year and (ii) bank and other borrowings.

We had net current liabilities of RMB505.6 million as of December 31, 2021, primarily because we had a large amount of bond payables due within one year as of December 31, 2021 since our bonds, 17Tiantu01 of RMB1,000.0 million and 17Tiantu02 of RMB800.0 million matured in 2022, respectively.

Despite recording net current liabilities as of December 31, 2021, we maintained net current assets of RMB1,638.2 million, RMB999.2 million and RMB862.8 million as of December 31, 2020 and 2022 and March 31, 2023, respectively. These assets mainly consisted of the investments made by our funds and our bank balance and cash. The change from net current liabilities as of December 31, 2021 to net current assets as of December 31, 2022 was primarily because we issued the 2022 First Corporate Bonds and the 2022 Second Corporate Bonds, due in 2025 or 2027, with a total principal amount of RMB1,000.0 million in 2022 and subsequently redeemed the bonds 17Tiantu01 and 17Tiantu02, which were due within one year as of December 31, 2021, upon maturity in 2022, using these proceeds of the bonds issued in 2022 as well as our internal resources. The decrease in the net current assets as of March 31, 2023 was primarily due to a decrease in our bank balance and cash mainly as a result of our ongoing investment activities during the first three months of 2023.

One technical accounting treatment also significantly affects our net current asset position. If we invest in a portfolio company and appoint a member to the board, such investment will be accounted for as an interest in associate measured at fair value and classified as a non-current asset item regardless of whether the equity securities of that portfolio company is highly liquid and traded on a reputable stock exchange. As of December 31, 2020, 2021 and 2022 and March 31, 2023, RMB167.3 million, RMB831.0 million, RMB701.7 million and RMB681.0 million of interests in associates measured at fair value represented our listed equity investments and were not subject to trading restriction.

For more details, see “Financial Information – Discussion of Certain Selected Items From the Consolidated Statements of Financial Position” in this prospectus.

SUMMARY

Summary Consolidated Statements of Cash Flows

The following table sets forth our consolidated statements of cash flows for the periods indicated:

	Year Ended December 31,			Three Months Ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Net cash flows generated from/(used in) operating activities	931,674	(791,002)	(214,724)	(99,340)	100,416
Net cash flows (used in)/generated from investing activities	(135,239)	(311,000)	203,457	747	(99,524)
Subtotal	796,435	(1,102,002)	(11,267)	(98,593)	892
Net cash flows (used in)/generated from financing activities	(764,691)	1,314,242	(395,273)	53,787	(35,159)
Net increase (decrease) in cash and cash equivalents	31,744	212,240	(406,540)	(44,806)	(34,267)
Cash and cash equivalents at beginning of the year/period	768,353	793,401	1,015,797	1,015,797	613,612
Effect of foreign exchange rate changes	(6,696)	10,156	4,355	(2,295)	(574)
Cash and cash equivalents at end of the year/period, represented by bank balances and cash	793,401	1,015,797	613,612	968,696	578,771
Less: Impairment recognised for bank balance	-	-	-	-	(27,383)
	<u>793,401</u>	<u>1,015,797</u>	<u>613,612</u>	<u>968,696</u>	<u>551,338</u>

SUMMARY

The cash flows from our various investments were classified as operating activities or investing activities according to their nature and relevant requirements under IAS 7. In particular, purchase and disposal of, and dividends and interest income received from (i) financial assets at FVTPL (excluding unlisted financial products); and (ii) interests in associates measured at fair value are presented as operating activities, while capital injection and reduction of interests in associates or joint ventures measured using equity method, interest, placement and withdrawal of unlisted financial products and deconsolidation of buyout investments are presented as investing activities.

We recorded net cash outflows from operating activities of RMB791.0 million and RMB214.7 million for the years ended December 31, 2021 and 2022, respectively. The net cash outflows from operating activities in 2021 and 2022 were primarily attributable to the increases in interests in associates measured at fair value.

Our working capital includes certain items related to our investments, such as financial assets at FVTPL and interests in associates measured at fair value. As a result of changes in valuation of our portfolio companies and different timing of investments and exits, the amount of changes in working capital may fluctuate from year to year, which then affect our operating cash flow. As most of our funds were still in their investment periods or just entered into post-investment periods during the Track Record Period, our cash outflows for investments exceeded our cash inflows from realized investment gains and results in the cash outflows from operating activities.

We recorded net cash outflow from investing activities of RMB135.2 million, RMB311.0 million and RMB99.5 million for the years ended December 31, 2020 and 2021 and for the three months ended March 31, 2023, respectively. The net cash outflows from investing activities for the years ended December 31, 2020 were primarily attributable to (i) net cash used for the acquisition of subsidiaries, including Yoplait China and certain business-related assets from Dongjun Dairy, and (ii) purchase of property, equipment, intangible assets and other non-current assets mainly for the dairy business. The net cash outflows from investing activities for the year ended December 31, 2021 and for the three months ended March 31, 2023 were primarily attributable to additional investments under direct investment business.

As we are a private equity investor and fund manager managing capital for institutional and professional investors and also making investments using our own capital, a significant amount of our cash was used for our investment whereas a relatively small scale of cash was used for rent and remuneration for employees. Cash flows from operating and investing activities are the reflection of our discretionary choice during our investment activities.

As of July 31, 2023, we had bank balances and cash of RMB534.1 million. Taking into account the available bank balances and cash, cash flows from operating activities, the available facilities, and the estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this prospectus. In addition, we also have the flexibility

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to dispose of those listed equity investments classified as interests in associates measured at fair value amounting to RMB452.9 million as of July 31, 2023, which are included in non-current assets but are freely tradable at our discretion.

RISK FACTORS

We believe that there are certain risks and uncertainties involved in our operations, some of which are beyond our control. These risks are set out in the section headed “Risk Factors” in this prospectus. Some of the major risks we face include: (i) our business performance is subject to high volatility, and difficult market and economic conditions may adversely affect our Company and our funds; (ii) our historical financial information may not necessarily be indicative of our future performance; (iii) there are inherent uncertainties associated with the fair value measurement of our investments and the fair value changes of our investments may lead to significant fluctuation in our financial performance; (iv) our investments are primarily concentrated in China’s consumer sector, and therefore our performance is subject to the fluctuations thereof; (v) our investments in portfolio assets and the financial performance of our funds and their portfolio assets could negatively impact our results of operations, financial condition and cash flow; (vi) unsound decisions related to our portfolio companies could have a material adverse effect on our business, financial condition and results of operations; (vii) we may not be able to successfully source suitable investment opportunities; (viii) we may not be able to raise additional funds to expand our business and our AUM may decline; (ix) we may not be able to exit investments effectively or on time; and (x) we may not be successful in executing or managing the complexities of new investment strategies or expanding into new markets and business.

You should read the entire section headed “Risk Factors” in this prospectus before you decide to invest in the Offer Shares.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, (i) Mr. Wang directly held 209,748,220 Shares, which is entitled to approximately 40.35% voting rights in our Company; and (ii) Mr. Wang was the sole executive partner of Tiantu Xingzhi and Tiantu Xinghe, each of which in turn held 8,750,000 Shares, representing approximately 3.36% voting rights in our Company. Therefore, Mr. Wang controlled the exercise of approximately 43.71% voting rights attached to a total of 227,248,220 Shares. Immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Wang, together with Tiantu Xingzhi and Tiantu Xinghe, will be entitled to exercise approximately 32.79% voting rights in our Company. Therefore, Mr. Wang, Tiantu Xingzhi and Tiantu Xinghe will be considered as a group of Controlling Shareholders of our Company upon the Listing under the Listing Rules. There is no competition between the businesses of our Controlling Shareholders and our businesses. Our Directors believe that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates after the Listing. For further details, see “Relationship with Our Controlling Shareholders” in this prospectus.

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LISTING ON THE NEEQ

Our Shares are currently listed on the NEEQ. As confirmed by the PRC Legal Advisor, we have been in compliance with all the applicable rules and requirements of the NEEQ in all material respects, and have never been subject to any administrative penalty, administrative supervision measures or self-regulatory measures by the NEEQ or other competent securities regulatory authorities from the commencement of our listing on the NEEQ and up to the Latest Practicable Date. For further details, see “History, Development and Corporate Structure” in this prospectus.

REGULATORY COMPLIANCE

Fund management industry is highly regulated and our operations are subject to laws and regulations in various jurisdictions, including the PRC, Hong Kong, and the Cayman Islands. During the Track Record Period and up to the Latest Practicable Date, we had never been involved in any non-compliance incidents that led to fines, enforcement actions or other penalties which could have a material adverse effect on our business, financial condition or results of operations. For summaries of regulations that are material to our business operations, see “Regulatory Overview” in this prospectus.

DIVIDENDS

No dividend has been paid or declared by our Company during the Track Record Period. On April 20, 2023, our shareholders’ general meeting passed a resolution to declare and distribute a cash dividend of RMB104.0 million for the year ended December 31, 2022 (“**2023 Dividend**”) to all holders of our Shares listed on the NEEQ as of a record date prior to the Listing as part of our commitment to sharing our development results with shareholders and in line with our long-term business plan. The 2023 Dividend was paid in June 2023, using our profits and reserves available for distribution, in compliance with the PRC Company Laws and our Articles of Association, as advised by our PRC Legal Advisor. We believe that the distribution of the 2023 Dividend will not have a material impact on the sufficiency of our working capital after the Listing and we will be able to maintain sufficient funds to meet our working capital requirement and debt obligations. Our historical declarations of dividends, including the 2023 Dividend, may not be indicative of our future declarations of dividends.

We currently do not have any dividend policy to declare or pay any dividends. We will periodically review our performance and evaluate whether it would be appropriate to declare and pay dividends. Any declaration and payment as well as the amount of dividends will be subject to our Articles of Association and the PRC Company Law. The declaration and payment of any dividends in the future will be determined by our Board, in its discretion, and will depend on a number of factors, including our earnings, capital requirements, overall financial condition and contractual restrictions. Our Shareholders in a general meeting may approve any declaration of dividends, 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. Please see “Financial Information – Dividends” for further information.

SUMMARY

GLOBAL OFFERING STATISTICS

All statistics in the following table are based on the assumptions that (i) the Global Offering had been completed and 173,258,000 H Shares are issued pursuant to the Global Offering; and (ii) the Over-allotment Option is not exercised.

	Based on an indicative price per Offer Share of HK\$5.80	Based on an indicative price per Offer Share of HK\$11.40
Our market capitalization ⁽¹⁾	HK\$4,019.6 million	HK\$7,900.6 million
Unaudited pro forma adjusted consolidated net tangible assets per Share ⁽²⁾⁽³⁾	HK\$12.59	HK\$13.94

Notes:

- (1) The calculation of market capitalization is based on 693,031,110 Shares expected to be in issue immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).
- (2) The unaudited pro forma adjusted consolidated net tangible assets per Share as of March 31, 2023 is calculated after making the adjustments referred to in “Appendix II – Unaudited Pro Forma Financial Information”.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per Share as of March 31, 2023 have not been adjusted to illustrate the effect of the 2023 Dividend of RMB104.0 million which has been distributed as disclosed in the paragraph headed “Financial Information – Dividends” in this prospectus. After taking into account the 2023 Dividend, the unaudited pro forma adjusted consolidated net tangible assets per Share would have been HK\$12.43 and HK\$13.78, respectively, assuming the amounts are converted from RMB into HK\$ at an exchange rate of RMB0.9171 to HK\$1.00, which was the exchange rate prevailing on September 15, 2023 with reference to the rate published by the People’s Bank of China. No representation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or any other rates or at all.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$1,359.6 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, and assuming the Over-allotment Option being not exercised and at the Offer Price of HK\$8.60 per Offer Share (being the mid-point of the indicative Offer Price range). If the Over-allotment Option is exercised in full, the net proceeds that we will receive will be approximately HK\$1,575.3 million. We currently intend to apply these net proceeds for the following purposes:

Amount of the estimated net proceeds	Intended use of net proceeds
65.0%, or approximately HK\$883.8 million	For further expanding our private equity fund management business

SUMMARY

<u>Amount of the estimated net proceeds</u>	<u>Intended use of net proceeds</u>
25.0%, or approximately HK\$339.9 million	For further developing and strengthening our direct investment business
10.0%, or approximately HK\$136.0 million	For our general corporate purposes

For more details, please see “Future Plans and Use of Proceeds” in this prospectus.

LISTING EXPENSES

Based on the mid-point of our indicative price range and assuming the Over-allotment Option is not exercise, the listing expenses to be borne by us are estimated to be approximately RMB119.6 million (HK\$130.4 million) and are expected to represent approximately 8.8% of the gross proceeds of the Global Offering (including underwriting commission), comprising of (i) underwriting-related expenses, including underwriting commission and other expenses, of RMB52.8 million (HK\$57.5 million); and (ii) non-underwriting-related expenses of RMB66.8 million (HK\$72.9 million), including (a) fee prepaid and payable to Legal Advisors and Reporting Accountant of RMB44.3 million (HK\$48.3 million); and (b) other fees and expenses of RMB22.5 million (HK\$24.6 million). Among such estimated total listing expenses, approximately RMB1.5 million (HK\$1.7 million) is expected to be charged to our consolidated statements of profit or loss, and approximately RMB118.1 million (HK\$128.7 million) is expected to be recognized as a deduction from equity upon the Listing. As of March 31, 2023, we incurred RMB44.9 million (HK\$48.9 million) in listing expenses recognized as deferred issue cost, which are primarily directly attributable to the issuance of the H Shares and will be deducted from equity upon the Listing. We estimate that additional listing expenses of approximately RMB74.7 million (HK\$81.5 million) (including underwriting commissions of approximately RMB47.8 million (HK\$52.2 million), assuming the Over-allotment Option is not exercised and based on the Offer Price of HK\$8.60 per Offer Share) will be incurred by our Company.

OUTBREAK OF COVID-19

Since December 2021 and throughout 2022, there has been scattered resurgences of COVID-19 cases, including the COVID-19 Delta and Omicron variant cases, in multiple cities in China. As a result, related measures were taken to contain the virus, which affected the performance and financial conditions of some of our portfolio companies with business operations in the affected areas, and in turn impacted our investments and the performance of our funds. The spread of COVID-19 together with uncertainties over economic, political and other macro conditions globally, has affected the overall investor sentiment and resulted in share price volatility in capital markets, which in turn affected our financial results in 2022.

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Since December 2022, China has relaxed anti-pandemic measures nationwide. Despite a surge in COVID-19 cases in some regions immediately following this relaxation, this latest outbreak has been temporary and have not had any significant negative impact on the business operations or financial conditions of our Company and our portfolio companies. According to CIC, by the first quarter of 2023, numerous companies in China had resumed normal operations and people had gradually returned to usual daily routines, which has facilitated the recovery of consumption. Since then and up to now, the Chinese consumer market has maintained a trend of revival. According to the same source, economic activities and market conditions, along with consumer confidence, have been gradually improving in 2023, with China's total retail sales of consumer goods from January 2023 to July 2023 increasing by 7.3% compared to the same period in 2022. The revival of macroeconomic conditions has not only brought about increased demands for consumer goods and services, driving the growth for companies in the consumer industry, but has also boosted investors' confidence and sentiment. Considering these developments, we believe that the relaxation of anti-pandemic measures by the PRC government will benefit the consumer industry, which is the focus of our investments, as well as the private equity investment industry in the long run.

The extent to which COVID-19 impacts our results of operations going forward will depend on its future developments. Nonetheless, to the best knowledge and information of our Directors, the outbreak of COVID-19 has so far only brought about temporary impact on our business operations, and we believe COVID-19 would not bring permanent interruption or material impact to our overall business operations, as the overall economic activities and market conditions, along with improving consumer confidence, have been gradually recovering in 2023 and evolving into the new normal. We will continue to assess the impact of the COVID-19 on our operations and financial performance and closely monitor our exposure to the risks under the pandemic. We will take appropriate measures and inform our Shareholders and potential investors as and when necessary. For more details, see "Risk Factors – Risks Relating to Our Business – Our operations and business plans may be adversely affected by nature disasters, health epidemics and pandemics and other outbreak" in this prospectus.

FLUCTUATIONS OF OUR FINANCIAL PERFORMANCE AND IMPACT ON OUR BUSINESS

During the Track Record Period, we experienced fluctuations in our financial performance, particularly in 2022 and 2023, which was primarily driven by the capital market headwinds in China, as well as many other countries and regions. The fluctuations in the unrealized fair value of our portfolios in turn have adversely affected the financial performance of our funds and our profitability from private equity investments. As a result, we experienced a significant decrease in our profit from continuing operation in 2022 and recorded a loss for the three months ended March 31, 2023.

To pave the way through volatile markets for long-term growth in private equity investments, we have been focusing on identifying and incubating vertical leaders, and supporting the business operations of our portfolio companies, while monitoring suitable exit opportunities, growing high quality investor base, and strengthening reputation as the investor

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of choice for Chinese consumer companies. After considering the following factors, our Directors are of the view that despite the weakened financial performance in the near term, our business as a whole is sustainable, and are optimistic about our future profitability in the long-run:

Fluctuation is almost a constant theme for capital markets, and is by no means uncommon in the private equity industry

Equity investment, including private equity investment, is volatile in nature. This is demonstrated not only by historical and recent performance of major market indices such as the Hang Seng Index (the “**HSI**”), the Standard & Poor’s 500 (the “**S&P 500**”) and the CSI 300 Index (the “**CSI 300**”), but also by historical and recent performance of some of the world’s largest, most prestigious, and most profitable private equity firms.

Set forth below are the performances of the major market indices in recent years. As demonstrated by the table, fluctuation is almost a constant theme for capital markets, and 2022 is an extreme year for all these major capital markets, with unusual volatility.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023⁽¹⁾</u>
	%								
HSI	(7.2)	0.4	36.0	(13.6)	9.1	(3.4)	(14.1)	(15.5)	(3.2)
S&P 500	(0.7)	9.5	19.4	(6.2)	28.9	16.3	26.9	(19.4)	10.2
CSI 300	5.6	(11.3)	21.8	(25.3)	36.1	27.2	(5.2)	(21.6)	(0.3)

Source: Wind, CIC.

Note:

(1) The annual return rates of 2023 are calculated using the data up to August 15, 2023.

Primarily because of such market headwinds, many large-scale, reputable private equity investors also recorded substantial decreases in their revenues and investment income in 2022 and 2023, as compared with their performances in 2021, and some of them recorded significant net losses in 2022 and have not recovered or achieved positive returns in the first one or two quarters of 2023. Such trend holds true not only for large-scale private equity firms with primary focuses on the U.S. capital markets, but also for many other reputable, well-managed firms that focus on other major capital markets in the world. As confirmed by CIC, although our financial performance in 2022 and 2023 was by no means ideal, it was generally in line with, and actually superior than quite a number of our peers in the industry.

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Fluctuations in fair value of our investments in 2022 and 2023 have been primarily resulting from a combination of various external reasons, which are not expected to last permanently

The difficult market conditions we experienced in 2022 and 2023 have been primarily driven by a combination of various external reasons, which we believe are cyclical and will not last permanently. Such factors include, but are not limited to, (i) macro-economic factors, such as inflation, rising interest rates and other monetary policies in the U.S. and other countries, that flow through and affect the overall global economic system, (ii) geopolitical tensions that are disruptive to the global economic activities and affect the overall investor confidence in near term economic growth, and (iii) short-term impact on consumers' willingness or ability to spend, primarily driven by the temporary travel restrictions and quarantine measures adopted by many countries.

However, looking back at history, factors like these have been constantly changing and general market conditions have been cyclical. Take inflation for example. History has shown that in almost all the major economies in the world, inflation would not last permanently, but is a rather cyclical phenomenon. There were three major periods of rising consumer prices in the U.S. since 1965. Each period started with an inflation surprise, but as the Federal Reserve tightens its monetary policies, the inflation rates would gradually slow down. In 2022, the year-over-year inflation rate in the U.S. decreased from a peak of 9.1% as of June to 6.5% as of December, the lowest in 2022, and the Federal Open Market Committee estimates the inflation rate to fall to about 2.8% in 2023. In terms of cyclicity of interest rates, the U.S. has experienced four rate hike and rate cut cycles since 1993. Just prior to the recent rate hike cycle beginning in 2022, it went through a rate cut cycle from 2019 to 2020 and a rate hike cycle from 2015 to 2018, which significantly influenced global market conditions. Radical monetary policies, such as increasing interest rate at the current speed in the U.S., may hardly remain unchanged for a long time, as nations' central banks need to adjust money supply from time to time to smooth fluctuations in the economic cycle. Geopolitics is also constantly evolving, and overall, in the past several decades, peace and development has been the general theme for most of the world's major economies. In respect of travel restrictions, the PRC government has relaxed its anti-pandemic measures nationwide around December 2022, and China's consumption is experiencing a rebound with continued policy support in 2023, according to CIC. Furthermore, cyclicity can also be observed in market indices. For instance, the S&P 500 index trended up from 2015 to 2017, declined sharply in 2018, and then continued to grow from 2019 to 2021 before declining sharply again in 2022. Therefore, we believe that the above-mentioned factors are all short-term in nature and the negative impact they may have on the general market conditions would not last permanently.

Furthermore, after the lifting of pandemic control procedures in China, market conditions and overall economic activities have been steadily recovering, and consumer confidence has been improving, which is expected to result in a continued upward trajectory in the foreseeable future, according to CIC. According to National Bureau of Statistics, China's GDP grew by 3.0% year-on-year in 2022, indicating that China's economy is still expanding strongly. According to NDRC, China has solidified its position as the world's second-largest consumer market, achieving RMB44 trillion in total retail sales of consumer goods in 2022, despite a minor 0.2% decrease compared to 2021. In 2023, China's consumption market has rebounded,

SUMMARY

with sustained consumer demand being one of the key drivers. According to NDRC, during the Chinese New Year period of 2023, sales revenue of consumption-related industries grew by 12.2% and domestic tourism revenue surged by 30% compared to the same period in 2021, demonstrating the vitality in the economy. Many economists and investment banks predicted that the fourth quarter of 2022 represented a cyclical low in terms of growth, and China's GDP is expected to grow by over 5% in 2023. According to CIC, driven by the rising middle class, consumption upgrade and favorable policy support, the size of China's consumer industry is expected to increase from RMB55.7 trillion in 2022 to RMB77.0 trillion in 2027 with a CAGR of 6.7%, while the market size of private equity investment institutions in China, in terms of the capital raised, is expected to grow from RMB2.2 trillion in 2022 to RMB2.5 trillion in 2027.

Based on the above, we remain confident in the resilience of China's economy and especially the long-term prospects of China's consumer industry and we are optimistic about our Company's, as well as our portfolio companies', future performances.

We designed and implemented our investment philosophy with a long-term mindset, and have established a strong track record throughout the years

We have been specialized in investments in the consumer industry for more than a decade, and have established a strong track record over the years. Despite the difficult market conditions in 2022 and 2023, the funds under our management realized an average IRR of 16.0% as of March 31, 2023. We designed and implemented our investment philosophy with a long-term mindset, and have nurtured over 60 industry leaders in their respective verticals, such as Nayuki (奈雪的茶), Pagoda (百果園) and Xiaohongshu (小紅書).

There are still a number of quality companies in up-and-coming industry sectors which will rise as the next generation of industry leaders, and we have the ability to identify such quality companies at their early stages and capture considerable returns from their growth. The Directors remain confident about the strong investment team we assembled, about the extensive network and deep industry insights we accumulated, about the proven investment strategies we designed, and about the brilliant and diligent management teams of our portfolio companies. These are some of the key factors contributing to our historical success, and none of them was materially affected by the short-term market volatility.

Fluctuations driven by fair value changes do not imply a deterioration in our fundamental business

According to the applicable accounting standards, marked-to-market valuation of the shares of each of our listed portfolio companies tracks its stock value at the balance sheet date of each reporting period, and the valuation of our unlisted portfolio companies typically references stock prices of comparable listed companies. As a result, our investment performance for a particular period is significantly affected by the short-term market volatility, regardless of whether the fundamentals of our portfolio companies experienced significant changes or not.

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Accordingly, the fluctuations in our financial performance in 2022 and 2023 were mainly caused by the fair value changes influenced by the short-term market sentiment, and do not necessarily represent deterioration of the business fundamentals of our Company or our portfolio companies. In fact, despite ups and downs from period to period, the total fair value of our investments exceeds the investment costs as evidenced by the MOIC of our funds that ranges from 1.1x to 4.4x as of March 31, 2023. Despite fluctuations in our financial performance in 2022 and 2023, the Directors believe that our business fundamentals remain resilient.

Furthermore, as most of our managed funds have a remaining fund term of 2-7 years, which can be further extended upon approval by partners' meetings, we are well positioned to embrace the market rebound and move fast when the market conditions improve.

We have sufficient working capital that can ensure our financial viability for a long time

As discussed above, the Directors believe that the negative market conditions are temporary. But even in the less ideal situation that the market conditions continue to worsen, our Directors are of the view that we still have sufficient working capital to cover our operating expenses for many years, taking into account the bank balances and cash that amounted to RMB534.1 million as of July 31, 2023, cash flows from operating activities, the option to issue corporate bonds and the estimated net proceeds from the Global Offering. Even in the worst case scenario in which we cannot raise any new capital from external investors, are forced to halt all investment activities, cannot make any exit from our existing investments, we nevertheless have to continue to incur staff costs and other operating expenses at an average burn rate and bear finance costs and make repayment of outstanding borrowings, our existing cash and cash equivalents after liquidating all the available-for-sale holding of listed portfolio companies are sufficient to support our financial viability for more than 24 months, without considering the proceeds from the Global Offering.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Recent Development in Our Business Operations

Since the end of the Track Record Period, we have continuously developed our business using our best endeavour to procure investment opportunities and optimise returns for our fund investors.

We successfully secured an additional capital contribution of RMB360 million for Tiantu Xingzhou in June 2023, bringing Tiantu Xingzhou's total committed capital to RMB1,500 million. Furthermore, we launched three new RMB-denominated funds after the Track Record Period with an aggregate committed capital of RMB335 million, focusing on early-stage investments in China's consumer industry. Besides, we entered into a partnership agreement with external investors in August 2023 for the establishment of a new fund with a committed capital of RMB200 million. For details, see the paragraphs headed "– Our Funds" in this section.

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In addition, we have continued to closely monitor the business operations and financial performance of our portfolio companies and to empower and support the growth of our portfolio companies. Since the end of the Track Record Period, our portfolio companies maintained solid business operations. Meanwhile, we have paid close attention to exit opportunities in both the primary and secondary markets and continued to evaluate and facilitate exit options.

Summary of Financial Performance and Financial Position for the Six Months Ended June 30, 2023

We have included our unaudited condensed consolidated financial statements in Unaudited Interim Financial Information, Appendix IA to this prospectus. Our unaudited condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” and reviewed by our Reporting Accountants in accordance with International Standards on Review Engagement 2410, please see “Appendix IA – Condensed Consolidated Financial Statements.”

Revenue

Our revenue increased from RMB20.9 million in the first six months of 2022 to RMB23.4 million in the first six months of 2023, primarily due to the adoption of a new limited partnership agreement for Tiantu Xingnan in December 2021, pursuant to which and in accordance with the relevant accounting treatments, we began to recognize fund management fees for the post-investment period in April 2022, and thus recognized more management fees in the first six months of 2023.

Investment Gains or Losses, Net

We recognized net investment gains or losses primarily throughout the changes of valuation of, exit or partial exit from our portfolio companies, which is driven by exit schedule, market condition, investment cycle and valuation fluctuation.

In the first six months of 2023, we recognized net investment losses of RMB226.3 million. Without considering the portion that we should distribute to limited partners of our consolidated funds that are recorded as unrealized losses from financial liabilities at FVTPL, the certain listed and private portfolio companies with decreased fair value were mainly in the fields of finance, food, and transactions and services platform, partially offset by the investment gains contributed by certain investments in the first six months of 2023, such as CalEx Tech (飛算), Dezhoupaji (德州扒雞), Junyi F&T (駿逸富頓), Ziroom (自如), and Zuoyebang (作業幫) (list in alphabetical order, covering investments made by our funds and direct investments).

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In the first six months of 2022, we recognized net investment gains of RMB211.9 million. Without considering the portion that we should distribute to limited partners of our consolidated funds that are recorded as unrealized losses from financial liabilities at FVTPL, the overall top five investments that contributed the highest investment gains for the six months ended June 30, 2022 were Aijia Life (艾佳生活), Bama Tea (八馬茶業), CalEx Tech (飛算), Hongkeyuan Medical (宏柯源醫學) and Pagoda (百果園) (list in alphabetical order, covering investments made by our funds and direct investments), partially offset by the decreased fair value of investments in certain listed and private portfolio companies in the fields of finance and food.

Staff Costs

Our staff costs remained relatively stable at RMB29.2 million and RMB27.5 million in the first six months of 2022 and 2023, respectively.

Other Operating Expenses

Our other operating expenses decreased from RMB20.8 million in the first six months of 2022 to RMB14.6 million in the first six months of 2023, primarily due to a decrease in third-party contracting expenses as we incurred less financial advisory expenses in the first three months of 2023.

Impairment Recognized under Expected Credit Loss Model, Net

Our net impairment recognized under expected credit loss model increased from nil in the first six months of 2022 to RMB28.3 million in the first six months of 2023, primarily because we recognized loss allowance in relation to our deposits in Silicon Valley Bank. For more details regarding such loss allowance, please see “Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income – Continuing Operations – Net Impairment Reversed (Recognized) under Expected Credit Loss Model.”

Other Income

Our income increased from RMB3.5 million in the first six months of 2022 to RMB11.2 million in the first six months of 2023, primarily due to the government grants we received in relation to the incentive for the settlement of equity investment companies.

Share of Results of Associates and Joint Ventures

Our share of results of associates and joint ventures changed from share of losses of RMB45.4 million in the first six months of 2022 to share of gains of RMB98.8 million in the first six months of 2023, primarily attributable to increased investment gains from our unconsolidated funds under our management, mainly Tiantu Dongfeng, which was in line with the financial performance of those funds. Such increased investment gains were mainly contributed by value appreciation of our investments in the field of tea drinks, food and cosmetics in 2023, mainly resulted from the growth in the financial performance of these portfolio companies. Our share of losses of associates and joint ventures in the first six months of 2022 was primarily due to the loss generated from the fair value changes of certain investments held under our fund, Tiantu Tiantou, and our direct investment entity, Tiantu Maverick, in that period.

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Loss for the period from Continuing Operation

As a result of the above, our loss for the period from continuing operations increased from RMB86.6 million in the first six months of 2022 to RMB189.6 million in the first six months of 2023.

Discontinued Operations

Our profit from discontinued operation decreased from RMB480.7 million in the first six months of 2022 to nil in the first six months of 2023, primarily due to the deconsolidation of Yoplait China as of June 15, 2022. Yoplait China then became our associate measured at fair value after its deconsolidation.

Regulatory Developments

Certain regulatory developments in recent years have casted impacts on us and some of our portfolio companies.

The Provisions on the Supervision and Management of Private Investment Funds

The Provisions on the Supervision and Management of Private Investment Funds (《私募基金監督管理條例》) (“**Private Provisions**”) was promulgated by the State Council on July 3, 2023 and became effective on September 1, 2023. The Private Provisions is the first administrative regulation (行政法規) in the private investment fund industry in the PRC, which mainly consolidates and reinstates, from a higher legislative hierarchy, the previously existing rules and requirements under the regulatory regime regulating the private investment funds. It provides the requirements for the qualifications, duties and responsibilities of fund managers as well as the private fund property investment scope and the related negative list. The Private Provisions also explicitly stipulates that fund managers shall apply for registration with registration and filing agency and that fund managers shall complete record-filing after the fund-raising.

As a private fund manager managing Renminbi-denominated funds, the Private Provisions is applicable to us and, as advised by our PRC Legal Advisor, we are in compliance with the Private Provisions in all material aspects. We will continue to ensure compliance with the Private Provisions in the future. Furthermore, according to our PRC Legal Advisor, the Private Provisions does not differ substantially from the previously existing rules and requirements that we have already complied with in all material aspects. Based on the above and as advised by our PRC Legal Advisor, the Directors, as concurred by the Joint Sponsors, are of the view that the Private Provisions would neither have any material impact on our operation and financial position nor affect our suitability for listing.

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The Registration and Filing Measures of Private Investment Funds

On February 24, 2023, the AMAC published the Registration and Filing Measures of Private Investment Funds (私募投資基金登記備案辦法) (the “**Private Registration and Filing Measures**”), which was implemented in May 2023. Pursuant to that, private fund managers must register and file records with the AMAC, and meet stipulated registration and filing requirements. In addition, applications for changes in private fund manager registration and fund filing submitted before the implementation of the Private Registration and Filing Measures will be reviewed and processed by the AMAC in accordance with the Private Registration and Filing Measures. We will ensure compliance with the Private Registration and Filing Measures in our business operations.

The Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Enterprises

The CSRC released the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) and five guidelines on February 17, 2023, effective from March 31, 2023. Pursuant to that, after the implementation of the Overseas Listing Trial Measures, PRC domestic enterprises seeking to offer and list securities overseas must complete the filing procedure with the CSRC and submit necessary documents. Further, the CSRC issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (關於境內企業境外發行上市備案管理安排的通知) on February 17, 2023, which, among others, clarifies that the domestic companies that have already obtained the approval from the CSRC for its overseas public offering and listing of shares may proceed with its application within the validity period of the approval. As of the Latest Practicable Date, we have already obtained the approval from the CSRC with expiration date of October 9, 2023, and therefore, we will not be required to file with the CSRC with respect to this Global Offering prior to such expiration date. We will ensure compliance with the ongoing regulatory requirements of the Overseas Listing Trial Measures after the Listing. For our portfolio companies, many of them may pursue overseas listings and will be responsible for ensuring compliance with the Overseas Listing Trial Measures.

Regulations Regarding Cybersecurity and Personal Data Protection

Regulations regarding cybersecurity and personal data protection have significantly enhanced during the past couple of years. On September 1, 2022, the Measures of Security Assessment for Cross-Border Data Transfer (《數據出境安全評估辦法》) came into effect, mandating a security assessment for four types of cross-border transfers involving critical or personal data collected or generated in China. Portfolio companies included in these types of transfers may be subject to a security assessment for cross-border data transfer. On September 12, 2022, the CAC issued the Notice to Seek Public Comments on the “Decision to revise the Cybersecurity Law (Draft for comments)” (《關於修改〈中華人民共和國網絡安全法〉的決定(徵求意見稿)》), which may increase punishment for violations of the Cybersecurity Law, including fines and additional penalties for failure to meet network security obligations and

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personal information infringement. These regulatory changes have not resulted in, and are not expected to cause, material adverse effects on the operations of our portfolio companies. However, regulatory related developments may affect the investment sentiments towards companies under the spectrum of strengthening regulations, which consequently results in potential fluctuations in the value of relevant portfolio companies.

No Material Adverse Change

We expect a decrease in net profit for the year ending December 31, 2023 as compared to the year ended December 31, 2022, primarily due to: (i) the decrease in fair value of certain listed and private portfolio companies in the first six months of 2023, and (ii) net impairment recognized under expected credit loss model of RMB28.3 million in the first six months of 2023, primarily attributable to loss allowance in relation to our deposits in Silicon Valley Bank, which are partially offset by (iii) the decrease in the interest on bond payables for the year ending December 31, 2023 as we redeemed the bond 17Tiantu01 and 17Tiantu02 upon maturity in 2022.

Our Directors confirm that save as disclosed above, there has been no material adverse change in our business, financial condition and results of operations since March 31, 2023, being the latest balance sheet date of our consolidated financial statements as set out in the Historical Financial Information included in Appendix I to this prospectus, and up to the date of this prospectus.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below.

“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council
“AMAC”	Asset Management Association of China (中國證券投資基金業協會)
“Articles” or “Articles of Association”	the articles of association adopted by our Company on April 20, 2023 with effect upon Listing (as amended from time to time), a summary of which is set out in Appendix V to this prospectus
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board” or “Board of Directors”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“BVI”	British Virgin Islands
“CAGR”	compound annual growth rate
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or a general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant

DEFINITIONS

“CCASS EIPO”	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by (i) instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf, or (ii) if you are an existing CCASS Investor Participant, giving electronic application instructions through the CCASS Internet System (https://ip.ccass.com) or through the CCASS Phone System (using the procedures in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time). HKSCC can also input electronic application instructions for CCASS Investor Participants through HKSCC’s Customer Service Centre by completing an input request
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual, joint individuals or a corporation
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in force
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“China” or “the PRC”	the People’s Republic of China excluding, for the purposes of this prospectus, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“CIC”	China Insights Industry Consultancy Limited, an independent market research and consulting company
“CIC Report”	the industry report commissioned by our Company and independently prepared by CIC, summary of which is set forth in the section headed “Industry Overview” in this prospectus

DEFINITIONS

“CIMA”	Cayman Islands Monetary Authority
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company” or “Tiantu”	Tian Tu Capital Co., Ltd. (深圳市天圖投資管理股份有限公司), a joint stock company with limited liability incorporated in the PRC on January 11, 2010
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“consumer-focused private equity investment institution”	a private equity investment institution for which more than two thirds of its investments were made in companies in the consumer industry in terms of the number of investment cases in the past three years
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Wang, Tiantu Xinghe and Tiantu Xingzhi
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Deed of Non-competition”	the deed of non-competition entered into by each of the Controlling Shareholders and the Company, which shall take effect upon the Listing, details of which are set forth in the section headed “Relationship with our Controlling Shareholders” in this prospectus
“Deloitte”	Deloitte Touche Tohmatsu, the reporting accountant of our Company
“Director(s)”	the director(s) of our Company

DEFINITIONS

“early-stage investments”	investments in companies at an early development stage, which generally include seed round, angel round, series pre-A round, and series A round investments
“EIT”	enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)
“Executive Committee”	the executive committee of the Company which is a regular management body of the Company
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
“General Rules of CCASS”	General Rules of CCASS published by the Stock Exchange and as amended from time to time
“Global Offering”	the Hong Kong Public Offering and the International Offering
“government-guiding fund”	A kind of fund that uses government investment to guide and incite social capital and invest in venture capital institutions or funds to support the development of enterprises
“ GREEN application form(s)”	the application form(s) to be completed by the HK eIPO White Form Service Provider designated by our Company
“Group”, “our Group”, “our”, “we”, or “us”	the Company and all of its subsidiaries, or any one of them as the context may require
“H Share(s)”	share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Hong Kong Stock Exchange
“H Share Registrar”	Tricor Investor Services Limited

DEFINITIONS

“Hangzhou Tiantu”	Hangzhou Tiantu Capital Management Co., Ltd. (杭州天圖資本管理有限公司), a limited liability company incorporated in the PRC on December 20, 2012 and a direct wholly-owned subsidiary of our Company
“high-net-worth individual(s)”	individual(s) with investable assets of no less than RMB5.0 million
“ HK eIPO White Form Service Provider”	the HK eIPO White Form service provider designated by our Company, as specified in the IPO App or on the designated website at www.hkeipo.hk
“ HK eIPO White Form ”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name, submitted online through the IPO App or the designated website at www.hkeipo.hk
“HKFRS”	Hong Kong Financial Reporting Standard
“HKSCC”	the Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly owned subsidiary of the HKSCC
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong Offer Shares”	the 17,326,000 H Shares being initially offered by us for subscription pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed “Structure of the Global Offering”)
“Hong Kong Public Offering”	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong, on and subject to the terms and conditions described in the section headed “Structure of the Global Offering” in this prospectus

DEFINITIONS

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering as listed in the section headed “Underwriting” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement dated September 22, 2023 relating to the Hong Kong Public Offering entered into by, among others, the Company, the Controlling Shareholders, the Overall Coordinators and the Hong Kong Underwriters
“IFRS”	International Financial Reporting Standards, amendments and interpretations issued by the IASB
“IIT Law”	the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》)
“Independent Third Party(ies)”	any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Listing Rules
“International Offer Shares”	the 155,932,000 H Shares being initially offered by us for subscription under the International Offering (subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus) together with any additional Shares that may be allotted and issued pursuant to the exercise of the Over-allotment Option
“International Offering”	the conditional placing of the International Offer Shares at the Offer Price outside the United States to persons that are not, and are not acting for the account or benefit of, U.S. Persons in offshore transactions in reliance on Regulation S, in each case on and subject to the terms and conditions described in the section headed “Structure of the Global Offering” in this prospectus
“International Underwriters”	the underwriters of the International Offering listed in the International Underwriting Agreement

DEFINITIONS

“International Underwriting Agreement”	the underwriting agreement relating to the International Offering which is expected to be entered into on or around the Price Determination Date by, among others, the Company, the Controlling Shareholders, the Overall Coordinators and the International Underwriters
“ IPO App ”	the mobile application for the HK eIPO White Form service which can be downloaded by searching “ IPO App ” in App Store or Google Play or downloaded at www.hkeipo.hk/IPOApp or www.tricorglobal.com/IPOApp
“Joint Bookrunners”	the joint bookrunners as named in the section headed “Directors, Supervisors and Parties Involved in the Global Offering”
“Joint Global Coordinators”	the joint global coordinators as named in the section headed “Directors, Supervisors and Parties Involved in the Global Offering”
“Joint Lead Managers”	the joint lead managers as named in the section headed “Directors, Supervisors and Parties Involved in the Global Offering”
“Joint Sponsors”	the joint sponsors of the listing of the H Shares on the Hong Kong Stock Exchange as named in “Directors, Supervisors and Parties Involved in the Global Offering”
“Latest Practicable Date”	September 15, 2023, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing Date”	the date, expected to be on or about Friday, October 6, 2023, on which the H Shares are listed and on which dealings in the H Shares are first permitted to commence on the Hong Kong Stock Exchange

DEFINITIONS

“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Main Board”	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Hong Kong Stock Exchange
“Mengtian Dairy”	Mengtian Dairy Co., Ltd. (蒙天乳業有限公司), a limited liability company incorporated in the PRC on May 14, 2018, a former indirect non-wholly-owned subsidiary of our Group and an associate measured at fair value of our Company as at the Latest Practicable Date
“middle class”	individuals with investable assets between US\$5,000 to US\$1 million
“MOC”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“Mr. Wang”	Mr. Wang Yonghua (王永華), an executive Director, the chairman of our Board, the chairman of the Executive Committee and one of our Controlling Shareholders upon Listing
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“NEEQ”	the National Equities Exchange and Quotations Co., Ltd.
“NPC”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in the section headed “Structure of the Global Offering” in this prospectus

DEFINITIONS

“Offer Shares”	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
“our fund(s)”, “our managed fund(s)” or “fund(s) under our management”	fund(s) structured and managed by us, for the purposes of this prospectus, excluding our wholly-owned subsidiaries unless otherwise indicated
“Over-allotment Option”	the option to be granted by us to the International Underwriters exercisable by the Overall Coordinators (on behalf of the International Underwriters) under the International Underwriting Agreement, to require our Company to allot and issue up to an aggregate of 25,988,000 additional H Shares at the Offer Price, representing approximately 15% of the total number of Offer Shares initially available under the Global Offering to cover over-allocations in the International Offering, if any, further details of which are described in the section headed “Structure of the Global Offering” in this prospectus
“Overall Coordinators”	the overall coordinators of the listing of the H Shares on the Hong Kong Stock Exchange as named in “Directors, Supervisors and Parties Involved in the Global Offering”
“Overseas Listing Trial Measures”	The Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023, which became effective on March 31, 2023
“Paladin”	Shenzhen Paladin No. 9 Capital Management Partnership (Limited Partnership) (深圳市帕拉丁九號資本管理合夥企業(有限合夥)), a limited partnership incorporated in the PRC on July 10, 2015, and a substantial Shareholder
“Price Determination Date”	the date, expected to be on or around Thursday, September 28, 2023 (Hong Kong time) on which the Offer Price is determined, or such later time as our Company and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may agree, but in any event not later than Thursday, October 5, 2023

DEFINITIONS

“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法)
“PRC GAAP”	generally accepted accounting principles of the PRC
“PRC Government”	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
“PRC Governmental Body”	has the meaning ascribed thereto under the Listing Rules
“PRC Legal Advisor”	Grandall Law Firm (Shanghai)
“Regulation S”	Regulation S under the U.S. Securities Act
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“Securities Law”	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Stabilizing Manager”	Huatai Financial Holdings (Hong Kong) Limited
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	member(s) of our Supervisory Committee
“Supervisory Committee”	the supervisory committee of our Company
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buybacks published by the SFC (as amended, supplemented or otherwise modified from time to time)
“Tiantu Advisory”	Tiantu Advisory Company Limited (天圖諮詢有限公司), a limited company incorporated in Hong Kong on June 30, 2014, a direct wholly-owned subsidiary of our Company
“Tangrenshen”	Shenzhen Futian District Tiantu Tangrenshen Innovation Consumption Equity Investment Fund Partnership (Limited Partnership) (深圳福田區天圖唐人神創新消費股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on May 17, 2017
“Tiantu Capital Management Center”	Shenzhen Tiantu Capital Management Center (Limited Partnership) (深圳天圖資本管理中心(有限合夥)), a limited partnership established in the PRC on April 18, 2012 and an indirect wholly-owned subsidiary of our Company
“Tiantu Chuangye”	Shenzhen Tiantu Venture Capital Co., Ltd. (深圳市天圖創業投資有限公司), a limited liability company incorporated in the PRC on April 11, 2002
“Tiantu Dongfeng”	Shenzhen Tiantu Dongfeng Medium Small and Micro Enterprises Equity Investment Fund Partnership (Limited Partnership) (深圳市天圖東峰中小微企業股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on July 25, 2017

DEFINITIONS

“Tiantu Enterprise”	Shenzhen Tiantu Equity Investment Fund Management Enterprise (Limited Partnership) (深圳天圖股權投資基金管理企業(有限合夥)), a limited partnership established in the PRC on January 20, 2011
“Tiantu Maverick”	Tiantu Maverick Limited, a limited company established in the Cayman Islands on March 23, 2021
“Tiantu Tiantou”	Chengdu Tiantu Tiantou Dongfeng Equity Investment Fund Center (Limited Partnership) (成都天圖天投東風股權投資基金中心(有限合夥)), a limited partnership established in the PRC on November 17, 2016
“Tiantu Xing’an”	Shenzhen Tiantu Xing’an Investment Enterprise (Limited Partnership) (深圳天圖興安投資企業(有限合夥)), a limited partnership established in the PRC on March 15, 2016 and an indirect non-wholly-owned subsidiary of our Company
“Tiantu Xingcheng”	Shenzhen Tiantu Xingcheng Investment Management Co., Ltd. (深圳天圖興誠投資管理有限公司), a limited liability company incorporated in the PRC on May 15, 2015
“Tiantu Xingbei”	Beijing Tiantu Xingbei Investment Center (Limited Partnership) (北京天圖興北投資中心(有限合夥)), a limited partnership established in the PRC on June 26, 2015 and an indirect non-wholly-owned subsidiary of our Company
“Tiantu Xinghang”	Hangzhou Tiantu Xinghang Equity Investment Center (Limited Partnership) (杭州天圖興杭股權投資中心(有限合夥)), a limited partnership established in the PRC on January 10, 2013, and an indirect wholly-owned subsidiary of our Company
“Tiantu Xinghe”	Shenzhen Tiantu Xinghe Investment Enterprise (Limited Partnership) (深圳天圖興和投資企業(有限合夥)), a limited partnership established in the PRC on May 6, 2015, an employee shareholding platform and one of the Controlling Shareholders of our Company

DEFINITIONS

“Tiantu Xinghua”	Tianjin Tiantu Xinghua Equity Investment Partnership (Limited Partnership) (天津天圖興華股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on April 1, 2011 and an indirect wholly-owned subsidiary of our Company
“Tiantu Xingnan”	Shenzhen Tiantu Xingnan Investment Enterprise (Limited Partnership) (深圳天圖興南投資合夥企業(有限合夥)), a limited partnership established in the PRC on April 3, 2018, a former indirect non-wholly-owned subsidiary of our Company and an associate measured using equity method of our Company as at the Latest Practicable Date
“Tiantu Xingpeng”	Shenzhen Tiantu Xingpeng Consumption Industry Equity Investment Fund Partnership (Limited Partnership) (深圳天圖興鵬大消費產業股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on December 29, 2017 and an indirect non-wholly-owned subsidiary of our Company
“Tiantu Xingrui”	Shenzhen Tiantu Xingrui Venture Capital Co., Ltd. (深圳市天圖興瑞創業投資有限公司), a limited liability company incorporated in the PRC on July 16, 2009 and a direct wholly-owned subsidiary of our Company
“Tiantu Xingshen”	Shenzhen Tiantu Xingshen Angel Venture Capital Partnership (Limited Partnership) (深圳天圖興深天使創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 7, 2018
“Tiantu Xingsheng”	Tianjin Tiantu Xingsheng Equity Investment Fund Partnership (Limited Partnership) (天津天圖興盛股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on March 25, 2010 and an indirect wholly-owned subsidiary of our Company
“Tiantu Xingsu”	Suzhou Tiantu Xingsu Equity Investment Center (Limited Partnership) (蘇州天圖興蘇股權投資中心(有限合夥)), a limited partnership established in the PRC on June 13, 2013 and an indirect wholly-owned subsidiary of our Company

DEFINITIONS

“Tiantu Xingzhi”	Shenzhen Tiantu Xingzhi Investment Enterprise (Limited Partnership) (深圳天圖興智投資企業(有限合夥)), a limited partnership established in the PRC on May 6, 2015, an employee shareholding platform and one of the Controlling Shareholders of our Company
“Tiantu Xingzhou”	Hainan Tiantu Xingzhou Venture Capital Partnership (Limited Partnership) (海南天圖興周創業投資合夥企業(有限合夥)), formerly known as Changsha Tiantu Xingzhou Venture Capital Partnership (Limited Partnership) (長沙天圖興周創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on September 14, 2021
“Track Record Period”	the financial years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
“Unlisted Share(s)”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which is/are not listed or traded on any stock exchange (other than NEEQ)
“U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“U.S. Investment Company Act”	the United States Investment Company Act of 1940, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

DEFINITIONS

“U.S. Person”	has the meaning given to such term in Rule 902(k) of Regulation S
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“Wind Hong Kong Index – Consumer Discretionary”	a free-float market capitalization-weighted index of more than 600 companies traded on the Stock Exchange, which aims to reflect the overall performance of stocks listed in Hong Kong that are related to consumer discretionary sectors, such as household goods & electronics, textile, clothing & personal care, media & entertainment, etc.
“Wind Hong Kong Index – Consumer Staples”	a free-float market capitalization-weighted index of more than 100 companies traded on the Stock Exchange, which aims to reflect the overall performance of stocks listed in Hong Kong that are related to consumer staples sectors, such as food & beverages, consumer staple retailers, etc.
“Yoplait China”	Yoplait Dairy Co., Ltd. (優諾乳業有限公司), a limited liability company incorporated in the PRC on July 8, 2013 and a former subsidiary of our Company and an associate measured at fair value of our Company as of the Latest Practicable Date
“2017 Innovation and Entrepreneurship Bonds”	innovative and entrepreneurship corporate bonds issued by our Company on May 24, 2017 and October 24, 2017 and were listed and traded on the Shanghai Stock Exchange
“2022 First Corporate Bonds”	corporate bonds issued by our Company on May 5, 2022 and are listed and traded on the Shanghai Stock Exchange
“2022 Second Corporate Bonds”	corporate bonds issued by our Company on October 19, 2022 and are listed and traded on the Shanghai Stock Exchange
“%”	percent

For ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, nature persons or other entities (including our subsidiaries) have been included in this prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY OF TECHNICAL TERMS

In this prospectus, unless the content otherwise requires, the following terms shall have the meaning set out below.

“AUM” or “asset under management”	(i) the fund-level NAV of assets managed by the fund manager or GP plus the capital that the fund’s capital-providing investors (i.e. LPs) committed and the fund manager or GP is entitled to call, and (ii) value of assets invested directly by our group company and investable capital
“capital commitment” or “committed capital”	the amount of capital contributed to or agreed to be contributed to a fund by investors
“carried interest”	incentive compensation provided to a fund manager or GP of a fund to align its interest with the fund’s capital-providing investors (i.e. LPs), in the form of a percentage of the fund’s profits, arising from gains of the fund managed by a fund manager or GP, provided that a threshold specified rate of return for investors in the fund has been achieved
“COVID-19”	coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2
“DPI”	distributions to paid-in capital, referring to the ratio of the amount of capital returned to investors divided by the amount of paid-in capital contributed by investors
“D2C”	direct-to-consumer
“ESG”	environmental, social, and governance
“FOF”	fund of funds, a type of investment that seeks to achieve returns by holding a portfolio of other investment funds rather than investing directly in stocks, bonds or other securities
“GDP”	gross domestic product
“generation Z”	the population of youngsters born during the period from 1997 to 2012

GLOSSARY OF TECHNICAL TERMS

“GenZ+”	the population of youngsters born after 1986 to 2010
“GP”	general partner
“gross fund management fees”	fund management fees we receive from our consolidated and unconsolidated funds under management before offset of intra-group transactions
“hurdle rate”	the minimum rate of return of investors of a given fund in order for a fund manager or GP to participate in carried interest
“investment horizon”	the length of time that an investor expects to hold a security or a portfolio
“IPO”	initial public offering
“IRR” or “internal rate of return”	a metric used in financial analysis to measure the profitability of investments, which equals the discount rate that makes the net present value of all cash flows and unrealized investments equal to zero, before factoring in management fees, expenses and fund distributions payment. The funds that have made investment for less than one year are excluded when calculating average IRR of funds in this prospectus.
“IRR for realized positions”	internal rate of return in connection with the sale of all positions of portfolio companies
“IRR for unrealized or partially realized positions”	internal rate of return in connection with the unrealized positions or partially realized positions of portfolio companies
“LP”	limited partner, which we refer to as fund investor
“MOIC”	multiple on invested capital, which represents (a) the proceeds received in connection with the realized or partially realized portions of portfolio companies, distributions received from portfolio companies, as well as the fair value of unrealized portions, divided by (b) total invested capital
“NAV” or “net asset value”	a metric that measures the value of an entity’s assets minus the value of its liabilities

GLOSSARY OF TECHNICAL TERMS

“net IRR”	a metric used in financial analysis to measure the profitability of investments, which equals the discount rate that makes the net present value of all cash flows and unrealized investments equal to zero, net of management fees, expenses and allocation of carried interest
“new consumption sector”	the sector for consumer goods, consumer services and consumer channels that has emerged as a result of the development of new technologies (e.g. premium dry-frozen instant coffee), new lifestyle events (e.g. “tea break” for premium milk tea and entertainment content), and new demand from a younger generation of consumers (e.g. GenZ+)
“TMT”	telecoms, media and technology
“TVPI”	total value to paid-in capital, referring to the ratio of the net asset value of a fund plus the amount of capital returned to investors, divided by the amount of paid-in capital contributed by investors
“VIE”	variable interest entity

FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements relating to our plans, objectives, beliefs, expectations, predictions and intentions, which are not historical facts and may not represent our overall performance for the periods of time to which such statements relate. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our future business development, financial condition and results of operations;
- our business strategies and plans to achieve these strategies;
- our ability to maintain good relationships with business partners;
- general economic, political and business conditions in the industries and markets in which we operate;
- relevant government policies and regulations relating to our industry, business and corporate structure;
- the actions and developments of our competitors; and
- all other risks and uncertainties described in the section headed “Risk Factors” in this prospectus.

In some cases, we use the words “aim,” “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “going forward,” “intend,” “ought to,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “will,” “would” and similar expressions to identify forward-looking statements. In particular, we use these forward-looking statements in the “Business” and “Financial Information” sections of this prospectus in relation to future events, our future financial, business or other performance and development, the future development of our industry and the future development of the general economy of our key markets.

The forward-looking statements are based on our current plans and estimates and speak only as of the date they were made. We undertake no obligation to update or revise any forward-looking statements in light of new information, future events or otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statements.

FORWARD-LOOKING STATEMENTS

Our Directors confirm that the forward-looking statements are made after reasonable care and due consideration. Nonetheless, due to the risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect, or at all.

Accordingly, you should not place undue reliance on any forward-looking statements in this prospectus. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

RISK FACTORS

You should consider carefully all of the information set forth in this prospectus and, in particular, should consider the following risks and special considerations in connection with an investment in our Company before making any investment decision in relation to the H Shares. The occurrence of any of the following risks may have a material adverse effect on our business, financial condition, results of operations and future prospects. The trading price of the H Shares could decline significantly due to any of these risks and you may lose all or part of your investment. You should pay particular attention to the following fact that we are a company established in the PRC and most of our operations are conducted in the PRC which is governed by a legal and regulatory environment that may differ significantly from that of other jurisdictions.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business; (ii) financial risks relating to our business; (iii) risks relating to doing business in China; and (iv) risks relating to the Global Offering.

RISKS RELATING TO OUR BUSINESS

Our business performance is subject to high volatility, and difficult market and economic conditions may adversely affect our Company and our funds

Our business performance is subject to high volatility due to business nature and may be materially affected by difficult market and economic conditions in the different markets in which we and our portfolio companies operate, including but not limited to fluctuations in public share prices, credit spreads, interest rates, currency exchange rates and inflation rates, supply of liquid funds and availability of credit, economic uncertainty, developments in the interpretation of and amendments to laws or regulations, including those relating to taxation, currency exchange controls, trade barriers, commodity prices and controls, as well as regional geopolitical tensions and conflicts.

Global economic and financial markets conditions, in particular in China, are outside of our control. The level of volatility of asset prices and liquidity may affect the value of the investments made by our managed funds and our own capital and ultimately may affect our financial results. Though we have implemented numerous measures to manage our risk exposure, including maintaining a rigorous investment process and a comprehensive due diligence approach, such measures may not be successful, or we may not have sufficient time to respond to the drastic market volatility, leading to substantial loss of our investments.

Furthermore, weakened market conditions may affect the performance of our funds and direct investment, including by limiting opportunities to exit and realize value from the investments, and the availability of suitable investment opportunities within each of our funds' investment strategies, thereby reducing the ability of such funds to effectively deploy and invest capital. Moreover, in less favorable market conditions, assets in which we invest may experience deterioration in their results of operations and financial condition. Such negative financial results may result in lower investment returns for the relevant funds or our direct investments, which could result in fluctuations in the results of our operations and adversely affect our business, financial condition, cash flows and prospects.

RISK FACTORS

Our historical financial information may not necessarily be indicative of our future performance

During the years ended December 31, 2020, 2021 and 2022, approximately 88.3% to 97.0% of our revenue and income were attributable to investment gains or losses and share of results of associates and joint ventures. We recorded total revenue and net investment gains or losses of RMB1,195.2 million in 2020, RMB495.2 million in 2021, RMB423.2 million in 2022, negative RMB187.1 million for the three months ended March 31, 2022 and negative RMB193.9 million for the three months ended March 31, 2023. For more details, please see “Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income” in this prospectus. Due to the nature of our business, there are uncertainties relating to valuations of our investments, which are beyond our control, such as the intensive competition in the fund management industry and that the investment gains of our investments may fluctuate from project-to-project and from time to time. We expect such fluctuation to occur in the future. The historical financial information included in this prospectus may therefore not be indicative of our future financial results.

There are inherent uncertainties associated with the fair value measurement of our investments and the fair value changes of our investments may lead to significant fluctuation in our financial performance

During the Track Record Period, some of our assets and liabilities are measured at fair value, including financial assets at FVTPL, interests in associates measured at fair value and financial liabilities at FVTPL. As of March 31, 2023, interests in associates measured at fair value, interests in associates measured using equity method, interests in joint ventures and financial assets at FVTPL accounted for about 95.4% of our total assets. Our financial assets at FVTPL primarily represent the investment by our consolidated funds in various methods, such as equity investments, convertible bonds and debt instrument investments. As of December 31, 2020, 2021, 2022 and March 31, 2023, we had financial assets of FVTPL at RMB5,057.7 million, RMB5,458.6 million, RMB5,238.3 million and RMB5,308.9 million, respectively. During the Track Record Period, we had financial liabilities at FVTPL primarily representing the equity interests held by the limited partners of our consolidated funds. As of December 31, 2020, 2021, 2022 and March 31, 2023, we had financial liabilities at FVTPL of RMB6,822.5 million, RMB8,075.2 million, RMB8,596.7 million and RMB8,552.6 million, respectively. When our consolidated funds or we directly make an investment into a portfolio company and appoint directors onto its board, such investment is recorded as interests in associates measured at fair value. As of December 31, 2020, 2021, 2022 and March 31, 2023, we had interests in associates measured at fair value of RMB7,511.5 million, RMB8,898.9 million, RMB10,079.6 million and RMB9,800.0 million, respectively. For more details, please see “Financial Information” and Note 48 *Financial Risk Management* to the Accountants’ Report set out in Appendix I to this prospectus.

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According to accounting standards, mark-to-market values of the shares of our listed portfolio companies track the stock value at balance sheet date of each reporting period. In the event that market increases or decreases significantly in a certain year, and then trades at mean reversion back to its normal level, we may incur a significant amount of unrealized gain or loss in a certain period, and reverse it in the following period. Such mechanism and exposure to share price volatility may lead to fluctuation in our financial statements, potentially at a significant scale, which may not fully represent our performance in certain investments. As such, potential fair value changes of our investments may adversely affect our financial position and results of operations.

Our investments are primarily concentrated in China's consumer sector, and therefore our performance is subject to the fluctuations thereof

As of March 31, 2023, we had cumulatively invested in a total of 222 portfolio companies, including 180 companies in the consumer space, through the funds under our management and/or direct investments. As a private equity investor and fund manager specializing in consumer sector in China, our business and the performance of our funds may be significantly affected by the fluctuations of the consumer sector, which may be cyclical and affected by many factors, including general economic conditions, evolving legal and regulatory environments, interest rates, inflation rate, consumer preferences, individual disposable income levels, and supply and demand dynamics, many of which are beyond our control.

In the event of an economic downturn, customers will tend to become more budget conscious and sensitive to the amount they are willing to spend on consumer goods or services. As most of our portfolio assets are in the consumer-driven business in China, if customer demand for consumer goods or services is reduced or if there occurs any significant economic decline, and we are unable to divert our investment focus to markets outside the consumer sector, our revenue, profitability and business prospects will be materially affected.

Our investments in portfolio assets and the financial performance of our funds and their portfolio assets could negatively impact our results of operations, financial condition and cash flow

Our funds' performance, and thus our performance, depends on the value of our funds' portfolio companies and our direct investments because a significant portion of our profit is derived from investment gains. On the one hand, if our portfolio companies make unsound decisions or manage their operations ineffectively and inefficiently, resulting in poor performance or financial difficulties, this could have a negative impact on the performance of our funds and direct investments, which in turn would have a negative impact on our financial performance. On the other hand, weakened market conditions or evolving regulatory policies in relation to the industries in which our portfolio companies operate may also impact the valuation of our portfolio companies, which in turn affects our financial performance. In addition, we may experience losses of investments or winding up of investee companies where the business model of our portfolio companies proved unsuccessful in the markets, and we may lose part of or all our investments as a result.

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In particular, the fluctuation of conditions and trends of capital markets could significantly affect the fair value of our portfolio companies, which in turn affects our financial performance. In the event of a bull market or bear market in the capital market, the fair value changes of our portfolio companies may be magnified and therefore the changes in our financial statements may be magnified. As a result, the fair value changes of our portfolio companies may result in volatility in the results of our operations from period to period. Significant fluctuations in the market conditions, for example, a sudden change from a bull market to a bear market, also may cause significant volatility in our financial statements, and therefore, it may materially and adversely affect our financial performance and results of operations.

Unsound decisions related to our portfolio companies could have a material adverse effect on our business, financial condition and results of operations

As a leading private equity investor and fund manager specializing in consumer sector in China, our revenue and investment performance were primarily related to the management of our investment funds. Each decision by us related to our portfolio companies would require us to carefully identify and select a potential investment project based on its investment theme, feasibility, funding requirements, schedule, location, and the reputation and level of experience of the investee company or potential partner, make appropriate investment arrangements or find the right timing to exit certain investments. This process would involve a systematic market analysis and estimation of the project's profitability and sustainability. In addition, if we decide it is in our best interests, we may strategically slow down the pace of, or downsize, our investments, which may result in a decrease in our investment gains in the short term.

However, we may make unsound decisions due to different reasons, which could lead us to estimate the value of the target project inaccurately. In addition, our understanding and judgement of a target project, as well as its profitability and sustainability, may deviate from actual conditions and result in inaccurate investment decisions. Our ability to capture the upcoming investment themes would be significant for our future success. If we could not capture the upcoming investment theme in the future, we may not be able to achieve strong returns or bring sufficient returns to our investors. In addition, our reputation may be adversely affected and we may have difficulty in raising money for new funds, which would in turn adversely affect our future business and profitability.

We may not be able to successfully source suitable investment opportunities

As a sizable part of our revenue and all of our investment gains were derived from our investments, our business and results of operations are dependent on the availability of such projects. We operate in the asset management industry which is highly competitive, both in the PRC and globally. We compete with regional and global asset management players for investment opportunities in the industry in which our funds invest. High-quality investment opportunities in different industries are limited resources for us and our competitors. If there are weakened market conditions, evolving regulatory policies or any situations that could affect certain industries in which we intend to invest, there may not be enough suitable investment opportunities and therefore, we may not be able to successfully source suitable investment opportunities and may face a decline in the number of investment projects.

RISK FACTORS

During the Track Record Period, we sourced potential investment projects through our network and the networks of our investment professionals. For details of our project selection process, please see “Business – Investment Process and Arrangement – Our Investment Process – Investment Opportunity Sourcing” in this prospectus. There is no guarantee that we will continue to be able to identify and/or select suitable investment projects. Even after the potential projects are identified and selected, there is no guarantee that we will be able to negotiate successfully with counterparties, i.e. investee companies and/or selling shareholders, and there is also no guarantee that counterparties will choose us over our competitors as an investor or partner.

We may not be able to raise additional funds to expand our business and our AUM may decline

Our success depends not only on our ability to realize our investment portfolios, but also to raise additional funds to continue investing and create returns through new sources of our revenue and investment gains. Even if we are successful in raising new funds, to the extent that we are delayed in raising funds, our revenue and investment gains may decrease as the investment periods of existing funds expire and relevant fund management fees and dividends decrease. The performance of our funds also impacts our ability to raise capital, and any reduction in the actual or relative performance of our funds would make future fundraising more challenging. In addition, if we are not selected as an investor for a sufficient number of attractive and successful companies, this may affect our results of operations and adversely impact our competitive position and our attractiveness as an investment manager for potential investors, further impacting our fundraising ability.

Furthermore, to raise capital for new strategies and products without diverting capital from our existing investment products and strategies, we may need to access new sources of capital. There can be no assurance that our fundraising for new strategy funds will enjoy similar success as our existing funds. In addition, any change to existing, or any new, asset allocation rules, regulations or investment policies to which investors are subject could inhibit or restrict their ability to make investments in our funds or reduce their allocations to our funds.

In addition, if interest rates were to rise or if market conditions for our competitors become more favourable, and such competitors offer rates of return superior to their historical performance or superior to those achieved by our funds, the attractiveness of our funds could decline. Such situation could make our future fundraising more challenging and increase the costs and/or the length of time required to fully invest our funds, thereby reducing investment returns.

While we seek to further develop our ability to raise funds, there is no guarantee that we will be able to raise sufficient funds, or at all, for the funds set up for our future investment. If we were unable to raise sufficient funds for whatever reasons, our operations, business, financial condition and results of operations would be materially and adversely affected.

RISK FACTORS

In addition, there may be a decline in our AUM if our existing funds continue to exit investments but we do not raise additional funds at the same time, which may adversely affect our results of operations and financial condition.

We may not be able to exit investments effectively or on time

We may exit from an investment project through various methods, such as IPO and equity transfer including mergers and acquisitions and buyback. Our investments include early-stage investments, which generally have relatively high uncertainty and may take a longer time to exit than we expect. For further details of the exit mechanisms, please see “Business – Investment Process and Arrangement – Our Investment Process – Exit From Investments” in this prospectus.

An investment project may take longer than expected for it to become suitable for our funds’ or our own exit, or we may encounter difficulties which makes the project unfeasible for our funds or us to exit, for example, the investee company may default or become unable to fulfil their repurchase obligation under the relevant investment agreement. In particular, past market conditions may not necessarily be indicative of the future and capital market conditions and trends are subject to unforeseeable changes that are out of our control and could significantly affect our ability to exit investments. For example, the strong market conditions during the Track Record Period may not necessarily be illustrative of future market performance. If there are favorable conditions or trends in capital markets, we may exit our investments faster than expected and achieve a better realized value of our investments. When facing unfavorable trends or conditions, however, our portfolio companies may take a longer time than we expected to reach the standards for an IPO or for us to exit our investments through other means, and the valuation achieved on any such exit may be lower than expected. As a result, our investment period may be longer than we anticipated, lowering our expected returns on investments, and we may be unable to exit our investments either in the open market after IPOs or through private transactions at the valuation we expected or at all. In addition, if certain of our investments become relatively illiquid because of unfavorable trends or conditions, it could prevent us from exiting them at commercially favorable prices in a timely manner, which could have a material adverse effect on our results of operations and financial condition.

If our funds or we are unable to exit from the investments effectively and in the manner and schedule we anticipated, we may not be able to receive any realized investment gains or carried interest, or to cover our funding or financing costs and our reputation as an investment manager may be adversely affected. As a result, our business, financial condition and results of operations, cash flows may be materially and adversely affected. Further, due to the inherent risks or complexities in connection with our business, our past exit results may not necessarily be indicative of our future performance.

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We may not be successful in executing or managing the complexities of new investment strategies or expanding into new markets and business

Our strategy contemplates potential expansion into selective new investment themes as appropriate. Implementing this strategy will entail potential difficulties and costs. Such costs may include the logistical and overhead costs of, for example, the cost of recruiting, training and retaining a higher number of investment professionals and higher compliance costs arising from exposure to additional activities. As our operations expand, we may become subject to laws and regulations to which we are not currently subject or from which we are currently exempt. This could lead to higher legal and compliance costs. Our Group's anticipated growth may also lead to organizational and cultural challenges, including ensuring that adequate controls and supervisory procedures are in place. If our expanded operations are unable to generate sufficient additional fund management fees or investment gains, our results of operations will be adversely affected by higher costs. In addition, if we do not manage the expansion process successfully, there may be a negative effect on our culture with potentially adverse effects on our future ability to retain high quality investment professionals and on actual and potential fund investors' perception of us.

The due diligence process that we undertake in connection with our investments may not reveal all facts that may be relevant in connection with investment opportunities

Before making investments, we conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment opportunity. The objective of the due diligence process is to identify both the attractive attributes of and risks associated with investment opportunities and prepare a framework that may be used from the date of investment or acquisition to drive operational improvement and value creation. When conducting due diligence, we may need to evaluate important and complex business, financial, regulatory, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment.

When conducting due diligence and assessing an investment, we rely on the resources available to us, including information from the target company and, in some circumstances, third-party investigations and analysis. The information available to us in conducting due diligence of newly-organized or growth stage companies is limited. Accordingly, the due diligence investigation that we carry out with respect to an investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating it. In addition, fraud, accounting irregularities and other improper, illegal or deceptive practices can be difficult to detect even if we implement responsible and appropriate due diligence to the extent possible. We cannot assure you that there will not be failures in detecting fraud, accounting irregularities and other improper, illegal or deceptive practices which may adversely affect our business reputation, financial condition and results of operations.

RISK FACTORS

We may not be able to retain or replace our key management and professional staff on whom we rely

The continued success of our business depends, to a large extent, on the continued effort of our executive Directors and management staff. Each of them has years of experience in the legal, financial or assets management industry in the PRC, and they possess a deep understanding of the market, our customers and competitors, and the laws and regulations relevant to our operations.

There is no guarantee that our key employees will not terminate his/her employment with us or reduce their contributions to us due to reasons beyond our control. The loss of any of our key personnel, in particular our executive Directors and senior management, may impair our business operations if we are unable to hire suitable replacements within a short period of time. The failure to recruit and/or retain these key personnel may severely disrupt our business and materially and adversely affect our results of operations.

Our continued success depends on our ability to attract, motivate, train and retain fund managers and other professional personnel. As a result, the inability to attract, motivate and/or retain the necessary highly skilled personnel could have a material adverse effect on our Group's business, results of operations and/or financial condition.

We rely on the management team of our portfolio companies to manage the day-to-day operations of our portfolio companies

Although we would closely monitor our portfolio companies, we would not participate in the daily operations of some of our portfolio companies as the daily operations would fall under the general responsibilities of the management team of our portfolio companies, who are independent from us and may have their own priorities. As such, there is no assurance that the operators will be able to meet the obligations under the agreements entered into with us, which could result in deterioration in the value of our funds' investments. In addition, there is no guarantee that the growth plan of our portfolio companies will be implemented on schedule or within budget, which may in turn affect the amount of realizable return and the timing of such realizations for our funds. Also, any non-compliances on the part of these operators may have implications on our reputation and the planning of our funds, exit of the project on time or at all.

We generally do not have control over the portfolio companies, and any actions taken by the investee and/or the business partners involved in our investment projects may adversely affect our funds' performance

We generally invest in companies without seeking control. We may acquire minority equity interests, such as our investments in joint ventures and associates, and may also dispose of a portion of our majority equity investments in portfolio companies over time while retaining a minority investment as in the case of Mengtian Dairy and Yoplait China. Those investments will be subject to the risk that the company in which the investment is made may

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make business, financial or management decisions with which we do not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve our interests. If any of the foregoing were to occur, the values of investments made by our funds could decrease which could further affect certain line items in our financial statements, including investment gains or losses and share of results of associates and joint ventures, and our Group's financial condition, results of operations and cash flow could suffer as a result. In addition, part of our investment gains is from dividends received from our investments. As we cannot control our joint ventures and associates, we cannot assure when or whether dividends will be paid by them in the future. If no dividend is declared by our investments in joint ventures and associates for a long period, it may affect the Group's liquidity and results of operations.

Some of our portfolio companies adopt VIE structures for their operations in China, which may not be as effective in providing operational control as direct ownership

As of the Latest Practicable Date, as far as we are concerned, 25 of our portfolio companies have adopted variable interest entity ("VIE") structures. Such portfolio companies do not have equity interest in the VIEs, and rely on a series of contractual arrangements with the VIEs and their shareholders to control and operate business. However, such arrangements may not be as effective as, or equivalent to, direct equity ownership. For example, other shareholders of the VIEs may dispose of the underlying assets in a way against their contractual obligations. The interpretation or enforcement of such contractual arrangements under PRC law are subject to evolution. In the event that our portfolio companies are unable to enforce these contractual arrangements as expected or experience significant delays should legal action become necessary, they may not be able to exert effective control over their VIEs and the underlying assets, may lose the right to receive relevant economic benefits, and may be unable to consolidate the financial results of such entities in their consolidated financial statements. Accordingly, our funds or direct investment entities, as shareholders of such portfolio companies, may not be able to receive dividends or other economic benefits from them, which may adversely affect our results of operations, financial condition and cash flow.

Our portfolio companies may be subject to regulatory risks, including U.S. sanctions and PRC regulatory requirements of approvals, licenses and permits

The U.S. has implemented economic sanctions against certain countries, targeted industry sectors, groups of companies or persons through various measures. During the Track Record Period, none of our portfolio companies have been subject to such U.S. sanction measures. However, the relevant sanction laws and regulations are constantly evolving and contain inherent uncertainties, with new persons and entities regularly added to the list of sanctioned persons and new requirements or restrictions coming into effect, any of the foregoing might increase the scrutiny our portfolio companies are subject to. If our portfolio companies are deemed to have violated relevant sanctions in the future, they may be subject to governmental

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inquiries, investigations, enforcement actions, fine or penalties, which may negatively impact their business operations, which may further adversely affect our respective investment and/or exit strategy, leading to adverse impact on the performance of our funds and/or direct investments.

Furthermore, some of our portfolio companies are subject to certain PRC laws and regulations that require them to obtain and maintain various approvals, licenses or permits from relevant authorities to operate their business, as well as update or renew the same upon revocation or expiration, the process of which may be time-consuming and costly. In addition, our portfolio companies may be required to obtain additional approvals, licenses or permits in the future according to evolving regulatory requirements. There is no assurance that they can successfully obtain, maintain, update or renew the requisite approvals, licenses and permits in a timely and cost-effective manner or at all; or that they can fully comply with any new regulatory developments in a timely manner. If they fail to do so, or are otherwise found to be in violation of such laws and regulations by the competent authorities, they may be subject to government investigations, fines and penalties, and discontinuation or restriction of their operations, which would in turn negatively impact the performance of our funds and/or direct investments. Regulatory factors can also impact our investment exits. Any regulatory challenges that affect our fund's exit plans may result in delayed or ineffective exits from our investments, which would in turn impact the performance of our investments.

There is no guarantee that the expertise of our Directors, senior management and professional staff will continue to be adequate for our fund management business

As a private equity investor and fund manager specializing in consumer sector, we rely on the combined expertise of our Directors, senior management and professional staff with professional backgrounds in various disciplines to ensure the effectiveness of our operations. While we have adopted various measures to ensure that our existing Directors, senior management and professional staff will continue to have sufficient expertise in the management of our funds on an ongoing basis, there is no guarantee that such measures will be effective. In the event that the expertise of our Directors, senior management and professional staff are found to be inadequate for the management of our business, our operations and future prospects will be materially and adversely affected.

Investors of our funds may fail to make payments of their committed capital

We generally require our investors to make the payment of their committed capital punctually and sufficiently based on the investment agreements with us. However, because of many factors that are out of our control, they may still make the late payment or not make the payment at all due to whatever reasons. Even though we could take legal or other proceedings to protect ourselves, there may still be material and adverse effects on our business, such as the delay of our investment plan or the loss of investment opportunities caused by the absence of committed capital.

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We may not have adequate insurance coverage to cover potential liabilities or losses

Insurance companies in the PRC currently do not offer as extensive an array of insurance products as insurance companies in more developed economies. For example, professional indemnity insurance offerings are rare in the PRC. We currently do not have insurance to cover our business or interruption of our business, litigation or product liability. We have determined that the costs of insuring for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Any uninsured occurrence of loss or damage to property, litigation or business disruption may result in our incurring substantial costs and the diversion of resources and management attention, which could have an adverse effect on our results of operations and financial condition.

We and our funds are subject to extensive regulations and are affected by evolution in laws, regulations and governmental interpretations and practices

Our business is subject to extensive regulations, and present or future regulations affect numerous aspects of our operations. We must comply with, and are affected by, governmental and self-regulatory organizations' laws, rules and regulations at a national, regional and local level. Further, we must comply with laws, rules and regulations of jurisdictions into which we may expand in the future and the jurisdictions of fund investors and jurisdictions where our funds make their investments, and would be subject to risks relating to the complexities involved in being subject to such regulations.

The ability to comply with applicable laws, rules and regulations depends in some instances on determinations of fact and interpretations of complex provisions. In such cases, it may be difficult for us to correctly assess the implication of such laws, rules and regulations. Such laws, rules and regulations may be under review by persons involved in the legislative process, governmental and self-regulatory organizations or other authorities, and may result in revised interpretations of established concepts, statutory evolution, revisions to regulations and other modifications and interpretations.

If we fail to comply with applicable laws or regulations, including regulations that will apply to us once our Company becomes a listed entity, it may entail limitations on our operations, increased costs of operation, fines or other sanctions. Even if an investigation or proceeding does not result in a sanction or if the sanction imposed against us or our persons by a regulator was small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm our brand and reputation and cause our Company to lose existing fund investors or harm our ability to attract new fund investors.

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There have also been significant legislative developments affecting the asset management industry and there continues to be discussion among lawmakers and regulators regarding enhancing governmental scrutiny and/or increasing the regulation of the asset management industry in various jurisdictions in China, Cayman, Hong Kong and around the world, which may have an adverse effect on the asset management industry generally.

Our operation may be adversely affected if we fail to obtain or maintain necessary approvals, or complete necessary registrations for our business

Due to the highly regulated nature of the asset management industry in jurisdictions where we operate, many aspects of our business depend on obtaining and maintaining approvals, licenses, permits or qualifications from relevant regulators in China, Cayman, Hong Kong and other jurisdictions where we operate. For more details, please see “Regulatory Overview” in this prospectus. Obtaining such approvals, licenses, permits or qualifications is contingent on our compliance with regulatory requirements. Our failure to comply with regulatory requirements could limit the scope of businesses in which we are permitted to engage. Furthermore, additional regulatory approvals, licenses, permits or qualifications may be required by relevant regulators in jurisdictions where we operate in the future, and some of our current approvals, licenses, permits or qualifications are subject to periodic renewals. The failure to obtain or maintain our required approvals, licenses, permits or qualifications could adversely affect our results of operations and financial conditions.

In addition, we may be required to complete certain registrations in connection with cross-border investment activities. If we cannot comply with the request to make or obtain any necessary registrations or continuously comply with all registration procedures set forth in relevant regulations during our cross-border investment activities, such failure or inability may subject us to fines and legal sanctions, restrict our cross-border investment activities, as a result of which our business operations could be materially and adversely affected.

We are subject to risk by engaging third-party service providers

Our operations and the operations of our funds depend on third-party service providers, including those providing banking and foreign exchange, information technology, legal, tax and finance consultation, financial analysis and auditing and depository services. We are subject to risks of errors and mistakes made by these third parties, which may be attributed to us and subject us or our fund investors to reputational damage, penalties and losses. We may be unsuccessful in seeking reimbursement or indemnification from our third-party service providers.

The employees of our third-party service providers may have access to personal information of our fund investors. Detecting or deterring misconduct by third-party service providers is not always possible. If employees of our third-party service providers were to engage in or be accused of misconduct, our reputation and business could be materially adversely affected.

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The risk of defaults of third parties may arise from events or circumstances that are difficult to detect, foresee or evaluate. In addition, concerns about, or a default by, one large market participant, for example, custodian banks, could lead to significant liquidity problems for other market participants, which may in turn expose us to significant losses. We may not accurately anticipate the impact of market stress or counterparty financial condition, and as a result, we may not take sufficient action to reduce these risks effectively, which, if left unmitigated, could have a material adverse effect on our business and results of operations.

We and some of our portfolio companies have certain amount of deposits in Silicon Valley Bank. On March 10, 2023, Silicon Valley Bank was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (“FDIC”), as receiver. Although a statement by the Department of the Treasury, the Federal Reserve and the FDIC stated that all depositors of Silicon Valley Bank would have access to all of their money no later than the morning of March 13, 2023, including funds held in uninsured deposit accounts, this incident may still raise concerns about the potential consequences of future bank failures on us and our portfolio companies. We recognized loss allowance of RMB27.6 million for our deposits with Silicon Valley Bank in the first three months of 2023 given the existing exposure of these deposits to liquidity risk. In the event of a liquidity dry-out or impairment on our portfolio company’s financial performance, we may experience difficulties meeting obligations such as capital calls by limited partners, portfolio companies and creditors, which may negatively affect our business and financial performance. In addition, the failure of banks or financial institutions can have a significant impact on the financial ecosystem, leading to systemic risks such as a loss of confidence in the financial system, lack of liquidity, fluctuations in capital markets, and potential economic downturns. For us and our portfolio companies, such failures may limit the availability of financing options, potentially affecting the fair value and exit plans of our investments, as well as our ability to raise funds for our USD-denominated funds.

Our risk management policies and procedures and internal control policies may not be adequate or effective in identifying or managing risks to which we are exposed

The complexity of our operations exposes us to various risks, including market risk, credit risk, operational risk, liquidity risk, compliance risk, legal risk and other risks. We have established risk management and internal control systems and procedures to manage potential risks in our business operations, and we have been dedicated to continuously improving these systems and procedures. For more details, please see “Business – Risk Management and Internal Control” in this prospectus.

However, our risk management systems and internal control policies may not be effective in mitigating our exposure to all types of risk, including unidentified or unanticipated risks. Many of our methods for managing risk exposure are based upon observed historical market behavior or data. As such, we may not be able to adequately identify or estimate future risk exposures, which can be significantly greater than what these methods can cover. Other risk management methods depend on evaluation of information regarding markets, customers or other relevant matters, which may be inaccurate, incomplete, obsolete or improperly evaluated for reasons beyond our control.

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Our risk management and internal control systems require constant monitoring, maintenance and continual improvements. Our efforts to maintain these systems may be ineffective or inadequate. Effectiveness of our risk management and internal control systems and procedures may also be adversely affected by misjudgment, clerical mishandling and errors, reporting errors or our limited experience or resources in making accurate, complete, up-to-date or proper evaluations.

Although we have established risk management and internal control systems and required our employees to strictly comply with them, we cannot assure you that our risk management and internal control systems are adequate and effective. Failure to address any internal control matters and other deficiencies in a timely and effective manner may subject us to regulatory, operational or credibility risks and may materially and adversely affect our business, financial condition and results of operations.

Failure to comply with applicable anti-corruption, anti-bribery, sanctions, anti-money laundering and other relevant laws and regulations could subject us to penalties and other adverse consequences

We may be subject to anti-corruption, anti-bribery, sanctions, anti-money laundering and similar laws and regulations in various jurisdictions in which we conduct activities. We have implemented policies and procedures designed to ensure compliance by us and our Directors, employees, and business partners with applicable anti-corruption and anti-bribery and similar laws and regulations. However, our policies and procedures may not be sufficient and our Directors, employees, and business partners could engage in improper conduct for which we may be held responsible.

Non-compliance with anti-corruption, anti-bribery, sanctions or anti-money laundering laws and regulations could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, results of operations, financial condition and reputation.

In addition, although we have adopted policies and procedures aimed at detecting and preventing being used for any illegal or improper activity, there is no guarantee that our existing policies and procedures will be able to eliminate the possibility of our funds, portfolio companies invested by us and our limited partners of the funds under our management being used by other parties to engage in any illegal or improper activity. In the event that there is a failure to fully comply with applicable laws and regulations, the relevant government agencies may initiate investigation, freeze our assets or impose fines or other penalties on us, our portfolio companies or the funds under our management, and the exit of our investments and our reputation would be adversely affected. We cannot assure you that there will not be failures in detecting illegal or improper activities which may adversely affect our business reputation, financial condition and results of operations.

RISK FACTORS

We and our portfolio companies are exposed to litigation risks which could negatively impact our financial position and reputation

We and our portfolio companies operate in evolving legal and regulatory environments and that many aspects of our business involve substantial risks of liability. We and our portfolio companies may be involved in disputes with investors or investee companies relating to the investment or partnership agreements and other business arrangements. We and our portfolio companies could also potentially face liability for claims of negligence and other relevant laws. These disputes may lead to legal or other proceedings and may result in substantial costs, damages to our brand and reputation, and a diversion of resources and management's attention, which may adversely affect our or our portfolio companies' financial performance and results of operations. We maintain good relationships with our portfolio companies, work closely with them to understand their needs and incubate their growth. As of the Latest Practicable Date, we had never had any material disagreements with or received any formal complaints from our portfolio companies, which could negatively impact our financial position and reputation.

As a regulated activity, our business by nature is exposed to legal and other disputes, claims and proceedings that may arise in the ordinary course of our business from time to time, such as commercial disputes, tax proceedings, government investigations and other legal proceedings. Disputes and legal actions may arise if our customers are dissatisfied with our services or allege that our services are inconsistent with the terms stipulated in our contracts. For example, we are exposed to risk of litigation by the investors if the management of any of our funds is alleged to be fraudulent, negligent, or in breach of applicable laws or regulations, the trust deed or constitutive documents. Investors could seek to recover any investment losses alleging misconduct. Furthermore, we may be involved in disputes with, and subject to claims by, other parties involved in our business operations, including our business partners, service providers, employees, or other third parties.

In addition, by virtue of the fact that we are acting as the general partner of some of our funds which were formed under limited liability partnership structures, we may be exposed to the full extent of these funds' liabilities and may be involved in various forms of disputes or legal proceedings, which make them liable to pay various parties. As we may use the same company to act as general partner for different funds, any liability arising from one fund may affect the operation of the others. In the event that any of these limited liability partnerships has exhausted its available funds when its liabilities fall due, we as general partners may be liable to make payments for and on behalf of the fund, which may adversely affect our financial position.

Other than disputes with various parties, we may have disagreements with regulatory bodies in the course of our operations which may subject us to administrative proceedings and unfavorable decrees that result in pecuniary liabilities or otherwise disrupt our business operations. We cannot assure you that we will not be involved in any major disputes or legal or other proceedings in the future. Any litigation brought against us in the future may materially and adversely affect our business, growth prospects, financial condition, fee income and/or results of operations.

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Any of these disputes and claims may lead to legal or other proceedings which could negatively impact our financial position and our reputation, and could divert human resources and management's attention from our core business activities. If the outcome of any proceedings is unfavorable to us, we may be obliged to pay substantial damages and bear significant legal, settlement and other costs.

On January 29, 2023, we received a notice of arbitration and became aware of the fact that we were named as a party in arbitration. A subsidiary of 51 Credit Card Inc. initiated an arbitration proceeding against all prior shareholders of our portfolio company, Beijing Shouhui Kaizhuo Technology Company Limited (“**Shouhui Kaizhuo**”), in relation to its acquisition of Shouhui Kaizhuo. As advised by our arbitration expert, based on their review and analysis of all the materials currently available, the likelihood of 51 Credit Card Inc. prevailing in the arbitration is remote. For more details, please see “Business – Legal Proceedings and Regulatory Compliance – Legal Proceedings” and “Financial Information – Discussion of Certain Selected Items From the Consolidated Statements of Financial Position – Advances from Share Transfer Transaction.” In the extreme event that the claims of 51 Credit Card Inc. are upheld by the arbitration panel and the share transfer agreements were to be rescinded, it may negatively impact our future cash flow, and potentially lead to the revaluation of this portfolio company, which in turn may lead to a fluctuation in our future financial performance. Specifically, for the potential impact on future cash flow in this extreme situation, we may be obligated to refund part or all of the consideration received, which amounted to RMB176.7 million representing the carrying amount of our stake in this portfolio company measured at fair value (the “**Carrying Value**”). In terms of the potential impact on future profits and losses due to revaluation of this portfolio company, the maximum risk exposure of potential losses from fair value change is the total Carrying Value that accounts for approximately 2.4% of our net assets as of March 31, 2023.

In addition, Mr. Dai Yongbo, our non-executive Director, was named as one of the defendants in an ongoing securities class action lawsuit against Qutoutiao Inc., or Qutoutiao, originally filed on August 20, 2020 and as amended on January 15, 2021 (the “**Amended Complaint**”) in the United States District Court for the Southern District of New York. This class action lawsuit alleged materially false or misleading statements or omissions in offering documents in connection with Qutoutiao's initial public offering in September 2018 (the “**IPO**”) and follow-on equity offering in April 2019 (the “**SPO**”). Mr. Dai was named as one of the defendants in the Amended Complaint in his capacity as its then director from November 2018 to December 2020. Except for his directorship from November 2018 to December 2020, Mr. Dai did not hold any past or present position in Qutoutiao and/or its subsidiaries or associates. According to the Amended Complaint, the defendants include certain directors or former directors of Qutoutiao, underwriters in connection with Qutoutiao's IPO and/or SPO and Qutoutiao itself. Mr. Dai signed or authorized the signing of the SPO documents. No allegation was made solely against Mr. Dai. According to the Amended Complaint, the plaintiffs alleged that the IPO/SPO documents (i) mischaracterized the reasons for Qutoutiao's targeting of users in Tier-3 and Tier-4 cities; (ii) inaccurately described the benefits of, and reasons for, replacing the Qutoutiao's third-party advertising agent; (iii) misleadingly touted Qutoutiao's advertisement revenue and Qutoutiao's 2017 and 2018 revenue; (iv) negligently

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promoted Qutoutiao's ability to monetize user traffic; and (v) failed to adequately warn investors that certain "Risk Factors" listed in the IPO/SPO documents had already materialized at the time of the IPO/SPO as Qutoutiao was violating the applicable advertising laws and regulations. After our due and careful enquiry with Mr. Dai, we understand that during his tenure as a director of Qutoutiao, Mr. Dai obtained, among other things, regular financial reports of Qutoutiao to get familiarized with the business operations and financial situation of Qutoutiao, and he had carefully perused the SPO documents before signing of the SPO documents. Nothing has come to Mr. Dai's attention that would lead to the situations as mentioned in plaintiff's allegations during his tenure as a director of Qutoutiao and before signing the SPO documents. To the best knowledge, belief and information of Mr. Dai, the Amended Complaint does not adequately allege any actionable misrepresentation or omission and the plaintiffs' claims should be dismissed. The defendants (including Mr. Dai) have filed a motion to dismiss plaintiffs' claims on March 16, 2021. The defendants' motions to dismiss plaintiffs' claims were granted in full on August 3, 2023 and the lead plaintiff filed an appeal as of the Latest Practicable Date.

Cybersecurity failures, data security breaches and operational risks may disrupt or have a material adverse impact on our business, operations and investments

We rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Cybersecurity incidents and cyberattacks are frequent and severe and will likely continue to increase in the future. We face various cybersecurity threats on a regular basis, including ongoing cybersecurity threats to, and attacks on, our information technology infrastructure that are intended to gain access to our proprietary information, destroy our data or disable, degrade or sabotage our systems. We also face network failures, computer and telecommunication failures, infiltration by unauthorized persons, usage errors by professionals and service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes and other factors. Such threats and attacks could compromise the confidentiality of our proprietary business information and intellectual property, the personally identifiable information of our employees and our investors, sensitive and confidential information relating to our investors, employees, contractors, and other counterparties and third parties. Moreover, we and our employees may be the subject of other impersonations and fraudulent requests for money, including attempts to redirect material payment amounts to a fraudulent bank account and other forms of theft. Our information system and technology infrastructure is partially cloud-based and managed to a high degree of security protection. We have adopted internal measures to ensure our compliance with the applicable laws and regulations with respect to cybersecurity and the handling of sensitive data involving commercial secrets or personal privacy. For example, our confidential information should be encrypted during its transferring and storing and is under strict access management. For more details, please see "Business – Risk Management and Internal Control – Internal Control" in this prospectus. However, any disruption to our information systems and technology infrastructure, either operational or as a result of cyberattack, could have a significant negative impact on our business. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by others, including by our third-party service providers. Possible disruptions in our data

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processing systems could adversely affect Tiantu's brand and reputation. Disruptions that are not fully covered by our external data processing suppliers or are not reimbursed because they occur in our internal systems, or issues with data protection measures, could further increase our operating expenses. Any of these risks can similarly affect our funds.

Our various risk management measures and systems relating to these types of events could prove to be inadequate and, if compromised, data processing systems could become inoperable for extended periods of time, cease to function properly or fail to adequately secure our private information. As a result of disruptions or disturbances in our data processing systems, there is a risk that we cannot conduct normal business operations and our data may be leaked or lost. Any leaked or lost data, in particular in respect of our funds or our fund investors, could have a negative impact on Tiantu's brand and reputation and our operations. Moreover, we may not be able to identify breaches involving covertly introduced malware, impersonation of authorized users or other espionage thereby resulting in further harm to our business and reputation. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions to the operations and the operations of our funds and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to fund investors (and their beneficial owners) and our intellectual property and trade secrets. In addition, the cost of remedying any of these failure could be significant and could have an adverse effect on our business, financial condition and results of operations.

Cybersecurity has also become a top priority for regulators around the world. Many jurisdictions in which we operate have laws, rules and regulations relating to data privacy, cybersecurity and protection of personal information. If we or our funds were to experience a cybersecurity incident and fail to comply with the relevant laws, rules and regulations, it could result in regulatory investigations and penalties, which could also lead to negative publicity and may cause fund investors to lose confidence in the effectiveness of our security measures. Moreover, if our portfolio companies fail to comply with laws, rules or regulations in relation to cybersecurity, even though those legal actions may not affect our business directly, it may still affect our potential exit or other liquidity events, our reputation or cause negative publicity against us.

Damage to Tiantu's brand and reputation may have an adverse effect on our business operation

We rely on our Tiantu brand. Third parties' use or misuse of the Tiantu brand could reflect badly on us. We may not have sufficient protection for our Tiantu brand and related assets and could have difficulty defending our rights. Moreover, third parties may attempt to challenge, oppose, invalidate, render unenforceable, dilute, misappropriate or circumvent Tiantu brand, related assets and rights. From time to time, we may be required to initiate litigation or other actions to protect and defend our Tiantu brand, related assets and rights. Such action could result in substantial cost and diversion of resources and management attention, and there can be no assurance that any such action will be successful.

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In addition, other entities may also include “Tiantu” in their names. We cannot assure there will not be any confusion amongst investors because of the similarity of the name. If there is any complaints or legal claims against other companies that include “Tiantu” in their names, it may also lead to negative publicity against us or our portfolio companies, which could damage our brand and reputation.

Our buyout investment strategy may fail and may result in material and adverse impact on our financial condition and results of operations

As part of our investment strategy, we from time to time consider control transactions when the suitable opportunities arise and we expect to continue such buyout investment in the future. Our ability to implement our buyout investment strategy will depend on our ability to identify suitable targets, our ability to reach agreements with them on commercially reasonable terms within a desired timeframe, and the availability of financing resources to complete such transactions if needed, as well as our ability to obtain any required shareholder or government approvals. Our buyout investments could subject us to uncertainties and risks, including high buyout and financing costs, potential ongoing financial obligations and unforeseen or hidden liabilities, failure to achieve our intended objectives, benefits or revenue-enhancing opportunities, uncertainty of entering into markets in which we have limited or no experience, and in which competitors have stronger market positions, additional risks and responsibilities in respect of ESG and other regulatory compliance, costs associated with, and difficulties in, integrating buyout businesses and managing a larger business, and diversion of our resources and management attention. Our failure to address these uncertainties and risks may have a material adverse effect on our liquidity, financial condition and results of operations. We primarily exit from buyout investments through IPOs and mergers and acquisitions. Even if we are able to successfully invest in suitable businesses, we cannot assure you that we will achieve our expected returns on such buyout investments upon the exit. As of the Latest Practicable Date, we had not identified or pursued any new buyout target. As we have majority equity interests in our buyout investments, if there is any significantly poor performance in these investments, for any reason, our business, financial conditions, results of operations and prospects may be materially and adversely affected.

In addition, in any situation that our funds take control of certain portfolio investments, we may be subject to risks similar to our buyout investments, including uncertainty of entering into markets in which we have limited or no experience, and in which competitors have stronger market positions, costs associated with, and difficulties in managing such business, and diversion of our resources and management attention. Our failure to address these uncertainties and risks may have a material adverse effect on our liquidity, financial condition and results of operations.

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Our lending activities may not be in compliance with the relevant PRC laws and regulations

We provided loans to our investee companies and independent third parties for the purpose of investing during the Track Record Period. As of December 31, 2020, 2021, 2022 and March 31, 2023, our loan receivables amounted to RMB221.4 million, RMB54.4 million, RMB127.0 million and RMB126.9 million, respectively. However, RMB47.5 million in loans to investee companies as of December 31, 2020, 2021, 2022 and March 31, 2023 have been fully impaired. RMB7.5 million as of December 31, 2020 and RMB6.9 million as of December 31, 2021, 2022 and March 31, 2023 in loans to independent third parties have also been fully impaired. For more details, please see “Financial Information – Discussion of Certain Selected Items from the Consolidated Statements of Financial Position – Prepayments and Other Receivables” in this prospectus.

As advised by our PRC Legal Advisor, any financing arrangements or lending transactions between non-financial institutions is prohibited by Article 61 of the General Lending Provisions (貸款通則) promulgated by the PBOC in June 1996. Furthermore, pursuant to Article 73 of the General Lending Provisions, the PBOC may impose a fine on the non-compliant lender of one to five times of the income received by the lender from such loans. Notwithstanding the General Lending Provisions, the Supreme People’s Court has made new interpretations concerning financing arrangements and lending transactions between non-financial institutions under the Provisions of the Supreme People’s Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases (最高人民法院關於審理民間借貸案件適用法律若干問題的規定) (the “**Judicial Interpretations on Private Lending Cases**”), which came into effect on September 1, 2015 and was amended on August 19, 2020 and December 29, 2020. According to Article 10 of the Judicial Interpretations on Private Lending Cases, the Supreme People’s Court recognizes the validity and legality of financing arrangements and lending transactions between non-financial institutions so long as certain requirements, such as the interest rates charged, are satisfied and there is no violation of mandatory provisions of applicable laws and regulations. Our PRC Legal Advisor advised that, except under the circumstances as set forth in the Civil Code (《民法典》) and the Judicial Interpretation on Private Lending Cases, the people’s court shall support a claim for the validity of a private lending contract entered into by legal persons and other organizations for the purpose of production or business operation.

During the Track Record Period and up to the Latest Practicable Date, we had not been imposed any administrative penalty by government authorities, or become subject to any investigation relating to the interest-bearing loans to related parties or independent third parties. Based on the above, our PRC Legal Advisor is of the view that the risk that we become subject to any penalty with respect to our interest-bearing loans to related parties and independent third parties pursuant to the General Lending Provisions is remote, and such loan is legally binding on the relevant parties and there will be no material adverse legal consequences. However, if the PBOC imposes penalties against us under the General Lending Provisions, our business, financial position and results of operations could be adversely affected.

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We may be subject to taxation in a number of jurisdictions and developments in, or new interpretation of, tax laws, tax rulings or their application by tax authorities could result in additional tax liabilities and could materially affect our business, financial condition and results of operations. The results of periodic audits and examinations by taxing authorities which may materially impact our business, financial condition and results of operations

We may be subject to tax in a number of jurisdictions and the tax laws that are applicable to our business are subject to interpretation, and significant judgment is required in determining our provision for taxes, deferred tax assets or liabilities and in evaluating our tax positions. In the course of our business, there will be many transactions and calculations where the ultimate tax determination is uncertain and as we gather more information and performs more analysis, our calculation may differ from previous estimates and may materially affect our consolidated financial statements.

We had a significant increase in deferred tax liabilities in 2022. In 2022, a one-off gain of RMB520.4 million on disposal of Yoplait China was recorded in our financial statements, representing primarily the cumulative fair value appreciation of our previous controlling interests in Yoplait China. Such gain on disposal of Yoplait China together with the unrealized gain, net of other unrealized losses from our domestic funds (including consolidated and unconsolidated funds) and direct investments, have resulted in an overall additional future taxable temporary differences, which caused us to recognize additional deferred tax liabilities in 2022. In addition, there may be fluctuation in our deferred tax liabilities caused by the changes in the capital markets, while the corresponding fair value changes of our portfolio companies held in Cayman Islands, British Virgin Islands and Hong Kong are not subject to Hong Kong Profits Tax or tax-exempted according to the relevant tax rules. For more details regarding taxation, please see “Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss and other Comprehensive Income – Continuing Operations – Taxation.”

Changes in tax rates, the enactment of new tax laws, rules and regulations, revisions and adverse interpretations of existing tax laws, rules and regulations and enquiries by or litigation with taxing authorities may require significant judgment in determining the appropriate provision and related accruals for these taxes which may change as a result and such enactments, revisions, enquiries and litigation could also result in substantially higher taxes and an increase of our effective tax rate. This could have a significant adverse effect on our financial condition and results of operations.

We are subject to periodic review and audit by tax authorities. Although we believe that our tax provisions, positions and estimates are reasonable and appropriate, tax authorities may disagree with certain positions we have taken or that we will take in the future, and any adverse outcome of such a review or audit could have an adverse effect on our business, financial condition and results of operations. We may also be subject to penalties or fines for any incorrect or late tax filings. In addition, economic and political pressures to increase tax income in various jurisdictions may make favorable resolution of tax disputes more difficult.

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Our business could be materially and adversely affected by employee misconduct, which may be difficult to detect and deter

While we implement a comprehensive risk management and internal control system, we could not fully control all conducts of our staff. The violation of any regulatory requirements or professional conduct by any of our employee would adversely affect our business. Our business often requires that we deal with significant amount of confidential matters relating to the business of our clients or of companies in which our funds may invest. If our employees mishandle confidential information, we could suffer serious harm to our reputation, financial position and current and future business relationships. It is not always possible to detect or deter employee misconduct, and the precautions we take to detect and prevent such activities may not be effective in all cases. If any of our employees were to engage in misconduct or were to be accused of such misconduct, our business and reputation could be adversely affected.

Our business is subject to reputational risks and the risk of negative publicity

We are vulnerable to poor market perception since we operate in an industry where integrity and the trust and confidence of our customers are of utmost importance. Negative publicity, allegations, reports or comments, whether or not justified or with bases, associated with us or any of our funds, officers or employees, business partners, investment projects or the occurrence of any of the risks set out in this section could result in a loss of customer confidence, which could have a material adverse effect on our reputation, business and results of operations. Our reputation and publicity could also affect that of our portfolio companies, which in turn may affect their business and financial performance. In addition, as many of our portfolio companies are in the consumer sector, negative publicity against them and damage to their reputation caused by any reason, including the endorsement of misbehaving celebrities, whose misbehaviors could lead to negative publicity and, in turn, to boycotts of the products endorsed by them, may significantly affect their sales volume. Therefore, the financial performance and business operations of our portfolio companies may be significantly affected, which may in turn adversely affect our reputation and results of operations.

We may not be able to properly identify and deal with conflicts of interest

As we expand the scope of our businesses and client base, it becomes increasingly important for us to be able to address potential conflicts of interest, including situations where two or more interests within our business naturally exist but are in competition or conflict. We have extensive internal procedures and systems to identify and address conflicts of interest. However, it can be complicated and difficult to appropriately identify and address potential conflicts of interest. We may encounter conflicts of interest where (i) our services to a particular fund or our direct investments are in conflict, or are perceived to conflict, with the interests of another fund; (ii) any of the non-public information we obtain through business channels is disclosed to other business departments of the Company; (iii) we may possess more information than external limited partners in certain funds if we acted as both a general partner and a limited partner in such funds; and (iv) we may be a counterparty of an entity which we have other business relationships. Our failure to prevent imprudent use of information or

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manage conflicts of interest could harm our reputation and affect client confidence. In addition, potential or perceived conflicts of interest may also give rise to litigation and/or regulatory enforcement actions. Any of the foregoing could adversely affect our business, financial condition and results of operations.

We may be subject to risks relating to leased properties

We have leased 23 properties for our business operations as of the Latest Practicable Date. For two of these leased properties in the PRC, the lessors have not provided us with copies of building ownership certificate or other authorization documents evidencing their rights to lease the properties to us. For details, see “Business – Properties” in this prospectus. We cannot assure you that these lessors have the right to lease the relevant properties to us. As advised by our PRC Legal Advisor, we may not be able to continue to use such properties. If ownership of the properties we have leased is disrupted and/or the validity of such leases is challenged by third parties, we may not be able to continue to use those properties and have to relocate to other places, which could result in additional costs.

Pursuant to the applicable PRC laws and regulations, property lease contracts must be registered with the local branch of the Ministry of Housing and Urban Development of the PRC. As of the Latest Practicable Date, we had not yet completed the registration for 10 of our leased properties in the PRC within the prescribed time pursuant to the applicable PRC laws and regulations. Although we will take practical and reasonable steps to request the lessors of the aforementioned and future leased properties to cooperate with us to complete the registration in a timely manner, we cannot assure you that such lessors will agree to cooperate. As advised by our PRC Legal Advisor, failure to complete the lease registration will not affect the validity of the lease agreements according to PRC law, but we may have a maximum penalty of RMB10,000 imposed on us for each non-registered lease if we fail to complete the registration of any of our future lease agreements after we are requested to do so by the competent PRC government authorities.

We may be subject to penalties under relevant PRC laws and regulations due to failure in full compliance with social insurance and housing fund regulation

According to the Social Insurance Law of the PRC (中華人民共和國社會保險法), the Regulations on the Management of Housing Provident Funds (住房公積金管理條例) and other applicable PRC regulations, any employer operating in China must contribute social insurance premium and housing provident funds for its employees. Any failure to open a social insurance or housing provident fund registration account may trigger an order of correction. Where correction is not made within a specified period of time, the competent authority may further impose fines. Any failure to make timely and adequate contribution of social insurance premium or housing provident funds for its employees may trigger an order of correction from competent authority requiring the employer to make up the full contribution of such overdue social insurance premium or housing provident funds within a specified period of time, and the competent authority may further impose fines or penalties.

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During the Track Record Period, we did not make timely and adequate contribution of social insurance premium and housing provident funds for some of our employees, but such overdue social insurance premium and housing provident funds only involved an immaterial amount which will not bring any material adverse effect to our operations or financial position. The total shortfall amount of social insurance premium and housing provident funds in 2020, 2021, 2022 and the three months ended March 31, 2023 was approximately RMB7.3 million. During the Track Record Period, we also engaged third-party human resources agencies to pay social insurance and housing funds for some of our employees, primarily due to the preference of such employees to participate in local social insurance and housing fund schemes in their place of residency. Pursuant to the PRC laws and regulations, we are required to pay social insurance premium and housing provident funds for our employees under our own accounts instead of making payments under third-party accounts. The contributions to social insurance premium and housing provident funds made through third-party accounts may not be viewed as contributions made by us, and as a result, we may be required by competent authorities to pay under our own accounts, and could be subject to late payment penalties or enforcement application made to the court. We have already taken practical measures to ensure that the payments of social insurance and housing fund contribution will be made from our own accounts going forward, such as establishing subsidiaries in places where we have employees whose contributions are made by a third-party human resource agency.

As of the Latest Practicable Date, we have not received any order of correction or any fines or penalties from the competent authority as a result of any such failure. As advised by our PRC Legal Advisor, the risk of the Company being fined for the aforementioned matters by competent authorities is remote. However, we cannot assure you that the competent authority will not require us to rectify any non-compliance by making contribution of overdue social insurance premium or housing provident funds or to pay any overdue fine or penalty related thereto.

Our operations and business plans may be adversely affected by nature disasters, health epidemics and pandemics and other outbreak

Our business could be affected by force majeure events, natural disasters, outbreaks of epidemics and contagious diseases, including avian influenza, severe acute respiratory syndrome, swine influenza caused by the H1N1 virus, or H1N1 influenza, the Ebola virus and COVID-19 and its variants, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. Moreover, the world has experienced natural disasters such as earthquakes, floods and droughts in the past few years. Any natural disasters, epidemics and other outbreaks that are beyond our control may be expected to affect the economy, restrict the level of business activities in the affected areas, directly impact our and our portfolio companies' operations, including straining facilities and employees, exposing employees to personal risks, temporarily closing office spaces, imposing additional health or safety measures upon office spaces, or exposure to potential liabilities for actions taken or not taken. In addition, any adverse impact on the financial performance and results of operations of our investments will in turn affect our financial performance and results of operations. Any such future occurrences, or the measures taken by the relevant government authorities in response, may adversely affect the economy and our business.

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We have made investments in companies whose business operations are based outside the PRC, which may expose us to risks not typically associated with investing in companies whose business operations are based in the PRC

Our funds have made investment in companies outside the PRC, and may continue to invest a portion of their assets in the equity, debt, loans or other securities of companies whose business operations are outside the PRC. Investments in such companies involve certain risks not typically associated with investing in companies whose business are based in the PRC, including risks relating to:

- currency exchange matters, including fluctuations in currency exchange rates and costs associated with conversion of investment principal and income from one currency into another;
- the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less governmental supervision and regulation;
- differences in the legal and regulatory environment; and
- certain economic and political risks, including potential exchange control regulations and restrictions, the risks of political, economic or social instability, the possibility of expropriation or confiscatory taxation and adverse economic and political developments.

There can be no assurance that adverse developments with respect to such risks will not have a material adverse effect on our investments in such companies or the returns from these investments.

The asset management industry is subject to increasing focus by investors and regulators on ESG matters

In recent years, some investors have placed increasing focus on the negative impacts of investments made by asset managers and other funds to which they commit capital, including with respect to ESG matters. Those investors may consider our record of socially responsible investing and other ESG factors in determining whether to invest in our funds. If our ESG practices do not meet the standards set by these investors, they may choose not to invest in our funds or exclude us from their investments, and as a result we may face reputational challenges from other stakeholders.

In addition, various stakeholders and regulators are increasingly focused on ESG-related practices by investment managers. If regulators disagree with the procedures or standards that we use for ESG investing, or new regulation or legislation requires a methodology of measuring or disclosing ESG impact that is different from our current practice, our business and reputation could be adversely affected.

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We are not registered and do not plan to register as an “investment company” under the U.S. Investment Company Act, and therefore may have to constrain our business activities to qualify for an exemption from such registration or otherwise avoid being deemed an investment company

In general, a company would be deemed an “investment company” for the purpose of the U.S. Investment Company Act, if (i) it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or (ii) absent an applicable exemption, it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis.

We, through funds under our management or directly, currently hold a significant amount of equity interests in our portfolio companies, and will continue to invest to acquire more equity securities. We are, however, currently not registered as an investment company with the SEC. In order to avoid being required to register under the U.S. Investment Company Act, we have imposed certain restrictions on sales and transfers of the H Shares. In particular, if in the future the initial purchaser, as well as any subsequent holder, decides to offer, sell, pledge or otherwise transfer the H Shares, then they may do so only: (i) outside the United States in an “offshore transaction” complying with the provisions of Regulation S to a person not known by the transferor to be a U.S. Person, by prearrangement or otherwise; or (ii) to our Company or a subsidiary thereof. These restrictions may make it more difficult for a Shareholder to resell the H Shares and may have an adverse effect on the liquidity and market value of the H Shares.

If the SEC or a court found that we are required but failed to register as an investment company, we would be subject to serious legal consequences, including damages to our investors and some of the contracts we sign becoming unenforceable. Furthermore, in order to maintain compliance and the availability of the exemption from registration as an investment company, we need to apply a series of procedures and restrictions, and may have to forego otherwise attractive business opportunities, potentially limiting our growth.

FINANCIAL RISKS RELATING TO OUR BUSINESS

Valuation methodologies for certain investments may involve subjective judgments and assumptions and, therefore, there may be deviations in the fair value of investments established pursuant to such methodologies, which could result in the inaccurate statement of fund performance and investment gains

We engage independent third-party valuers to conduct the valuation of our portfolio companies. Valuation methodologies for investments adopted by the valuers involve subjective judgments, such as future financial performance and liquidation events, among others. While these judgments aim to represent the best estimate of companies and market conditions thereof, there could be potential deviations that lead to inaccurate estimates of our portfolio valuation.

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There are often no readily ascertainable market prices for a considerable majority of investments of our funds' portfolios or our direct investments. Valuations of the investments are generally prepared in line with applicable and recognized valuation processes and procedures. There is a risk that investments held by our funds or us will not be realized for amounts equal to, or greater than, the amounts at which they are valued, or that the past valuations based on such performance information will not accurately reflect the realization value of such investments. An investment's actual realization value will depend on, among other factors, future operating results of the relevant investment, the value of the assets and market conditions at the time of disposal, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which previous valuations were determined.

Changes in values attributed to investments from time to time may result in volatility in the results of operations that we and our funds report from period to period. Moreover, a situation where asset values turn out to be materially different to those values realized could cause fund investors to lose confidence in us, which could in turn result in difficulty in raising capital for future funds.

We may not be able to realize our unrealized gains from our investments

During the Track Record Period, we recorded an unrealized gain from financial assets at FVTPL and interests in associates measured at fair value of RMB640.3 million in 2021, and recorded unrealized losses of RMB740.4 million, RMB203.6 million, RMB387.2 million and RMB257.7 million in 2020, 2022, the three months ended March 31, 2022 and 2023, respectively. The unrealized loss in 2020 was primarily attributable to the unrealized losses from interests in associates measured at fair value of RMB1,424.3 million primarily caused by the accounting treatment adopted for investment gains or losses. For more details, please see "Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income – Continuing Operations – Investment Gains or Losses, Net." In addition, a one-off gain of RMB123.3 million on the deconsolidation of Mengtian Dairy was recognized in the profit from discontinued operations in our financial statements, and another one-off gain of RMB520.4 million on the deconsolidation of Yoplait China was also recognized on June 15, 2022. These unrealized gains or losses are derived from the differences of the valuation of our investments, which are estimated and reflect operational and market conditions as at each reporting date. We may not be able to realize such unrealized gains, and in such case, our financial results and conditions may be adversely affected.

Our financial performance may be affected by share of results of joint ventures and associates

Our unconsolidated funds are mainly our associates or joint ventures measured using equity method, and we record our share of their profit and total comprehensive income as share of results of associates or share of results of joint ventures. During the Track Record Period, we recorded significant fluctuations in share of gains of associates and joint ventures of RMB77.8 million, RMB412.0 million, RMB37.7 million and RMB158.0 million in 2020, 2021

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and the three months ended March 31, 2022 and 2023, respectively. We recorded share of loss of RMB29.2 million in 2022. For more details, please see “Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income – Continuing Operations – Share of Results of Associates, Share of Results of Joint Ventures” in this prospectus. Our investments in joint ventures and associates may not be as liquid as our investments in portfolio companies. In case we face any liquidity issue, on top of exercising influence over the unconsolidated funds, treated as associates or joint ventures, with regard to the exit schedule of their investment portfolio, we may not be able to exit our interests in our unconsolidated funds at commercially favorable prices in a timely manner, which could have a material adverse effect on our results of operations and financial condition.

A significant decrease in our internal or external liquidity, or potential lack of access to credit could adversely affect our business and reduce clients’ confidence in us

Maintaining adequate liquidity is crucial to our business operations as we continue to expand our investment management businesses with substantial cash requirements. We meet our liquidity needs primarily through cash generated from operating activities and debt financing. A reduction in our liquidity could reduce the confidence of our clients or counterparties in us, which may result in the loss of business and clients.

Factors that may adversely affect our liquidity position include, among others, failure to liquidate financial asset investments at response prices, over-concentration of holdings in certain assets and liabilities, and increased regulatory capital requirements or other regulatory developments. We may need to seek further financing or sell assets to meet our liquidity needs. During periods of adverse credit and capital market conditions, potential sources of external financing could be limited or unavailable at all, and our financing costs could increase.

We issued and may continue to issue long-term corporate bonds primarily to fund our investment activities. As of March 31, 2023, we had bond payables of RMB1,017.4 million. We had fully repaid RMB1,000.0 million and issued the 2022 First Corporate Bonds amounting to RMB500.0 million in May 2022. In addition, on October 19, 2022, our Company issued new corporate bonds to qualified investors in the total principal amount of RMB0.5 billion. However, we cannot guarantee that our investment will generate sufficient cash flows to cover repayment of the due bonds, and any change in the market interest rate, our credit rating, our credit standing or other relevant factors may adversely affect our ability to issue bonds and increase our cost of funding, which may in turn adversely affect results of operations and financial condition.

Our ability to sell assets may be impaired if other market participants are seeking to sell similar assets at the same time, which is likely to occur in a liquidity and increase our cost of funding, which could adversely affect our business, financial condition, and the results of operations.

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In addition, we may need to satisfy various liquidity requirements in order to maintain or expand our scope of business, especially innovative products and services. Failure in the future to comply with the mandatory liquidity requirements, or any heightened requirements for specific business, may result in self-regulatory measures imposed by the CSRC or other competent regulatory authorities. Any of these could have a material adverse effect on our business development and reputation.

During the Track Record Period, our interest expenses from continuing operation resulting from our indebtedness were RMB181.2 million, RMB150.4 million, RMB118.7 million, RMB36.8 million and RMB17.4 million in 2020, 2021, 2022 and the three months ended March 31, 2022 and 2023, respectively. Going forward, we may continue to incur substantial amount of debts, and our interest expenses may increase. A higher level of indebtedness could adversely affect us in a number of ways, such as (i) limiting our ability to obtain any future financing needed for working capital, strategic investment, debt service requirements or other purposes; (ii) limiting our flexibility in planning for or reacting to changes in our business; (iii) placing us at a competitive disadvantage with competitors that have lower levels of debt; (iv) increasing our financing costs; (v) making us more vulnerable to a downturn in our business or the economy generally; (vi) subjecting us to the risk of being forced to refinance our debts at higher interest rates; or (vii) requiring us to use a substantial portion of our cash to pay principals and interest on our debt instead of for other purposes such as working capital and other capital requirements. Any such increase could adversely affect our business, financial conditions, results of operations, or prospects.

We had net cash outflows from operating and investing activities and net current liabilities position during the Track Record Period and cannot guarantee that we will always have sufficient cash from other sources to fund our operations

In 2021, 2022 and the three months ended March 31, 2023, we had net cash outflows from our operating activities of RMB791.0 million, RMB214.7 million and RMB100.4 million, respectively. In 2020, 2021 and the three months ended March 31, 2023, we had net cash outflows from our investing activities of RMB135.2 million, RMB311.0 million and RMB99.5 million, respectively. We had net cash outflows from operating and investing activities mainly because most of our funds were still in their investment periods, and our cash outflows for investments exceeded our cash inflows from realized gains. As of December 31, 2021, we also had net current liabilities of RMB505.6 million, primarily due to the increases in the bond payables due within one year. We issued the 2022 First Corporate Bonds and the 2022 Second Corporate Bonds, due in 2025 or 2027, with a total principal amount of RMB1,000.0 million in 2022 and subsequently fully repaid RMB1,000.0 million in 2022, using the proceeds of the bonds issued in 2022 as well as our internal resources. However, because of one technical accounting treatment, if we invest in a portfolio company and appoint a member to the board, our investment will be accounted for as an interest in associate measured at fair value and classified as a non-current asset item regardless of whether the equity securities of that portfolio company is highly liquid and traded on a reputable stock exchange. As of March 31, 2023, RMB681.0 million of interests in associates measured at fair value represented our listed equity investments and were not subject to trading restriction. For more details, please see

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“Financial Information – Liquidity and Capital Resources” in this prospectus. In the extreme event that we may need to liquidate shares in our listed portfolio companies, so as to repay our debts outstanding, we may incur an immediate accounting gain or loss, which does not fully represent our historical performance or success in such investments. Our liquidity and financial condition may be materially and adversely affected by negative net cash flows and net current liability position, and we cannot assure you that we will always have sufficient cash from other sources to fund our operations in the future. If we resort to other financing activities to generate additional cash, we will incur financing costs and we cannot guarantee that we will be able to obtain the financing on terms acceptable to us, or at all.

Our historical fund management fees may not be indicative of future fees

During the Track Record Period, our fund management fees are charged periodically from our funds based on a predetermined fixed percentage, generally 2% of (i) committed capital during the investment period, and (ii) committed or paid-in capital minus the cost of exited investments after the investment period. Cost of exited investments refers to the initial investment amount of projects that we have already exited. However, our revenue from private equity investment business in our financial statements only presented our fund management fees from unconsolidated funds under our management during the Track Record Period. We also receive management fees from our consolidated funds on a similar scale, but those amounts were offset as inter group transaction when we prepare the consolidated financial statements. When including fund management fees received from our consolidated funds in order to present a full picture of our total management fee revenue, the gross fund management fees was RMB176.6 million, RMB166.2 million, RMB179.6 million, RMB46.5 million and RMB39.8 million in 2020, 2021, 2022 and the three months ended March 31, 2022 and 2023, respectively. There is no guarantee that we will be able to charge fund management fees at similar rates or at all from our future funds, for example, investors of our funds may negotiate a lower fund management fee based on expectation of the future market conditions or our fund performance, and which would decrease our revenue from fund management fees, and therefore our results of operations would be materially and adversely affected.

We are exposed to credit risk, especially in relation to our accounts receivables

Credit risk is the risk that a counterparty is unable to meet their contractual obligations in full when due. There is a risk that a counterparty’s creditworthiness will deteriorate and that they no longer will be able to fulfil their financial obligations to us. For us, potential areas of credit risk consist of accounts receivables, loans to independent third parties and related parties, bank balances and restricted bank deposits. We had accounts receivables of RMB114.9 million, RMB93.4 million, RMB44.0 million and RMB49.6 million as of December 31, 2020, 2021, 2022 and March 31, 2023, respectively. Our exposure to credit risk is influenced mainly by the individual characteristics of each counterparty.

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If measures taken by us to minimize credit risk are not sufficient, or if one or more counterparties run into financial difficulties, this could result in losses for us. The performance of our funds may also be affected by credit risk, which could have an adverse effect on our financial performance.

We may incur impairment losses for other receivables on our assets from time to time

We had prepayments and other receivables of RMB269.9 million, RMB118.6 million, RMB245.1 million and RMB163.3 million as of December 31, 2020, 2021, 2022 and March 31, 2023, respectively. We also had allowance for credit losses arising from other receivables of RMB67.3 million, RMB64.3 million, RMB64.4 million and RMB64.4 million as of December 31, 2020, 2021, 2022 and March 31, 2023, respectively, primarily because certain amount of our loan receivables had been defaulted by our portfolio companies and fully impaired as those portfolio companies meet the significant financial difficulty. We may encounter difficulties in the settlement of our other receivables. Even though we seek to settle the long-term other receivables, mainly our loans to investee companies, through various measures, we cannot guarantee that such measures will be effective. If we are unable to collect our other receivables, our cash flow position may be adversely affected. For details on the impairment assessment methods, see Note 3 *Accounting Policies* and Note 48 *Financial Risk Management* to the Accountants' Report set out in Appendix I to this prospectus. The assessment of impairment losses involves a significant degree of management judgments as well as estimates in determining the key assumptions, including our historical credit loss experience of the debtors as well as the fair value of the collateral pledged by the debtors to the loan receivables. We cannot assure you that these assumptions and estimates would not result in outcomes that require a material adjustment to the carrying amounts of our assets in the future, which may in turn result in impairment losses. In the event that the actual recoverability is lower than expected, or that our past allowance for impairment of other receivables becomes insufficient in light of the new information, we may need to make more of such impairment allowance. Significant impairment losses on our assets may have a material adverse effect on our financial condition and results of operations, and may in turn limit our ability to obtain financing in the future.

Our historical results of operations are subject to fair value measurements of our biological assets, which can be highly volatile and are subject to a number of assumptions

Historically, we used to deploy buyout investment strategies and had invested in certain dairy business operated by Mengtian Dairy. Pursuant to the certain adjustment of corporate governance, Mengtian Dairy ceased to be our subsidiary as of December 31, 2021. As a result, the historical operations of Mengtian Dairy were presented as a discontinued operation in our financial statements contained in this prospectus. We had biological assets of RMB229.8 million, nil, nil and nil as of December 31, 2020, 2021, 2022 and March 31, 2023, respectively. Our biological assets all relate to the dairy business of Mengtian Dairy and are measured at fair value less costs to sell at the end of 2020 and 2021.

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The fair value of our biological assets at the end of each reporting period was determined by independent professional valuers, using a number of assumptions that may vary from time to time. The fair value of the biological assets could be affected by, among others, the accuracy of those assumptions, as well as the changes in the dairy industry. Therefore, our results of operations can be volatile. In addition, while these assumptions as adopted in the valuation process have been in line with the actual results, we cannot assure you that there will be no significant deviation in the future. For details on the valuation and the application of various assumptions, please see Note 23 *Biological Assets* and Note 48A *Fair Value Measurement of Biological Assets* to the Accountants' Report included in Appendix I to this prospectus.

Our substantial amounts of deferred tax assets are subject to uncertainties

We had deferred tax assets of RMB41.5 million, RMB28.7 million, RMB9.1 million and RMB12.9 million as of December 31, 2020, 2021, 2022 and March 31, 2023, respectively. Based on our accounting policies, the recognition of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary difference will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which will be recognized in profit or loss in the periods in which such a reversal takes place. In cases where the actual future profits generated are higher or lower than expected, the deferred tax assets will be adjusted accordingly and the corresponding amounts will be recognized in the consolidated statements of profit or loss and other comprehensive income in the periods in which such a situation takes place.

In the application of our accounting policies, our management is required to make judgments, estimates, and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Therefore, actual results may differ from these accounting estimates.

We may not be able to fulfill our obligations in respect of contract liabilities, which may have a material and adverse impact on our results of operations and financial condition

We may not be able to fulfill our obligations in respect of contract liabilities. Our recognition of contract liabilities as revenue is subject to future performance obligations and may not be representative of revenues for future periods. We recorded contract liabilities of RMB134.2 million, RMB77.8 million, RMB62.6 million and RMB55.4 million as of December 31, 2020, 2021, 2022 and March 31, 2023, respectively. As of March 31, 2023, our contract liabilities primarily represented the prepaid management fees received from the unconsolidated funds in our private equity investment business while the underlying services are not yet provided. After we provide relevant services, contract liabilities will be recognized as revenue. For further details of our contract liabilities, see "Financial Information – Discussion of Certain Selected Items From the Consolidated Statements of Financial Position – Contract Liabilities." If we fail to fulfill our obligations or if our customers dispute the services we provided, we may not be able to recognize the full amount of contract liabilities as revenue, if at all.

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Fluctuations in exchange rates of Renminbi and certain other currencies could affect our financial performance and results of operations

Our functional and presentation currency is Renminbi, and the functional currency of our managed funds established outside mainland China (i.e., Cayman Islands), which are known as our foreign operations, is USD. As a result, fluctuations in exchange rate, especially between USD and Renminbi, may have significant impact on the financial performance of these USD-denominated funds, when conforming with the reporting currency, which is Renminbi. In addition, minor portion of our assets and liabilities of our Renminbi-denominated funds are denominated in currencies other than Renminbi, such as USD and Hong Kong dollars, which also exposes us to fluctuations in exchange rates.

The Renminbi exchange rate is subject to various factors beyond our control, including changes in the domestic and international economic and political development, regional conflicts, and supply and demand in the monetary market. Any significant change in the exchange rates between Renminbi and relevant foreign currencies may adversely affect our business operations and financial performance.

When presenting our consolidated financial statements, any exchange differences arising from translation of foreign operations are recognized in other comprehensive income. In 2020, 2021 and the three months ended March 31, 2022 and 2023, we recorded losses of exchange differences arising on translation of foreign operations of RMB137.8 million, RMB55.8 million, RMB16.4 million and RMB30.2 million, respectively. In 2022, we recorded a gain of exchange differences arising on translation of foreign operations of RMB215.8 million. For the assets and liabilities denominated in currencies other than Renminbi of our Renminbi-denominated funds, any exchange differences arising on the settlement and on the translation, are recognized in “other gains and losses” in profit or loss. In 2020, 2021, 2022 and the three months ended March 31, 2022, our exchange differences recognized in profit or loss were losses of RMB1.9 million, RMB0.9 million, RMB0.6 million and RMB0.1 million, respectively. For the three months ended March 31, 2023, our exchange differences recognized in profit or loss were a gain of RMB0.7 million. Please see the Consolidated Statements of Profit or Loss and Other Comprehensive Income to the Accountants’ Report set out in Appendix I to this prospectus. Fluctuations in the exchange rates of Renminbi and other foreign currencies could adversely affect our results of operations and financial conditions.

RISKS RELATING TO DOING BUSINESS IN CHINA

Failure to respond to development in China’s economic, political or social situation or government policies may have material adverse effects on our business

We are incorporated under the laws of the PRC. Many of our portfolio companies also conduct their business operations in the PRC. Accordingly, our business, financial condition and results of operations are subject to economic, political, social and legal developments in the PRC.

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China's economy has experienced significant growth over the past few decades, and the PRC government has taken various actions to promote market economy and the establishment of sound corporate governance in business entities. Various macroeconomic measures taken by the government are beneficial to China's economy in general, but not all of them would necessarily have a positive effect on our operations and business development. If we fail to respond to economic, political, social and legal developments in China, our business operations and financial performance could be adversely affected.

We invest in VIE structures constructed by some of our funds' portfolio companies to access foreign capital, which structures enable foreign investment in Chinese-based companies where, for example, Chinese law prohibits direct foreign investments in the operating companies. Our funds therefore do not directly hold equity interests in the Chinese operating company when a VIE structure is used. Intervention with respect to VIEs could affect the Chinese operating company's performance and the enforceability of the VIE structure related contractual arrangements, causing our portfolio companies to lose the rights to direct the activities of, receive economic benefits arising from, or consolidate the financial results of their Chinese operating companies, which could result in a decline in the value of our funds' investment.

In addition, investments in companies with significant operations in emerging markets can involve some risks and special considerations that are not always associated with investing in other markets. The governments of emerging markets generally maintain a major role in setting economic policy, and may make amendments to laws and regulations. Developments in laws and regulations governing those sectors may reduce opportunities for our funds to make, exit and realize value from, and realize expected returns on, our investments in emerging markets.

Failure to comply with regulatory requirements and approval procedures in relation to the establishment and operation of funds in the PRC may affect our fund management business

In the PRC, a private fund manager shall be the responsible entity for the filing of funds managed by it with the AMAC. It typically takes a long time for a private fund manager to complete the filing with the AMAC due to the highly regulated nature of the fund management industry. On February 24, 2023, the AMAC published the Registration and Filing Measures of Private Investment Funds (私募投資基金登記備案辦法) (the "**Private Registration and Filing Measures**"), which was implemented in May 2023. Pursuant to that, private fund managers must register and file records with the AMAC, and meet stipulated registration and filing requirements. In addition, applications for changes in private fund manager registration and fund filing submitted before the implementation of the Private Registration and Filing Measures will be reviewed and processed by the AMAC in accordance with the Private Registration and Filing Measures. For more details regarding the requirements, please see "Regulatory Overview – Laws and Regulations Relating to Our Group's Business and Operations in the PRC – Regulations on Private Equity Investment Fund – Registration and Filing" in this prospectus. During the Track Record Period, we have one company in the PRC

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that manages private investment funds. If we were to set up additional PRC private investment funds in the future, in light of the lengthy application procedures, if we were to fail to obtain the approvals, licenses, permits or qualifications required for establishing such funds from relevant regulators in the PRC due to any tightened legal restrictions or prolonged regulatory approval procedures or otherwise, the growth of our business in the PRC may be delayed.

In addition, additional regulatory approvals, licenses, permits or qualifications for fund management business may be required by relevant regulators in the PRC in the future, and some of our current approvals, licenses, permits or qualifications are subject to periodic renewal. Furthermore, the relevant regulatory requirements in the fund management industry are evolving and subject to change or different interpretations by relevant government authorities, all of which are out of our control. As a result, there can be no assurance that in the future we will be deemed compliant with applicable regulatory requirements relating to the fund management industry in the PRC at all times. Material incidents of non-compliance with fund management regulatory requirements in the PRC may subject us to sanctions, fines, penalties, disqualification for our existing fund management business in the PRC or non-renewal of our qualifications upon expiry, or other administrative penalties, regulatory actions and self-disciplinary actions by the PRC regulatory authorities, which may harm our reputation and materially affect our business, financial condition, results of operations, performance and prospects.

The political relationships between China and other countries may affect our business operations

International trade disputes or the advent of protectionist trade policies among the PRC and its trading partners may adversely affect the PRC economy. As a result, the consumer industry in the PRC and our investors' risk appetite would be adversely affected, which would in turn affect our business and results of operations.

For example, the US Securities and Exchange Commission and the Public Company Accounting Oversight Board (United States) (“**PCAOB**”) released a joint statement highlighting the risks associated with investing in companies based in or having substantial operations in emerging markets including China. On December 18, 2020, the “Holding Foreign Companies Accountable Act” was signed by President Donald Trump and became law, which requires certain issuers of securities to establish that they are not owned or controlled by a foreign government. Specifically, an issuer must make this certification if the PCAOB is unable to audit specified reports because the issuer has retained a foreign public accounting firm not subject to inspection by the PCAOB. Furthermore, if the PCAOB is unable to inspect the issuer's public accounting firm for three consecutive years, the issuer's securities are banned from trade on a national exchange or through other methods. On August 26, 2022, the PCAOB signed a Statement of Protocol with the CSRC and the Ministry of Finance of the PRC which contains provisions that, if abided by, would give the PCAOB access to inspect and investigate registered public accounting firms headquartered in mainland China and Hong Kong completely. The PCAOB is now required to reassess its determinations for purposes of the “Holding Foreign Companies Accountable Act” by the end of 2022. Uncertainties still exist

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regarding the “Holding Foreign Companies Accountable Act.” During the Track Record Period, we had an investment in a company incorporated in the U.S. and our current and future investment in the U.S. may be adversely affected by such laws and other similar regulations in the U.S., such as failure to exit certain investments through IPOs in the U.S.

Fluctuations in exchange rates could have an adverse effect on our business, results of operations and financial condition

Although substantially all of our revenue and expenses are denominated in Renminbi, fluctuations in exchange rates may nonetheless in the future affect the value of our investment funds and fee earnings. In particular, distributions to holders of our H Shares are made in Hong Kong dollar. Any unfavorable movement in the exchange rate of the Renminbi against the Hong Kong dollar may adversely affect the value of our distributions. In addition, any unfavorable movement in the exchange rate of the Renminbi against other foreign currencies may also lead to an increase in our costs, which could adversely affect our business, financial condition and results of operations.

Minority shareholders protection under PRC Laws is different from that in Hong Kong and other jurisdictions

Under the laws in the PRC, rules and regulations applicable to companies listed overseas do not distinguish among minority and controlling shareholders in terms of their rights and protections, and the protections afforded to our minority Shareholders may differ from the protections afforded to minority shareholders of companies incorporated under the laws of Hong Kong and certain other jurisdictions.

Regulations over foreign currency conversion may limit our foreign exchange transactions, including exchange for dividend payment to holders of H Shares

As of the Latest Practicable Date, Renminbi still cannot be freely converted into any foreign currency, and the conversion and remittance of foreign currencies are subject to certain foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the existing PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the relevant regulatory authorities. Foreign exchange transactions under the capital account conducted by us must be approved in advance by the relevant regulatory authorities.

Under the existing foreign exchange regulations, following the completion of the Global Offering, we will be able to pay dividends in foreign currencies without prior approval from the relevant regulatory authorities by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of

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dividends in foreign currencies will continue in the future. If we fail to obtain approval from the relevant regulatory authorities to convert Renminbi into any foreign exchange for any of the above purposes, our business, financial condition and results of operations may be adversely affected.

Gains on the sales of H Shares and dividends on the H Shares may be subject to restrictions under PRC law

Under the laws in the PRC, we may only pay dividends out of our distributable profit. Distributable profit refers to our after-tax profit as determined under PRC GAAP or IFRS, whichever is lower, less any recovery of accumulated losses and appropriations to statutory reserves, discretionary reserves and general risk reserves that we are required to make according to relevant rules. As a result, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders. Any distributable profit not distributed in a given year is retained and available for distribution in the subsequent years.

Moreover, our subsidiaries in the PRC may not have distributable profit as determined under PRC GAAP. Accordingly, we may not obtain distributable profit from dividend payments by our subsidiaries. Failure to receive dividend payments from our subsidiaries could adversely impact our cash flows and our ability to make dividend distributions to our Shareholders and our cash flows.

The interpretation and enforcement of PRC laws, rules and regulations may continue to evolve

PRC laws and regulations govern our businesses and operations in the PRC. The PRC legal system is based on written statutes, and prior court decisions can only be cited as reference. Additionally, PRC written statutes are often principle-oriented and require detailed interpretations by the enforcement bodies to further apply and enforce such laws. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. As these laws and regulations, as well as related legal interpretation and enforcement, are continually evolving in response to changing economic and other conditions, any failure to respond to evolution in the regulatory environment in China could materially affect our business.

You may be subject to PRC taxation

Non-PRC resident individual holders of H Shares whose names appear on the register of members of our H Shares are subject to PRC individual income tax on dividends received from us.

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Pursuant to the Notice on Questions Concerning the Collection of Individual Income Tax following the repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知) issued by the SAT on June 28, 2011, non-PRC resident individual shareholders of a domestic non-foreign-invested enterprise whose shares are listed in Hong Kong may be entitled to preferential tax treatments in accordance with applicable tax treaties between the countries in which they are tax resident and the PRC as well as the tax arrangements between Mainland China and Hong Kong (Macau). Dividend income of individual shareholders who are residents of countries that have not entered into taxation treaties with the PRC is generally subject to income tax at the rate of 20%. However, domestic non-foreign-invested enterprises whose shares are listed in Hong Kong generally may withhold individual income tax at the rate of 10% when distributing dividends with respect to such listed shares without prior application to the PRC tax authorities. If we pay a dividend, we will be required to withhold tax at the applicable rate (which can be higher than 10% if the relevant individual Shareholders and the tax rate applicable to such Shareholder can be identified by our Company). In addition, according to the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) and the Implementation Provisions of the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法實施條例), non-PRC resident individuals are subject to individual income tax at a rate of 20% on gains realized upon sale of equity interests of a PRC resident enterprise. There are no specific PRC laws or regulations imposing individual income tax on non-PRC resident individuals of gains realized upon sale of shares of a PRC resident enterprise listed on an overseas stock exchange. To our knowledge, in practice the PRC tax authorities have not sought to collect individual income tax from non-PRC resident individuals for gains realized upon sale of equity interests of a PRC resident enterprise listed on an overseas stock exchange. If such tax is collected in the future, the investment value of such H Shares held by the individual holders may be materially and adversely affected.

In addition, pursuant to the EIT Law and its implementation rules, income generated from the PRC (including gains derived from the disposal of equity interests in PRC resident enterprise and PRC sourced dividends) by non-PRC resident enterprises is generally subject to EIT at a rate of 10%, subject to the provisions of any applicable special arrangements or treaties. Pursuant to the Notice on the Issues Concerning Withholding Enterprise Income Tax on the Dividends Payable by PRC Resident Enterprises to Overseas Non-PRC Resident Enterprise H Share Holders (關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知) promulgated by the SAT on 6 November 2008, dividends paid to non-PRC resident enterprise H Share holders that are derived from profits generated since 1 January 2008 are subject to the withholding of EIT at a rate of 10%. Accordingly, we intend to withhold income tax from any dividend paid through CCASS or otherwise paid to non-PRC resident enterprise H Share holders. Non-PRC resident enterprise H Share holders that are entitled to preferential tax treatments pursuant to any tax treaty or arrangement may apply to the relevant tax authorities for refund of the excess amount withheld. Please see “Taxation of Security Holders – The PRC Taxation” in Appendix III to this prospectus for further details.

RISK FACTORS

As the EIT Law and its implementation rules are relatively new, there are uncertainties as to their interpretation and implementation by the PRC tax authorities, including whether and how EIT on gains derived upon transfer or other disposal of H Shares should be collected from non-PRC resident enterprise H Share holders. If such taxes are collected in the future, the investment value of H Shares held by the enterprise holders may be materially and adversely affected.

It may be difficult to effect service upon, or to enforce judgments against us or our Directors or senior management residing in the PRC, in connection with judgments obtained from courts other than PRC courts

Substantially all of our Directors and members of our senior management reside in the PRC. Almost all of our assets and most of the assets of our Directors and the members of our senior management are located within the PRC. The PRC does not have treaties with most other jurisdictions that provide for the reciprocal recognition and enforcement of judicial rulings and awards. As a result, recognition and enforcement in the PRC of the judgment of a non-PRC court in relation to any matter not subject to a binding arbitration provision may be difficult or impossible. Judgments obtained in a Hong Kong court may be enforced in the PRC, provided that certain conditions are satisfied. However, there are uncertainties as to the outcome of any applications to recognize and enforce such judgments in the PRC.

Furthermore, the PRC does not have treaties or agreements providing for the reciprocal recognition and enforcement of judgments awarded by courts of the United States, the United Kingdom, or most other European countries or Japan. Hence, the recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult.

RISKS RELATING TO THE GLOBAL OFFER

There has been no prior public market for our H Shares, and if an active trading market for our H Shares does not develop, the market price and liquidity of our Shares may be adversely affected. Market price of our Shares on the NEEQ may not be indicative of our H Shares

No public market currently exists for our H Shares. The initial Offer Price for our H Shares to the public will be the result of negotiations between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters), and the Offer Price may differ significantly from the market price of the Shares following the Global Offering. We have applied to the Stock Exchange for the listing of, and permission to deal in, the H Shares. A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading market for the H Shares will develop, or if it does develop, that it will be sustained following the Global Offering, or that the market price of the H Shares will not decline following the Global Offering.

RISK FACTORS

In addition, the trading price and trading volume of the H Shares may be subject to significant volatility in responses to various factors, including:

- variations in our operating results;
- changes in financial estimates by securities analysts;
- announcements made by us or our competitors;
- regulatory developments in China affecting us, our customers or our competitors;
- investors' perception of us and of the investment environment in Asia, including Hong Kong and China;
- developments in China asset management market or consumer industry;
- changes in pricing made by us or our competitors;
- acquisitions by us or our competitors;
- the depth and liquidity of the market for our H Shares;
- additions to or departures of, our executive officers and other members of our senior management;
- release or expiry of lock-up or other transfer restrictions on our H Shares;
- sales or anticipated sales of additional H Shares; and
- the general economy and other factors.

Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in China have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

Our Shares are currently listed on NEEQ. The historic and future market price of Shares on NEEQ may not be indicative of the performance of our H Shares after the Global Offering due to different characteristics of the PRC capital markets and the Hong Kong capital market.

RISK FACTORS

There is no assurance that we will pay dividends in the future

The declaration, payment and amount of any future dividends are subject to the discretion of our Board depending on, among other things, our results of operations, financial condition, future prospects and other factors which our Directors may determine are important. For further details of our dividend policy, please see “Financial Information – Dividends” of this prospectus. We cannot assure investors when or whether dividends will be paid in the future.

There will be a time gap of several business days between pricing and trading of our H Shares offered in the Global Offering, and this the market price of the H Shares may be lower than the Offer Price when trading commences

The initial price to the public of our H Shares sold in the Global Offering is expected to be determined on the Price Determination Date. However, the H Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be several Business Days after the Price Determination Date. As a result, investors may not be able to sell or otherwise deal in the H Shares during that period. Accordingly, holders of our H Shares are subject to the risk that the price of the H Shares when trading begins could be lower than the Offer Price as a result of adverse market conditions or other adverse developments that may occur between the time of sale and the time trading begins.

Any disposal by the Controlling Shareholders of a substantial number of Shares in the public market could materially and adversely affect the market price of the Shares

There is no guarantee that the Controlling Shareholders will not dispose of their Shares following the expiration of their respective lock-up periods after the Listing. We cannot predict the effect, if any, of any future sales of the Shares by any of its Controlling Shareholders, or that the availability of the Shares offered by any of the Controlling Shareholders for purchase may have on the market price of the Shares. Sales of a substantial number of Shares by any of our Controlling Shareholders or the market perception that such sales may occur could materially and adversely affect the prevailing market price of the Shares.

Additional equity fund raising may cause dilution in shareholding

After the Listing, we may need to raise additional funds due to changes in business conditions, or to finance our future plans, whether in relation to existing operations, any acquisitions or otherwise. Such fund raising activities may be made through the issuance of new equity or equity-linked securities other than on a pro-rata basis to existing Shareholders. In such event, the percentage ownership of our existing Shareholders may be reduced and/or such newly issued securities may have rights, preferences or privileges superior to those of the Shares held by our existing Shareholders.

RISK FACTORS

The market price of the H Shares could decline as a result of future sales of substantial amounts of the H Shares or other securities relating to the H Shares in the public market or the issuance of new H Shares or other securities, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of the Company's securities, including any future offerings, could also materially and adversely affect our ability to raise capital in the future at a time and at a price which we deem appropriate. In addition, the Company's Shareholders may experience dilution in their holdings to the extent the Company issues additional securities in future offerings. A certain amount of the Company's Shares currently outstanding will be subject to contractual and/or legal restrictions on resale for a period of time after completion of the Global Offering. After these restrictions lapse or if they are waived or breached, future sales, or perceived sales, of substantial amounts of our Shares, or the possibility of such sales, by us could negatively impact the market price of the H Shares and our ability to raise equity capital in the future.

The interests of our Controlling Shareholders may not always coincide with the interest of our Group and those of our other Shareholders

Our Controlling Shareholders have significant influence over our operations and business strategies, and may have the ability to require our Group to effect corporate actions according to their own desires by virtue of their shareholding in our Group. The interests of our Controlling Shareholders may not always coincide with the best interests of other Shareholders. If the interests of any of our Controlling Shareholders conflict with the interests of other Shareholders, or if any of our Controlling Shareholders chooses to cause our business to pursue strategic objectives that conflict with the interests of other Shareholders, our Group or those other Shareholders' interests may be adversely affected as a result.

The trading price and volume of our H Shares may be volatile, which could result in substantial loss to our investors

The trading price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including variations in the level of liquidity of our H Shares, changes in securities analysts' (if any) estimates of our financial performance, investors' perceptions of our Group and the general investment environment, developments in laws, regulations and taxation systems which affect our operations, and general market conditions of the securities markets in Hong Kong. In particular, the trading price performance of our competitors whose securities are listed on the Stock Exchange may affect trading price of our H Shares. These broad market and industry factors may significantly affect the market price and volatility of our H Shares, regardless of our actual operating performance.

In addition to market and industry factors, the price and trading volume for our H Shares may be highly volatile for specific business reasons. In particular, factors such as variations in our revenue, net income and cash flow, success or failure of our efforts in implementing business and growth strategies and involvement in material litigation as well as recruitment or departure of key personnel, could cause the market price of our H Shares to change unexpectedly. Any of these factors may result in large and sudden changes in the volume and trading price of our H Shares.

RISK FACTORS

Investors should read the entire prospectus and should not place reliance on any information (if any) contained in press articles or other media coverage regarding our Company and the Global Offering

Prior to the publication of this prospectus, there may be press and media coverage which contain certain information referring to our Company and the Global Offering that does not appear in this prospectus. We have not authorized the disclosure of such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is not contained in this prospectus or is inconsistent or conflicts with the information contained in this prospectus, we disclaim any responsibility and liability in connection therewith or resulting therefrom. Accordingly, you should not rely on any such information.

There is no assurance that the H Shares will remain listed on the Stock Exchange

Although it is currently intended that the H Shares will remain listed on the Stock Exchange, there is no guarantee of the continued listing of the H Shares. Among other factors, the Company may not continue to satisfy the listing requirements of the Stock Exchange. Holders of H Shares would not be able to sell their H Shares through trading on the Stock Exchange if the H Shares are no longer listed on the Stock Exchange.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Global Offering, our Company has sought and has been granted the following waivers from strict compliance with the relevant provisions of the Listing Rules and the following exemption from compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Our headquarters and most of our business operations are based, managed and conducted in the PRC. As our executive Directors play very important roles in our business operation, it is in our best interest for them to be based in the places where our Group has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily reside in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, provided that our Company implements the following arrangements:

- (a) we have appointed Mr. Wang Yonghua and Ms. Kwan Sau In as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. The authorized representatives will act as our Company's principal channel of communication with the Hong Kong Stock Exchange. The authorized representatives will be readily contactable by phone, facsimile and email to promptly deal with enquiries from the Hong Kong Stock Exchange, and will also be available to meet with the Hong Kong Stock Exchange to discuss any matter within a reasonable period of time upon request of the Hong Kong Stock Exchange;
- (b) when the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the authorized representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. Our Company will also inform the Hong Kong Stock Exchange promptly in respect of any changes in the authorized representatives. We have provided the Hong Kong Stock Exchange with the contact details (i.e. mobile phone number, office phone number and email address) of all Directors to facilitate communication with the Hong Kong Stock Exchange;

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- (c) all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period upon the request of the Hong Kong Stock Exchange;
- (d) we have appointed Opus Capital Limited as our compliance adviser upon listing pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. Our compliance adviser will have access at all times to our authorized representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules, who will act as the additional channel of communication with the Hong Kong Stock Exchange when the authorized representatives are not available; and
- (e) we have provided the Hong Kong Stock Exchange with the names, mobile phone numbers, office phone numbers, fax numbers and email addresses of at least two of the compliance adviser's officers who will act as our compliance adviser's contact persons between the Hong Kong Stock Exchange and our Company.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;

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- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Our Company has appointed Ms. Wang Fengxiang, our securities affairs representative, as one of our joint company secretaries. She has extensive experience in board and corporate management matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Kwan Sau In, an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Wang Fengxiang for an initial period of three years from the Listing Date to enable Ms. Wang Fengxiang to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Given Ms. Kwan Sau In’s professional qualification and experience, she will be able to explain to both Ms. Wang Fengxiang and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Kwan Sau In will also assist Ms. Wang Fengxiang in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Kwan Sau In is expected to work closely with Ms. Wang Fengxiang and will maintain regular contact with Ms. Wang Fengxiang. In addition, Ms. Wang Fengxiang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance her knowledge of the Listing Rules during the three-year period from the Listing Date. She will also be assisted by our compliance adviser and our legal advisors as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Ms. Wang Fengxiang does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Wang Fengxiang may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the Listing Date on the conditions that (a) Ms. Wang Fengxiang must be assisted by Ms. Kwan Sau In who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules; and (b) the waiver will be revoked immediately if and when Ms. Kwan Sau In ceases to provide assistance to Ms. Wang Fengxiang as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

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Before the expiration of the initial three-year period, the qualifications of Ms. Wang Fengxiang will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Hong Kong Stock Exchange to enable it to assess whether Ms. Wang Fengxiang, having benefited from the assistance of Ms. Kwan Sau In for the preceding three years, will have acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER IN RESPECT OF CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transactions which would potentially constitute continuing connected transactions of our Company under the Listing Rules upon Listing. We have applied to the Stock Exchange for, and the Stock Exchange has granted us, waivers from strict compliance with certain requirements set out in Chapter 14A of the Listing Rules for certain continuing connected transactions. For further details, see “Connected Transactions – Potential Non-Exempt/Partially Exempt Continuing Connected Transactions – Waiver Applications” in this prospectus.

WAIVER IN RESPECT OF POST-TRACK RECORD PERIOD ACQUISITIONS

Rules 4.04(2) and 4.04(4)(a) of the Listing Rules require that the accountant’s report to be included in a listing document must include the income statements and balance sheet, respectively, of any business or subsidiary acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited financial statements of the issuer have been made up, in respect of each of the three financial years immediately preceding the issue of the listing document, or in respect of each of the financial years since commencement of such business or the incorporation or other establishment of such subsidiary (as the case may be) if this occurred less than three years prior to such issue or such shorter period as may be acceptable to the Stock Exchange.

Pursuant to Rule 4.02A of the Listing Rules, acquisitions of business include acquisitions of associates and any equity interest in another company. According to Note (4) to Rule 4.04 of the Listing Rules, the Stock Exchange may consider an application for a waiver from strict compliance with Rule 4.04(2) and Rule 4.04(4) taking into account the following:

- (i) all the percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) of each acquisition are less than 5% by reference to the most recent financial year of the applicant’s trading record period;
- (ii) if the acquisition will be financed by the proceeds raised from a public offer, the new applicant has obtained a certificate of exemptions from the Commission in respect of the relevant requirements under paragraph 32 and 33 of the Third Schedule to Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (iii) (a) where a new applicant’s principal activities involve the acquisition of equity securities (the Stock Exchange may require further information where securities acquired are unlisted), the new applicant is not able to exercise any control and does not have any significant influence over the underlying company or business to which Rules 4.04(2) and 4.04(4) of the Listing Rules relate, and has disclosed in its listing document the reasons for the acquisition and a confirmation that the counterparties and their respective ultimate beneficial owners are independent of the new applicant and its connected persons; or
- (b) with respect to an acquisition of a business (including acquisition of an associated company and any equity interest in a company other than in the circumstances covered under sub-paragraph (a) above) or a subsidiary by a new applicant, the historical financial information of such business or subsidiary is unavailable, and it would be unduly burdensome for the new applicant to obtain or prepare such financial information; and the new applicant has disclosed in its listing document information required for the announcement for a discloseable transaction under Rules 14.58 and 14.60 of the Listing Rules on each acquisition. In this regard, “unduly burdensome” will be assessed based on each new applicant’s specific facts and circumstances (e.g. why the financial information of the acquisition target is not available and whether the new applicant or its controlling shareholder has sufficient control or influence over the seller to gain access to the acquisition target’s books and records for the purpose of complying with the disclosure requirements under Rules 4.04(2) and 4.04(4) of the Listing Rules).

Investment of Minority Interest in Certain Target Companies

As disclosed in the “Business” section of this prospectus, most of the historical investments made by us were minority investments. As part of our ordinary and usual course of business, we acquired, agreed or proposed to acquire certain business by way of minority investments through acquiring minority equity interests in certain target companies (each a “**Target Company**”) from time to time after the Track Record Period (the “**Post-TRP Acquisitions**”). After March 31, 2023 and up to the Latest Practicable Date, we have made or proposed to make minority investments in certain companies or business and expect to continue to make further minority investments subsequent to the Latest Practicable Date and prior to the date of this prospectus.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as of the Latest Practicable Date, save for one entity affiliated with but not consolidated into our Group, namely, Tiantu China Consumer Fund I, L.P., each of the Target Companies and their respective ultimate beneficial owners were Independent Third Parties.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In light of the Post-TRP Acquisitions, under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, we are required to present in this prospectus the financial information of the Target Companies during the Track Record Period.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, waivers from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules on the following grounds:

(i) Ordinary and usual course of business

As a private equity investor and fund manager, our principal activities involve sourcing, identifying and making equity investment in the Target Companies. We have established dedicated investment teams responsible for equity investment on a full-time basis. Making equity investment in the Target Companies, mostly being promising start-up companies in the PRC in various sectors, is part of our ordinary and usual course of business. The investment agreements for the Post-TRP Acquisition are generally standard share purchase agreements, which contain typical clauses such as pre-money valuation of the Target Company, purchase price, exit mechanism, investor's liquidation preference, protective provisions for investor and anti-dilution provisions etc.

(ii) Absence of control

In general, we aim to receive less than 25% equity interests in each of the Target Companies. As we only hold a minority equity interest/economic interest and minority shareholder rights which are proportionate to our shareholding interests in each Target Company, we do not control the board of directors over each Target Company and therefore, are not able to exercise any control over any of the Target Companies.

(iii) Percentage ratios

To our best knowledge, the Target Companies are not connected with each other, and based on the most recent financial information of the Target Companies available to our Company, the percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) of each Post-TRP Acquisition individually, whether or not taking into account the equity interest acquired by the Company within a 12-month period pursuant to the aggregation principle under Rules 14.22 and 14.23 of the Listing Rules, are all less than 5% as compared to that of our Group for the year ended December 31, 2022.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

(iv) Unduly burdensome to prepare financial information

We intend to continue to make equity investment after the Track Record Period on an ongoing basis. In addition, as submitted in paragraph (ii), we only enjoy minority equity interests in the Target Companies, which are neither intended, nor sufficient to compel or require the Target Companies to cooperate and provide the requisite books and records to compile financial information and make disclosure in compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules. Moreover, the Target Companies are mostly early-stage startup companies incorporated in the PRC without having their financial statements duly prepared under the IFRSs, which makes it difficult for us to retrieve meaningful and comparable financial information from those Target Companies. As such, it would be impracticable and unduly burdensome for our Company to disclose the audited financial information of the Target Companies as required under Rules 4.04(2) and 4.04(4) of the Listing Rules.

(v) Use of proceeds

We plan to fully settle the consideration for the Post-TRP Acquisitions using our internal resources. The proceeds from the Global Offering will not be used to fund the Post-TRP Acquisitions.

(vi) Alternative disclosure

We have provided in this prospectus alternative information about the Post-TRP Acquisitions that would be required for a discloseable transaction under Chapter 14 of the Listing Rules that our Directors consider to be material, including, for example, descriptions of the principal business activities of the Target Companies, the investment amounts and the basis for determining the consideration, in order to compensate for the non-inclusion of historical financial information of the Target Companies. For the avoidance of doubt, the names of the Target Companies are not disclosed in this prospectus because (i) we have entered into confidentiality agreements with these companies and/or do not have consent from all of them for such disclosure and/or (ii) given that the competitive nature of the industry in which we operate, disclosure of the names of the relevant companies in this prospectus is commercially sensitive and may jeopardize our ability to consummate the proposed Post-TRP Acquisitions and/or our relationship with the Target Companies. It is commercially sensitive to disclose the identities of the companies we invested in or propose to invest in. Since the relevant percentage ratio of each Post-TRP Acquisition is less than 5% by reference to the most recent financial year of the Track Record Period, we believe that the current disclosure is adequate for potential investors to form an informed assessment of us.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Details of the Post-TRP Acquisitions up to the Latest Practicable Date include:

Target Company	Date of the acquisition agreement	Consideration ⁽²⁾	Pre-existing	Additional	Industry	Pre-money valuation	Total assets as at March 31, 2023	Net profit/loss	Net profit/loss	Net profit/loss	Net profit/loss
			shareholding held as at March 31, 2023	shareholding received/to be received under agreement after March 31, 2023				(before tax) for the year ended December 31, 2022	(after tax) for the year ended December 31, 2022	(before tax) for the year ended December 31, 2021	(after tax) for the year ended December 31, 2021
		(approximate)	(approximate)	(approximate)		(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)
Target Company 1 ⁽¹⁾	June 19, 2018	USD0.14 million	8.73%	0.12%	Others	N/A	2,237.12	(15.65)	(15.65)	558.32	558.32
Target Company 2	July 16, 2021	RMB7.50 million	15.00%	7.50%	Others	50.00	211.63	40.08	30.10	57.17	41.93
Target Company 3	November 7, 2022	RMB3.50 million	6.49%	0.23% ⁽³⁾	Consumer goods	96.65	14.22	(21.15)	(21.15)	(17.94)	(17.94)
Target Company 4	February 20, 2023	RMB3.02 million	15.00%	3.70% ⁽³⁾	Consumer goods	120.00	6.28	(17.83)	(17.83)	(15.30)	(15.30)
Target Company 5	February 2, 2023	USD22.00	1.73%	0.03% ⁽³⁾	Consumer service	N/A	3,385.22	526.73	527.22	(1,339.48)	(1,326.21)
Target Company 6	October 21, 2022	USD300.00	N/A	1.40%	Consumer goods	N/A	61.74	(6.12)	(6.12)	(3.17)	(3.17)
Target Company 7	June 26, 2023	RMB5.00 million	12.93%	2.00%	Consumer goods	220.00	34.68	(5.82)	(5.82)	(0.94)	(0.94)
Target Company 8	August 3, 2023	RMB20.00 million	N/A	4.12%	Consumer goods	435.00	44.13	(13.85)	(13.69)	(1.48)	(0.62)

Notes:

- Target Company 1 is one of our non-consolidated USD-denominated Funds, i.e., Tiantu China Consumer Fund I, L.P. (“**Fund I**”). We entered into a limited partnership interest transfer agreement (the “**Transfer Agreement**”) with a then limited partner of Fund I, an Independent Third Party (the “**Transferor**”) in June 2018. Our Post-TRP Acquisition in Fund I derived from the Transfer Agreement, pursuant to which we agreed to acquire approximately 8.85% limited partnership interests in Fund I (the “**Invested Interests**”) and assumed the remaining capital contribution obligation amounting to US\$10 million (the “**Capital Contribution**”) in Fund I in connection with the Invested Interests from the Transferor. As of the Latest Practicable Date, the outstanding amount of the Capital Contribution payable by our Group was approximately US\$0.11 million.
- The consideration amount is calculated on a pro rata basis reflecting the corresponding consideration of the additional shareholding received/to be received after March 31, 2023 based on each acquisition agreement.
- All or partial of such shareholding received are due to the exercise of anti-dilution rights.

The consideration for the Post-TRP Acquisitions are the results of commercial arm’s length negotiations, with reference to factors including but not limited to a mutually agreed pre-money valuation (if applicable) of the Target Company, market dynamics, and/or capital required for the Target Company’s operations. The consideration for each Post-TRP Acquisition was or will be satisfied by cash in lump sum or in installments upon satisfaction or waiver of closing conditions as set forth in the relevant acquisition agreements.

Our Directors are of the view that the terms of the Post-TRP Acquisitions are fair and reasonable and in the interests of the Shareholders as a whole.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

WAIVER IN RESPECT OF DISCLOSURE REQUIREMENTS WITH RESPECT TO CHANGES IN SHARE CAPITAL

Our Company applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of paragraph 26 of Part A of Appendix 1 to the Listing Rules in respect of disclosing the particulars of any alterations in the capital of any member of the Group within the two years immediately preceding the issue of this prospectus.

As at the Latest Practicable Date, our Group has 66 domestic and offshore subsidiaries, many of which are holding companies that do not have substantive operations. It would be unduly burdensome for our Company to disclose this information in relation to all of the subsidiaries within our Group, which would not be material or meaningful to investors. We have identified 11 subsidiaries that principally affect our results of operations during the Track Record Period and/or hold material licenses required to carry on our business (the “**Major Subsidiaries**”), and the remaining subsidiaries (the “**Non-Major Subsidiaries**”) in our Group are not significant to the overall operations and financial results of our Group and do not hold any major assets, licenses, intellectual property rights, proprietary technologies and R&D etc. that are material to our Group. The Non-Major Subsidiaries are subsidiaries without substantive operations or are in the post-investment period or subsidiaries of which the maximum revenue, net profit and total assets attributable to it individually are less than 10% under the percentage ratios for each of the latest three financial years ended December 31, 2022 or less than 5% under the percentage ratios for the latest financial year ended December 31, 2022. For further details of the Major Subsidiaries, see “History, Development and Corporate Structure – Our Major Subsidiaries”.

The particulars of the changes in the share capital of our Company and the Major Subsidiaries are disclosed in “Appendix VI – Statutory and General Information – Further Information about our Company – 2. Changes in Share Capital of our Company” and “Appendix VI – Statutory and General Information – Further Information about our Company – 3. Changes in the Share Capital of our Major Subsidiaries” to this prospectus. Further, all major shareholding changes of our Company have been included in “History, Development and Corporate Structure” in this prospectus.

WAIVER IN RESPECT OF ALLOCATION OF H SHARES TO EXISTING HOLDERS OF SHARES QUOTED ON THE NEEQ AND THEIR CLOSE ASSOCIATES UNDER RULE 10.04 AND PARAGRAPH 5(2) OF APPENDIX 6 TO THE LISTING RULES

Rule 10.04 of the Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which are being marketed by or on behalf of a new applicant either in his or its own name or through nominees if the conditions in Rules 10.03(1) and (2) of the Listing Rules are fulfilled.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

The conditions in Rules 10.03(1) and (2) of the Listing Rules are as follows: (i) no securities are offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and (ii) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved.

Paragraph 5(2) of Appendix 6 to the Listing Rules provides that, unless with the prior consent of the Stock Exchange, no allocations will be permitted to directors or existing shareholders of the applicant or their close associates, whether in their own names or through nominees unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rule 10.04 of the Listing Rules and its consent under paragraph 5(2) of Appendix 6 to the Listing Rules to permit our Company to allocate H Shares under the International Offering to existing holders of our Shares quoted on the NEEQ (the “**Permitted Existing Shareholder(s)**”) and their close associates on the following conditions:

- (i) each Permitted Existing Shareholder to whom our Company may allocate H Shares under the International Offering must hold less than 5% of the voting rights in our Company prior to the Listing;
- (ii) each Permitted Existing Shareholder and their close associates are not, and will not be, core connected persons (as defined under the Listing Rules) of our Company or any close associate (as defined under the Listing Rules) of any such core connected person immediately prior to or following the Global Offering;
- (iii) each Permitted Existing Shareholder has no right to appoint any director or senior management member of our Company and does not have other special rights in our Company;
- (iv) allocation to the Permitted Existing Shareholders of the H Shares will not affect our Company’s ability to satisfy the public float requirement under Rule 8.08 of the Listing Rules;
- (v) each of the Company, the Joint Sponsors and the Overall Coordinators (based on their discussions with and confirmation from the Company, and to the best of their knowledge and belief) has confirmed to the Stock Exchange that no preferential treatment has been, nor will be, given to each of the Permitted Existing Shareholders and/or their close associates by virtue of their relationship with the Company; and
- (vi) details of the allocation will be disclosed in the allotment results announcement of the Company.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

PROPOSED SUBSCRIPTION OF H SHARES BY A CORNERSTONE INVESTOR THROUGH A CONNECTED CLIENT

Paragraph 5(1) of Appendix 6 to the Listing Rules provides that, unless with the prior written consent of the Hong Kong Stock Exchange, no allocations will be permitted to “connected clients” of the lead broker or of any distributors.

For the purpose of the cornerstone investment, Qingdao Hainuo Investment Development Co., Ltd. (青島海諾投資發展有限公司) (“**Qingdao Hainuo**”) has engaged Galaxy Jinhui Security Asset Management Corporation Limited (銀河金匯證券資產管理有限公司) (“**Galaxy Jinhui**”), an asset manager that is a qualified domestic institutional investor as approved by the relevant PRC authority, to subscribe for the H Shares under the cornerstone investment in the name of its financial product, Galaxy Dehui No. 37 Single Asset Management Plan (銀河德匯37號單一資產管理計劃) (“**Galaxy Asset Management Plan**”) on a non-discretionary basis on behalf of Qingdao Hainuo under the International Offering. As Galaxy Jinhui and China Galaxy International Securities (Hong Kong) Co., Limited (中國銀河國際證券(香港)有限公司) (“**Galaxy Securities**”) (as one of the CMI, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers in the Global Offering) are members of a group of companies controlled by China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司), Galaxy Jinhui is a “connected client” of Galaxy Securities for the purpose of paragraph 13(7) of Appendix 6 to the Listing Rules.

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, its consent under paragraph 5(1) of Appendix 6 to the Listing Rules to permit Qingdao Hainuo to participate in the Global Offering through Galaxy Jinhui as the asset manager in the name of Galaxy Asset Management Plan as a cornerstone investor subject to the following conditions:

- (i) Galaxy Jinhui will, through its financial product, Galaxy Asset Management Plan, hold the H Shares on behalf of Qingdao Hainuo, which is an Independent Third Party of the Company, Galaxy Jinhui, Galaxy Asset Management Plan and Galaxy Securities;
- (ii) the cornerstone investment agreement entered into with Qingdao Hainuo does not contain any material terms which are more favourable to Qingdao Hainuo (through Galaxy Jinhui as the asset manager) than those in other cornerstone investment agreements;
- (iii) no preferential treatment has been, nor will be given to, Galaxy Jinhui and Galaxy Asset Management Plan other than the preferential treatment of assured entitlement to Qingdao Hainuo (through Galaxy Jinhui as the asset manager) under a cornerstone investment following the principles set out in the Stock Exchange’s Guidance Letter HKEX-GL51-13;
- (iv) each of the Overall Coordinators, the Company, Galaxy Jinhui and Galaxy Securities has provided to the Stock Exchange a written confirmation in accordance with the Stock Exchange’s Guidance Letter HKEX-GL-85-16; and
- (v) details of the allocation have been disclosed in this prospectus and will be disclosed in the allotment results announcement.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors (including any proposed Director who is named as such in this prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Cap 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading.

CSRC APPROVAL

We have submitted an application to the CSRC to apply for listing of the H Shares on the Stock Exchange and for the Global Offering and we obtained the letter of acceptance from the CSRC on June 30, 2022.

The CSRC has given us its approval for the listing of our H Shares on the Hong Kong Stock Exchange and the Global Offering on October 10, 2022. In granting such approval, the CSRC accepts no responsibility for our financial soundness or for the accuracy of any of the statements made or opinions expressed in this prospectus.

THE HONG KONG PUBLIC OFFERING AND THIS PROSPECTUS

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 17,326,000 Offer Shares and the International Offering of initially 155,932,000 Offer Shares (subject to, in each case, reallocation on the basis referred to under the section headed "Structure of the Global Offering" in this prospectus and, in case of the International Offering, to any exercise of the Over-allotment Option).

The listing of our H Shares on the Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement, subject to us and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters pursuant to the terms of the International Underwriting Agreement which is expected to be entered into on or around Thursday, September 28, 2023. Further information regarding the Underwriters and the Underwriting Agreements are set out in the section headed "Underwriting" in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, employees, advisers, agents or representatives, or any other persons or parties involved in the Global Offering.

Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change or development in our affairs since the date of this prospectus or that the information in this prospectus is correct as of any date subsequent to the date of this prospectus.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering (including its conditions) and the arrangements relating to the Over-allotment Option and stabilization, are set out in the sections headed “Structure of the Global Offering” and “Underwriting” in this prospectus.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of Hong Kong Offer Shares to, confirm that he/she is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly, in the PRC or the United States.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

APPLICATION FOR LISTING OF THE H SHARES ON THE HONG KONG STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option).

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Friday, October 6, 2023. Save as that our Shares other than the H Shares are listed on the NEEQ and that the 2022 First Corporate Bonds and the 2022 Second Corporate Bonds are listed on the Shanghai Stock Exchange, no part of our Shares or loan capital is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought as of the Latest Practicable Date.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Hong Kong Stock Exchange.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Hong Kong Stock Exchange or on any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisors for details of the settlement arrangements as such arrangements may affect their rights and interests.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

H SHARE REGISTER AND STAMP DUTY

All of the Offer Shares will be registered on our register of members of H Share to be maintained by our H Share Registrar, Tricor Investor Services Limited, in Hong Kong. Our principal register of members will be maintained by us at our headquarters in the PRC.

Dealings in the H Shares registered on the H Share register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty.

Unless determined otherwise by our Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of our Company in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder of our Company.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors as to the taxation implications of subscribing for, purchasing, holding or disposal of, and/or dealing in the H Shares or exercising rights attached to them. None of us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, employees, partners, agents, advisors or representatives or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchasing, holding, disposition of, or dealing in, the H Shares or exercising any rights attached to them.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars.

Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB7.1786 to US\$1.00, being the PBOC rate prevailing on the Latest Practicable Date, except that when calculating our AUM, committed capital and invested capital, U.S. dollars were translated into Renminbi amounts at the PBOC rate prevailing at the end of the relevant reporting period, (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.9171 to HK\$1.00, being the PBOC rate prevailing on the Latest Practicable Date; and (iii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK\$7.8278 to US\$1.00.

No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

LANGUAGE

If there is any inconsistency between this prospectus and its Chinese translation, this prospectus shall prevail. For ease of reference, the names of the Chinese laws and regulations, government authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this prospectus in both the Chinese and English languages. In the event of any inconsistency, the Chinese version shall prevail.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed in any table, chart or elsewhere in this prospectus are due to rounding.

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Wang Yonghua (王永華)	8 Lily Road Shenzhen Golf Club Shennan Avenue Futian District Shenzhen PRC	Chinese
Mr. Feng Weidong (馮衛東)	Room 206, Building 1 Phase 15 Portofino Chunshuian Overseas Chinese Town 1 Xiangshan Middle Street Nanshan District Shenzhen PRC	Chinese
Ms. Zou Yunli (鄒雲麗)	Room A601 Cuijing Pavilion Haojinghaoyuan 2 Shazui Road Futian District Shenzhen PRC	Chinese
Mr. Li Xiaoyi (李小毅)	19E, Building 2, Phase 2 China Resources Shenzhen Bay Yuefu Intersection of Keyuan Road and Binhai Avenue Nanshan District Shenzhen PRC	Chinese

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Name	Address	Nationality
Non-executive Directors		
Mr. Li Lan (黎瀾)	Room 402, Unit 1 Building 18 Yitian Garden 1006 Yitian Road Futian District Shenzhen PRC	Chinese
Mr. Dai Yongbo (代永波)	Room 2801, 28/F Building 18, Phase 1 CITIC Mangrove Bay Flower City (South) 2801 Shahe East Road Nanshan District Shenzhen PRC	Chinese
Independent non-executive Directors		
Mr. Liu Pingchun (劉平春)	H901 Portofino Chunshuian Overseas Chinese Town 1 Xiangshan Middle Street Nanshan District Shenzhen PRC	Chinese
Mr. Diao Yang (刁揚)	Flat C, 30/F, Tower 1 33 Chai Wan Road Island Garden Shau Kei Wan Hong Kong	Chinese
Mr. Tsai Lieh (蔡洌) (alias. Tsai Leo)	2103, Building 13 Central Park 6 Chaoyangmenwai Avenue Chaoyang District Beijing PRC	Chinese

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

SUPERVISORS

Name	Address	Nationality
Mr. Tang Zhimin (湯志敏)	12A, Building A Yuhedi Garden 28 Dongyuan Road Futian District Shenzhen PRC	Chinese
Mr. Li Kanglin (李康林)	Room 2301, No. 9 Lane 1399 Dingxiang Road Pudong New District Shanghai PRC	Chinese
Mr. Di Zhe (狄喆)	1303, Building D Jinlu Garden 23 Antuoshan Six Road Futian District Shenzhen PRC	Chinese

For details with respect to our Directors and Supervisors, see “Directors, Supervisors and Senior Management” in this prospectus.

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING**Joint Sponsors****Huatai Financial Holdings (Hong Kong)
Limited**

62/F, The Center
99 Queen's Road Central
Hong Kong

BOCI Asia Limited

26/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

Overall Coordinators**Huatai Financial Holdings (Hong Kong)
Limited**

62/F, The Center
99 Queen's Road Central
Hong Kong

BOCI Asia Limited

26/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

Joint Global Coordinators**Huatai Financial Holdings (Hong Kong)
Limited**

62/F, The Center
99 Queen's Road Central
Hong Kong

BOCI Asia Limited

26/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

Zhongtai International Securities Limited

19 Floor, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

CMB International Capital Limited

45/F, Champion Tower
3 Garden Road
Central
Hong Kong

**China Galaxy International Securities
(Hong Kong) Co., Limited**

20/F Wing On Centre
111 Connaught Road Central
Hong Kong

Joint Bookrunners

**Huatai Financial Holdings (Hong Kong)
Limited**

62/F, The Center
99 Queen's Road Central
Hong Kong

BOCI Asia Limited

26/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

Zhongtai International Securities Limited

19 Floor, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

CMB International Capital Limited

45/F, Champion Tower
3 Garden Road
Central
Hong Kong

**China Galaxy International Securities
(Hong Kong) Co., Limited**

20/F Wing On Centre
111 Connaught Road Central
Hong Kong

ICBC International Securities Limited

37/F, ICBC Tower
3 Garden Road
Hong Kong

**China Industrial Securities International
Capital Limited**

32/F, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan
Hong Kong

**Essence International Securities
(Hong Kong) Limited**

39/F, One Exchange Square
Central
Hong Kong

CCB International Capital Limited

12/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

BOCOM International Securities Limited

9/F, Man Yee Building
68 Des Voeux Road Central
Hong Kong

ABCI Capital Limited

11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

Guodu Securities (Hong Kong) Limited

Rm 1307, 13/F, Bank of America Tower
12 Harcourt Road
Central
Hong Kong

**Futu Securities International
(Hong Kong) Limited**

Unit C1-2, 13/F
United Centre
No. 95 Queensway
Hong Kong

Tiger Brokers (HK) Global Limited

1/F, FWD Financial Centre
308 Des Voeux Road Central
Hong Kong

Livermore Holdings Limited

Unit 1214A, 12/F
Tower II Cheung Sha Wan Plaza
833 Cheung Sha Wan Road
Kowloon
Hong Kong

Valuable Capital Limited

RM 3601-06 & 3617-19, 36/F
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Joint Lead Managers

**Huatai Financial Holdings (Hong Kong)
Limited**

62/F, The Center
99 Queen's Road Central
Hong Kong

BOCI Asia Limited

26/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

Zhongtai International Securities Limited

19 Floor, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

CMB International Capital Limited

45/F, Champion Tower
3 Garden Road
Central
Hong Kong

**China Galaxy International Securities
(Hong Kong) Co., Limited**

20/F Wing On Centre
111 Connaught Road Central
Hong Kong

ICBC International Securities Limited

37/F, ICBC Tower
3 Garden Road
Hong Kong

**China Industrial Securities International
Capital Limited**

32/F, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan
Hong Kong

**Essence International Securities
(Hong Kong) Limited**

39/F, One Exchange Square
Central
Hong Kong

CCB International Capital Limited

12/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

BOCOM International Securities Limited

9/F, Man Yee Building
68 Des Voeux Road Central
Hong Kong

ABCI Securities Company Limited
10/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

Guodu Securities (Hong Kong) Limited
Rm 1307, 13/F, Bank of America Tower
12 Harcourt Road
Central
Hong Kong

**Futu Securities International
(Hong Kong) Limited**
Unit C1-2, 13/F
United Centre
No. 95 Queensway
Hong Kong

Tiger Brokers (HK) Global Limited
1/F, FWD Financial Centre
308 Des Voeux Road Central
Hong Kong

Livermore Holdings Limited
Unit 1214A, 12/F
Tower II Cheung Sha Wan Plaza
833 Cheung Sha Wan Road
Kowloon
Hong Kong

Valuable Capital Limited
RM 3601-06 & 3617-19, 36/F
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Legal Advisors to the Company

As to Hong Kong and U.S. laws:

O'Melveny & Myers

31/F, AIA Central
1 Connaught Road Central
Hong Kong

As to PRC law:

Grandall Law Firm (Shanghai)

23-25/F, Garden Square
968 West Beijing Road
Shanghai
PRC

As to Cayman Islands and BVI laws:

Carey Olsen Hong Kong LLP

Suites 3610-13
Jardine House
1 Connaught Place
Central
Hong Kong

**Legal Advisors to the Joint Sponsors
and Underwriters**

As to Hong Kong and U.S. laws:

Herbert Smith Freehills

23/F, Gloucester Tower
15 Queen's Road
Central
Hong Kong

As to PRC law:

Jia Yuan Law Offices

Room F408, Ocean Plaza
158 Fuxing Men Nei Street
Xicheng District
Beijing
PRC

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Auditors and Reporting Accountants

Deloitte Touche Tohmatsu

Certificated Public Accountants

Registered Public Interest Entity Auditor

35/F, One Pacific Place

88 Queensway

Hong Kong

Industry Consultant

**China Insights Industry Consultancy
Limited**

10F, Block B, Jing'an International Center

88 Puji Road, Jing'an District

Shanghai

PRC

Receiving Bank

Bank of China (Hong Kong) Limited

1 Garden Road

Hong Kong

CORPORATE INFORMATION

Registered Office	Unit 05, 43/F Shenzhen Metro Real Estate Building Shennan Avenue Tian'an Community, Shatou Street Futian District, Shenzhen PRC
Headquarters and Principal Place of Business in the PRC	23/F-2/3, Building B, Intelligence Plaza 4068 Qiaoxiang Road Nanshan District, Shenzhen PRC
Principal Place of Business in Hong Kong	5/F, Manulife Place 348 Kwun Tong Road Kowloon Hong Kong
Company Website	<u>www.tiantucapital.com</u> <i>(Information contained on this website does not form part of this prospectus)</i>
Joint Company Secretaries	Ms. Wang Fengxiang (王鳳翔) 1501, Building 5 Huayu'an 128 Changlong Road Longgang District Shenzhen PRC Ms. Kwan Sau In (關秀妍) <i>(ACG, HKACG)</i> 5/F, Manulife Place 348 Kwun Tong Road Kowloon Hong Kong
Authorized Representatives	Mr. Wang Yonghua (王永華) 8 Lily Road Shenzhen Golf Club Shennan Avenue Futian District Shenzhen PRC

CORPORATE INFORMATION

	<p>Ms. Kwan Sau In (關秀妍) (ACG, HKACG) 5/F, Manulife Place 348 Kwun Tong Road Kowloon Hong Kong</p>
Audit Committee	<p>Mr. Tsai Lieh (蔡洌) (<i>Chairman</i>) Mr. Dai Yongbo (代永波) Mr. Diao Yang (刁揚)</p>
Remuneration Committee	<p>Mr. Liu Pingchun (劉平春) (<i>Chairman</i>) Mr. Wang Yonghua (王永華) Mr. Diao Yang (刁揚)</p>
Nomination Committee	<p>Mr. Wang Yonghua (王永華) (<i>Chairman</i>) Mr. Liu Pingchun (劉平春) Mr. Tsai Lieh (蔡洌)</p>
Compliance Adviser	<p>Opus Capital Limited 18/F, Fung House 19-20 Connaught Road Central Central Hong Kong</p>
H Share Registrar	<p>Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong</p>
Principal Banks	<p>China CITIC Bank Corporation Limited Shenzhen Houhai Sub-branch 1/F., China Southern Railway H.O Building No. 3333 Houhai Central Road Nanshan District Shenzhen PRC</p> <p>Industrial Bank Co., Ltd. Bao'an Sub-branch North Block, Shangdu Park Yu'an No.1 Street Bao'an District Shenzhen PRC</p>

INDUSTRY OVERVIEW

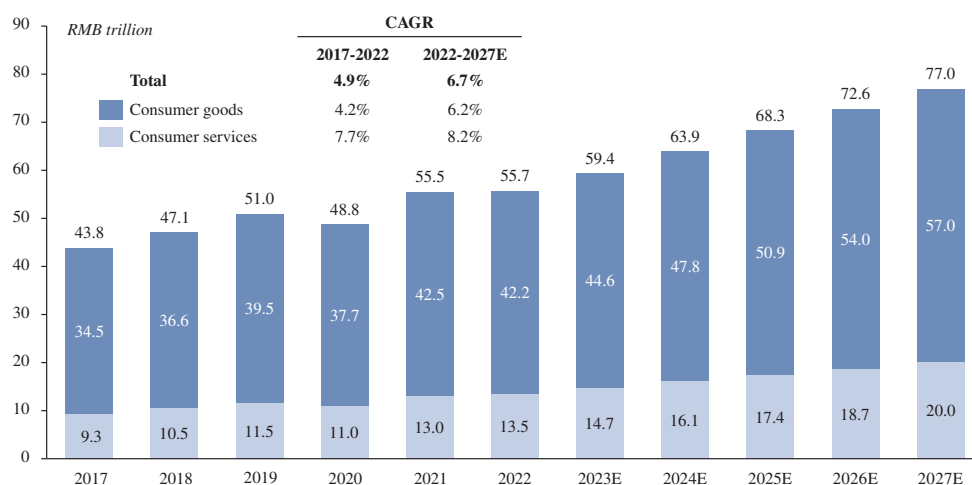
The information and statistics set out in this section and other sections of this prospectus were extracted from the CIC Report, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged CIC to prepare the CIC Report, an independent industry report, in connection with the Global Offering. The information from official government sources has not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers or any of the Underwriters, any of their respective directors and advisors, or any other persons or parties involved, in the Global Offering, and no representation is given as to its accuracy.

DEVELOPMENT OF CHINA’S CONSUMER INDUSTRY

Overview of China’s Consumer Industry

China already has significant consumption power, and its people are becoming increasingly willing to consume. China’s large population base and high per capita consumption potential, combined with long-term drivers such as the emergence of new demands from new generations, new technologies and channels on the supply side, continue to propel the development of the consumer market. As a result, despite the impact of COVID-19 pandemic, the size of China’s consumer industry increased from RMB43.8 trillion in 2017 to RMB55.7 trillion in 2022 at a CAGR of 4.9%, which is expected to reach RMB77.0 trillion in 2027 with a CAGR of 6.7% from 2022 to 2027, according to CIC. The following diagram illustrates the market size of China’s consumer industry from 2017 to 2027.

Market size of the consumer industry in China, 2017-2027E



Source: NBS, CIC

INDUSTRY OVERVIEW

Several clear trends in China's consumer industry can be observed in the past decade and are expected to continue in near future:

Rise of China's middle class and consumption upgrade. The growth of domestic consumer market is being fueled by consumption demand of rising middle class, consumption upgrade, and rapid technological advancement. The population of China's middle class increased from 502.0 million in 2017 to 633.7 million in 2022 and is expected to reach 773.9 million in 2027. According to CIC, as China's middle class expanded, their investable assets increased from RMB115.4 trillion in 2017 to RMB200.1 trillion in 2022, and are predicted to reach RMB318.9 trillion in 2027, powering China's consumption upgrade. For example, with the growth of China's middle class, the number of convenient stores in China rose from around 106 thousand in 2017 to around 180 thousand in 2022; in terms of retail sales value, China's beauty market was already the largest in the world with its retail value of around RMB400 billion in 2022 which is expected to reach around RMB600 billion in 2027; and the size of China's online retail sales market also rose from RMB7.2 trillion in 2017 to RMB13.8 trillion in 2022. Meanwhile, with technical advancement and penetration of the internet, people in lower-tier cities gained access to more consumption channels and enhanced their consumption willingness, as a result of which, consumption demands in China's lower tier cities have increased, driving further development of the consumer industry. Overall, per capita disposable income in China climbed from RMB25,974 in 2017 to RMB36,883 in 2022, resulting in domestic consumers' growing willingness to spend money and seek to satisfy their higher-quality and more diversified consumption needs. Taking dairy products for example, consumption per capita in China increased from 12.1 kg in 2017 to 15.0 kg in 2022, and is expected to increase to 20.1 kg in 2027, according to CIC.

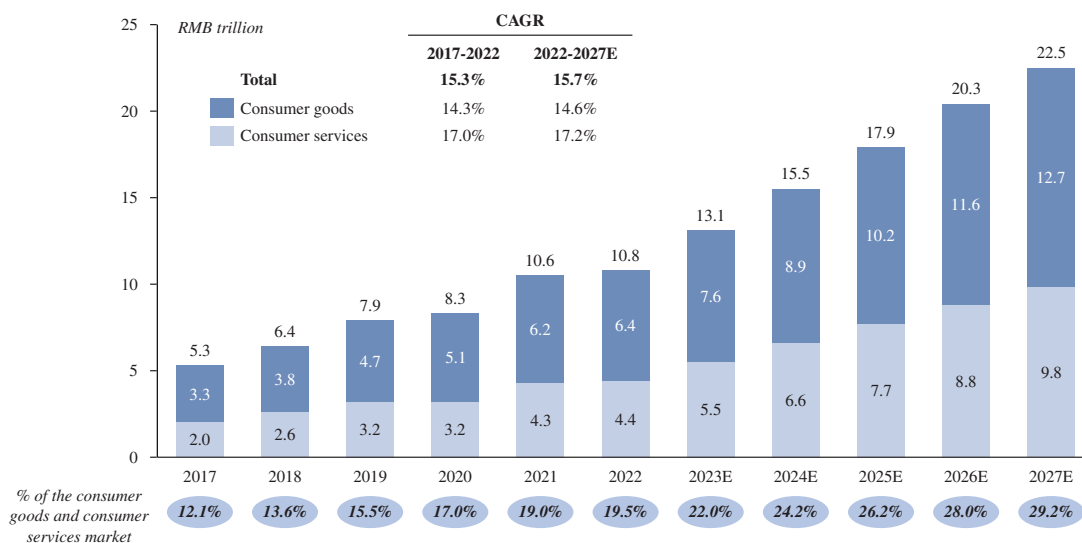
Rising of new consumption (新消費). Driven by new technologies (e.g. premium dry-frozen instant coffee), new lifestyle events (e.g. "tea break" for premium milk tea, and entertainment content), and emergence of a younger generation of consumers (GenZ+), new demands have been nurtured that allow for new innovative forms to emerge. Such demands have benefited brands and companies that adopt new business model (e.g. D2C brands and shared economy), that are promoted through new media (e.g. livestreaming and Xiaohongshu (小紅書)), and that are distributed via new channels (e.g. community group-buying).

Moreover, China's domestic infrastructure and supply chain have become more sophisticated and are able to develop customized products, with small batches and at fast response speed. New consumption is also encouraged by the Chinese government to improve market activity, facilitate consumption upgrade, and stimulate economic growth.

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Despite the impact of COVID-19 pandemic, the new consumption market in China experienced strong growth in past years and is still expected to maintain a steady growth in near future. The market size of new consumption in China grew from RMB5.3 trillion in 2017 to RMB10.8 trillion in 2022 at a CAGR of 15.3%, and is projected to grow at a CAGR of 15.7% and reach RMB22.5 trillion in 2027. New consumption as a percentage of the total consumer market size in China increased from 12.1% in 2017 to 19.5% in 2022, which is expected to reach 29.2% in 2027. The following diagram illustrates the market size of new consumption in China from 2017 to 2027.

Market size of the new consumption industry, China, 2017-2027E

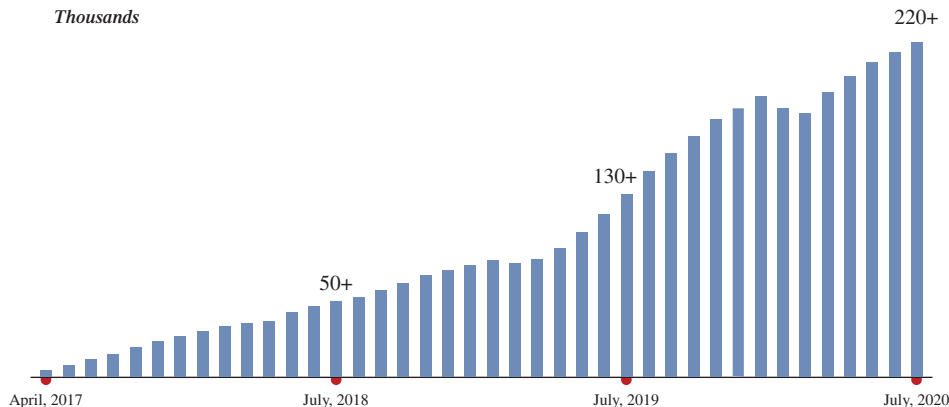


Source: CIC

Emergence of new brands. The rise of China’s middle class and consumption upgrade, coupled with the flourishing of new consumption, creates enormous growth opportunities for consumer brands. Since 2017, there has been an influx of new brands. In 2019, more than 50,000 new brands emerged in T-mall, one of the largest e-commerce platforms in China. By July 2020, the accumulative number of new brands had exceeded 220,000, almost doubling the number in 2019. The following diagram illustrates the accumulative number of new emerging brands in T-mall from April 2017 to July 2020.

INDUSTRY OVERVIEW

The accumulative number of new emerging brands in Tmall, April 2017 to July 2020



Source: T-mall, CIC

Domestic brands expanding their influence. With the economic development of China, domestic brands are increasingly emerging and gradually occupying large market shares in various consumer sectors in China. For example, domestic color cosmetics brands have grown rapidly in recent years, with their market share in China increasing from 12.8% in 2017 to 24.8% in 2020, almost doubling their market share in three years. Domestic companies in a variety of sectors, such as coffee, games and toys, as well as sportswear and hair care, have gained their market shares in China in recent years. With the support of increasingly mature domestic supply chain, domestic brands can produce or source new products more easily and respond more swiftly to ever-changing market demands. With the maturity of industrialization, domestic consumer companies have taken market shares in China through their strong learning ability and local advantages.

Additionally, top-tier domestic consumer brands, such as Li-Ning, BYD, Pop Mart and Haidilao, have started to explore cross-border opportunities and tap overseas markets at the backdrop of China's economy entering into a new phase and the supply chain within China's economy becoming more mature. Rise of a group of consumer brands is usually accompanied by economic development of a great power, industrial chain maturity, and technological environment upgrade as shown by the examples of Europe and America in the 20 century, as well as Japan in the end of the 20 century, which gave rise to a host of internationally renowned brands including Nike, Estee Lauder, Siemens, Sony and Toyota. China has met the above conditions through the past 30 years of development, and rapid growth of Chinese brands will soon to be witnessed.

INDUSTRY OVERVIEW

PRIVATE EQUITY INVESTMENT MARKET IN CHINA

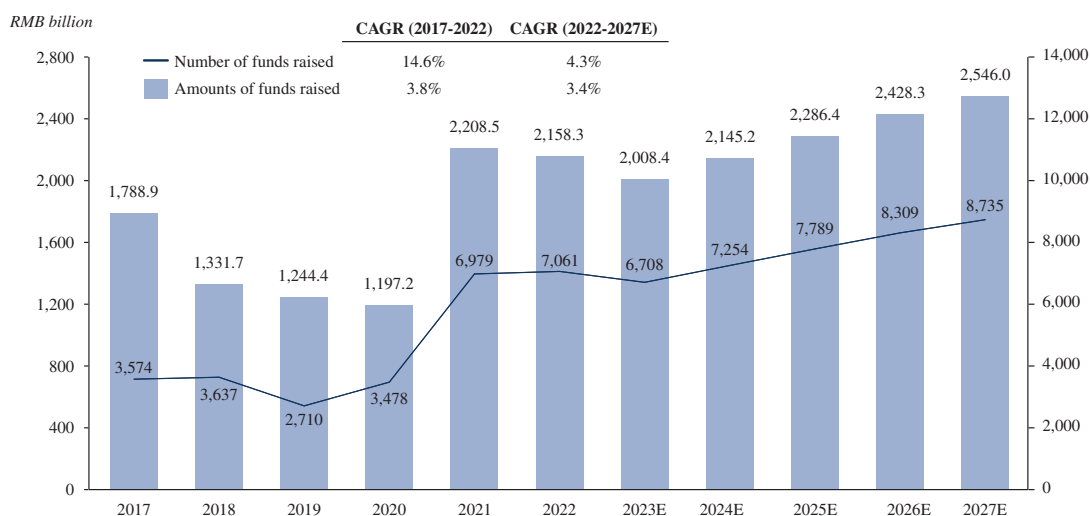
Overview of the Private Equity Investment Market in China

The private equity investment industry in China gradually began to standardize after 2000. It thereafter went through the first boom and continued growing until 2011. IPOs in China were practically all stopped by regulatory authorities at the end of 2012 and frozen for the next two years, during which private equity investment in China were also significantly affected as it lost one of its most important exits for investment. The IPO market reopened in 2014, and accordingly the private equity investment market also became increasingly active, entering a more developed stage.

Private equity investment institutions in China can be categorized by target industry and by investment stage. Some private equity investment institutions focus on investing in consumer industry, such as Tiantu, some in telecoms, media and technology (TMT), healthcare, and other industries, and some make investments in a variety of industries. In terms of the investment amount in 2021, the private equity investments in TMT industry, healthcare industry, manufacturing industry and consumer industry occupy over 70% of the total private equity investments in China. Measured by investment timing, some institutions prefer early rounds, while some prefer growth rounds.

The following diagram illustrates the market size of the private equity investment institutions in China from 2017 to 2027.

Market size of the private equity investment institutions in China, 2017-2027E



Source: Qingke data, CIC

INDUSTRY OVERVIEW

The market size of private equity investment institutions in China, in terms of the funds raised, increased from RMB1.8 trillion in 2017 to RMB2.2 trillion in 2022. The fundraising of private equity investment funds in China became comparatively difficult between 2018 and 2020 due to the higher threshold for qualified investors following the publication of new asset management regulations, deleveraging policies and the impact of COVID-19, but it rebounded significantly in 2021 in terms of both the amount and number of funds raised. Though the fundraising slightly dropped in 2022, it still retained its high level. As economic activities and market conditions, along with consumer confidence and investors' sentiment have been gradually improving in 2023, the market is expected to gradually increase to RMB2.5 trillion in 2027. In addition, China's leading private equity institutions have continued to invest in quality companies at a steady pace. Among more than 7,000 private equity investment institutions in China, the market share of China's top 250 institutions in the past five years remained stable above 40% by investment amount, and above 30% by number of investment cases.

In recent years, the PRC government has issued various policies and regulations to promote the development of private equity investment industry. For example, on December 17, 2021, China Banking and Insurance Regulatory Commission issued the Notice on Amending Some Normative Documents on the Use of Insurance Funds (《關於修改保險資金運用領域部分規範性文件的通知》), relaxing the requirements on the scale and investment ratio of funds raised by private equity funds, which will facilitate the rapid development of the private equity investment industry.

In general, private equity investment institutions exit through IPO, M&A, buy-backs, and liquidation. IPO and M&A are preferred by private equity due to higher returns. The government has continued to relax restrictions on private equity funds and listing requirements in recent years. For example, the reform of registration-based IPO system and establishment of Beijing Stock Exchange in China, as well as new rules to Hong Kong's listing regime welcoming weighted voting right structures and unprofitable biotech companies, have created a more favorable environment for Chinese companies to pursue listing. M&A is also a common exit approach. According to CIC, the number of M&A transactions for Chinese companies increased from around 380 in 2017 to around 650 in 2022 with a CAGR of approximately 11.3%.

Overview of the Consumer-Focused Private Equity Investment Market in China

With the introduction of new brands, the consumer market has become highly competitive, and each brand is facing a significant challenge to survive. According to the statistics from T-mall, more than half of the new brands will be out of sight of consumers after one year, and only a few ultimate winners will be able to reap profits. The path to success for a brand is fraught with challenges that necessitate the assistance of experienced and insightful internal and external parties.

INDUSTRY OVERVIEW

Consumer industry companies can be categorized into those providing consumer goods (e.g. Nayuki (奈雪的茶)), services for consumers (e.g. FlashEx (閃送)) and companies focusing on channels which help to deliver final consumer goods and services to the end users (e.g. ATRenew (萬物新生)). Certain private equity investment institutions mainly focus on investment in the consumer industry, including consumer goods, consumer services and consumer channels sectors, which are referred to as consumer-focused private equity investment institutions. For the purposes of this Prospectus, a consumer-focused private equity investment institution is a private equity institution for which more than two thirds of its investments were made in companies in the consumer industry in terms of the number of investment cases in the past three years. These investment institutions have a better understanding of consumer behaviors and demands. Due to their in-depth industry understanding, these investment institutions are able to identify superior consumer projects. In addition, they can empower consumer brands and companies by providing various support, primarily in financial, resources and management. Investment institutions offer sufficient funds for companies to establish market presence and quickly capture market share. They can also help establish a clear brand positioning, increase customer retention and achieve project resource synergy. They can further assist in sharpening the team and providing services of capital operation to help brand to succeed. Brands that receive investment from institutions typically grow more rapidly and experience significant increase in their brand value, demonstrating the importance of the participants of private equity investment institutions in accelerating a brand's success.

The consumer-related private equity investment amount in China increased from RMB163.9 billion in 2017 to RMB217.5 billion in 2021, though there were certain fluctuations of investment amounts and cases during this period as hot topics and popular investment themes were constantly evolving. In 2017 and 2018, a number of high-profile projects gained funding, including Nayuki (奈雪的茶), Heytea (喜茶), Dingdong Maicai (叮咚買菜) and Xiaohongshu (小紅書). The consumer-related private equity investment amount climbed from RMB163.9 billion in 2017 to RMB278.3 billion in 2018, and the number of investment cases was relatively stable at around 1,900 in 2017 and 1,800 in 2018. From 2019 to 2020, the consumer-related private equity investment amount reduced to RMB113.6 billion for approximately 1,500 investment cases in 2020, owing to the impact of new asset management regulations, the pandemic and other factors. However, during the same period, investments in top consumer brands remained active, with leading consumer brands such as Guoquan Shihui (鍋圈食匯), Saturnbird Coffee (三頓半), ATRenew (萬物新生), and Jiangxiaobai (江小白) receiving external capital from private equity investment institutions. In 2021, the consumer-related private equity investment market rebounded significantly, with investment amounting to RMB217.5 billion for approximately 2,100 cases in 2021. In 2022, the consumer-related private equity investment market declined to RMB95.1 billion mainly because under tough market situations, consumer companies with sufficient cash were less active in seeking external fund raising. In 2023, China government lifted COVID-19 lockdown measures, propelling people to return to normal life and triggering the recovery of consumption. Thus, the consumer-related private equity investment market is expected to further expand in the long term. According to CIC, the consumer-related private equity investment amount is estimated to reach RMB236.2 billion with a CAGR of 19.9% between 2022 and 2027, and the number of such investment cases is predicted to reach around 2,400 in 2027 with a CAGR of 17.4% between 2022 and 2027.

INDUSTRY OVERVIEW

The consumer-focused private equity investment market exhibits the following characteristics:

- **Fast evolving industry.** As new brands continue to emerge, the consumer industry is fast evolving where companies and brands compete intensely and the competition dynamic iterates rapidly. Therefore, investments in consumer companies, especially at their early stage, could be challenging, and call for deep insight, long-term patience and strong ability to identify superior companies ahead of their time and industry trends.
- **Wide variety of verticals.** There are numerous sectors and investment categories in the consumer goods industry, and new consumer brands are constantly emerging, creating a wide range of investment opportunities. Meanwhile, accumulated experience and industry insights are transferable across different verticals, because different consumer sectors share characteristics such as similar growth trends, allowing investment institutions to invest across multiple categories by leveraging their accumulated experience and know-how.
- **Financing needs skewed towards early stage.** Consumer brands are different from other mature industrial sectors in that their financing needs are usually in the early stage. Because once a stable profitability model is established and operated smoothly, the brand enters cash-cow mode and has less incentive in seeking outside funding. The brand needs capital in the early stage to explore market radius, which is also a survival stage for the brand. This also results in relatively high return by investments in the consumer industry in their early stages and necessitates deeper expertise and stronger capabilities of investment professionals.

Major Growth Drivers of the Consumer-Focused Private Equity Investment Market in China

The consumer-focused private equity investment market in China is primarily driven by the following factors:

- **The development of China's consumer market.** The per capita consumption expenditure in China increased significantly in the past from RMB18.3 thousand in 2017 to RMB24.5 thousand in 2022 with a CAGR of 6.0%, which is expected to further reach RMB32.7 thousand in 2027. Moreover, the new generation's novel consumption patterns will also raise household consumption. The development of China's consumer market has created and will continue to create outstanding investment opportunities for consumer-focused private equity investment institutions.

INDUSTRY OVERVIEW

- **The fundraising capability of private equity institutions.** In 2021, the amount of funds raised for private equity investments in China reached RMB2.2 trillion, representing an increase of 84.5% from the previous year. Although fundraising declined slightly in 2022 due to the resurgence of the pandemic in various regions and fluctuating capital market, the market is expected to maintain strong growth going forward and reach RMB2.5 trillion in 2027. The rising amount of funds raised by consumer-focused private equity institutions provide them with a strong capital base, consequently triggering them to discover and invest in projects with great growth potential.
- **Favorable policy support.** In recent years, the PRC government has issued a number of policies to promote the development of the consumer industry and the private equity investment industry. For example, in September 2021, Ministry of Commerce issued the *Notice on Furthering the Key Work of Promoting Consumption in the Current Business Field* (《關於進一步做好當前商務領域促消費重點工作的通知》), to stabilize major consumption and promote the rapid development of emerging consumption. In December 2021, China Banking and Insurance Regulatory Commission released the *Notice on Amending Some Normative Documents on The Use of Insurance Funds* (《關於修改保險資金運用領域部分規範性文件的通知》), relaxing the requirements on the scale and investment ratio of funds raised by private equity funds, which will facilitate the growth of the private equity investment industry. The supporting policies have propelled the healthy development of China's consumer-focused private equity investment market, and are expected to further drive its robust growth in the future.

Competitive Landscape of the Consumer-Focused Equity Investment Market in China

We are one of the pioneers and leading players that show strong market position in the consumer-related private equity investment market in China. Between 2020 and 2022, we consistently ranked first among all the consumer-focused private equity investment institutions in China, in terms of the number of consumer investment cases each year. The following table sets forth the top five consumer-focused private equity investment institutions in China measured by the number of investment in the consumer industry from 2020 to 2022.

INDUSTRY OVERVIEW

Ranking among consumer-focused private equity investment institutions in China, in terms of investment cases in the consumer industry, 2020-2022

Ranking	Investment Institutions	Background	Number of consumer investment cases for 2020-2022 ¹	Category of the investment institutions	Preferred rounds
1	The Company	–	91	Private equity	All rounds
2	Challengers Venture	A China venture capital investment institution established in 2014 and headquartered in Beijing. It invests mainly in companies operating in the consumer goods sector at earlier stages.	64	Venture capital	Earlier rounds
3	Jinding Capital	A China private equity investment institution established in 2015 and headquartered in Beijing. It invests mainly in companies operating in the consumer goods and consumer services sectors at earlier and growth stages.	40	Private equity	All rounds
4	Decent Capital	A China venture capital investment institution established in 2007 and headquartered in Shenzhen. It invests mainly in companies operating in the consumer services and consumer channels sectors at earlier stages.	27	Venture capital	Earlier rounds
4	Crystal Stream Capital	A China venture capital investment institution established in 2013 and headquartered in Beijing. It invests mainly in companies operating in the consumer goods and consumer service sectors at earlier stages.	27	Venture capital	Earlier rounds

INDUSTRY OVERVIEW

Note:

- The number of cases is based on public information surveyed by CIC as of March 2023. These numbers exclude investments not publicly announced. Taking the Company's own data for example, it invested into approximately ten additional cases that have not been publicly disclosed.

Source: CIC

When ranked among all private equity investment institutions, we ranked third after Tencent Investment and Sequoia China in terms of the number of consumer investment cases made from 2020 to 2022. The following table sets forth the top five private equity investment institutions in China in terms of number of consumer investment cases made from 2020 to 2022.

Ranking among all private equity investment institutions in China, in terms of investment cases in the consumer industry, 2020-2022

<u>Ranking</u>	<u>Investment Institutions</u>	<u>Background</u>	<u>Number of consumer investment cases for 2020-2022¹</u>	<u>Category of the investment institutions</u>
1	Tencent Investment	A corporate venture capital of an Internet conglomerate established in 2008 and headquartered in Shenzhen. It mainly invests in companies operating in the TMT and consumer industries at all stages for strategical purposes.	251	Corporate venture capital of an Internet Conglomerate
2	Sequoia China	A private equity investment institution founded in 2005 and headquartered in Beijing. It is an affiliate of a US private equity investment institution founded in 1972 and headquartered in Silicon Valley. It mainly invests in companies operating in TMT, healthcare, manufacturing, consumer industries at all stages.	142	Private equity
3	The Company	–	91	Private equity

INDUSTRY OVERVIEW

<u>Ranking</u>	<u>Investment Institutions</u>	<u>Background</u>	<u>Number of consumer investment cases for 2020-2022¹</u>	<u>Category of the investment institutions</u>
4	Hillhouse Capital	A China private equity investment institution established in 2005 and headquartered in Beijing. It mainly invests in companies operating in TMT, healthcare, manufacturing and consumer industries at earlier stages through its venture capital company and invest in growth stages through its private equity company.	90	Private equity
5	Plum Ventures	A China venture capital institution established in 2014 and headquartered in Beijing. It mainly invests in companies operating in TMT, manufacturing and enterprise services and consumer industries at earlier stages.	86	Venture capital

Note:

- The number of cases is based on public information surveyed by CIC as of March 2023. These numbers exclude investments not publicly announced. Taking the Company's own data for example, it invested into approximately ten additional cases that have not been publicly disclosed.

Source: CIC

In addition, according to CIC, our AUM as of December 31, 2022 ranked 130+ among more than 7,000 private equity investors in China, including private equity investment arm of conglomerates, multinational corporations, state-owned financial institutions. The top five institutions include Warburg Pincus Investment (華平投資), China Reform Holdings (中國國新), CICC Capital (中金資本), BOC Investment (中銀投資) and Sequoia China (紅杉中國), and they on average had around RMB500 billion of asset under management as of December 31, 2022. Within the group of consumer-focused private equity investment institutions, our AUM ranked no. 2. Please see below the table that sets forth the top five consumer-focused private equity investment institutions in China in terms of AUM.

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Ranking among consumer-focused private equity investment institutions in China, in terms of AUM

Ranking	Investment Institutions	Institutions Background	AUM ¹
1	CMC Capital	A China private equity investment institution established in 2010 and headquartered in Shanghai. It invests mainly in companies operating in the consumer goods and services at earlier and growth stages.	RMB30.0 billion
2	The Company	–	RMB25.1 billion
3	Challengers Venture	A China venture capital investment institution established in 2014 and headquartered in Beijing. It invests mainly in companies operating in the consumer goods sector at earlier stages.	RMB7.3 billion
4	Jinding Capital	A China private equity investment institution established in 2015 and headquartered in Beijing. It invests mainly in companies operating in the consumer goods and consumer services sectors at earlier and growth stages.	RMB5.0 billion
5	BA Capital	A China private equity investment institution established in 2016 and headquartered in Shenzhen. It mainly invests in companies operating in the consumer goods, services and channels at earlier and growth stages.	RMB4.8 billion

INDUSTRY OVERVIEW

Note:

1. The Company's AUM refers to its AUM as of December 31, 2022, and the other companies' AUM is based on information from Qingke researched by CIC as of March 2023.

Source: CIC, Qingke

Entry Barriers of the Consumer-Focused Equity Investment Market in China

The entry barriers of the consumer-focused private equity investment market mainly include:

- **Capital sources.** Fundraising has always been an important part of private equity investment institutions. Compared with mature enterprises in the industry, many small and medium-sized private equity companies still face financing difficulties due to the lack of relevant resources and reputation.
- **License.** The private equity investment institutions are required to obtain a Private Fund Manager License and meet certain requirements to engage in related business in China.
- **Exit channel.** Compared to mature institutions that have diversified exit channels and methods, many small private equity investment institutions have continued to struggle with capital liquidity in recent years. That is, the funds raised have been invested and the invested project is still in the withdrawal stage, but no new source of capital has been raised, leaving the company trapped in a vicious circle of continuous layoffs.
- **Talent.** The private equity investment industry is a talent-intensive industry, and outstanding private equity investment professionals are very scarce. The ability of the investment management team determines the return rate and stability of investment business. Therefore, whether there is an excellent talent team is also a potential factor restricting market entrants.

Key Success Factors for Consumer-focused Equity Investment Companies

Numerous factors influence an investment institution's ability to differentiate itself in the highly competitive market. The key success factors include:

- **Superior investment portfolio.** A superior portfolio and track record demonstrates a private equity firm's ability to identify and execute on high-quality projects. The portfolio is also a testament to an investment firm's ability to deliver outstanding profitability.

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- **Good brand reputation.** Private equity investment institutions with a good reputation and influence can endorse brands, and thus brands are more willing to accept their investment. As a result, such investment institutions can easily attract quality projects.
- **A stable source of financing.** Having adequate access to capital and financing is fundamental for a private equity investment institution to invest in high-quality companies.
- **Exceptional investment strategies.** A strong investment strategy enables private equity investment institutions to more accurately identify hot sectors and potential companies, as well as to use an effective investment approach to avoid market bubble.
- **Efficient investment process.** An efficient investment decision-making process is critical in today's competitive market, where good projects are often approached by multiple investors and a fast decision process increases the probability of securing investment opportunities.
- **In-depth industry understanding.** Thorough industry research and understanding enables the identification of hot tracks earlier and the avoidance of market bubbles, and is essential for a private equity investment institution to outperform others in a particular investment sector.
- **Valuable value-added services.** Better value-added services accelerate the growth of portfolio companies, and help private equity investment institutions to achieve faster exits and monetization.
- **Rich-experienced management.** Early-stage investment in promising consumer companies relies on investment institutions' experience, so rich-experienced management is critical for the selection and evaluation of companies and brands.

SOURCES OF THE INDUSTRY INFORMATION

We commissioned CIC, an independent market research and consulting company that provides industry consulting services, commercial due diligence and strategic consulting to conduct a detailed research and analysis of private equity investment market that focus on consumer industry in China. We have agreed to pay a fee of RMB680,000 in connection with the preparation of the CIC Report. We have extracted certain information from the CIC Report in this section, as well as in "Summary," "Risk Factors," "Business," "Financial Information," and elsewhere in this prospectus, to provide our potential investors with a more comprehensive presentation of the industry in which we operate. Our Directors confirm that, after taking reasonable care, they are not aware of any material adverse change in the overall market information since the date of the CIC Report that would materially qualify, contradict or have an adverse impact on such information.

INDUSTRY OVERVIEW

During the preparation of the CIC Report, CIC performed both primary and secondary research, and obtained knowledge, statistics, information and industry insights on the industry trends of the private equity investment market that focus on consumer industry in China. Primary research was conducted via interviews with key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources. Projected market data were based on the following assumptions: (i) global economy development is likely to maintain a steady growth trend in the next decade; (ii) related industry key drivers are likely to drive the continuing growth of the consumer-focused private equity investment market; and (iii) there is not any extreme unforeseen circumstance or industry regulation in which the market may be affected dramatically or fundamentally. The information and data collected by CIC have been analyzed, assessed and validated using CIC's in-house analysis models and techniques.

REGULATORY OVERVIEW

The following are summaries of regulations that are material to our business operations and regulatory licences in certain key jurisdictions, namely, the PRC, Cayman Islands and Hong Kong.

LAWS AND REGULATIONS RELATING TO OUR GROUP'S BUSINESS AND OPERATIONS IN THE PRC

Regulations On Private Equity Investment Fund

Overview

Private funds refer to the investment funds set up by raising funds from investors in a non-public way in the People's Republic of China. Depending on the different investment targets, private funds are mainly divided into private securities investment funds (the "Private Securities Funds"), private equity investment funds (the "Private Equity Funds") and other private investment funds.

The engagement in private equity funds in the PRC is subject to regulation by regulators including the CSRC and the AMAC. Relevant regulatory provisions mainly involve registration, change of material issues, operations, termination, etc.

Main Regulators

China Securities Regulatory Commission (the "CSRC")

The CSRC, as a ministerial-level public institution directly under the State Council, is authorized by laws, regulations and the State Council to implement unified supervision and management of the national securities and futures market.

Pursuant to the Law of the People's Republic of China on Securities Investment Fund (Revised in 2015) (《中華人民共和國證券投資基金法(2015修訂)》) (the "**Securities Investment Fund Law**") published by the Standing Committee of the National People's Congress ("SCNPC") on 28 October, 2003 and revised on 24 April, 2015, the CSRC is entitled to implement supervision and management of the publicly-raised securities investment funds and non-publicly-raised securities investment funds and prepare appropriate regulations and rules.

The Interim Measures for the Supervision and Management of Private Investment Funds (《私募投資基金監督管理暫行辦法》) (the "**Private Interim Measures**") published by the CSRC on 21 August, 2014 includes public securities funds and private equity funds as well as other types of private investment funds targeting at futures, options and other investment objects in the market in the scope of adjustment, and clarifies the scope of investment of private funds as "inclusive of trading of shares, equity interests, bonds, futures, options, fund shares and other investment targets under investment contracts".

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The Interim Provisions on Private Investment Fund Management (Exposure Draft) (《私募投資基金管理暫行條例(徵求意見稿)》) (the “**Private Interim Provisions**”) promulgated by Legislative Affairs Office of State Council on 30 August 2017 further clarifies that State Council’s security regulatory body and the regional offices thereto supervise and administrate private fund business activities. And it also explicitly stipulates the duties of fund managers and fund trustees, as well as the fund raising, investment operation and information provision of private fund.

The Provisions on the Supervision and Management of Private Investment Funds (《私募投資基金監督管理條例》) (the “**Private Provisions**”) was promulgated by the State Council on 3 July, 2023 and became effective on September 1, 2023. Over the years, the CSRC and the AMAC has issued guidelines and regulations and measures to regulate and guide the industry of private equity funds in the PRC, while the Private Provisions is the first administrative regulation (行政法規) in the private investment fund industry and it mainly consolidates and reinstates, from a higher legislative hierarchy, the previously existed rules and requirements under the regulatory regime regulating the private investment funds. The key aspects of the Private Provisions include (i) the applicability, (ii) the qualifications of fund managers and custodians, and (iii) fund raising and investment operations.

Pursuant to Several Provisions on Strengthening the Regulation of Privately Offered Investment Funds (《關於加強私募投資基金監管的若干規定》) (the “**Strengthening Provisions**”) published and implemented by the CSRC on 30 December, 2020, the CSRC and its branches shall strictly supervise privately offered fund business activities carried out by privately offered fund managers, privately offered fund trustees, privately offered fund sales agencies and other privately offered fund service providers and their employees, and crack down on all kinds of illegalities and irregularities.

Asset Management Association of China (the “AMAC”)

The AMAC is a social organization legal entity established with the approval of the State Council on 6 June, 2012 in accordance with the Securities Investment Fund Law and Regulations on the Registration and Management of Social Organizations (《社會團體登記管理條例》) and Private Interim Measures and is a self-regulatory organization that implements self-regulation for the industry of securities investment funds and private funds. It is subject to the business guidance, guidance and management of the CSRC and the Ministry of Civil Affairs.

Pursuant to Strengthening Provisions, the AMAC shall process registration of privately offered fund managers and filing of privately offered funds pursuant to the law, and strengthen self-regulation administration and risk monitoring. Anyone who violates Strengthening Provisions may be dealt with by the AMAC pursuant to the laws and regulations.

REGULATORY OVERVIEW

Industry Access

Pursuant to Private Interim Measures, the establishment of private fund management organization is not subject to administrative approval. The private fund managers shall proceed with registration procedures in accordance with the requirements of the AMAC. The private fund managers approved to be registered are required to proceed with filing formalities with the AMAC upon completion of fund raising.

For private fund managers to apply for and complete the registration, the AMAC issued the Notice on Matters Related to Facilitate Applications for the Registration of Private Fund Managers (《關於便利申請辦理私募基金管理人登記相關事宜的通知》) on 28 February, 2020, with lists of application materials for registration, and updated the lists of application materials for registration of private fund managers by updating the Notice on Matters Related to the Registration and Filing of Private Fund Managers (AMAC [2022] No. 203) (《關於私募基金管理人登記備案工作相關事宜的通知(中基協字[2022]203號)》) on 2 June, 2022 and the List of Application Materials for Registration of Private Fund Managers (2023 version) (《私募基金管理人登記申請材料清單(2023年修訂)》) on 1 May, 2023.

Pursuant to Strengthening Provisions, the private fund managers shall complete the registration with the AMAC as required, prior to carrying out private fund business activities such as fundraising and fund management for the first time. Unless otherwise provided by laws and regulations, no entity or individual may use the words “fund” or “fund management” or similar names to carry out privately offered fund business activities.

Registration and Filing

In accordance with the Private Interim Measures, private fund managers shall submit the following basic information as required by and to the AMAC for registration and proceed with registration procedures: (1) copies of original and duplicate of business registration and business licence; (2) the Articles of Association or partnership agreement; (3) a list of substantial shareholders or partners; (4) basic information on senior management; and (5) other information as required by the AMAC.

Pursuant to the Registration and Filing Measures of Private Investment Funds (私募投資基金登記備案辦法) (the “Private Registration and Filing Measures”, or the Measures), which was published by the AMAC on 24 February, 2023 and implemented on 1 May, 2023, providing that private fund managers shall, in accordance with relevant provisions, complete registration and file records with the AMAC, and it also stipulates the registration requirements of private fund managers as well as the filing requirements of private funds.

The Measures further provides that, in terms of the requisite requirements or qualifications for the private fund managers and the private funds, (i) the private fund manager shall be incorporated in the People’s Republic of China and shall be consistently financially sound, which requires its paid-in capital contribution shall be not less than RMB10 million or the equivalent in freely convertible currencies (except for the venture capital funds), and (ii)

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the paid-in fundraising scale of the private funds shall be able to guarantee the basic investment and be risk resistant, and the initial paid-in fundraising scale of a private fund shall satisfy the following requirements: (a) the private security fund shall be not less than RMB10 million, (b) the private equity fund shall not be less than RMB10 million, and the initial paid-in capital of the venture capital fund shall not be less than RMB5 million when it is filed, but it shall be included in the fund agreement that the paid-in capital contribution shall meet the minimum requirements for the aforementioned initial fundraising scale within 6 months after the fund filing, and (c) the private equity funds with one single investment target shall not be less than RMB20 million.

The Measures also clarifies that the applications for changes in relation to private fund manager registration, fund filing and the related registration information that have been submitted before the implementation of the Measures but have not yet been completed shall be reviewed and processed by the AMAC in accordance with the Measures.

According to the Announcement on Further Regulating Several Issues for the Registration of Private Fund Managers (《關於進一步規範私募基金管理人登記若干事項的公告》) (the “**Registration Regulating Announcement**”) published and implemented by the AMAC on 5 February, 2016, private fund managers shall submit the legal opinions issued by a PRC law firm through the private fund registration system in case of the following circumstances: (1) new application for private fund managers registration authority; or (2) registered private fund managers’ application for change of controlling shareholder, de facto controller, legal representative or executive partner and/or other significant matters as prudently identified by the AMAC.

Pursuant to the Private Interim Measures, upon completion of fund raising of the private funds which are approved for filing, the private fund managers shall submit the following basic information as required by and to the AMAC to complete filing formalities for the fund: (1) the main investment orientation and category of funds as marked based on the investment orientation; (2) fund contract, articles of association or partnership agreement. In case a fund prospectus is provided to investors in the process of raising funds, the prospectus shall also be submitted. For the private funds established in the form of company, partnership, etc., it is also required to submit the copies of original and duplicate of business registration and business licence; (3) if entrusted management is adopted, it is required to submit the entrusted management agreement. In case a custodian institution is entrusted for management of fund properties, the custody agreement shall also be submitted; and (4) other information as required by the AMAC.

Pursuant to the Instructions for the Filing of Private Investment Funds (《私募投資基金備案須知》) (the “**Filing Notes**”) issued by the AMAC on 12 January, 2018 and amended on 23 December, 2019, investment in private equity shall not be borrowing (depositing) and lending activities, and the following raising and investment activities that are not in line with the essence of a “fund” do not fall within the scope of filing of private investment funds: (1) engaging in credit (deposit) business of financial institutions in disguised forms, or directly investing credit assets of financial institutions; (2) engaging in recurrent and commercial

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private lending activities, including but not limited to engaging in the above activities by way of entrusted loans and trust loans; (3) where a private investment fund engages in borrowing (depositing) and lending activities in disguised form by setting an unconditional rigid repurchase arrangement, and the earnings of the fund are not linked with the operating performance or earnings of the investment target; (4) investing in the assets, equity or usufruct (beneficiary rights) of the business in conflict with private equity fund mentioned in the Replies to Relevant Issues on Filing for Registration of Private Investment Funds (VII) such as factoring assets, financial leasing assets and pawned assets; or (5) engaging in the aforesaid activities indirectly or in disguised forms through investment in partnerships, companies, asset management products (including private investment funds, same hereinafter) etc.

Material Changes

Pursuant to Private Registration and Filing Measures, in case of the following significant matters, the private fund managers shall report to the AMAC within 10 working days: (1) changes in the name of private fund managers or senior management; (2) changes in the controlling shareholder, de facto controller or executive partner of private fund managers; (3) division or merger of private fund managers; (4) material violations of laws and regulations by private fund managers or senior management; (5) dissolution according to laws, being revoked according to laws or being declared bankrupt according to laws; or (6) other significant events that are likely to prejudice the interests of investors.

According to the Private Registration and Filing Measures, in case of the following significant matters during operation of private funds, private fund manager shall report to the AMAC within 5 working days: (1) material changes in fund contract; (2) number of investors exceeds that under laws and regulations; (3) winding up or liquidation of fund; (4) changes in private fund managers or fund custodian; and (5) other events with material impact on the continuous operation of fund, interests of investors or net asset value.

Qualifications of Executives

The Private Registration and Filing Measures sets out that the professionals engaged in private fund business shall possess the qualification for engagement of private funds, which can be obtained in the following ways: passing the examination of qualification for engagement in private funds organized by the AMAC; engagement in investment management-related business in the last three years; other circumstances as determined by the AMAC.

The Private Provisions provides several circumstances in which the person shall not act as a private fund manager, or become the controlling shareholder, actual controller or general partner of a private equity fund manager (including entities with complex equity structures, poor financial conditions, insufficient investment management experience, engaging in conflicting businesses, and those with serious bad credit records, etc.), which is generally in line with the requirements under the Private Registration and Filing Measures.

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Pursuant to the Announcement of the Asset Management Association of China on Matters concerning Further Regulating the Registration of Privately Offered Fund Managers (《中國基金業協會關於進一步規範私募基金管理人登記若干事項的公告》) (the “**Registration Regulating Announcement**”) published by the AMAC on 5 February, 2016 and implemented since 5 February, 2016, private fund managers engaged in private investment fund business (non-securities) shall at least have 2 executives with the qualification for engagement in fund, and the private fund managers’ legal representative executive partners (proxy) and person in charge of compliance risk control shall obtain qualification for engagement in fund. Regarding private fund managers’ legal representative/executive partners (proxy), according to the difference of the nature of the private fund manager, for the private fund manager in the form of a company, it means the legal representatives, and for the private fund manager in the form of a partnership enterprise, it means executive partners or its authorized representatives.

As at the Latest Practicable Date, in accordance with the Private Interim Measures and the Registration Regulating Announcement by the AMAC, Tiantu Capital Management Center has obtained the qualification of private equity fund manager. The legal representative/executive partners (proxy) of Tiantu Capital Management Center is Mr. Wang Yonghua. The person in charge of compliance risk control registered with the AMAC of Tiantu Capital Management Center is Mr. Li Xiaoyi. Mr. Wang Yonghua and Mr. Li Xiaoyi possess the qualification of engagement of private funds.

Operations

Specialized Operation

According to Private Interim Provisions, private fund managers who manage various types of private funds shall adhere to management specialization principle, and who manage different private funds which may cause transfer or conflict of interests shall establish mechanisms preventing such transfer and conflict.

Internal Control and Risk Management

Pursuant to the Internal Control Guidelines for Private Investment Fund Managers (《私募投資基金管理人內部控制指引》) (the “**Internal Control Guidelines**”) published by the AMAC on 1 February, 2016 and come into force on the same day, a private fund manager shall establish a sound internal control mechanism, specify its internal control duties, improve its internal control measures, strengthen internal control guarantee, and continuously conduct internal control evaluation and supervision according to these Guidelines and in light of its specific conditions. Based on the aforementioned principles, the guidelines set out further requirements on internal control system in terms of business process control, authorization control, fundraising control, separation of properties, prevention of conflict of interest, investment control, trusteeship control, outsourcing control, information system control and accounting system control.

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The Internal Control Guidelines specifies that private fund managers shall establish a scientific risk assessment system and conduct identification, assessment and analysis of internal and external risks to promptly prevent and relieve risks.

Information Disclosure

Pursuant to the Measures for the Administration of the Disclosure of Information on Private Investment Fund (《私募投資基金信息披露管理辦法》) (the “**Information Disclosure Administration Measures**”) which was published by the AMAC and came into force on 4 February, 2016, information disclosure obligors, including private fund managers, private fund custodians, as well as other legal persons and organizations which are obliged to disclose information as required by laws or administrative regulations, the CSRC and the AMAC, shall establish and improve the information disclosure management system, designate a specially-assigned person to be responsible for management of information disclosure, and file with the private fund registration and filing system as required. Information disclosure obligors shall guarantee the authenticity, accuracy and completeness of the information disclosed. The information disclosed by information disclosure obligors shall mainly include basic information on private fund managers, financial position, basic information on senior management and information on the private funds managed. In addition, the Information Disclosure Administration Measures stipulate that information disclosure obligors shall clearly define the content of information disclosure to investors, disclosure frequency, way of disclosure, responsibility of disclosure and information disclosures channels in the private fund contract.

The Private Interim Measures states that information disclosure obligors shall, in accordance with the private fund contract, truthfully disclose fund investments, assets and liabilities, investment income distribution, expenses borne by the fund and performance-based remuneration, potential conflict of interest and other important information that may affect the legitimate rights and interests of investors to investors without any concealment or false information.

Pursuant to the Information Disclosure Administration Measures, information disclosure obligors shall make disclosures to investors in accordance with the requirements of the AMAC and the provisions under fund contract, articles of association or partnership agreement. The information disclosed mainly include: (1) fund contract; (2) prospectus and other publicity and promotion documents; (3) main terms on rights and obligations in fund sales agreement (if any); (4) investment of fund; (5) assets and liabilities of fund; (6) investment income distribution of fund; (7) expenses assumed by fund and performance-based remuneration arrangement; (8) possible conflicts of interest; (9) material litigation or arbitration involving private fund management, properties of fund or fund custody business; and (10) other material information affecting the interests of investors as required by the CSRC and the AMAC. Information disclosure obligors shall discharge the obligation on prompt information disclosure during fund raising and fund operation.

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Pursuant to the Filing Notes, private equity managers shall make a full risk disclosure to investors. Pursuant to the Guidelines on the Contents and Format of the Risk Disclosure Statement for Private Investment Fund (《私募投資基金風險揭示書內容與格式指引》), published by AMAC on 22 December, 2019, private fund managers shall focus on the disclosure of special risks involved in the fund liquidity, connected transactions, product structure of single investment target, and underlying target in the section of “Disclosure of Special Risks” of the Risk Disclosure Statement. In addition, all investors shall sign on the 13 kinds of signature items in the section of “Investors’ Statement” one by one for confirmation.

Fundraising

Pursuant to the Private Interim Measures, in the process of fundraising, private fund managers shall not raise funds from organizations or individuals other than qualified investors, or conduct publicity, promotion and fund marketing towards non-specific targets through public media such as newspapers, radio, television, and Internet, or by way of seminar, report session, analysis session, notices, flyers, SMS, WeChat, blog and email. Private fund managers shall not guarantee against loss of investment principal or commit to minimum investment return. Private fund managers shall adopt survey or other method to assess the risk identification ability and risk threshold of the investors; the investors shall undertake in writing that they satisfy the criteria of qualified investor; and a risk disclosure letter shall be prepared and signed by the investors. Private fund managers shall conduct risk rating of the fund on its own or entrust a third-party organization to conduct the risk rating, and shall market the privately-offered fund to investors who possess the corresponding risk identification ability and risk threshold.

The Private Provisions stipulates that the private fund manager shall raise funds by itself and shall not entrust others to conduct fundraising, unless otherwise stipulated by the securities regulatory authority of the State Council, and it also requires that private equity funds shall not be raised or transferred to units or individuals other than qualified investors, which is generally in line with the Private Interim Measures.

The Administrative Measures for the Fundraising by Private Investment Funds (《私募投資基金募集行為管理辦法》) (the “**Fundraising Administrative Measures**”), which was published by the AMAC on 15 April, 2016 and came into force on 15 July, 2016, stipulates that private fund managers are allowed to independently set up a private fund with the funds raised, those who have been registered with the CSRC and have obtained the fund sales business license and have become member of the AMAC (as “Fund Sales Organization”) can be entrusted by the private fund managers to raise private funds. And the following procedures shall be observed for private fund raising: (1) determination of specified objects; (2) matching of investor suitability; (3) risk disclosure of funds; (4) determination of qualified investor; (5) investor’s cooling-off period; and (6) follow-up for confirmation.

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Pursuant to the Fundraising Administrative Measures, private fund managers, Fund Sales Organization as the fundraisers, shall open a special account for fundraising settlement of private fund and shall not account the fundraising settlement funds of private fund as their own properties or misappropriate fundraising settlement funds of private fund in any form. Private fund managers, as the fundraisers, shall enter into an account supervision agreement with supervisory authorities (including China Securities Depository and Clearing Corporation Limited, commercial banks with the qualification for engagement in fund sales business, securities companies and other institutions as specified by the AMAC) to clarify the right of control, division of responsibilities and terms on guaranteeing safe transfer of funds for the special account for fundraising settlement of private fund.

Pursuant to the Fundraising Administrative Measures, when private fund managers, Fund Sales Organization as the fundraisers and their employees promoting private funds, the following practices are prohibited: (1) promote publicly or promote publicly in alternative forms; (2) the promotional materials contain false records/misleading statements or material omissions; (3) promise to an investor in whatever manner that there will be no losses to the investor's funds or promise to the investor in whatever manner about the minimum income, including "expected income", "forecast income" and "forecast investment results", etc.; (4) exaggerate or partially promote the fund by using words, such as "safe", "promise", "secure", "avoidance of risks", "guaranteed", "high income" and "no risk", that may be misleading for the investors in judging the risks in violation of the regulations; (5) use words that partially emphasize the limited marketing time such as "purchase as soon as possible" and "good opportunity for purchase", etc.; (6) promote or partially select the past overall performance of less than 6 months or performance of past fund products; (7) carry the congratulatory, flattering or referral words of individuals, corporates or other organizations; (8) compare the performance using data sources and methods that are not comparable, fair, accurate and authoritative and use such words as "best performance" and "largest scale" in violation of the regulations; (9) demean the counterparts maliciously; (10) allow people not hired by the fundraiser to promote a private fund; (11) promote a private fund not established by the fundraiser or for which the fundraiser is not responsible for raising; and (12) other practices prohibited by the laws, administrative regulations, CSRC or the AMAC.

The Administrative Measures of the Securities and Futures Investor Suitability (《證券期貨投資者適當性管理辦法》) issued by the CSRC on December 12, 2016 and amended on October 30, 2020, August 12, 2022 respectively, provides that investors shall be divided into ordinary investors and professional investors and ordinary investors shall be given special protection in terms of information notification, risk warning, and suitability matching. The Administrative Measures of the Securities and Futures Investor Suitability further clarifies that professional investors are (i) financial institutions established with the approval of relevant financial regulatory authorities, (ii) Wealth management products issued by the above institutions to investors, (iii) Social security funds, enterprise annuities and other pension funds, charitable funds and other social welfare funds, Qualified Foreign Institutional Investors (QFII), Renminbi Qualified Foreign Institutional Investors (RQFII), (iv) Legal persons or other organizations that meet all the following conditions: (1) The net assets at the end of the last 1 year shall not be less than RMB20 million, (2) The financial assets at the end of the last 1

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year shall not be less than RMB10 million, (3) More than 2 years of investment experience in securities, funds, futures, gold, foreign exchange, etc., and (v) Natural persons that meet all the following conditions (1) His or her financial assets are not less than RMB5 million, or his or her average annual personal income in the last three years is not less than RMB500,000, and (2) He or she has more than 2 years of investment experience in securities, funds, futures, gold, foreign exchange, etc., or has more than 2 years of financial product design, investment, risk management and related work experience, or is the senior manager, the certified public accountant or lawyer of the professional investors as specified in Article 8 Section 1. The investors other than the professional investors are common investors, who are further divided into 5 categories according to their risk tolerance level.

On November 8, 2019, the Supreme People's Court of the PRC issued the Notice by the Supreme People's Court of Issuing the Minutes of the National Courts' Civil and Commercial Trial Work Conference (《最高人民法院關於印發〈全國法院民商事審判工作會議紀要〉的通知》), or the Conference Minutes, which identifies the liability of sellers of financial products in respect of the trial of cases relating to disputes over protection of the rights and interests of financial consumers. According to the Conference Minutes, where an issuer or seller of a financial product fails to perform its suitability obligations, causing damages to financial consumer in the course of purchasing the financial product, the financial consumer is entitled to compensations from either the issuer or the seller of the financial product, or, in accordance with Article 167 of the General Provisions of the Civil Law (《民法總則》) (the predecessor of the General Provisions of the Civil Code of the PRC), from both the issuer and the seller. Further, the Conference Minutes provides that in the event that a financial service provider fails to fulfill its obligations of suitability, causing financial consumers to suffer damages from participating in high-risk investment activities after receiving its financial services, financial service providers shall be liable for such damages upon financial consumer's request.

Pursuant to the Strengthening Provisions, private fund managers, privately offered fund sales agencies and their practitioners shall not directly or indirectly commit any of the following acts while raising privately offered funds: (1) raising funds from entities or individuals other than the qualified investors specified in the Private Interim Measures, or providing investors with convenience to meet the requirements of qualified investors such as piecing together by several persons, borrowing or lending money, etc.; (2) publicizing or promoting the privately offered fund to non-specific objects through public media such as newspapers, radio stations, television and the Internet, lectures, seminars and analysis meetings, and in such forms as bulletins, leaflets, text messages, instant messaging tools, blogs and emails, except where the privately offered fund is publicized or promoted to qualified investors through such Internet media as official websites and client terminals on which the procedures for determination of specific objects is set up; (3) directly or indirectly making commitments to investors on guaranteed principal and guaranteed returns orally or in writing, or through text messages, instant messaging tools, etc., including no loss to the investment principal, a fixed proportion of losses, or commitments on minimum returns; (4) exaggerating or unilaterally publicizing the privately offered fund, including the use of statements such as "safe", "zero risk", "guaranteed returns", "high returns" and "no worrying about the principal" that may cause investors unable to have an accurate understanding of the risks of the privately

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offered fund, or publicizing the privately offered fund to investors in similar statements such as expected rate of return, target rate of return and benchmark rate of return; (5) the investment direction of the privately offered fund publicized to investors is inconsistent with that as agreed in the privately offered fund contract; (6) having any false record, misleading statement or material omission in its promotional materials, including failure to disclose the privately offered fund's transaction structure, main rights and obligations of all parties, distribution of returns, arrangement of fees, affiliated transactions, and the capital contributors and actual controllers for entrusting a third party and the administrator of the privately offered fund in an authentic, accurate and complete manner; (7) carrying out misleading publicity or promotion in the name of registration and filing, custody under a financial institution, or capital contribution by the government, etc.; (8) entrusting an entity or individual without fund sales business qualification to engage in fund-raising activities; (9) establishing or establishing in a disguised form a branch for the purpose of engaging in fund-raising activities; and (10) committing any other acts prohibited by laws, administrative regulations and the CSRC. Further, the capital investors, controllers and related parties of private fund managers shall not engage in the publicity and promotion of the privately offered fund, nor shall they engage in the activities listed in the preceding paragraph directly or in a disguised form.

Qualified Investors

Pursuant to the Private Interim Measures, private funds shall raise funds from qualified investors and the number of investors for a single private fund shall not exceed the specific number under the Securities Investment Fund Law, the Company Law of the PRC (《公司法》), the Partnership Enterprise Law (《合夥企業法》) and other laws. The Securities Investment Fund Law states that the accumulative number of investors for a single private fund shall not be more than 200; under the Company Law of the PRC, the accumulative number of investors shall not be more than 50 for private funds in the form of limited liability company and not be more than 200 for private funds in the form of joint stock limited company; in accordance with the Partnership Enterprise Law, the accumulative number of investors for private funds in the form of limited partnership shall not be more than 50. Qualified investors refer to organizations and individuals with appropriate risk identification capacity and risk affordability, the investment in a single private fund of not less than RMB1 million and satisfying the following standards: (1) organizations with the net assets of not less than RMB10 million; (2) individuals with financial assets of not less than RMB3 million or whose average income for the past three years is not less than RMB500,000.

The following investors shall be deemed as qualified investors: (1) pension funds such as social security funds, enterprise annuities, and community funds such as charity funds; (2) investment plans established pursuant to the law and filed with the AMAC; (3) private fund managers investing in private funds managed by them and their employees; (4) any other investors stipulated by the CSRC.

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Private Fund Contract

In accordance with the Guidelines for Private Investment Fund Contracts No. 1 (Guidelines for the Contents and Format of Contractual Private Investment Fund Contracts) (《私募投資基金合同指引1號(契約型私募基金合同內容與格式指引)》), which was published by the AMAC on 18 April, 2016 and came into force on 15 July, 2016, the private funds set up by private fund managers by way of contract shall adopt the guidelines by reference. The name of the Fund Contract shall include such words as “Private Fund” or “Private Investment Fund”. The fund contract shall stipulate the following matters: introduction, definitions, declarations and commitments, basic situation on private funds, fundraising of private funds, establishment and filing of private funds, subscription, redemption and transfer of private funds, rights and obligations of parties concerned, general meeting of private fund shareholders and daily agencies, registration of private fund shares, investment of private funds, properties of private funds, arrangement of trading, clearing and settlement, evaluation and accounting of the properties of private funds, expenses and taxes of private funds, income distribution of private funds, information disclosure and report, risk disclosure, validity, changes, rescission and termination of private fund contract, liquidation of private funds, breach of contract, treatment of disputes and other matters.

The Guidelines on Private Investment Fund Contracts No. 2 (Guidelines on Essential Terms of Articles of Association) (《私募投資基金合同指引2號(公司章程必備條款指引)》), which was published by the AMAC on 18 April, 2016 and came into force on 15 July, 2016, stipulates that the private investment funds established by private fund managers in the form of limited liability company or joint stock limited company shall adopt the guidelines by reference and the following matters shall be explicitly agreed in the Articles of Association: basic information, shareholders’ capital contribution, rights and obligations of shareholders, becoming a shareholder, withdrawal and transfer, general meeting, senior management, investments, management mode, custody, profit distribution and loss sharing, tax assumption, expenses and expenditures, financial accounting system, information disclosure system, termination, dissolution and liquidation, amendments to the Articles of Association, consistency, share information backup, submission of disclose information, etc.

Pursuant to the Guidelines on Private Investment Fund Contracts No. 3 (Guidelines on Essential Terms of Partnership Agreement) (《私募投資基金合同指引3號(合夥協議必備條款指引)》), which was published by the AMAC on 18 April, 2016 and came into force on 15 July, 2016, for the establishment of private investment funds by private fund managers in the form of limited partnership, it is required to prepare a limited partnership agreement according to the guidelines. The following matters shall be explicitly agreed in the limited partnership agreement: basic information, partners and their capital contributions, rights and obligations of partners, executive partners, limited partners, partners’ meeting, management mode, custody, joining in partnership, withdrawal, transfer of partnership interests and identity change, investments, profit distribution and loss sharing, tax assumption, expenses and expenditures, financial accounting system, information disclosure system, termination, dissolution and liquidation, amendments to the limited partnership agreement, dispute resolution, consistency, share information backup, submission of disclose information, etc.

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Engagement of Service Agencies to Carry out Business

The Measures for Administration of Services of Private Investment Funds (Trial Implementation) (《私募投資基金服務業務管理辦法(試行)》) (the “Services Administration Measures”), which was published by the AMAC and came into force on 1 March, 2017, for engagement of service agencies by private fund managers to carry out business, it is required to prepare appropriate risk management framework and system and formulate business engagement implementation plan following the principle of prudent operation to determine the scope of engagement service in line with their operations. Before engagement of service agencies to carry out business, private fund managers shall conduct due diligence on the service agencies to understand their staff reserves, business separation measures, software and hardware, professional capacities, integrity, etc.; and enter into a written service agreement with service agencies to clarify the rights, obligations and liability for breach of contract of both parties. Private fund managers shall pay continuous attention to and conduct regular assessment on the operational capacity and services of service agencies.

Investment Activities

According to Strengthening Provisions, private fund managers shall not directly or indirectly use the property of the privately offered fund in the following investment activities: (1) borrowings (deposits) and loans, guarantees, equity in the nature of debts and other non-privately offered fund investment activities, except where the privately offered fund provides loans and guarantees with a term of not more than one year for investee enterprises pursuant to the contractual agreement for the purpose of equity investment, as long as the maturity date of the loan or guarantee not being later than the date of exit of equity investment, and the loan or guarantee balance not exceeding 20% of the paid-up amount of the said privately offered fund, unless otherwise stipulated by the CSRC; (2) investment in credit assets, equities or the beneficiary rights thereof such as factoring assets, leased finance assets and pawn assets, etc.; (3) investment with unlimited liability; and (4) other investment activities prohibited by laws, administrative regulations and the CSRC.

About the Guidance Opinions

According to the Guidance Opinions on Regulating the Asset Management Business of Financial Institutions (《關於規範金融機構資產管理業務的指導意見》) (the “**Guidance Opinions**”) jointly released by the PBOC, CBIRC, CSRC and SAFE on 27 April, 2018, privately offered investment funds shall be subject to special laws and administrative regulations governing privately offered investment funds; in the absence of specific provisions in the said special laws and administrative regulations, the Guidance Opinions shall be applicable; and relevant rules governing venture capital funds and government-funded industry asset investment funds shall be developed separately. According to the Guidance Opinions, focus shall be given on issues of multi-level nesting to establish a unified standard system and for the multi-level nested asset management products, the ultimate investors of the products shall be identified from the above and the underlying assets of the products shall be identified from the below (except for public equity investment funds). In addition, the Notice on Further

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Clarifying the Matters Concerning Regulating Asset Management Products for Financial Institutions to Invest in Venture Capital Funds and Government-funded Industry Investment Funds (《關於進一步明確規範金融機構資產管理產品投資創業投資基金和政府出資產業投資基金有關事項的通知》) jointly released by NDRC, PBOC, the Ministry of Finance, CBIRC, CSRC and SAFE on 19 October, 2019, clarifies that venture capital funds and government-funded industry investment funds are not regarded as a level asset management products. Our PRC Legal Advisors is of the view that the Group complies with the Guidance Opinions in all material aspects.

Anti-Money Laundering and Counter-Terrorist Financing

The primary pieces of legislation in the PRC that govern the anti-money laundering and counter-terrorist financing include the PRC Anti-Money Laundering Law (《中華人民共和國反洗錢法》) promulgated by the SCNPC on October 31, 2006, and effective on January 1, 2007, and the PRC Anti-Terrorism Law (《中華人民共和國反恐怖主義法》) promulgated by the SCNPC on April 27, 2018, and effective on the same day. In addition, the People's Bank of China also published guidelines from time to time to strengthen and enforce the requirements as set out in the PRC Anti-Money Laundering Law and the PRC Anti-Terrorism Law, including among others, the “know your customers” policies and procedures.

The PRC Anti-Money Laundering Law requires a financial institution or a special non-financial institution subject to the obligation of anti-money laundering in the PRC establish and improve its clients' identification system, preservation system of clients' identity materials and transactional records, reporting system of large sum transactions and doubtful transactions. According to the PRC Anti-Terrorism Law, if the competent administrative departments of the State Council find that certain financial institutions and specific non-financial institutions are suspected of engaging in terrorist financing, the PRC governmental authorities may conduct investigation in accordance with the law, and take temporary freezing measures.

In addition, the Fundraising Administrative Measures also require fund management service providers to comply with anti-money laundering requirements.

Regulations Related To Intellectual Property Rights

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) which became effective on 1 March, 1983, and was last amended on 23 April, 2019 and took effect on 1 November, 2019, and the Regulation for the Implementation of Trademark Law of the PRC (《中華人民共和國商標法實施條例》) which became effective on 15 September, 2002 and was amended on 29 April, 2014 and took effect on 1 May, 2014, the Trademark Office of the administrative department for industry and commerce under the State Council is responsible for the registration and administration of trademarks in the PRC. A trademark registrant enjoys an exclusive right to the trademark. A trademark registrant may, by entering into a trademark

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licensing contract, license another party to use its registered trademark. Where another party is licensed to use a registered trademark, the licensor shall report the license to the Trademark Office for recordation, and the Trademark Office shall publish the same. An unrecorded license may not be used as a defence against a third party in good faith.

Regulations Related To Labour Protection

According to the (i) Labour Law of the PRC (《中華人民共和國勞動法》) effected on 1 January, 1995 and last amended on and effected on 29 December, 2018, (ii) the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》) effected on 1 January, 2008 and last amended on 28 December, 2012, and took effect on 1 July, 2013, and (iii) the Regulations on the Implementation of the Labour Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) issued and became effective on 18 September, 2008, an employer must enter into a written labour contract with any employees and the wage or salary must not be lower than the local minimum wage or salary. In addition, an employer must establish a system related to occupation health and safety, provide job training for employees to avoid occupational hazards and protect the rights of employees. When an employer recruits any employees, such employer must inform the employees of the work content, work conditions, work place, occupational hazards, safety conditions and labour compensations.

According to (i) the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was implemented on 1 July, 2011, and amended and effected on 29 December, 2018, (ii) the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), issued and effected on 22 January, 1999 and revised and effected on 24 March, 2019, (iii) the Provisional Measures on Maternity Insurance of Enterprise Employees (《企業職工生育保險試行辦法》), issued on 14 December, 1994, and effected 1 January, 1995, (iv) the Regulations on Unemployment Insurance (《失業保險條例》), issued and effective on 22 January, 1999, and (v) the Regulations on Work Related Injuries Insurance (《工傷保險條例》), effected on 1 January, 2004, and amended on 20 December, 2010, and took effect on 1 January, 2011, an employer must make contributions to a number of social security funds for its employees, including the basic pension insurance, basic medical insurance, maternity insurance, unemployment insurance and work-related injury insurance. According to the Regulations on the Management of Housing Provident Fund (《住房公積金管理條例》), effected on 3 April, 1999, and last amended and effected on 24 March, 2019, an employer must open a housing fund account with the department responsible for the management of housing fund for its employees and make contributions to such housing fund.

Regulations on Foreign Exchange and Overseas Investment

Approval/Filing for the overseas investment project (the NDRC requirement)

Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》), which was promulgated by the NDRC on 26 December 2017 and became effective on 1 March 2018, an overseas investment occurs when an enterprise in the territory of the PRC invests assets or rights and interests, provides financing or security, or by any other means to acquire the ownership, right of control, right of operation and management, or other relevant rights and interests of a foreign enterprise, directly or through an overseas enterprise controlled by it.

The formalities for an investor to conduct an overseas investment include the approval or filing for the overseas investment project as required by the NDRC. The Measures further clarifies that overseas investments that involve sensitive countries and regions or sensitive industries shall be subject to confirmation and approval. The List of Sensitive Sectors for Overseas Investment (2018) (《境外投資敏感行業目錄(2018年版)》), which was promulgated by the NDRC on 31 January 2018 and became effective on 1 March 2018, provides the current sensitive industries in the PRC.

Approval/Filing for the overseas investment by enterprises (the MOC requirement)

Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (《境外投資管理辦法》), which was amended by MOC on 6 September 2014 and became effective on 6 October 2014, overseas investment occurs when an enterprise legally established in the territory of the PRC acquires the ownership, right of control, right of operation and management, or other relevant rights and interests of an existing overseas non-financial enterprise through incorporation, merger and acquisition or other means. Overseas investments of enterprises that involve sensitive countries and regions or sensitive industries shall be subject to confirmation and approval. Other overseas investments of enterprises shall be subject to filing.

Foreign exchange registration for the overseas direct investment

Circular of the State Administration of Foreign Exchange on Issues concerning Foreign Exchange Administration over the Overseas Investment and Financing and Round-trip Investment by Domestic Residents via Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》), which was issued and became effective on 4 July 2014, provides that domestic residents shall register with the SAFE and its local branches in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with assets or equity interests of onshore companies or offshore assets or interests held by the domestic residents, before contributing the onshore or offshore legal assets or interests to the offshore entity. Following the initial registration, any change of basic information such as individual shareholder, name and term of operation or upon capital increase or deduction, share transfer or swap, merger or division and other significant change, shall report to the SAFE for foreign exchange alteration of the registration formality for offshore investment in time.

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The Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》), which was issued on 13 February 2015, effected on 1 June 2015 and partially abolished in 30 December 2019, provides that PRC residents may register with qualified banks instead of SAFE in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. The SAFE and its branches shall implement indirect supervision over foreign exchange registration of direct investment via the banks.

On March 30, 2015, the SAFE promulgated the Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or the SAFE Circular 19, which took effect on June 1, 2015, amended on December 30, 2019 and March 23, 2023. Pursuant to the SAFE Circular 19, up to 100% of foreign currency capital of a foreign-invested enterprise may be converted into RMB capital according to the actual operation of the enterprise within the business scope at its will and the RMB capital converted from foreign currency registered capital of a foreign-invested enterprise may be used for equity investments within the PRC provided that such usage shall fall into the business scope of the foreign-invested enterprise, which will be regarded as the reinvestment of foreign-invested enterprise. Although SAFE Circular 19 allows for the use of RMB converted from the foreign currency-denominated capital for equity investments in the PRC, the restrictions continue to apply as to foreign-invested enterprises' use of the converted RMB for purposes beyond the business scope, for entrusted loans or for inter-company RMB loans. On June 9, 2016, the SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), or the SAFE Circular 16, which reiterates some of the rules set forth in Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-affiliated enterprises.

The Regulations on the Control of Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》), which was promulgated by the State Council on 29 January, 1996, became effective on 1 April, 1996 and was last amended and effected on 5 August, 2008, set out that foreign exchange receipts of domestic institutions or individuals may be remitted back to the PRC or deposited abroad and that the SAFE shall specify the conditions relating to the requirements, time periods and other aspects of such remittance and deposits in accordance with the international receipts, payments status and requirements of foreign exchange administration. Domestic institutions or individuals that make direct investments abroad or are engaged in the distribution or sale of valuable securities or derivative products overseas shall register according to SAFE regulations. Such institutions or individuals subject to prior approval or record-filing with other competent authority shall complete the required approval or record-filing prior to foreign exchange registration. The exchange rate for RMB follows a managed floating exchange rate system based on market demand and supply.

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According to the Notice on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》) promulgated by the SAFE on 26 December, 2014 and implemented on the same day, a domestic company shall, within 15 business days of the date of the end of its overseas listing issuance, register the overseas listing with the Administration of Foreign Exchange at the place of its establishment. The proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the document and other disclosure documents.

Regulations Related to Taxation

Enterprise Income Tax

According to (i) the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “**PRC EIT Law**”), which was promulgated by the National People’s Congress on 16 March, 2007 and came into effect on 1 January, 2008, and further amended on 24 February, 2017 and last amended and effected on 29 December, 2018, and (ii) the Implementation Regulations on the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) (the “**PRC EIT Rules**”), which was promulgated by the State Council on 6 December, 2007 and came into effect on 1 January, 2008 and last revised and took effect on 23 April, 2019, the tax rate for both domestic-funded enterprises and foreign-invested enterprises is 25%. Under the PRC EIT Law and PRC EIT Rules, enterprises are classified as either “resident enterprises” or “non-resident enterprises”. Enterprises established outside the PRC whose “de facto management bodies” are located in the PRC are considered “resident enterprises” and subject to the uniform 25% PRC EIT rate for their global income. According to the PRC EIT Rules, a “de facto management body” refers to a managing body that exercises, in substance, overall management and control over the manufacture and business, personnel, accounting and assets of an enterprise. Dividends, bonuses and other equity investment proceeds distributed between qualified resident enterprises shall be tax-free income, excluding the dividends, bonuses and other equity investment proceeds obtained by continuously holding the shares publicly issued and listed and circulating by resident enterprises for less than 12 months.

The PRC EIT Law provides that a non-resident enterprise refers to an entity established under foreign law whose “de facto management bodies” are not within the PRC but which have an establishment or place of business in the PRC, or which do not have an establishment or place of business in the PRC but have income sourced within the PRC. PRC EIT Rules provide that after 1 January, 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-resident enterprise investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with such establishment or place of business, to the extent such dividends are derived from source within the PRC. Pursuant to the Notice on the Several Issues of the Implementation of Dividend Clauses in Tax Treaty (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》), which was promulgated by the State Administration of Taxation (“SAT”) and came into effect on 20 February, 2009, the income tax on the dividends may be reduced pursuant to a tax treaty between the PRC and the jurisdiction in which the non-resident enterprise investors is located if the non-resident enterprise investor is determined by the competent PRC tax authority to have satisfied relevant conditions and requirements.

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The Announcement on Several Issues Concerning the Enterprise Income Tax on Indirect Transfer of Assets by Non-Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (the “**SAT Circular 7**”) was issued by the SAT on 3 February, 2015 and last amended on 29 December, 2017, provides comprehensive guidelines heightening the PRC tax authorities’ scrutiny on, indirect transfers by a non-resident enterprise of assets, including assets of organizations and premises in PRC, immovable property in the PRC, equity investments in PRC resident enterprises. On 17 October, 2017, the SAT issued the Announcement on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises (《關於非居民企業所得稅源泉扣繳有關問題的公告》), which took effect on 1 December, 2017 and amended on 15 June, 2018, the balance after deducting the equity net value from the equity transfer income shall be the taxable income amount for equity transfer income.

Under the SAT Circular 7 and the Law of the PRC on the Administration of Tax Collection (《中華人民共和國稅收徵收管理法》), which was promulgated by the SCNPC on 4 September, 1992, effected on 1 January, 1993 and last amended and effected on 24 April, 2015, in the case of an indirect transfer, entities or individuals obligated to pay the transfer price to the transferor shall act as withholding agents. If they fail to make withholding or withhold the full amount of tax payable, the transferor of equity shall declare and pay tax to the relevant tax authorities within seven days from the occurrence of tax payment obligation.

Partnership Enterprises Income Tax

According to the Circular of the State Council on Questions Concerning the Collection of Income Tax on Wholly Individually-owned Enterprises and Partnership Enterprises (《國務院關於個人獨資企業和合夥企業徵收所得稅問題的通知》), issued by State Council on June 20, 2000 and came into force from January 1, 2000, the State Council decides to cease the enterprise income taxation of partnership enterprises as of January 1, 2000, and that the individual income tax will be levied on the investors’ income derived from manufacturing and operation in the same way as for the income of individual industrial and commercial households derived from manufacturing and operation.

Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on Income Tax Issues Pertaining to Partners of Partnership Enterprises (《財政部、國家稅務總局關於合夥企業合夥人所得稅問題的通知》), released on December 23, 2008 by Ministry of Finance and State Administration of Taxation and came into effect on January 1, 2008, each partner of a partnership enterprise shall be a taxpayer. Where a partner of a partnership enterprise is a natural person, he/she shall pay individual income tax; where a partner is a legal person or any other organization, it shall pay enterprise income tax.

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Tax Treaties

According to the Treaty on the Avoidance of Double Taxation and Tax Evasion between Mainland and Hong Kong (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》)(the “**Tax Treaty**”) entered into between Mainland China and HKSAR on 21 August, 2006 and came into force on 21 August, 2006, if the non-PRC parent company of a PRC enterprise is a Hong Kong resident which beneficially owns 25% or more interest in the PRC enterprise, the 10% withholding tax rate applicable under the EIT Law may be lowered to 5% for dividends once approvals have been obtained from the relevant tax authorities.

Pursuant to the Notice on the Several Issues of the Implementation of Dividend Clauses in Tax Treaty (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》), which was promulgated by the SAT and came into effect on 20 February, 2009, the non-resident taxpayer or the withholding agent is required to obtain and keep sufficient documentary evidence proving that the recipient of the dividends meets the relevant requirements for enjoying a lower withholding tax rate under a tax treaty. Pursuant to the Administrative Measures for Tax Treaty Treatment for Non-resident Taxpayers (《非居民納稅人享受稅收協定待遇管理辦法》), which was promulgated by the SAT on 27 August, 2015 and amended on 15 June, 2018, and further replaced by the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (《國家稅務總局關於發佈〈非居民納稅人享受協定待遇管理辦法〉的公告》), which took effect on 1 January, 2020, any nonresident taxpayer satisfying the conditions for enjoying the tax treaty treatment may be entitled to the tax treaty treatment on its own when filing a tax return or making a withholding declaration through a withholding agent, subject to the subsequent administration by the tax authorities.

The Announcement of the State Administration of Taxation on Issues Relating to “Beneficial Owner” in Tax Treaties (《國家稅務總局關於稅收協定中“受益所有人”有關問題的公告》) issued by the SAT on 3 February, 2018 and came into effect on 1 April, 2018, provides that the “beneficial owner” shall mean a person who has the ownership and control over the income and the rights and property from which the income is derived. When an individual who is a resident of the treaty counterparty derive dividend income from the PRC, the individual may be determined as a “beneficial owner”.

Value-Added Tax

The Interim Provisions on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council on 13 December, 1993, came into effect on 1 January, 1994, and last amended and took effect on 19 November, 2017, and the Implementing Rules of the Interim Provisions on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》), promulgated by the Ministry of Finance (“MOF”) and became effective on 25 December, 1993, and last amended on 28 October, 2011 and took effect on 1 November, 2011, set out that all taxpayers selling goods or providing processing, repairing or replacement services and importing goods in the PRC shall pay a value-added tax. The tax rate for taxpayers engaging in the sales of goods, labour services, tangible movables lease services or the importation of goods shall be 17% and the tax rate for sales of services and intangible assets shall be 6%, unless otherwise stipulated.

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According to the Trial Scheme for the Conversion of Business Tax to Value-added Tax (《營業稅改徵增值稅試點方案》), which was promulgated by the MOF and the SAT on 16 November, 2011, the government launched gradual taxation reforms starting from 1 January, 2012, whereby it collected value-added tax in lieu of business tax on a trial basis in regions and industries showing strong economic performance, such as transportation and certain modern service industries.

Furthermore, according to the Notice of the Ministry of Finance and the State Administration of Taxation on Overall Implementation of the Pilot Program of Replacing Business Tax with Value-added Tax (《財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知》), promulgated on 23 March, 2016, effected on 1 May, 2016 and amended on 11 July, 2017 and 20 March, 2019, respectively, all business tax payers in consumer service industry shall pay value-added tax in lieu of business tax from 1 May 2016 and the medical service provided by the medical institution could be the exempted from value-added tax.

Recent Development on Rules Relating to Overseas Listing

The Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the “Overseas Listing Trial Measures”) and relevant five guidelines were promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023. The Overseas Listing Trial Measures comprehensively improves and reforms the existing regulatory regime for overseas offering and listing of shares of PRC domestic companies and fully regulates both direct and indirect overseas offering and listing of shares of PRC domestic companies by adopting a filing-based regulatory regime.

According to the Overseas Listing Trial Measures, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. The Overseas Listing Trial Measures provides that an overseas offering and listing of shares is explicitly prohibited under any of the following circumstances: (i) such offering and listing of shares is explicitly prohibited by PRC laws and regulations, (ii) the proposed offering and listing of shares has been reviewed by competent authorities under the State Council in accordance with law and is determined such proposed offering and listing of shares will endanger national security, (iii) the domestic company which proposed to offer and list its shares overseas, or its controlling shareholder(s) and the actual controller of the company, have committed crimes in relation to corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years, (iv) the domestic company which proposed to offer and list its shares overseas is currently under investigations due to suspected crimes or major violations of laws and regulations, and no conclusion has yet been made thereof, or (v) there are material ownership disputes over the shares held by controlling shareholder(s) or controlled by the controlling shareholder(s) and/or actual controller of the domestic company.

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The proposed overseas offering and listing of share of domestic companies shall be in strict compliance with laws and regulations on national security in terms of foreign investment, cybersecurity, data security and etc., and duly fulfill their obligations to protect national security. If national security review is triggered by the proposed overseas offering and listing of share of the company, the application for such offering and listing of shares shall not be submitted to the overseas security regulatory authorities or oversea stock exchange prior to the completion of the national security review in accordance with PRC laws and regulations.

The Overseas Listing Trial Measures also provides that the company must file the application for the overseas initial public listing and offering of shares with the CSRC within three business days after the application has been submitted. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as change of control, or voluntary or forced delisting of the issuer who have completed overseas offerings and listings. Where a domestic company fails to fulfill filing procedure or in violation of the provisions as stipulated above, in respect of its overseas offering and listing, the CSRC shall order rectification, issue warnings to such domestic company, and impose a fine ranging from RMB1,000,000 to RMB10,000,000. Also the directly liable persons and actual controllers of the domestic company that organize or instruct the aforementioned violations shall be warned and/or imposed fines.

The Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (關於境內企業境外發行上市備案管理安排的通知) (“the Notice”) was issued by the CSRC on February 17, 2023, which, among others, clarifies that the domestic companies that have already obtained the approval from the CSRC for its overseas public offering and listing of shares may proceed with its application within the validity period of the approval, and if the approval expires and the overseas offering and listing has not been completed, it shall file the application with the CSRC in accordance the Overseas Listing Trial Measures. As advised by the Company’s PRC Legal Advisor, the Company has obtained approval from the CSRC for its overseas public offering and listing of shares. Thus, based on the Notice, the Company does not need to file with the CSRC in terms of its application for its overseas initial public listing and offering of shares within the validity period of the approval from the CSRC.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定) (the “Provision on Confidentiality”), which became effective on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses documents and materials involving national secrets and working secrets of state organs (“relevant documents and materials”) to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses relevant documents and materials through its overseas listing subjects, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities

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companies, securities service institutions and overseas regulatory authorities shall complete the corresponding procedures pursuant to the relevant provisions of the State. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and out-of-country transfers shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

Recent Development on Rules Relating to Cybersecurity and Data Security

On 10 July, 2021, the Cyberspace Administration of China, or the CAC released the Draft Cybersecurity Review Measures (Revised Draft for Comments) (《網絡安全審查辦法(修訂草案徵求意見稿)》), and on 28 December, 2021, the CAC and twelve other PRC regulatory authorities jointly revised and promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》), which came into effect on 15 February, 2022. The Cybersecurity Review Measures provides that (i) the purchase of cyber products and services by critical information infrastructure operators (the “**CIIOs**”) and the network platform operators (the “**Network Platform Operators**”) which engage in data processing activities that affect or may affect national security will be subject to the cybersecurity review by the Cybersecurity Review Office (網絡安全審查辦公室), the department which is responsible for the implementation of cybersecurity review under the CAC; (ii) the Network Platform Operators with personal information data of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office; and (iii) where a member of the cybersecurity review working mechanism believes that a network product or service or data processing activity affects or may affect national security, the Cybersecurity Review Office should report the matter to the Central Cyberspace Affairs Commission (中央網絡安全和信息化委員會, “**CAC**”) for approval under procedures, and then conduct review in accordance with the present measures.

On 14 November, 2021, the Regulations on the Administration of Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》), together with the Cybersecurity Review Measures (《網絡安全審查辦法》), collectively referred to as “the Draft Regulations”), was promulgated by the CAC for public comments until December 13, 2021, and as of the Latest Practicable Date, it has not been formally adopted. Article 13 of the Draft Regulations requires data processors that carry out the following activities to apply for the cybersecurity review procedures in accordance with the relevant laws and regulations: (i) merger, reorganization or division of internet platform operators that have gathered a large number of data resources related to national security, economic development and public interests that affect or may affect national security; (ii) seeking of listing in foreign countries by data processors who process the personal information of at least one million users; (iii) listing of the data processor in Hong Kong which affects or may affect the national security; and (iv) other data processing activities that affect or may affect national security. In addition to the cybersecurity review procedures mentioned above, the Draft Regulations also specify the principles for data processors to carry out data processing activities, relevant measures to be taken and mechanisms to be established.

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The State Council promulgated the Regulations on Protection on the Safety of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) on July 30, 2021 effective from September 1, 2021, which provided that critical information infrastructure include important network facilities and information systems in public communication and information services, energy, transportation, water conservancy, finance, public services, e-government, national defense science and technology industry and other important industries and fields of which any damage, loss of function or data leakage may seriously endanger national security, national economy or people's livelihood and public interest. The critical information infrastructure operators must, in accordance with relevant laws, administrative regulations and mandatory national standards and based on the graded system for cybersecurity protection, adopt technical protection measures and other necessary measures to respond to network security incidents and prevent network attacks and crimes to ensure the safe and stable critical information infrastructure operation and maintain data integrity, confidentiality and availability.

The SCNPC also promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), or the Data Security Law, on June 10, 2021, which came into effect on September 1, 2021. The Data Security Law applies to data processing activities, including the collection, storage, use, processing, transmission, availability and disclosure of data, and security supervision of such activities within the territory of the PRC. Where data processing activities outside the territory of the PRC damage national security, public interests or the legitimate rights and interests of PRC citizens and organizations, such activities shall be subject to legal liabilities. The PRC would also establish a data security review system, under which data processing activities that affect or may affect national security shall be reviewed. According to the Data Security Law, whoever carries out data processing activities shall establish a sound data security management system throughout the whole process, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security. Important data shall also be categorized and protected more strictly.

In addition, on August 20, 2021, the SCNPC passed the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) (the "Personal Information Protection Law") which came into effect on November 1, 2021, the Personal Information Protection Law integrates the scattered rules with respect to personal information rights and privacy protection. The Personal Information Protection Law aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly and free flow of personal information in accordance with the law, and promoting the reasonable use of personal information. The Personal Information Protection Law provides the circumstances under which a personal information processor could process personal information, which include but not limited to, where the consent of the individual concerned is obtained and where it is necessary for the conclusion or performance of a contract to which the individual is a contractual party.

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On July 7, 2022, the CAC promulgated the Security Assessment Measures for Outbound Data Transfers (《數據出境安全評估辦法》, the “**Assessment Measures**”). The Assessment Measures is enacted in accordance with the PRC Cybersecurity Law, the PRC Data Security Law, the Personal Information Protection Law and other laws and regulations to regulate outbound data transfers, protect personal information rights and interests, safeguard national security and social and public interests, and promote the security and free flow of data across borders. The Assessment Measures applies to the security assessment of the data processor who provides critical data and personal information overseas that are collected and generated in the operation of the PRC.

According to the Assessment Measures, when a data processor provides data abroad, it shall declare security assessment for its outbound data transfer to the CAC through the local cyberspace administration at the provincial level under any of the following circumstances: (I) where a data processor provides critical data abroad; (II) where a key information infrastructure operator or a data processor processing the personal information of more than one million people provides personal information abroad; (III) where a data processor has provided personal information of 100,000 people or sensitive personal information of 10,000 people in total abroad since January 1 of the previous year; and (IV) other circumstances prescribed by the CAC for which declaration for security assessment for outbound data transfers is required.

The Assessment Measures also clarifies that for the purpose of the Assessment Measures, the “critical data” refers to the data that, once tampered with, destroyed, leaked, illegally obtained, or illegally used, may endanger national security, economic operation, social stability, public health and security, etc.

As of the date of this prospectus, we have not been involved in any investigations on cybersecurity review made by the CAC, and we have not received any inquiry, notice or warning, or been subject to any penalties or sanctions in such respect. Our PRC legal advisor is of the view that we are in compliant with the current applicable PRC laws on cybersecurity and the CAC Measures in all material respects. In addition, we will pay close attention to the legislative and regulatory development in cybersecurity and data protection, maintain ongoing dialogue with relevant government authorities as necessary and in due course and will adjust and optimize our data practices in a timely manner to keep pace with regulatory development. Based on the foregoing, we and our PRC Legal Advisor do not expect that, as of the date of this prospectus, the current applicable PRC laws on cybersecurity and the CAC Measures, which came into effect on February 15, 2022, would have a material adverse impact on our business.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO OUR GROUP'S BUSINESS AND OPERATIONS IN CAYMAN ISLANDS

Cayman Islands Private Funds Act

Any registered private fund pursuant to the Private Funds Act (Revised) (“PFA”) will need to comply with the provisions of that law.

A regulated private fund is subject to ongoing risk-based monitoring by CIMA and is required (i) to have its accounts audited annually and filed with CIMA; (ii) to have in place appropriate and consistent procedures for the purposes of proper valuations of its assets; (iii) unless it is neither practical nor proportionate to do so, having regard to the nature of the private fund and the type of assets it holds, to appoint a custodian to hold the assets of the fund and to verify the fund’s title to its assets; (iv) to appoint a prescribed person to monitor the cash flows of the fund, ensure that all cash is appropriately booked, and that all payments made by investors to the fund have been received; and (v) where the fund regularly trades securities or holds them on a consistent basis, to maintain a record of the identification codes of such securities.

In addition, CIMA may require the fund to give CIMA such documents, statements or other information in respect of the fund as CIMA may reasonably require in connection with its functions under the PFA. Failure to comply with CIMA’s instructions constitutes an offence and carries a fine on conviction.

CIMA is authorised to take certain actions with respect to a regulated private fund if it is satisfied that (i) such regulated private fund is or is likely to become unable to meet its obligations as they become due; (ii) such regulated private fund is carrying on business fraudulently or in a manner detrimental to the public interest or the interests of its investors or creditors; (iii) such regulated private fund is carrying on or winding up its business in a manner that is prejudicial to its investors or creditors; (iv) such regulated private fund is carrying on business without complying with any condition of its registration under the PFA or applicable anti-money laundering regulations; (v) the direction and management of such regulated private fund is not conducted in a fit and proper manner; or (vi) an operator, manager or officer of such regulated private fund is not a fit and proper person to hold the respective position. The actions CIMA may take include, inter alia: (a) cancelling the fund’s registration; (b) imposing conditions or further conditions on the fund; (c) requiring the substitution of any promoter or operator of the fund; (d) appointing a person to advise the fund on the proper conduct of its affairs; or (e) appointing a person to assume control of the affairs of the fund. In the event CIMA appoints a person to advise the fund on the proper conduct of its affairs or to assume control of the affairs of the fund, the appointment (and any expense incurred by CIMA in making such appointment) is an expense for the fund. There are other remedies available to CIMA, including the ability to apply to the court for approval of other actions.

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Cayman Islands Data Protection

The Cayman Islands Data Protection Act (Revised) (“**DPA**”) provides legal requirements for Cayman Islands companies based on internationally accepted principles of data privacy.

To the extent the DPA applies, the data controller in respect of any personal data provided in respect of the investors are subject to certain obligations under the DPA in relation to the processing of personal data, and rights for data subjects, which includes, among others, (a) the data must be processed fairly and on the basis of one of the grounds for processing as set out in the Data Protection Law; (b) data must be obtained for a specified lawful purpose; (c) data must be adequate, relevant and not excessive in relation to the purpose for which it was processed; (d) data must be accurate and, where necessary, kept up to date; (e) data must not be kept for longer than is necessary; (f) data must be processed in accordance with the rights of the data subject; (g) appropriate technical and organisational security measure must be taken to prevent unauthorised or unlawful processing, accidental loss or destruction; and (h) the data may not be transferred to a country unless that country ensures an adequate level of protection for the rights and freedoms of data subjects. Investors have the right to request access to their personal data kept by the Company and the right to rectification or erasure of their data and to restrict or object to processing of their data, subject to any restrictions imposed by any applicable data protection legislation.

Oversight of the DPA is the responsibility of the Cayman Islands Office of the Ombudsman. Breach of the DPA by the Company could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Cayman Islands Economic Substance

The economic substance requirements of the Cayman Islands are set out in the International Tax Co-operation (Economic Substance) Act (as revised) (the “**ES Act**”) and certain regulations issued by the Cabinet of the Cayman Islands pursuant to the ES Act. Subject to certain exclusions, the legislation applies to “relevant entities” which includes companies incorporated under the Cayman Companies Act. The ES Act requires all “relevant entities” to submit annually an ES Notice (ESN) to the Registrar of Companies of the Cayman Islands as to whether or not they were in scope in the prior year and whether or not they were carrying on one or more “relevant activities” as defined under the ES Act in that reporting year.

Relevant entities are required to satisfy an economic substance test if they carry one or more of the relevant activities. A relevant entity satisfies the economic substance test in relation to a relevant activity, if the relevant entity:

- (a) conducts core income generating activities in relation to that relevant activity;
- (b) is directly and managed in an appropriate manner in the Islands in relation to that relevant activity; and

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- (c) having regard to the level of relevant income derived from the relevant activity carried out in the Islands –
 - i. has an adequate amount of operating expenditure incurred in the Islands;
 - ii. has an adequate physical presence (including maintaining a place of business or plant, property and equipment) in the Islands; and
 - iii. has an adequate number of full-time employees or other personnel with appropriate qualifications in the Islands.

Relevant activities include, among others, banking business, distribution and service center business, financing and leasing business, fund management business, insurance business and shipping business, but does not include investment fund business. The legislation also provides for enforcement powers, including without limitation fines and striking-off.

Cayman Islands Anti-money Laundering

The anti-money laundering and countering the financing of terrorism laws, regulations and guidance notes of the Cayman Islands (the “**AML Regulations**”) mainly comprised in the following: (i) Proceeds of Crime Act (as revised); (ii) Terrorism Act (as revised); (iii) Misuse of Drugs Act (as revised); (iv) Proliferation Financing (Prohibition) (Amendment) Act (as revised); (v) Anti-Money Laundering Regulations (as revised); and (vi) Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands issued by the Cayman Islands Monetary Authority.

An investment fund may opt to comply with the AML Regulations by way of delegation, such as delegating the fund’s AML obligations through appointment of an administrator or other appropriate person. If an investment fund chooses not to delegate, the key obligations include, among others, performance of customer due diligence to identify and verify the identity of investors, appointment of AML compliance related officers and adoption of relevant written procedures.

LAWS AND REGULATIONS RELATING TO OUR GROUP’S BUSINESS AND OPERATIONS IN HONG KONG

Laws and Regulations Administered by the Securities and Futures Commission

Licensed entities that conduct regulated activities within the meaning of the SFO in Hong Kong are regulated by the SFC, a statutory body independent from the government of Hong Kong to regulate Hong Kong’s securities and futures markets. It is funded mainly by transaction levies and licensing fees.

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Under the SFO, a corporation which carries on a business in a regulated activity (as defined in Schedule 5 of the SFO), or holds out itself as carrying on a regulated activity, or actively markets, whether in Hong Kong or from a place outside Hong Kong, to the Hong Kong public any services it provides, which would constitute a regulated activity if provided in Hong Kong, must be licensed by the SFC to carry out that regulated activity, unless one of the exemptions under the SFO applies. It is an offence for any person to, without reasonable excuse, conduct on a business in a regulated activity or hold out as carrying on a business in a regulated activity without a licence or registration with the SFC.

Tiantu Asset Management Company Limited, our wholly-owned subsidiary incorporated in Hong Kong, was licensed with the SFC to carry out Type 9 regulated activity (asset management).

Licensed entities (including Type 9 licensed corporations) are required to comply with the SFO, its sub-legislations and other relevant codes and guidelines including the (i) Code of Conduct for Persons Licensed by or Registered with the SFC (“**Code of Conduct**”), (ii) Guideline on Anti-Money Laundering and Counter Financing of Terrorism (“**Guideline on AML**”), (iii) Management, Supervision and Internal Control Guidelines for Persons Licensed by or Registered with the SFC (“**Internal Control Guideline**”), (iv) Suggested Control Techniques and Procedures for Enhancing a Firm’s Ability to Comply with the Securities and Futures (Client Securities) Rules and the Securities and Futures (Client Money) Rules (“**Client Securities/Money Rules**”), (v) the Fund Manager Code of Conduct (“**FM Code of Conduct**”), and (vi) suitability circulars/FAQs and other relevant regulatory requirements.

The Client Securities/Money Rules provide guidelines on the treatment of client assets and how they should be properly safeguarded. The FM Code of Conduct sets out conduct requirements for licensed persons whose business involves the discretionary management of collective investment schemes and/or discretionary accounts. The suitability circulars/FAQs outlines the general requirements and factors to be considered when providing investment advices to client.

Laws and Regulations on Client Acquisition

The Code of Conduct sets out the general conduct requirements for licensed persons and other regulatory expectations on topics such as know your client (KYC), diligence, responsibility of senior management and conflicts of interest. Under the Code of Conduct, a licensed corporation should assess the client’s financial situation, investment experience and investment objectives, and ensure that the suitability of any recommendation or solicitation for that client is reasonable in all the circumstances.

The Guideline on AML set outs the requirements and the standards on the subjects of anti-money laundering and counter-terrorist financing (AML/CTF) and practical guidance to assist licensed persons and their senior management in designing and implementing policies, procedures and controls in the relevant operational areas, taking into consideration their special circumstances so as to meet the relevant AML/CTF statutory and regulatory requirements. For

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example, under the Guideline on AML, licensed corporations are required to have in place a process to identify, assess and understand the money laundering and terrorist financing risks to which they are exposed, and they are also required to assess the money laundering and terrorist financing risks associated with a customer to determine the degree, frequency or extent of customer due diligence measures.

Types of Persons Regulated under the SFO

Licensed Corporation (as defined under Sections 116 or Section 117 of the SFO)

For application as a full licensed corporation to carry on one or more regulated activities, the applicant (which must be a company incorporated in Hong Kong or an overseas company registered with the Registrar of Companies in Hong Kong) has to satisfy the SFC that it has a proper business structure, sound internal control systems and qualified personnel to ensure proper risk management in the course of carrying on the proposed business as detailed in the business plan submitted to the SFC.

Key guidelines to meet the competence requirements published by the SFC are set out in (a) the Guidelines on Competence; (b) the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (“**SFC Code of Conduct**”); and (c) the Management, Supervision and Internal Control Guidelines for Persons Licensed by or Registered with the Securities and Futures Commission.

Responsible Officers (as defined under Section 126 of the SFO)

Each licensed corporation must have at least two Responsible Officers to directly supervise the conduct of each regulated activity which it is licensed for. For each regulated activity, it must have at least one Responsible Officer available at all times to supervise the business. The same individual may be appointed to be a Responsible Officer for more than one regulated activity provided that he is fit and proper to be so appointed and that there is no conflict in the roles assumed. At least one of the Responsible Officers must be an executive director as defined under the SFO. All executive directors must seek the SFC’s approval as Responsible Officers accredited to the licensed corporation.

Licensed Representative (as defined under Section 120 and Section 121 of the SFO)

An individual is required to be a Licensed Representative if he is performing a regulated function for his principal which is a licensed corporation in relation to a regulated activity carried on as a business or he holds out as performing such function.

Any person intending to apply to be a Responsible Officer or a Licensed Representative must demonstrate that he fulfils the competence requirements as prescribed by the SFC from time to time.

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Substantial shareholders (as defined under Section 6 of Schedule 1 of the SFO)

As required under Section 132 of the SFO, a person (including a corporation) has to apply for SFC's approval prior to becoming or continuing to be a substantial shareholder of a licensed corporation. A person, being aware that he becomes a substantial shareholder of a licensed corporation without SFC's prior approval should, as soon as reasonably practicable and in any event within three business days after he becomes so aware, apply to the SFC for approval to continue to be a substantial shareholder of the licensed corporation.

Managers-in-Charge of Core Functions

Pursuant to the "Circular to Licensed Corporations Regarding Measures for Augmenting the Accountability of Senior Management" (the "**MIC Circular**") published by the SFC on 16 December 2016, a licensed corporation is required to designate at least one fit and proper individual as Manager-in-Charge ("**MICs**") of each of the eight core functions of a licensed corporation, namely (a) overall management oversight; (b) key business line; (c) operational control and review; (d) risk management; (e) finance and accounting; (f) information technology; (g) compliance; and (h) anti-money laundering and counter-terrorist financing.

Licensing Requirements and Continuous Compliance Obligations

Licensed corporations are subject to various licensing requirements and continuous compliance obligations imposed by the SFC, including but not limited to the fit and proper requirements, minimum capital requirements, submission of financial resources returns and audit accounts, payment of annual fees, continuous professional training and maintenance of segregated accounts etc.

Fit and proper requirements

Licensed corporations, licensed persons, registered institutions and directors and substantial shareholders of the licensed corporations must remain fit and proper at all times and comply with all applicable provisions of the SFO and its subsidiary legislation as well as the codes and guidelines issued by the SFC from time to time.

The major regulations or guidelines which set out the fit and proper requirements are the SFO and the guidelines made by the SFC under Section 399 of the SFO, including the Fit and Proper Guidelines, the Guidelines on Competence and the Guidelines on Continuous Professional Training. Certain factors which the SFC takes into consideration in determining whether a person is fit and proper for the purposes of licensing or registration is stipulated under Section 129 of the SFO.

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Minimum capital requirements under the Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong) (“FRR”)

Depending on the type of regulated activity that a licensed corporation is licensed for, licensed corporations have to maintain at all times paid-up share capital and liquid capital not less than the specified amounts according to the FRR. Under Section 145 of the SFO, the FRR sets out the computation of a number of variables in respect of all the liquid assets and ranking liabilities of a licensed corporation. A licensed corporation shall at all times maintain liquid capital which is not less than its required liquid capital as stipulated in Section 6 of the FRR. If a licensed corporation conducts more than one type of regulated activity, the minimum paid-up share capital and liquid capital that it must maintain shall be the higher or the highest amount required amongst those regulated activities.

Submission of Financial Resources Returns and Audited Accounts

Licensed corporations are required to submit monthly financial resources returns to the SFC except for those licensed corporations for only Types 4 (advising on securities), 5 (advising on futures contracts), 6 (advising on corporate finance), 9 (asset management) and/or 10 (providing credit rating services) regulated activities and their licences are subject to the condition that they shall not hold client assets. In such latter case, the licensed corporations concerned shall submit semi-annual financial resources returns to the SFC as required under Section 56 of the FRR. Financial resources returns should be submitted electronically to the SFC via the electronic submission platform of the SFC named WINGS.

Licensed corporations and associated entities of intermediaries (except for those which are authorised financial institutions) are also required to submit their audited accounts and other required documents within four months after the end of each financial year as required under Section 156(1) of the SFO.

Payment of annual fees

Licensed corporations, licensed persons and registered institutions should pay annual fees within one month after each anniversary date of the licences or registrations under Section 138(2) of the SFO.

Continuous professional training

According to the Guidelines on Continuous Professional Training published by the SFC pursuant to Section 399 of the SFO, a licensed corporation is responsible for designing and implementing a continuous education system for the individuals they engage. Licensed individuals must undertake a minimum of prescribed continuous professional training hours per calendar year and Responsible Officers must take prescribed minimum additional training hours per calendar year.

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Maintenance of segregated account(s), and holding and payment of client money and securities

For a licensed corporation which holds client money (as defined under the SFO), it must maintain segregated account(s), to hold and deal with client money received or held by or on behalf of its clients by a licensed corporation or its associated entity (as defined under the SFO) in accordance with the requirements of the Securities and Future (Client Money) Rules (Chapter 571I of the Laws of Hong Kong) which set out the requirements to ensure proper handling of client money.

If a licensed corporation holds securities received or held by a licensed corporation in Hong Kong on behalf of its client, it must ensure that the client securities are deposited in safe custody in a segregated account which is designated as a trust or client account in accordance with the requirements of the Securities and Futures (Client Securities) Rules (Chapter 571H of the Laws of Hong Kong) which set out the requirements to ensure proper safeguard of client securities. The Securities and Futures (Client Securities) Rules apply to securities that are either listed or traded on The Stock Exchange of Hong Kong Limited or interests in a collective investment scheme as authorised by the SFC under Section 104 of the SFO.

Office Premises and Record keeping requirements

A licensed corporation must keep records in accordance with the requirements under the Securities and Future (Keeping of Records) Rules (Chapter 571O of the Laws of Hong Kong) which requires licensed corporations to ensure that they maintain comprehensive records with sufficient details in respect of their businesses and customer transaction for a prescribed period and for the purpose of proper accounting of their business operations and clients' assets. A licensed corporation is also required under Section 130 of the SFO to apply for prior approval from the SFC for keeping records or documents as required under the SFO and Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong).

Matters requiring the SFC's prior approval and notification obligation to the SFC

A licensed corporation or licensed persons must also seek the SFC's prior approval for matters including addition or reduction of regulated activity, modification or waiver of licensing condition or change of its financial year end.

Licensed corporations, licensed individuals, registered institutions and substantial shareholders approved by the SFC are also required to notify the SFC within a prescribed period on certain changes in their particulars or occurrence of events as set out in the Securities and Futures (Licensing and Registration) (Information) Rules (Chapter 571S of the Laws of Hong Kong). Such changes or events include but are not limited to, change of name, contact information, shareholding structure, involvement in proceedings or investigations.

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Fund Manager Code of Conduct (“FMCC”)

The FMCC published by the SFC sets out the conduct requirements for licensed or registered persons and their representatives whose business involves the management of collective investment schemes and/or discretionary accounts (the “**Fund Managers**”), the key requirements of which are set out as follows:

- (a) *Fund Management*: The FMCC requires Fund Managers to have effective and proper procedures and controls to ensure transactions are carried out on behalf of each fund managed by the Fund Managers in accordance with the fund’s investment guidelines as per the constitutive and/or offering documents. Such transactions should be executed on the best available terms with orders allocated fairly and should not be traded excessively.
- (b) *Custody*: A Fund Manager should ensure any fund assets related to it are properly safeguarded, in particular segregated from the assets of the Fund Manager, and that of the Fund Manager’s other clients or affiliates (unless fund assets are held in an omnibus client account). A Fund Manager that is responsible for the overall operation of a fund should exercise due skill, care and diligence in the selection, appointment and ongoing monitoring of a properly qualified custodian, and ensure that the custodian is functionally independent from the Fund Manager.
- (c) *Disclosure obligations*: Apart from the above obligations, a Fund Manager who is responsible for the overall operation of a fund should provide fund investors adequate information which is necessary for them to be able to make an informed judgment about their investment into the fund. This includes but is not limited to: the expected maximum level of leverage which it may employ on behalf of the fund and the basis of the calculation of such leverage to the investors, a summary of the securities lending, transactional information on the fund’s use of instruments and the risk management policy to be disclosed at least on an annual basis.
- (d) *Discretionary accounts management*: Appendix 1 of the FMCC sets out the conduct requirements for licensed or registered persons that are involved in the management of discretionary accounts where the licensed or registered persons (a) provide discretionary management services to a client in the form of an investment mandate or a pre-defined model investment portfolio and (b) receive a management fee and/or a performance fee as remuneration.

Unless exempted for institutional professional investors or corporate professional investors as defined in paragraph 15.2 of the SFC Code of Conduct, and in case of a corporate professional investor, the Fund Manager providing discretionary management services have also complied with paragraphs 15.3A and 15.3B of the Code of Conduct, a written agreement which contains certain required provisions should be entered into between the discretionary account manager and a client before any services are provided to or transactions made on

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behalf of that client. Unless otherwise agreed in writing with the client, a discretionary account manager should review the performance of each discretionary account against a previously agreed benchmark at least twice a year, and should provide valuation reports to the client on a monthly basis.

Advertisements, invitations or documents relating to investments

Under Section 103(1) of the SFO, unless specific exemptions apply, the issue of advertisement, invitation or document which contains an invitation to the public to, amongst others, the entering into an agreement to acquire an interest in or participate in, or offer to acquire an interest in or participate in, a collective investment scheme has to be authorised by the SFC. The specific exemptions include, among others, that under Section 103(3)(j) of the SFO, if that advertisement, invitation or document made are or are intended to be disposed of only to persons outside Hong Kong and under Section 103(3)(k) of the SFO, if that advertisement, invitation or document are or are intended to be disposed of only to professional investors (as defined in Part 1 of Schedule 1 to the SFO).

Laws and Regulations in Relation to Anti-money Laundering and Counter-terrorist Financing

The primary pieces of legislation in Hong Kong that govern the anti-money laundering and counter-terrorist financing include (a) the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) (“AMLO”); (b) the Drug Trafficking (Recovery of Proceeds) Ordinance (Chapter 405 of the Laws of Hong Kong); (c) the Organised and Serious Crimes Ordinance (Chapter 455 of the Laws of Hong Kong); (d) the United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575 of the Laws of Hong Kong); (e) the United Nations Sanctions Ordinance (Chapter 537 of the Laws of Hong Kong); and (f) the Weapons of Mass Destruction (Control of Provision of Services) Ordinance (Chapter 526 of the Laws of Hong Kong).

In particular, the AMLO imposes requirements regarding customer due diligence and record-keeping to financial institutions, and provides regulatory authorities with the powers to supervise compliance with the requirements under the AMLO. Under the AMLO, a licensed corporation shall carry out customer due diligence measures before establishing a business relationship with a customer, and such measures include, among others, verifying the customer’s identity and identifying and verifying the identity of its beneficial owner. Pursuant to the AMLO, the regulatory authorities are empowered to ensure that proper safeguard exist to prevent contravention of specified provisions in the AMLO, and to mitigate money laundering and terrorist financing risks.

The SFC has also published guidelines to set out requirements for licensed corporation to among other things, adopt and enforce “know your customers” policies and procedures. For further information, see the paragraphs headed “– Laws and Regulations Administered by the Securities and Futures Commission – Laws and Regulations on Client Acquisition” above in this section.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a leading private equity investor and fund manager specializing in the consumer sector in China. We manage capital for institutional investors and high-net-worth individuals, and make investments through our funds under management and directly using our own capital. Our history can be traced back to April 11, 2002, when Tiantu Chuangye, our predecessor company, was founded by Mr. Wang, one of our Controlling Shareholders, our executive Director and chairman of the Board. For further details of our principal business and the background and industry experience of Mr. Wang, see “Business” and “Directors, Supervisors and Senior Management – Executive Directors”, respectively, in this prospectus.

On January 11, 2010, our Company was established in the PRC under its former name of Tian Tu Capital Limited (深圳市天圖投資管理有限公司). After the establishment of Tiantu Chuangye and prior to the Company’s listing on the NEEQ in 2015, Mr. Wang, through Tiantu Chuangye, our Company and other investment vehicles, operated the fund management business and made investments. In preparation for our Company’s listing on the NEEQ in 2015, to optimize our business structure, avoid potential competition with our controlling shareholder and establish clear business delineation between our Company and Mr. Wang, the fund management business was segregated from Tiantu Chuangye and Mr. Wang through fund restructuring. We consolidated four then RMB-denominated funds which were under the common control of our controlling shareholder (namely Tiantu Xingrui, Tiantu Xingsheng, Tiantu Xinghua and Tiantu Xingsu) (collectively, the “**2015 Pre-NEEQ Listing Restructuring**”) and became their fund manager, after which we began to operate our own fund management business independently and Mr. Wang no longer owned fund management business other than Our Group thereafter. See “Relationship with our Controlling Shareholders” in this prospectus for further details of our relationship with Mr. Wang and his close associates. For details of the 2015 Pre-NEEQ Listing Restructuring, see “– Establishment and Development of our Company – (3) 2015 Pre-NEEQ Listing Restructuring”.

After completion of the 2015 Pre-NEEQ Listing Restructuring, we were converted into a joint stock limited liability company and were renamed as Tian Tu Capital Co., Ltd. (深圳市天圖投資管理股份有限公司) in July 2015. Our Shares became listed on the NEEQ in November 2015. Since then, the business of our Company led by Mr. Wang experienced a rapid growth with more than ten funds being managed by us afterwards.

BUSINESS DEVELOPMENT MILESTONES

The following table summarizes the key milestones in our business development:

<u>Date</u>	<u>Milestone</u>
April 2002	Tiantu Chuangye, our predecessor company, was founded by Mr. Wang as a limited liability company in the PRC.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

<u>Date</u>	<u>Milestone</u>
January 2010	We were established as a limited liability company under the name of Tian Tu Capital Limited (深圳市天圖投資管理有限公司) in the PRC.
April 2012	Tiantu Capital Management Center was established as a limited partnership in the PRC.
December 2013	We organized the first Consumer Brand Camp (also known as “磨刀會” in Chinese), a forum to share, to collaborate, and to help to inspire ideas for the development of the next blockbuster products for brand owners and managers, which we have held twelve consecutive sessions since its launch.
May 2014	We started managing Tiantu China Consumer Fund I, L.P., the first USD-denominated fund under our management.
May – June 2015	We consolidated four then RMB-denominated funds (namely Tiantu Xingrui, Tiantu Xingsheng, Tiantu Xinghua and Tiantu Xingsu) into our Group from Mr. Wang and our predecessor company, Tiantu Chuangye, and became their fund manager, upon which we began to operate our own fund management business independently.
July 2015	We were converted into a joint stock limited liability company and renamed as Tian Tu Capital Co., Ltd. (深圳市天圖投資管理股份有限公司).
November 2015	We were listed on the NEEQ under the stock code 833979.
November 2016	Our portfolio company Zhou Hei Ya International Holdings Company Limited (周黑鴨國際控股有限公司) was listed on the Stock Exchange under the stock code 1458.
April 2018	Tiantu China Consumer Fund II, L.P., the second USD-denominated fund under our management, was established.
November 2019	Tiantu VC USD Fund I L.P., the third USD-denominated fund under our management, was established.
	Our portfolio company China Feihe Limited (中國飛鶴有限公司) was listed on the Stock Exchange under the stock code 6186.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Date	Milestone
June 2021	Our portfolio company Nayuki Holdings Limited (奈雪的茶控股有限公司) was listed on the Stock Exchange under the stock code 2150.
January 2023	Our portfolio company Shenzhen Pagoda Industrial (Group) Corporation Limited (深圳百果園實業(集團)股份有限公司) was listed on the Stock Exchange under the stock code 2411.

OUR MAJOR SUBSIDIARIES

As at the Latest Practicable Date, we have 66 subsidiaries, among which we have identified 11 subsidiaries that principally affect our results of operations during the Track Record Period and/or hold material licenses required to carry on our business (the “**Major Subsidiaries**”). Details of each Major Subsidiary are set forth below:

<u>Major Subsidiaries</u>	<u>Date of establishment</u>	<u>Place of establishment</u>	<u>Principal business activities</u>
<i>Domestic Major Subsidiaries</i>			
Tiantu Capital Management Center	April 18, 2012	PRC	Fund manager ⁽¹⁾
Tiantu Xingbei	June 26, 2015	PRC	RMB-denominated fund
Tiantu Xing’an	March 15, 2016	PRC	Investment holding
Tiantu Xingpeng	December 29, 2017	PRC	RMB-denominated fund
Tiantxu Xingshen	December 7, 2018	PRC	RMB-denominated fund
Tiantu Xingzhou	September 14, 2021	PRC	RMB-denominated fund

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

<u>Major Subsidiaries</u>	<u>Date of establishment</u>	<u>Place of establishment</u>	<u>Principal business activities</u>
<i>Offshore Major Subsidiaries</i>			
Tiantu Investments Limited	April 17, 2015	BVI	Investment holding
Tiantu China Consumer Fund II, L.P.	April 10, 2018	Cayman Islands	USD-denominated fund
Tiantu Xinghe Investments Limited Company	March 8, 2019	Cayman Islands	Investment holding
Tiantu VC USD Fund I L.P.	November 1, 2019	Cayman Islands	USD-denominated fund
Tiantu Asset Management Company Limited	September 17, 2020	Hong Kong	Asset management ⁽²⁾

Notes:

1. Tiantu Capital Management Center is a private equity fund manager registered with the AMAC. Tiantu Capital Management Center acts as the fund manager of all of our consolidated RMB-denominated funds and is considered to be the most important entity in our Group to carry out our fund management business.
2. Tiantu Asset Management Company Limited holds the license for Type 9 (asset management) regulated activity issued by the SFC.

POST-TRACK RECORD PERIOD ACQUISITIONS

After the end of the Track Record Period, as part of our ordinary and usual course of business, we have acquired or agreed or proposed to acquire certain minority equity interests of a number of companies. For details, see “Waivers from Strict Compliance with the Listing Rules – Waiver in Respect of Post-Track Record Period Acquisitions”.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

DECONSOLIDATION OF DAIRY BUSINESSES (DISCONTINUED OPERATIONS)

During the Track Record Period, we had two major lines of dairy businesses (the “**Dairy Businesses**”) acquired through buyout investments and operated by Mengtian Dairy (and its subsidiaries) and Yoplait China, respectively. See “Business – Deconsolidated Investments (Dairy Business)” in this prospectus for details.

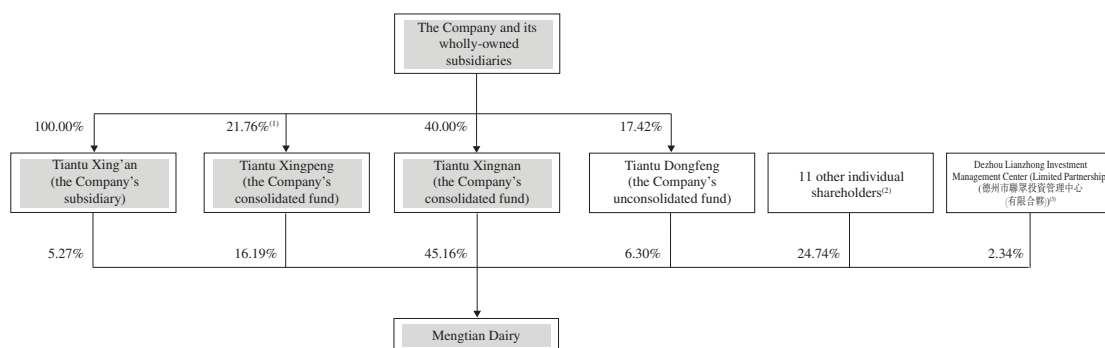
Unlike many other of our investee companies which are not consolidated into our Group but are merely our joint ventures or associates, Mengtian Dairy and Yoplait China were acquired by us through buyout investments and were consolidated into our Group as subsidiaries before their respective deconsolidation. Due to commercial reasons, primarily including to avoid potential confusion as to our primary business as a private equity investor and fund manager, to allow more flexibility in capital market initiatives for both Mengtian Dairy and Yoplait China, Mengtian Dairy was deconsolidated (the “**Mengtian Deconsolidation**”) and Yoplait China was deconsolidated (the “**Yoplait Deconsolidation**”) during the Track Record Period, the details of which are set forth below:

Mengtian Deconsolidation

Mengtian Dairy Co., Ltd. was established in the PRC as a limited liability company on May 14, 2018. After its establishment, it acquired six operating entities that have been principally engaged in farming and production and sale of raw milk and milk beverages. Mengtian Dairy had a registered capital of RMB480,000,000 which was contributed by 13 shareholders (the “**Mengtian Original Shareholders**”) at the time of its establishment. The Mengtian Original Shareholders are Independent Third Parties. In July 2018, our Group, through Tiantu Xing’an and Tiantu Xingnan, acquired approximately 58.4% of the registered capital of Mengtian Dairy from the Mengtian Original Shareholders, among which Tiantu Xing’an acquired RMB29,290,511 in the registered capital (representing approximately 6.1% of the registered capital) at the consideration of RMB58,581,021.9 and Tiantu Xingnan acquired RMB251,001,460 in the registered capital (representing approximately 52.3% of the registered capital) at the consideration of RMB502,002,919.7, respectively. The consideration was determined with reference to the valuation of the aforesaid operating entities of Mengtian Dairy as of March 31, 2018 based on valuation reports prepared by an Independent Third Party valuer dated May 3, 2018, and the last payment of consideration was settled by cash in December 2020. Mengtian Dairy had been consolidated into our Group as our subsidiary since July 2018 until its deconsolidation on December 31, 2021.

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In December 2018, May 2019 and June 2019, Mengtian Dairy went through multiple increases of its registered capital by way of cash injections by our Group and other then shareholders of Mengtian Dairy, after which its registered capital was further increased to RMB885,000,000 in June 2019. In December 2020, the registered capital of Mengtian Dairy was reduced to RMB555,793,678 due to the investment exit of four of the then shareholders of Mengtian Dairy. After the capital reduction and immediately prior to the Mengtian Deconsolidation, Mengtian Dairy was indirectly held by our Group as to approximately 66.62%, comprising approximately 45.16%, 16.19% and 5.27% held by Tiantu Xingnan, Tiantu Xingpeng and Tiantu Xing'an, respectively, and our Group was able to exercise approximately 66.62% of the voting rights in Mengtian Dairy accordingly. The shareholding structure of Mengtian Dairy immediately before its deconsolidation was as follows:



■ : the Group's consolidated entities

Notes:

- 21.76% represents the portion of our actual capital contribution in Tiantu Xingpeng, instead of the portion of our subscribed capital commitment which is 20.68%.
- Such individual shareholders include Sun Menglin (孫孟林), Li Jianhong (李建宏), Liao Changsheng (廖長生), Hu Aiping (胡愛萍), Yu Zhijian (余志堅), Guo Xiuhua (郭秀花), Zhao Xiang (趙祥), Liao Yancheng (廖彥丞), Liao Binbin (廖彬彬), Li Hao (李浩) and Ren Xiaoling (任曉玲). To the best knowledge and information of our Directors, having made all reasonable enquiries, there are no other past or present relationships between our Group and each of such individual shareholders or any of their respective associates, save for their investments in Mengtian Dairy.
- As of the Latest Practicable Date, Dezhou Lianzhong Investment Management Center (Limited Partnership) (德州市聯眾投資管理中心(有限合夥)) ("Dezhou Lianzhong") was owned as to approximately 4.57% by Gao Fengyong (高逢勇) as the general partner and as to 95.43% by the other 42 individual limited partners according to AMR registration information. To the best knowledge and information of our Directors, having made all reasonable inquiries, there are no other past or present relationships between our Group and Dezhou Lianzhong, its directors, partners or senior management, or any of their respective associates, save for their investments in Mengtian Dairy.

Immediately prior to the Mengtian Deconsolidation, the board of directors of Mengtian Dairy comprised seven directors, including four directors appointed by our Group, two directors appointed by all shareholders of Mengtian Dairy other than Tiantu Xingnan, Tiantu Xingpeng, Tiantu Xing'an and Tiantu Dongfeng and one director elected by all shareholders of Mengtian Dairy. Immediately prior to the Mengtian Deconsolidation, the investment committee of Tiantu Xingnan comprised five members, including three members appointed by our Group and two members appointed by one other limited partner of Tiantu Xingnan.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

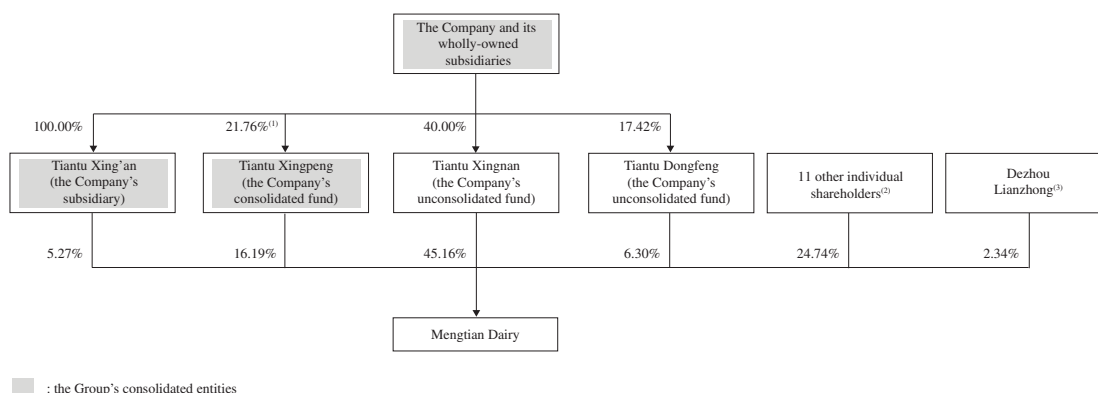
In December 2021, a series of corporate actions of certain adjustment of corporate governance and terms of the arrangements among the shareholders/partners at the level of Mengtian Dairy and Tiantu Xingnan (the then single largest shareholder of Mengtian Dairy) were undertaken, including the passing of resolutions that (i) our appointment right of investment committee members be limited to two out of five members of the investment committee of Tiantu Xingnan; (ii) our appointment right of directors be limited to not more than half of the total number of directors in Mengtian Dairy; (iii) Tiantu Xingnan's voting right and appointment right of directors in Mengtian Dairy be delegated from its general partner, namely Tiantu Capital Management Center, to the investment committee of Tiantu Xingnan; and (iv) our Company's carried interest over Tiantu Xingnan be reduced by less than 0.5% to reflect the reduced roles and responsibilities in terms of less involvement and contribution of time and resources by our Company in Tiantu Xingnan's investment committee by virtue of the aforesaid reduced number of investment committee members appointed by our Company. As a result of the aforesaid adjustment in corporate governance and terms of arrangements, each of Tiantu Xingnan and Mengtian Dairy ceased to be our subsidiary and has remained as our associate, respectively, since December 31, 2021.

As far as we are concerned, the other shareholders/partners of Mengtian Dairy and Tiantu Xingnan have considered various factors when agreeing to the aforesaid adjustments in corporate governance and terms of arrangements after negotiation with our Group, including but not limited to the following: (i) at the level of Mengtian Dairy, the adjustments in corporate governance and terms of arrangements would provide more flexibility for Mengtian Dairy to pursue capital markets initiatives and facilitate exit opportunities for Mengtian Dairy's shareholders in the long term; (ii) from the business operation perspective, considering that the Group is a financial investor (rather than an industrial investor) specialized in fund management and investment business and therefore has a different business nature from Mengtian Dairy, it would be beneficial to have a more balanced board composition by increasing the board representation from the senior management of Mengtian Dairy, such that they can have more participation and involvement in the operation of Mengtian Dairy, which is principally engaged in dairy business; and (iii) at the level of Tiantu Xingnan, the other partners of Tiantu Xingnan would be entitled to an increased economic interest after the adjustment of our Group's carried interest in Tiantu Xingnan. The PRC Legal Advisor is of the view that such adjustments in corporate governance and terms of arrangements are legal and proper. In light of the above, the other shareholders/partners of Mengtian Dairy and Tiantu Xingnan agreed to the aforesaid adjustments in corporate governance and terms of arrangements after negotiation with our Group. Save for the aforesaid increase of the limited partners' economic interest in Tiantu Xingnan reflecting the reduced roles and responsibilities of our Company in Tiantu Xingnan's investment committee, the shareholders/partners of Mengtian Dairy and Tiantu Xingnan did not receive any other fees, benefits or compensation in connection of the aforesaid adjustment in corporate governance and terms of arrangements.

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In addition to the aforesaid adjustment in corporate governance and terms of arrangements, our Company, Tiantu Capital Management Center, Tiantu Xingpeng, Tiantu Xing'an, Tiantu Xingnan and Tiantu Dongfeng entered into a letter of undertaking dated December 15, 2021, pursuant to which (i) each of Tiantu Capital Management Center, Tiantu Xingpeng, Tiantu Xing'an and Tiantu Dongfeng undertook not to nominate or appoint directors to Mengtian Dairy, (ii) Tiantu Xingnan's appointment right to the board of Mengtian Dairy shall be limited to no more than half of the board, and (iii) our Company undertook that it will no longer seek control over Mengtian Dairy.

The shareholding structure of Mengtian Dairy immediately after its deconsolidation was as follows:



Note: Please refer to notes 1 to 3 in the shareholding structure chart of Mengtian Dairy immediately before its deconsolidation in this section.

The shareholding structure of Mengtian Dairy immediately after its deconsolidation remained unchanged compared with that immediately before its deconsolidation, but the board composition of Mengtian Dairy and investment committee composition of Tiantu Xingnan were changed as follows: immediately after the Mengtian Deconsolidation, the board of directors of Mengtian Dairy comprised seven directors, including three directors appointed by Tiantu Xingnan, two directors appointed by all the shareholders of Mengtian Dairy other than Tiantu Xingnan, Tiantu Xingpeng, Tiantu Xing'an and Tiantu Dongfeng and two directors who are senior management of Mengtian Dairy. Immediately after the Mengtian Deconsolidation, the investment committee of Tiantu Xingnan comprised five members, including two members appointed by our Group, and three members appointed by two other limited partners of Tiantu Xingnan.

Despite that the overall shareholding structure of Mengtian Dairy remained unchanged compared with that immediately before its deconsolidation, both the shareholding and voting rights in Mengtian Dairy of our Group reduced from approximately 66.62% to approximately 21.46%, comprising 16.19% and 5.27% held by Tiantu Xingpeng and Tiantu Xing'an, respectively. The historical operations of Mengtian Dairy are presented as a discontinued operation in our financial statements. Please refer to the note 1 to Appendix I of this prospectus for the impact of the Mengtian Deconsolidation on our Group.

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Remained as one of our associates and having a more balanced board composition with increased board representation from its senior management after the Mengtian Deconsolidation, Mengtian Dairy maintained normal business operation as evidenced by, among others, its successful launch of new dairy products and further development of client base after the Mengtian Deconsolidation. Based on information of Mengtian Dairy available to us, notwithstanding the economic impact caused by COVID-19 in the PRC in 2022, and a slight decline in its valuation as of December 31, 2022 which is in line with other peers in the same industry according to CIC, Mengtian Dairy managed to maintain a relatively healthy financial performance in terms of revenue and cash flows for the year ended December 31, 2022. In particular, there was an increasing trend of monthly sales amount of Mengtian Dairy for the year ended December 31, 2022. As of the Latest Practicable Date, Mengtian Dairy had adequate cash flow to support its business operation. In light of the above, our Directors are of the view that there is no material adverse change in the business operations, financial performance and valuation of Mengtian Dairy after its ceasing to be our subsidiary.

As confirmed by the PRC Legal Advisor, Mengtian Dairy did not have any material non-compliance incident and was not involved in any material legal, regulatory, arbitral, or administrative proceedings, investigations or claims during the Track Record Period and up to the date of its deconsolidation.

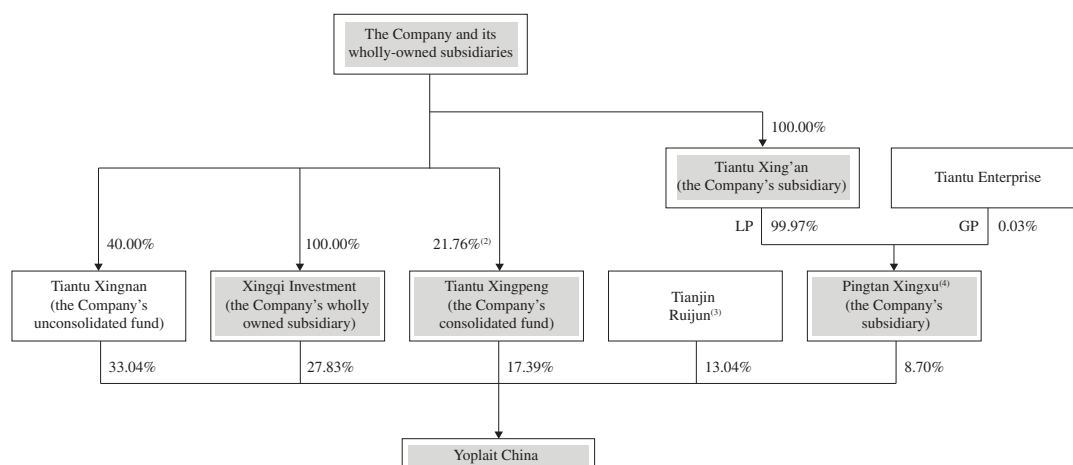
Yoplait Deconsolidation

Yoplait China is a limited liability company established in the PRC on July 8, 2013. Yoplait China is mainly engaged in the production and sale of dairy products and it did not have any subsidiaries as of the Latest Practicable Date. Immediately before the acquisition of Yoplait China by our Group in April 2019, Yoplait China had a registered capital of US\$89,000,000 (equivalent to RMB594,965,000), and was wholly owned by Yoplait UK Limited, an Independent Third Party. Pursuant to a share transfer agreement dated March 7, 2019, Yoplait UK Limited transferred 42.0%, 20.0% and 38.0% equity interest in Yoplait China to Shenzhen Xingqi Investment Enterprise (Limited Partnership) (深圳興啟投資企業(有限合伙)) (“**Xingqi Investment**”), Tiantu Xingpeng and Tiantu Xingnan, respectively, for a total consideration of RMB298.6 million. Such consideration was determined through arm’s length negotiation between the parties primarily with reference to the then net assets value of Yoplait China. The last payment of consideration was settled by cash in May 2020. Yoplait China became and remained as our subsidiary of our Group since April 2019 and up until its deconsolidation on June 15, 2022. For details of the impact of the acquisition of Yoplait China on the results of our Group, please refer to Note 4 *Critical Accounting Judgments and Key Sources of Estimation Uncertainty* and Note 39 *Discontinued Operation of Mengtian Dairy Business and Yoplait China* to the Accountants’ Report in Appendix I to this prospectus.

Subsequent to our acquisition of Yoplait China, Yoplait China went through a series of capital reduction, share transfer and capital increase, and immediately prior to the Yoplait Deconsolidation, our Group’s shareholding in Yoplait China was approximately 53.91%, comprising approximately 27.83%, 17.39% and 8.70% held by Xingqi Investment, Tiantu Xingpeng and Pingtan Xingxu Investment Limited Partnership (平潭興旭投資合夥企業(有限合

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夥) (“**Pingtian Xingxu**”), respectively, and our Group was able to exercise approximately 66.96% voting right in Yoplait China through (i) 53.91% equity interest beneficially owned by our Group and (ii) 13.04% equity interest held by Tianjin Ruijun Enterprise Management Partnership (Limited Partnership) (天津睿雋企業管理合夥企業(有限合夥)) (“**Tianjin Ruijun**”) via a concert party agreement with our Group. In addition, our associate Tiantu Xingnan also held 33.04% equity interest in Yoplait China. The shareholding structure of Yoplait China immediately before its deconsolidation was as follows⁽¹⁾:



■ : the Group's consolidated entities
 GP: general partner
 LP: limited partner

Notes:

- Yoplait China entered into a capital increase agreement in January 2022 and a supplemental agreement in March 2022 with its then existing shareholders and Investor B, an Independent Third Party investor. As of the Latest Practicable Date, this transaction had not yet completed. For avoidance of doubt, the shareholding structure of Yoplait China did not take into account such investor which was registered with AMR as a shareholder of Yoplait China holding 17.96% equity interest, as it was not entitled to any shareholder's right due to its failure to settle the investment amount as advised by the PRC Legal Advisor. See “– Uncompleted Transaction of Yoplait China” in this section for details.
- 21.76% represents the portion of our actual capital contribution in Tiantu Xingpeng, instead of the portion of our subscribed capital commitment which is 20.68%.
- As of the Latest Practicable Date, Tianjin Ruijun was held as to approximately 76.22% by Ms. Lu Yanxing (陸燕星) as the general partner and as to approximately 23.78% by eight other individual limited partners, including certain of our former or existing employees. Ms. Lu is a relative of Mr. Chu Gary Hsi, our former senior management and a director of Yoplait China. Tianjin Ruijun entered into a concert party agreement with Xingqi Investment dated April 26, 2020, with respect to voting on the shareholders' meeting of Yoplait China, which was terminated on June 7, 2022. Save as disclosed above, to the best knowledge of our Directors, having made all reasonable inquiries, there are no other past or present relationships between our Group and Tianjin Ruijun, its directors, partners, or senior management, or any of their respective associates, save for their investment in Yoplait China.
- Pingtian Xingxu entered into a concert party agreement with Xingqi Investment dated April 26, 2020, with respect to voting on the shareholders' meeting of Yoplait China, which was terminated on June 7, 2022. Save as disclosed above, there are no other past or present relationships between our Group and Pingtan Xingxu, its directors, partners or senior management, or any of their respective associates, save for their investment in Yoplait China.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

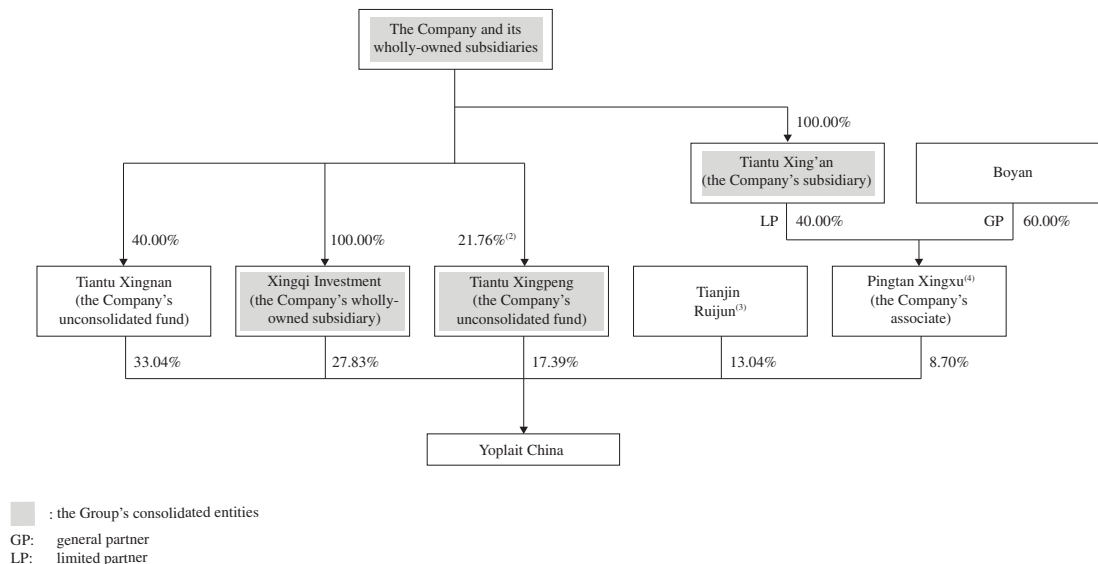
Immediately prior to the Yoplait Deconsolidation, the board of directors of Yoplait China comprised three directors, including two directors appointed by Tiantu Xingnan and one director appointed by Xingqi Investment.

Since early 2022, Yoplait China started introducing a series of investments as set forth below. During March 2022 and early June 2022, a series of corporate actions (the “**Corporate Actions in Yoplait China**”) were undertaken at the level of Yoplait China and its shareholders, including, among others, (i) the resolutions that our right of appointment of directors be limited to not more than half of the directors of Yoplait China, and (ii) the agreements to unwind the acting in concert arrangements among our Group and other relevant shareholders of Yoplait China namely Pingtan Xingxu and Tianjin Ruijun.

In addition to the aforesaid Corporate Actions in Yoplait China, on June 10, 2022, our Group (through Tiantu Xing’an, being our subsidiary and also a then limited partner of Pingtan Xingxu) entered into a partnership interest transfer agreement with Shenzhen Boyan Investment Partnership (Limited Partnership) (深圳博衍投資合夥企業(有限合夥)), an Independent Third Party investor (“**Boyan**”), pursuant to which Boyan agreed to purchase 59.98% partnership interest of Pingtan Xingxu held by Tiantu Xing’an at the consideration of RMB62.61 million and became the general partner and executive partner of Pingtan Xingxu. Such consideration was determined after arm’s length negotiations by the parties with reference to the business prospect of Yoplait China. Boyan is a limited partnership established in the PRC on May 9, 2018. It is principally engaged in equity investment. As of the Latest Practicable Date, Boyan was owned as to 60.0% by Zhang Menglong (張夢龍) as its general partner and as to 40% by two individual limited partners who are Independent Third Parties. To the best knowledge of our Directors, having made all reasonable inquiries, there are no other past or present relationships between our Group and Boyan, its directors, partners, or senior management, or any of their respective associates, save for their investments in Pingtan Xingxu. As of the Latest Practicable Date, we had received 50% of the consideration, namely RMB31,305,000, while the remaining consideration shall be settled within 12 months of the date of the partnership interest transfer agreement pursuant to such agreement. The consideration shall be paid in two installments after arms length negotiation between our Group and Boyan, with reference to common market practice of payment by installments in similar transactions according to CIC. The remaining consideration shall be due in May 2024 pursuant to the terms of the partnership interest transfer agreement and a supplemental agreement dated June 1, 2023. To the best knowledge and information of our Directors, having made all reasonable inquiries, Boyan would have sufficient financial resources to settle the remaining consideration.

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The shareholding structure of Yoplait China immediately after its deconsolidation was as follows⁽¹⁾:



Note: Please refer to notes 1 to 4 in the shareholding structure chart of Yoplait China immediately before its deconsolidation in this section.

After the Corporate Actions in Yoplait China and Boyan's investment, Yoplait China ceased to be our subsidiary and remained as an associate measured at fair value of our Group since June 15, 2022 and up to the Latest Practicable Date. Accordingly, the historical operation of Yoplait China together with the gains on its deconsolidation were presented in our financial statements contained in this prospectus as a discontinued operation. The board composition of Yoplait China remained unchanged compared with that immediately before its deconsolidation. Immediately after the Yoplait Deconsolidation, our Group's shareholding in Yoplait China reduced from approximately 53.91% to 45.22%, and our Group's voting right in Yoplait China reduced from approximately 66.96% to 45.22%. See Note 4 *Critical Accounting Judgments and Key Sources of Estimation Uncertainty* and Note 39 *Discontinued Operation of Mengtian Dairy Business and Yoplait China* to the Accountants' Report in Appendix I to this prospectus for further details. To the best knowledge of our Directors, there was no significant change in the business operations, financial performance and valuation of Yoplait China after its ceasing to be a subsidiary of the Company or otherwise as a result of the Corporate Actions in Yoplait China and Boyan's investment.

As far as we are concerned, the other shareholders of Yoplait China have taken into account various factors when agreeing to the aforesaid series of the Corporate Actions in Yoplait China after negotiation with the Group, including but not limited to the following: (i) such corporate actions would provide more flexibility for Yoplait China to pursue capital markets initiatives and facilitate exit opportunities for Yoplait China's shareholders in the long term; (ii) from the business operation perspective, ever since the Group's acquisition of controlling stake in Yoplait China in April 2019, Yoplait China had undergone gradual business

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development under the Group's control, and had been faced with an increasing demand for striking a balance between good corporate governance and effective business operation. Considering that the major business of Yoplait China is dairy business, while the Group as a financial investor (rather than industrial investor) is principally engaged in fund management and investment business, by taking those corporate actions (i.e. limiting the Group's right of appointment of directors in Yoplait China and unwinding the acting in concert arrangements among the other shareholders and our Group), the other shareholders (including Pingtan Xingxu and Tianjin Ruijun) could exercise decision-making autonomy and be actively and independently involved in the decision-making for Yoplait China's operation as an investor; and (iii) in particular, with respect to terminating the acting in concert arrangements in Yoplait China, in the context of having Boyan being introduced as Pingtan Xingxu's new general partner, it was commercially reasonable and necessary for Boyan to request the termination of Pingtan Xingxu's acting in concert arrangement with the Group in Yoplait China before Boyan's investing in Pingtan Xingxu such that Pingtan Xingxu can exercise its shareholder's voting power in its own discretion. Further, it was also Boyan's desire that the Group and Tianjin Ruijun would terminate their acting in concert arrangement, such that there would be no single largest shareholder group being able to control the majority voting of Yoplait China which would afford better protection to Pingtan Xingxu's interest as a minority shareholder. Meanwhile, Tianjin Ruijun, as a minority shareholder in Yoplait China seeking more actively and independently involving in the decision-making process, considered that it would benefit from such unwinding arrangement, therefore was willing to terminate the acting in concert arrangement with the Group. The PRC Legal Advisor is of the view that the aforesaid corporate actions are legal and proper. In view of the above, the other shareholders of Yoplait China agreed to the aforesaid series of corporate actions after negotiation with our Group. Save for the retrieval of minority shareholders' voting rights by Pingtan Xingxu and Tianjin Ruijun through termination of the acting in concert agreements, no shareholders of Yoplait China received any fees, benefits or compensation in this connection with the Corporate Actions in Yoplait China.

As confirmed by the PRC Legal Advisor, Yoplait China did not have any material non-compliance incident and was not involved in any material legal, regulatory, arbitral, or administrative proceedings, investigations or claims since the beginning of the Track Record Period and up to the date of its deconsolidation.

Uncompleted Transaction of Yoplait China

Yoplait China entered into a capital increase agreement in January 2022 and a supplemental agreement in March 2022 with its then existing shareholders and Investor B, an Independent Third Party, pursuant to which Investor B agreed to subscribe for 17.96% equity interest in Yoplait China. Investor B is an investment holding company incorporated as a limited liability company in the BVI. As of the Latest Practicable Date, this transaction had not yet completed due to Investor B's non-payment of the first instalment of the consideration (being RMB131.4 million) for 17.96% equity interest in Yoplait China, which should be due in April 2022 upon the satisfaction or waiver of conditions precedents pursuant to the capital increase agreement. Yoplait China has submitted an arbitration application against Investor B

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to the Shanghai International Economic and Trade Arbitration Commission (also known as the Shanghai International Arbitration Center) (the “SHIAC”) on July 6, 2022, and SHIAC has issued an acknowledgement of acceptance of the arbitration application on July 11, 2022. As of the Latest Practicable Date, the arbitration tribunal has held the first hearing of the case, and no arbitration award has been rendered.

Having considered the following factors, we are of the view that the non-payment of Investor B would not have material adverse effect on the business, results of operations and financial performance of Yoplait China and our Group.

From our Group’s perspective:

- (i) The non-payment of Investor B would not affect or reverse the outcome of Yoplait China’s deconsolidation from our Group as disclosed in “– Yoplait Deconsolidation” in this section. Thus, the historical operation of Yoplait China together with the gains on its deconsolidation would remain as discontinued operation in our Group’s financial statements, and Yoplait China would remain as an associate of our Group.
- (ii) No investment gains was ever recognized by our Group nor there was any other reflection in our Group’s financial statements upon entering into the capital increase agreement and the supplemental agreement with Investor B and the subsequent registration of Investor B as a shareholder of Yoplait China with the AMR. Therefore, there would be no material adverse financial impact on our Group despite Investor B’s non-payment.
- (iii) Our Group has made a large number of investments, while Yoplait China is only one of the various investments made by our Group. Our Group manages long-term volatility via portfolio and investment theme diversification and therefore, Investor B’s non-payment has no material adverse impact on our Group’s operation.

From the Yoplait China’s perspective:

- (i) Although Investor B is registered with AMR as a shareholder of Yoplait China, Investor B is not entitled to any shareholder’s rights due to its non-payment as advised by the PRC Legal Advisor, and thus it is not able to exercise any impact on Yoplait China’s operation in the capacity as shareholder.
- (ii) Yoplait China’s financial performance is largely associated with its business operation, which has not been materially adversely affected by Investor B’s non-payment. In fact, Yoplait China has maintained normal financial performance notwithstanding the non-payment by Investor B, and in particular, Yoplait China had adequate cash flow as of the Latest Practicable Date to support its business operation even Investor B did not make capital injection as expected.

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As confirmed by the PRC Legal Advisor, other than the transaction with Investor B which had not yet completed, all applicable regulatory approvals have been obtained for the above major acquisitions and deconsolidations during or after the Track Record Period and the acquisitions and deconsolidations disclosed above have been properly and legally completed in all material aspects. Save for the post-track record period acquisitions, Mengtian Deconsolidation and Yoplait Deconsolidation as disclosed above, we did not have any other major acquisition, deconsolidation or disposal during and after the Track Record Period and up to the Latest Practicable Date.

ESTABLISHMENT AND DEVELOPMENT OF OUR COMPANY

(1) Establishment of Our Company

On January 11, 2010, our Company was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB1,000,000, which was fully subscribed by cash by Mr. Wang, our then sole Shareholder, as of January 4, 2010. The shareholding structure of our Company upon establishment was as follows:

<u>Shareholder</u>	<u>Registered capital subscribed for</u>	<u>Corresponding equity interest in our Company</u>
	<i>(RMB)</i>	<i>(%)</i>
Mr. Wang	1,000,000	100
Total	1,000,000	100

(2) Major Shareholding Changes of Our Company Before Conversion into Joint Stock Limited Company

(a) First Capital Increase in December 2010

On December 13, 2010, our then sole Shareholder, Mr. Wang, resolved to increase the registered capital of our Company from RMB1,000,000 to RMB5,000,000, and Mr. Wang agreed to subscribe for the increased registered capital of RMB4,000,000 of our Company by cash. According to a capital verification report dated December 21, 2010, the increased registered capital of RMB4,000,000 had been fully paid by Mr. Wang as of December 21, 2010. The registration of such increase of registered capital with the Administration for Industry and Commerce was completed on December 22, 2010.

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Upon completion of the above capital increase, the shareholding structure of our Company was as follows:

Shareholder	Registered capital subscribed for	Corresponding equity interest in our Company
	(RMB)	(%)
Mr. Wang	5,000,000	100
Total	5,000,000	100

(b) Second Capital Increase in May 2015

On May 11, 2015, our then sole Shareholder, Mr. Wang, resolved to increase the registered capital of our Company from RMB5,000,000 to RMB350,000,000, and (i) Tiantu Xinghe agreed to invest RMB8,750,000 (representing approximately 2.5% of the increased registered capital) in our Company, (ii) Tiantu Xingzhi agreed to invest RMB8,750,000 (representing approximately 2.5% of the increased registered capital) in our Company, (iii) Mr. Feng Weidong (馮衛東) agreed to invest RMB7,000,000 (representing approximately 2.0% of the increased registered capital) in our Company, (iv) Mr. Yang Huisheng (楊輝生) agreed to invest RMB4,200,000 (representing approximately 1.2% of the increased registered capital) in our Company, (v) Ms. Liu Xing (劉星) agreed to invest RMB3,500,000 (representing approximately 1.0% of the increased registered capital) in our Company, (vi) Ms. Zou Yunli (鄒雲麗) agreed to invest RMB3,500,000 (representing approximately 1.0% of the increased registered capital) in our Company, (vii) Mr. Li Xiaoyi (李小毅) agreed to invest RMB3,500,000 (representing approximately 1.0% of the increased registered capital) in our Company, and (viii) Mr. Wang agreed to further invest RMB305,800,000 in our Company. According to a capital verification report dated July 10, 2015, the total registered capital of RMB350,000,000 after the above capital increase had been fully paid as of May 31, 2015.

Upon completion of the above capital increase, the shareholding structure of our Company was as follows:

Shareholders	Registered capital subscribed for	Corresponding equity interest in our Company
	(RMB)	(%)
Mr. Wang	310,800,000	88.8
Tiantu Xinghe ⁽¹⁾	8,750,000	2.5
Tiantu Xingzhi ⁽²⁾	8,750,000	2.5
Mr. Feng Weidong (馮衛東) ⁽³⁾	7,000,000	2.0

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Shareholders	Registered capital subscribed for	Corresponding equity interest in our Company
	(RMB)	(%)
Mr. Yang Huisheng (楊輝生) ⁽⁴⁾	4,200,000	1.2
Ms. Zou Yunli (鄒雲麗) ⁽³⁾	3,500,000	1.0
Mr. Li Xiaoyi (李小毅) ⁽³⁾	3,500,000	1.0
Ms. Liu Xing (劉星) ⁽⁵⁾	3,500,000	1.0
Total	350,000,000	100

Notes:

1. Tiantu Xinghe is our employee shareholding platform. See “– Employee Shareholding Platforms” in this section for further details.
2. Tiantu Xingzhi is our employee shareholding platform. See “– Employee Shareholding Platforms” in this section for further details.
3. Each of Mr. Feng Weidong (馮衛東), Ms. Zou Yunli (鄒雲麗) and Mr. Li Xiaoyi (李小毅) is our executive Director. See “Directors, Supervisors and Senior Management – Executive Directors” in this prospectus.
4. Mr. Yang Huisheng (楊輝生) is a former director and former vice general manager of our Company. As of the Latest Practicable Date, Mr. Yang Huisheng held 5,050,227 Shares, representing approximately 0.97% equity interest of our Company. As of the Latest Practicable Date, Mr. Yang did not hold any position in our Group.
5. Ms. Liu Xing (劉星) is the spouse of Mr. Zhu Zhiwei (朱志偉) (“**Mr. Zhu**”), who is an acquaintance of Mr. Wang and a former vice general manager of Tiantu Chuangye. As of the Latest Practicable Date, Ms. Liu Xing held 3,780,017 Shares, representing approximately 0.73% equity interest of our Company. As of the Latest Practicable Date, Mr. Zhu did not hold any position in our Group.

(3) 2015 Pre-NEEQ Listing Restructuring

As part of the reorganization in preparation for the Company’s listing on the NEEQ and for the primary purpose of optimizing our business structure and avoiding potential competition with our Controlling Shareholder, we conducted the 2015 Pre-NEEQ Listing Restructuring during May and June 2015 to consolidate four then RMB-denominated funds into our Group. For details of the Company’s listing on the NEEQ, see “– Establishment and Development of our Company – (5) Major Shareholding Changes after Conversion into a Joint Stock Limited Company – (a) 2015 September Allotment and Subsequent Listing on the NEEQ” in this section.

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Details of the 2015 Pre-NEEQ Listing Restructuring are as follows:

Name of the fund or its general partner	Date of relevant partnership/equity interest transfer agreement	Transferor	Transferee	Partnership/ equity interest subscribed for	Consideration (RMB)
Tiantu Xingrui	June 25, 2015	Tiantu Chuangye ⁽¹⁾	Our Company ⁽¹⁾	23.167%	8,873,814
Tiantu Xinghua	May 26, 2015	Tiantu Chuangye	Our Company	10.2%	98,634,000
	May 26, 2015	Mr. Wang		2.5%	24,175,000
	May 26, 2015	Tiantu Enterprise ⁽²⁾	Tiantu Capital Management Center ⁽²⁾	1.0%	9,670,000
Tiantu Xingsheng	May 22, 2015	Tiantu Chuangye	Our Company	16.3366%	64,039,599
	May 22, 2015	Our Company ⁽³⁾	Tiantu Capital Management Center ⁽³⁾	0.099%	388,112
Hangzhou Tiantu ⁽⁴⁾	May 6, 2015	Tiantu Chuangye	Our Company	90.0%	90,000,000

Notes:

- Pursuant to an entrusted investment management agreement entered into by Tiantu Xingrui and Tiantu Capital Management Center dated June 5, 2015, the fund manager of Tiantu Xingrui was changed from Tiantu Chuangye to Tiantu Capital Management Center.
- The general partner of Tiantu Xinghua was changed from Tiantu Enterprise to Tiantu Capital Management Center at the time of the 2015 Pre-NEEQ Listing Restructuring.
- The general partner of Tiantu Xingsheng was changed from our Company to Tiantu Capital Management Center at the time of the 2015 Pre-NEEQ Listing Restructuring.
- Hangzhou Tiantu was the general partner of Tiantu Xingsu, another then RMB-denominated fund at the time of the 2015 Pre-NEEQ Listing Restructuring.

The above considerations for the 2015 Pre-NEEQ Listing Restructuring were determined after the parties' arms' length negotiations with reference to the registered capital of the relevant entity, and had been fully settled. As a result of the 2015 Domestic Acquisition, we consolidated the four then RMB-denominated funds (namely Tiantu Xingrui, Tiantu Xingsheng, Tiantu Xinghua and Tiantu Xingsu) and became their fund manager, and Mr. Wang no longer owned any fund management business other than the interests in our Group. For details of our relationship with Mr. Wang, see "Relationship with our Controlling Shareholders" in this prospectus.

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After the 2015 Domestic Acquisition, the limited partners of Tiantu Xingrui, Tiantu Xingsheng, Tiantu Xinghua and Tiantu Xingsu subscribed for our Shares using their partnership/equity interest held in such RMB-denominated funds and became our Shareholders in September and November 2015. As a results, Tiantu Xingrui, Tiantu Xingsheng, Tiantu Xinghua and Tiantu Xingsu became our wholly owned subsidiaries that we used to make direct investments. See “– Establishment and Development of our Company – (5) Major Shareholding Changes after Conversion into a Joint Stock Limited Company – (a) 2015 September Allotment and Subsequent Listing on the NEEQ” and “– Establishment and Development of our Company – (5) Major Shareholding Changes after Conversion into a Joint Stock Limited Company – (b) 2015 November Allotment”. For details, see “Business – Direct Investments”.

(4) Conversion into Joint Stock Limited Company

In preparation of our application for listing on the NEEQ, and pursuant to shareholders’ resolutions dated June 30, 2015 and a promoters’ agreement dated June 30, 2015 entered into by all the then Shareholders, all promoters of our Company (being all the then eight Shareholders) agreed to convert our Company from a limited liability company into a joint stock limited company. According to an audit report of our Company prepared by Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) (德勤華永會計師事務所(特殊普通合夥)) dated July 30, 2015, the audited net assets value of our Company as of May 31, 2015 amounted to RMB358,671,890.51, among which (i) RMB350,000,000 was converted into 350,000,000 Shares with a nominal value of RMB1.0 each, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company before the conversion; and (ii) the remaining amount of RMB8,671,890.51 was recorded as capital reserves of our Company. The conversion was completed on July 22, 2015 when our Company obtained a new business license and was renamed as Tian Tu Capital Co., Ltd. (深圳市天圖投資管理股份有限公司).

(5) Major Shareholding Changes after Conversion into a Joint Stock Limited Company

(a) 2015 September Allotment and Subsequent Listing on the NEEQ

To improve the brand awareness and corporate governance of our Company as well as to expand our financial resources, our then Shareholders resolved to apply for the listing of our Shares on the NEEQ in 2015.

On September 15, 2015, in order to increase the number of Shares available for trading by market makers on the NEEQ and improve the liquidity for certain holders of partnership/equity interests in the funds under our management, our then Shareholders resolved to issue and allot 117,387,036 Shares (the “**2015 September Allotment**”) to (i) two pre-existing Shareholders, namely Mr. Yang Huisheng and Ms. Liu Xing, (ii) a pre-existing limited partner of Tiantu Xinghe, namely Ms. Ma Muqing (馬牧青), and (iii) 97 new Shareholders (each being a limited partner/shareholder of our then RMB-denominated funds namely Tiantu Xinghang, Tiantu Xingrui, Tiantu Xingsheng,

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Tiantu Xinghua and Tiantu Xingsu (as the case may be)), at the issue price of RMB22.8571 per Share, which was determined with reference to, among other things, the scale of assets under our management, our competitive position in the industry, our future potential growth and the valuation of our Company after arm's length negotiation. Pursuant to the respective underlying agreements, Mr. Yang Huisheng, Ms. Liu Xing, Ms. Ma Muqing and the other 97 new Shareholders subscribed for the Shares using the partnership/equity interest they held in five then RMB-denominated funds under our management, namely Tiantu Xinghang, Tiantu Xingrui, Tiantu Xingsheng, Tiantu Xinghua and Tiantu Xingsu (as the case may be), the valuation of which was based on the net assets of such funds as of May 31, 2015. Based on a capital verification report dated October 9, 2015, our Company had received the aforesaid partnership/equity interest priced at RMB2,683,127,220.56 as consideration as of October 9, 2015.

Immediately upon completion of the 2015 September Allotment, our Company had a total of 106 Shareholders, and the shareholding structure of our Company was as follows:

<u>Shareholders</u>	<u>Registered capital subscribed for</u> <i>(RMB)</i>	<u>Corresponding equity interest in our Company</u> <i>(%)</i>
Mr. Wang	310,800,000	66.50
Tiantu Xinghe	8,750,000	1.87
Tiantu Xingzhi	8,750,000	1.87
Mr. Feng Weidong (馮衛東)	7,000,000	1.50
Mr. Yang Huisheng (楊輝生)	4,731,392	1.01
Ms. Liu Xing (劉星)	4,386,292	0.94
Ms. Zou Yunli (鄒雲麗)	3,500,000	0.75
Mr. Li Xiaoyi (李小毅)	3,500,000	0.75
Other 98 Shareholders on the NEEQ ⁽¹⁾	115,969,352	24.81
Total	467,387,036	100

Note:

1. Apart from Mr. Wang, Tiantu Xinghe, Tiantu Xingzhi, Mr. Feng Weidong, Ms. Zou Yunli, Mr. Li Xiaoyi, Mr. Yang Huisheng and Ms. Liu Xing, there were 98 other Shareholders on the NEEQ immediately upon completion of the 2015 September Allotment. To the best knowledge of our Directors, save for Ms. Ma Muqing, who was a supervisor of our Company at the time of the 2015 September Allotment, all the other Shareholders on the NEEQ are Independent Third Parties.

On October 9, 2015, our Company received approval for listing of its Shares on the NEEQ. On November 16, 2015, all issued Shares of our Company were listed on the NEEQ under the stock code of 833979.

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(b) 2015 November Allotment

On November 26, 2015, our then Shareholders resolved to issue and allot a total of 52,386,074 Shares to Paladin and Hunan Huajian Industrial Co., Ltd. (湖南華劍實業有限公司) (“**Hunan Huajian**”) at an issue price of RMB22.8571 per Share (the “**2015 November Allotment**”), which was determined after arm’s length negotiation with reference to the issue price per Share in the 2015 September Allotment. Amongst the 52,386,074 issued shares, (i) Paladin subscribed for 51,977,311 Shares at a total consideration of RMB1,188,050,595.26, which was fully settled by Paladin by cash on December 1, 2015; and (ii) Hunan Huajian subscribed for 408,763 Shares at the total consideration of RMB9,343,136.77, which was settled by Hunan Huajian by transferring 1.0% partnership interests held by Hunan Huajian in one of our RMB-denominated funds, namely Tiantu Xinghua, with reference to the total valuation of RMB9,345,108.07 for such partnership interests as of May 31, 2015 determined pursuant to a valuation report issued by an Independent Third Party valuer. According to a capital verification report issued by Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) (德勤華永會計師事務所(特殊普通合夥)) dated December 2, 2015, the consideration for 2015 November Allotment had been fully settled by Paladin and Hunan Huajian as of December 1, 2015.

In connection with the 2015 November Allotment, our registered capital increased from RMB467,387,036 to RMB519,773,110 on January 13, 2016. Immediately upon completion of various share transfers on the NEEQ and the 2015 November Allotment, the Company had a total of 140 Shareholders, and the shareholding structure of our Company was as follows:

Shareholders	Number of Shares	Corresponding equity interest in our Company (%)
Mr. Wang	310,800,000	59.80 ⁽¹⁾
Paladin ⁽¹⁾	51,977,311	10.00 ⁽²⁾
Tiantu Xinghe	8,750,000	1.68
Tiantu Xingzhi	8,750,000	1.68
Mr. Feng Weidong (馮衛東)	7,000,000	1.35
Mr. Yang Huisheng (楊輝生)	4,731,392	0.91
Ms. Zou Yunli (鄒雲麗)	3,500,000	0.67
Mr. Li Xiaoyi (李小毅)	3,500,000	0.67
Hunan Huajian ⁽²⁾	408,763	0.08
Other Shareholders on the NEEQ	120,355,644	23.16
Total	519,773,110	100

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

1. Subsequent to the 2015 November Allotment, the shareholding of Paladin in our Company increased from approximately 10.00% immediately after the 2015 November Allotment to approximately 15.06% as of the Latest Practicable Date due to the 2020 Voluntary Transfer and certain share transfer by Paladin on the NEEQ. For details of the 2020 Voluntary Transfer, see “Establishment and Development of our Company – (5) Major Shareholding Changes after Conversion into a Joint Stock Limited Company – (c) 2020 Voluntary Transfer” in this section. Paladin is a limited partnership established in the PRC on July 10, 2015. Paladin is principally engaged in the asset management business. As of the Latest Practicable Date, Paladin was held as to approximately 0.245% by Guangzhou Yingrui Capital Management Co., Ltd. (廣州市盈睿資本管理有限公司) as its executive partner and approximately 99.755% by certain limited partners, including our non-executive Director, Mr. Dai Yongbo, who held approximately 0.096% partnership interest in Paladin as of the Latest Practicable Date. To the best knowledge of our Directors, save for Mr. Dai Yongbo, the ultimate beneficial owners of Paladin are Independent Third Parties.
2. Hunan Huajian is a limited liability company incorporated in the PRC on August 14, 2006. It is principally engaged in tourism and real estate development. To the best knowledge of our Directors, Hunan Huajian and its ultimate beneficial owners are Independent Third Parties. As of the Latest Practicable Date, Hunan Huajian did not hold any Shares in our Company.

(c) 2020 Voluntary Transfer

Subsequent to the 2015 November Allotment, (i) the overall NEEQ market faced the liquidity challenge, and (ii) the Company’s Shares listed on the NEEQ had a relatively low stock price of approximately RMB8.0 per Share as at December 31, 2019, as compared to the price per Share of RMB22.8571 in the 2015 September Allotment and the 2015 November Allotment, which Mr. Wang considered undermined the investors’ confidence. As disclosed in the Company’s NEEQ announcements, in May 2020, in order to support other shareholders of our Company and to reinforce investors’ confidence for the sake of long-term favorable development of the Company, Mr. Wang, as the controlling shareholder, voluntarily transferred 101,051,780 Shares (the “**2020 Voluntary Transfer**”) to 243 shareholders (the “**Transferees**”) on equal terms and conditions at nil consideration. Such Transferees include all the then shareholders on the NEEQ other than several shareholders who did not accept the offer for such transfer, Tiantu Xingzhi, Tiantu Xinghe, Mr. Feng Weidong, Ms. Zou Yunli and Mr. Li Xiaoyi. In particular, to make sure that each Transferee would be treated equally, the 2020 Voluntary Transfer was conducted on a pro rata basis in accordance with the then shareholding of each of the Transferees, such that Mr. Wang made no preferential treatment to any of them. The 2020 Voluntary Transfer was Mr. Wang’s personal decision to dispose of his property.

As a result of the 2020 Voluntary Transfer, the number of Shares directly held by Mr. Wang reduced from 310,800,000 Shares (representing approximately 59.80% equity interest in our Company immediately prior to the 2020 Voluntary Transfer) to 209,748,220 Shares (representing approximately 40.35% equity interest in our Company immediately after the 2020 Voluntary Transfer and up to the Latest Practicable Date). To the best knowledge of our Directors, save for Paladin to whom Mr. Wang transferred 29,349,187 Shares and several other connected persons of our Company in the 2020 Voluntary Transfer, the Transferees and their ultimate beneficial owners (where applicable), are Independent Third Parties.

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Immediately after completion of the 2020 Voluntary Transfer, the shareholding structure of our Company was as follows:

Shareholders	Registered capital subscribed for	Corresponding equity interest in our Company
	(RMB)	(%)
Mr. Wang	209,748,220	40.35
Paladin	78,264,498	15.06
Tiantu Xinghe	8,750,000	1.68
Tiantu Xingzhi	8,750,000	1.68
Mr. Feng Weidong (馮衛東)	7,000,000	1.35
Mr. Yang Huisheng (楊輝生)	5,050,227	0.97
Ms. Zou Yunli (鄒雲麗)	3,500,000	0.67
Mr. Li Xiaoyi (李小毅)	3,500,000	0.67
Other Shareholders on the NEEQ	195,210,165	37.56
Total	519,773,110	100

The below table sets out summaries of certain principal terms of the 2015 September Allotment, the 2015 November Allotment and the 2020 Voluntary Transfer:

Allotment	Date of Shareholders' resolutions	Latest date of full settlement of consideration/ completion	Number of Shares subscribed/ transferred	Aggregate consideration ⁽¹⁾	Price per Share	Discount/ premium to mid-point Offer Price
				(RMB)	(RMB)	(approximate)
2015 September Allotment	September 15, 2015	October 9, 2015	117,387,036	2,683,127,221	22.8571	189.81%
2015 November Allotment	November 26, 2015	December 1, 2015	52,386,074	1,197,393,732	22.8571	189.81%
2020 Voluntary Transfer	N/A	May 6, 2020	101,051,780	Nil	Nil	N/A

Note:

1. Calculated by multiplying the subscription price per Share by the number of Shares immediately before the subscription.

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Our Company confirms that none of the 2015 September Allotment, the 2015 November Allotment and the 2020 Voluntary Transfer provided such subscribers/Transferees with any special rights as set out in the Stock Exchange's Guidance Letter GL43-12 (namely, rights to price adjustment, divestments, appointment or nomination of director or other nomination, veto, financial compensation, exclusivity, information or right of first refusal and tag along). Save for 398,544 Shares which represent 75% of 531,392 Shares subscribed by Mr. Yang Huisheng in the 2015 September Allotment and 306,573 Shares which represent 75% of 408,763 Shares subscribed by Ms. Ma Muqing in the 2015 September Allotment, which were subject to certain lock-up arrangements pursuant to relevant PRC laws and regulations, none of the Shares subscribed/transferred under the 2015 September Allotment, the 2015 November Allotment or the 2020 Voluntary Transfer are subject to any lock-up arrangements. As of the Latest Practicable Date, the aforesaid lock-up arrangements on the Shares subscribed by Mr. Yang Huisheng and Ms. Ma Muqing in the 2015 September Allotment had been lifted.

During the Track Record Period and up to the Latest Practicable Date, save for the 2020 Voluntary Transfer disclosed above, there was no major change in the shareholding in our Company. As advised by the PRC Legal Advisor, our Company has completed the requisite approvals and registrations with the relevant governmental authorities in the PRC for all the above major shareholding changes.

EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of our employees and to incentivize them to further promote our development, Tiantu Xingzhi and Tiantu Xinghe were established in the PRC as our employee shareholding platforms.

Tiantu Xingzhi

Shenzhen Tiantu Xingzhi Investment Enterprise (Limited Partnership) (深圳天圖興智投資企業(有限合夥)), which was established in the PRC on May 6, 2015, is managed by its sole executive partner, Mr. Wang. As of the Latest Practicable Date, Tiantu Xingzhi was owned as to approximately 39.3% by Mr. Wang and as to approximately 60.7% by ten other employees/former employees of our Company as its limited partners, including but not limited to Mr. Pan Pan (潘攀) (our senior management) and Mr. Li Bikai (李必才) (our Board secretary).

Tiantu Xinghe

Shenzhen Tiantu Xinghe Investment Enterprise (Limited Partnership) (深圳天圖興和投資企業(有限合夥)), which was established in the PRC on May 6, 2015, is managed by its sole executive partner, Mr. Wang. As of the Latest Practicable Date, Tiantu Xinghe was owned as to approximately 4.3% by Mr. Wang and as to approximately 95.7% by 24 other employees/former employees of our Company as its limited partners, including but not limited to Mr. Feng Weidong (馮衛東) (our executive Director, general manager, chief financial officer and vice chairman of the Executive Committee), Mr. Tang Zhimin (湯志敏) (our chairman of the Supervisor Committee) and Mr. Li Kanglin (李康林) (our Supervisor).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

ISSUANCE OF NON-CONVERTIBLE BONDS

2017 Innovation and Entrepreneurship Bonds

The 2017 Innovation and Entrepreneurship Bonds comprised two tranches. On May 22, 2017, our Company completed the issuance of the first tranche of the 2017 Innovation and Entrepreneurship Bonds in the principal amount of RMB1.0 billion to qualified investors at the issue price equal to their face value. The term of the first tranche of the 2017 Innovation and Entrepreneurship Bonds was five years (subject to the Company's option to adjust the interest rate and the bondholder's sell-back option at the end of the third interest-bearing year) commencing from the issue date, with an initial annual interest rate of 6.5%, which was subsequently adjusted to 5.8% after the initial three years. The first tranche of the 2017 Innovation and Entrepreneurship Bonds had been fully repaid on May 23, 2022 using the proceeds of the 2022 First Corporate Bonds as well as our internal resources.

On October 24, 2017, our Company completed the issuance of the second tranche of the 2017 Innovation and Entrepreneurship Bonds in the principal amount of RMB0.8 billion to qualified investors at the issue price equal to their face value. The term of the second tranche of the 2017 Innovation and Entrepreneurship Bonds is five years (subject to the Company's option to adjust the interest rate and the bondholder's sell-back option at the end of the third interest-bearing year) commencing from the issue date, with an initial annual interest rate of 6.0%, which was subsequently adjusted to 5.8% after the initial three years. The second tranche of the 2017 Innovation and Entrepreneurship Bonds were redeemed by the Company in October 2022 using self-owned capital and the proceeds of the 2022 Second Corporate Bonds.

2022 First Corporate Bonds

On May 5, 2022, our Company issued the 2022 First Corporate Bonds in the total principal amount of RMB0.5 billion to qualified investors at the issue price equal to their face value, and there are two types of bonds in the 2022 First Corporate Bonds. The first type has a term of three years (subject to the Company's option to adjust the interest rate and the investor's sell-back option at the end of the second interest-bearing year) commencing from the issue date, with the principal amount of RMB0.2 billion at an annual interest rate of 4.27%. The second type has a term of five years (subject to the Company's option to adjust the interest rate and the investor's sell-back option at the end of the third interest-bearing year) commencing from the issue date, with the principal amount of RMB0.3 billion at an annual interest rate of 4.99%.

2022 Second Corporate Bonds

On October 19, 2022, our Company issued the 2022 Second Corporate Bonds in the total principal amount of RMB0.5 billion to qualified investors at the issue price equal to their face value. The 2022 Second Corporate bonds have a term of three years commencing from the issue date, with an annual interest rate of 5.0%.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

REASONS FOR THE LISTING ON THE STOCK EXCHANGE

Our Shares are currently listed on the NEEQ. We are seeking a listing of our H Shares on the Stock Exchange in order to utilize the overseas financing platform to enhance our competitive strengths and raise capital for our business development, advance our international strategies and further expand our capital structure. For further details, see “Future Plans and Use of Proceeds” and “Business” in this prospectus.

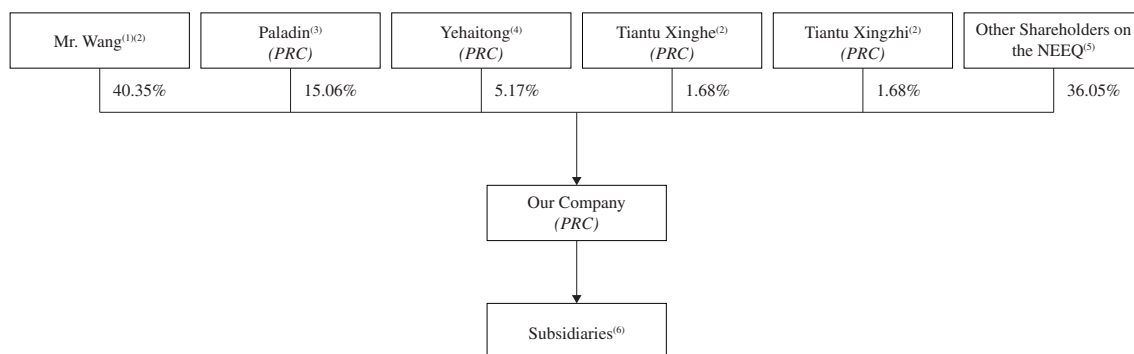
Our Directors confirm that we have not experienced any material non-compliance of the rules and requirements of NEEQ (in respect of our Shares that are listed on NEEQ) or the Shanghai Stock Exchange (in respect of the 2017 Innovation and Entrepreneurship Bonds, the 2022 First Corporate Bonds and the 2022 Second Corporate Bonds) from the commencement of their respective listing on the NEEQ or Shanghai Stock Exchange (as the case may be) and up to the Latest Practicable Date.

As advised by our PRC Legal Advisor, we had not been subject to administrative penalty, administrative supervision measures or self-regulatory measures by the NEEQ or the Shanghai Stock Exchange or other competent securities regulatory authorities from the commencement of listing on the NEEQ or Shanghai Stock Exchange (as the case may be) and up to the Latest Practicable Date.

CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE GLOBAL OFFERING

As of the Latest Practicable Date, our Company had in aggregate 370 Shareholders, of which 325 were individual Shareholders and 45 were corporate Shareholders. All of these Shareholders are holders of Shares that are listed on NEEQ. For further details on our substantial Shareholders, see “Substantial Shareholders” in this prospectus. To the best knowledge of our Directors, save for the relationship between Mr. Wang and Tiantu Xinghe/Tiantu Xingzhi as disclosed in this prospectus, there are no relationships amongst our substantial Shareholders.

The chart below sets out the simplified shareholding structure of our Group immediately before completion of the Global Offering:



HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

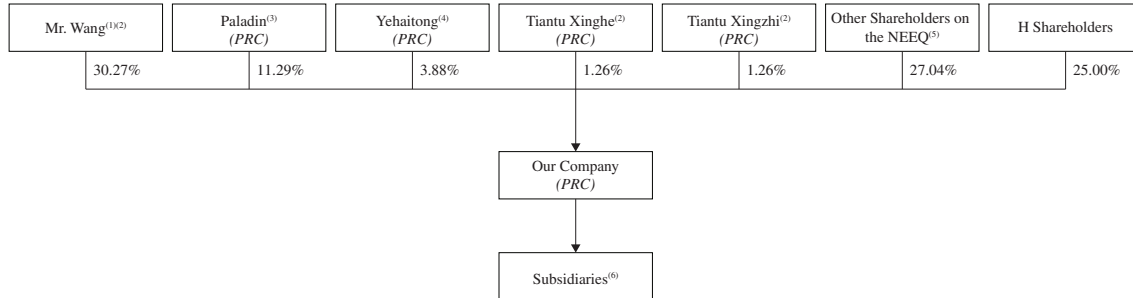
Notes:

1. A total of 209,170,000 Shares held by Mr. Wang have been pledged to third party financial institutions as counter-guarantee for our repayment obligations underlying the 2022 First Corporate Bonds and the 2022 Second Corporate Bonds. Such share pledges provided by Mr. Wang are expected to be released before or immediately upon the Listing.
2. Tiantu Xinghe and Tiantu Xingzhi are our employee shareholding platforms. Mr. Wang is the sole executive partner of Tiantu Xinghe and Tiantu Xingzhi, and therefore is able to control the exercise of voting rights attached to the Shares held by Tiantu Xinghe and Tiantu Xingzhi. Mr. Wang also held approximately 39.3% partnership interest in Tiantu Xingzhi and approximately 4.3% partnership interest in Tiantu Xinghe, respectively. See “– Employee Shareholding Platforms” in this section for further details.
3. Paladin is a limited partnership established in the PRC on July 10, 2015. Paladin is principally engaged in the asset management business. As of the Latest Practicable Date, Paladin was held as to approximately 0.245% by Guangzhou Yingrui Capital Management Co., Ltd. (廣州市盈睿資本管理有限公司) as its executive partner and as to approximately 99.755% by certain limited partners, including our non-executive Director, Mr. Dai Yongbo, who held approximately 0.096% partnership interest in Paladin as of the Latest Practicable Date. To the best knowledge of our Directors, save for Mr. Dai Yongbo, the ultimate beneficial owners of Paladin are Independent Third Parties.
4. Shenzhen Yehaitong Investment Development Co., Ltd. (深圳市業海通投資發展有限公司) (“**Yehaitong**”) is a limited liability company incorporated in the PRC on January 3, 2000. It is principally engaged in enterprise management consulting and investment management. As of the Latest Practicable Date, Yehaitong held 26,881,139 Shares. To the best knowledge of our Directors, Yehaitong and its ultimate beneficial owners are Independent Third Parties.
5. As of the Latest Practicable Date, such other Shareholders on the NEEQ include 324 individual Shareholders and 41 corporate Shareholders. To the best knowledge of our Directors, save for (i) Mr. Feng Weidong, Ms. Zou Yunli and Mr. Li Xiaoyi, our executive Directors, (ii) Mr. Tang Zhimin and Mr. Di Zhe, our Supervisors, and (iii) four other connected persons of our Company, each being an immediate family member or family member of a Director or Supervisor, ((i)-(iii) collectively held approximately 2.83% equity interest in our Company), all such other Shareholders on the NEEQ are Independent Third Parties.
6. Due to our business nature, we made a large volume of investments in our ordinary course of business, including both direct investments and investments made by funds under management. In order to deploy various investment strategies, better classify different investments (e.g. in terms of different investment size and investment focus etc.) and enable flexible management of our investment portfolios, we set up many subsidiaries to accomplish our investment objectives. Our subsidiaries can be generally categorized into three major types, including (i) investment holding companies, (ii) funds (mostly in the form of limited partnership structures), and (iii) general partners and/or fund managers of funds. As of the Latest Practicable Date, we have 66 subsidiaries, 11 of which are identified as our Major Subsidiaries. For further details of our subsidiaries, please refer to Note 49 of the Accountants’ Report as set out in Appendix I to this prospectus.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE GLOBAL OFFERING

The chart below sets out the simplified shareholding structure of our Group immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised):



Note: Please refer to notes 1 to 6 in the paragraph headed “Corporate Structure Immediately Before Completion of the Global Offering” in this section.

Our Shares listed on the NEEQ are not counted towards our public float for the purpose of Rule 8.08 of the Listing Rules.

BUSINESS

OVERVIEW

Tiantu is a leading private equity investor and fund manager committed to driving the growth of Chinese consumer brands and companies. We manage capital for institutional investors and high-net-worth individuals, and make investments through our funds under management and directly using our own capital.

We manage capital mainly through our funds. As of March 31, 2023, our funds contributed RMB20.4 billion out of our total assets under management (“AUM”) of RMB25.5 billion. We managed eight Renminbi-denominated funds and three U.S. dollar-denominated funds as of March 31, 2023, and launched three new Renminbi-denominated funds after the Track Record Period and up to the Latest Practicable Date. These funds are financed with a mix of capital raised from external investors and our own capital. As of March 31, 2023, external capital represented 82.0% of the total committed capital for our managed funds, which was raised from 98 fund investors, while we contributed 18.0% with our own capital in our capacity as a general partner or as a limited partner. Our fund investors consist primarily of institutional investors, including renowned multinational corporations and financial institutions, government guiding funds, and high-net-worth individuals. In addition to our managed funds, we also manage our own capital and make direct investments to seek optimal returns. As of March 31, 2023, RMB5.1 billion of our total AUM was under direct investments. We receive fund management fees and carried interest from our managed funds, and also recognize investment gains as we make investments with our own capital.

Our endeavor and commitment trace back to 2002, when our chairman Mr. Wang founded our predecessor. We were the first consumer-focused investment firm in China according to CIC, and have been specializing in investments in the consumer industry for more than a decade. In a survey of over a hundred entrepreneurs in the consumer business conducted by CIC, over 80% of them think of Tiantu as a “consumer focused investment expert,” and approximately 56% of them believe we help with the upgrading of consumer brands in China. According to CIC, the number of our investment projects in China’s consumer industry from 2020 to 2022 ranked no. 3 among all private equity investors after Tencent Investment and Sequoia China, and ranked no. 1 among all consumer-focused private equity firms over the same period; our AUM as of December 31, 2022 ranked 130+ among more than 7,000 private equity investors in China, including private equity investment arm of conglomerates, multinational corporations and state-owned financial institutions, and no. 2 among more than 20 consumer-focused private equity firms in China.

We see the golden era of China’s consumer industry right at the horizon. China’s consumer industry increased from RMB43.8 trillion in 2017 to RMB55.7 trillion in 2022 at a CAGR of 4.9%, and it is expected to reach RMB77.0 trillion in 2027 with a CAGR of 6.7% from 2022 to 2027 according to CIC. Within the overall massive consumption industry, the new consumption sector has shown especially strong growth momentum, growing at a CAGR of 15.3% from 2017 to reach RMB10.8 trillion in 2022 and is projected to further rise at a CAGR of 15.7% to reach RMB22.5 trillion in 2027 according to the same source. Benefiting from the maturing supply chain, ample supply of talent, and ever-growing consumer confidence of the new generations, Chinese brands and companies, especially emerging new brands, have been quickly gaining market share in China.

BUSINESS

Across every wave of rising brands, capital has consistently been an important catalyst that drives growth, incubating rising consumer brands out of their initial capital constraints and bringing widely desired services and products to people on a large scale. Along with the growth of Chinese consumer brands and companies, the volume of private equity investments in this specific area increased at a CAGR of 7.3% from 2017 to 2021, reaching RMB217.5 billion in 2021. In 2022, the volume of private equity investments in China's consumer industry declined to RMB95.1 billion mainly because under tough market situations, consumer companies with sufficient cash were less active in seeking external fund raising. In early 2023, China's consumption market has shown a trend of strong rebound, with improving investor sentiment and market conditions. Further driven by the rising middle class, consumption upgrade and favorable policy support, the volume of private equity investments in China's consumer industry is expected to further grow at a CAGR of 19.9% from 2022 to 2027, according to CIC.

We emerged and prospered during this strong industry tailwind and transformative decades. With about 20 years of expertise in understanding consumer brands, entrepreneurship, organization and consumers, we have delivered a consistent track record of identifying great companies, ahead of their time. For example, we invested in Zhou Hei Ya (周黑鴨) when few major investors were investing in casual food; in Nayuki (奈雪的茶) when it had only 16 stores; and became one of the largest early financial investors in Xiaohongshu (小紅書).

We prudently manage the pace of our expansion according to our judgement of investment opportunities, with the goal of maximizing the returns of our investments through our management funds and through direct investments. While managing a solid pool of capital has been the foundation of our business, we make investments primarily to achieve strong returns, by exploring and seeking to invest in corporates and entrepreneurs that carry the spirit of the time.

We receive fund management fees and carried interest from our managed funds. We also recognize investment gains as we make investments with our own capital. The funds under our management realized an average IRR of 16.2%, 17.8%, 28.2%, 16.0% and 16.0% as of January 1, 2020, December 31, 2020, 2021 and 2022 and March 31, 2023, respectively. For our continuing operations, we recorded total revenue and net investment gains or losses of RMB1,195.2 million in 2020, RMB495.2 million in 2021 and RMB423.2 million in 2022. For the three months ended March 31, 2023, our revenue and net investment gains or losses from continuing operations amounted to negative RMB193.9 million. We recorded net profit of RMB1,057.9 million, RMB719.8 million and RMB532.9 million in 2020, 2021 and 2022, including one-off gains from the deconsolidation of Mengtian Dairy in 2021 and Yoplait China in 2022, which represent the fair value gains on deemed loss of control over them. We recorded a net loss of RMB80.9 million for the three months ended March 31, 2023.

OUR STRENGTHS**Leading Private Equity Investor and Fund Manager Driving the Growth of China's Consumer Brands and Companies**

We were the first consumer-focused private equity investor and investment manager in China according to CIC and have been specializing in investments in the consumer industry for more than a decade. According to CIC, the number of our investment projects in China's consumer industry from 2020 to 2022 ranked no. 3 among all private equity investors, and ranked no. 1 among all consumer-focused private equity firms over the same period. Among 222 portfolio companies we had invested into up to March 31, 2023, 23 of them had reached a valuation of US\$1 billion at that date. Our total AUM, including those in the funds under our management and our direct investments, reached RMB25.5 billion as of the same date. Our AUM as of December 31, 2022 ranked 130+ among more than 7,000 private equity investors in China, including private equity investment arm of conglomerates, multinational corporations and state-owned financial institutions, and no. 2 among more than 20 consumer-focused private equity firms in China. Our long-standing commitment to China's consumer sector and strong track record have attracted recognition and acclaim in the industry: in a survey of over a hundred entrepreneurs in the consumer business conducted by CIC, over 80% of them think of Tiantu as a "consumer focused investment expert," and approximately 56% of them believe we help with the upgrading of consumer brands in China.

We have consistently invested in and nurtured over 60 leaders in their respective verticals, and approximately 35% of our portfolio companies had doubled their valuation since we made our investment as of March 31, 2023. Since 2016, we have managed to unlock value through public listings of eleven portfolio companies, including Zhou Hei Ya (周黑鴨), China Feihe (中國飛鶴), Nayuki (奈雪的茶), ATRenew (萬物新生) and Pagoda (百果園), and a further four had publicly announced their IPO plans or filed a listing application as of the Latest Practicable Date.

Well-Positioned to Capture the Industry Opportunities of China's Consumption and Investment Industry

China's consumer industry market size increased from RMB43.8 trillion in 2017 to RMB55.7 trillion in 2022 at a CAGR of 4.9%, and it is expected to reach RMB77.0 trillion in 2027 with a CAGR of 6.7% from 2022 to 2027 according to CIC. We are excited to see several strong tailwinds in the consumer industry in China during the past few decades, including increasing consumption upgrades of the rising middle class, the new tastes of a new generation of consumers, and new ways of consumption such as those driven by new technologies or new lifestyle events. Catering to these changes and riding on the maturing supply chains in China, new brands have continuously risen and rapidly won market share. As an important catalyst to fuel the growth of new ventures in the consumer industry, private equity investment institutions

in China also grew rapidly from RMB1.8 trillion in 2017 to RMB2.2 trillion in 2022 as measured by funds raised. Proven to be a trustworthy partner and faithful supporter to great entrepreneurs, we believe we are on the top of entrepreneurs' list when they seek capital to finance their growth.

It takes a combination of great ideas and execution to create a great brand that survives and thrives across economic cycles, and it calls for deep insight and long-term patience from investors to identify such brands among hundreds of others. That is why the investor community is well aware of the risks that come hand-in-hand with the opportunities in the fast-evolving consumer industry, with many promising brands and concepts failing to achieve their expected potential. We started investing in China's consumer industry in the early 2000s and have developed a well-balanced and diversified portfolio which includes many industry leaders and brands we believe have strong potential. As of March 31, 2023, we had cumulatively invested in 180 companies across various verticals in the consumer space, with 121 of them that we had initially invested in series A or earlier rounds and 82 of which we had a combined shareholding of 10% or more as of March 31, 2023. We believe this well-balanced portfolio diversifies our risks and therefore brings about higher certainty of our overall returns. Our experience in the industry across multiple verticals positions us well to capture the industry opportunities of China's consumption and investment industry.

20 Years of Insight and Understanding Into Brands, Entrepreneurs, Organizations and Consumers

By constantly reviewing and reflecting on the success factors of winners across cycles, while also learning from the challenges faced by others, we have accumulated deep insights into the consumer industry, which we believe have allowed us to identify next-generation leaders ahead of industry trends. In the past decade, we have successfully invested in iconic companies across different facets of the consumer industry, at early stages of their development, such as Zhou Hei Ya (周黑鴨) and Nayuki (奈雪的茶).

We believe that our strong track record is a result of our scientific and structured framework for analyzing potential investments, covering analysis of demand, branding, technological catalysts, channel and other aspects. Such framework has also been distilled into two books, *Positioning Upgrade (升級定位)* and *The Age of New Consumption (新消費時代)*, benefiting a wide reader pool, including our portfolio companies.

Beyond that, we believe the artistic and humane aspects of our accumulated knowledge are equally important, if not more. We are dedicated to identifying entrepreneurs that carry the spirit of the time, which we start with our VISIBLE (visionary, integrity, sharing, innovative, branding, learning, execution) model to assess. By believing in entrepreneurs and actively following their serial start-up efforts, we have managed to invest in successful opportunities, such as WonderLab, at their angel or early rounds of financing, which typically yield higher returns compared with later stage investments in the same company.

BUSINESS

We also provide opportunities to bring the great minds of leading and promising entrepreneurs together and provide them with opportunities to inspire each other. For instance, we regularly organize the Consumer Brand Camp (磨刀會) which we began in 2013, and have since assisted around 300 brands in total to prepare for the next stage of their growth. The camp is intended as a forum for entrepreneurs, including those of our investee companies, to share, collaborate, and inspire the development of the next blockbuster products, services or business model.

Finally and just as importantly, we truly understand that the success of consumer businesses comes down to the understanding of consumer needs and behaviors. Through our 180 portfolio companies in the consumer industry, we have developed a strong understanding of Chinese consumers across all walks of life, including GenZ+ consumers. With that we derive first-hand information that helps us to accumulate consumer insights to identify the next wave of consumption trends.

Long-Term Dedicated Risk Management Systems

Since our establishment, we have fostered a dedicated risk management culture and system within Tiantu, which we believe is strategically critical in enabling our long-term success. On top of the thorough due diligence exercise we conduct before making any investment, and our conventional investment committee decision making process, we have established what we believe is a unique dissenter mechanism, whereby a senior investment professional on our team is assigned as the dissenter, who is mandated to challenge the investment thesis from a commercial perspective. This ensures that our investment committee members receive balanced views of the investment opportunity to form a comprehensive understanding of the potential investment opportunity and helps to manage the inherent risks in early and late-stage investments. Additionally, to limit our exposure to a certain company or vertical, we seek to make investments under diversified investment themes and approaches.

With all these efforts in risk management, none of our funds was in cumulative loss as of June 30, 2023. We have also won the trust of renowned multi-national corporations and leading insurance companies such as Nestle and Greatwall Life, which seek to engage more experienced and talented investment managers that demonstrate stability and consistency in generating returns. Meanwhile, our ability to invest in the funds with our own capital makes us more resilient to changes in market cycles and macro conditions, as our contributions to the funds could demonstrate our confidence, help us to attract and secure high quality fund investors by aligning our interests with theirs and facilitate our fund raising process.

Our Talent Retention and Visionary Leadership That Strongly Support the Longevity of Our Business

We believe that our people and the culture they carry are the fundamental drivers of our success. We enjoy the benefit of a team of talents with high dedication, consisting of 51 investment and operation professionals as of the Latest Practicable Date. We aim to align each investment professional's compensation with the returns of their projects to best incentivize them. Our team's annual turnover rate was about 8% during the Track Record Period, which is significantly lower than the industry average according to CIC, and our senior management team have an average tenure of over 10 years at Tiantu.

BUSINESS

Our chairman of the board, Mr. Wang Yonghua, and our general manager, Mr. Feng Weidong, are both widely respected figures in the private equity investment industry in China. Mr. Wang was the fund manager of one of the first regulated investment funds in China, with an AUM of RMB2 billion. He served as the general manager of the fund management department of China Southern Securities Co., Ltd. (南方證券股份有限公司), and the general manager of both the fund investment department and market research department of China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司) before he made the visionary move to found Tiantu two decades ago. His experience and insight in investment helped China Southern Securities Co., Ltd. and then Tiantu to navigate across multiple economic cycles in the past three decades. Mr. Feng received his MBA degree from Tsinghua University in 2000. Mr. Feng has been repeatedly recognized as a top 100 private equity investor in China, by various institutions including Hurun and Forbes.

STRATEGIES

Continue To Strengthen Our Leading Position in Investments in China's Consumer Industry and Expand Into Other Selected Areas of Investments

We are committed to maintaining and strengthening our leading position and reputation as a private equity investor and fund manager focusing on China's consumer industry, especially with respect to early-stage investments in consumer companies in China.

Our investments currently cover a variety of sectors in the consumer industry. As technology advances and consumption patterns evolve, we expect new opportunities to arise for both entrepreneurs and investors. We are seeking and will continue to seek opportunities through our managed funds and our direct investments in consumer-driven sectors that are directly related to evolving lifestyles, including but not limited to healthcare, AI and biotechnology, which we believe will become the next fast growing sectors.

Continue To Empower Chinese Consumer Companies Through Strategic M&A

We will also pay close attention to late-stage companies and explore valuable investment opportunities for our managed funds and our direct investments through strategic M&A, such as buyout investments, to capitalize on opportunities presented by established late-stage companies in China. In addition, as our portfolio companies progress to growth or later stages, we expect them to likely capitalize on their industry insights to seek opportunities for business combinations to expand their own business presence. We intend to collaborate with those industry leaders in our portfolio to strategically pursue M&A opportunities together with them.

BUSINESS

Explore Flexible Investment Strategies and Products, and Expand Our Presence Into Various Stages of Investment Projects With Varying Needs

As our portfolio companies grow, their capital needs also evolve. While historically we have focused on equity investments, we will also actively explore investments through different kinds of financial instruments, structures and approaches in response to our portfolio companies' needs, such as convertible debts and mezzanine capital.

Continue To Attract, Motivate and Retain High-Quality Talent

We believe that our talented investment team is key to our success. We plan to recruit more experienced and talented individuals to expand our talent pool and lay the foundation for our business expansion. We will continue to provide our employees with professional training, clear career paths and diversified career development opportunities to motivate and retain talent. In particular, we plan to identify and develop outstanding young professionals through a variety of talent development programs.

OUR PRINCIPAL BUSINESS

We are a leading private equity investor and fund manager specializing in the consumer sector in China. We manage capital for institutional investors and high-net-worth individuals and also make investments using our own capital. Our AUM had grown at a CAGR of 19.5% from December 31, 2015 to December 31, 2022. Our AUM was RMB20.2 billion, RMB20.2 billion, RMB24.9 billion and RMB25.1 billion, with 121, 147, 178 and 187 investee companies in our portfolio as of January 1, 2020, and December 31, 2020, 2021 and 2022, respectively. As of March 31, 2023, our AUM was RMB25.5 billion, including RMB20.4 billion managed through funds and RMB5.1 billion under direct investments. Meanwhile, we had 187 investee companies in our portfolio as of March 31, 2023, 149 of which were invested by our funds.

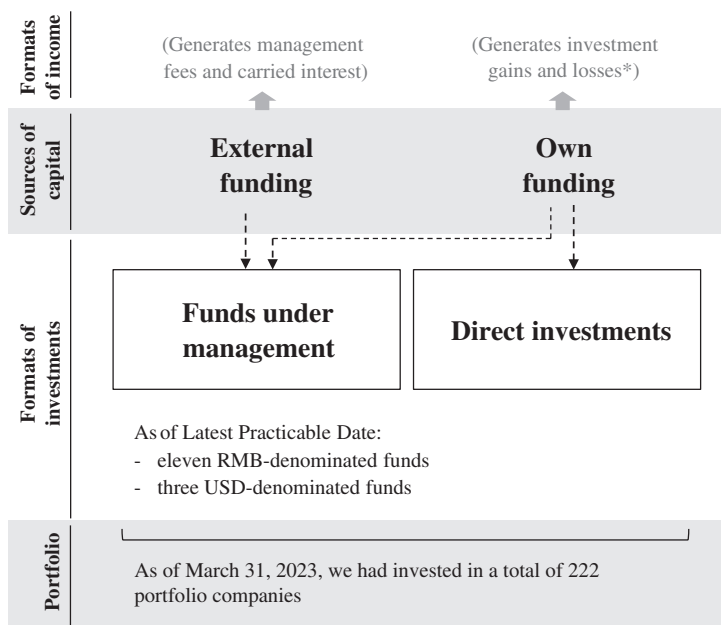
We manage capital and make investments primarily through our funds. As of the Latest Practicable Date, we managed eleven Renminbi-denominated funds and three U.S. dollar-denominated funds. As of March 31, 2023, external investors contributed 82.0% of the total committed capital of our managed funds, while we contributed 18.0% with our own capital. We generally launch and manage funds through wholly-owned subsidiaries and receive fund management fees and carried interest. Fund management fees are generally charged as a percentage, typically 2% each year, of (i) committed capital during the investment period, and (ii) committed or paid-in capital minus cost of exited investments after the investment period. Cost of exited investments refers to the initial investment amount of projects that we have already exited. Carried interest is generally charged as a percentage, typically 20%, of the realized gains when the gain exceeds certain hurdle rates. The average IRR of our funds was 16.0% as of March 31, 2023. For further details, please see “– Income From Our Fund Management and Investments – Revenue From Managing External Capital” in this section.

BUSINESS

In addition, we invest our own capital both through investments in these funds under management and through direct investments. We recognize investment gains and losses as we make investments with our own capital.

The description of our business and performance in this prospectus covers both funds under management and our direct investments, unless stated otherwise.

The following chart illustrates the overall structure of our private equity investment business, our sources of capital and formats of investments:



* A portion of our investment gains and losses from unconsolidated funds are recognized as “share of results of associates” or “share of results of joint ventures”. For further details, see “Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income – Continuing Operations – Share of Results of Associates, Share of Results of Joint Ventures” in this prospectus.

As of March 31, 2023, we had invested in a total of 222 portfolio companies, which included 180 in the consumer sectors covering food & beverage, clothing, healthcare and others, and 42 companies in other industries such as biotech and technology industries. In particular, our investments include early and late stage investments in a large number of successful consumer brands and companies, such as Zhou Hei Ya (周黑鴨), China Feihe (中國飛鶴), Nayuki (奈雪的茶), Xiaohongshu (小紅書), CYYS (茶顏悅色), ATRenew (萬物新生) and Pagoda (百果園).

For further information about our investment strategies and portfolio companies, please see “– Investment Strategies,” “– Investment Approach,” “– Our Funds” and “– Portfolio Companies” in this section.

BUSINESS

The following table sets forth a breakdown of our revenue and income from private equity investment business for the periods indicated.

	For the years ended December 31,			Three Months Ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from private equity investment business ⁽¹⁾	38,602	34,823	45,983	8,491	12,442
Investment gains or losses, net	1,156,557	460,408	377,234	(195,600)	(206,349)
– Subtotal	1,195,159	495,231	423,217	(187,109)	(193,907)
Share of results of associates and joint ventures ⁽²⁾	77,774	411,992	(29,228)	37,654	158,036
Total	1,272,933	907,223	393,989	(149,455)	(35,871)

Notes:

- (1) Only represents management fees from unconsolidated funds under our management, which does not include management fees from our consolidated funds that were eliminated on consolidation in our financial statements. For details, see “– Income From Our Fund Management and Investments – Revenue From Managing External Capital” in this section.
- (2) Represents investment gains from our unconsolidated entities, mainly funds under management, measured using equity method accounting.

INVESTMENT STRATEGIES

We have a proven track record of investing in the consumer industry in China, which covers: (i) early-stage investments, and (ii) growth and late-stage investments.

Early-Stage Investments

We focus on identifying future industry leaders early in their development to capture opportunities for strong returns through early-stage investments. Identifying potential industry leaders is often challenging, especially in a fast-growing sector where multiple players compete intensively with rapid changes of market dynamics. Early-stage investments also carry higher inherent risks due to the investee companies’ early stage of development and as-yet unproven business concepts and therefore require particular industry experience and expertise. Successful startups can, however, grow exponentially with the right management, proper market positioning and capital support. We believe that our expertise and years of experience in consumer investments, deep understanding of industry trends, first-hand market intelligence

and extensive industry network, give us particular advantages in identifying and helping to develop industry leaders. Historically, our investment professionals have demonstrated a strong ability in identifying potential leaders, such as Nayuki (奈雪的茶), Pagoda (百果園) and Saturnbird Coffee (三頓半咖啡) in their respective early investment rounds. As of the Latest Practicable Date, we had nine funds under management focused on early-stage investments including eight RMB-denominated funds and one USD-denominated fund. Our direct investments also include early-stage investments. See “– Our Funds” and “– Direct Investments” in this section for further information.

Growth and Late-Stage Investments

Our growth and late-stage investments mainly target relatively mature companies in the consumer industry, with a preference for portfolio companies that ranked in the top three of their relevant sectors in China. Leveraging the extensive network and market insights of our experienced professionals, we have been able to source and capture a number of high-quality investment opportunities. We have invested in a number of companies with leading market positions and proven performance, such as China Feihe (中國飛鶴) and Xiaohongshu (小紅書), at their respective growth or late investment rounds. As of the Latest Practicable Date, we had five funds under management focused on growth and late-stage investments including three RMB-denominated funds and two USD-denominated funds. Our direct investments also include growth and late-stage investments. See “– Our Funds” and “– Direct Investments” in this section for further information.

While most of our historical investments were minority investments, we may also occasionally consider control transactions when suitable opportunities arise. Control transactions involve a different set of management capabilities and potentially yield more options for growth, repositioning and exit. For buyout investments, we mainly consider opportunities in selected sectors, such as dairy products, condiments, healthy beverages and casual snacks, as these sectors enjoy certain anti-cyclical traits and are less susceptible to the macro-economic fluctuations. We generally favor target companies with an adequate level of product differentiation, brand awareness, mature sales channels and quality talent pool. After investments, we will help recruit professional managers to participate in the daily operations and management of the relevant investee companies, and any major adjustment of business strategies or operations by such investees should be reported to our investment committee or risk control committee for consideration. Our professionals responsible for buyout projects aim to empower and support the growth of investee companies by leveraging their capabilities and resources in product development, business operations and brand building. Meanwhile, we pay close attention to exit opportunities throughout the terms of our investments, and seek to exit through IPO or M&A to realize returns. Relying on our deep understanding of the consumer industry, our broad network, the size of our capital pool and the depth of our transaction and financing expertise, we believe that we are favorably positioned to capture attractive buyout opportunities in the consumer industry.

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Along with our investment strategies, historically we acquired control in certain dairy businesses operated by Mengtian Dairy and Yoplait China as we noticed the development opportunities of the dairy business in China. Mengtian Dairy is mainly engaged in farming and production and sale of raw milk and milk beverages, while Yoplait China is primarily engaged in the production and sale of dairy products as of the Latest Practicable Date. We ceased to consolidate these two businesses in December 2021 and June 2022, respectively; but retained our investments in these businesses, recorded as our associates measured at fair value. For more details, please see “– Deconsolidated Investments (Dairy Business)” in this section.

INVESTMENT APPROACH

We were the first investment firm in China that focuses on investments in the consumer industry, according to CIC. We have established a solid research and investment system, and have established in-depth knowledge and experience in key areas, such as the growth trends, strategies and brand operations of consumer companies. Our systematic investment methodologies have been validated through our continuous investment practice. Our investment approach for selecting targets for direct investments is largely similar to that of our managed funds. The following are some of our key investment approaches:

Brand and Technology-Driven Approach

We prefer to invest in brand and technology-driven consumer companies with outstanding performance results and strong growth potential. The consumer industry includes a wide range of sectors covering many aspects of people’s daily lives, such as food and beverages, household products, lifestyle services, home and personal care, culture and entertainment, medical and health care, personal finance and others, and thus is a broad market. China is currently undergoing a consumption upgrade, and we believe that the consumer industry’s development prospects are promising despite recent headwinds, which we believe are short term in nature.

As consumption patterns evolve, we believe entrepreneurs in the consumer industry have come to agree on the importance of brand management. A strong brand is a core competence of consumer companies. Besides, technology is rapidly transforming our lives, resulting in the rise of numerous opportunities for entrepreneurs and investors. Thus, we also closely watch opportunities in technology-driven sectors such as AI and biotechnology that we believe have significant growth potential.

We have formed a comprehensive set of criteria for analyzing and selecting investment targets. We have summarized the winning factors of good consumer companies that we have identified and used them as principles in selecting subsequent investment targets. For example, we generally prefer industries with a large market size and high growth rate to those with a small market requiring more customer education. We also prioritize sectors without anticipated frequent regulatory changes.

Long-Term Commitment With Value Creation

We see China's consumer industry as entering its golden era. We are willing to make long-term commitments and incubate companies out of their initial capital constraints to drive their growth. Beyond capital, we leverage our expertise in the consumer sector to add value by offering insights and guidance on operational and management enhancements, M&A, refinancing and resource integration of our portfolio companies. We also organize activities, such as the Consumer Brand Camp (磨刀會), for consumer companies, including our own portfolio companies and other promising and well established consumer sector companies, to share ideas, integrate resources and build relationships. We typically invest to acquire 5% to 30% equity interests of a portfolio company, so that we are a significant shareholder, with board representation in our investee companies, allowing us to provide more value-added support to assist the rapid growth of the investee companies through our professional insights and industry resources.

Inflection Point Investment Approach

We seek to capture the inflection point or empower consumer companies we invest in to transition into their next high growth period. Investing at inflection points avoids both the long latency periods and high investment prices that may come with earlier or later investments, and allows the invested capital to drive immediate growth. We believe we have developed an effective methodology for identifying inflection points for a given company, as validated over the years. This methodology takes into consideration a comprehensive set of key drivers, such as specific sector trends, the competitive landscape, brand and operational strategies, as well as the management capabilities, governance structure and operational system of the relevant investee company.

We believe that the competition among investment management companies is fundamentally a competition of investment approach and capability. We focus primarily on investments in the consumer industry, conduct systematic research to develop our investment methodologies and strategies, and validate them through continuous investment practice. We believe that our systematic research and investment approaches have enabled us to invest more accurately in portfolio companies with high potential and to capture the inflection points when portfolio companies start their rapid growth and to effectively manage the inherent risks in our investments.

OUR FUNDS

We manage capital mainly through funds, which act as investment vehicles to accept capital commitment for investments. We generally act as the general partner and/or fund manager of our funds. Our funds contributed RMB20.4 billion out of our total AUM of RMB25.5 billion as of March 31, 2023. We managed eight Renminbi-denominated funds and three U.S. dollar-denominated funds as of March 31, 2023, and launched three new Renminbi-denominated funds after the Track Record Period and up to the Latest Practicable Date.

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The following table sets forth the key operating information of our funds as of March 31, 2023.

	Number of Funds	Committed		Contribution	Paid-in	Contribution	Initial investment year	Average IRR
		AUM ⁽¹⁾	capital ⁽²⁾	of our own capital to total committed capital ⁽³⁾	capital	of our own capital to total paid-in capital		
		<i>RMB billion</i>	<i>RMB billion</i>	<i>RMB billion</i>	<i>RMB billion</i>	<i>RMB billion</i>		
Consolidated Funds	6	11.0	9.6	1.8	8.8	1.7	/	12.6%
- RMB-denominated funds	4	8.0	7.3	1.0	6.6	1.0	2015 - 2021	10.6%
- USD-denominated funds	2	3.0	2.3	0.8	2.2	0.7	2018 - 2020	16.6%
Unconsolidated Funds	5	9.4	3.8	0.6	3.8	0.6	/	20.2%
- RMB-denominated funds	4	7.2	3.1	0.5	3.1	0.5	2017 - 2018	20.9%
- USD-denominated funds	1	2.2	0.8	0.1	0.8	0.1	2014	17.2%
Overall	11	20.4	13.5	2.4	12.6	2.3	/	16.0%

Notes:

- (1) Represents the assets managed under our funds, including the net asset value of assets managed by the fund manager or general partner, which is in fair value, and the capital that the fund's limited partners committed and the fund manager or general partner is entitled to call.
- (2) Represents the total committed capital managed under our funds in terms of cost.
- (3) Represents contribution of our own capital to the total committed capital of our managed funds in terms of cost.

Our funds are financed with a mix of capital raised from external investors and our own capital. As of March 31, 2023, out of the total committed capital of RMB13.5 billion, 82.0% comes from external capital and 18.0% comes from our own capital. Our fund investors mainly consist of institutional investors, including renowned multinational corporations and insurance companies, such as Nestle and Greatwall Life, and high-net-worth individuals. The number of our external fund investors increased from 86 as of December 31, 2020 to 98 as of March 31, 2023. We contributed more than 10% of the funds' capital for the majority of our funds as of the Latest Practicable Date. Some of our funds were consolidated to our Group in our financial

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statements pursuant to relevant accounting standards during the Track Record Period. See “Financial Information – Significant Accounting Policies and Critical Judgements and Estimates – Significant Accounting Policies – Presentation of Investment Performance in Financial Statements” for details of the accounting treatments of our different funds.

Investing Own Capital In Our Managed Funds

Strategy for investing own capital in the funds under management

We contributed a portion of capital of our managed funds mainly to facilitate the growth of our fund management business. Such capital contribution could help align our interests with those of external investors and to boost investor confidence while seeking optimal returns of our own capital. According to CIC, it is not uncommon that fund managers contribute a meaningful portion of capital in the funds under their management. We view our ability and flexibility in contributing own capital to the funds as one of our key competitive strengths given that it balances the goal to maximize return and to enlarge our asset management scale, and that it provides additional flexibility in extreme market conditions so as to ensure success of fundraising activities.

Internal policies and procedures for investing own capital in the funds under management

Based on the Terms of Reference for the Executive Committee, our capital contribution to the funds under management is subject to review and approval of the Executive Committee, a regular management body in charge of the operation and management of the Company. The Executive Committee currently consists of six members, mainly from our senior management team. Before a new fund is established, our business departments would submit a detailed proposal and report to the Executive Committee for its review and approval. The report will include the information of the proposed fund structure, fund size, fund life, capital contribution from external fund investors, investment strategies, profit distribution mechanisms, and management fee arrangements. The Executive Committee will consider various factors to evaluate the proposal, in particular the appropriateness of the fund positioning and investment strategies, as well as the associated potential benefits and risk exposures, and then make disciplined decisions on fund formation and our capital contribution in such fund in our capacity as a general partner or as a limited partner.

In terms of limits on the investment size using our own capital, our capital contribution in each individual fund cannot exceed 10% of our latest net assets unless approved by the Board, and cannot exceed 30% of our latest net assets unless approved by the Shareholders’ general meeting. As of March 31, 2023, we invested approximately RMB2.3 billion to our managed funds in the form of paid-in capital.

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Risk exposure of investing own capital in the funds under management

In connection with our capital contribution in the funds, the maximum risk exposure to potential losses in the investments under all of our consolidated and unconsolidated funds is the carrying amount measured at fair value of the portfolio companies held under the funds attributable to the Group's interest, which was RMB3.4 billion, or 19.4% of the Group's total assets as of March 31, 2023. The Directors are aware of the risk exposure in the business operations, and believe that the risk management framework in place can effectively monitor and control the risk exposure to be in line with the scale of the respective business opportunity. As a private equity investment firm, we have implemented a series of policies and procedures to govern both our funds and our direct investments, which could protect us from market adversities. For details of our risk management system, see the paragraphs headed “– Risk Management and Internal Control” in this section.

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The table below sets out a summary of our funds as of March 31, 2023:

Fund	Fund inception year	Fund life	Phase of fund ⁽¹⁾	Investment period	Post-investment period	Committed capital	Committed capital by the Group	Fund type	% Capital called	Uncalled capital ⁽¹¹⁾	Hurdle rate ⁽³⁾	Carried interest % ⁽⁴⁾	Invested amount ⁽⁶⁾	Realized cost ⁽⁷⁾	Remaining cost ⁽⁸⁾	Realized fair value ⁽⁹⁾	Remaining fair value ⁽¹⁰⁾	NAV ⁽¹¹⁾	
Funds focused on early-stage investments:																			
Tianru Xingzhou ⁽²⁾	2021	Seven years	Investment period	2021-2025	2025-2028	RMB1,140 million	RMB90 million	Consolidated	50%	RMB570 million	8% per annum	20% ⁽⁵⁾	RMB517 million	-	RMB517 million	RMB1 million	RMB59 million	RMB564 million	
Tianru VC USD Fund L.P.	2019	Ten years	Investment period	2020-2025	2025-2030	USD139 million	USD20 million	Consolidated	98%	USD3 million	8% per annum	20%	USD124 million	-	USD124 million	-	USD180 million	USD180 million	
Tianru Xingshen	2018	Eight years	Post-investment period	2018-2022	2022-2026	RMB500 million	RMB73 million	Consolidated	100%	-	-	20% ⁽⁵⁾	RMB430 million	RMB5 million	RMB425 million	RMB7 million	RMB699 million	RMB747 million	
Tianru Dongteng	2017	Eight years	Post-investment period	2017-2022	2022-2025	RMB1,200 million	RMB305 million	Non-consolidated	100%	-	8% per annum	20%	RMB1,091 million	RMB13 million	RMB1,078 million	RMB12 million	RMB4,766 million	RMB4,755 million	
Tangrenshen	2017	Eight years	Post-investment period	2017-2021	2021-2025	RMB571 million	RMB81 million	Non-consolidated	100%	-	8% per annum	20%	RMB505 million	RMB78 million	RMB327 million	RMB331 million	RMB947 million	RMB454 million	
Tianru Tianou ⁽¹²⁾	2016	Seven years	Post-investment period	2016-2020	2020-2023	RMB300 million	RMB15 million	Non-consolidated	100%	-	6% per annum	20%	RMB263 million	RMB4 million	RMB259 million	RMB38 million	RMB761 million	RMB803 million	
Funds focused on growth and late-stage investments:																			
Tianru Xingnan	2018	Seven years	Post-investment period	2018-2022	2022-2025	RMB1,000 million	RMB230 million	Non-consolidated	100%	-	8% per annum	20% ⁽⁵⁾	RMB760 million	RMB65 million	RMB696 million	RMB73 million	RMB1,096 million	RMB1,162 million	
Tianru China Consumer Fund II, L.P.	2018	Nine years	Post-investment period	2018-2023	2023-2027	USD200 million	USD10 million	Consolidated	91%	USD18 million	8% per annum	20%	USD173 million	-	USD173 million	-	USD244 million	USD243 million	
Tianru Xingpeng	2017	Seven years	Post-investment period	2017-2021	2021-2024	RMB2,660 million	RMB539 million	Consolidated	95%	RMB132 million	8% per annum	20% ⁽⁵⁾	RMB2,236 million	RMB27 million	RMB2,209 million	RMB75 million	RMB2,584 million	RMB2,720 million	
Tianru Xinghei	2015	Ten years	Post-investment period	2015-2018	2018-2025	RMB3,000 million	RMB399 million	Consolidated	100%	-	8% per annum	20%	RMB2,612 million	RMB45 million	RMB2,468 million	RMB309 million	RMB3,250 million	RMB3,384 million	
Tianru China Consumer Fund I, L.P.	2014	Ten years	Post-investment period	2014-2018	2018-2024	USD113 million	USD10 million	Non-consolidated	98%	USD2 million	8% per annum	20%	USD104 million	USD27 million	USD77 million	USD8 million	USD325 million	USD317 million	

Notes:

- (1) Represents the phase of the fund as of March 31, 2023. Our fund life can be divided into two phases: the investment period and the post-investment period. For details, see “– Income From Our Fund Management and Investments – Revenue From Managing External Capital” in this section.
- (2) Tiantu Xingzhou was in its fundraising stage as of March 31, 2023.
- (3) Hurdle rate represents the minimum rate of return on an investment for a given fund in order for the general partner to obtain carried interest.
- (4) Carried interest % represents the percentage of the fund’s profits that the general partners are entitled to provided that a hurdle rate of the fund has been achieved.
- (5) If the fund’s gains exceed three times of its paid-in capital, carried interest % for such excess gains would be 30%.
- (6) Represents the cumulative investment cost of the fund that has been invested in its portfolio companies.
- (7) Represents the initial investment amount in portfolio companies that the fund has fully or partially exited.
- (8) Refers to the invested amount of the fund minus its realized cost.
- (9) Refers to the cash received or realized by the fund from exit of investments and dividend distribution.
- (10) Refers to the fair value of all portfolio companies directly held under the fund and indirectly through holding vehicles.
- (11) AUM of a fund is calculated as the fund’s NAV plus uncalled capital. Uncalled capital is equal to committed capital minus capital called. NAV equals total assets minus total liabilities. Total assets mainly include financial assets measured at fair value and cash, and total liabilities mainly include accrued expenses such as management fee payables.
- (12) We are considering to extend the fund term of Tiantu Tiantou according to its partnership agreement.

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After March 31, 2023 and up to the Latest Practicable Date, we launched three new Renminbi-denominated funds focusing on early-stage investments in China's consumer industry, including a fund established in April 2023 with a committed capital of RMB60 million, a fund established in June 2023 with a committed capital of RMB100 million and a fund established in July 2023 with a committed capital of RMB175 million. The fund life of these funds ranges from five to seven years. As of the Latest Practicable Date, these new funds were in their fundraising stage and had not yet made any investment. Besides, we entered into a partnership agreement with external investors in August 2023 for the establishment of a new fund with a committed capital of RMB200 million. We are currently preparing for the establishment of this new fund according to the partnership agreement.

For our RMB-denominated funds, their general partners and fund manager were all incorporated in mainland China. Engagement in private equity funds in the PRC is subject to regulations by regulators including the CSRC and the AMAC. The registrations and approvals required to operate a RMB-denominated fund in China mainly include: (i) the registration of private fund managers with the AMAC and satisfaction of qualifications on executives; and (ii) filing of private funds. RMB-denominated funds should be duly filed or registered with the AMAC upon the completion of fundraising by fund managers. During fundraising and client acquisition, fund managers should conduct customer due diligence and market funds to qualified investors only. In terms of investment activities, a fund's investments should adhere to the investment scope, investment strategies and investment restrictions specified in its private fund contract, which should be filed with the AMAC as registration information. A fund's investment activities must also comply with applicable regulatory requirements, such as the Several Provisions on Strengthening the Regulation of Privately Offered Investment Funds (《關於加強私募投資基金監管的若干規定》) promulgated by the CSRC that sets out several restrictions on investment scope. Furthermore, when significant issues arise, such as changes in fund managers or de facto controller, material violations of laws, or material changes in fund contracts, fund managers must notify the AMAC. Fund managers should file interim and annual fund reports with the AMAC, along with other information subject to disclosure. For further information, see "Regulatory Overview – Laws and Regulations Relating to Our Group's Business and Operations in the PRC" in this prospectus and "– Sources of Capital and Fundraising – Client Acquisition" in this section.

All of our USD-denominated funds and their general partners were incorporated in Cayman Islands. Among our three USD-denominated funds, two are managed by their general partners in Cayman Islands, and one is managed by Tiantu Asset Management Company Limited, our subsidiary with type 9 license in Hong Kong. Each of our USD-denominated funds falls within the definition of a "private fund" under the Private Funds Act (Revised) ("PFA") and, accordingly, has been registered in accordance with the provisions of such law. Registration under the PFA entails the filing of prescribed details and audited accounts annually with the CIMA. However, such funds will not be subject to supervision in respect of their investment activities or the constitution of their portfolios by the CIMA or any other governmental authority in the Cayman Islands, although the CIMA does have power to investigate the activities of our USD-denominated funds in certain circumstances. As long as our USD-denominated funds are regulated as private funds under the PFA, they will be required

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to maintain certain operating conditions in the conduct of their business. For example, the general partner of such funds shall implement appropriate and consistent procedures for proper valuations of the assets of the funds, carry out valuations of assets on an appropriate frequency basis, and monitor the cash flows of such funds. In addition, when acquiring clients for our USD-denominated funds, we shall comply with the anti-money laundering and countering the financing of terrorism laws, regulations and guidance notes of the Cayman Islands. For details, see “Regulatory Overview – Laws and Regulations Relating to Our Group’s Business and Operations in Cayman Islands – Cayman Islands Anti-money Laundering” in this prospectus and “– Sources of Capital and Fundraising – Client Acquisition” in this section.

Tiantu Asset Management Company Limited, our subsidiary with type 9 license in Hong Kong, manages one of our USD-denominated funds. The business of asset management is subject to the SFO, its subsidiary legislations and the various codes and guidelines issued by the SFC, including the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission and the Fund Manager Code of Conduct. For example, a fund manager is required to keep the fund assets safeguarded and segregated from the assets of the fund manager and that of the fund manager’s other clients or affiliates. Further, when acquiring new clients, Tiantu Asset Management Company Limited shall comply with the various anti-money laundering and counter financing of terrorism legislations in Hong Kong. For details, see “Regulatory Overview – Laws and Regulations Relating to Our Group’s Business and Operations in Hong Kong” in this prospectus and “– Sources of Capital and Fundraising – Client Acquisition” in this section.

Fund Performance

The average IRR of our funds was 16.2%, 17.8%, 28.2%, 16.0% and 16.0% as of January 1, 2020, December 31, 2020, 2021 and 2022, and March 31, 2023, respectively. The following tables set forth certain performance information of these funds as of the dates indicated. Performance of funds that had made investments for less than one year as of each indicated date is not presented in the below table, as these funds had not started generated meaningful return yet:

	IRR	IRR for unrealized or partially realized portions	Net IRR	MOIC	DPI	TVPI
As of March 31, 2023						
Tiantu VC USD Fund I L.P.	20.9%	20.9%	17.8%	1.4x	–	1.3x
Tiantu Xingshen	27.7%	27.7%	24.1%	1.6x	–	1.5x
Tiantu Dongfeng	40.7%	40.8%	38.1%	4.4x	–	4.0x
Tangrenshen	10.3%	11.7%	8.3%	1.5x	58%	1.4x
Tiantu Tiantou	20.8%	20.8%	19.1%	3.0x	–	2.7x

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	IRR	IRR for unrealized or partially realized portions	Net IRR	MOIC	DPI	TVPI
Tiantu Xingnan	11.7%	11.7%	7.0%	1.5x	15%	1.3x
Tiantu China Consumer Fund II, L.P.	12.2%	12.2%	10.3%	1.4x	–	1.3x
Tiantu Xingpeng	4.0%	4.0%	1.4%	1.2x	–	1.1x
Tiantu Xingbei	5.3%	5.4%	3.4%	1.4x	8%	1.2x
Tiantu China Consumer Fund I, L.P.	17.2%	21.0%	16.2%	3.2x	7%	2.9x
Tiantu Xingzhou	5.3%	5.3%	(3.0%)	1.1x	–	1.0x
As of December 31, 2022						
Tiantu VC USD Fund I L.P.	25.2%	25.2%	21.7%	1.5x	–	1.4x
Tiantu Xingshen	23.2%	23.2%	19.2%	1.4x	–	1.3x
Tiantu Dongfeng	37.4%	37.6%	34.7%	3.6x	–	3.3x
Tangrenshen	11.0%	12.7%	8.9%	1.6x	58%	1.4x
Tiantu Tiantou	21.4%	21.4%	19.5%	3.0x	–	2.6x
Tiantu Xingnan	11.0%	11.0%	5.9%	1.5x	15%	1.3x
Tiantu China Consumer Fund II, L.P.	12.4%	12.4%	10.3%	1.4x	–	1.3x
Tiantu Xingpeng	4.1%	4.1%	1.9%	1.2x	–	1.1x
Tiantu Xingbei	5.8%	5.9%	3.8%	1.4x	7%	1.2x
Tiantu China Consumer Fund I, L.P.	17.1%	21.1%	16.1%	3.1x	7%	2.8x
Tiantu Xingzhou	7.2%	7.2%	0.4%	1.1x	–	1.0x
As of December 31, 2021						
Tiantu VC USD Fund I L.P.	78.4%	78.4%	72.5%	1.5x	–	1.5x
Tiantu Xingshen	38.1%	38.1%	32.6%	1.5x	–	1.2x
Tiantu Dongfeng	49.9%	49.9%	46.4%	3.5x	–	3.2x
Tangrenshen	13.6%	13.6%	11.7%	1.6x	33%	1.4x
Tiantu Tiantou	30.9%	30.9%	28.9%	3.5x	–	3.1x
Tiantu Xingnan	13.5%	13.5%	6.7%	1.4x	6%	1.2x
Tiantu China Consumer Fund II, L.P.	23.8%	23.8%	21.4%	1.5x	–	1.4x
Tiantu Xingpeng	5.7%	5.7%	3.5%	1.2x	–	1.1x
Tiantu Xingbei	8.0%	8.1%	5.5%	1.4x	6%	1.3x
Tiantu China Consumer Fund I, L.P.	20.1%	22.3%	18.9%	3.1x	6%	2.8x

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	IRR	IRR for unrealized or partially realized portions	Net IRR	MOIC	DPI	TVPI
As of December 31, 2020						
Tiantu Xingshen	35.3%	35.3%	26.3%	1.2x	–	1.1x
Tiantu Dongfeng	17.8%	17.8%	14.0%	1.4x	–	1.3x
Tangrenshen	10.7%	10.7%	7.6%	1.3x	2%	1.2x
Tiantu Tiantou	34.1%	34.1%	31.7%	2.9x	–	2.6x
Tiantu Xingnan	12.9%	12.9%	6.3%	1.2x	–	1.1x
Tiantu China Consumer Fund II, L.P.	15.8%	15.8%	12.4%	1.2x	–	1.1x
Tiantu Xingpeng	6.0%	6.0%	3.7%	1.1x	–	1.1x
Tiantu Xingbei	11.1%	11.1%	8.4%	1.5x	4%	1.4x
Tiantu China Consumer Fund I, L.P.	16.8%	16.9%	15.4%	2.2x	6%	2.1x
As of January 1, 2020						
Tiantu Dongfeng	11.2%	11.2%	6.6%	1.2x	–	1.1x
Tangrenshen	15.9%	15.9%	12.1%	1.3x	–	1.2x
Tiantu Tiantou	39.6%	39.6%	37.0%	2.4x	–	2.2x
Tiantu Xingnan	8.0%	8.0%	1.4%	1.1x	–	1.0x
Tiantu China Consumer Fund II, L.P.	14.5%	14.5%	10.3%	1.2x	–	1.1x
Tiantu Xingpeng	8.1%	8.1%	7.0%	1.1x	–	1.1x
Tiantu Xingbei	14.6%	14.6%	11.4%	1.5x	1%	1.4x
Tiantu China Consumer Fund I, L.P.	17.7%	17.8%	16.0%	2.0x	6%	1.8x

Tangrenshen, Tiantu Xingbei, Tiantu China Consumer Fund I, L.P. and Tiantu Dongfeng had fully exited and realized certain investments as of March 31, 2023. The following table sets forth their respective IRR for fully exited and realized portions as of the dates indicated:

	IRR for fully exited and realized portions				
	As of January 1,	As of December 31,			As of March 31,
	2020	2020	2021	2022	2023
Tangrenshen	N/A	N/A	N/A	5.6%	5.6%
Tiantu Xingbei	N/A	N/A	2.9%	2.9%	2.9%
Tiantu China Consumer Fund I, L.P. ⁽¹⁾	11.8%	11.8%	(60.5)%	(76.8)%	(76.8)%
Tiantu Dongfeng ⁽¹⁾	N/A	N/A	N/A	(47.7)%	(47.7)%

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Note:

- (1) The negative IRR for fully exited and realized portions was mainly due to the liquidation or disposal of a few investees that experienced particular difficulties in business operations or did not perform as expected. While we are generally cautious about exiting over unfavorable market conditions, we exited from these investments in 2021 and 2022 to cut loss after prudent evaluation. The rest of the portfolio remains high quality with promising potential of future value appreciation, including investments in industry leaders in their respective verticals, such as Nayuki (奈雪的茶), Pagoda (百果園) and Xiaohongshu (小紅書). The invested cost of such fully exited positions only accounted for 2.6% of the total NAV of these two funds as of March 31, 2023. For further details, see “– Investment Process and Arrangement – Our Investment Process – Post-Investment Management” and “– Investment Process and Arrangement – Our Investment Process – Exit From Investments” in this section.

If taking two indices that measure the stock price performance of public companies traded on the Hong Kong Stock Exchange in the consumer industry – the Wind Hong Kong Index (Consumer Discretionary) and the Wind Hong Kong Index (Consumer Staples) – as proxies, since the beginning of 2014 in which year we established the first of our existing funds, the two indices recorded annualized returns of 5.4% and 2.8% up to December 31, 2020, 0.2% and 0.3% up to December 31, 2021 and (2.6%) and (0.6%) up to December 31, 2022 and (2.4)% and (0.7)% up to March 31, 2023. As illustrated in the above tables, each of our funds had an IRR consistently above the aforesaid annualized returns of these indices during the Track Record Period. However, there is no index perfectly showing the performance of overall private equity investment in the consumer industry and it is cautioned not to place undue reliance by comparing the past performance of such indices and our funds given they are not strictly comparable as explained above.

We place a great emphasis on early-stage investments and are willing to invest a substantial amount to incubate high-quality consumer companies in their early stages in order to achieve high returns. The investment cycle for early-stage investments is typically long, and thus we have exited relatively few investments during the Track Record Period, although most of our unrealized investments are still of high quality with promising growth potential. As a result, the DPIs and realized fair value for our funds were relatively modest in comparison to our overall investment scale. For instance, Tiantu Tiantou, one of our funds, has not fully exited any of its investments as of March 31, 2023. However, portfolio companies of Tiantu Tiantou include high quality-consumer companies, such as Pagoda (百果園) and Nayuki (奈雪的茶), which we see great potential of future value appreciation and thus have not selected to exit. Therefore, we do not consider Tiantu Tiantou or any of our funds to have difficulty in exit of investments.

Over challenging market conditions, we have focused on supporting the business operations of portfolio companies. We evaluate exit opportunities and balance overall return and immediate liquidity for our limited partners and shareholders. While we actively seek alternative routes for potential monetization, we also look to retain long-term value of limited partners and shareholders.

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During the Track Record Period, we did not recognize any accrued carried interest as most of our funds were in their investment periods or early post-investment periods and have not achieved certain targeted threshold of realized gains to recognize carried interest pursuant to the relevant agreements. Out of our funds under management as of March 31, 2023, Tiantu China Consumer Fund I, L.P. had negative return in 2016; Tiantu Xingbei had negative return in 2021; and Tiantu Xingbei, Tiantu Xingpeng, Tiantu China Consumer Fund I, L.P., Tiantu China Consumer Fund II, L.P., Tiantu VC USD Fund I L.P., Tangrenshen and Tiantu Tiantou had negative return in 2022; and Tiantu Xingbei, Tiantu Xingpeng, Tiantu VC USD Fund I L.P., Tangrenshen and Tiantu Xingzhou had negative return in the first quarter of 2023. These negative returns were mainly due to stock price fluctuations in some listed investees, and the impact of certain investees that slowed down their business expansion. A newly established fund typically has costs only but no investment gains, and thus most of our funds recorded net losses in their first or second year since inception.

The following table sets forth a summary of the portfolio companies managed by our funds, including consolidated and unconsolidated funds but excluding the funds that have made investments for less than one year, sorted by fair value change since our investments as of March 31, 2023:

Projects	Investment cost	Fair value change⁽¹⁾	MOM⁽²⁾
	<i>RMB million</i>	<i>RMB million</i>	
Top 5% of all selected portfolio companies average ⁽³⁾	178.7	1,070.0	7.0x
Top 10% of all selected portfolio companies average ⁽³⁾	152.6	611.0	5.0x
Top 20% of all selected portfolio companies average ⁽³⁾	143.9	352.0	3.4x
All selected portfolio companies average ⁽³⁾	70.9	58.7	1.8x

Notes:

- (1) Represents the difference between fair value and investment cost.
- (2) Multiple of money (“MOM”) is calculated as average fair value divided by average remaining investment cost, which does not take into account realized portion of investments.
- (3) Represents a simple average for a selected group of portfolio companies, subject to rounding adjustments.

DIRECT INVESTMENTS

In addition to the consolidated and unconsolidated funds under our management, we also manage our own capital and make direct investments to seek optimal returns. Such investments, which are accounted for as financial assets at FVTPL and interests in associates measured at fair value, are made through holding vehicles, in most cases 100% controlled by us, by way of direct equity holding by our Company, and in certain cases through wholly owned limited partnerships.

For details of our wholly owned limited partnerships, see “History, Development and Corporate Structure – Establishment and Development of Our Company – (3) 2015 Pre-NEEQ Listing Restructuring” in the prospectus.

Investment Policies for Direct Investments

We make direct investments, mainly co-investments with our funds, when investment amounts exceed the funds’ investable capital or the optimal investment exposure of a single asset of our funds. In order to diversify investment risks, our funds generally invest no more than 20% of their respective committed capital in a single project. Examples of such direct investments include our investments in Xiaohongshu (小紅書), Pagoda (百果園) and Kuaikan (快看漫畫). To a lesser extent, we make direct investments (i) when an investment opportunity is promising but less suitable for the respective fund, and (ii) when the investment horizon of the relevant investment is beyond our funds’ term. The investment decisions for our funds and direct investments are made independently by their respective investment committees. The investment committees assess whether an investment opportunity is suitable to invest in after taking into account a number of factors, including their respective targeted industry sectors, the target company’s business and financial performance, fund raising rounds, and development prospects. All the investment opportunities will initially be introduced to our managed funds, and they will not be referred to our investment committee for direct investments unless conditions exist that restrict our managed funds from fully taking up the relevant investment opportunities. For further information, see “– Investment Process and Arrangement – Our Investment Process – Differences in Investment Process and Arrangements Between Direct Investments and Funds’ Investment” in this section.

As we see our direct investments as additional flexibility to our existing fund mandates to incorporate our long-term investment strategy and philosophy, we generally allow direct investments to have greater flexibility in terms of investment horizon and scale. According to CIC, it is common for private equity investment firms to develop direct investment business, and our investment policies and practice are generally in line with those of our peers.

With respect to the investment type, pursuant to our internal policies, we focus on minority equity investments in the consumer industry, including both early-stage and relatively mature companies across different facets of the consumer industry, such as food and beverages, lifestyle services, culture and entertainment and so on.

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In terms of the investment criteria, based on the Company's Investment Management Policies, we mainly consider the following factors when evaluating prospective opportunities for direct investments: (i) innovativeness, in particular, whether the target qualifies to be a trendsetter or first-mover in an upcoming industry; (ii) growth opportunity, such as operating in a sizable or fast expanding industry, having distinctive, strong and stable business growth drivers, and growing rapidly with financial indicators outperforming its peers; (iii) competitive barriers that have been formed or will be formed; (iv) uniqueness of resources, such as cutting-edge product development capabilities and strong shareholder support; (v) market position, such as the top three companies in an increasingly concentrated industry; (vi) the management team's competence; and (vii) attractiveness of valuation.

Regarding the limits on the size of investments, under the Articles of Association, any direct investment with an amount exceeding 10% of our latest net assets should be reviewed and approved by the Board, and any direct investment with an amount exceeding 30% of our latest net assets should be reviewed and approved by the Shareholders' general meeting. Upon Listing, we will perform size tests pursuant to Rule 14.07 of the Listing Rules for direct investments and comply with the requirements under Chapter 14 of the Listing Rules.

As a private equity investor and fund manager, we are willing to make long-term commitments and incubate high-quality companies out of their initial capital constraints to drive their growth, so that we could achieve high returns from value appreciation of investee companies as a result of their growth. Therefore, unlike secondary market funds, we pay more attention to the fundamentals, such as revenue and profitability potential, of investee companies, rather than tracking capital market volatility on a high frequency basis and making exit decisions solely for arbitrage opportunities derived from market conditions. We manage our long-term volatility via portfolio and investment theme diversification, as well as investing in quality companies through our rigorous investment screening process. We have also implemented a number of policies and measures to manage risks for investments, as detailed in the paragraphs headed "– Risk Management and Internal Control" in this section. Our investment agreements may also contain clauses to mitigate potential investment risks, such as redemption clauses, pre-emptive subscription right, liquidation preference and drag-along right. After making investments, we closely monitor the business operations and financial performance of our portfolio companies, and look for optimal exit opportunities in the market. In the event that any unanticipated significant situation occurs in a portfolio company, our deal team will immediately submit relevant information to our investment management department for timely consideration of measures to mitigate losses, if any. If we find, based on our research, the fundamentals of an investee deteriorate, we will consider to stop profit or loss in a timely manner. If the fundamentals of an investee are positive and we remain optimistic about the long-term growth of the investee, we will keep an eye on market dynamics and exit in conjunction with our capital needs to seek a better return.

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Impacts of Our Funds and Direct Investments on Our Business and Financial Performance

As of March 31, 2023, we had a total of RMB25.5 billion assets under management, including RMB20.4 billion managed through funds and RMB5.1 billion under direct investments.

We believe our direct investments enable us to establish and maintain long-term business relationships with selected companies to facilitate our business while allowing us to pursue optimal returns, and our co-investments alongside our funds further align our interests with the interests of our investors and thus enhance investor confidence.

As we invest our own capital to seed our managed funds and directly in projects, changes in fair value of portfolio companies held by our funds and through direct investments also result in our investment income. During the Track Record Period, our revenue and income from private equity investment business amounted to RMB1,272.9 million, RMB907.2 million, RMB394.0 million and negative RMB35.9 million in 2020, 2021 and 2022, and for the three months ended March 31, 2023, respectively, comprising fund management fees, net investment gains or losses and share of results of associates and joint ventures. The following table sets forth a breakdown of total revenue and income by our funds under management and direct investments for the periods indicated:

	For the years ended December 31,			For the three months ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fund management fee⁽¹⁾	38,602	34,823	45,983	8,491	12,442
Consolidated funds					
Investment income of consolidated funds – attributable to the Group ⁽²⁾	336,669	796,159	(400,659)	(226,215)	28,441
	202,729	230,336	(53,126)	(35,947)	40,201
Unconsolidated funds					
Investment income of unconsolidated funds – attributable to the Group ⁽³⁾	600,192	3,182,016	29,295	(79,361)	957,915
	69,458	469,228	19,473	41,823	165,934
Direct Investments					
Investment income from direct investments ⁽⁴⁾	962,143	172,836	381,659	(439,780)	(254,447)

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Notes:

- (1) Only represents management fees from unconsolidated funds under our management, which does not include management fees from our consolidated funds that were eliminated on consolidation in our financial statements. If adding back the fund management fees received from our consolidated funds, the gross fund management fees were RMB176.6 million, RMB166.2 million, RMB179.6 million, RMB46.5 million and RMB39.8 million in 2020, 2021 and 2022 and for the three months ended March 31, 2022 and 2023, respectively. For details, see the paragraph headed “– Income From Our Fund Management and Investments – Revenue From Managing External Capital” in this section.
- (2) The investment income of consolidated funds attributable to the Group’s interest for each period was recorded in investment gains or losses, net in the consolidated statements of profit or loss and other comprehensive income for the corresponding period.
- (3) The investment income of unconsolidated funds attributable to the Group’s interest for each period was mainly recorded in the share of results of associates and joint ventures in the consolidated statements of profit or loss and other comprehensive income for the corresponding period.
- (4) The investment income of direct investments for each period was mainly recorded in investment gains or losses, net in the consolidated statements of profit or loss and other comprehensive income for the corresponding period.

In 2020 and 2022, the portfolio companies held under direct investments had relatively higher fair value changes, primarily attributable to the value appreciation of certain portfolio companies following the completion of their IPO or private fund raising. As we made direct investments mostly through our 100% controlled subsidiaries while we contributed on average approximately 18.0% of committed capital of our funds under management, investment income attributable to the Group’s interest from direct investments are more sensible to value changes of the underlying portfolio companies, than from the investment income of our funds under management.

The following table sets forth the fair value of portfolio companies held under our funds and through direct investments, respectively, as of the dates indicated:

	As of December 31,			As of
	2020	2021	2022	March 31,
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Fair value of portfolio companies held under funds	12,819.7	18,117.7	18,513.6	19,300.7
– attributable to the Group’s interest	2,649.3	3,779.2	3,220.5	3,367.4
Fair value of portfolio companies held through direct investments	5,031.2	4,722.6	5,082.0	4,841.3

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During the Track Record Period, the fair value of portfolio companies held under our funds experienced a significant increase from RMB12.8 billion to RMB19.3 billion, while the fair value of our portfolio companies held through direct investments decreased slightly from RMB5.0 billion to RMB4.8 billion from December 31, 2020 to March 31, 2023. Meanwhile, the number of portfolio companies held through direct investments remained relatively stable at 56 as of December 31, 2020 and 54 as of March 31, 2023, whereas the number of portfolio companies of our funds increased from 106 as of December 31, 2020 to 149 as of March 31, 2023. Furthermore, we made new investments under our direct investments of approximately RMB483.9 million, RMB207.3 million, RMB2.5 million and RMB9.2 million in 2020, 2021 and 2022 and for the three months ended March 31, 2023. The new investments made under our direct investments are in a downward trend and accounted for approximately 18% of the new investments made under our funds and direct investments in total during the Track Record Period.

In the future, we anticipate that our fund management business will continue to grow into an increasingly dominant component of our business operations, while we expect the overall scale of our direct investments to remain stable and moderate.

Performance of Direct Investments

As of March 31, 2023, the IRR of our direct investments made during the Track Record Period was 14.8%.

As of January 1, 2020, December 31, 2020, 2021 and 2022 and March 31, 2023, the IRR of our direct investments was 7.4%, 7.9%, 7.6%, 8.2% and 7.7%, respectively. The following table sets forth the IRR for our direct investments by realized and unrealized portions as of the dates indicated:

	As of January 1,	As of December 31,			As of March 31,
	2020	2020	2021	2022	2023
IRR for fully exited and realized portions of direct investments	17.9%	17.3%	14.1%	17.2%	17.2%
IRR for unrealized or partially realized portions of direct investments	4.9%	5.4%	5.9%	5.1%	4.6%

As of March 31, 2023, the IRR for our direct investments was 7.7%, which was lower than the IRR for our direct investments made during the Track Record Period, mainly due to the following reasons. Before the Track Record Period, our direct investments explored to invest in certain new fields, such as fintech and Internet related companies, which subsequently did not deliver returns as we originally expected. During the Track Record Period, we decided to bolster on our strengths in the consumer sectors where we had made more successful investments. As a result, during the Track Record Period, our direct investments were more

concentrated on the consumer sectors where we have accumulated a wealth of experience, resulting in higher rates of return for our direct investments in recent years. In addition, as time element is factored in calculating IRR, the investments we made earlier inherently have a greater impact on the IRR compared to our recent investments during the Track Record Period.

Mechanism to Avoid Conflicts of Interest

We have internal policies and measures in place to avoid competition for investment opportunities and conflicts of interest between our managed funds and direct investments. We have completed the registration of private fund managers with the AMAC and have established a series of internal control policies involving risk management, investment management, conflicts of interest and others to prevent conflicts of interest in accordance with the applicable laws and regulations. Each of our managed funds has also established its internal control system by way of partner agreement, articles of association or other governing documents, including setting up relevant decision-making or supervisory bodies (such as investment committee, advisory committee, general meetings of partners, etc.), and stringent approval mechanisms for connected transactions and other matters that involve potential conflicts of interest.

In addition, our procedures in selecting investment opportunities can help avoid potential competition and conflicts of interest between our managed funds and direct investments. The investment professionals source investment opportunities for our managed funds in the investment period, conduct extensive research and preliminary assessment regarding whether each prospective investment meets our funds' screening criteria and investment strategies. Following initial screening, each of our funds in the investment period with investment scope covering the relevant investment type would assess whether the project is suitable for investment. Only when none of the investment committee of such funds decides to fully take up the relevant opportunity can we make a direct investment. In particular, the circumstances under which the funds would not fully take up the investment opportunity mainly include: (i) when the investment amount of a project exceeds the fund's investable capital or the fund's optimal investment exposure, (ii) when the investment opportunity is promising but not well suited under the current mandate of the fund, for example, being less suitable in terms of availability of capital under the funds, transaction timetable or other aspects, and (iii) when the investment horizon of the relevant investment is beyond the fund's term. As a result of this mechanism, when an investment opportunity arises, the priority is always given to the funds as we commit to providing attractive returns to our investors in the capacity as a fund manager, so as to avoid conflicts of interest.

Furthermore, we will not make direct investments in companies that compete directly with the portfolio companies under our managed funds. Historically, a small portion of our portfolio companies were invested only by our direct investments, and none of such portfolio companies compete directly with portfolio companies under our managed funds. The opportunity of investing in such portfolio companies was referred to the investment committee for our direct investments, as none of our funds decided to take up the investment opportunity due to the investment being less suitable for the funds in terms of transaction timetable, availability of capital under the funds or other aspects.

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We do not buy or sell investments in portfolio companies from or to our managed funds, save for in limited circumstances where we may use our own capital to initially secure investment opportunities for our funds, for example, while our funds are in fundraising stages, in which case we will subsequently transfer such investments to the funds at cost.

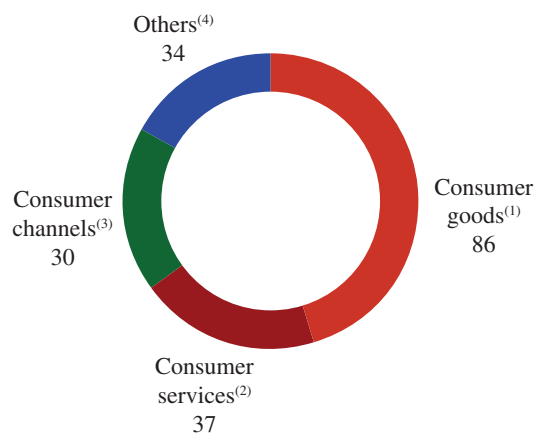
For further information of our investment process, including differences in investment process and arrangements between funds' investments and direct investments, see “– Investment Process and Arrangement” in this section. For details of our risk management for investments, see “– Risk Management and Internal Control” in this section.

PORTFOLIO COMPANIES

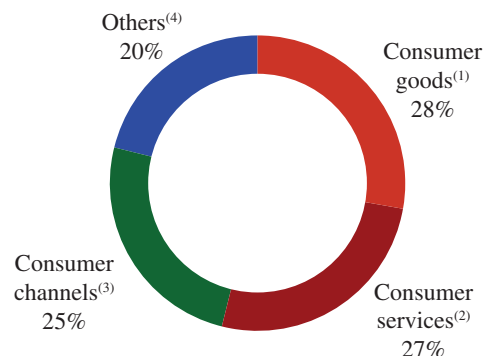
As of March 31, 2023, we had cumulatively invested in a total of 222 portfolio companies, including 180 companies in the consumer space, through the funds under our management and/or direct investments. As of the same date, our investments in 35 of these companies had been fully exited with an IRR of 15.1%, while the remaining 187 companies were still in our portfolio with our investments in 24 of them partially exited. From January 1, 2020 and up to March 31, 2023, we made investments in 100 portfolio companies, including 83 new portfolio companies and 17 existing portfolio companies.

As of March 31, 2023, 153 of our 187 existing portfolio companies are in the consumer industry, including consumer goods, consumer services, and consumer channels sectors, with the remaining 34 companies primarily in the biotech or technology industries. Consumer companies can be categorized into those providing consumer goods (e.g. Nayuki (奈雪的茶)), services for consumers (e.g. FlashEx (閃送)) and companies focusing on channels which help to deliver final consumer goods and services to the end users (e.g. ATRenew (萬物新生)), and accordingly, the consumer industry include consumer goods, consumer services and consumer channels sectors. The following charts illustrate our existing portfolio companies and invested capital by sector as of March 31, 2023.

Number of portfolio companies by sector



Invested capital by sector



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Notes:

- (1) Includes China Feihe (中國飛鶴), Nayuki (奈雪的茶), WonderLab, and other portfolio companies operating in the consumer goods sector.
- (2) Includes FlashEx (閃送), Xiaohongshu (小紅書) and other portfolio companies operating in the consumer services sector.
- (3) Includes ATRenew (萬物新生), Guoquan Shihui (鍋圈食匯), Pagoda (百果園) and other portfolio companies operating in the consumer channels sector.
- (4) Primarily includes companies operating in the biotech or technology industries.

Out of our 187 existing portfolio companies as of March 31, 2023, 149 were invested by our funds. The following table sets forth the number of portfolio companies invested by our funds and fair value of portfolio companies by industries as of March 31, 2023:

	Number of existing portfolio companies	Fair value under consolidated funds ⁽¹⁾	Fair value under unconsolidated funds ⁽¹⁾	Fair value under consolidated funds attributable to the Group's interest ⁽²⁾	Fair value under unconsolidated funds attributable to the Group's interest ⁽²⁾
		<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Consumer industry					
– Consumer goods	69	2,704.7	6,628.9	399.5	1,091.7
– Consumer services	30	2,557.1	2,290.9	849.5	208.6
– Consumer channels	26	2,447.1	386.3	483.9	33.3
– Sub-total	125	7,708.9	9,306.1	1,732.9	1,333.6
Others	24	2,285.8	–	301.0	–
Total	149	9,994.7	9,306.1	2,033.9	1,333.6

Notes:

- (1) Represents the sum of the valuation of each portfolio company multiplied by the relevant fund's shareholding in that portfolio company.
- (2) Represents the sum of the valuation of each portfolio company multiplied by the shareholding of the relevant fund in that portfolio company, multiplied by the Group's capital contribution percentage to the relevant fund.

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The following table sets forth the number of portfolio companies invested by our funds and fair value of portfolio companies by geographic locations as of March 31, 2023:

	Number of existing portfolio companies	Fair value under consolidated funds ⁽¹⁾	Fair value under unconsolidated funds ⁽¹⁾	Fair value under consolidated funds attributable to the Group's interest ⁽²⁾	Fair value under unconsolidated funds attributable to the Group's interest ⁽²⁾
		<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Mainland China	147	9,971.4	9,306.1	2,030.4	1,333.5
Others	2	23.2	–	3.4	–
Total	149	9,994.6	9,306.1	2,033.8	1,333.5

Notes:

- (1) Represents the sum of the valuation of each portfolio company multiplied by the relevant fund's shareholding in that portfolio company.
- (2) Represents the sum of the valuation of each portfolio company multiplied by the shareholding of the relevant fund in that portfolio company, multiplied by the Group's capital contribution percentage to the relevant fund.

We are the first consumer-focused investment firm in China according to CIC, generating first-mover advantages that we believe contributed to our strong reputation. In a survey of over a hundred entrepreneurs in the consumer business conducted by CIC, over 80% of them think of Tiantu as a “consumer focused investment expert,” and approximately 56% of them believe we help with the upgrading of consumer brands in China. We believe that our reputation and expertise enable us to gather various resources in the consumer industry and help us to secure high quality opportunities on better investment terms.

We have a proven track record of identifying great companies early in their development. For instance, we were the lead investor in Zhou Hei Ya (周黑鴨)'s first round financing in 2010. Six years after our initial investment, Zhou Hei Ya (周黑鴨) was listed on the Hong Kong Stock Exchange with its market value growing by over 20 times since our initial investment. Another example is Nayuki (奈雪的茶), a premium teahouse chain brand. We were the only institutional investor in Nayuki (奈雪的茶)'s earliest round of financing.

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The following table sets out selected investments made through our funds or through our direct investments. The portfolio companies in this table include (i) four prominent listed investees in terms of fair value attributable to the Group, (ii) one investee with announced IPO plan and high fair value attributable to the Group, (iii) five of our unlisted investees with high fair value attributable to the Group and/or rapid valuation growth as of March 31, 2023.

<u>Portfolio company</u>	<u>Description of the portfolio company</u>	<u>Year of initial investment</u>	<u>Listing venue</u>	<u>Stock code</u>
China Feihe (中國飛鶴)	A large-scale and highly recognized Chinese brand infant milk formula company	2019 prior to its IPO	SEHK	6186
Nayuki (奈雪的茶)	A leading premium modern teahouse chain brand in China serving freshly-made tea drinks	2017 at the earliest financing round	SEHK	2150
Pagoda (百果園)	A large-scale fruit chain enterprise integrating production, trade and retail that has several thousand chain stores in China	2015 as the earliest institutional investor	SEHK	2411
ATRenew (萬物新生)	The largest pre-owned consumer electronics transactions and services platform in China	2015 at series C financing round	NYSE	RERE
Xiaohongshu (小紅書)	A popular lifestyle platform in China that inspires users to discover and connect with a range of diverse lifestyles	2015 at series C financing round	N/A	N/A
CYYS (茶顏悦色)	A well-known teahouse brand in China with the theme of Chinese style	2018 at series A financing round	N/A	N/A

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<u>Portfolio company</u>	<u>Description of the portfolio company</u>	<u>Year of initial investment</u>	<u>Listing venue</u>	<u>Stock code</u>
Kuaikan (快看漫畫)	An online and mobile platform for comic artwork targeting young readers in China	2016 at series C financing round	N/A	N/A
WonderLab	A fast-growing brand offering meal replacement powder, probiotics, vitamins and dietary supplements	2019 at angel round	N/A	N/A
Saturnbird Coffee (三頓半咖啡)	A coffee brand that focuses on specialty coffee	2019 at series A financing round	N/A	N/A
Bama Tea (八馬茶業)	A well-known national chain brand covering all categories of teas	2012 as the earliest institutional investor	N/A	N/A

In addition to those in the above table, we invested in a number of portfolio companies that are well known in China, including among others, the following: Bao's Pastry (鮑師傅), BeBeBus, CalEx Tech (飛算科技), Dezhoupaji (德州扒雞), Distinct HealthCare (卓正醫療), Drooling Baby (寶寶餓了), FlashEx (閃送), Guoquan Shihui (鍋圈食匯), igrow (愛果樂), Jiangxiaobai (江小白), LAN (蘭), SmallRig, VSPO, YHKT Entertainment (藝畫開天), Yoplait China, ZDEER (左點) and Ziroom (自如).

Some of our portfolio companies are subject to foreign ownership restrictions in China and they are held either by our managed funds, including USD-denominated funds and RMB-denominated funds, or through direct investments. We invested in VIE structures constructed by such portfolio companies, which structures enable foreign investment in Chinese-based companies where, for example, Chinese law prohibits or restricts direct foreign investments in the operating companies. The holding companies of such portfolio companies control the equity interests in the PRC operating companies through VIE structure related contractual arrangements, through which we are able to obtain the investment returns while complying with the relevant PRC regulations. In particular, a series of contractual arrangements have been entered into by the wholly foreign owned enterprises, or WOFE, of such portfolio companies and their respective onshore operating companies, to allow the holding companies to exercise control over the onshore operating company engaging in the restricted businesses. Generally, the specific agreements that typically constitute VIE structures include (i) exclusive operation services agreement, (ii) exclusive purchase option agreements, (iii) shareholders' rights entrustment agreements, (iv) equity pledge agreements

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and (v) spouse undertakings (if applicable). For the associated risk factors and internal control measures, see “Risk Factors – Risks Relating to Our Business – Some of our portfolio companies adopt VIE structures for their operations in China, which may not be as effective in providing operational control as direct ownership” in this prospectus and “– Risk Management and Internal Control – Internal Control” in this section.

According to CIC, economic activities and market conditions, along with consumer confidence, have been gradually improving in 2023, with China’s total retail sales of consumer goods returning to growth in the first two months of the year. Although there remains uncertainty as to the future impact of COVID-19, to the best knowledge and information of our Directors, the outbreak of COVID-19 has so far only brought about temporary impact on our business operations, and we believe COVID-19 would not bring permanent interruption or material impact to our overall business operations. For further information, see “Summary – Outbreak of COVID-19” in this prospectus.

We will continue to devote our resources and leverage our expertise in the consumer industry to incubate high quality-consumer companies with growth potential. We will also consider new investments in non-consumer sectors when suitable investment opportunities arise.

Portfolio Companies of Our Funds Under Management

The movements in the number of portfolio companies managed under our funds and their fair value during the Track Record Period are as follows:

	For the years ended December 31,			For the three months ended March 31,
	2020	2021	2022	2023
	Number of portfolio companies			
– As of the beginning of the period	80	106	138	149
– Investments in new portfolio companies	26	35	17	–
– Full exit of the investments	–	3	6	–
– As of the end of the period	106	138	149	149

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	For the years ended December 31,			For the three months ended March 31,
	2020	2021	2022	2023
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Fair value of portfolio companies				
Fair value as of the beginning of the period	10,854.3	12,819.7	18,117.7	18,513.6
– Add: new investments in existing portfolio companies	620.0	502.7	67.4	0.7
– Add: new investments in new portfolio companies	655.7	919.1	411.4	–
– (Less): original investment cost of partially exited investments	(69.1)	(128.3)	(5.2)	(41.9)
– (Less): original investment cost of fully exited investments	–	(66.8)	(290.6)	–
– Add: unrealized fair value change during the period	758.8	4,071.4	212.9	828.4
Unrealized fair value as of the end of the period	12,819.7	18,117.7	18,513.6	19,300.7
Cash received/realized from exit of investments and dividend distribution	156.4	225.6	180.9	164.1

Portfolio Companies of Our Direct Investments

The movements in the number of portfolio companies invested through direct investments and their fair value attributable to the Group's interest during the Track Record Period are as follows:

	For the years ended December 31,			For the three months ended March 31,
	2020	2021	2022	2023
	Number of portfolio companies⁽¹⁾			
– As of the beginning of the period	53	56	55	53
– Investments in new portfolio companies	5	4	–	1
– Full exit of the investments	2	5	2	–
– As of the end of the period	56	55	53	54

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Note:

- (1) As 16 portfolio companies were co-invested by our funds and direct investments as of March 31, 2023, the total number of our existing portfolio companies does not equal the number of portfolio companies invested by our funds plus the number of portfolio companies invested through direct investments.

	For the years ended December 31,			For the three months ended
				March 31,
	2020	2021	2022	2023
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>
Fair value of portfolio companies				
Fair value as of the beginning of the period	6,180.1	5,031.2	4,722.6	5,082.0
– Add: new investments in existing portfolio companies	75.0	70.0	2.5	–
– Add: new investments in new portfolio companies	408.9	137.3	–	9.2
– (Less): original investment cost of partially exited investments	(490.1)	(293.4)	(151.3)	(3.8)
– (Less): original investment cost of fully exited investments	(90.3)	(119.0)	(10.0)	–
– Add/(Less): unrealized fair value change during the period	(1,052.5)	(103.4)	518.2	(246.2)
Unrealized fair value as of the end of the period	5,031.2	4,722.6	5,082.0	4,841.3
Cash received/realized from exit of investments and dividend distribution	2,130.4	734.7	349.9	63.4

INVESTMENT PROCESS AND ARRANGEMENT

Our Investment Process

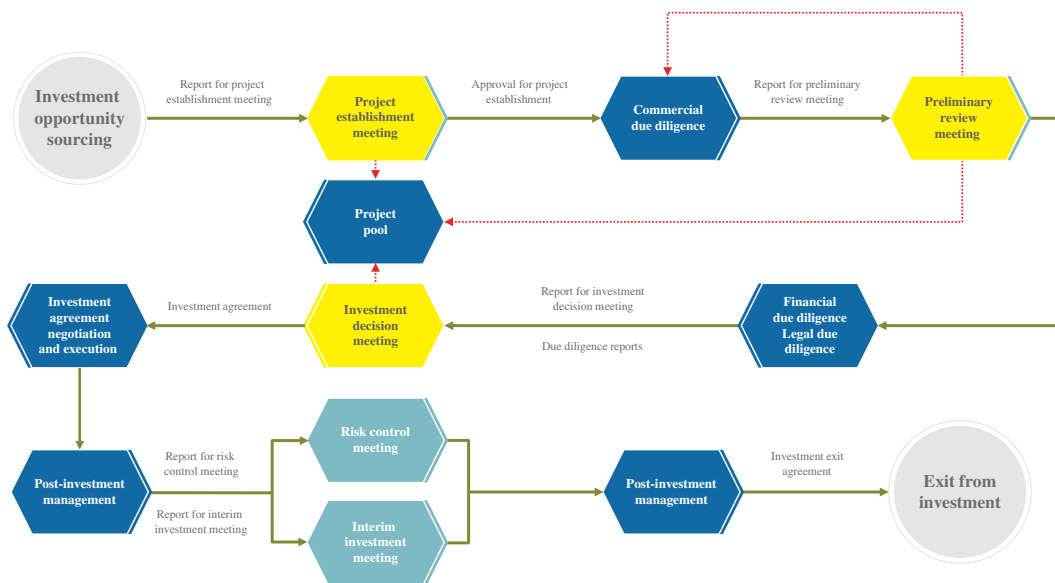
We have developed an efficient and systematic investment process, across investment opportunity sourcing, due diligence and investment, post-investment management, and exit.

When an investment opportunity arises, our investment professionals will first submit it to the investment committees of our managed funds for review. Following initial screening, each of our funds in the investment period with investment scope covering the relevant investment type would assess whether the project is suitable for investment, and go through the fund committee review process, typically including three meetings for project establishment,

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preliminary review and final investment decision-making, respectively. Only when none of the investment committees of such funds decides to fully take up the relevant opportunity at such meetings can an investment opportunity be referred to the investment committee of our direct investments. When considering an opportunity for direct investments, the Company will separately go through its rigorous investment process, including comprehensive due diligence and committee review meetings covering project establishment, preliminary review and final investment decision-making which is subject to the vetting and approval of the Company's own investment committee.

Setting forth below is an illustrative flowchart of our typical investment process for our funds and direct investments.



Investment Opportunity Sourcing

Our investment professionals leverage our network as well as their own connections to source prospective investment opportunities. Our sourcing and screening process is highly selective. Our investment professionals perform extensive research into each prospective investment, including the target's business model, industry positioning and estimated financing amount, to preliminarily evaluate whether the target meets our screening criteria and investment strategies.

We have developed policies and procedures that govern the investment practices of our funds, and each fund is subject to certain investment criteria set forth in its governing documents. Our investment professionals are familiar with such investment policies and criteria, and directly lead the process of sourcing, evaluating, due diligence, executing and monitoring investments.

Pre-Investment Due Diligence

We maintain a rigorous investment process and a comprehensive due diligence approach. Our due diligence is performed throughout the entire evaluation and committee review process.

Upon identifying a potential investment opportunity, in addition to the research conducted at investment opportunity sourcing stages, we also perform prudent research into the prospective investment, including a thorough review of the company's performance, projections, market position, financial statements and the relevant industry and market data. Our due diligence efforts also typically include, but are not limited to, on-site visits, interviews and meetings with the Company's management team, research, evaluation and analyses related to the company's industry, markets, products and services, and competitive positioning and background checks of the management team. In addition to due diligence conducted by our staff, we may also engage external professional advisors to conduct legal, financial and commercial due diligence independently.

Once a project is established, a senior investment professional on our team may be designated as a dissenter to conduct independent research and assess the prospective investment, and they are mandated to express concerns and different views on the investment in discussions. The dissenter carries out various due diligence independent of the deal team, such as evaluating investment risks, attending interviews with external experts, reviewing underlying due diligence documents, and then issues opinions for discussion and review by the investment committee at the preliminary review meeting.

Committee Review

Any investment decision to be made by us, either for investments by funds or direct investments, are subject to our rigorous review and approval processes. Our investment committee typically conducts several meetings covering project establishment, preliminary review and final investment decision-making when considering a particular investment opportunity. The actual number of meetings convened may vary depending on the investment type, investment amount, project quality and other factors.

Project Establishment Meeting

Our deal team first presents prospective investments in a project establishment meeting for discussion and review by the investment committee. The investment committee generally includes three or more highly experienced senior leaders such as key members of our management, who perform a feasibility study of the potential investment and vote on whether to establish the project. A majority vote of the investment committee members is required to pass the relevant investment decision. After a project passes our initial screening, the deal team will conduct further due diligence. Projects that do not pass the screening will be added to our project pool, which we will review and follow up on as needed.

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Preliminary Review Meeting

After the project is established and additional preliminary due diligence is completed, the deal team presents a preliminary review report to the investment committee in a meeting for review and approval, which includes a detailed description of the company's business and financials, the dissenter's opinion and due diligence records. After passing the preliminary review meeting, we continue our due diligence efforts and may engage professional advisors to carry out legal and financial due diligence. In general, after presenting a prospective project to the fund's investment committee for review, if we would like to subscribe to a larger portion of the investment or if we believe the opportunity is less suitable for the respective fund, the deal team may consider presenting the project to the Company's own investment committee for consideration of investing through direct investments.

Investment Decision Meeting

As a prospective project proceeds, the deal team will request an investment decision meeting to be held where the investment committee makes the final decision on whether to invest in the project. Before the meeting, the deal team prepares a comprehensive report based on information gathered, and presents to the investment committee for further review and approval, along with financial, legal and commercial due diligence reports. This process involves a detailed review of the transaction and the investment thesis, business, risk factors and due diligence issues, as well as financial models. Joined by our legal department and risk management staff, the investment committee deliberates and makes a final investment decision. Afterwards, an investment agreement will be negotiated and entered into between our managed fund and the target company. For more information, see “– Terms of Investment Agreements” in this section. Projects that do not receive approval from the investment committee will be added to our project pool for future follow-ups as needed.

Post-Investment Management

For both our funds' investments and our direct investments, existing investments are reviewed and monitored on a regular basis, covering various aspects of each of our investee companies such as corporate strategy, changes in business model, operational and financial conditions, performance of material contracts, actual usage of funds and industry risks. Investees are generally required to submit their financial results to us each quarter under the terms of our investment agreements. As we continue to review and monitor our investments, we assist our portfolio companies' development and become more familiar with their business operations, performance and the respective vertical they're in. We may consider making additional investments in some existing portfolio companies if we believe the addition of investments will bring us optimal returns when such portfolio companies seek a subsequent round of financing. If we participate in a subsequent round of investment for a portfolio company, the investment is still required to be approved by the investment committee following the similar process described above.

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Meanwhile, we seek to add value to the companies we invest in by offering value-added support following our investment. We from time to time gather information about the needs of our portfolio companies, and work with them to identify opportunities to drive operational efficiencies and growth. Our value-added support includes, but is not limited to, leveraging our sector expertise to provide value-enhancing insights, consultation and guidance on the corporate management, corporate strategy, M&A, refinancing and resource integration. We have accumulated specialized advantages by consistently focusing on the consumer industry and continuously deepening our research and understanding, allowing us to provide constructive advice and suggestions on the development of the consumer companies we invest in. We also provide opportunities for consumer companies to integrate resources and exchange ideas through our activities such as the Consumer Brand Camp (磨刀會), Entrepreneurs Club (企業家俱樂部), seminars and visits to reputable companies. Our investment coverage in different sectors of the consumer industry has created strong synergies, which we believe is also a significant part of our value-added support. Our brand influence, resources and specialization in the consumer industry enable us to support the fast development of our portfolio companies.

Exit From Investments

We take into account exit strategies when evaluating every investment opportunity. In particular, we generally favor target companies with potential of going public in mainland China, Hong Kong or the United States within the next five to eight years, and will consider whether the relevant industry is restricted from listing or whether the projected future financials can meet the respective listing requirements before making an investment.

For both our funds' investments and our direct investments, we exit mainly through IPO and equity transfer including M&A and buyback. Throughout the terms of our investments, we pay close attention to exit opportunities to optimize returns, and continue to evaluate and drive prospective exit options. Our investment professionals make recommendations on when and how to exit investments so as to realize our investments' optimal value.

We closely monitor the fundamentals of portfolio companies, such as their revenue and profitability potential, by reviewing the financial statements provided or through other means, and also track their progress toward achieving an IPO and the associated time cost. We generally prefer to exit through IPO or M&A. For a portfolio company with strong performance or potential in a promising industry sector, we are willing to make long-term commitments to drive their growth so as to maximize returns. However, if the fund term is about to expire, or if the fund partnership agreement or limited partners have special requirements on exit arrangement, we will consider an exit at the appropriate time according to the relevant fund term or requirements.

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Furthermore, when a portfolio company's valuation grows too fast compared to its performance, we may consider to exit part of our investment to secure a risk-free return from its value appreciation, while maintaining certain shareholding and preserving the opportunity to capture potential future upsides of the portfolio company and its industry. If a portfolio company is unable to achieve an IPO within the expected timeframe, or if there is any significant change in the industry or the portfolio company, we may consider to exit in a timely manner to preserve profit or stop loss through buyback, M&A or other means.

Unlike secondary market funds, we do not track capital market volatility on a high frequency basis, although we do look for reasonable exit opportunities for investments. Instead, we manage our long-term volatility via portfolio and investment theme diversification, as well as choosing to invest in quality companies using our stringent investment screening process.

In addition, our investment agreements may contain certain clauses to mitigate the potential risk of our funds' or our direct investments, such as redemption clauses, drag-along rights, and pre-emptive subscription rights, as well as anti-dilution clauses and liquidity preference. For further information, see “– Terms of Investment Agreements” below in this section.

During the period from January 1, 2020 to March 31, 2023, we made new investments of approximately RMB3.9 billion and realized approximately RMB4.0 billion in capital from exits primarily through IPO and equity transfer.

Differences in Investment Process and Arrangements Between Direct Investments and Funds' Investment

The Group manages its own capital holistically. Seed capital into funds under management and own capital invested for direct investments are being treated equally as different capital pools. Periodically, we review the amount of capital invested to seed more managed funds versus the amount of capital directly invested in projects, and balance them according to our overall investment strategy. All the investment opportunities will be initially introduced to our managed funds, and they will not be referred to the Company's investment committee for direct investments unless certain conditions exist that restrict the managed funds from investing or from investing alone as further elaborated in the paragraph headed “– Policy in Selecting Investment Opportunities” below. The following are the main differences between direct investments and funds' investments in terms of investment process and arrangement:

Components of Investment Committee

For both direct investments and funds' investments, investment decisions require review and approval by the respective investment committee. The investment committee of direct investments and the investment committee of each fund generally consist of different members, and the decisions for direct investments and funds are made independently. Direct investments should be approved by the Company's own investment committee via a majority of affirmative

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votes, which committee usually consists of three to five members, selected by the Company's Board or executive committee from the Company's senior management. The composition of a fund's investment committee is determined based on the relevant partnership agreement and/or fund governing documents, and typically includes representatives of the general partner or fund manager (i.e., our Group) and, depending on limited partners' capital contribution and other factors, may include representatives of some limited partners. Each fund's investment committee makes investment decisions for the fund independently.

Policy in Selecting Investment Opportunities

According to our internal policy in selecting investment opportunities, when an investment opportunity arises, our investment professionals will first submit it to the investment committee of the respective fund for review. Only in certain circumstances will the investment committee of the fund refer the opportunity to the Company's own investment committee which will decide whether to make direct investments. Such circumstances mainly include: (i) when the investment amount of a project exceeds the fund's investable capital or the fund's optimal investment exposure, (ii) when the investment opportunity is promising but not well suited under the current mandate of the fund, and (iii) when the investment horizon of the relevant investment is beyond the fund's term. With that, we treat our direct investments as additional flexibility to our existing fund mandates to incorporate the Group's long-term investment strategy and philosophy. With respect to investment strategies, we consider both early-stage and relatively mature companies in the consumer industry for our direct investments; for our funds' investments, nine of our funds focused on early-stage investments and five of our funds focused on growth and late-stage investments as of the Latest Practicable Date. In terms of the approach in selecting investment opportunities, there is no significant difference between direct investments and funds' investments. For details, see the paragraphs headed "– Investment Strategies" and "– Investment Approach" above in this section.

Post-Investment Management and Exit Arrangement

In terms of post-investment management, a fund may set up an advisory board, a general meeting of partners or other arrangements to supervise and make decisions on important matters in accordance with its partnership agreement and governing documents. With respect to the exit of investments, a fund needs to arrange exit of investment in conjunction with the respective terms of its partnership agreement, while there is no term limit for direct investments which allows for a flexible investment period to seed and capture the long-term growth of investees. Some funds' partnership agreements have special requirements on exit timing, such as exiting within a certain period of time after the investee company's listing.

We have established a performance incentive mechanism for our fund management business. We can receive carried interest when the fund's gain exceeds certain hurdle rates, and a portion of the carried interest will be shared with members of the relevant fund's investment committee. This incentive mechanism motivates our professionals to retain suitable investment projects for our managed funds rather than referring them to our direct investments, thus avoiding the potential conflict of interest with our own direct investments. Our funds have also

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set out their respective internal control mechanism by means of partnership agreements or governing policies, including the establishment of relevant decision-making or supervisory bodies (such as investment committees, advisory committees, partner meetings, etc.), approval mechanisms for connected transactions and potential conflicts of interest matters so as to avoid conflicts of interest and achieve the simultaneous robust developments of our fund management business and direct investment business.

We have also implemented a series of policies related to risk management and internal control in accordance with relevant laws and regulations, which governs both our funds and our direct investments. For details, see the paragraphs headed “– Risk Management and Internal Control” in this section.

Terms of Investment Agreements

Investment Agreements for Our Funds

Set out below are the major terms of our typical arrangements between investee companies and our funds under management:

Parties:	(i) Our fund under management (ii) Investee company (iii) Founder or managing shareholders of the investee company (iv) Existing investors in earlier rounds
Form of investment:	Equity investment
Governance:	Our fund is typically entitled to nominate one director to the board of the investee company
Redemption clause:	If the investee company fails to achieve a qualified IPO or other conditions arise triggering the exit mechanism, the investee company and/or its founder or managing shareholders are generally obliged to redeem and/or purchase the shares held by the fund according to an agreed return rate

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Drag-along clause:	In the event that the redemption clause is triggered and the investee company's founder or managing shareholder is unable to redeem or purchase our shareholding, if our fund sells its investment to a third party, the fund is entitled to force the founder to join the deal and sell their shares on the same terms and conditions
Right of first refusal:	If a shareholder of the investee company is seeking to dispose its shares, the fund has the right to purchase those shares in proportion to its shareholding at the same price, before allowing the shareholder to sell such shares to a third party
Anti-dilution provision:	Following the completion of our investment, if any future refinancing of the investee company occurs at a price lower than the fund's investment price, the investee company and/or its founder or managing shareholders are generally required to compensate the fund
Pre-emptive subscription right:	If the investee company increases its capital or issues any new shares before a qualified IPO, the fund generally has the pre-emptive right to subscribe for such new shares in proportion to its shareholding in the investee company
Liquidation preference:	The fund generally has the priority over the investee company's founder, managing shareholders or existing investors in earlier rounds in receiving certain liquidation proceeds in the event that the investee company is liquidated

Investment Agreements for Our Direct Investments

We enter into investment agreements for our direct investments taking into account similar considerations as those for our funds, but specific terms may vary case by case. Set out below are the major terms of our typical arrangements between investee companies and our Group:

Parties:	(i) Our Group
	(ii) Investee company
	(iii) Founder or managing shareholders of the investee company
	(iv) Existing investors in earlier rounds

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Form of investment:	Equity investment
Governance:	A number of investment agreements grant us the right to appoint one director to the investee company's board
Redemption clause:	Under certain investment agreements, if the investee company fails to achieve a qualified IPO or other conditions arise triggering the exit mechanism, the investee company and/or its founder or managing shareholders are obliged to redeem and/or purchase the shares held by us according to an agreed return rate
Right of first refusal:	Under certain investment agreements, if a shareholder of the investee company is seeking to dispose its shares, we have the right to purchase those shares in proportion to its shareholding at the same price, before allowing the shareholder to sell such shares to a third party
Anti-dilution provision:	Under certain investment agreements, following the completion of our investment, if any future refinancing of the investee company occurs at a price lower than our investment price, the investee company and/or its founder or managing shareholders are required to compensate us

In addition, our investment agreements for direct investments may contain other clauses to mitigate the potential risk of investments, such as pre-emptive subscription right, liquidation preference and drag-along right, depending on the specific arrangements of various investments.

SOURCES OF CAPITAL AND FUNDRAISING

We manage capital for a diverse base of fund investors, including institutional investors such as sophisticated financial institutions (e.g. insurance companies), listed companies (e.g. Nestle), government guiding funds and FOFs, as well as high-net-worth individuals, on top of our own capital.

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The following table sets forth a breakdown of the committed capital of the funds under our management by source of funding as of the dates indicated.

	As of December 31,						As of March 31,	
	2020		2021		2022		2023 ⁽¹⁾	
	Consolidated funds	Unconsolidated funds	Consolidated funds	Unconsolidated funds	Consolidated funds	Unconsolidated funds	Consolidated funds	Unconsolidated funds
	RMB billion	RMB billion	RMB billion	RMB billion	RMB billion	RMB billion	RMB billion	RMB billion
RMB-denominated funds	6.2	3.1	7.5	3.1	7.3	3.1	7.3	3.1
- External capital	5.0	2.3	5.9	2.4	6.3	2.5	6.3	2.5
- Our own capital	1.2	0.7	1.6	0.7	1.0	0.5	1.0	0.5
USD-denominated funds	1.9	0.7	2.2	0.7	2.4	0.8	2.3	0.8
- External capital	1.2	0.7	1.4	0.7	1.5	0.7	1.5	0.7
- Our own capital	0.8	0.1	0.8	0.1	0.8	0.1	0.8	0.1
Total committed capital of our funds	8.1	3.8	9.7	3.8	9.7	3.9	9.6	3.8

Note:

- (1) The differences in committed capital between March 31, 2023 and December 31, 2022 in this table were due to a difference in the exchange rate used to convert USD to RMB for U.S. dollar-denominated funds on March 31, 2023 and December 31, 2022. When expressed in their original currency, our funds' committed capital remained unchanged between March 31, 2023 and December 31, 2022.

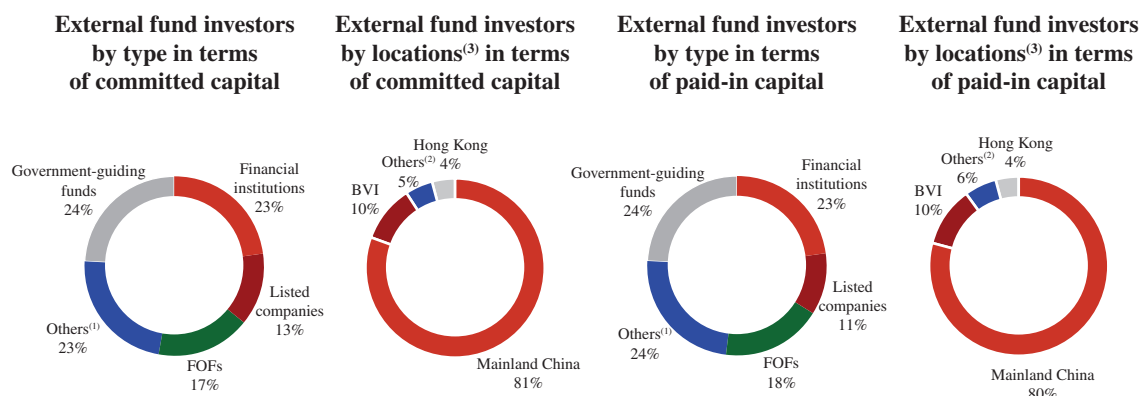
Out of the total committed capital of RMB13.5 billion, 18.0% comes from our own capital and 82.0% comes from external capital as of March 31, 2023. Sources of our own capital include historical equity financing and retained earnings, as well as external debt financings. Occasionally we transfer our limited partner interests in our managed funds to external investors in order to mobilize our capital and use them as seed funding for new funds, and to a lesser extent to supplement our liquidity resource, subject to our internal control procedures and fund governing policies.

The number of our external fund investors increased from 86 as of December 31, 2020 to 98 as of March 31, 2023, meanwhile the committed capital of our funds from external funding increased progressively from approximately RMB9.1 billion as of December 31, 2020 to approximately RMB11.1 billion as of March 31, 2023. Many of our external fund investors have invested in our funds for more than once, which we believe is attributable to our ability to generate optimal returns for our fund investors. During the Track Record Period, we raised new capital of RMB2,548.1 million from external fund investors, approximately 29.2% of which were re-up capital commitments from existing limited partners of our funds. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any default by our fund investors according to relevant partnership agreements.

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Our five largest external fund investors as of December 31, 2020, 2021 and 2022 and March 31, 2023 in aggregate contributed 28.7%, 27.3%, 27.2% and 27.3% of our funds’ total committed capital as of the same dates, respectively, and our ten largest external fund investors as of December 31, 2020, 2021 and 2022 and March 31, 2023 contributed 43.1%, 41.7%, 42.4% and 42.5% of our funds’ total committed capital as of the same dates, respectively. For further details, see “– Major Customers and Suppliers – Our Customers” in this section.

The following charts illustrate our external fund investors by type and locations as of March 31, 2023:



Notes:

- (1) Include high-net-worth individuals, family offices and others.
- (2) Include Cayman Island, Switzerland, United States and United Arab Emirates.
- (3) In terms of place of incorporation for entities and nationality for high-net-worth individuals.

Our long-standing commitment to China’s consumer sector, combined with our strong track record, has attracted capital contributions from government-guiding funds, which aim to use government investment to guide social capital and invest in quality enterprises, and to promote industrial transformation, upgrading and development. As a result, as of March 31, 2023, government-guiding funds accounted for approximately 24% of our total committed capital from external fund investors. According to CIC, it is not uncommon for government-guiding funds to serve as limited partners in private equity funds, especially those initiated by reputable fund managers. Before the government-guiding funds committed capital to our funds, we conducted careful due diligence to understand their investment strategies and assess the impact of their participation. We only accept the capital contribution from those government-guiding funds with investment mandates similar or compatible with our Company’s investment strategies. As such, each of the government-guiding funds that are limited partners of our funds has investment mandates covering the consumer industry, and the participation of government-governing funds as limited partners has no material impact on the investment decisions of our managed funds.

The following table sets forth the number and background of the external investors for each funds and their invested amounts as of March 31, 2023:

	Number and background of external fund investors	Committed capital from major external fund investors
Funds focused on early-stage investments:		
Tiantu Xingzhou	8 external fund investors in total, including 1 FOF, 3 government-guiding funds, 2 financial institutions, 1 listed company and 1 private entity	Top three external investors contributed RMB500 million, RMB200 million and RMB160 million, respectively, accounting for approximately 75.4% of its total committed capital
Tiantu VC USD Fund I L.P.	9 external fund investors in total, including 6 private entities, 1 listed company, 1 financial institution and 1 high-net-worth individual	Top three external investors contributed USD30 million, USD20 million and USD20 million, respectively, accounting for approximately 50.5% of its total committed capital
Tiantu Xingshen	5 external fund investors in total, including 1 FOF, 2 government-guiding funds and 2 private entities	Top three external investors contributed RMB200 million, RMB150 million and RMB70 million, respectively, accounting for approximately 84.0% of its total committed capital
Tiantu Dongfeng	12 external fund investors in total, including 1 FOF, 3 government-guiding funds, 2 listed companies, 2 private entities and 4 individuals	Top three external investors contributed RMB350 million, RMB240 million and RMB200 million, respectively, accounting for approximately 65.8% of its total committed capital
Tangrenshen	18 external fund investors in total, including 7 FOFs, 2 government-guiding funds, 1 listed company, 3 private entities and 5 high-net-worth individuals	Top three external investors contributed RMB150 million, RMB95 million and RMB50 million, respectively, accounting for approximately 51.7% of its total committed capital
Tiantu Tiantou	6 external fund investors in total, including 2 listed companies, 1 government-guiding fund, 2 private entities and 1 high-net-worth individual	Top three external investors contributed RMB140 million, RMB80 million and RMB30 million, respectively, accounting for approximately 83.3% of its total committed capital

	Number and background of external fund investors	Committed capital from major external fund investors
Funds focused on growth and late-stage investments:		
Tiantu Xingnan	4 external fund investors in total, including 1 FOF, 1 listed company, 1 government-guiding fund and 1 financial institution	Top three external investors contributed RMB250 million, RMB250 million and RMB170 million, respectively, accounting for approximately 67.0% of its total committed capital
Tiantu China Consumer Fund II, L.P.	3 external fund investors in total, including 1 financial institution and 2 private entities	Top three external investors contributed USD50 million, USD30 million and USD20 million, respectively, accounting for approximately 50.0% of its total committed capital
Tiantu Xingpeng	12 external fund investors in total, including 6 financial institutions, 2 FOFs, 3 government-guiding funds and 1 private entity	Top three external investors contributed RMB532 million, RMB280 million and RMB266 million, respectively, accounting for approximately 40.5% of its total committed capital
Tiantu Xingbei	24 external fund investors in total, including 4 financial institutions, 4 FOFs, 1 government-guiding fund, 10 high-net-worth individuals and 5 private entities	Top three external investors contributed RMB500 million, RMB500 million and RMB340 million, respectively, accounting for approximately 44.7% of its total committed capital
Tiantu China Consumer Fund I, L.P.	16 external fund investors in total, including 5 FOFs, 3 high-net-worth individuals and 8 private entities	Top three external investors contributed USD26 million, USD10 million and USD10 million, respectively, accounting for approximately 40.7% of its total committed capital

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We identify potential fund investors through a number of channels, including formal and informal networking through investment professionals and industry conferences. We believe that our systematic investment approach and track record for investing in market leaders have established us as the leading investment manager in the consumer industry, which enables us to attract business inquiries from many investors.

Prior to fundraising, we would conduct customer due diligence procedures, including investors' identity and background check, financial eligibility and risk tolerance assessment. We require our prospective investors to provide proof of funds. For further information, see the paragraphs headed "– Client Acquisition" below in this section. After investments are made, we would issue periodic reports for each of our funds in order to keep our fund investors informed of the investment activity and performance of our funds for the duration of their respective fund lives. Such reports provide our fund investors updates on the developments of our funds over the relevant period in various aspects, including financial position such as changes in cash flow, closing balance and the utilization of funds, investment activity including the portfolio assets invested and the status thereof, and other matters which should be brought to the fund investors' attention.

A typical fundraising period is around twelve months for each fund, although variations may occur depending on various factors such as market conditions and demand from fund investors. Investors in many of our funds may have the opportunity to make co-investments with the funds in portfolio companies.

In addition to our funds, we make direct investments to seek optimal returns through holding vehicles, by way of direct equity holding by our Company, and in certain cases through wholly owned limited partnerships. For further information, see "– Direct Investments" in this section.

Client Acquisition

Our RMB-denominated funds, their general partners and fund managers are all incorporated in mainland China. All of our USD-denominated funds and their general partners were incorporated in Cayman Islands. Among our three USD-denominated funds, two are managed by their general partners in Cayman Islands, and one is managed by Tiantu Asset Management Company Limited, our subsidiary with type 9 license in Hong Kong. Client acquisition requirements, such as know-your-client procedures, vary in different jurisdictions.

RMB-Denominated Funds

Under PRC laws and regulations, investors who intend to invest in private funds shall be "qualified investors" (合格投資者). Pursuant to the Interim Measures for the Supervision and Administration of Private Investment Funds (《私募投資基金監督管理暫行辦法》), which was promulgated by the CSRC and came into effect in 2014, a qualified investor is defined as an investor who has risk identification and risk tolerance capabilities, invests in a single private fund with an amount no less than RMB1 million and meets the following requirements in terms

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of asset size and income level: (i) institutional investors with net asset not less than RMB10 million; (ii) individual investors with financial asset not less than RMB3 million, or with an average annual income not less than RMB500,000 for the past three years. The following investors shall be deemed as qualified investors: (i) pension funds such as social security funds, enterprise annuities, and community funds such as charity funds; (ii) investment plans established pursuant to the applicable laws and filed with the AMAC; (iii) private fund managers investing in private funds managed by them and their employees; and (iv) any other investors stipulated by the CSRC.

In addition, pursuant to this regulation, in the process of fundraising, private fund managers shall assess the risk identification ability and risk threshold of the investors; the investors shall undertake in writing that they satisfy the criteria of qualified investor; and a risk disclosure letter shall be prepared and signed by the investors. Private fund managers shall conduct risk rating of the fund on its own or entrust a third-party organization to conduct the risk rating.

USD-Denominated Funds

Under Cayman Islands laws, in acquiring clients for investment into the funds incorporated in Cayman Islands, we shall comply with the anti-money laundering (“AML”) and countering the financing of terrorism laws, regulations and guidance notes of the Cayman Islands. For details, see “Regulatory Overview – Laws and Regulations Relating to Our Group’s Business and Operations in Cayman Islands – Cayman Islands Anti-money Laundering” in this prospectus. An investment fund may opt to comply with such rules by way of delegation, such as delegating the fund’s AML obligations through appointment of an administrator or other appropriate person. If an investment fund chooses not to delegate, the key obligations include, among others, performance of customer due diligence to identify and verify the identity of investors, appointment of AML compliance related officers and adoption of relevant written procedures. For our funds incorporated in Cayman Islands, we have delegated customer due diligence procedures to fund administrators which verify the identity, such as the true name, proof of residence, beneficial owners and constitutional documents, of each fund investor, check various international sanctions lists to ensure that the investor is not in such lists, and conduct searches to confirm if any investor is involved in criminal conduct or money laundering. The fund administrators provide KYC findings and comments to us for review, and we have the final decision on accepting or rejecting an investor. In addition, we have appointed AML officers for each fund who assisted to structure AML oversight, and each fund has adopted AML related procedures. There are no statutory requirements under Cayman Islands laws in relation to the suitability and eligibility of investors to make investment into a private fund. However, when introducing fund investors, we learn about their respective funding sources, financial conditions, and risk tolerance through due diligence procedures. The investors of our USD-denominated funds include sophisticated institutional investors such as financial institutions and listed companies, as well as high-net-worth individuals, and nearly every investor contributed at least USD2 million to the funds.

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Under Hong Kong laws, Tiantu Asset Management Company Limited, which is our subsidiary currently acting as the fund manager of Tiantu China Consumer Fund II, L.P. and holds a Type 9 License in Hong Kong, is responsible for customer due diligence before establishing a business relationship with a client according to relevant regulations in Hong Kong. For details, see “Regulatory Overview – Laws and Regulations Relating to Our Group’s Business and Operations in Hong Kong – Laws and Regulations Administered by the Securities and Futures Commission – Laws and Regulations on Client Acquisition” and “Regulatory Overview – Laws and Regulations Relating to Our Group’s Business and Operations in Hong Kong – Laws and Regulations in Relation to Anti-money Laundering and Counter-terrorist Financing” in this prospectus. According to these regulations, Tiantu Asset Management Company Limited or the service provider delegated by it shall collect the information of the client, ensure that the client is a professional investor as defined under SFO, and assess the financial background, including the source of funds, investment experience and investment objective, of the client. Tiantu Asset Management Company Limited or the service provider delegated by it shall also assess the money laundering and terrorist financing risks associated with the client based on the documentation and information provided by the client, to determine the degree, frequency or extent of customer due diligence measures. As of the Latest Practicable Date, no fundraising or client acquisition activity has been conducted in Hong Kong since Tiantu China Consumer Fund II, L.P. was formerly managed by one of our subsidiaries in Cayman Islands prior to 2022 and all fundraising and client acquisition activities had been completed in compliance with applicable regulatory requirement before its fund manager was changed to Tiantu Asset Management Company Limited in January 2022. There are no additional regulatory requirements in Hong Kong for customer due diligence in respect of the client acquisition that was completed before Tiantu Asset Management Company Limited started to manage the fund. Tiantu Asset Management Company Limited has in place internal policies on AML and will comply with applicable laws and regulations when introducing new investors or raising capital for new funds in the future.

We have conducted comprehensive know-your-client and risk assessment procedures in compliance with applicable laws and regulations in the PRC and other jurisdictions where we operate, as well as our internal control policies. Before a fund investor’s subscription of our funds, we collect documentations including, among others, proof of client’s identity and source of funds for investments, and conduct risk tolerance assessment to better understand clients’ risk appetite. For example, for clients who intend to invest in our funds in the PRC, we require them to provide proof that their financial conditions and risk tolerance have met the thresholds of qualified investors under relevant PRC regulations, and conduct ongoing due diligence on such clients to verify their qualification. Based on the due diligence procedures conducted for our funds, each investor of our RMB-denominated funds and USD-denominated funds has met the regulatory requirements on the eligibility of investors under the applicable laws and regulations. We have also established rigorous AML internal control policies, including a record keeping policy on client information and a suspicious transaction reporting policy aimed at detecting, reporting on and preventing money laundering activities. We also engaged fund administrators and other qualified third-party service providers to assist us in verifying fund investors’ information and performing know-your-client or AML procedures to ensure compliance with the applicable laws and regulations in the jurisdictions where we operate.

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INCOME FROM OUR FUND MANAGEMENT AND INVESTMENTS

Revenue From Managing External Capital

As a general partner and fund manager, we charge fund management fees and carried interest from funds under our management.

The following table sets forth our revenue from the funds under our management for the periods indicated.

	Years ended December 31,			Three Months Ended	
				March 31,	
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2022</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Gross fund management fees ⁽¹⁾	176,625	166,162	179,575	46,487	39,816
Less fund management fees charged from consolidated funds ⁽²⁾	<u>(138,023)</u>	<u>(131,339)</u>	<u>(133,592)</u>	<u>(37,996)</u>	<u>(27,374)</u>
Revenue from private equity investment business⁽³⁾	<u>38,602</u>	<u>34,823</u>	<u>45,983</u>	<u>8,491</u>	<u>12,442</u>

Notes:

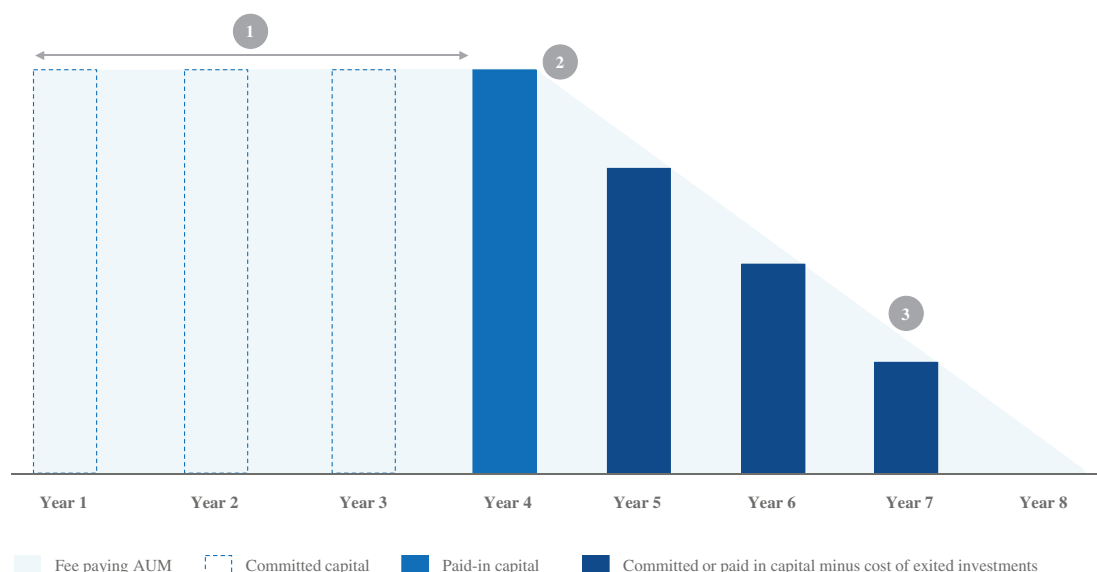
- (1) Refers to the management fees charged from all the funds under our management.
- (2) Refers to the management fees charged from the consolidated funds under our management. Such management fees are eliminated on consolidation in our accounts.
- (3) Refers to the management fees charged from the unconsolidated funds under our management. See “Financial Information – Significant Accounting Policies and Critical Judgements and Estimates – Significant Accounting Policies – Presentation of Investment Performance in Financial Statements” for further information.

Fund management fees are typically payable to us out of the assets of the fund annually or semi-annually. Management fees are generally calculated as a percentage (typically 2.0% per annum) of (i) committed capital during the investment period, and (ii) committed or paid-in capital minus cost of exited investments after the investment period. Cost of exited investments refers to the initial investment amount of projects that we have already exited. The specific percentage and collection method of management fees are determined according to the relevant agreements entered into between fund investors and us, which may vary depending on various factors such as the phase of the fund and capital commitment. Carried interest is typically 20% of the realized gains when the gain exceeds certain hurdle rates.

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The “investment period” represents the period during which the fund sources investment opportunities and calls on capital contributions from fund investors to make new investments, which is typically the first three to four years of the fund’s life. The “fundraising period” is a part of the “investment period” and refers to the period during which the fund is permitted to accept capital commitment from investors, typically around twelve months. The “post-investment period” begins at the end of the investment period, during which no additional investment shall be made and the general partner or fund manager shall endeavor to realize all the investments in the fund’s portfolio companies. By this time, typically over 85% of the fund’s capital has been deployed and invested.

The following graph depicts examples of how the management fee we receive changes over the life cycle of a typical fund under our management, and how our fee-paying AUM, namely the assets we manage from which we are entitled to receive recurring management fees, and the management fee we receive change over time as a typical fund enters the post-investment period.



Notes:

- (1) Initially, management fees are typically charged on total committed capital during the investment period (~3-4 years).
- (2) Upon the end of investment period, management fees are typically charged on committed or paid-in capital minus cost of exited investments. Cost of exited investments refers to the initial investment amount of projects that we have already exited.
- (3) As the fund exits investments, the committed or paid-in capital minus cost of exited investments, reduces. Fund terms typically expire after 8 years, which can be further extended upon approval by partners’ meetings according to the relevant partnership agreements.

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Investment Gains/Losses Via Investing Our Own Capital

By investing into our funds under management and via direct investments, we also generate net investment gains or losses. The following table sets forth our net investment gains or losses for the periods indicated. Performance of our direct investments, consolidated funds and one unconsolidated fund that is accounted for as a financial asset are reflected in “total investment gains or losses, net,” representing our attributable portions of related gains and losses; while performance of the other unconsolidated funds, which are accounted for with the equity method, is reflected in “share of results of associates” or “share of results of joint ventures,” as further discussed below in this section.

	Years ended December 31,			Three Months Ended	
	March 31,				
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>				
Dividends and interests from					
– Financial assets at FVTPL	38,913	34,439	11,867	120	104
– Interests in associates					
measured at fair value	162,937	87,706	94,442	–	750
Realized gains (losses) from*					
– Financial assets at FVTPL	883,390	309,333	45,710	363	500
– Interests in associates					
measured at fair value	943,749	(41,461)	70,666	–	51,105
Unrealized gains (losses) from*					
– Financial assets at FVTPL	683,960	2,742	(267,122)	(214,525)	(10,220)
– Interests in associates					
measured at fair value	(1,424,319)	637,564	63,535	(172,642)	(247,456)
Unrealized (losses) gains from					
financial liabilities at FVTPL	(132,073)	(569,915)	358,136	191,084	(1,132)
Total investment gains or					
 losses, net	<u>1,156,557</u>	<u>460,408</u>	<u>377,234</u>	<u>(195,600)</u>	<u>(206,349)</u>

Note:

- * Our investments in portfolio companies are classified as financial assets at FVTPL if the investment is made by a consolidated fund and we don't have significant influence over the portfolio company, and an unconsolidated fund is classified as financial assets at FVTPL if we don't have significant influence over this fund. It is classified as interests in associates measured at fair value if the investment is made by a consolidated fund, which fulfills the characteristics of a venture capital organization, and we have significant influence over the portfolio company, in most cases by appointing a director. Accordingly, in terms of the impact on our statement of profit and loss, we record realized profit or loss when we manage to dispose all or part of an investment, depending on the disposal price compared to the investment cost, and we record unrealized profit or loss at the end of each period when we continue to hold an investment, measuring the fair value of the investment at the end of the period compared to that at the beginning of the period. The cumulative recorded unrealized gains (losses) will be reversed and re-presented as realized gains (losses) during the current year upon exit of that respective investment amount.

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We recognize share of results of associates and joint ventures which represent investment gains from our unconsolidated entities, mainly funds under management, measured using equity method accounting. Thus, such shares of results also reflect our ability to generate investment income through our managed funds. The following table sets forth our share of results of associates and joint ventures for the periods indicated.

	Years ended December 31,			Three Months Ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Share of results of associates	346	17,094	8,439	41,926	19,139
Share of results of joint ventures	77,428	394,898	(37,667)	(4,272)	138,897
Total share of results of associates and joint ventures	<u>77,774</u>	<u>411,992</u>	<u>(29,228)</u>	<u>37,654</u>	<u>158,036</u>

In addition to the above, we recognized profits from our discontinued operations operated by Mengtian Dairy and Yoplait China during the Track Record Period, which we have ceased to consolidate and thus refer to as our deconsolidated investments. For details, see “– Deconsolidated Investments (Dairy Business)” in this section. The performance of these deconsolidated investments is not included in the abovementioned revenue and income from the private equity investment business. For more details of our revenue and income, see “Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income” in this prospectus.

DECONSOLIDATED INVESTMENTS (DAIRY BUSINESS)

Mengtian Dairy Business

Business Model of Mengtian Dairy Business

We acquired control in Mengtian Dairy in 2018. Mengtian Dairy is a well-known dairy company in China primarily engaged in the production and sale of raw milk and milk beverages such as lactobacillus drinks. According to CIC, Mengtian Dairy is among the top five producers of lactic acid bacteria drinks in China in 2021. Its top selling products include a variety of lactic acid bacteria drinks under its You Le Duo (優樂多) brand.

Mengtian Dairy operates a large-scale dairy farm in Dezhou, Shandong, in which its dairy cows live and are fed with mixed feeds. It also has three production plants located in Ningxia, Shandong and Jiangxi, respectively, and has established an extensive sales and distribution network across China. Mengtian Dairy primarily sells raw milk to customer for further processing into quality dairy products, and also sells milk beverages, mainly lactic acid bacteria drinks, to distributors and end customers. Its raw materials mainly include feeds and forage grass which Mengtian Dairy purchases from qualified suppliers.

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After the acquisition, we optimized the business operation of Mengtian Dairy by a series of measures, including adjusting business strategies and implementing a nationwide unified management system, as well as bringing in international talents, strengthening product innovation and R&D capabilities, reshaping the supply chain and sales model. As a result, the operation efficiency and performance of Mengtian Dairy has been improved, and the market value of Mengtian has accordingly increased.

Deconsolidation of Mengtian Dairy

Immediately prior to December 31, 2021, Mengtian Dairy was held by our Group as to approximately 66.6%, comprising approximately 45.16%, 16.19% and 5.27% held by Tiantu Xingnan, Tiantu Xingpeng and Tiantu Xing'an, respectively. In December 2021, after certain adjustment of corporate governance and terms of arrangements among stakeholders although our ownership interests over Tiantu Xingnan and Mengtian Dairy remained unchanged, we no longer control the investment committee of Tiantu Xingnan and the board of directors of Mengtian Dairy. As a result, each of Tiantu Xingnan and Mengtian Dairy ceased to be our subsidiary in December 2021, but remains as our associate measured at fair value thereafter. The historical operations of Mengtian Dairy were presented as a discontinued operation in our financial statements contained in this prospectus. Immediately after the deconsolidation of Mengtian Dairy, we held 21.46% equity interests in Mengtian Dairy, comprising 16.19% and 5.27% held by Tiantu Xingpeng and Tiantu Xing'an, respectively, and retained 40% equity interests in Tiantu Xingnan, our associate which held 45.16% equity interests in Mengtian Dairy. For details, see "History, Development and Corporate Structure – Deconsolidation of Dairy Businesses (Discontinued Operations) – Mengtian Deconsolidation" in this prospectus.

We recorded profit from Mengtian Dairy of RMB96.5 million and RMB5.0 million in 2020 and 2021, respectively. We also recognized a one-off gain on its deconsolidation of RMB123.3 million in 2021. After deconsolidation, the financial results of Mengtian Dairy attributable to the Group will be reflected as our investment gains or losses. For further information, see "Financial Information – Discontinued Operations" and Note 39 *Discontinued Operation of Mengtian Dairy Business and Yoplait China* to the Accountants' Report in Appendix I to this prospectus.

Dongjun Dairy (Yucheng) Co., Ltd. (東君乳業(禹城)有限公司) ("**Dongjun Dairy**") is engaged in the production and trading of lactobacillus products in the PRC. In July 2020, Mengtian Dairy entered into an acquisition agreement with the shareholders of Dongjun Dairy, pursuant to which, Mengtian Dairy agreed to acquire from Dongjun Dairy certain business-related assets, including, among others, brand names, plant and equipment and intangible assets and human resources. After that, certain business-related assets from Dongjun Dairy became part of the business of Mengtian Dairy. Dongjun Dairy is not a subsidiary of our Group. For further information, see Note 38 (i) *Acquisition of business-related assets constituting the Dongjun Dairy Business in 2021* to the Accountants' Report in Appendix I in this prospectus.

Yoplait China Business

Business Model of Yoplait China Business

We acquired Yoplait China in April 2019. Yoplait is a reputable global dairy brand. Yoplait China represents Yoplait's China operation, including its manufacturing and distribution functions in China.

Yoplait China is primarily engaged in the production and sale of yogurt and other milk beverages. It has production plants located in Kunshan, Jiangsu. During the Track Record Period, most of Yoplait China's products were sold in East China, especially Shanghai, with the remaining products sold in other regions of China. Yoplait China has launched several product series well recognized by the market, including Yoplait Perle de Lait yogurt and Yoplait 4.0+ Fresh Milk (優諾4.0生牛乳) series. Its customers include supermarkets and e-commerce platforms, as well as other distributors and end customers. Its raw materials mainly include raw milk, sugar and other ingredients, which Yoplait China procures from qualified suppliers.

After we acquired Yoplait China, we adjusted its corporate strategy, established a more advanced nationwide management system, and optimized organization structure to build sales team and other important departments. We also facilitated Yoplait China to improve R&D capabilities, enhance product innovation and explore new distribution channels. As a result, after the acquisition, Yoplait China has iterated its production lines and launched a number of new products, and its revenue has grown steadily, which contributed to its overall value appreciation.

Deconsolidation of Yoplait China

Immediately prior to June 15, 2022, we were able to exercise approximately 66.96% voting right in Yoplait China through (i) 53.91% equity interests beneficially owned by our Group, including 8.7% equity interest registered under our then subsidiary, Pingtan Xingxu Investment Limited Partnership (平潭興旭投資合夥企業(有限合夥) (“**Pingtan Xingxu**”)); and (ii) 13.04% equity interests held by another shareholder of Yoplait China via a concert party agreement with our Group, and we also held 40% equity interests in Tiantu Xingnan, our associate which held 33.04% equity interests in Yoplait China. In June 2022, we disposed of certain economic interests in Yoplait China, together with the unwinding of certain concert arrangements among our Group and other relevant shareholders of Yoplait China, and ceased to control it. Accordingly, Yoplait China ceased to be our subsidiary as of June 15, 2022, but remained as our associate measured at fair value afterwards. Immediately after the deconsolidation of Yoplait China, together with certain arrangement between the Group, Yoplait China and its other shareholder, we held approximately 45.22% equity interests and voting right of Yoplait China; Tiantu Xingnan and Pingtan Xingxu, our associates owned as to 40% by us, held 33.04% and 8.7% equity interests in Yoplait China, respectively. For details, see “History, Development and Corporate Structure – Deconsolidation of Dairy Businesses (Discontinued Operations) – Yoplait Deconsolidation” in this prospectus. As a result, the historical operation of Yoplait China together with the gains on its deconsolidation were presented as a discontinued operation in our financial statements contained in this prospectus.

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We recorded loss from Yoplait China of RMB96.3 million, RMB57.7 million and RMB39.7 million in 2020, 2021 and 2022, respectively. We also recognized a one-off gain on its deconsolidation of RMB520.4 million included in the profits attributable to the owners of the Company from discontinued operations in 2022, which represents the fair value gains on deemed loss of control over Yoplait China. After deconsolidation, Yoplait China became our associate measured at fair value, and the future financial results of Yoplait China attributable to us will be reflected as investment gains or losses. In addition, our associate, Tiantu Xingnan, also held certain equity interests in Yoplait China. The value appreciation of Yoplait China in 2022 attributable to the Group's interest in Tiantu Xingnan was reflected in "share of results of associates" in our Group's financial statements during the same period. For further information, see "Financial Information – Discontinued Operations" and Note 39 *Discontinued Operation of Mengtian Dairy Business and Yoplait China* to the Accountants' Report in Appendix I to this prospectus.

FUND STRUCTURING AND ARRANGEMENT

Fund Structure

We normally structure our funds in the form of limited liability partnerships which accept capital commitment for investment. We are committed to serving our fund investors and maintaining a dedicated fund investor relationship team. Each fund has investment policies and procedures that contain the requirements and limitations for investments made by the fund, such as the type of investments and industries to target.

In order to perform our management responsibilities, an entity within our Group typically acts as a general partner or fund manager to manage our funds. Our responsibilities include providing investment advice, research and due diligence, operational expertise and administrative services from our investment professionals. As limited partners of our funds, our fund investors generally do not control the business of the funds. As a general partner to the limited liability partnership, we may be exposed to the full extent of the fund's liabilities. Please see "Risk factors – Risks Relating to Our Business – We and our portfolio companies are exposed to litigation risks which could negatively impact our financial position and reputation" for details of the relevant risks. We are entitled to management fees and carried interest from the fund pursuant to the relevant agreements.

We not only manage our funds as a general partner or fund manager, but also invest our own capital in the funds we manage. For further details, see "– Sources of Capital and Fundraising" in this section.

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Terms of Partnership Agreements

Set out below are the major terms of typical partnership agreements entered into between our Group and our fund investors.

Parties:	(i) Our Group acts as the general partner of the fund, as well as a limited partner in cases where we make investments in the fund with our own capital (ii) Other investors as limited partners
Fund life:	Typically ranging from six years to eight years from the date of incorporation of the fund or the date of admission of all limited partners, with an option for extension.
Scope of investment:	The agreement generally sets out the scope of investment targets and industry.
Capital contribution:	The agreement generally sets out the amount of capital contribution of each partner as well as the methods and deadline for settling its committed capital contribution.
Management fee:	Management fees are generally calculated based on a percentage (typically 2%) of (i) committed capital during the investment period, and (ii) committed or paid-in capital minus cost of exited investments after the investment period. Cost of exited investments refers to the initial investment amount of projects that we have already exited.
Profit distribution:	The amount of profit each partner receives would mainly depend on the amount of capital contributions it made. After all partners have received their respective portion of capital contributions with a specific hurdle rate of return, our funds' profits are typically (i) distributed to the general partner or fund manager until such amount reaches 20% of the realized gains, which is referred to as carried interest, and (ii) 80% of the realized gains is shared among all partners in proportion to their respective capital contribution.

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Governance:	We, as a general partner and/or fund manager, are authorized to execute various affairs of the funds, including but not limited to, conducting investments for and on behalf of the funds.
Termination and settlement:	Upon the fund achieving its stated purpose or other condition for termination or settlement under the agreement is met, the fund would commence its clearance or settlement process.

MAJOR CUSTOMERS AND SUPPLIERS

Our Customers

Our customers primarily comprise our fund investors. See “– Sources of Capital and Fundraising” for further information.

Historically, we acquired control in certain dairy businesses operated by Mengtian Dairy and Yoplait China and thus had sold dairy products in relation to the dairy business during the Track Record Period. Since Mengtian Dairy ceased to be our subsidiary as of December 31, 2021 and Yoplait China ceased to be our subsidiary as of June 15, 2022, those historical sales have been recategorized as part of the discontinued operations, and we do not expect to recognize revenue in relation to dairy business in our financial statements in the future. We therefore do not regard customers of these dairy businesses as our major customers given they will not affect our future revenue, and their historical revenue contribution has been categorized as results of discontinued operations. For details, please see “– Deconsolidated Investments (Dairy Business)” in this section.

In 2020, 2021, 2022 and three months ended March 31, 2023, we had four, three, four and four revenue contributing unconsolidated funds, respectively, which altogether contributed 100% of our total revenue from private equity investment business.

During the Track Record Period, our largest external fund investor as of December 31, 2020, 2021, 2022 and March 31, 2023 contributed 10.3%, 9.1% and 9.1% and 9.1% of our funds’ total committed capital as of the same dates, respectively, and our five largest external fund investors as of December 31, 2020, 2021 and 2022 and March 31, 2023 in aggregate contributed 28.7%, 27.3%, 27.2% and 27.3% of our funds’ total committed capital as of the same dates, respectively. To the best knowledge of our Directors, as of the same dates, each of our top five external fund investors had net assets of not less than RMB10.0 million. The following tables set out the profile of our top five external fund investors in terms of committed capital during the Track Record Period:

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As of December 31, 2020

No.	Fund Investor	Type of Investors	Background	Business relationship since	Aggregate committed capital	% of the total committed capital of our funds	Aggregate paid-in capital	% of the total paid-in capital of our funds
					<i>RMB</i>		<i>RMB</i>	
					<i>million</i>		<i>million</i>	
1	Fund Investor A	Government guiding fund	A state-owned company based in Shenzhen established in 2015, primarily engaged in equity investment and providing consulting services on equity investments and enterprise management.	2017	1,227	10.3%	1,012	9.7%
2	Fund Investor B	Fund of funds	A limited partnership based in Shenzhen established in 2015, primarily engaged in equity investment fund management and equity investment.	2015	620	5.2%	620	5.9%
3	Fund Investor C	Government guiding fund	A state-owned company based in Shenzhen established in 2015, primarily engaged in equity investment and providing consulting services on equity investments and enterprise management.	2017	566	4.8%	455	4.3%

BUSINESS

No.	Fund Investor	Type of Investors	Background	Business relationship since	Aggregate committed capital	% of the total committed capital of our funds	Aggregate paid-in capital	% of the total paid-in capital of our funds
					<i>RMB million</i>		<i>RMB million</i>	
4	Fund Investor D	Insurance company	A state-controlled insurance company based in Beijing established in 2005, primarily engaged in life insurance business and reinsurance business.	2016	510	4.3%	510	4.9%
5	Paladin ⁽¹⁾	A limited partnership primarily engaged in asset management business	A limited partnership based in Shenzhen established in 2015, primarily engaged in asset management business.	2015	500	4.2%	500	4.8%
Total					3,423	28.7%	3,097	29.5%

BUSINESS

As of December 31, 2021

No.	Fund Investor	Type of Investors	Background	Business relationship since	Aggregate committed capital	% of the total committed capital of our funds	Aggregate paid-in capital	% of the total paid-in capital of our funds
					<i>RMB</i>		<i>RMB</i>	
					<i>million</i>		<i>million</i>	
1	Fund Investor A	Government guiding fund	A state-owned company based in Shenzhen established in 2015, primarily engaged in equity investment and providing consulting services on equity investments and enterprise management.	2017	1,227	9.1%	1,095	8.8%
2	Fund Investor E	Subsidiary of a listed company	A subsidiary of a listed company based in Hubei established in 2018, primarily engaged in investment management and consulting business.	2018	750	5.6%	500	4.0%
3	Fund Investor B	Fund of funds	A limited partnership based in Shenzhen established in 2015, primarily engaged in equity investment fund management and equity investment.	2015	620	4.6%	620	5.0%

BUSINESS

No.	Fund Investor	Type of Investors	Background	Business relationship since	Aggregate committed capital	% of the total committed capital of our funds	Aggregate paid-in capital	% of the total paid-in capital of our funds
					<i>RMB million</i>		<i>RMB million</i>	
4	Fund Investor C	Government guiding fund	A state-owned company based in Shenzhen established in 2015, primarily engaged in equity investment and providing consulting services on equity investments and enterprise management.	2017	566	4.2%	566	4.5%
5	Fund Investor D	Insurance company	A state-controlled insurance company based in Beijing established in 2005, primarily engaged in life insurance business and reinsurance business.	2016	510	3.8%	510	4.1%
Total					3,673	27.3%	3,291	26.3%

BUSINESS

As of December 31, 2022

No.	Fund Investor	Type of Investors	Background	Business relationship since	Aggregate committed capital	% of the total committed capital of our funds	Aggregate paid-in capital	% of the total paid-in capital of our funds
					<i>RMB</i>		<i>RMB</i>	
					<i>million</i>		<i>million</i>	
1	Fund Investor A	Government guiding fund	A state-owned company based in Shenzhen established in 2015, primarily engaged in equity investment and providing consulting services on equity investments and enterprise management.	2017	1,227	9.1%	1,095	8.7%
2	Fund Investor E	Subsidiary of a listed company	A subsidiary of a listed company based in Hubei established in 2018, primarily engaged in investment management and consulting business.	2018	750	5.5%	500	4.0%
3	Fund Investor B	Fund of funds	A limited partnership based in Shenzhen established in 2015, primarily engaged in equity investment fund management and equity investment.	2015	620	4.6%	620	4.9%

BUSINESS

No.	Fund Investor	Type of Investors	Background	Business relationship since	Aggregate committed capital	% of the total committed capital of our funds	Aggregate paid-in capital	% of the total paid-in capital of our funds
					<i>RMB</i> <i>million</i>		<i>RMB</i> <i>million</i>	
4	Fund Investor C	Government guiding fund	A state-owned company based in Shenzhen established in 2015, primarily engaged in equity investment and providing consulting services on equity investments and enterprise management.	2017	566	4.2%	566	4.5%
5	Fund Investor D	Insurance company	A state-controlled insurance company based in Beijing established in 2005, primarily engaged in life insurance business and reinsurance business.	2016	510	3.8%	510	4.0%
Total					3,673	27.2%	3,291	26.0%

Note:

- (1) Paladin is a substantial Shareholder of the Company, which held approximately 15.06% equity interest in our Company as of the Latest Practicable Date. As of the Latest Practicable Date, Paladin was held as to approximately 0.245% by Guangzhou Yingrui Capital Management Co., Ltd. (廣州市盈睿資本管理有限公司) as its executive partner and as to approximately 99.755% by certain limited partners, including the Company's executive Director, Mr. Dai Yongbo, who held approximately 0.096% partnership interest in Paladin as of the Latest Practicable Date.

BUSINESS

As of March 31, 2023

No.	Fund Investor	Type of Investors	Background	Business relationship since	Aggregate committed capital	% of the total committed capital of our funds	Aggregate paid-in capital	% of the total paid-in capital of our funds
					<i>RMB</i>		<i>RMB</i>	
					<i>million</i>		<i>million</i>	
1	Fund Investor A	Government guiding fund	A state-owned company based in Shenzhen established in 2015, primarily engaged in equity investment and providing consulting services on equity investments and enterprise management.	2017	1,227	9.1%	1,095	8.7%
2	Fund Investor E	Subsidiary of a listed company	A subsidiary of a listed company based in Hubei established in 2018, primarily engaged in investment management and consulting business.	2018	750	5.6%	500	4.0%
3	Fund Investor B	Fund of funds	A limited partnership based in Shenzhen established in 2015, primarily engaged in equity investment fund management and equity investment.	2015	620	4.6%	620	4.9%

BUSINESS

No.	Fund Investor	Type of Investors	Background	Business relationship since	Aggregate committed capital	% of the total committed capital of our funds	Aggregate paid-in capital	% of the total paid-in capital of our funds
					<i>RMB</i> <i>million</i>		<i>RMB</i> <i>million</i>	
4	Fund Investor C	Government guiding fund	A state-owned company based in Shenzhen established in 2015, primarily engaged in equity investment and providing consulting services on equity investments and enterprise management.	2017	566	4.2%	566	4.5%
5	Fund Investor D	Insurance company	A state-controlled insurance company based in Beijing established in 2005, primarily engaged in life insurance business and reinsurance business.	2016	510	3.8%	510	4.0%
Total					3,673	27.3%	3,291	26.1%

During the Track Record Period, save for Paladin and Mr. Dai Yongbo as disclosed above, none of our Directors, Supervisors, their respective associates, or any shareholders of the Company (who or which to the knowledge of the Directors owned more than 5% of the Company's issued share capital) had any interest in any of the aforesaid top external five fund investors.

BUSINESS

Our Suppliers

During the Track Record Period, we did not have regular or major suppliers due to our business nature.

Historically, we acquired control in certain dairy businesses operated by Mengtian Dairy and Yoplait China and thus had purchases from suppliers in relation to the dairy business during the Track Record Period. Since Mengtian Dairy ceased to be our subsidiary as of December 31, 2021 and Yoplait China ceased to be our subsidiary as of June 15, 2022, those historical purchases have been recategorized as part of the discontinued operations, and we do not expect to incur such purchases in relation to dairy business in our financial statements in the future. We therefore do not regard suppliers of these dairy businesses as our material suppliers given the historical purchases from them have been categorized as results of discontinued operations. For details, please see “– Deconsolidated Investments (Dairy Business)” in this section.

RESEARCH AND DEVELOPMENT

As is common in the investment management industry, our founder and investment professionals spend significant resources on market research and business development. Leveraging about 20 years of experience investing in the consumer sector, we have established an in-depth understanding of investment and consumer companies to capture market opportunities. For further information, see “– Investment Approach” and “– Our Funds” in this section.

COMPETITION

Competition in the investment management industry in China has been and is likely to remain intense. We compete based on a number of factors, including investment performance, strengths of client relationship, reputation, industry knowledge, access to capital and the ability to recruit and retain talents. We believe we lead in the competition among the consumer-focused private equity investment institutions in China. For details of the competitive landscape and characteristics of our industry, please see “Industry Overview – Private Equity Investment Market in China – Overview of the Consumer-Focused Private Equity Investment Market in China” in this prospectus.

BUSINESS

AWARDS

The following table sets out the major awards and recognition obtained by us since 2017:

Organization	Award
ChinaVenture:	Top 20 Investment Institutions in the New Consumer Sector in China, 2020
	Top 10 Investment Institutions in the New Consumer Sector in China of the Year, 2017, 2018 & 2019
	Top 20 Chinese Venture Capital Institutions in China, 2018 & 2021
	Top 30 Investment Institutions in the New Consumer Sector in China, 2021
Qingke Group:	Top 20 Investment Institutions in the Consumer Lifestyle Sector in China, 2018
	Top 30 Investment Institutions in China's Cultural Consumption Sector, 2019 & 2020
	Top 30 Investment Institutions in China's Consumer Sector, 2021 & 2022
Securities Times:	China Venture Capital Golden Eagle Award:
	VC Institutions of the Year, 2019, 2020, 2021 & 2022
	Venture Capital Firms of the Year in the Large Consumer Sector, 2019, 2020 & 2021
	Venture Capital Firms of the Year in the New Consumption Sector, 2022
China Securities Journal:	China Equity Investment Golden Bull Award:
	Golden Bull Investment Institutions in the Consumer Lifestyle Sector, 2018, 2020 & 2021
	Golden Bull Venture Capital Institutions, 2018

BUSINESS

Organization	Award
China Venture Capital Research Institute:	Top 10 Investment Institutions in the Culture, Sports and Entertainment Sector in China, 2022 Top 30 Investment Institutions in New Consumption Sector in China, 2022 Top 20 Investment Institutions in the Culture, Sports and Entertainment Sector in China, 2019 & 2020 Top 20 Investment Institutions in the Consumer Upgrade Sector in China, 2019
21st Century Business Herald:	TOP 30 Venture Capital and Private Equity Investment Institutions in China, 2021-2022 Top 15 Competitive Private Equity Firm in the Consumer Service Sector, 2019-2020
Yicai:	New Consumer Investment Institution of the Year in China, 2022 Top 10 Investment Institutions for Future Life, 2021 Top 10 Cultural Consumer Investment Institutions, 2020
iResearch:	Most Recognized Investment Institutions in the Large Consumer Sector in China, 2021
Chuangye Bang:	Most Admired Venture Capital Firms in China, 2021 & 2022
National Business Daily:	Top 20 Brand Value of Venture Capital Institutions, 2021
Forbes China:	Top 20 Venture Capital Institutions in China, 2017 Top 30 Venture Capital Institutions in China, 2018
New Fortune:	Best Industrial Investment Institution in the Large Consumer Sector, 2022
36Kr:	Top 20 Investment Institutions in the Large Consumer Sector and Creative Economy in China, 2022
China Bridge:	Top 20 Investment Institutions in China's New Consumer Sector, 2021-2022

BUSINESS

EMPLOYEES

We believe that professional employees are important cornerstones for our continued growth. As of the Latest Practicable Date, we had 86 full-time employees with more than half of them having a master's or higher degree.

The following table sets forth the number of our employees by function as of the Latest Practicable Date.

<u>Function</u>	<u>Number of Employees</u>	<u>Percentage</u>
Investment and operation	51	59.3%
Risk Management	5	5.8%
Finance	8	9.3%
Administration	22	25.6%
Total	86	100.0%

The following table sets forth the number of our employees by geographic regions as of the Latest Practicable Date.

<u>Geographic Region</u>	<u>Number of Employees</u>	<u>Percentage</u>
Shenzhen	65	75.6%
Beijing	6	7.0%
Shanghai	10	11.6%
Hong Kong	5	5.8%
Total	86	100.0%

Our success depends on our ability to attract, retain and motivate qualified personnel. As of the Latest Practicable Date, we have a highly experienced team of 51 investment and operation professionals, including 31 senior professionals that have an average tenure of eight years with Tiantu. They combine deep industry knowledge and investment insights with their extensive network and strong execution expertise to source and capture suitable investment opportunities in the market. As part of our talent acquisition strategy, we offer employees competitive compensation and various welfare. Our investment professionals' compensation is closely tied to the performance of our managed funds and investment results, which helps to align the interests of our staff and our fund investors and drive the growth of our business. We regularly review the performance of our employees and award promotions based on our employees' ability and accomplishments to attract and retain talented employees.

BUSINESS

We mainly recruit our employees from the market or through referrals. The recruiting process includes rigorous assessment of candidates' technical skills and intangible qualities such as integrity and attitude, as well as their educational and professional backgrounds, and typically involves several rounds of interviews. New employees are required to attend introduction courses to ensure that they are equipped with the necessary skills and knowledge to perform their duties. We also offer training to our existing staff on professional skills to optimize our talent pool.

Our key investment professionals have an average tenure of more than ten years at our Company, with visionary insights and rich resources in the industry. We enter into individual employment contracts with our employees covering matters including terms, compensation, employee benefits and grounds for termination. We make contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees as required by the applicable PRC laws and regulations, and did not have any material non-compliance in this regard during the Track Record Period and as of the Latest Practicable Date. We believe that we maintain a good working relationship with our employees and we have not experienced any significant labor disputes or any significant difficulty in recruiting staff for our operations. We do not have an established labor union. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material claims, lawsuits, penalties or administrative actions relating to non-compliance with occupational health and safety laws or regulations, and had not experienced any strikes, labor disputes or industrial actions which have had a material effect on our business.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we have 17 registered trademarks in the PRC and two registered trademarks in Hong Kong and are the registered proprietor of certain domain names. For details of our intellectual property rights, see "Appendix VI – Statutory and General Information – Further Information About the Business of Our Company – 2. Intellectual Property Rights".

PROPERTIES

Owned Property

We did not have any owned property as of the Latest Practicable Date.

Leased Property

Our corporate headquarters are located in Shenzhen, China. As of the Latest Practicable Date, we leased 23 properties in Shenzhen, Beijing, Hong Kong, and other locations in China for our offices and dormitory. These properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules.

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As of the Latest Practicable Date, lessors of two of our leased properties in the PRC have not provided us with valid title certificates or relevant authorization documents evidencing their rights to lease the properties to us. Consequently, if any of these leases is terminated as a result of challenges by third parties, we may not be able to continue to use such properties.

Pursuant to the applicable PRC laws and regulations, property lease agreements must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date, we had not completed leasing registration for 10 of our leased properties, primarily due to the difficulty of procuring our lessors' cooperation to register such leases. According to our PRC Legal Advisor, the failure to complete such leasing registration process does not affect the validity of the relevant property lease agreements, but we might be ordered to rectify this non-compliance by competent authorities and if we do not rectify within a prescribed period, a penalty may be imposed on us as a result of such non-filing. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any penalties arising from the non-registration of our lease agreements, and had not experienced any dispute arising out of, or in relation to, our leased properties.

In the event that we are required to relocate from any of these leased properties as a result of the foregoing, our Directors do not expect any practical difficulty in identifying alternative premises in a timely manner, and are of the view that such non-filing or failure to obtain copies of lessors' title certificates or other authorization certificates would not have a material impact on our business, financial position and results of operations. For a discussion of risks relating to leased properties, see "Risk Factors – Risks Relating to Our Business – We may be subject to risks relating to leased properties" in this prospectus.

According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our interests in land or buildings, for the reason that, as of the date of the most recent audited combined balance sheet of our Group, none of the properties owned and leased by us had a carrying amount of 15% or more of our combined total assets.

INSURANCE

We maintain standard social insurance for our employees required by PRC laws and regulations, including pension insurance, medical insurance, workplace injury insurance, unemployment insurance and maternity insurance. See "Risk Factors – Risks Relating to Our Business – We may be subject to penalties under relevant PRC laws and regulations due to failure in full compliance with social insurance and housing fund regulation" in this prospectus for the relevant risk factor. We believe that our insurance coverage is sufficient for its present purposes and is consistent with the insurance coverage of other investment management companies in China. During the Track Record Period, we did not make any material insurance claims relating to our business.

HEALTH, WORK SAFETY, SOCIAL, AND ENVIRONMENTAL MATTERS

We are dedicated to building a sustainable business and pay close attention to environmental, social and corporate governance (“ESG”) matters. We have incorporated ESG elements such as sustainability into various aspects of our business. On the one hand, we have integrated ESG considerations into our investment process from the selection of investment targets to post-investment management. On the other hand, we are continuously strengthening our social responsibility system, taking on environmental responsibility, promoting green office and low-carbon practices. We believe we have adequate policies ensuring compliance with all health, safety, social and environmental protection regulations. We aim to improve our ESG strategies, and our Directors will actively participate in designing our ESG strategies and targets, and will evaluate, determine and address our ESG-related risks.

Governance

We are committed to complying with ESG reporting requirements upon the Listing. We expect to establish ESG policies in accordance with the standards set forth in Appendix 27 to the Listing Rules to cover, among others, (i) ESG governance structure and ESG strategy formation procedures, (ii) ESG risk management and monitoring, and (iii) the identification of key performance indicators, the relevant metrics and mitigating measures.

Our ESG policy will set out the respective responsibility and authority of different parties. Our Board of Directors will be collectively responsible for establishing, adopting and reviewing the ESG vision and targets of our Group, identifying key performance indicators and the relevant measurements, and evaluating, determining and addressing our ESG related risks. Under the oversight of the Board, we will actively identify and monitor the actual and potential impact of ESG-related risks on our business, strategy and financial performance, and incorporate considerations for these issues into our business, strategic and financial planning.

Environment and Climate

As a private equity investor and fund manager in the PRC, we generally do not directly produce material industrial pollutants in our principal business, as most of our investments are minority investments in the consumer industry in China. However, many consumer companies that we invest in operate manufacturing or warehousing facilities, and thus they are subject to more significant ESG risks. If such portfolio companies fail to effectively manage their ESG responsibilities and risks, their business operations and financial conditions would be adversely affected, which may further impact the performance of our investments.

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In addition, we may also occasionally consider to take control and deploy buyout investment strategies when suitable opportunities arise, which may trigger additional ESG responsibilities and risks. Historically we acquired control in certain dairy businesses operated by Mengtian Dairy and Yoplait China. We ceased to consolidate these two businesses in December 2021 and June 2022, respectively; but retained our investments in these businesses, recorded as our associates measured at fair value. For information on the environmental and climate impacts of these dairy business, please see the paragraphs headed “– Environment and Climate Impact from Dairy Businesses” in this section below.

Environment and Climate Impact at Our Corporate Level

To manage the ESG risks that we are exposed to through our minority and buyout investments, we take into account ESG-related factors, including the target company’s ESG strategy and management system, before making an investment, to evaluate both the downside from ESG risk and the upside potential from ESG improvements. We will not make investments unless we believe the target company’s ESG risks are under control and the target company has a sound ESG strategy and risk management system or with a strong potential for ESG improvements in the near future. After making investments, we continue to monitor the ESG matters of our portfolio companies to constantly manage our risk exposure.

Aligned with our commitment to ESG practices, after comprehensive evaluations of business and financial conditions, we have invested in certain portfolio companies that directly operate ESG related business, including ATRenew (萬物新生), the largest pre-owned consumer electronics transactions and services platform in China. By developing an efficient closed-loop system for the recycling and repurposing of pre-owned electronics, this portfolio company has integrated ESG principles into its business model. Its efforts cover the entire pre-owned consumer electronics value chain, contributing to reducing waste, conserving resources, and supporting the principles of the circular economy for a more sustainable future.

Besides, many investee companies in our portfolio are enhancing the practice of sustainable development concept. For example, China Feihe (中國飛鶴), a highly recognized infant milk formula company invested by us, has built a large-scale utilization project of biomass natural gas and organic fertilizer, using straw and cow manure as raw materials, and also achieved significant water saving and carbon dioxide reduction and received the highest ESG rating in China’s food industry from a reputable global index provider. Nayuki (奈雪的茶), a leading premium modern teahouse chain brand invested by us, has used environmentally-friendly PLA straws throughout all stores nationwide, replaced packaging cup trays with those made from “reclaimed pulp” and also replaced other materials such as doggie bags and inner bread bags with environmentally-friendly options. Pagoda (百果園), a large-scale fruit chain enterprise invested by us, has implemented sustainable planting techniques and guided farmers to adopt natural farming methods without using chemical fertilizers or pesticides, to promote sustainable development. In addition, other portfolio companies, such as WonderLab, Saturnbird Coffee (三頓半咖啡) and Guoquan Shihui (鍋圈食匯), have taken various actions to contribute to the sustainability, such as promoting the use of degradable plastic bags and reusable shopping bags, organizing recycling programs, and collaborating with environmental organizations for biodiversity conservation.

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At our corporate level, we always recognize the significance of environmental and social responsibility, and are committed to achieving a balance between our role as a for-profit company and our responsibility to promote the well-being of society. The direct impact of our business on the environment and climate mainly is through resource consumptions, including consumptions of electricity and water. The following table sets forth our major energy consumption data of our headquarter office space during the Track Record Period:

	Year Ended December 31,			Three Months Ended March 31,
	2020	2021	2022	2023
	Electricity consumption (MWh)	147	169	173
Electricity consumption intensity (MWh/'000 m ²)	49.70	57.24	58.66	6.71
Water consumption (ton)	407	1,231	1,104	279
Water consumption intensity (ton/m ²)	0.14	0.42	0.37	0.09

We understand the importance of power saving and resources conservation. Therefore, we have also implemented relevant internal policies to reduce our environmental impact and carbon footprint, mainly including: (i) sending regular energy-saving reminders to employees, which urge them to turn off indoor lights, electronic equipment and air conditioning in time after leaving the meeting room and before getting off work; (ii) setting up a wastebasket to recycle paper that can be reused (such as those with only one side used); (iii) encouraging the use of online system for internal examination and approval and reducing the use of paper documents; (iv) encouraging employees to reduce their use of disposable items, such as chopsticks and plastic bags, and replace them with biodegradable and environmentally friendly options; (v) establishing a “smoke-free” environment in our office area with green gardens outside to purify the air; and (vi) promoting accurate garbage classification, providing recycling facilities and regularly clearing them to enable resource recycling.

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Environment and Climate Impact from Dairy Businesses

Mengtian Dairy operates a large-scale dairy farm in Dezhou, Shandong and is primarily engaged in the production and sale of raw milk and milk beverages. Its dairy business impacts the environment primarily through the carbon and greenhouse gas emissions (“GHG”) (such as methane emission from dairy cows), air emissions, hazardous and non-hazardous waste emission, water usage and energy consumption. In addition, its dairy business is subject to the risks of extreme weather conditions that could potentially lower the milk yield and growth of dairy cows. In 2021, Mengtian Dairy’s emissions of NOx, SOx and particular matter were about 29 tons, 2 tons and 74 tons, respectively. The following table sets forth other selected ESG metrics of Mengtian Dairy for 2021, the last fiscal year before we ceased to control Mengtian Dairy:

	Year Ended December 31, 2021
GHG emission by volume (tCO ₂ e) ⁽¹⁾ :	
– Cattle related ⁽²⁾	114,600
– Operations related ⁽³⁾	74
GHG emissions by intensity (tCO ₂ e):	
– Per ton of raw milk produced	2.46
Energy consumption by intensity (standard coal ton):	
– Per ton of raw milk produced	0.03
Hazardous waste produced by intensity (ton):	
– Per ton of raw milk produced	<0.001

Notes:

- (1) Refer to GHG directly emitted from the ordinary course of business of Mengtian Dairy, mainly including GHGs emitted by dairy cows and boilers.
- (2) Primarily methane emission from dairy cows. We referred to “2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories – Volume 4: Agriculture, Forestry and Other Land Use” and relevant academic publications when calculating the historical methane emissions related to cattle farming.
- (3) Other GHG emissions from operations other than cattle farming, which are primarily the consumption of diesel oil.

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Yoplait China is primarily engaged in the production and sale of yogurt and other milk beverages. Its dairy business impacts the environment primarily through air emissions, waste emissions, water usage and energy consumption, and sustainable packaging. In 2022, Yoplait China has switched from natural gas boilers to externally supplied steam which is more eco-friendly, reducing the annual emissions of nitrogen oxides by 1.72 tons, SO₂ by 0.37 tons, and particulate matter by 0.22 tons. The following table sets forth other selected ESG metrics of Yoplait China for 2021, the last fiscal year before we ceased to control Yoplait China:

	Year Ended December 31, 2021
Electricity consumption by intensity (MWh):	
– Per ton of milk beverage produced	0.29
Water consumption by intensity (ton):	
– Per ton of milk beverage produced	12.79
Gas consumption by intensity (m ³):	
– Per ton of milk beverage produced	32.93
Hazardous waste produced by intensity (ton):	
– Per ton of milk beverage produced	<0.001

During the period when we controlled these dairy businesses, we strived to mitigate the environmental related risks and impacts through a series of measures, including (i) implementing appropriate internal policies to make their operations more energy efficient and environmentally friendly and to ensure effective compliance with applicable PRC environmental laws and regulations; (ii) improving work efficiency to increase average production volume so as to reduce the waste per ton of milk or milk beverage produced; (iii) improving waste recycling and treatment facilities to effectively manage waste in their dairy farms and production facilities. As confirmed by the PRC Legal Advisor, Mengtian Dairy and Yoplait China were not subject to any fine or other penalty due to non-compliance with environmental regulations during the Track Record Period and up to the date of their respective deconsolidation.

We currently do not take control over these dairy businesses, but still retain certain investments in them. Similar to other minority investments, we will continue to review and monitor the operational conditions of these dairy businesses, including the magnitude and management of their ESG risks.

After the deconsolidation, Mengtian has continued its efforts in reducing the impact of its operations on the environment and climate. In terms of GHG emissions, Mengtian Dairy has taken or planned to take various initiatives, including (i) increasing work efficiency and daily milk production to reduce emissions per ton of raw milk, (ii) exploring new technologies and energy-efficient facilities, utilizing green energy from photovoltaic power generation, (iii) collecting and processing cow manure (a main source of methane emission) through anaerobic digesters, and reducing the use of higher greenhouse gas emission sources by modifying the

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total mixed ration (“TMR”). In terms of air emissions, Mengtian Dairy plans to use electricity-powered stationary TMR to replace the diesel-powered mobile mixers, as well as air-source heat pumps to generate heat during winter, reducing the use of other materials that generates air pollutants. In terms of resource consumption, Mengtian Dairy plans to upgrade equipment for improved water efficiency, to replace high-energy-consuming equipment with energy-efficient alternatives like LED lights and solar water heaters. For waste management, Mengtian Dairy has installed manure recovery and treatment facilities to handle manure and regularly cleaning the barns. In particular, Mengtian has implemented a biogas recovery system that utilizes anaerobic digestion technology to produce biogas for power generation. The solid waste from the process is used as bedding material for the cattle, while the liquid waste is recycled as fertilizer for its farmland.

Meanwhile, Yoplait China has also implemented various ESG measures, such as optimizing production schedules to reduce water consumption for equipment and pipeline cleaning, reducing energy consumption of central air conditioning by controlling temperature, and collecting and recycling rainwater for plant irrigation to reduce the use of tap water by about 2,000 cubic meters per year. Furthermore, Yoplait China has installed solar panels with a capacity of 0.999MWP on the roof of its facility in Kunshan, resulting in an estimated annual power generation of 945,000 KWh, reflecting its efforts to promote renewal energy and reduce carbon footprint. In 2022, Yoplait China utilized 2,148 tons of packaging materials, of which 1,754 tons were recyclable, representing approximately 82% of our total packaging material usage by weight, demonstrating its commitment to environmentally-conscious practices.

In the future, if we acquire control in certain portfolio companies, we may be subject to additional ESG-related liabilities and risks, and our business, financial condition and results of operations would be affected by such ESG matters. For risk factors associated with buyout investments, see “Risk Factors – Risks Relating to Our Business – Our buyout investment strategy may fail and may result in material and adverse impact on our financial condition and results of operations” in this prospectus.

At our corporate level, we have also implemented internal policies to reduce our environmental impact and carbon footprint, mainly including: (i) sending regular energy-saving reminders to employees, which urge them to turn off indoor lights, electronic equipment and air conditioning in time after leaving the meeting room and before getting off work; (ii) setting up a wastebasket to recycle paper that can be reused (such as those with only one side used); and (iii) encouraging the use of online system for internal examination and approval and reducing the use of paper documents.

Health, Safety and Social Responsibilities

We are committed to providing a safe and healthy working environment for our employees. We have implemented a policy on safety and accidents covering office safety policies, severe weather conditions arrangements and fire safety. To ensure compliance with applicable laws and regulations, from time to time, we would, if necessary and after consultation with legal advisor, adjust our human resources policies to accommodate material changes to relevant labor and safety laws and regulations.

In respect of social responsibilities, we are committed to offering a fair and caring working environment to our employees. We value the contribution of each employee in different roles and strive to provide a fair compensation scheme that provides proper incentives. We hire employees based on their merits and it is our corporate policy to offer equal opportunities to our employees, regardless of gender, age, race, religion or any other social or personal characteristics, and provide training programs to keep our employees stay abreast of industry and regulatory developments. We have also adhered to serving the communities where we operate, and actively cooperated with local communities and local governments in the fight against COVID-19 pandemic in China.

In addition to our corporate-level initiatives, we have embedded ESG into our investment process, and consider ESG-related factors such as labor issues, history of accidents involving personal injury or property damage, adverse media coverage, potential regulatory issues as an important part of our project screening criteria.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material accidents, claims for personal or property damage or compensation to employees, and we had not been subject to any fines or other penalties due to non-compliance with health, work safety, social or environmental regulations.

LEGAL PROCEEDINGS AND REGULATORY COMPLIANCE

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any legal, arbitral or administrative proceedings, which could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

On January 29, 2023, we received a notice of arbitration and became aware of the fact that we were named as a party in an arbitration. As of the Latest Practicable Date, the arbitration was still ongoing. Details are set forth below.

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A subsidiary of 51 Credit Card Inc. initiated an arbitration proceeding with Hangzhou Arbitration Commission against the former controlling shareholder, Mr. Yang, and all the other prior shareholders of Beijing Shouhui Kaizhuo Technology Company Limited (“**Shouhui Kaizhuo**”), including us as a prior minority shareholder of Shouhui Kaizhuo. The arbitration is in relation to the acquisition of Shouhui Kaizhuo by 51 Credit Card Inc. (“**Share Transfer Transaction**”), and the claim submitted by the subsidiary of 51 Credit Card Inc. alleges that the purpose of the share transfer agreements cannot be achieved, and demands the rescission of the relevant agreements.

Specifically, in 2017, 51 Credit Card Inc. entered into a series of share transfer agreements with all prior shareholders of Shouhui Kaizhuo, including our Group, to acquire 100% equity interest of Shouhui Kaizhuo. Pursuant to the agreements, we agreed to sell our equity interest in Shouhui Kaizhuo for a total consideration of RMB176.7 million, which we received in July 2018. To the best knowledge of our Directors, the ongoing arbitration derived from a dispute between 51 Credit Card Inc. and Mr. Yang. In its claims, 51 Credit Card Inc. did not allege that we have any wrongdoings on our part, and we (together with over 10 other prior minority shareholders of Shouhui Kaizhuo) were involved in the arbitration because we are parties to the Share Transfer Transaction.

As of the Latest Practicable Date, the arbitration penal had just been established and the arbitration was still in a very early stage. We have engaged a reputable PRC law firm with relevant arbitration expertise as our arbitration expert to assist us in responding to the arbitration. As advised by our arbitration expert, based on their review and analysis of all the materials currently available including 51 Credit Card Inc.’s claims and its supporting documents, along with other written materials in connection with this transaction, and announcements disclosed by 51 Credit Card Inc. with respect to the Share Transfer Transaction, the likelihood of 51 Credit Card Inc. prevailing in the arbitration is remote. Furthermore, as advised by our PRC Legal Adviser, all the agreements entered into by us in relation to the Share Transfer Transaction remain valid and legally effective; even if 51 Credit Card Inc. prevails in the arbitration, we are still entitled to seek indemnities and other recourses.

The ongoing arbitration has no impact on our historical profits or losses, net assets or cash flow during the Track Record Period. In the extreme event that the claims of 51 Credit Card Inc. are upheld by the arbitration panel and the share transfer agreements were to be rescinded, it may negatively impact our future cash flow, and potentially lead to the revaluation of the portfolio company, Shouhui Kaizhuo, which in turn may lead to a fluctuation in our future financial performance. Specifically, for the potential impact on future cash flow in this extreme situation, we may be obligated to refund part or all of the consideration received, which amounted to RMB176.7 million representing the carrying amount of our stake in this portfolio company measured at fair value (the “**Carrying Value**”). Should this happen, we believe the adverse impact on our cash flow caused by such refund are manageable. Taking into account that we can still request for indemnities and seek other recourses, and as of July 31, 2023, we have (i) available bank balances and cash of RMB534.1 million, (ii) listed equity investments with a value of RMB743.6 million that were not subject to trading restriction, including financial assets at FVTPL and interest in associate measured at fair value; (iii) unutilized bank

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facilities of RMB35.1 million, as well as our flexibility to issue long-term corporate bonds and request new facilities from financial institutions, we believe that such refund would not significantly affect our capital sufficiency and results of operations. In terms of the potential impact on future profits and losses due to revaluation of this portfolio company, the maximum risk exposure of potential losses from fair value change is the total Carrying Value that accounts for approximately 2.4% of our net assets as of March 31, 2023. Considering the relatively small amount of risk exposure, the Directors believe that such risk is manageable and would not materially and adversely affect our future financial position. Please also see “Risk Factors – Risks Relating to Our Business – We and our portfolio companies are exposed to litigation risks which could negatively impact our financial position and reputation” and “Financial Information – Discussion of Certain Selected Items From the Consolidated Statements of Financial Position – Advances From Share Transfer Transaction” in this prospectus.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations. Our Directors are of the view that, we had complied, in all material respects, with all relevant laws and regulations in the jurisdictions where we operate during the Track Record Period and up to the Latest Practicable Date. For summaries of regulations that are material to our business operations and regulatory licences in certain key jurisdictions, namely, the PRC, Cayman Islands and Hong Kong, see “Regulatory Overview” in this prospectus.

LICENSES AND APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, permits and approvals from the relevant government authorities that are material for our business operations.

The following table sets forth details of our material licenses.

<u>License/ Permit</u>	<u>Regulated activities</u>	<u>Holder</u>	<u>Issuing Authority</u>	<u>Issuance Date</u>	<u>Expiry Date</u>
Private Equity Fund Manager Registration	Fund management activities for our RMB- denominated funds	Tiantu Capital Management Center	AMAC	April 23, 2014	–

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<u>License/ Permit</u>	<u>Regulated activities</u>	<u>Holder</u>	<u>Issuing Authority</u>	<u>Issuance Date</u>	<u>Expiry Date</u>
Type 9 License – Asset Management	Fund management activities for our USD- denominated fund	Tiantu Asset Management Company Limited	SFC	September – 17, 2021	

We have completed the registration of private fund managers with the AMAC. We have also completed all the requisite registration or authorization and filing procedures for nine RMB-denominated funds managed by us as of the Latest Practicable Date under applicable laws and regulations, and expect to complete the registration for the remaining two new funds established after the Track Record Period prior to making investments in accordance with applicable laws and regulations. Therefore, as advised by our PRC Legal Advisor, we have obtained all the necessary regulatory approvals for our Renminbi-denominated funds under management in the PRC. In addition, each of the USD-denominated funds managed by us has completed the registration with the CIMA in Cayman Islands. Based on the certificate of registration of each of these funds, as advised by our legal advisor as to Cayman Islands laws, all the statutory requirements for registration which these funds are subject to have been complied with. For details of our managed funds and their regulatory environments, see “– Our Funds” in this section and “Regulatory Overview” in this prospectus.

RISK MANAGEMENT AND INTERNAL CONTROL

As a private equity investor and fund manager in the PRC, we are subject to a variety of risks in our business operations. Some of these risks are specific to us while others relate to economic conditions and the general industry and markets in which we operate. For further discussion of these risks, please see “Risk Factors” in this prospectus.

Risk Management System

Risk management is the process designed to identify potential events that may affect us and to manage risks to be involved within our risk appetite. We have established a risk management system with the Board at the top of our risk management hierarchy being responsible for overall risk management and overseeing the risk management functions.

Board of Directors

Our Board is ultimately responsible for our overall risk management. It reviews and approves risk management policies, supervises the implementation of risk management policies and determines key risk management matters.

Risk Management Committee and Department

We have multiple layers of committees and oversight to uphold a high standard of corporate governance and to manage enterprise risk. Our Executive Committee, as a regular management body of the Group, reports to the Board and assists in monitoring our risk control committee. Our risk control committee takes charge of risk identification, detection, prevention, control and making risk management decisions throughout the Group, and to supervise the status of legal compliance and risk control implementation in all aspects, all departments and positions of the Group. It is made up of five members with an average of over 15 years of experience in the private equity investment industry.

In addition, the Company has an investment committee that approves investments, and along with the risk control committee, monitor and manage risks. Our risk management department is responsible for day-to-day internal control and risk management of the Group and post-investment risk management of portfolio companies. Our legal department handles legal affairs while assisting and cooperating with the risk management department to prepare risk management related documents, assess legal risks and offer legal opinions. Our investment management department is responsible for regular post-investment management of portfolio companies.

Our deal teams are directly responsible for managing risks arising from their regular business and ensuring that appropriate and effective risk management procedures are followed to minimize our risk of loss. They accept supervision from risk control committee and improve their risk control measures according to the requirements of the risk control committee.

Risk Management and Internal Control Policies

We have implemented and continue to implement a number of policies and measures to manage risks and maintain internal control. These policies cover areas such as: (i) procedures required for fundraising, making investment, post-investment management and exit from investments; (ii) the responsibilities of our senior managers and employees; (iii) organizational structure; (iv) creating and preserving records; (v) prohibitions on fraudulent practices and insider dealing; (vi) guidelines for marketing efforts; (vii) client due diligence; (viii) anti-money laundering, anti-bribery, anti-corruption and economic sanctions; and (ix) conflicts of interest. Under the Listing, we will adopt additional policies and measures to help ensure compliance with the Listing Rules.

Risks Management Related to Investment Decisions and Project Vetting***Stringent Approval Process***

Any investment decision to be made by us for and on behalf of our funds and direct investments are subject to our rigorous review and approval process. A prospective project is typically required to be presented to the relevant investment committee for discussion and review at three meetings before an investment is made.

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Our deal team leverages the Group's and their own resources to source projects through various channels. The deal team then collects preliminary information from the target company, such as the company's business model, industry positioning, estimated financing amount and other basic corporate information, to determine whether the prospective investment meets our screening criteria and investment strategies.

At the first meeting, namely the project establishment meeting, our deal team presents a project establishment report to the relevant investment committee, which votes on whether to establish the project.

At the second meeting, namely the preliminary review meeting, the deal team presents each potential project's preliminary review report to the relevant investment committee, which report should include a detailed description on the company's business and financials and relevant due diligence records. For details of our dissenter mechanism, see the paragraphs headed "– Project Due Diligence – Dissenter Mechanism" in this section below.

After passing the second meeting and completing internal and external advisors' due diligence, the deal team may apply for a third meeting, where the final investment decision would be made by the relevant investment committee. Specifically, materials presented at the preliminary meeting mainly include documents collected from the target company and analysis performed by the deal team. After passing the preliminary meeting, third-party professionals, such as lawyers, accountants and business investigation agencies, may be engaged to conduct independent legal, financial and commercial due diligence. The investment committee will make final decisions based on the deal team's report and various due diligence results at the investment decision meeting.

Project Due Diligence

We have established comprehensive operational guidelines and procedures for our investment due diligence activities. These requirements include but are not limited to comparative analysis, on-site verification and financial forecast.

Upon identifying potential investments, our deal team first performs significant research into each prospective investment, including a review of the target company's performance, business projections, market position, financial statements and the relevant industry and market data. Our due diligence efforts also typically include on-site visits, interviews and meetings with the target company's management, research, evaluation and analyses related to the company's industry, markets, products and services, and competitive positioning and background checks of the target company's management team. In addition to due diligence conducted by our staff at the legal department and risk management department, depending on the investment size, we may also engage external professional advisors to conduct legal, financial and commercial due diligence independently.

Dissenter Mechanism

After a project passes initial screening at a project establishment meeting, depending on the investment size and type, a senior investment professional on our team may be designated as a dissenter to conduct independent research and assess the prospective investment. The dissenter carries out various due diligence steps independent of the deal team, such as evaluating and validating project risks, attending interviews with external experts, reviewing underlying due diligence documents. The dissenter will then issue her/his opinion for discussion and review by the relevant investment committee at the preliminary review meeting.

Risks Management Related to Post-Investment Management

The risk control committee guides the policy establishment and implementation related to post-investment management, the investment management department is responsible for regular post-investment management, and each deal team is directly in charge of the daily post-investment management for their respective projects. In particular, the Company controls the risks related to post-investment management mainly through the following approaches:

(1) Supervising the execution of project transactions

The investment management department supervises the deal team to complete the execution of the transaction, and is responsible for the collection and management of relevant documents after the investment.

(2) Appointing directors or supervisors to the investee company

We usually appoint representatives to the board of directors or board of supervisors of the investee company in accordance with the terms of the relevant investment agreement. In the event that we are not entitled to nominate a director of the investee company, we typically have an observer attend the investee's board meetings to keep us up to date on important corporate matters and their decision-making process.

(3) Managing post-investment affairs of the project

The investment manager and/or the appointed directors and supervisors of each project are required to manage the project and understand the operation conditions of each portfolio company through regular visits or participation in meetings of the directors and supervisors and shareholders. Meanwhile, the investment management department collects and analyzes financial statements and other information of investee companies each quarter, and reviews post-investment reports prepared by deal teams quarterly. The investment management department also from time to time conducts inspections of investee companies, analyzes their financial situation and draws up follow-up investment management plans.

(4) Management of unexpected situations

The Company has established a quick response mechanism for unexpected events of investee companies, such as unexpected changes in investees' operation or related regulatory environment. If an unanticipated significant situation occurs in an investee company, the deal team will immediately submit available information to the investment management department in writing. Afterwards, the investment management department works with the deal team, legal department and risk management department, to develop an emergency plan, and submit the plan to the risk control committee or investment committee for dealing with it in a timely manner.

(5) Provision of post-investment value-added support

The Company collects the demands of the invested enterprises from time to time, formulates and implements plans to provide value-added support. Such value-added support includes but is not limited to the formulation of enterprise strategic planning, equity incentive program, planning of subsequent financing, guidance of capital operation, M&A and resource integration, etc. We believe that such value-added support not only facilitates the robust development of our investee companies, but also enhances our supervision over the investee companies' business operations and our monitoring of the associated investment risks.

Established Valuation Process

Valuation on existing investments is generally performed by external valuers engaged by us on an annual basis or more frequently as needed. During the Track Record Period, our portfolio companies were valued by Avista Business Consulting (Shanghai) Co., Ltd., China Enterprise Appraisals Co., Ltd., and one of the big four accounting firms, which are all qualified professional valuation firms independent of our Group and our shareholders and Directors, and have appropriate qualifications and experiences in the valuation of financial assets. The responsible personnel of these qualified professional valuation firms who supervised the valuations of our portfolio companies all have over ten years of experience in valuation advisory with qualifications, such as Certified Public Valuer (CPV), Certified in Entity and Intangible Valuations (CEIV), Certified Public Accountant (CPA), or Chartered Financial Analyst (CFA), and used to provide valuation services for many renowned private equity investment firms.

We have developed and maintained a sound governance process with documented policies and procedures, and quality controls to increase the accuracy of the valuation process. In line with industry practice, the fair value of our portfolio companies are estimated mainly via the following valuation methods:

- for listed equities, valuation is based on quoted market prices, and if such listed equities are restricted shares, the impact of liquidity discount is also considered in valuation.

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- for unlisted equities, (i) if an investee completed equity transaction during a given year, either raised capital through equity financing from an independent third party or completed share transfer between independent third parties, valuation is conducted with reference to the implied equity value from its recent equity transaction within one year and the changes in market trends of comparable companies; (ii) if the investee had no third party equity transaction during a given year, cost of investment is considered when valuing an investment made by us within one year; and (iii) if an investment was made by us more than one year before, the investee's business operation, financial conditions and market trends of comparable companies are considered in the valuation by the market approach.

We have adopted the above consistent and disciplined valuation methods to assess and manage valuation-related impacts on our business operations and financial performance. In order to accurately evaluate the fair value of our portfolio companies, we also review the estimates required by these valuation methods periodically and adjust them if necessary. For more details regarding fair value measurement, please see "Financial Information – Significant Accounting Policies and Critical Judgements and Estimates – Critical Accounting Judgments and Key Sources of Estimation Uncertainty – Fair Value Measurements and Valuation Process" and Note 48 *Financial Risk Management* to the Accountants' Report in Appendix I to this prospectus.

For prospective investment projects, we typically refer to market prices of comparable projects, such as historical fundraising prices of comparable companies, and we also assess the size of the market where the target company operates, as well as the target company's position in the industry relative to its peers, its past growth curve and future growth potential, according to the results or findings of our financial, legal and business due diligence exercise. Based on the foregoing, we consider the price multiples of listed and unlisted companies observable in the market to arrive at a reasonable valuation of the target company.

Risks Management Related to Fund Investors

Investor Due Diligence and Suitability Assessment

We would conduct certain background checks on our potential investors including the identity, financial status, investment knowledge and experience and risk appetite. We would also require our prospective investors to provide evidence as to their source and origin of funds. Our investor due diligence procedures, including fund investors' identity and background check, financial eligibility and risk tolerance assessment, would be performed and reviewed by our fundraising team.

As part of our investors due diligence, we would require our investors to complete an investor's risk profiling questionnaire. The questions listed in the investor risk profiling questionnaire are scored using a robust scoring methodology. We categorize our investors' risk tolerance levels based on such scoring system. The questionnaires may be updated from time to time.

Keeping of Fund Investors' Records

We have adopted measures to protect our client data and other confidential information. We also have a dedicated information security team of IT professionals to carry out our data and system related risk management. Fund investors' records obtained during investors due diligence would be formally documented and compiled. Fund investors can be categorized by funds. Information such as risk tolerance level, suitability assessment result and the amounts their invested funds would be recorded properly.

Regulatory Risks Management***Regulatory Compliance***

Our business is subject to regulation and supervision by government authorities with regard to our operations and fundraising activities. Please see the section headed "Regulatory overview" of this prospectus for further details on the applicable laws and regulations in relation to our business operations. If we fail to comply with these laws and regulations, we may be required to rectify any such non-compliance and may incur penalties and losses. Accordingly, we have strengthened our legal and compliance risk management by:

- (i) establishing a sound risk-monitoring system in accordance with the relevant legal and regulatory requirements, to monitor and identify any irregularity or noncompliance incidents in our operations;
- (ii) employing legal counsel within our legal functions department to perform in-house legal advisory;
- (iii) monitoring legal and regulatory updates, including updates on the interpretation of applicable laws and regulations by relevant regulatory authorities; and
- (iv) reiterating the importance of adherence to our operational procedures to our employees to ensure effective implementation of our operational procedures.

Anti-corruption, Anti-bribery and Anti-money Laundering Policies

We have in place anti-corruption, anti-bribery and anti-money laundering policies to safeguard against any such activity. The policy explains potential conduct prohibited under our anti-corruption, anti-bribery and anti-money laundering policies and the relevant measures to be adopted pursuant to such policies. We make our internal reporting channel open and available for our staff to report any suspected corruption act, and our staff can also make anonymous reports. Our internal audit staff will investigate any reported incident and take appropriate measures.

Internal Control

To monitor the ongoing implementation of our internal control, risk management policies and corporate governance measures after the Global Offering, we have adopted or will adopt, among other things, the following measures:

- the establishment of an audit committee responsible for overseeing our financial records, internal control procedures and risk management systems. See “Directors, Supervisors and Senior Management – Board Committees – Audit Committee” in this prospectus for the qualifications and experience of these committee members as well as a detailed description of the responsibility of our audit committee;
- the appointment of Ms. Wang Fengxiang and Ms. Kwan Sau In as the joint company secretaries of our Company to ensure the compliance of our operation with relevant laws and regulations. For their biographical details, see “Directors, Supervisors and Senior Management” in this prospectus;
- the appointment of Opus Capital Limited as our compliance adviser upon the Listing to advise us on compliance with the Listing Rules; and
- the engagement of external legal advisers to advise us on compliance with the Listing Rules and to ensure our compliance with relevant regulatory requirements and applicable laws, where necessary.

Furthermore, we have adopted internal measures to ensure that the returns of portfolio companies with VIE structures can be obtained, which measures primarily include:

- review on necessity of application of VIE structures. Investments in portfolio companies with VIE structures are subject to additional review by our legal department, to ensure that the application of the VIE structure in such portfolio companies is necessary and the investments in portfolio companies with VIE structures will only be approved when there are foreign ownership restrictions in relation to such portfolio companies’ daily operation.
- review of contractual arrangements. The Group will review all the agreements under the contractual arrangements, such as exclusive operation services agreements, exclusive purchase option agreements, shareholders’ rights entrustment agreements and equity pledge agreements, and make sure that the common terms contained in contractual arrangements are in line with industry practices, and ensure that the contractual arrangement will enable the portfolio companies held by us to exercise control over their onshore operation companies with foreign ownership restrictions.

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In addition, we have adopted internal measures to ensure our compliance with the applicable laws and regulations with respect to cybersecurity and the handling of sensitive data involving commercial secrets or personal privacy, which measures primarily include:

- adopting strict requirements for desensitizing, collecting, using, reproducing, storing, and transferring sensitive data and personal information;
- providing trainings periodically to our senior management and employees to enhance their knowledge of the applicable laws and regulations regarding the protection of sensitive data;
- data desensitization. Desensitizing all sensitive data before transferring it to any third party and encrypting sensitive data during its transfer;
- access management. Each business department can only access certain data according to the authorities it has. Only authorized employees are allowed to access such data through designated reviewing process, and the accessing of the data would be recorded for further monitoring; and
- data usage limitation. Such data should only be used in agreed ways.

We have regularly reviewed and enhanced our internal measures to protect relevant personal data and private data. During the Track Record Period and up to the Latest Practicable Date, we had no material data leakage.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board of Directors consists of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. Our Board of Directors is responsible and has general powers for the management and conduct of our business. The table below sets out certain information of our Directors.

Name	Age	Position(s)	Date of appointment as Director	Date of joining our Group	Roles and responsibilities
Wang Yonghua (王永華)	60	Executive Director; chairman of the Board; chairman of the Executive Committee; managing partner of Tiantu Capital Management Center	January 2010	January 2010	Responsible for the overall management, development strategy, overall investment strategy and human resources management of our Company
Feng Weidong (馮衛東)	51	Executive Director; general manager; chief financial officer; vice chairman of the Executive Committee; managing partner of Tiantu Capital Management Center	July 2015	January 2010	Taking charge of the financial department and responsible for the financial management, the brand management and providing strategic and management advice to our Company; assisting the work of the chairman of the Executive Committee
Zou Yunli (鄒雲麗)	50	Executive Director; member of the Executive Committee; managing partner and general manager of the private equity department of Tiantu Capital Management Center	July 2015	January 2010	Taking charge of the private equity department and providing strategic and management advice to our Company

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of appointment as Director	Date of joining our Group	Roles and responsibilities
Li Xiaoyi (李小毅)	58	Executive Director; chief risk control officer; member of the Executive Committee; managing partner of Tiantu Capital Management Center	July 2015	September 2012	Taking charge of the investment and financing management department, legal department and risk control management department; responsible for the risk management and providing strategic and management advice to our Company
Li Lan (黎瀾)	55	Non-executive Director	December 2016	December 2016	Responsible for providing professional advice to the Board
Dai Yongbo (代永波)	41	Non-executive Director	May 2020	May 2020	Responsible for providing professional advice to the Board
Liu Pingchun (劉平春)	68	Independent non-executive Director	April 2022	Listing Date	Responsible for providing independent advice and judgement to the Board
Diao Yang (刁揚)	49	Independent non-executive Director	April 2022	Listing Date	Responsible for providing independent advice and judgement to the Board
Tsai Lieh (蔡洌) (alias. Tsai Leo)	42	Independent non-executive Director	April 2022	Listing Date	Responsible for providing independent advice and judgement to the Board

Executive Directors

Mr. Wang Yonghua (王永華), aged 60, has been a Director and the chairman of the Board since the inception of Company in January 2010 and was redesignated as an executive Director in April 2022. He has been the chairman of the Executive Committee since May 2019. He has also been a managing partner of Tiantu Capital Management Center since April 2012. He is primarily responsible for the overall management, development strategy, overall investment strategy and human resources management of our Company.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Wang has over 28 years of experience in the investment industry. Mr. Wang founded our predecessor company Tiantu Chuangye in April 2002 and has served as its legal representative, chairman of the board and general manager since April 2002. Prior to founding Tiantu Chuangye, he consecutively worked as the manager of the investment banking department, vice general manager, executive vice general manager and general manager of the fund management department of China Southern Securities Co., Ltd. (南方證券股份有限公司), and the general manager assistant and then the general manager of both fund investment department and market research department of China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司) (formerly known as China Southern Asset Management Limited (南方基金管理有限公司)) from 1993 to 2000.

Mr. Wang was recognized as one of the top investors in China by the list of PEdaily.cn 2020 China Investors (2020投資界投資人100強), 2019 Forbes China Best Venture Capitalists (福布斯中國2019年最佳創業投資人100強), PEdaily.cn 2018 China Investors (2018投資界投資人100強), 2017 Forbes China Best Venture Capitalists (福布斯中國2017年最佳創業投資人100強), China Venture Hurun Midas List 2016 (投中胡潤2016年度中國最佳創業投資人100強) and 2016 China Venture – Financial Times China Top Investors (2016投中-金融時報中國領袖投資人100強).

Mr. Wang obtained his bachelor's degree in software from Xiangtan University (湘潭大學) in the PRC in July 1985. He subsequently obtained his master's degree in economics from the Postgraduate School for the Institute of Finance of the Head Office of the People's Bank of China (中國人民銀行總行金融研究所研究生部) (currently known as PBC School of Finance, Tsinghua University (清華大學五道口金融學院)) in the PRC in September 1993. Mr. Wang obtained the China fund practitioner qualification certificate (中國證券投資基金業從業證書) from the AMAC in May 2017.

Mr. Wang was a director of Fudun Economic Development (Hangzhou) Co., Ltd. (富頓經濟開發(杭州)有限公司), whose business license was revoked on October 29, 2009 due to its failure to undergo annual inspection, and it was subsequently de-registered with the relevant authorities in the PRC in August 2022. Mr. Wang confirmed that, to the best of his knowledge and belief, there was no wrongful act on his part leading to the revocation of business license/deregistration of the said company and as of the Latest Practicable Date, no claims had been made against him and he was not aware of any threatened or potential claims made against him and there are no outstanding claims and/or liabilities as a result of the revocation/deregistration of the above company.

Mr. Feng Weidong (馮衛東), aged 51, has been a Director since July 2015 and was redesignated as an executive Director in April 2022. He has been the chief financial officer of our Company since April 2022 and the general manager of our Company since its inception in January 2010. He has also been the vice chairman of the Executive Committee since May 2019 and a managing partner of Tiantu Capital Management Center since April 2012. He is primarily taking charge of the financial department and is responsible for the financial management, the brand management and providing strategic and management advice to our Company and assisting the work of the chairman of the Executive Committee.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Feng has over 20 years of experience in the investment industry. Mr. Feng joined TVZone Media Co., Ltd. (中廣天擇傳媒股份有限公司) (“TVZone”) (formerly known as Hunan Changguang Tianze Media Co., Ltd. (湖南長廣天擇傳媒有限公司)), a company listed on the Shanghai Stock Exchange (stock code: 603721) and our former investee company, as a non-executive director in May 2011, and he left TVZone in July 2021 due to our exit of investment in TVZone. Prior to joining our Group, Mr. Feng worked as deputy general manager of Tiantu Chuangye from April 2002 to July 2015.

Mr. Feng is the author of the monograph on brand positioning theory called Upgrade Positioning (升級定位) and was recognized as one of the top investors in China by the list of 2020 Forbes China Best Venture Capitalists (福布斯中國2020年最佳創業投資人100強), PEdaily.cn 2019 China Investors (2019投資界投資人100強), 2018 Forbes China Best Venture Capitalists (福布斯中國2018年最佳創業投資人100強), ChinaVenture Midas List 2017 (投中2017年度中國最佳創業投資人100強) and ChinaVenture Hurun Midas List 2016 (投中胡潤2016年度中國最佳創業投資人100強).

Mr. Feng obtained his bachelor’s degree in microbiology from Sichuan University (四川大學) in the PRC in July 1993. He further obtained his master’s degree in business administration from Tsinghua University (清華大學) in the PRC in June 2000. Mr. Feng obtained the China fund practitioner qualification certificate (中國證券投資基金業從業證書) from the AMAC in November 2016.

Mr. Feng was a director of Fujian Minxun Information Technology Co., Ltd. (福建敏訊信息技術有限公司), whose business license was revoked on April 15, 2020 due to its failure to remedy the failure to promptly publish its annual reports within three years after being put on the list of abnormal operations and Shenzhen Chuangmingjia Decoration Design Co., Ltd. (深圳創名家裝飾設計有限責任公司), whose business licence was revoked on May 5, 2022 as it couldn’t be contacted through its registered domicile or place of business operation and it failed to undergo annual inspection. He confirmed that, to the best of his knowledge and belief, there was no wrongful act on his part leading to the revocation of business licenses of the said companies and as of the Latest Practicable Date, no claims had been made against him and he was not aware of any threatened or potential claims made against him and there are no outstanding claims and/or liabilities as a result of the revocation of the above companies.

Ms. Zou Yunli (鄒雲麗), aged 50, has been a Director since July 2015 and was redesignated as an executive Director in April 2022. She has been a member of the Executive Committee since May 2019. She has also been a managing partner and the general manager of the private equity department of Tiantu Capital Management Center since February 2012 and February 2018, respectively. She is primarily responsible for taking charge of the private equity department and providing strategic and management advice to our Company.

Ms. Zou has over 17 years of experience in accounting and finance. Ms. Zou has been a non-executive director of 51 Credit Card Inc., a company listed on Stock Exchange (stock code: 2051), and its subsidiary, Hangzhou Enniu Network Technology Co., Ltd. (杭州恩牛網絡技術有限公司), since November 2017 and September 2017, respectively. Ms. Zou served as

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the chief financial officer of our Company from January 2010 to April 2022. She worked as the chief financial officer of Tiantu Chuangye from September 2009 to February 2012. From October 2006 to May 2009, she successively worked at Shenzhen Jinjia Color Printing Group Co., Ltd. (深圳勁嘉彩印集團股份有限公司) (currently known as Shenzhen Jinjia Group Co., Ltd. (深圳勁嘉集團股份有限公司)), a company listed on Shenzhen Stock Exchange (stock code: 002191), Shenzhen Fordick Taxation Specialists Co., Ltd. (深圳市賦迪稅務師事務所有限公司), Credit Orienwise Orienland Group Co., Ltd. (深圳市中蘭德融資擔保集團股份有限公司) and Shenzhen Huazheng Accounting Firm (深圳華證會計師事務所).

Ms. Zou was recognized as one of the top investors in China by the list of 2021 Forbes China Venture Capitalists Top 100 (福布斯2021年中國創投人100強), 36Kr.com 2021 China Best Investors in Big Consumer Sector Top 20 (36氪2021年中國大消費領域投資人20強), 2019 Forbes China Best Venture Capitalists (福布斯中國2019年最佳創業投資人100強), 2018 Forbes China Best Female Venture Capitalists Top 25 (福布斯2018年中國最佳女性創投人25強), ChinaVenture 2018 China Best Venture Capitalists Top 100 (投中2018年中國最佳創業投資人100強), ChinaVenture 2017 China Best Venture Capitalists Top 100 (投中2017年中國最佳創業投資人100強) and 36Kr.com 2017 China Most Popular PE Investors among Entrepreneurs Top 10 (36氪2017年中國最受創業者歡迎PE投資人10強).

Ms. Zou obtained her bachelor's degree in accounting from Zhongnan University of Economics (中南財經大學) (currently known as Zhongnan University of Economics and Law (中南財經政法大學)) in the PRC in July 1994. She obtained her master of professional accountancy degree from The Chinese University of Hong Kong in December 2004. She further obtained her executive master's degree in business administration from The Hong Kong University of Science and Technology in June 2017. Ms. Zou became a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in August 1998. She obtained the China fund practitioner qualification certificate (中國證券投資基金業從業證書) from the AMAC in May 2017.

Ms. Zou was a director of Beijing Zhongweitong Information Technology Co., Ltd. (北京中微通信息技術有限公司), whose business license was revoked on May 20, 2019 due to its cessation of business. She confirmed that, to the best of her knowledge and belief, there was no wrongful act on her part leading to the revocation of business license of the said company and as of the Latest Practicable Date, no claims had been made against her and she was not aware of any threatened or potential claims made against her and there are no outstanding claims and/or liabilities as a result of the revocation of the above company.

Mr. Li Xiaoyi (李小毅), aged 58, has been a Director since July 2015 and was redesignated as an executive Director in April 2022. He has also been our chief risk control officer since May 2022, a member of the Executive Committee since May 2019 and a managing partner of Tiantu Capital Management Center since September 2012. He is primarily taking charge of the investment and financing management department, legal department and risk control management department and is responsible for the risk management and providing strategic and management advice to our Company.

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Mr. Li has been a director of Hunan Huarui Hydropower Investment Development Co., Ltd. (湖南華瑞水電投資發展股份有限公司) since September 2003. Mr. Li worked as legal director and compliance director of Tiantu Chuangye from September 2006 to February 2012. He worked as the general manager of Hunan Huarui Hydropower Investment Development Co., Ltd. (湖南華瑞水電投資發展股份有限公司) from September 2003 to May 2006, where he was responsible for handling corporate governance matters and supervising the senior management. He worked as the office manager of Beijing Liaison Office of Chenzhou Municipal People's Government of Hunan Province (湖南省郴州市人民政府駐北京聯絡處) from September 1996 to June 2003, where he was responsible for liaison and economic cooperation between the local government and the central governmental authorities. He worked at the People's Court of Yongxing County, Hunan Province (湖南省永興縣人民法院) from March 1985 to September 1996, with his last position as a tribunal president.

Mr. Li obtained his diploma from National University of Law for Amateur Studies for Court Cadres (全國法院幹部業餘法律大學) (currently known as National Judges College (國家法官學院)) in the PRC in August 1989. He obtained his master of laws degree from China University of Political Science and Law (中國政法大學) in the PRC in November 1998.

Mr. Li obtained the PRC Lawyer's Practice License (中華人民共和國律師資格證) from the Ministry of Justice of the People's Republic of China in May 1999. He obtained the China fund practitioner qualification certificate (中國證券投資基金業從業證書) from the AMAC in June 2017.

Non-executive Directors

Mr. Li Lan (黎瀾), aged 55, has been a Director since December 2016 and was redesignated as a non-executive Director in April 2022. He is primarily responsible for providing professional advice to the Board.

Mr. Li has been serving as the general manager of Shenzhen Yehaitong Investment Development Co., Ltd. (深圳市業海通投資發展有限公司), our Shareholder, since April 2004, where he is responsible for daily operation.

Mr. Li obtained his bachelor's degree and master's degree in information systems engineering from National University of Defense Technology (國防科技大學) in the PRC in July 1989 and June 1992, respectively.

Mr. Dai Yongbo (代永波), aged 41, has been a Director of our Company since May 2020 and was redesignated as a non-executive Director in April 2022. He is primarily responsible for providing professional advice to the Board.

Mr. Dai has been the managing partner of Shenzhen Country Garden Venture Capital Co., Ltd. (深圳市碧桂園創新投資有限公司) since July 2019. He is currently a director of Sinovation Ventures (Beijing) Enterprise Management Co., Ltd. (創新工場(北京)企業管理股份有限公司) ("**Sinovation Ventures**"). He has also been a director of China Resources Vanguard

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(Holding) Co., Ltd. (華潤萬家(控股)有限公司) and Shanghai Yuanben Investment Management Co., Ltd. (上海源本投資管理有限公司) (“**Yuanben Investment**”) since March 2022 and September 2019, respectively. He served as a director of Qutoutiao Inc., a company listed on the National Association of Securities Dealers Automated Quotations (NASDAQ) (stock code: QTT) (“**Qutoutiao**”), from November 2018 to December 2020. He worked as the business president of Shenzhen Paladin Equity Investment Co., Ltd. (深圳市帕拉丁股權投資有限公司) from July 2018 to June 2019 and from August 2015 to June 2017, respectively. He worked as a director and the general manager of Guangzhou Shunlu Management Consulting Co., Ltd. (廣州市順路管理諮詢股份有限公司), a company listed on the NEEQ (stock code: 838477), from June 2017 to May 2018. From January 2013 to June 2015, he worked at Shenyin & Wanguo Securities Co., Ltd. (申銀萬國證券股份有限公司) (currently known as Shenwan Hongyuan Securities Co., Ltd. (申萬宏源證券有限公司)), a company listed on the Shenzhen Stock Exchange (stock code: 000166).

Mr. Dai obtained his bachelor’s degree in accounting from University of Shanghai for Science and Technology (上海理工大學) in the PRC in July 2003. He further obtained his master’s degree in accounting from Shanghai University of Finance and Economics (上海財經大學) in the PRC in January 2006.

Mr. Dai was named as one of the defendants in an ongoing securities class action lawsuit against Qutoutiao originally filed on August 20, 2020 and subsequently amended on January 15, 2021 in the United States District Court for the Southern District of New York in his capacity as its then director from November 2018 to December 2020. For details, see “Risk Factors – We and our portfolio companies are exposed to litigation risks which could negatively impact our financial position and reputation” in this prospectus.

Based on the inquiries with Mr. Dai and the information available to the Company up to the Latest Practicable Date, and on the basis that (i) Mr. Dai has been a director of Qutoutiao of non-executive role in nature and therefore does not have any involvement in any day-to-day operation and management of Qutoutiao based on the Company’s enquiry with Mr. Dai and a confirmation provided by Qutoutiao; (ii) the securities class action was closed after the defendants’ motions to dismiss the plaintiffs’ claims were granted in full by the court and the lead plaintiff appealed in September 2023, with no conclusive judicial decision awarded; (iii) based on our due enquiry and review of related documents and disclosure, including relevant court filings and media reports relating to the securities class action alleged, to the best knowledge of our Company, we are not aware of any specific facts against Mr. Dai which would lead us to believe that he will be personally liable for allegation in the securities class action or that he is unsuitable to act as a director of a listed company, or the monetary damages being sought in the relevant securities class action would disqualify Mr. Dai from acting as a director of a listed company; and (iv) we are not aware that Mr. Dai is involved in any other litigation, disciplinary actions, investigation or proceedings against Mr. Dai based on background search and litigation search conducted by independent third parties, the Directors are of the view that the class action lawsuit does not affect Mr. Dai’s suitability as a Director under Rules 3.08 and 3.09 of the Listing Rules.

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Independent Non-executive Directors

Mr. Liu Pingchun (劉平春), aged 68, was appointed as an independent non-executive Director in April 2022 with effect from the Listing Date. He is primarily responsible for providing independent advice and judgement to the Board.

Mr. Liu has been an independent director of Yang Guang Co., Ltd. (陽光新業地產股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000608), since May 2020. He has been an independent director of Shenzhen Grandland Group Co., Ltd. (深圳廣田集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002482), since August 2017. Mr. Liu worked as a director of the China Poly Group Corporation Limited (中國保利集團有限公司) from August 2016 to July 2019. He worked as a director of Shenzhen Ruihe Construction Decoration Co., Ltd. (深圳瑞和建築裝飾股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002620), from January 2016 to January 2022. He worked at Shenzhen Overseas Chinese Town Co., Ltd. (深圳華僑城股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000069), from September 1997 to September 2015, with his last position of chairman of the board.

Mr. Liu obtained his bachelor's degree in Chinese literature from Xiangtan University (湘潭大學) in the PRC in September 1982. He obtained his master of industrial economics and management and master of business administration from Renmin University of China (中國人民大學) in the PRC in December 1998 and October 1999, respectively.

Mr. Diao Yang (刁揚), aged 49, was appointed as an independent non-executive Director in April 2022 with effect from the Listing Date. He is primarily responsible for providing independent advice and judgement to the Board.

Mr. Diao has over 18 years of experience in corporate finance. He founded Paradigm Advisors Holdings (Hong Kong) Limited (騰達資本顧問有限公司) in November 2016 and has been serving as its director since then. He has been the co-founder of Parantoux Capital Limited (藍藤資本有限公司) since March 2016. From October 2014 to April 2016, he worked as a managing director of the investment banking department of China Renaissance Securities (Hong Kong) Limited. He worked at J.P. Morgan Securities (Asia Pacific) Limited from May 2006 to October 2014, where his last position was a managing director at the global investment banking department. He worked as an associate at Morgan Stanley Asia Limited from July 2005 to April 2006.

Mr. Diao obtained his bachelor of arts degree in economics from Connecticut College in the United States in May 1997. He further obtained his master of business administration degree from Columbia Business School in the United States in May 2001.

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Mr. Tsai Lieh (蔡洌) (alias. Tsai Leo), aged 42, was appointed as an independent non-executive Director in April 2022 with effect from the Listing Date. He is primarily responsible for providing independent advice and judgement to the Board.

Mr. Tsai has been serving as the chief financial officer of Peijia Medical Limited, a company listed on the Hong Kong Stock Exchange (stock code: 9996), where he is primarily responsible for overseeing the overall financial management and corporate development since April 2019. Prior to that, Mr. Tsai gained broad experience in managerial positions in the investment banking sector. He was a director at Huatai Financial Holdings (Hong Kong) Limited from October 2016 to January 2019, a vice president at Barclays Capital Asia Limited from December 2015 to July 2016, and a vice president at ICBC International Capital Limited from June 2013 to October 2015.

Mr. Tsai received his bachelor's degree in business administration from National Taiwan University in Taiwan in June 2003, and he further obtained his degree of master of business administration from Cornell University's Samuel Curtis Johnson Graduate School of Management in the United States in May 2011.

Other Interests in a Business held by our Directors

Apart from roles and responsibilities in our Group, each of Mr. Wang, Mr. Feng Weidong, Ms. Zou Yunli, Mr. Li Xiaoyi and Mr. Dai Yongbo also held certain other interests, which our Directors believe will not compete or are unlikely to compete with the business of our Group, details of which are set out as below:

- (1) Mr. Wang also served as the legal representative, chairman of the board and general manager of Tiantu Chuangye since April 2002 and chairman of the board of Xinjiang Tiantu Xingye Equity Investment Co., Ltd. (新疆天圖興業股權投資有限公司). In addition, Mr. Wang and his close associates owned certain business interest other than interests in our Group. For further details, see "Relationship with our Controlling Shareholders" in this prospectus.
- (2) Mr. Feng Weidong, Ms. Zou Yunli and Mr. Li Xiaoyi held 12%, 10% and 10% partnership interest in Tiantu Enterprise, respectively. Tiantu Enterprise is a limited partnership established in the PRC on January 20, 2011 and was owned as to 1.0% by our Group (through Tiantu Xingcheng) as its general partner and as to 99.0% by eleven key employees of our Group (including Mr. Feng, Ms. Zou and Mr. Li) as its limited partners as of the Latest Practicable Date. Tiantu Enterprise is managed and operated by our Group (through Tiantu Xingcheng) as the general partner, and Mr. Feng, Ms. Zou and Mr. Li and other limited partners do not participate in the daily operation and management of Tiantu Enterprise, nor do they have influence or decision making power on the investment of Tiantu Enterprise in any capacity. As a special incentive to motivate our existing team, Tiantu Enterprise serves as an unconsolidated co-investment vehicle of our Group and primarily follows our Group to invest in projects that have been invested by our Group, which offers our key

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employees with co-investment opportunities in certain projects invested by our Group and it fully mobilized the enthusiasm of our key employees. Taking into account the nature of Tiantu Enterprise and the non-executive roles of Mr. Feng, Ms. Zou and Mr. Li as limited partners in Tiantu Enterprise, our Directors are of the view that we are capable of carrying out our business independently from Tiantu Enterprise despite the interest held in it by Mr. Feng, Ms. Zou and Mr. Li.

- (3) Mr. Dai Yongbo, also currently serves a director of Sinovation Ventures, a joint stock company with limited liability incorporated in the PRC on November 2, 2010. Sinovation Ventures is a venture capital firm which primarily invested in start-up companies in the artificial intelligence, robotics and automation, chips and semiconductor, enterprise software and healthcare sectors. In addition, Mr. Dai Yongbo also serves as a director of Yuanben Investment, a limited liability incorporated in the PRC on July 5, 2017. Yuanben Investment is an investment company which invests in the news media industry.

Although both Sinovation Ventures and Yuanben Investment also conduct equity investment, the businesses carried out by Sinovation Ventures and Yuanben Investment can be distinguished from our business since the investment focuses of each of Sinovation Ventures and Yuanben Investment are different from that of our Group. More specifically, compared to our Group which focused its investments on the consumer industry, Sinovation Ventures focused on the artificial intelligence and robotics and automation sectors, and Yuanben Investment focused on the news media industry. Moreover, Mr. Dai Yongbo is our non-executive Director and is responsible for supervising the management of our Board, but is not involved in the day-to-day management or operations (including investment decision-making) of our business. Therefore, his roles in Sinovation Ventures and Yuanben Investment will not affect his ability to discharge his duties as our non-executive Director.

In light of the above, our Directors are of the view that we are capable of carrying out our business independently from Sinovation Ventures and Yuanben Investment despite Mr. Dai Yongbo's directorships with Sinovation Ventures, Yuanben Investment, and our Group.

General

Our Directors have confirmed that:

- (1) save as disclosed in the paragraph headed "Further Information about our Directors, Supervisors and Substantial Shareholders – 3. Service Contracts" in Appendix VI to this prospectus, none of our Directors has any existing or proposed service contract with our Company other than contracts expiring or determinable by the relevant member of our Company within one year without payment of compensation (other than statutory compensation);

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- (2) save as disclosed in the paragraph headed “Further Information about our Directors, Supervisors and Substantial Shareholders – 1. Disclosure of Interests” in Appendix VI to this prospectus and above, each of our Directors has no interests in the Shares within the meaning of Part XV of the SFO;
- (3) save as disclosed in “– Board of Directors” in this section, each of our Directors has not been a director of any other publicly listed company during the three years prior to the Latest Practicable Date and as at the Latest Practicable Date;
- (4) save for (i) Mr. Wang’s role as the sole executive partner and his partnership interest in Tiantu Xingzhi and Tiantu Xinghe, (ii) Mr. Feng Weidong’s partnership interest in Tiantu Xinghe, and (iii) Mr. Dai Yongbo’s partnership interest in Paladin as disclosed in the section headed “History, Development and Corporate Structure” of this prospectus, other than being a Director of our Company, none of our Directors has any relationship with any other Directors, Supervisors, senior management of our Company or substantial Shareholders of our Company or Controlling Shareholders; and
- (5) none of our Directors completed his/her respective education programs as disclosed in this section by way of attendance of long distance learning or online courses.

SUPERVISORY COMMITTEE

Our Supervisory Committee consists of three Supervisors. The following table sets out certain information of our Supervisors.

Name	Age	Position(s)	Date of appointment as Supervisor	Date of joining our Group	Roles and responsibilities
Tang Zhimin (湯志敏)	59	Chairman of the Supervisory Committee; Supervisor	May 2019	April 2012	Responsible for supervising the performance of our Directors and the senior management and overseeing the affairs of the Supervisory Committee
Li Kanglin (李康林)	43	Supervisor	May 2019	July 2012	Responsible for supervising the performance of our Directors and the senior management and performing other supervisory duties as a Supervisor

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Name	Age	Position(s)	Date of appointment as Supervisor	Date of joining our Group	Roles and responsibilities
Di Zhe (狄喆)	42	Employee representative Supervisor	July 2021	May 2015	Responsible for supervising the performance of our Directors and the senior management and performing other supervisory duties as a Supervisor

Mr. Tang Zhimin (湯志敏), aged 59, has been the chairman of the Supervisory Committee and a Supervisor since May 2019. He has also been a partner of Tiantu Capital Management Center since April 2012. He is primarily responsible for supervising the performance of our Directors and the senior management of our Company and overseeing the affairs of the Supervisory Committee.

Prior to joining our Group, Mr. Tang worked as a deputy general manager of Tiantu Chuangye from August 2008 to April 2012. Prior to that, he worked at China Merchants Securities Co., Ltd (招商證券股份有限公司) from July 1997 to May 2009 with his last position of the director of the investment management department.

Mr. Tang obtained his bachelor's degree in computer science from Xiangtan University (湘潭大學) in the PRC in July 1985. He further obtained his master's degree in accounting from the graduate school of Research Institute for Fiscal Science of the Ministry of Finance (財政部財政科學研究所) (currently known as Chinese Academy of Fiscal Sciences (中國財政科學研究院)) in the PRC in August 1987.

Mr. Tang was a director of Shenzhen Bi'ai Diamond Co., Ltd. (深圳彼愛鑽石有限公司) and Guangzhou Kumanju Animation Technology Co., Ltd. (廣州酷漫居動漫科技有限公司) that had been declared to be bankrupt by a PRC court on October 25, 2021 and October 28, 2021, respectively. He confirmed that, to the best of his knowledge and belief, there was no wrongful act on his part leading to the declaration of bankruptcy of the said companies and as of the Latest Practicable Date, no claims had been made against him and he was not aware of any threatened or potential claims made against him and there are no outstanding claims and/or liabilities as a result of the declaration of bankruptcy of the above companies.

Mr. Li Kanglin (李康林), aged 43, has been our Supervisor since May 2019. Mr. Li has also been a partner of Tiantu Capital Management Center since July 2012. He is primarily responsible for supervising the performance of our Directors and the senior management of our Company and performing other supervisory duties as a Supervisor.

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Prior to joining our Group, Mr. Li successively worked at Orient Securities Company Limited (東方證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600958) and the Stock Exchange (stock code: 3958), First Capital Securities Co., Ltd. (第一創業證券股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002797), Sinolink Securities Co., Ltd. (國金證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600109) and Zhongshan Securities Co., Ltd (中山證券有限責任公司), where he was responsible for general securities business from June 2004 to July 2012.

Mr. Li obtained his bachelor's degree in investment economics from Central University of Finance and Economics (中央財經大學) in the PRC in June 2001. He subsequently obtained his master's degree of business administration from China Europe International Business School (中歐國際工商學院) in the PRC in October 2011. He further obtained his executive master of business and administration degree from Cheung Kong Graduate School of Business (長江商學院) in the PRC in September 2014.

Mr. Li obtained the China fund practitioner qualification certificate (中國證券投資基金業從業證書) from the AMAC in June 2017.

Mr. Di Zhe (狄喆), aged 42, has been an employee representative Supervisor since July 2021. He has also been our legal director since May 2015. He is primarily responsible for supervising the performance of our Directors and the senior management of our Company and performing other supervisory duties as a Supervisor.

Prior to joining our Group, he worked as an assistant director of strategy and investment in the strategic development department of China Resources Ng Fung (China) Investment Co., Limited (華潤五豐(中國)投資有限公司) from November 2011 to April 2015. He worked as a lawyer of Guangdong Sincere Partners & Attorneys (廣東星辰律師事務所) from 2005 to November 2011.

Mr. Di obtained his bachelor's degree in law from Hebei University of Economics and Business (河北經貿大學) in the PRC in July 2003. He further obtained his master's degree in law from London School of Economics and Political Science in the United Kingdom in November 2004.

Mr. Di obtained the PRC Legal Professional Qualification (中華人民共和國法律職業資格證) from the Ministry of Justice of the People's Republic of China in February 2006. He obtained the China fund practitioner qualification certificate (中國證券投資基金業從業證書) from the AMAC in December 2017.

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General

Save as disclosed in “– Supervisory Committee” in this section, each of our Supervisors has confirmed that:

- (1) he does not hold and has not held any other positions in our Company and any other members of our Company as at the Latest Practicable Date;
- (2) save for Mr. Tang Zhimin’s partnership interest in Tiantu Xinghe and Mr. Li Kanglin’s partnership interest in Tiantu Xinghe as disclosed in the section headed “History, Development and Corporate Structure” of this prospectus, other than being a Supervisor of our Company, none of our Supervisors has any relationship with any Directors, any other Supervisors, any senior management of our Company or substantial Shareholders of our Company or Controlling Shareholders;
- (3) he does not hold and has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date and as at the Latest Practicable Date; and
- (4) he has not completed his education programs as disclosed in this section by way of attendance of long distance learning or online courses.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management and operation of business of our Company. The table below sets out certain information of the senior management of our Company.

Name	Age	Position(s)	Date of appointment as senior management	Date of joining our Group	Roles and responsibilities
Wang Yonghua (王永華)	60	Executive Director; chairman of the Board; chairman of the Executive Committee; managing partner of Tiantu Capital Management Center	January 2010	January 2010	Responsible for the overall management, development strategy, overall investment strategy and human resources management of our Company

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Name	Age	Position(s)	Date of appointment as senior management	Date of joining our Group	Roles and responsibilities
Feng Weidong (馮衛東)	51	Executive Director; general manager; chief financial officer; vice chairman of the Executive Committee; managing partner of Tiantu Capital Management Center	July 2015	January 2010	Taking charge of the financial department and responsible for the financial management, the brand management and providing strategic and management advice to our Company; assisting the work of the chairman of the Executive Committee
Zou Yunli (鄒雲麗)	50	Executive Director; member of the Executive Committee; managing partner and general manager of the private equity department of Tiantu Capital Management Center	July 2015	January 2010	Taking charge of the private equity department and providing strategic and management advice to our Company
Li Xiaoyi (李小毅)	58	Executive Director; chief risk control officer; member of the Executive Committee; managing partner of Tiantu Capital Management Center	July 2015	September 2012	Taking charge of the investment and finance management department, legal department and risk control management department; responsible for the risk management and providing strategic and management advice to our Company

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of appointment as senior management	Date of joining our Group	Roles and responsibilities
Pan Pan (潘攀)	44	Member of the Executive Committee; managing partner and general manager of the venture capital department of Tiantu Capital Management Center	May 2019	February 2014	Taking charge of the venture capital department and responsible for its daily operation and management

Mr. Wang Yonghua (王永華), aged 60, is an executive Director, the chairman of the Board, the chairman of the Executive Committee and a managing partner of Tiantu Capital Management Center. See “– Board of Directors – Executive Directors” for his biographical details.

Mr. Feng Weidong (馮衛東), aged 51, is an executive Director, the general manager, the chief financial officer, the vice chairman of the Executive Committee and a managing partner of Tiantu Capital Management Center. See “– Board of Directors – Executive Directors” for his biographical details.

Ms. Zou Yunli (鄒雲麗), aged 50, is an executive Director, a member of the Executive Committee and a managing partner and the general manager of private equity department of Tiantu Capital Management Center. See “– Board of Directors – Executive Directors” for her biographical details.

Mr. Li Xiaoyi (李小毅), aged 58, is an executive Director, the chief risk control officer, a member of the Executive Committee and a managing partner of Tiantu Capital Management Center. See “– Board of Directors – Executive Directors” for his biographical details.

Mr. Pan Pan (潘攀), aged 44, has been a member of the Executive Committee since May 2019. He joined our Group since February 2014, with the current position of managing partner and the general manager of the venture capital department of Tiantu Capital Management Center. He is primarily responsible for taking charge of the venture capital department and is responsible for its daily operation and management.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Pan has over 14 years of experience in the investment industry. Prior to joining our Group, he worked as a project manager of the investment business department of Guosen Hongchuang Venture Investment Co., Ltd. (國信弘盛創業投資有限公司) (currently known as Guosen H&S Investments Co., Ltd. (國信弘盛私募基金管理有限公司)) from October 2008 to April 2014.

Mr. Pan also represented our Company to serve as directors in the investment entities directly or indirectly controlled by our Company which are entitled to appoint board member(s) due to our investment. He has been a non-executive director of Nayuki Holdings Limited (奈雪的茶控股有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 2150), since October 2020. He has been a director of Hunan Chayue Cultural Industry Development Group Co., Ltd. (湖南茶悅文化產業發展集團有限公司) (formerly known as Hunan Chayue Catering Management Co., Ltd. (湖南茶悅餐飲管理有限公司) since February 2019. He has been a non-executive director of Zhou Hei Ya International Holdings Company Limited (周黑鴨國際控股有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 1458) since May 2014. He served as a director of TVZone Media Co., Ltd. (中廣天擇傳媒股份有限公司) (“TVZone”) (formerly known as Hunan Changguang Tianze Media Co., Ltd. (湖南長廣天擇傳媒有限公司)) from May 2011 to June 2021, a company listed on the Shanghai Stock Exchange (stock code: 603721).

Mr. Pan was recognized as 2021 Forbes China Venture Capitalists Top 100 (2021福布斯中國創投人100), one of the top investors in China by the list of Securities Times Best Investors of 2021 (證券時報2021年度最佳投資人), 36Kr.com 2020 China Most Popular Investors among Entrepreneurs Top 100 (36氪2020年度中國最受創業者歡迎投資人TOP100), 36Kr.com 2019 China Backbone Investors Top 50 (36氪2019年中國中生代投資人TOP50), PEdaily.cn 2019 China Young Investors F40 (投資界2019年度F40中國青年投資人), 2018 Forbes China Best Venture Capitalists (2018福布斯中國最佳創投人TOP100), China Securities Journal Golden Bull Equity Investment Elites (中國證券報金牛股權投資精英), ChinaVenture 2017 China Best Young Investors Top 10 (投中2017年中國最佳新銳投資人TOP10) and 36Kr.com 2017 China Investors with Greatest Insights in in New Consumer Sector (36氪2017年度中國新消費領域最具發現力投資人).

Mr. Pan obtained his bachelor's and master's degree in finance from Hunan University (湖南大學) in the PRC in July 2003 and December 2004, respectively. He obtained the China fund practitioner qualification certificate (中國證券投資基金業從業證書) from the AMAC in January 2019.

As of the Latest Practicable Date and save as disclosed above, (i) none of our Directors, Supervisors or members of the senior management of our Company was related to any other Directors, Supervisors and members of the senior management, and (ii) there was no additional matter with respect to the appointment of the Directors or Supervisors that needs to be brought to the attention of the Shareholders, and there was no additional information relating to the Directors or Supervisors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

General

Save as disclosed in “– Senior Management” in this section, each of our senior management members has confirmed that:

- (1) he/she does not hold and has not held any other positions in our Company and any other members of our Company as at the Latest Practicable Date;
- (2) save for (1) the confirmation as disclosed in “– Board of Directors – General” in this section and (2) Mr. Pan Pan’s partnership interest in Tiantu Xingzhi as disclosed in the section headed “History, Development and Corporate Structure” of this prospectus, other than being a member of the Company’s senior management, none of our senior management has any relationship with any Directors, Supervisors, any other senior management members of our Company or substantial Shareholders of our Company or Controlling Shareholders;
- (3) he/she does not hold and has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date and as at the Latest Practicable Date; and
- (4) he/she has not completed his/her education programs as disclosed in this section by way of attendance of long distance learning or online courses.

JOINT COMPANY SECRETARIES

Ms. Wang Fengxiang (王鳳翔), was appointed as a joint company secretary of our Company in April 2022. Ms. Wang has been the securities affairs representative of our Company since October 2015.

Prior to joining our Group, Ms. Wang worked as a supervisor and the securities affairs representative of Nations Technologies Inc. (國民技術股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300077), from October 2015 to May 2018 and from June 2014 to June 2015, respectively. She worked as a project manager of Shenzhen Everbloom Investment Consulting Co., Ltd. (深圳市九富投資顧問有限公司) from May 2011 to April 2013. She worked in the investor relations department of Maoye International Holdings Limited (茂業國際控股有限公司), a company listed on Hong Kong Stock Exchange (stock code: 00848), from July 2010 to May 2011.

Ms. Wang obtained her bachelor’s degree in international economics and trade and master’s degree in business management from Central South University of Forestry and Technology (中南林業科技大學) in the PRC in July 2008 and July 2011, respectively. Ms. Wang obtained the China fund practitioner qualification certificate (中國證券投資基金業從業證書) from the AMAC in November 2017.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Kwan Sau In (關秀妍), was appointed as a joint company secretary of our Company in April 2022. Ms. Kwan is a manager of Corporate Services of Tricor Services Limited. She has over 10 years of the corporate secretarial and compliance experience for Hong Kong listed companies as well as Hong Kong private and offshore companies. Ms. Kwan is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She obtained a master's degree in law (Chinese Law) from The University of Hong Kong and a bachelor's degree of business administration in corporate administration from Hong Kong Metropolitan University (formerly known as the Open University of Hong Kong).

COMPLIANCE ADVISER

We have appointed Opus Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

- before the publication of any announcements, circulars or financial reports required by regulatory authorities or applicable laws;
- where a transaction, which might be a notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules is contemplated, including share issues and share repurchases;
- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of us regarding unusual price movement and trading volume or other issues under Rule 13.10 of the Listing Rules.

The terms of the appointment shall commence on the Listing Date and end on the date which we distribute our annual report of our financial results for the first full financial year commencing after the Listing Date.

BOARD COMMITTEES

In accordance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the “**Corporate Governance Code**”), the Company has established three committees on the Board of Directors, including an audit committee, a remuneration committee and a nomination committee.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Audit Committee

The Company has established an audit committee (effective from the Listing Date) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code. The audit committee consists of three Directors, namely Mr. Tsai Lieh, Mr. Dai Yongbo and Mr. Diao Yang, with Mr. Tsai Lieh serving as the chairman. Mr. Tsai Lieh has the related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the audit committee include, but not limited to, the following:

- proposing the appointment or change of external auditors to the Board, and monitoring the independence of external auditors and evaluating their performance;
- examining the financial information of our Company and reviewing financial reports and statements of our Company;
- examining the financial reporting system, the risk management and internal control system of our Company, overseeing their rationality, efficiency and implementation and making recommendations to the Board; and
- dealing with other matters that are authorized by the Board.

Remuneration Committee

The Company has established a remuneration committee (effective from the Listing Date) with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code. The remuneration committee consists of three Directors, namely Mr. Liu Pingchun, Mr. Wang Yonghua and Mr. Diao Yang, with Mr. Liu Pingchun serving as the chairman. The primary duties of the remuneration committee include, but not limited to, the following:

- advising the Board on the overall remuneration plan and structure of Directors, Supervisors and senior management and the establishment of transparent formal procedures for determining remuneration policy of our Company;
- examining the criteria of performance evaluation of Directors, Supervisors and the senior management of our Company, conducting performance evaluation and making recommendations to the Board;
- formulating individual remuneration plans for Directors, Supervisors and members of the senior management in accordance with the terms of reference of the importance of their positions, the time they spend on such positions as well as the remuneration benchmarks for the relevant positions in the other comparable companies; and
- dealing with other matters that are authorized by the Board, and if necessary, engaging external experts to provide relevant independent services.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Nomination Committee

The Company has established a nomination committee (effective from the Listing Date) with written terms of reference in compliance with paragraph B.3 of Part 2 of the Corporate Governance Code. The nomination committee consists of three Directors, namely Mr. Wang Yonghua, Mr. Tsai Lieh and Mr. Liu Pingchun, with Mr. Wang Yonghua serving as the chairman. The primary functions of the nomination committee include, but not limited to, the following:

- conducting extensive search and providing to the Board suitable candidates for Directors, general managers and other members of the senior management;
- overseeing the implementation of Board diversity policy; taking into account various factors when determining the composition of the Board, including, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and service tenure;
- examining the size and composition of the Board and its members in respect of their skills, knowledge, experience and diversity at least once every year, and making recommendations to the Board on any change in Board composition in accordance with our Company's strategies;
- researching and developing standards and procedures for the election of the Board members, general managers and members of the senior management, and making recommendations to the Board; and
- dealing with other matters that are authorized by the Board.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the corporate governance requirements under the Corporate Governance Code after the Listing.

BOARD DIVERSITY

We have adopted a board diversity policy (the “**Board Diversity Policy**”) to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director of the Company, the nomination committee will consider a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting and investment. They obtained degrees in various majors including mathematics, micro-biology, economics, law etc. Furthermore, our Board has a relatively wide range of ages, ranging from 41 years old to 68 years old and consists of eight male members and one female member.

The Board of Directors is of the view that the Board satisfies the Board Diversity Policy. The Nomination Committee is responsible for reviewing the diversity of the Board, reviewing the Board Diversity Policy from time to time, developing and reviewing measurable objectives for implementing the Board Diversity Policy, and monitoring the progress on achieving these measurable objectives in order to ensure that the policy remains effective. The Company will (i) disclose the biographical details of each Director and (ii) report on the implementation of the Board Diversity Policy (including whether we have achieved board diversity) in its annual corporate governance report. In particular, our Company will take opportunities to increase the proportion of female members of the Board when selecting and recommending suitable candidates for Board appointments to help enhance gender diversity in accordance with stakeholder expectations and recommended best practices. Our Company also intends to promote gender diversity when recruiting staff at the mid to senior level so that our Company will have a pipeline of female senior management and potential successors to the Board. We believe that such merit-based selection process with reference to our diversity policy and the nature of our business will be in the best interests of our Company and our Shareholders as a whole.

COMPENSATION OF DIRECTORS, SUPERVISORS AND FIVE HIGHEST PAID INDIVIDUALS

Our Company offers executive Directors, Supervisors and members of our senior management, who are also employees of our Company, emolument in the form of salaries, allowances, discretionary bonus and benefits in kind (if applicable). Our independent non-executive Directors receive emolument based on their responsibilities (including being members or the chairman of our board committees). We adopt a market and incentive-based employee emolument structure and implement a multi-layered evaluation system which focuses on performance and management goals.

The aggregate amount of remuneration paid to our Directors and Supervisors for the years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023 was approximately RMB5.8 million, RMB6.0 million and RMB8.5 million and RMB1.9 million, respectively.

It is estimated that remuneration and benefits in kind (excluding any possible payment of discretionary bonus) equivalent to approximately RMB8.6 million in aggregate will be paid and granted to our Directors and Supervisors by us in respect of the financial year ending December 31, 2023 under arrangements in force at the date of this prospectus.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

For the financial years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023, the aggregate amount of emolument paid to the five highest paid individuals of our Company (including one Director and one Supervisor) was approximately RMB12.4 million, RMB8.2 million and RMB11.6 million and RMB2.3 million, respectively.

During the Track Record Period, no remuneration was paid to, or receivable by, our Directors, Supervisors or the five highest paid individuals of our Group as an inducement to join or upon joining our Company or as a compensation for loss of office in the Track Record Period. Further, none of our Directors and Supervisors had waived any emolument during the same period.

Except as disclosed above, no other payments have been paid, or are payable, by our Company to our Directors, Supervisors or the five highest paid individuals of our Company during the Track Record Period.

For further details, please see note 13 of the Accountants' Report set out in Appendix I and "Statutory and General Information" set out in Appendix VI to this prospectus.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, (i) Mr. Wang directly held 209,748,220 Shares, which is entitled to approximately 40.35% voting rights in our Company; and (ii) Mr. Wang was the sole executive partner of Tiantu Xingzhi and Tiantu Xinghe, each of which in turn held 8,750,000 Shares, representing a total of approximately 3.36% voting rights in our Company. Therefore, Mr. Wang controlled the exercise of approximately 43.71% voting rights attached to a total of 227,248,220 Shares. Immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Wang, together with Tiantu Xingzhi and Tiantu Xinghe, will be entitled to exercise approximately 32.79% voting rights in our Company. Therefore, Mr. Wang, Tiantu Xingzhi and Tiantu Xinghe will be considered as a group of Controlling Shareholders of our Company upon the Listing under the Listing Rules.

Mr. Wang is one of our executive Directors, the chairman of our Board and the chairman of the Executive Committee. For background of Mr. Wang, see “Directors, Supervisors and Senior Management” in this prospectus. Each of Tiantu Xingzhi and Tiantu Xinghe is our employee shareholding platform. For details relating to Tiantu Xingzhi and Tiantu Xinghe, see “History, Development and Corporate Structure – Employee Shareholding Platforms” in this prospectus.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Other Businesses Held by Our Controlling Shareholders and Their Close Associates

With over 28 years of experience in the investment industry, our Controlling Shareholder, Mr. Wang, is an experienced investor with various businesses in the PRC held (i) indirectly through his personal investment vehicles, namely Tiantu Chuangye and Xinjiang Tiantu Xingye Equity Investment Co., Ltd. (新疆天圖興業股權投資有限公司) (“**Xinjiang Tiantu**”), and (ii) directly by himself or his spouse, other than the interests in our Group (collectively the “**Other Businesses**”), which we believe do not compete or is unlikely to compete with our Group.

(i) Investments made through Tiantu Chuangye and Xinjiang Tiantu

Mr. Wang owned 23% equity interest and his spouse Ms. Li Wen (李文) owned 77% equity interest in Tiantu Chuangye as at the Latest Practicable Date, respectively. Mr. Wang also acts as the legal representative, chairman of the board and general manager of Tiantu Chuangye and the chairman of the board of Xinjiang Tiantu. Tiantu Chuangye is our predecessor company founded by Mr. Wang as a limited liability company incorporated in the PRC on April 11, 2002. Xinjiang Tiantu, a limited liability company incorporated in the PRC on August 29, 2011, was owned as to 80% by Tiantu Chuangye and 20% by an Independent Third Party, and Xinjiang Tiantu was a subsidiary of Tiantu Chuangye as at the Latest Practicable Date. Both Tiantu Chuangye and Xinjiang Tiantu are investment vehicles of Mr. Wang and his spouse for personal wealth planning purpose.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Tiantu Chuangye recorded (i) a revenue of approximately RMB19.0 million, RMB9.7 million, RMB0.5 million and RMB1.5 million for the years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023, respectively; (ii) total net assets of approximately RMB1,188.7 million, RMB1,195.8 million, RMB1,500.6 million and RMB1,145.2 million as of December 31, 2020, 2021 and 2022 and March 31, 2023, respectively; and (iii) net profit/loss of approximately RMB36.4 million, RMB7.1 million, RMB11.5 million and RMB-12.6 million for the years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023 respectively. Xinjiang Tiantu recorded (i) revenue of approximately nil, nil, nil and nil for the years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023, respectively; (ii) total assets of approximately RMB268.2 million, RMB268.2 million, RMB268.2 million and RMB268.2 million as at December 31, 2020, 2021 and 2022 and March 31, 2023, respectively; and (iii) net loss of approximately RMB184,942, RMB193,778, RMB120,363 and RMB44 for the years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023, respectively. To the best knowledge of our Directors, Tiantu Chuangye and Xinjiang Tiantu had no material non-compliance incident occurred during the Track Record Period and up to the Latest Practicable Date. For details of investments made by Tiantu Chuangye and Xinjiang Tiantu, see “– Delineation of Businesses – (ii) Different investment approaches” in this section.

(ii) Other Businesses directly held by Mr. Wang and/or his spouse

Apart from investments indirectly made through Tiantu Chuangye and Xinjiang Tiantu, the Other Businesses also include certain businesses directly held by Mr. Wang and/or his spouse in commodities trading, hydropower development, real estate and educational public welfare in the PRC, which are clearly distinct from and do not compete with our principal business.

Delineation of Businesses

Tiantu Chuangye and Xinjiang Tiantu are personal investments vehicles of Mr. Wang for wealth planning purpose. Our Directors are of the view that the businesses of Tiantu Chuangye and Xinjiang Tiantu do not compete, or are not likely to compete, either directly or indirectly, with our business for the following reasons:

(i) Different business models

As a licensed private equity investor and fund manager specializing in the consumer sector in China, we managed eleven RMB-denominated funds and three U.S. dollar-denominated funds as of the Latest Practicable Date. We generally launch and manage funds financed with a mixed capital raised from external investors and our own capital, and receive fund management fees and carried interest in the capacity as a general partner/fund manager. On the contrary, Tiantu Chuangye and Xinjiang Tiantu as personal investment vehicles of Mr. Wang and his spouse which do not possess any qualification or licenses to conduct fund management business, do not manage any funds and do not raise funds from external investors.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Such delineation of business models can be traced back to 2015. As part of the restructuring in connection with our listing on the NEEQ in 2015 and for the primary purpose of optimizing our business structure and avoiding potential competition with our Controlling Shareholder, we consolidated four then RMB-denominated funds during our 2015 Pre-NEEQ Acquisition. As a result of the 2015 Pre-NEEQ Listing Restructuring, (i) we became the fund manager of the above four then RMB-denominated funds, and thereafter started to operate our own fund management business independently from Mr. Wang; and (ii) Tiantu Chuangye ceased to hold any partnership interest/equity interest in the four then RMB-denominated funds and Hangzhou Tiantu, and it no longer owned any fund management business. For details relating to the 2015 Pre-NEEQ Listing Restructuring, see “History, Development and Corporate Structure – Establishment and Development of our Company – (3) 2015 Pre-NEEQ Listing Restructuring” in this prospectus.

In addition to the 2015 Pre-NEEQ Listing Restructuring, in connection with the Company’s listing on the NEEQ, the NEEQ Non-Competition Undertaking was also entered into by Mr. Wang to enhance the business delineation between our Group and Mr. Wang. For details of the NEEQ Non-Competition Undertaking, see “– NEEQ Non-competition Undertaking” in this section.

(ii) Different investment approaches

Save for the historical and residual investments made by Tiantu Chuangye/Xinjiang Tiantu prior to the Company’s NEEQ listing (the “**Pre-NEEQ Investments**”) when clear business delineation had not yet been established, after the NEEQ listing and up to the Latest Practicable Date, Xinjiang Tiantu had not made any equity investments, and Tiantu Chuangye had become less active in making investments, with investments in only eight entities (the “**Post-NEEQ Investments**”). Among the eight Post-NEEQ Investments, three of them were investments that were also invested by our Group and were made by Tiantu Chuangye after our prior investments, while the remaining five Post-NEEQ Investments are invested by Tiantu Chuangye independently (the “**Post-NEEQ Independent Investments**”). Notwithstanding the aforesaid Post-NEEQ Independent Investments made by Tiantu Chuangye, we believe they do not compete, or are not likely to compete, either directly or indirectly, with our business because the investment approaches of Tiantu Chuangye and our Group are different in the following respects:

We make direct investments in projects either using our own capital or through the funds we managed which are financed with a mixed capital raised from external investors and our own capital, with primary focus in China’s consumer industry. In our investments, we are generally a significant shareholder who is entitled to appoint director(s) onto the board of our portfolio companies, and we are actively involved in their post-investment management. We seek to add value to investments by offering value-added support to our portfolio companies to assist their rapid growth through our professional insights and industry resources. See “Business – Investment Approach” in this prospectus for details of our investment approach.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Compared to our Group, Tiantu Chuangye is a passive investor. Since the Company's NEEQ listing and up to the Latest Practicable Date, the Post-NEEQ Independent Investments made by Tiantu Chuangye were investments as minority shareholder or limited partner in funds managed by third parties, and Tiantu Chuangye, Mr. Wang and Ms. Li Wen do not have any right to control the composition of the board of directors or managers of those invested entities, nor are they involved in the daily operation and management or have influence on the investment decision-making.

It is expected that Tiantu Chuangye/Xinjiang Tiantu will continue to adhere to such investment approach of being a passive investor when making investments as limited partner after the Listing, subject to the requirements set forth in the Deed of Non-competition. In addition, going forward, the Controlling Shareholders and their respective close associates will not make any direct investment unless otherwise such investment is approved or deemed to be approved by our Group under the mechanism for New Business Opportunities (as defined under the Deed of Non-competition) as disclosed in “– Deed of Non-competition” in this section.

(iii) Different investment focus and size

In terms of investment focus and scale, we make large volume of investments in our ordinary course of business through funds under management and direct investment, with a primary focus in the consumer industry. As of March 31, 2023, we had cumulatively invested in a total of 222 portfolio companies, which included 180 companies in the consumer sectors covering food & beverage, clothing, healthcare and others, and 42 companies in other industries such as biotech and technology industries. For such 222 portfolio companies, the average investment amount of our Group was approximately RMB87.2 million.

On the contrary, Tiantu Chuangye and Xinjiang Tiantu as personal wealth planning vehicles of Mr. Wang, invest at light volume and low frequency without a clear industry focus. As at the Latest Practicable Date, Tiantu Chuangye and Xinjiang Tiantu held the following investments, with an average investment amount of approximately RMB32.1 million with respect to the Pre-NEEQ Investments and RMB38.9 million with respect to the Post-NEEQ Investments:

<u>Investee Company</u>	<u>Industry</u>
<i>Pre-NEEQ Investments⁽¹⁾ (before November 2015)</i>	
Investee 1	Technology
Investee 2	Agricultural technology
Investee 3	Media

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Investee Company	Industry
Investee 4	Equity investment (mainly in technology companies)
Investee 5 ⁽²⁾	Technology
Investee 6	Media
Investee 7	Technology
Investee 8 ⁽²⁾	Financial services
Investee 9 ⁽²⁾	E-commerce
Investee 10 ⁽²⁾	Technology
<i>Post-NEEQ Investments (since November 2015)</i>	
Investee 11 ⁽²⁾⁽³⁾	Technology
Investee 12 ⁽⁴⁾	Electronic manufacturing
Investee 13 ⁽⁵⁾	Equity investment
Investee 14 ⁽⁶⁾	Equity investment (mainly in technology companies)
Investee 15 ⁽⁶⁾	Equity investment (mainly in technology companies)
Investee 16 ⁽⁶⁾	Equity investment (in one management consulting company with underlying investments primarily in semiconductor companies)

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

<u>Investee Company</u>	<u>Industry</u>
Investee 17 ⁽⁶⁾	Equity investment (in one IT services and IT consulting company)
Investee 18 ⁽⁷⁾	Equity investment (in one of our funds)

Notes:

- (1) Historical investments made prior to the NEEQ listing when business delineation had not yet been established.
- (2) Our Group also invested in such investees. For those investees, Tiantu Chuangye's rights as a shareholder are no more favourable than our Group.
- (3) The investment in Investee 11 by Tiantu Chuangye was an investment deriving from the restructuring of Investee 9 and therefore is not considered as a new investment.
- (4) Investee 12 used to be invested by our Group. The investment in Investee 12 by Tiantu Chuangye was transferred from our Group taking into account, among others, foreign investment limitations in Investee 12's industry pursuant to relevant PRC regulation. The investment in Investee 12 by Tiantu Chuangye was a minority investment and Tiantu Chuangye has no participation in the daily operation and management of Investee 12.
- (5) The investment in Investee 13 by Tiantu Chuangye was a minority investment in a PRC limited liability company where Tiantu Chuangye has no participation in the daily operation and management of such company. Investee 13 has not yet made any investment as of the Latest Practicable Date.
- (6) Such investments are investment in a limited partnership as a limited partner where Tiantu Chuangye has no participation in the daily operation and management, and none of such limited partnerships have an investment focus in the consumer industry.
- (7) Investee 18 is one of our consolidated entities, namely Tiantu Xingqiao, and is a limited partner of Tiantu Xingbei. Tiantu Chuangye and certain other investors participated in the transfer of partnership interest in Investee 18 from our Group at an arm's length transaction conducted on reasonable commercial terms that are no more favourable than those available to each other. See page I-14 to the Accountants' Report in Appendix I to this prospectus for details of such transaction.

In light of the above, after the Company's NEEQ listing, (i) Tiantu Chuangye and Xinjiang Tiantu had a small number of investment with an average investment amount significantly lower than that of our Group. Such investment scale is incomparable to our Group; and (ii) the investments made by Tiantu Chuangye and Xinjiang Tiantu do not have an industry focus in the consumer industry and are mainly in the capacity of limited partner in investment entities managed by third parties without participation in the daily operation and management and/or influence in the making investment decisions, which, in essence, are Mr. Wang's personal wealth planning activities that barely count as operation of a "business". Therefore, each of Tiantu Chuangye and Xinjiang Tiantu is unlikely to constitute a competitor of our Group.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

(iv) Different investment decision-making mechanisms

Tiantu Chuangye and Xinjiang Tiantu do not have an internal investment committee or other similar investment decision-making body in place. The investment decisions of Tiantu Chuangye and Xinjiang Tiantu were made by Mr. Wang at his discretion, and none of our other Directors or senior management participated or will participate in the investment decision-making process of Tiantu Chuangye and Xinjiang Tiantu. On the contrary, we have a collective investment decision-making mechanism in place. Our final investment decisions are made by our investment committee which generally comprised three or more highly experienced senior leaders, which may or may not include Mr. Wang, and a majority vote of the investment committee members is required to pass the relevant investment decisions, such that Mr. Wang by himself does not have an absolute majority in making investment decisions for our Group. For details of our investment process, see “Business – Investment Process and Arrangement” in this Prospectus.

Taking the aforementioned factors into account, our Directors consider that it would not be necessary to include Tiantu Chuangye and Xinjiang Tiantu into our Group. Our Directors confirm that they have no intention to inject Tiantu Chuangye and Xinjiang Tiantu into our Group after the Listing.

To ensure no potential competition arises going forward, each of our Controlling Shareholders has entered into a Deed of Non-competition with our Company which will take effect upon the Listing. See “– Deed of Non-competition” in this section for further details.

RULE 8.10 OF THE LISTING RULES

Save as disclosed in “– Relationship with our Controlling Shareholders – Other Businesses Held by Our Controlling Shareholders and Their Close Associates” in this section, each of our Controlling Shareholders has confirmed that, he/it does not have and his/its close associates do not have interest in any business apart from our Group’s business which competes or is likely to compete, directly or indirectly, with our Group’s business, and would require disclosure pursuant to Rule 8.10 of the Listing Rules.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, we believe that our Group is capable of carrying out its business independent from our Controlling Shareholders and their close associates after the Listing:

Management Independence

Despite that Mr. Wang, who is one of our Controlling Shareholders, also holds directorship in our Company, we believe that our Board as a whole, together with our senior management, is able to perform the managerial role in our Group independently from our Controlling Shareholders for the following considerations:

- (a) although Mr. Wang will continue to hold his current position as a legal representative, chairman of the board and the general manager of Tiantu Chuangye, Mr. Wang will devote substantially all of his time to the day-to-day operation and management of our Group;
- (b) a vast majority of the members of our Board, being eight out of nine Directors, and our senior management, do not hold any role as a director or senior management member in Tiantu Chuangye. Decisions of our Board require the approval of a majority vote from our Board and Mr. Wang does not have an absolute majority to pass any resolution of our Board;
- (c) each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she acts for the benefit of and in the best interests of our Company and do not allow any conflict between his/her duties as a Director and his/her personal interests;
- (d) our daily management and operation decisions are made by all our executive Directors and senior management, all of whom have substantial experience in the industry in which we are engaged and will be able to make business decisions that are in the best interest of our Group. For details of the industry experience of our senior management, see “Directors, Supervisors and Senior Management” in this prospectus for further details;
- (e) we have appointed three independent non-executive Directors with a view to bringing independent judgment to the decision-making process of our Board;
- (f) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and
- (g) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. For further details, see “– Corporate Governance Measures” in this section.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Operational Independence

We have full rights to make all decisions on, and to carry out, our own business operations independently. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate independently from our Controlling Shareholders and his/its close associates.

Intellectual property rights and licenses required for operation

We are not reliant on licenses, intellectual property rights or qualifications (if any) owned by our Controlling Shareholders or their respective close associates, and we hold the licenses, intellectual property rights and qualifications necessary to carry on our principal business.

Operational Facilities

As of the Latest Practicable Date, save as disclosed in “Connected Transactions – One-off Connected Transaction – Tiantu Chuangye Lease” in this prospectus, all of the properties and facilities necessary to our business operation are owned/leased by us and independent from our Controlling Shareholders and his/its close associates.

Employees

As of the Latest Practicable Date, substantially all of our full-time employees were recruited independently and primarily through recruitment agencies, on-campus job fairs, industry referrals and online channels. We have sufficient employees to operate our business independently from our Controlling Shareholders and his/its close associates.

Connected transactions with our Controlling Shareholders or his/its associates

We have entered into a lease agreement dated June 8, 2023 with Tiantu Chuangye to lease certain premises for our office and business uses from Tiantu Chuangye for a term of one year commencing from July 1, 2023. Such lease transaction is recognized as acquisitions of right-of-use assets and constitutes a one-off connected transaction of our Company. Although we will continue to lease the premises from Tiantu Chuangye, there are other readily available premises in the market that can be leased from Independent Third Parties at reasonable prices. Thus, the existence of the above transaction will not affect our operational independence from our Controlling Shareholders and his/its close associates after the Listing. See “Connected Transactions – One-off Connected Transaction – Tiantu Chuangye Lease” in this prospectus for further details. We are entitled to fund management fees and carried interest (in the form of profit distribution) in one of the USD-denominated funds under our management, i.e. Tiantu China Consumer Fund I, L.P. where Mr. Wang’s family member has no less than 50% of voting power. See “Connected Transactions – Potential Non-exempt/Partially exempt Continuing Connected Transactions – Distribution of Management Fees and Carried Interest of Tiantu China Consumer Fund I, L.P.” in this prospectus for further details. In addition, Mr. Wang and his associates also provided certain counter-guarantees in connection with our issuance of the

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

2022 First Corporate Bonds, which will continue after the Listing. See “Connected Transactions – Fully-Exempt Connected Transactions” in this prospectus for further details. Save for the above connected transactions, our Directors do not expect there to be any other transactions between our Group and our Controlling Shareholders or their respective close associates upon or shortly after the Listing.

Based on the above, our Directors believe that we will be able to operate independently from our Controlling Shareholders and his/its close associates.

Financial Independence

We have an independent financial system. We make financial decisions according to our own business needs and neither our Controlling Shareholders nor his/its close associates intervene with our use of funds. We have established an independent finance department with a team of financial staff and an independent audit, accounting and financial management system.

- In connection with the issuance of the 2017 Innovation and Entrepreneurship Bonds, China Securities Credit Investment Co., Ltd. (中證信用增進股份有限公司) (“**China CSCI**”), a financing and guarantee service provider, provided guarantee for our repayment obligations under the 2017 Innovation and Entrepreneurship Bonds. In return, Mr. Wang, his spouse Ms. Li Wen and Tiantu Chuangye provided counter-guarantees to China CSCI, such counter-guarantees included: (i) 105,215,378 Shares held by Mr. Wang, (ii) personal guarantee provided by Mr. Wang and his spouse Ms. Li Wen, and (iii) corporate guarantee provided by Tiantu Chuangye (collectively, the “**2017 Bonds Counter-Guarantees**”). As the 2017 Innovation and Entrepreneurship Bonds were redeemed by the Company in October 2022, the 2017 Bonds Counter-Guarantees have been released accordingly.
- In connection with the issuance of the 2022 First Corporate Bonds, Shenzhen Credit Guarantee and Enhancement Financing Guarantee Co., Ltd., (深圳市深擔增信融資擔保有限公司) (“**Shenzhen Guarantee**”), an Independent Third Party and a financing and guarantee service provider, provided guarantee for our repayment obligations under the 2022 First Corporate Bonds. In return, Mr. Wang, his spouse Ms. Li Wen and Tiantu Chuangye provided counter-guarantees (the “**2022 First Bonds Counter-Guarantees**”) to Shenzhen Guarantee and as of the Latest Practicable Date, such counter-guarantees included: (a) 103,954,622 Shares held by Mr. Wang (the “**Share Pledge**”), (b) personal guarantees provided by Mr. Wang and his spouse Ms. Li Wen; (c) corporate guarantee provided by Tiantu Chuangye; (d) pledge of certain shares held by Tiantu Chuangye in one of its investee company and (e) mortgages over one piece of real property of Tiantu Chuangye ((b) to (e), collectively, the “**Remaining Guarantee and Pledge**”).

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- In connection with the issuance of the 2022 Second Corporate Bonds, China Securities Credit Financing Guarantee Co., Ltd. (中證信用融資擔保有限公司) (“**China SFG**”) provided guarantee for our repayment obligations under the 2022 Second Corporate Bonds. In return, Mr. Wang, his spouse Li Wen and Tiantu Chuangye provided counter-guarantees (the “**2022 Second Bonds Counter-Guarantees**”) to China SFG, including: (a) 105,215,378 Shares held by Mr. Wang, (b) personal guarantee provided by Mr. Wang and his spouse Ms. Li Wen, and (c) corporate guarantee provided by Tiantu Chuangye.
- Mr. Wang provided personal guarantee (the “**Bank Loan Guarantee**”) for a bank loan of our Company in the principal amount of RMB70.0 million.
- In addition, Tiantu Chuangye provided a loan with the principal amount of RMB150.0 million at an interest rate of 5.12% per annum to our Company which has been fully repaid by our Company as of the Latest Practicable Date and Mr. Wang also provided a shareholder’s loan with the principal amount of HK\$125.0 million at a variable interest rate at HIBOR plus 1.5% per annum to one of our Hong Kong subsidiaries which has been fully repaid by our Company as of the Latest Practicable Date (collectively the “**Shareholder’s Loan**”).

Save for the 2017 Bonds Counter-Guarantees, the 2022 First Bonds Counter-Guarantees, the 2022 Second Bonds Counter-Guarantee, the Bank Loan Guarantee and the Shareholder’s Loan as disclosed above, there was no loan, advance or guarantee provided by our Controlling Shareholders or his/its close associates during the Track Record Period and as of the Latest Practicable Date.

The Share Pledge under the 2022 First Bonds Counter-Guarantees, the 2022 Second Bonds Counter-Guarantees and the Bank Loan Guarantee are expected to be replaced/released before or immediately upon the Listing. As the premature release of the Remaining Guarantees and Pledge under the 2022 First Bonds Counter-Guarantees is not in the commercial interests of our Company and its Shareholders and is not commercially viable, they will continue to be in effect after the Listing.

We have obtained written confirmations in principle from two independent financial institutions which agreed to provide facilities of not more than RMB1.3 billion, without any security or guarantee from our Controlling Shareholders or their respective associates, which if being able to be successfully drawn down, would be sufficient for our Group to repay and release all outstanding debts underlying the Remaining Guarantees and Pledge under the 2022 First Bonds Counter-Guarantees.

Based on the above, our Directors believe that we are capable of carrying on our business independently of, and do not place undue reliance on our Controlling Shareholders and his/its close associates after the Listing.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

NEEQ NON-COMPETITION UNDERTAKING

For the purpose of compliance with the requirements for listing on the NEEQ, Mr. Wang entered into the NEEQ Non-Competition Undertaking, pursuant to which he undertook, among others, that he would not, and would procure that his controlled corporations and close family members would not, (i) directly or indirectly, engage in any business which are or may potentially be in competition with the business carried on by our Company or any members of our Group; or (ii) own any interest in any entity that may potentially be in competition with the business carried on by our Company or any members of our Group or consolidate control in such entity in any manner.

DEED OF NON-COMPETITION

In order to ensure that competition does not develop between us and other business activities and/or interests in businesses of our Controlling Shareholders, each of Mr. Wang, Tiantu Xingzhi and Tiantu Xinghe (the “**Covenantor**”) has entered into the Deed of Non-competition in favor of our Company. Pursuant to the Deed of Non-competition, any business in competition with our business shall include (i) fund management businesses which are the same as, similar to the fund management business engaged or proposed to be engaged by our Group; and (ii) investment as a limited partner or minority shareholder in a fund or any investment vehicle with right to participation in the daily operation and management and/or significant influence in making investment decisions ((i) and (ii) collectively, the “**Prohibited Business**”), and (iii) any direct investment (the “**Restricted Business**”). For avoidance of doubt, where there is uncertainty as to whether a potential investment as a limited partner or minority shareholder in a fund or any investment vehicle with the right to participation in the daily operation and management and/or significant influence in making investment decisions, it shall be subject to the final determination at reasonable discretion of our Company. The scopes of Restricted Business and Prohibited Business are subject to annual review by our Board and update along with the future development of our Group’s business. Pursuant to the Deed of Non-competition, each of the Controlling Shareholders has irrevocably and unconditionally undertaken to us (for ourselves and for the benefit of our subsidiaries) that he/it would not and would use his/its best endeavors to procure that his/its close associates (except any members of our Group) would not, directly or indirectly, or as principal or agent either on his/its own account or in conjunction with or on behalf of any person, firm, company or entity, carry on, engage in, invest in, participate in, attempt to participate in, hold any right or have any financial interests in or otherwise be involved in or interested (economically or otherwise) in, (i) any Prohibited Business; and (ii) unless where our approval as mentioned in the paragraph below is obtained, any Restricted Business, whether alone or jointly with another person and whether directly or indirectly or on behalf of or to assist or act in concert with any other person.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

The Covenantor has further irrevocably and unconditionally undertaken that during the Restricted Period (as defined below), he/it should first offer new business opportunities to us in the following manner when any business, investment or other business opportunities (a “**New Business Opportunities**”) related to the Restricted Business becomes available to him/it:

- (a) He/it will make referral of the New Business Opportunities to us, and will as soon as possible inform us in writing (the “**Offer Notice**”) about all necessary and reasonably required information in respect of any New Business Opportunities (including but not limited to details of the nature and investment or acquisition cost of the New Business Opportunities) for us to consider (a) whether the relevant New Business Opportunities will compete with our business, and (b) whether taking up the New Business Opportunities is in the interest of our Group.
- (b) Upon receipt of the Offer Notice, the independent non-executive Directors will consider whether to pursue the New Business Opportunities, taking into account whether the relevant New Business Opportunities would be able to achieve a sustainable profitability level, whether they are in line with the prevailing development strategies of our Group, and whether they are in the best interest of the Shareholders. Our Company must inform the Covenantor in writing within 20 Business Days after receipt of the Offer Notice about its decision on whether the New Business Opportunities will be pursued.
- (c) Only when (a) the Covenantor has received our notice to reject the New Business Opportunities and our confirmation that the relevant New Business Opportunities are not considered to be able to compete with our core business; or (b) the Covenantor has not received the relevant notice from our Company within the period as stated above in paragraph (b) after the Offer Notice has been received by us, then the Covenantor will be entitled to take up the New Business Opportunities on terms and conditions that are not more favorable than those specified in the Offer Notice issued to us.

If material changes occur in the terms and conditions of the New Business Opportunities after the referral of which have been made or procured to be made to us by the Covenantor, referral of the revised New Business Opportunities shall be made by the Covenantor to us again in the manner as stated above.

The above undertaking does not prevent the Covenantor from:

- (a) holding and/or being interested in, directly or indirectly, an interest in the Group or the funds managed by the Group from time to time;
- (b) holding and/or being interested in, directly or indirectly, any Restricted Business which our Group has decided not to make an investment as approved in writing by all the independent non-executive Directors;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (c) holding and/or being interested in, directly or indirectly, an investment or commercial opportunity relating to the Restricted Business which has first been offered or made available by any of the Covenantor to us, and either we do not respond to the offer by the due date, or after decision by our independent non-executive Directors we decline in writing to accept such an opportunity;
- (d) holding/or being interest in, directly or indirectly, an investment or business opportunity relating to the Restricted Business which we and the Covenantor and/or his/its close associates agree to participate together or is transferred from our Group to the Covenantor and/or his/its close associates, provided that (i) the terms of such transaction are fair and reasonable, (ii) such transaction is on normal commercial terms or better and in the ordinary and usual course of business of the Group, (iii) such transaction is in the interests of the Group and the Shareholders as a whole, (iv) the Board and the Shareholders (if applicable) approve such transaction, and (v) compliance with any applicable requirements under the Listing Rules and any other laws and regulations in the PRC; or
- (e) owning any interest not exceeding 10% of the issued securities in any company conducting any Prohibited Business or Restricted Business (the “**Relevant Company**”), and such company or its holding company is listed on any recognised stock exchange, notwithstanding that the business conducted by the Relevant Company constitutes or might constitute competition with the business of our Company or any of its subsidiaries, provided that (i) the Covenantor and/or its close associate will not therefore become the largest shareholder of the Relevant Company at any time; and (ii) the Covenantor and/or its close associate will not have a board representation disproportionate to its/his/her shareholding in the Relevant Company.

Under the Deed of Non-competition, the Covenantor has further undertaken jointly and severally, to us (for ourselves and as trustee for the benefit of each of our subsidiary from time to time) the following:

- (i) the Covenantor has acknowledged that the independent non-executive Directors will review, where necessary and at least on an annual basis, the compliance with the undertaking contained in the Deed of Non-competition;
- (ii) he/it will provide, and will procure his/its close associates (other than members of our Group) to provide, where necessary and at least on an annual basis, all information necessary for the review by our independent non-executive Directors, subject to any relevant laws, rules and regulations or any contractual obligations, to enable the independent non-executive Directors to enforce the Deed of Non-competition;
- (iii) without prejudicing the generality of paragraph (i) above, he/it will provide to us with an annual declaration on its compliance with the terms of the Deed of Non competition for inclusion in our annual report;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (iv) the Covenantor has acknowledged that our Company will make disclosures in our annual reports or by way of announcements regarding the decisions and the rationale of those decisions (as appropriate) of our independent non-executive Directors on matters referred to in the Deed of Non-competition and he/it gives its general consent to such disclosure;
- (v) in the event that any disagreement between the Covenantor and us as to whether or not any activity or proposed activity of the Covenantor constitutes a Restricted Business, the matter shall be determined by our independent non-executive Directors whose majority decision shall be final and binding; and
- (vi) the Covenantor shall excuse himself/itself from, and abstain from voting and not be counted as quorum of, any meetings of Shareholders for consideration and approval of any matters referred to in the Deed of Non-competition which have or may give rise to conflicts of interest, actual or potential.

Pursuant to the Deed of Non-competition, the above restrictions would apply throughout the Restricted Period, being the period commencing from the Listing Date and ending on the earlier of the following date:

- (1) the Covenantor and/or his/its close associates (other than any member of the Group) ceasing to hold, directly or indirectly, an aggregate of at least 30% of the issued share capital (or ceasing the control to exercise the voting rights of such shareholding) of our Company;
- (2) the Covenantor and/or his/its close associates (other than any member of the Group) considered together as if they were one single Shareholder ceasing to be the largest single Shareholder; or
- (3) our Shares ceasing to be listed on the Stock Exchange (except for temporary suspension of trading of our Shares).

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (a) under the Articles of Association, where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of his/its close associates has a material interest, our Controlling Shareholders or his/its close associate will not vote on the relevant resolutions and shall not be counted in the quorum for the voting;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (b) our Company has established internal control mechanisms to identify connected transactions. Upon the Listing, if our Company enters into connected transactions with our Controlling Shareholders or any of his/its close associates, our Company will comply with the applicable Listing Rules;
- (c) our Board consists of a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (d) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expenses; and
- (e) we have appointed Opus Capital Limited as our compliance adviser to provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors believe that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Controlling Shareholders and to protect our Shareholders' interests as a whole after the Listing.

CONNECTED TRANSACTIONS

ONE-OFF CONNECTED TRANSACTION

Tiantu Chuangye Lease

Background

As of the Latest Practicable Date, Mr. Wang, our Controlling Shareholder, and his spouse Ms. Li Wen (李文), owned 23% and 77% equity interest in Tiantu Chuangye, respectively. As such, Tiantu Chuangye is an associate of Mr. Wang and therefore a connected person of our Company under the Listing Rules.

We have entered into a lease agreement dated June 8, 2023 (the “**Tiantu Chuangye Lease**”) with Tiantu Chuangye which constitutes a one-off connected transaction of our Company.

Principal terms

Pursuant to the Tiantu Chuangye Lease, our Company has agreed to lease from Tiantu Chuangye certain premises for our office and business uses for a fixed term commencing from July 1, 2023 to June 30, 2024, and may be renewed conditional on the fulfillment of the relevant requirements under the relevant laws, regulations and the Listing Rules at a rental of RMB513,964.68 per month. Such rentals are determined by the Company and Tiantu Chuangye through arm’s length negotiation with reference to prevailing market rates for properties of similar size situated in the locality that are used for similar purposes in the PRC. The leased premises are located at Floor 24-25, Tower B, Intelligence Plaza, 4068 Qiaoxiang Road, Nanshan District, Shenzhen, Guangdong province, the PRC, with an gross floor area of 2,953.82 square meters (the “**Premises**”). For details of the Premises, see “Business – Leased Property”.

Reasons and benefits of the transaction

Our Company leased the Premises throughout the Track Record Period and up to the Latest Practicable Date, and any relocation may cause unnecessary disruption to our business operations and incur unnecessary costs. The Tiantu Chuangye Lease has been entered into in the ordinary and usual course of business of our Company and on normal commercial terms or better.

Accounting treatment and Listing Rules implications

In accordance with IFRS 16 applicable to our Group and pursuant to the guidance issued by the Stock Exchange, when an issuer enters into a lease transaction as a lessee and where the lease is subject to an agreement with fixed terms, it is treated as a one-off transaction (i.e., an acquisition of capital assets). As such, the transaction under the Tiantu Chuangye Lease will be recognized as acquisitions of right-of-use assets and constitutes a one-off transaction of our Company before the Listing and will not be classified as a continuing connected transaction

CONNECTED TRANSACTIONS

under Chapter 14A of the Listing Rules. Accordingly, the reporting, annual review, announcement, circular and independent shareholders' approval requirements with regard to continuing connected transactions in Chapter 14A of the Listing Rules will not be applicable to the Tiantu Chuangye Lease.

As of December 31, 2020, 2021 and 2022 and March 31, 2023, the value of right-of-use assets we recognized on our balance sheet arising from leasing the Premises was RMB4,851,000, RMB2,884,000, RMB2,833,000 and RMB1,424,000, respectively.

POTENTIAL NON-EXEMPT/PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

Xingbei Partnership Agreement

Background

Tiantu Capital Management Center, our wholly-owned subsidiary and the general partner of Tiantu Xingbei, and certain other limited partners of Tiantu Xingbei, entered into a limited partnership agreement dated April 26, 2021 (the “**Xingbei Partnership Agreement**”).

As of the Latest Practicable Date, Tiantu Xingbei is a non-wholly-owned subsidiary of our Company. On the other hand, Paladin, our Substantial Shareholder which held approximately 15.06% equity interest in our Company as of the Latest Practicable Date, is entitled to exercise approximately 16.67% of the voting power at the partners' meeting of Tiantu Xingbei through approximately 16.67% partnership interest of Tiantu Xingbei directly held by it. As such, Tiantu Xingbei constitutes a connected subsidiary of our Company under Rule 14A.16 of the Listing Rules. Therefore, the transactions between Tiantu Capital Management Center and Tiantu Xingbei (i.e., Tiantu Capital Management Center's provision of fund management services for Tiantu Xingbei and receiving management fees and carried interest) as contemplated under the Xingbei Partnership Agreement constitute connected transactions of our Company under Chapter 14A of the Listing Rules.

Principal terms

Pursuant to the Xingbei Partnership Agreement, Tiantu Capital Management Center shall act as the general partner (also the executive partner) and fund manager of Tiantu Xingbei and is responsible for, among others, the investment, operation and daily management of Tiantu Xingbei. Tiantu Capital Management Center is entitled to receive management fees and carried interest from Tiantu Xingbei under the Xingbei Partnership Agreement.

CONNECTED TRANSACTIONS

Term

The initial fund's term of Tiantu Xingbei was seven years commencing from the date of its inception on June 26, 2015 until June 25, 2022, and was subsequently extended for another three years commencing from June 26, 2022 (the "**Extended Period**") as resolved by the partners' meeting of Tiantu Xingbei on September 29, 2021. As such, the revised fund's term of Tiantu Xingbei is ten years commencing from June 26, 2015 to June 25, 2025, the remaining term of which is expected to be no more than three years upon Listing, subject to further renewal (without limitation on times) upon the special consent at the partners' meeting of Tiantu Xingbei, namely the consent from the limited partners with at least three fourths (3/4) of total actual capital contribution and the consent from the general partner, pursuant to terms and conditions of the Xingbei Partnership Agreement, provided that the Company shall also comply with the relevant requirements under Chapter 14A of the Listing Rules.

Pricing policy

The management fees under the Xingbei Partnership Agreement are charged (i) at a fixed percentage of 2.0% per annum of the total capital commitment of the fund during the initial five years of the fund's term and (ii) at a fixed percentage of 2.0% per annum of the investment principal of un-exited projects of the fund during the fifth to seventh year of the fund's term. No management fees will be charged upon the expiry of the seventh year of the fund's term (i.e. upon commencement of the Extended Period).

The aforesaid management fees arrangements were determined pursuant to a partners' resolution passed at the partners' meeting on September 29, 2021 which requires special consent, namely the consent from the limited partners with at least three fourths (3/4) of total actual capital contribution and the consent from the general partner, after arm's length negotiations between Tiantu Xingbei and Tiantu Capital Management Center in the ordinary and usual course of business with reference to various factors, primarily including, (i) the management fee rates of comparable funds managed by the Group and comparable funds in the market; (ii) the responsibilities and duties of Tiantu Capital Management Center as the fund manager under the Xingbei Partnership Agreement; (iii) the common industry practice of charging reduced management fees or waiving management fees in the market; and (iv) the fact that Tiantu Xingbei has entered into the Extended Period which will not have as active investments as in the early investment period of the fund. In addition, our industry consultant, CIC, is of the view that the manner of not charging management fees during the Extended Period is in line with the practice adopted by those comparable funds in the PRC based on the secondary research and the interviews with industry players.

CONNECTED TRANSACTIONS

The profit distribution under the Xingbei Partnership Agreement is payable only if (i) the fund has realized investment gains or there is exit of investment project (each “**Trigger Event**”) and (ii) the proceeds available for distribution exceed 1.0% of the total capital commitment of the fund, and the profit distribution shall be allocated in the following schedule:

- 100% to all the partners until they have received back their initial capital contribution;
- (If there is surplus) 100% to the partners until they have received an amount equal to the preferential return rate of 8% compounded annually (also known as “**Xingbei Hurdle Rate**”);
- (If there is surplus) thereafter the gains are distributed to the fund manager namely Tiantu Capital Management Center as carried interest, until the aggregate carried interest it has received reaches 20% of the total gains of the fund; and
- (If there is surplus) the remaining gains are distributed in proportion to each partner’s actual capital contribution.

The aforesaid carried interest distributable to Tiantu Capital Management Center can be illustrated by the following formula (the “**Xingbei Carried Interest Formula**”):

If with respect to all the partners, $V_{\text{partner}} > C_{\text{partner}} * (1 + 8\%) ^ [(T_x - T_0) / 365]$, then Carried interest as of $T_x \leq (V_{\text{total}} - C_{\text{total}}) * 20\%$

Note: C_{partner} represents the paid-in capital of the partner of Tiantu Xingbei as of T_0 ; T_0 represents the paid-in date of the partner; T_x represents X days after the paid-in date; V_{partner} represents the assets distributable to such partner of Tiantu Xingbei as of T_x ; V_{total} represents the total assets attributable to all partners as of T_x ; C_{total} represents the total paid-in capital of all partners.

The aforesaid structure of carried interest was determined after arm’s length negotiations between Tiantu Xingbei and Tiantu Capital Management Center in the ordinary and usual course of business, with reference to the market prevailing carried interest provisions as adopted by comparable funds. Our industry consultant, CIC, is also of the view that the manner of distributing carried interest set out above is in line with the practice adopted by those comparable funds in the PRC based on the secondary research and the interviews with industry players.

Reasons and benefits of the transaction

Tiantu Capital Management Center has been appointed to act as the fund manager to provide investment management services to Tiantu Xingbei since its inception back in 2015, with proven track record on providing the professional investment management services and

CONNECTED TRANSACTIONS

the in-depth understanding of the operations and business of Tiantu Xingbei. Our Directors are therefore of the view that it would be in the interest of the Group and the Shareholders as a whole to continue with the existing relationship with Tiantu Xingbei under the Xingbei Partnership Agreement.

Historical transaction amounts

The historical amounts of the fees incurred under the Xingbei Partnership Agreement are as follows:

	Year ended December 31, 2020	Year ended December 31, 2021	Period from January 1, 2022 to June 25, 2022⁽¹⁾
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Management fees	42.24	37.96	20.0
Carried interest	Nil	Nil	Nil
Total	42.24	37.96	20.0

Note:

- (1) Starting from June 26, 2022, no management fees will be charged under the Xingbei Partnership Agreement.

Annual caps

The annual caps of the fees payable by Tiantu Xingbei to Tiantu Capital Management Center under the Xingbei Partnership Agreement are as follows:

	Year ending December 31, 2023	Year ending December 31, 2024	Year ending December 31, 2025
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Management fees	Nil	Nil	Nil
Carried interest	N/A	N/A	N/A
Total	N/A	N/A	N/A

As the Xingbei Partnership Agreement provides that during the three-year Extended Period commencing from June 26, 2022, management fees are no longer payable by Tiantu Xingbei, the annual caps for the management fees under the Xingbei Partnership Agreement for the years ending December 31, 2023, 2024 and 2025 are nil, nil and nil, respectively. For reasons of not charging management fees upon the expiry of the seventh year of the fund's term of Tiantu Xingbei, see "Potential Non-exempt/Partially exempt Continuing Connected Transactions – Xingbei Partnership Agreement – Pricing Policy".

CONNECTED TRANSACTIONS

During the Track Record Period, Tiantu Xingbei did not make any distribution of carried interest to Tiantu Capital Management Center because the fund has not realized gains that are yet to be available for distribution in accordance with the terms and conditions of the Xingbei Partnership Agreement. Adoption of monetary caps is unsuitable and infeasible for the distribution of carried interest under the Xingbei Partnership Agreement, and therefore we have applied to the Stock Exchange and the Stock Exchange has granted us, a waiver under Rule 14A.53 of the Listing Rules, from strict compliance with the monetary annual caps in respect of the fees payable to us under the Xingbei Partnership Agreement. Despite the monetary value of the annual caps of carried interest payable by Tiantu Xingbei cannot be estimated as of now, such annual caps will be based on the Xingbei Carried Interest Formula. For details of the reasons and basis for not setting monetary annual caps, see “– Waiver Applications – 1. Waiver from Strict Compliance with the Annual Caps Requirement” in this section.

Listing Rules implications

As the highest percentage ratio of the fees (including management fees and carried interest) payable under the Xingbei Partnership Agreement may be, on an annual basis, more than 5%, the transaction contemplated under the Xingbei Partnership Agreement may, upon the Listing, constitute potential non-exempt continuing connected transaction of the Company that will be subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. We have applied to the Stock Exchange and the Stock Exchange has granted us, a waiver under Rule 14A.105 of the Listing Rules, from strict compliance with the announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. See “– Waiver Applications – 2. Waiver from Strict Compliance with the Announcement and/or Circular and Independent Shareholders’ Approval Requirements” in this section.

Distribution of Management Fees and Carried Interest of Tiantu China Consumer Fund I, L.P.

Background

As disclosed in the “Business” section in this prospectus, Tiantu China Consumer Fund I, L.P. (“**Fund I**”) is one of the USD-denominated funds under our management. We began to be entitled to management fees of Fund I through our subsidiary Tiantu Capital Management Company (Cayman) (being a wholly-owned subsidiary of our Group and the former fund manager of Fund I) and be entitled to carried interest of Fund I through Tiantu Executive Partnership, L.P. (“**Tiantu Executive**”) since June 2015.

Starting from the beginning of 2020, management fees were no longer payable directly to Tiantu Capital Management Company (Cayman), because partners of Fund I entered into a new limited partnership agreement (the “**Fund I LPA**”) pursuant to which (i) Tiantu Executive in its capacity of the general partner of Fund I would receive management fees and carried interest from Fund I, and (ii) our executive Directors Mr. Wang and Mr. Feng Weidong serve as Fund I’s key executives for the management of Fund I.

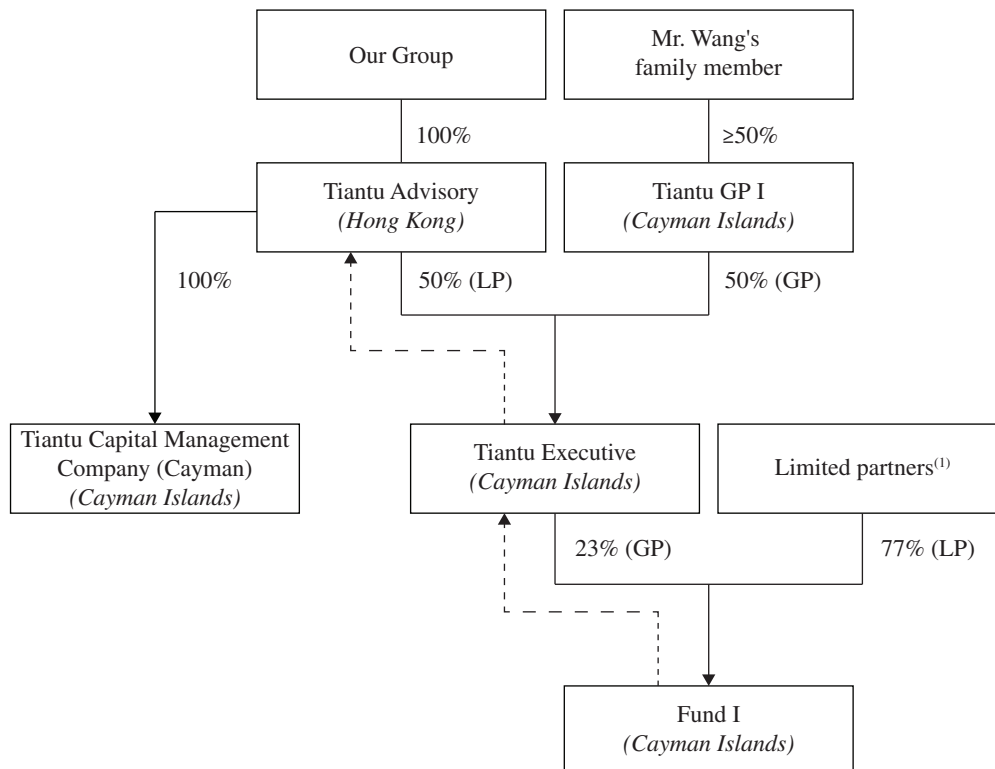
CONNECTED TRANSACTIONS

As of the Latest Practicable Date, Tiantu Executive was held as to 50% by Tiantu Advisory, our wholly-owned subsidiary, as limited partner, and as to 50% by Tiantu GP I Limited (“**Tiantu GP I**”) as general partner, respectively. Ms. Wang Xinting (family member of Mr. Wang) can exercise or control the exercise of no less than 50% the voting power of Tiantu Executive, and therefore Tiantu Executive is a majority-controlled company of Ms. Wang pursuant to Rule 14A.12 of the Listing Rules. As such, Tiantu Executive is an associate of Mr. Wang and therefore a connected person of our Company under the Listing Rules. Therefore, the transactions between Tiantu Executive and Tiantu Advisory as contemplated under the Tiantu Executive LPA constitute connected transactions of our Company under Chapter 14A of the Listing Rules.

Principal terms

To accommodate the aforesaid change of general partner of Fund I to Tiantu Executive, Tiantu GP I (as general partner) and Tiantu Advisory (as limited partner) entered into the currently effective limited partnership agreement of Tiantu Executive dated January 1, 2020 (the “**Tiantu Executive LPA**”). The Tiantu Executive LPA provides, among others, that Tiantu GP I shall cause Tiantu Executive to distribute 100% of the management fees and carried interest received by Tiantu Executive from Fund I to Tiantu Advisory (the “**Distribution Manner**”).

Illustration of the Distribution Manner is illustrated in the diagram below:



CONNECTED TRANSACTIONS

Note:

---▶ Payment of management fees and carried interest deriving from Fund I

GP: General partner

LP: Limited partner

(1) As of the Latest Practicable Date, Tiantu Investments International Limited (天圖投資國際有限公司), our Hong Kong subsidiary, was one of the limited partners of Fund I which held approximately 8.85% partnership interest in Fund I.

Term

The contractual term of the Tiantu Executive LPA shall commence on January 1, 2020. As Tiantu Executive LPA serves the primary purpose of prescribing the Distribution Manner for the management fees and carried interest arising from Fund I, the term of Tiantu Executive LPA is actually associated with the life cycle of Fund I. It is expected that Tiantu Executive LPA (and the Distribution Manner contemplated thereunder) will be terminated at the expiry of Fund I's term (i.e., February 5, 2024), subject to renewal (without limitation on times). The current term of Fund I (i.e., March 13, 2014 to February 5, 2024), the remaining term of which is expected to be no more than three years upon Listing, may be further extended for additional one year to permit the orderly disposition of underlying investments of Fund I with prior written consent of (i) Fund I's general partner, namely Tiantu Executive; and (ii) the limited partners who have made more than 50% of the total capital commitment in Fund I (excluding commitments made by the general partner and any defaulting partner and any non-voting commitments) pursuant to the Fund I LPA, provided that the Company shall also comply with the relevant requirements under Chapter 14A of the Listing Rules.

Pricing Policy

The management fees payable to Tiantu Advisory by Tiantu Executive under the Tiantu Executive LPA derives from Fund I, and the Fund I LPA provides that the management fees of Fund I are charged at a fixed percentage of 2.0% per annum of (i) limited partner's commitment or (ii) limited partner's drawn-down commitments to fund the acquisition costs of each investment in which the limited partner participated or participates, reduced by the aggregate amount of commitments drawn-down from such limited partner to fund the acquisition costs of investments that have been distributed in specie or which have been realised or redeemed and the proceeds of which have been distributed to such limited partner, depending on the stage the fund is in and subject to the reduction with agreement by Fund I's general partner. The management fees will be charged until February 5, 2023, and no management fees will be charged thereafter until the expected expiry date of Fund I's term, namely February 5, 2024.

CONNECTED TRANSACTIONS

The aforesaid management fees rates were determined after arm’s length negotiations by the parties primarily with reference to (i) management fee rates of comparable funds managed by the Group and comparable funds in the market and (ii) the responsibilities and duties of Tiantu Executive as general partner under the Fund I LPA. In addition, our industry consultant, CIC, is of the view that the management fee rates of Fund I are in line with the practice adopted by comparable USD-denominated funds based on the secondary research and the interviews with industry players.

The carried interest payable to Tiantu Advisory by Tiantu Executive under the Tiantu Executive LPA derives from Fund I. According to Fund I LPA, the distributable proceeds of Fund I will be first distributed to a limited partner proportionally and then distributed between such limited partner and the general partner in the following order of priority:

- (i) first, 100% to such limited partner until it has received an amount equal to drawn-down-but-not-repaid capital contribution (the “**return of capital**”);
- (ii) second, 100% to such limited partner until it has received an amount equal to the preferential return rate of 8% compound annually (the “**preferred return**”);
- (iii) third, 100% to the general partner until it has received an amount equal to 20% of the aggregate of the amounts distributed pursuant to paragraph (ii) above and this paragraph; and
- (iv) finally, 80% to such limited partner and 20% to the general partner.

The aforesaid carried interest deriving from Fund I can be illustrated by the following formula (the “**Fund I Carried Interest Formula**”):

If $V_{\text{partner}} > C_{\text{partner}} * (1 + 8\%) ^ [(T_x - T_0) / 365]$, then Carried interest received from such limited partner as of $T_x \leq (V_{\text{partner}} - C_{\text{partner}}) * 20\%$

Note: C_{partner} represents the paid-in capital of the limited partner of Fund I; T_0 represents the paid-in date of the limited partner; T_x represents X days after the paid-in date; V_{partner} represents the total assets distributable to such limited partner as of T_x .

The aforesaid structure of carried interest was determined after arm’s length negotiations by the parties in the ordinary and usual course of business, with reference to the market prevailing carried interest provisions as adopted by comparable funds. Our industry consultant, CIC, is also of the view that the manner of distributing carried interest set out above is in line with the practice adopted by those comparable USD-denominated funds.

CONNECTED TRANSACTIONS

Reasons and benefits of the transaction

Under relevant accounting treatment, held only approximately 8.85% of limited partner's interest in Fund I while we cannot achieve control of its general partner, namely Tiantu Executive. Nevertheless, Fund I has been a long-standing non-consolidated fund of our Group. Notwithstanding the non-consolidation of Fund I into our Group, Fund I has been a USD-denominated fund under our management since its formation and up to the Latest Practicable Date. Our Directors are therefore of the view that it would be in the interest of our Group and the Shareholders as a whole to continue with the arrangements under Distribution Manner in the Tiantu Executive LPA for receiving management fee and carried interest to be derived from Fund I.

Historical transaction amounts

For the years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023, our Group was entitled to management fee (in the amount of US\$1.5 million, US\$1.4 million, US\$1.3 million and US\$0.1 million, respectively) in the form of profit distribution through Distribution Manner pursuant to the Tiantu Executive LPA. Such management fees derived from Fund I for the years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023 were not due nor recorded as payable to us pursuant to the Tiantu Executive LPA as Tiantu Executive had not received management fees from Fund I.

During the Track Record Period and up to the Latest Practicable Date, Fund I did not generate any carried interest.

Annual caps

The annual caps for the management fees derived from Fund I under the Tiantu Executive LPA for the years ending December 31, 2023 and 2024 will be approximately US\$0.1 million and nil. Such annual caps were determined taking into account various factors, including the the period of charging management fees pursuant to the Fund I LPA until February 5, 2023 and the assumption that there will be no project exit for Fund I for the years ending December 31, 2023.

During the Track Record Period, Tiantu Executive did not distribute any carried interest derived from Fund I to Tiantu Advisory because Fund I has not realized gains that are yet to be available for distribution in accordance with the terms and conditions of Tiantu Executive LPA. The annual caps for the carried interest derived from Fund I under the Tiantu Executive LPA are expected to be nil for the years ending December 31, 2023 and 2024.

CONNECTED TRANSACTIONS

Listing Rules implications

As the highest percentage ratio of the fees (including management fees and carried interest in the form of profit distribution) payable under the Tiantu Executive LPA, on an annual basis, is expected to exceed 0.1% but less than 5%, the transaction of distribution of management fees and carried interest contemplated under the Tiantu Executive LPA will, upon the Listing, constitute partially exempt continuing connected transaction of the Company that will be exempt from the circular and independent shareholders' approval requirements but subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules. We have applied to the Stock Exchange and the Stock Exchange has granted us, a waiver under Rule 14A.105 of the Listing Rules, from strict compliance with the announcement requirements under Chapter 14A of the Listing Rules. See “– Waiver Applications – 2. Waiver from Strict Compliance with the Announcement and/or Circular and Independent Shareholders' Approval Requirements” in this section.

Waiver Applications

1. Waiver from Strict Compliance with the Annual Caps Requirement

Rule 14A.53 requires that the listed issuer must set an annual cap for the continuing connected transactions. The cap must be: (1) expressed in monetary terms; (2) determined by reference to previous transactions and figures in the published information of the listed issuer's group. If there were no previous transactions, the cap must be set based on reasonable assumptions; and (3) approved by shareholders if the transaction requires shareholders' approval.

In relation to the carried interest contemplated under the Xingbei Partnership Agreement, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, waivers from strict compliance with Rule 14A.53 of the Listing Rules that the proposed annual caps must be expressed in monetary terms based on the following grounds:

- (i) there was no historical amount of carried interest distributed under such transaction that can serve as a meaningful reference point for determining monetary annual caps;
- (ii) it would be impossible to predict the future fund performance of Tiantu Xingbei and hence the timing and amounts of carried interests that we will be entitled to receive in the future in respect of each of the financial year during the term of the Xingbei Partnership Agreement as:
 - (a) it is uncertain and practically impossible to determine when exactly carried interest will be distributable since it is impossible to determine or predict when the fund will realize distributable gains due to factors that are beyond our control (e.g. market conditions which affect the performance or the exit timing of the underlying investment projects of the fund); and

CONNECTED TRANSACTIONS

- (b) it would be impracticable to estimate the amounts of carried interest that we will be entitled to receive in the future since the amounts of carried interest vary with the actual realization of investments to be occurred. It is extremely difficult to predict the future performance of the fund, which may vary significantly due to unexpected fluctuations of the financial markets;
- (iii) adoption of fixed monetary annual caps for this type of transaction would impose an arbitrary ceiling on the incentive on us as the fund manager and will unnecessarily restrict the parties from implementing arrangements that can maximize the returns for the fund; and
- (iv) it will be unduly burdensome and costly for us to comply with the announcement, circular and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules each time when the monetary annual caps (if imposed) are underestimated and exceeded subsequently.

The Stock Exchange has granted us, waivers from strict compliance with Rule 14A.53 of the Listing Rules that the proposed annual caps must be expressed in monetary terms, for the transaction contemplated under the Xingbei Partnership Agreement, subject to the following conditions:

- (i) the Company will comply with the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules if there is any material change to the terms of the Xingbei Partnership Agreement;
- (ii) the Company will designate a team to execute and ensure that the transactions in relation to the Xingbei Partnership Agreement are undertaken in accordance with the terms of the relevant agreements;
- (iii) the general manager of the Company will use his best endeavours to supervise the compliance with the terms of the Xingbei Partnership Agreement and applicable Listing Rules requirements to the extent not waived by the Stock Exchange on a regular basis;
- (iv) the independent non-executive Directors and the auditors of the Company will review the transactions in relation to the Xingbei Partnership Agreement on an annual basis and confirm in our annual reports the matters set out in Rules 14A.55 and 14A.56 of the Listing Rules;
- (v) the Company will disclose in this prospectus the background for entering into the Xingbei Partnership Agreement, the principal terms of the relevant agreements, the grounds for the waivers sought and the Directors' and Joint Sponsors' views on the fairness and reasonableness of the transactions under the Xingbei Partnership Agreement; and

CONNECTED TRANSACTIONS

- (vi) in the event of any future amendments to the Listing Rules imposing more stringent requirements than those as at the date of this prospectus on the above continuing connected transactions, the Company will take immediate steps to ensure compliance with such new requirements.

The waiver set out above is for a term commencing from the Listing Date until the expiry date of the Xingbei Partnership Agreement being June 26, 2025. The Company will, after taking into account, among other things, the fund's performance of Xingbei Partnership and the historical transaction amount of the above continuing connected transactions, re-assess whether a further waiver is required at the expiry of such initial term.

2. Waiver from Strict Compliance with the Announcement and/or Circular and Independent Shareholders' Approval Requirements

Rule 14A.105 of the Listing Rules provides that the Stock Exchange may waive the announcement, circular and independent shareholders' approval requirements for continuing connected transactions entered into by a new applicant or its subsidiaries.

As the continuing connected transactions contemplated under the Xingbei Partnership Agreement and Tiantu Executive LPA, respectively, will be carried out on a continuing basis and will extend over a period of time, our Directors consider that strict compliance with the announcement and/or circular and independent shareholders' approval requirements under the Listing Rules, as the case may be, would be impractical, unduly burdensome and would impose unnecessary administrative costs on our Company. Accordingly, we have applied for, and the Stock Exchange has granted us, a waiver under Rule 14A.105 of the Listing Rules from strict compliance with the announcement, circular and independent shareholders' approval requirements in respect of such continuing connected transactions contemplated under the Xingbei Partnership Agreement for a term commencing from the Listing Date until the expiry date of the Xingbei Partnership Agreement being June 26, 2025 and from strict compliance with the announcement requirement in respect of such continuing connected transactions contemplated under the Distribution Manner for a term commencing from the Listing Date until the expiry date of the Fund I LPA being February 5, 2024.

Save as the requirement for setting monetary annual caps (with respect to the carried interest under the Xingbei Partnership Agreement), the announcement, circular and independent shareholders' approval requirements (with respect to the transactions under the Xingbei Partnership Agreement) and the announcement requirement (with respect to the transactions under the Tiantu Executive LPA), of which waivers are sought as set out above, we will comply at all times with the other applicable provisions under Chapter 14A of the Listing Rules in respect of such continuing connected transactions under the Xingbei Partnership Agreement and Tiantu Executive LPA.

CONNECTED TRANSACTIONS

Directors' confirmation

The Directors (including the independent non-executive Directors) are of the view that the foregoing continuing connected transaction (including the management fees and the carried interest) contemplated under the Xingbei Partnership Agreement and the Tiantu Executive LPA, respectively, have been entered into, and will be carried out, (i) in the ordinary and usual course of our business, (ii) on normal commercial terms and on no more favourable terms to the connected person than those available to independent third parties, (iii) on terms that are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. In particular, the annual caps for management fees under the Xingbei Partnership Agreement and Tiantu Executive LPA, the annual caps for carried interest under Tiantu Executive LPA and the absence of annual caps for carried interest under the Xingbei Partnership Agreement are fair and reasonable.

Joint Sponsors' confirmation

Based on (i) the relevant documents and information provided by the Company in relation to the foregoing continuing connected transactions under the Xingbei Partnership Agreement and the Tiantu Executive LPA, (ii) their participation in due diligence and discussions with us and (iii) the confirmation from the Directors and the view of CIC disclosed above, the Joint Sponsors are of the view that (i) the foregoing continuing connected transactions under the Xingbei Partnership Agreement and the Tiantu Executive LPA, respectively have been entered into in the ordinary and usual course of business of our Company on normal commercial terms which are fair and reasonable, and in the interests of our Company and our Shareholders as a whole; and (ii) the proposed annual caps in respect of the Xingbei Partnership Agreement and the Tiantu Executive LPA, respectively are fair and reasonable, because (a) the management fees rates and the manner of distributing carried interest under the Xingbei Partnership Agreement and the Tiantu Executive LPA are in line with the practice adopted by comparable funds, (b) it is common industry practice to charge reduced management fees or waive management fees at the later period of a fund, and (c) a fund will not have as active investments in the later period as in the early investment period, according to the confirmation of CIC.

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

In connection with the issuance of the 2022 First Corporate Bonds in a total principal amount of RMB0.5 billion with an interest rate of 4.27% and 4.99% per annum, Shenzhen Credit Guarantee and Enhancement Financing Guarantee Co., Ltd., (深圳市深擔增信融資擔保有限公司) (“**Shenzhen Guarantee**”), an Independent Third Party financing and guarantee service provider, guaranteed the Company's repayment obligations under the 2022 First Corporate Bonds pursuant to an guarantee agreement (the “**Guarantee Agreement**”). In return, Mr. Wang, his spouse Ms. Li Wen and Tiantu Chuangye provided certain counter guarantees to Shenzhen Guarantee for such repayment obligations, including pledge of 103,954,622 Share held by Mr. Wang which will be released before or immediately upon the Listing as well as (i) personal guarantees provided by Mr. Wang and Ms. Li Wen; (ii) corporate guarantee provided by Tiantu Chuangye; (iii) pledge of certain shares held by Tiantu Chuangye in one of its

CONNECTED TRANSACTIONS

investee company and (iv) mortgages over one piece of real property of Tiantu Chuangye ((i)-(iv) collectively, the “**Connected Guarantee**”) which are expected to survive upon the Listing. The counter-guarantee period in respect of the Connected Guarantee is the same as the limitation for actions underlying the 2022 First Corporate Bonds, namely for a period of three years from the date when the debt underlying the Guarantee Agreement expires. See “History, Development and Corporate Structure – Issuance of Non-convertible Bonds – 2022 First Corporate Bonds” and “Relationship with our Controlling Shareholders – Financial Independence” for details.

As Mr. Wang is our Controlling Shareholder and each of Ms. Li Wen and Tiantu Chuangye is an associate of Mr. Wang, each of Ms. Li Wen and Tiantu Chuangye is our connected person. As such, the Connected Guarantee constitutes a continuing connected transaction under Chapter 14A of the Listing Rules.

The Connected Guarantee was provided by Mr. Wang and his associates in favor of us and we did not provide security to Mr. Wang and his associates for the Connected Guarantee. As the premature release of the Connected Guarantee is not in the commercial interests of our Company and its Shareholders and is not commercially viable, the Connected Guarantee will continue to be in effect after the Listing. Nonetheless, the Directors are of the view that the Connected Guarantee provided to us by Mr. Wang and his associates, was on normal commercial terms where no security over our Company’s assets was granted in respect of the Connected Guarantee. As such, the transactions will be exempted from the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules pursuant to Rule 14A.90 of the Listing Rules. See “Relationship with our Controlling Shareholders – Financial Independence” in this prospectus for further details.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering and without taking into account any H Shares which may be issued pursuant to the exercise of the Over-allotment Option, the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Capacity/nature of interest	Number and class of Shares held	Approximate percentage of shareholding in the total share capital of our Company as of the Latest Practicable Date (%)	Approximate percentage of shareholding in the relevant class ⁽³⁾ of Shares after the Global Offering (%)	Approximate percentage of shareholding in the total share capital of our Company after the Global Offering (%)
Mr. Wang Yonghua (王永華) ⁽¹⁾⁽²⁾	Beneficial owner	209,748,220 Unlisted Shares	40.35	40.35	30.27
	Interest of controlled corporation	17,500,000 Unlisted Shares	3.36	3.36	2.52
Tiantu Xingzhi ⁽¹⁾	Beneficial owner; interest held jointly with other persons	227,248,220 Unlisted Shares	43.71	43.71	32.79
Tiantu Xinghe ⁽¹⁾	Beneficial owner; interest held jointly with other persons	227,248,220 Unlisted Shares	43.71	43.71	32.79
Paladin ⁽²⁾	Beneficial owner	78,264,498 Unlisted Shares	15.06	15.06	11.29
Guangzhou Yingrui Capital Management Co., Ltd. (廣州市盈睿資本管理有限公司) ⁽²⁾	Interest of controlled corporation	78,264,498 Unlisted Shares	15.06	15.06	11.29
Foshan Shunde District Rongyue Enterprise Management Co., Ltd. (佛山市順德區榮躍企業管理有限公司) ⁽²⁾	Interest of controlled corporation	78,264,498 Unlisted Shares	15.06	15.06	11.29
Mr. Li Yiming (黎溢銘) ⁽²⁾	Interest of controlled corporation	78,264,498 Unlisted Shares	15.06	15.06	11.29

SUBSTANTIAL SHAREHOLDERS

Notes:

1. Each of Tiantu Xingzhi and Tiantu Xinghe is a limited partnership established in the PRC. Each of Tiantu Xingzhi and Tiantu Xinghe is an employee shareholding platform and held 8,750,000 Shares in our Company, respectively, as of the Latest Practicable Date. Mr. Wang is the sole executive partner of each of Tiantu Xingzhi and Tiantu Xinghe. As such, Mr. Wang is deemed to be interested in the equity interest held by Tiantu Xingzhi and Tiantu Xinghe in our Company under the SFO.

2. Paladin is a limited partnership established in the PRC on July 10, 2015, and it is managed by its executive partner, Guangzhou Yingrui Capital Management Co., Ltd. (廣州市盈睿資本管理有限公司) (“**Yingrui Capital**”). None of Paladin and its ultimate beneficial owners are PRC Governmental Bodies. As of the Latest Practicable Date, Paladin was held as to approximately 0.245% by Yingrui Capital, as to approximately 69.9% of Foshan Shunde District Rongyue Enterprise Management Co., Ltd. (佛山市順德區榮躍企業管理有限公司) (“**Shunde Rongyue**”) as a limited partner and as to approximately 29.855% by certain other limited partners. Yingrui Capital was owned as to 70% by Mr. Li Yiming (黎溢銘). As such, Yingrui Capital and Mr. Li Yiming are deemed to be interested in the equity interest held by Paladin in our Company under the SFO.

Save for Mr. Wang, Tiantu Xingzhi, Tiantu Xinghe, Paladin, Yingrui Capital, Shunde Rongyue and Mr. Li Yiming as disclosed above, our Directors are not aware of any persons who will, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), without taking into account the Offer Shares that may be taken up under the Global Offering, have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and upon the completion of the Global Offering.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the registered share capital of our Company was RMB519,773,110 comprising 519,773,110 Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised, the share capital of our Company will be as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage of the total issued share capital (%)</u>
Unlisted Shares in issue	519,773,110	75.0
H Shares to be issued pursuant to the Global Offering	<u>173,258,000</u>	<u>25.0</u>
Total	<u>693,031,110</u>	<u>100</u>

Immediately upon completion of the Global Offering, assuming the Over-allotment Option is fully exercised, the share capital of our Company will be as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage of the total issued share capital (%)</u>
Unlisted Shares in issue	519,773,110	72.29
H Shares to be issued pursuant to the Global Offering	<u>199,246,000</u>	<u>27.71</u>
Total	<u>719,019,110</u>	<u>100</u>

SHARE CAPITAL

SHARE CLASSES

Upon completion of the Global Offering, our Company would have Unlisted Shares and H Shares. Both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company and are regarded as the same class of Shares. Apart from certain qualified domestic institutional investors in the PRC, certain qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed by or traded among legal and natural persons of the PRC.

The Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

REGISTRATION OF SHARES NOT LISTED ON THE OVERSEAS STOCK EXCHANGE

According to the Notice of Centralized Registration and Deposit of Non-overseas Listed Shares of Companies Listed on an Overseas Stock Exchange (《關於境外上市公司非境外上市股份集中登記存管有關事宜的通知》) issued by the CSRC, our Company is required to register and deposit our Shares that are not listed on the overseas stock exchange with the China Securities Depository and Clearing Corporation Limited within 15 business days upon the Listing and provide a written report to the CSRC regarding the centralized registration and deposit of our Shares that are not listed on the overseas stock exchange as well as the offering and listing of our H Shares.

CORNERSTONE INVESTMENT

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**”, and together the “**Cornerstone Investment Agreements**”) with the cornerstone investors set out below (each a “**Cornerstone Investor**”, and together the “**Cornerstone Investors**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe for or cause their designated entities (including qualified domestic institutional investor as approved by the relevant PRC authorities (“**QDII**”)) to subscribe for at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 400 H Shares) that may be purchased for an aggregate amount of approximately US\$78.1 million (approximately HK\$611.4 million) (the “**Cornerstone Placing**”). Unless otherwise specified, the calculations in this section are based on the exchange rate of US\$1.00 to HK\$7.8278 and RMB0.9171 to HK\$1.00 and are only for illustration purpose, and the final number of H Shares to be subscribed by the Cornerstone Investors are subject to the exchange rate to be determined in accordance with the relevant Cornerstone Investment Agreements and will be set out in the allotment results announcement in respect of the Global Offering to be issued by the Company.

Assuming an Offer Price of HK\$5.80, being the low-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 105,412,000 Offer Shares, representing (i) approximately 60.84% of the Offer Shares pursuant to the Global Offering (assuming that the Over-allotment Option is not exercised), and (ii) approximately 15.21% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Assuming an Offer Price of HK\$8.60, being the mid-point of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 71,092,000 Offer Shares, representing (i) approximately 41.03% of the Offer Shares pursuant to the Global Offering (assuming that the Over-allotment Option is not exercised), and (ii) approximately 10.26% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Assuming an Offer Price of HK\$11.40, being the high-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 53,630,400 Offer Shares, representing (i) approximately 30.95% of the Offer Shares pursuant to the Global Offering (assuming that the Over-allotment Option is not exercised), and (ii) approximately 7.74% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Our Company is of the view that the Cornerstone Placing will help to raise the profile of our Company and to signify that such Cornerstone Investors have confidence in our business and prospects. Our Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through the Group’s business network or through introduction by some of the Underwriters in the Global Offering.

CORNERSTONE INVESTMENT

The Cornerstone Placing will form part of the International Offering and the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respect with the fully paid Shares in issue and will be counted towards the public float of our Company under Rule 8.08 of the Listing Rules. Immediately following the completion of the Global Offering, none of the Cornerstone Investors will become a substantial Shareholder of our Company. The Cornerstone Investors or their close associates will not, by virtue of their cornerstone investments, have any Board representation in our Company. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders.

To the best knowledge of our Company, (i) each of the Cornerstone Investors is an Independent Third Party; (ii) none of the Cornerstone Investors is accustomed to take instructions in relation to the acquisition, disposal, voting or other disposition of H Shares registered in its name or otherwise held by it from our Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders, any of our subsidiaries or their respective close associates; and (iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors is financed by our Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders, any of our subsidiaries or their respective close associates.

To the extent that the Offer Shares will be subscribed by a QDII as the nominee of the relevant Cornerstone Investor, the relevant Cornerstone Investor will procure the QDII to comply with the terms of the QDII agreement entered into with the relevant Cornerstone Investor and the terms of the relevant Cornerstone Investment Agreement in order to ensure the Cornerstone Investor's compliance with its undertakings under the relevant Cornerstone Investment Agreement.

As confirmed by each Cornerstone Investor, its subscription under the Cornerstone Placing would be financed by its own internal resources. There are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Cornerstone Placing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price.

The total number of Offer Shares to be subscribed by the Cornerstone Investors may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering as described in the paragraph headed "Structure of the Global Offering — The Hong Kong Public Offering — Reallocation and Clawback" in this prospectus. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around October 5, 2023.

CORNERSTONE INVESTMENT

If there is over-allocation in the International Offering, the settlement of such over-allocation may be effected through delayed delivery of the Offer Shares to be subscribed by the Cornerstone Investors under the Cornerstone Placing. Where delayed delivery takes place, each Cornerstone Investor that may be affected by such delayed delivery has agreed that it shall nevertheless pay for the relevant Offer Shares in full before dealings in the Offer Shares commence on the Stock Exchange. As such, there will be no deferred payment under the Cornerstone Investment Agreements. If there is no over-allocation in the International Offering, delayed delivery will not take place. For details of the Over-allotment Option, please refer to the paragraph headed “Structure of the Global Offering — The International Offering — Over-allotment Option” in this prospectus.

Each of the Cornerstone Investors has agreed that, in the event that the requirement pursuant to Rule 8.08(3) of the Listing Rules, which provides that no more than 50% of our Shares in public hands on the Listing Date can be beneficially owned by the three largest public Shareholders, cannot be satisfied, our Company, the Overall Coordinators and the Joint Sponsors have the right to adjust the allocation of the number of Offer Shares to be subscribed by the Cornerstone Investors in their sole and absolute discretion to satisfy the requirement pursuant to Rule 8.08(3) of the Listing Rules. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by the Company on or around October 5, 2023.

THE CORNERSTONE INVESTORS

The information about the Cornerstone Investors set forth below has been provided to our Company by the Cornerstone Investors in connection with the Cornerstone Placing.

1. Futian Guiding Fund

Shenzhen Futian Guiding Fund Investment Co., Ltd. (深圳市福田引導基金投資有限公司) (“**Futian Guiding Fund**”) is a limited liability company incorporated in the PRC on August 31, 2015. It is a government guiding fund established by the government of Futian District, Shenzhen. Futian Guiding Fund primarily directs social capital to make investments in relation to innovation and entrepreneurship, emerging industries and people’s livelihood. Futian Guiding Fund is ultimately owned as to 100% by Shenzhen Futian District Finance Bureau (深圳市福田區財政局). As at June 30, 2023, Futian Guiding Fund had an aggregate AUM of approximately RMB140.0 billion.

For the purpose of the Cornerstone Placing, Futian Guiding Fund has engaged Great Wall Fund Management Co., Ltd. (長城基金管理有限公司), an asset manager that is a QDII as approved by the relevant PRC authority to subscribe for and hold such Offer Shares on behalf of Futian Guiding Fund.

Futian Guiding Fund is an existing limited partner of three funds under our management, namely Tiantu Xingpeng (our consolidated fund), Tiantu Xingshen (our consolidated fund) and Tangrenshen (our unconsolidated fund), and Futian Guiding Fund’s aggregated capital commitment in these three funds accounted for approximately 4.8%, 4.2%, 4.2% and 4.2% of the total capital commitment of all partners of the consolidated and unconsolidated funds of our Group for the years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023, respectively.

2. Qingdao Haiming, Qingdao Hainuo and Qingdao Financial (“Qingdao Investors”)

Qingdao Haiming City Development Co., Ltd. (青島海明城市發展有限公司) (“**Qingdao Haiming**”) is a limited liability company established in the PRC on January 2, 2018, with a registered capital of RMB2.0 billion. It mainly undertakes financing, investment, construction, operation and management, as well as land rearrangement and development of key projects in Qingdao Shinan District, and is also responsible for the operation and management of the state-owned assets within the scope of authorization. Qingdao Haiming is wholly owned by Qingdao Huiquan Bay Investment Holding Co., Ltd. (青島匯泉灣投資控股有限公司), whose ultimate beneficial owner is Qingdao Shinan District Finance Bureau (青島市市南區財政局).

For the purpose of the Cornerstone Placing, Qingdao Haiming has engaged Caitong Fund Management Co., Ltd. (財通基金管理有限公司), an asset manager that is a QDII as approved by the relevant PRC authority to subscribe for and hold such Offer Shares on behalf of Qingdao Haiming.

Qingdao Hainuo Investment Development Co., Ltd. (青島海諾投資發展有限公司) (“**Qingdao Hainuo**”) is a limited liability company established in the PRC on July 19, 2012, with a registered capital of RMB6.0 billion and a credit rating of 2A+. It has developed three core businesses, namely investment, financing and trading, urban renewal and construction, metaverse and technology industrial park operation, while having begun to showcase its influence on the education and elderly care and medical services industry. Qingdao Hainuo recorded a total revenue of RMB471.84 million in 2022, and total assets of approximately RMB25.48 billion as the end of 2022. Qingdao Hainuo is wholly owned by Qingdao Shinan District Finance Bureau (青島市市南區財政局).

For the purpose of the Cornerstone Placing, Qingdao Hainuo has engaged Galaxy Jinhui Security Asset Management Corporation Limited (銀河金匯證券資產管理有限公司), an asset manager that is a QDII as approved by the relevant PRC authority to subscribe for and hold such Offer Shares in the name of its financial product, Galaxy Dehui No. 37 Single Asset Management Plan (銀河德匯37號單一資產管理計劃), on behalf of Qingdao Hainuo.

Qingdao Economic Technology Development Zone Financial Investment Group Co., Ltd. (青島經濟技術開發區金融投資集團有限公司) (“**Qingdao Financial**”) is a limited liability company established in the PRC on December 3, 2019. It is principally engaged in financial investment. Qingdao Financial is wholly owned by Qingdao Economic Technology Development Zone Investment Holding Group Co., Ltd. (青島經濟技術開發區投資控股集團有限公司) (“**Economic Holding Group**”), whose ultimate beneficial owner is Qingdao West Coast New Area State-owned Assets Management Bureau (青島西海岸新區國有資產管理局). Economic Holding Group is a state-owned enterprise affiliated with the government of Qingdao West Coast New Area established on November 8, 2019 with a registered capital of RMB5.0 billion. It is mainly engaged in development and construction, front-line guarantee, financial investment, investment and talent attraction, industrial park operation, international trade, high-end energy and chemical engineering, etc.

For the purpose of the Cornerstone Placing, Qingdao Financial has engaged Caitong Fund Management Co., Ltd. (財通基金管理有限公司), an asset manager that is a QDII as approved by the relevant PRC authority to subscribe for and hold such Offer Shares on behalf of Qingdao Financial.

Each of Qingdao Haiming, Qingdao Hainuo and Qingdao Financial is ultimately controlled by Qingdao Municipal People’s Government (青島市人民政府).

CORNERSTONE INVESTMENT

The following table below sets forth details of the Cornerstone Placing:

Based on the Offer Price of HK\$5.80 (being the low-end of the indicative Offer Price range)

Cornerstone Investor	Total Investment Amount	Number of Offer Shares to be subscribed ⁽¹⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
			Approximate % of the total number of Offer Shares	Approximate % of the total issued share capital immediately after the completion of the Global Offering	Approximate % of the total number of Offer Shares	Approximate % of the total issued share capital immediately after the completion of the Global Offering
	<i>(US\$ in million)</i>					
Futian Guiding Fund	35.6 ⁽²⁾	48,053,200	27.74%	6.93%	24.12%	6.68%
Qingdao Investors	42.5	57,358,800	33.11%	8.28%	28.79%	7.98%
Total	78.1	105,412,000	60.84%⁽³⁾	15.21%	52.91%	14.66%

CORNERSTONE INVESTMENT

Based on the Offer Price of HK\$8.60 (being the mid-point of the indicative Offer Price range)

<u>Cornerstone Investor</u>	<u>Total Investment Amount</u>	<u>Number of Offer Shares to be subscribed⁽¹⁾</u>	<u>Assuming the Over-allotment Option is not exercised</u>		<u>Assuming the Over-allotment Option is fully exercised</u>	
			<u>Approximate % of the total issued share capital immediately after the completion of the Global Offering</u>	<u>Approximate % of the total issued share capital immediately after the completion of the Global Offering</u>	<u>Approximate % of the total issued share capital immediately after the completion of the Global Offering</u>	<u>Approximate % of the total issued share capital immediately after the completion of the Global Offering</u>
	<i>(US\$ in million)</i>					
Futian Guiding Fund	35.6 ⁽²⁾	32,408,000	18.71%	4.68%	16.27%	4.51%
Qingdao Investors	42.5	38,684,000	22.33%	5.58%	19.42%	5.38%
Total	78.1	71,092,000	41.03%	10.26%	35.68%	9.89%

CORNERSTONE INVESTMENT

Based on the Offer Price of HK\$11.40 (being the high-end of the indicative Offer Price range)

Cornerstone Investor	Total Investment Amount	Number of Offer Shares ⁽¹⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
			Approximate % of the Offer Shares	Approximate % of the total issued share capital immediately after the completion of the Global Offering	Approximate % of the total number of Offer Shares	Approximate % of the total issued share capital immediately after the completion of the Global Offering
	<i>(US\$ in million)</i>					
Futian Guiding Fund	35.6 ⁽²⁾	24,448,000	14.11%	3.53%	12.27%	3.40%
Qingdao Investors	42.5	29,182,400	16.84%	4.21%	14.65%	4.06%
Total	78.1	53,630,400	30.95%	7.74%	26.92%	7.46%

Notes:

- (1) Rounded down to the nearest whole board lot of 400 H Shares. Calculated based on the exchange rate set out in the section headed “Information about this Prospectus and the Global Offering – Exchange Rate Conversion” in this prospectus.
- (2) The calculation of the investment amount of Futian Guiding Fund is based on the exchange rate as set forth in the relevant Cornerstone Investment Agreement entered into by and between, among others, the Company and Futian Guiding Fund.
- (3) No more than 50% of the Shares in public hands on the Listing Date can be beneficially owned by the three largest public Shareholders pursuant to Rule 8.08(3) of the Listing Rules. The total number of our Shares upon Listing in public hands will be 173,258,000 Shares (assuming the Over-allotment Option is not exercised). Pursuant to the relevant Cornerstone Investment Agreements entered into by the Company and the Cornerstone Investors, in the event that the requirement pursuant to Rule 8.08(3) of the Listing Rules cannot be satisfied, the Company, the Joint Sponsors and the Overall Coordinators have the right to adjust the allocation of the number of Offer Shares to be subscribed by the Cornerstone Investors in their sole and absolute discretion to satisfy the requirement pursuant to Rule 8.08(3) of the Listing Rules (the “**LR8.08(3) Adjustment**”).

For illustrative purpose only, assuming that the third largest public Shareholder of the Company participates in the international tranche of the Global Offering as a placee with a proposed investment amount of US\$10.0 million, if the Offer Price is finally determined to be fall within the price range of HK\$5.80 to HK8.00 (high-end exclusive), the total number of Offer Shares allocated to the Cornerstone Investors and the third largest public Shareholder will account for more than 50% of the securities in public hands at the time of Listing, therefore the LR8.08(3) Adjustment will be triggered.

In the event that the Offer Price is determined to be HK\$5.80 (being the low-end of the indicate Offer Price range), if there is no adjustment applied, total number of H Shares to be allocated to Futian Guiding Fund and Qingdao Investors will be 105,412,000 Shares, representing approximately 60.84% of the H Shares in public hands. Under such circumstance and on the assumption that the proposed investment amount of the third largest public investor is US\$10.0 million, for illustrative purpose only, in order to satisfy the requirement under the Rule 8.08(3), the aggregate investment amounts of the three largest public Shareholders (including the two Cornerstone Investors) will be reduced by US\$23.9 million, in which case the total Offer Shares allocated to the three largest public Shareholders would represent 50.0% of the Shares in public hands. Details of the actual number of Offer Shares to be allocated to them will be disclosed in the allotment results announcement to be issued by the Company on or around October 5, 2023.

CORNERSTONE INVESTMENT

CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;
- (ii) the Offer Price having been agreed upon between our Company and the Overall Coordinators (on behalf of the Underwriters);
- (iii) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the H Shares (including the H Shares under the Cornerstone Placing) as well as other applicable waivers and approvals, and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;
- (iv) no laws shall have been enacted or promulgated by any Governmental Authority (as defined in the relevant Cornerstone Investment Agreement) which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreement and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (v) the representations, warranties, undertakings, acknowledgements and confirmations of such Cornerstone Investor under the respective Cornerstone Investment Agreement are accurate and true in all respects and not misleading and that there is no material breach of such Cornerstone Investment Agreement on the part of such Cornerstone Investor.

RESTRICTIONS ON DISPOSALS BY THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six (6) months following the Listing Date (the “**Lock-up Period**”), dispose of any of the Offer Shares it has purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries which will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

FINANCIAL INFORMATION

The following discussion and analysis should be read in conjunction with the consolidated financial information together with the accompanying notes in the Accountants' Report included in Appendix I to this prospectus. Our historical financial information and the consolidated financial statements of our Group have been prepared in accordance with the IFRS, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions. You should read the whole Appendix I and not rely merely on the information contained in this section. Unless the context otherwise requires, historical financial information in this section is described on a consolidated basis.

The discussion and analysis set forth in this section contains forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. Our actual results may differ significantly from those projected. Factors that could cause or contribute to such differences include, without limitation, those discussed in the sections headed "Risk Factors" and "Business" and elsewhere in this prospectus. Discrepancies between totals and sums of amounts listed in this section in any table or elsewhere in this prospectus may be due to rounding.

OVERVIEW

Tiantu is a leading private equity investor and fund manager committed to driving the growth of Chinese consumer brands and companies. We manage capital for institutional investors and high-net-worth individuals, and make investments through our funds under management and directly using our own capital.

Our endeavor and commitment trace back to 2002, when our chairman Mr. Wang founded our predecessor. We were the first consumer-focused investment firm in China according to CIC, and have been specializing in investments in the consumer industry for more than a decade. In a survey of over a hundred entrepreneurs in the consumer business conducted by CIC, over 80% of them think of Tiantu as a "consumer focused investment expert," and approximately 56% of them believe we help with the upgrading of consumer brands in China. According to CIC, the number of our investment projects in China's consumer industry from 2020 to 2022 ranked no. 3 among all private equity investors after Tencent Investment and Sequoia China, and ranked no. 1 among all consumer-focused private equity firms over the same period; our AUM as of December 31, 2022 ranked 130+ among more than 7,000 private equity investors in China, including private equity investment arm of conglomerates, multinational corporations and state-owned financial institutions, and no. 2 among more than 20 consumer-focused private equity firms in China. As of March 31, 2023, we had a total of RMB25.5 billion asset under management.

FINANCIAL INFORMATION

We emerged and prospered in the backdrop of the fast-growing consumer industry in China. With about 20 years of expertise in understanding consumer brands, entrepreneurship, organization and consumers, we have delivered a consistent track record of identifying great companies, ahead of their time. For example, we invested in Zhou Hei Ya (周黑鴨) when few major investors were investing in casual food; in Nayuki (奈雪的茶) when it had only 16 stores; and became one of the largest early financial investors in Xiaohongshu (小紅書).

Such committed beliefs and strategies have been rewarded with strong financial results: The funds under our management realized an average IRR of 16.0% as of March 31, 2023. For our continuing operations, we recorded total revenue and net investment gains or losses of RMB1,195.2 million in 2020, RMB495.2 million in 2021 and RMB423.2 million in 2022, and a negative RMB193.9 million in the first three months of 2023. The majority of our net investment gains or losses are based on unrealized fair value, which may fluctuate from time to time. We recorded net profit of RMB1,057.9 million, RMB719.8 million, and RMB532.9 million in 2020, 2021 and 2022, and net loss of RMB80.9 million in the first three months of 2023, including one-off gains from the deconsolidation of Mengtian Dairy in 2021 and Yoplait China in 2022, which represent the fair value gains on deemed loss of control over them.

BASIS OF PRESENTATION

Our Company was incorporated and registered in the PRC on January 11, 2010 as a limited liability company. In July 2015, our Company was converted into a joint stock company with limited liability under the Company Laws of the PRC. In November 2015, our Company was listed on the National Equities Exchange and Quotations (the “NEEQ”) (stock code: 833979.NQ).

Historically, we deployed buyout investment strategies and had invested in certain dairy business operated by Mengtian Dairy Co., Ltd (“**Mengtian Dairy**”) and Yoplait Dairy Co., Ltd. (“**Yoplait China**”). Pursuant to the certain adjustment of corporate governance and the disposal of certain economic interests, Mengtian Dairy ceased to be our subsidiary as of December 31, 2021 and Yoplait China ceased to be our subsidiary as of June 15, 2022, and each of them is our associate measured at fair value after their respective deconsolidation. As a result, the historical operations of Mengtian Dairy and Yoplait China together with the gains on the deconsolidation thereof were presented as discontinued operations in our financial statements contained in this prospectus. Please see Note 4 *Critical Accounting Judgments and Key Sources of Estimation Uncertainty* and Note 39 *Discontinued Operation of Mengtian Dairy Business and Yoplait China* to the Accountants’ Report in Appendix I to this prospectus.

Our historical financial information has been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board. The financial information has been prepared on the historical cost basis except for certain financial instruments and biological assets that are measured at fair value or fair value less costs to sell at the end of each reporting period. Historical cost is generally based on the fair value of consideration given in exchange for goods and services. The preparation of historical financial information in conformity with IFRS requires the use of certain critical

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accounting estimates, as well as our management's judgment in applying our accounting policies. See Note 4 *Critical Accounting Judgments and Key Sources of Estimation Uncertainty* to the Accountants' Report in Appendix I to this prospectus for the areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations have been and will continue to be affected by a number of factors, including those discussed below, some of which are beyond our control.

Macroeconomic Conditions and Market Environments

We are affected by a variety of economic factors, including macroeconomic conditions as well as the economic, regulatory and geopolitical environments in the geographic areas in which we and our portfolio assets operate, particularly the PRC and, to some extent, other areas of the world. These factors are mostly beyond our control, and many of them may be further adversely affected by the COVID-19 pandemic.

Deteriorating economic conditions may also have an adverse effect on the performance of our portfolio companies and opportunities in which we invest. Poor performance by such assets or opportunities may negatively impact the returns of our investments, and therefore materially and adversely affect our financial performance and our ability to raise new capital. In addition, local and geopolitical events and decisions, such as sanctions, embargoes, trade disputes, changes in tax laws and regulations, bans, tariffs, or changes in subsidies, may also adversely impact investments made by our investment funds and our overall performance.

As a leading private equity investor and fund manager specializing in the consumer industry in China, our performance and financial position would also be affected by the conditions and trends in the consumer sector in China in particular. According to CIC, the consumer industry, including consumer goods and consumer services, in China will increase from RMB55.7 trillion in 2022 to RMB77.0 trillion in 2027, with a CAGR of 6.7%. Government support, the development of demand from the new generation, and the technological and channel innovations have all contributed to the current and future growth of China's consumer industry. We believe that our proven and replicable business model which focuses on investment in the consumer sector position us well to benefit from the growth in financing demand of the consumer industry.

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Conditions and Trends of Capital Markets

Capital market conditions and trends could affect valuations of our portfolio companies. The valuation of our portfolio companies involves exercise of professional judgment and the use of certain bases, assumptions and unobservable inputs. Changes in these unobservable inputs caused by the capital market conditions and trends will affect the estimated fair value of our financial assets at fair value through profit or loss, which leads to uncertainty in our financial results.

Our ability to continuously attract capital commitments, the pace of investment activities as well as our exit strategies, whether through IPO or equity transfer including mergers and acquisitions or buyback, could also be affected by capital market conditions and trends. If there are favorable conditions or trends in capital markets, we may exit our investments faster than expected and achieve a better realized value of our investments. When facing unfavorable trends or conditions, however, our portfolio companies may take longer time than we expected to reach the standards for an IPO or for us to exit our investments through other means. As a result, our investment period may be longer than we anticipated, lowering our expected returns on investments, and we may be unable to exit our investments either in the open market after IPOs or through private transactions.

Our Ability To Raise and Retain Capital

Our ability to raise and retain capital is significantly dependent on our track record and the investment returns we are able to generate for our fund investors and also on general market sentiment. We aim to provide consistent attractive returns to fund investors across economic cycles and dynamic markets conditions. As of March 31, 2023, the funds under our management achieved an average IRR of 16.0%. Our investment funds' historical and expected future performance have enabled us to build relationships with a large group of fund investors, attract additional capital from existing and new fund investors, as well as achieve growth in AUM. Our ability to attract capital for our investment funds is also influenced by the competitive dynamics of the private equity investment industry and the strength of our performance relative to that of our competitors.

We prudently manage the pace of our expansion according to our judgement of investment opportunities, with the goal of maximizing the returns of our investments through our management funds and through direct investments. While managing a solid pool of capital has been the foundation of our business, we make investments primarily to achieve strong returns, by exploring and seeking to invest in companies that carry the spirit of the time. We believe our ability to explore and invest in such opportunities will support our long-term success.

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Our Ability To Generate Strong and Stable Returns

Our ability to generate strong returns for fund investors has a direct impact on our ability to raise capital for new funds as well as on our revenue and investment gains. Several factors have driven, and will continue to drive, our fund performance and ability to realize investment value, such as (i) our ability to maintain diversified portfolios of investments that grow in value over the long term, despite market fluctuations; (ii) our ability to effectively source and manage investment opportunities; and (iii) the effectiveness, efficiency and synergies of our investment professionals and other supporting departments. Any deteriorations in these factors may adversely affect our returns in the future, which could in turn affect our fundraising abilities, as both existing and prospective fund investors will consider our historical return profile when making future asset allocations.

Especially, our ability to continue to grow our revenue and investment gains is dependent on our continued ability to source attractive investments and efficiently deploy the capital that we have raised. Our ability to identify attractive investments and execute on those investments is dependent on a number of factors, including the general macroeconomic environment, market positioning, valuation, transaction size and the expected duration of such investment opportunities. Although the capital deployed in any one quarter may vary significantly from period to period due to the availability of attractive opportunities and the long-term nature of our investment strategies, we believe that our ability to efficiently and effectively invest our solid pool of fund capital puts us in a favorable position to maintain the growth of our revenue and investment gains over time.

Our Ability To Attract, Motivate and Retain High-Quality Talents

The growth of our business depends largely on the acquisition and retention of high-quality talent and skilled workforce, including investment professionals and investment support teams. Over the years, we have made significant investments to identify and develop our outstanding employees through a variety of talent development programs. As we compete to acquire and retain qualified employees, we believe it is necessary and customary to prepare an attractive package, including compensation and benefits, clear career paths and diversified career opportunities, to enhance our ability to attract, motivate and retain them. Therefore, we may have to incur significant relevant expenses, which could adversely affect our results of operations.

Regulatory and Policy Changes

The asset management and private equity industry are subject to extensive governmental regulation and policy changes, which may have a material impact on our performance. In particular, the regulatory requirements surrounding asset management and private equity industry are evolving quickly in the PRC, which affected the establishment and operation of our funds in the PRC, and in turn may affect our financial performance and results of operations. For more details, please see “Risk Factors – Risks Relating to Doing Business in China – Failure to comply with regulatory requirements and approval procedures in relation to the establishment and operation of funds in the PRC may affect our fund management business.”

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SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL JUDGEMENTS AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on past experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. Set forth below are discussions of the accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Other significant accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in detail in Notes 3 *Accounting Policies* and Note 4 *Critical Accounting Judgments and Key Sources of Estimation Uncertainty* to the Accountants' Report in Appendix I to this prospectus.

Significant Accounting Policies

Revenue From Contract With Customers

(a) Fund Management Service

Management fee represents fees associated with the management services for the funds under our management at a fixed percentage of committed or paid-in capital.

Management fee is recognized over time (i.e. the fund life) based on contractual terms specified in the underlying investment management agreements, since the customer (i.e. the managed funds) simultaneously receives and consumes the benefits provided by our performance and the fee rate and the capital contribution of the fund which are used to determine the management fee can be reliably measured.

(b) Income From Carried Interest

Income from carried interest earned based on the performance of the managed funds ("**Carried Interest**") is a form of variable consideration in our contracts with customers (i.e. the managed funds) to provide investment management services. Carried Interest is earned based on fund performance during the period, subject to the achievement of minimum return levels, or hurdle rates, in accordance with the respective terms set out in each fund's governing agreements. Income from Carried Interest will not be recognized as revenue until (a) it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur, or (b) the uncertainty associated with the variable consideration is subsequently resolved. Income from Carried Interest is typically recognized as revenue at the later stage of a fund life based on the most likely amount.

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(c) *Sale of Raw Milk and Beverages (Including Lactobacillus Drink, Yogurt and Other Milk Beverages)*

Yoplait China and Mengtian Dairy sell raw milk and beverages directly to distributors and the end customers. Revenue is recognized at a point in time when the control of the goods is transferred, being at the point the customer receiving the goods and accepted the quality.

Investment in Associates and Joint Ventures

An associate is an entity over which we have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

We have invested our own capital in certain investment funds under our management. Where we have an interest in funds that give us significant influence or joint control, but not control, we record such investments as investments in associates or joint ventures. We have applied the measurement exemption within IAS 28 *Investments in Associates and Joint Ventures*, when an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organization, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, and we elect to measure investments in those associates or joint ventures at fair value since we decide such funds have the following characteristics of a venture capital organization:

- the investments are held for a short- to medium-term rather than for a long-term;
- the most appropriate point for exit is actively monitored; and
- investments form part of a portfolio, which is monitored and managed without distinguishing between investments that qualify as associates and those that do not.

As our main business is fund management and private equity investment, our portfolio companies are all measured at fair value, no matter whether they are held by consolidated funds, unconsolidated entities, or direct investments, with or without significant influence or joint control.

If our portfolio companies are held through direct investments or held by our consolidated funds, regardless whether we have significant influence over these portfolio companies, they are all measured at fair value in our financial statements. We have elected to measure all of our portfolio companies held by consolidated funds or direct investments at fair value since initial recognition according to IAS 28 *Investments in Associates and Joint Ventures* when these portfolio companies, in which we have significant influence, are held directly by, or indirectly through entities including venture capital and private equity funds which have fulfilled the above characteristics of venture capital organization from accounting prospective. As all of our

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consolidated funds including Tiantu Xingpeng and others, are established for the purpose of earning investment gain and capital appreciation through their investment in, management of, selling and exit from the portfolio investments over their fund life normally for a period of 7 to 10 years, therefore they are assessed as fulfilling the characteristics of venture capital organizations, and portfolio companies, in which we have significant influence, held thereunder since initial recognition are measured at fair value.

As for the direct investments in which we have significant influence, which were held by our special purpose vehicles or the Company, such investments would also have been presented as “interest in associate measured at fair value,” since the special purpose vehicles and the Company are also assessed as serving the function of venture capital organization.

If a portfolio company is held by an unconsolidated fund over which we do not have significant influence, we treat such unconsolidated fund as a financial asset at FVTPL in our consolidated financial statements, whose book value reflects the fair value of such fund, primarily affected by valuation of its underlying portfolio companies.

If we are deemed to have significant influence or joint control over an unconsolidated fund, such fund would have been separately presented as “interests in associates using equity method” or “interests in joint ventures,” setting them apart from the rest of the investments presented as “financial assets at FVTPL.” We measured the unconsolidated funds over which we have significant influence or joint control using equity method and did not elect to use the fair value measurement. The profits and losses and net asset value of these unconsolidated funds are directly affected by the fair value of their underlying portfolio companies as these underlying companies are accounted for as financial assets at FVTPL in accordance with IFRS 9 in these unconsolidated funds’ financial statements. The share of results arising from the equity pick-up of associates and joint ventures shall reflect the financial impact of the fair value change of the underlying portfolio companies attributable to us, and the overall impact of the equity method accounting treatment of associates and joint ventures to profit or loss attributable to owners of the Company shall be the same as those direct investments classified as “financial assets at FVTPL” owned by the Company or our special purpose vehicles and those “financial assets at FVTPL” owned by our consolidated funds after taking into account the limited partners’ interest accounted for as “financial liabilities at FVTPL”.

For our interests in associates and joint ventures accounted for using the equity method, the results and assets and liabilities of associates and joint ventures are incorporated in the historical financial information using the equity method of accounting. The financial statements of an associate and a joint venture used for equity accounting purposes are prepared using uniform accounting policies as ours for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize our share of the profit or loss and other comprehensive income of the associate or a joint venture. When our share of losses of an associate or a joint venture exceeds our interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of our net investment in the associate or joint venture), we discontinue recognizing our share of further losses. Additional losses are recognized only to the extent that we have incurred legal or constructive obligations or made payments on behalf of the associate or a joint venture.

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An investment in an associate or a joint venture that is not measured at fair value is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over our share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of our share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

We assess whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When we cease to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognized in profit or loss. When we retain an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IFRS 9, we measure the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, we account for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, we reclassify the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

We continue to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When we reduce our ownership interest in an associate or a joint venture but we continue to use the equity method, we reclassify to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of our Group that is not measured at fair value, profits and losses resulting from the transactions with the associate or joint venture are recognized in the historical financial information only to the extent of interests in the associate or joint venture that are not related to us.

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Presentation of Investment Performance in Financial Statements

Different accounting methodologies/treatments are applied to different funds and investments depending on investment channels (funds v.s. direct investments), fund status (consolidated v.s. unconsolidated) and whether we have significant influence over a portfolio company, for example through appointment of directors. Please see the summary in the below table.

	Consolidated funds or consolidated direct investment entities	Unconsolidated funds or unconsolidated direct investment entities (with significant influence/joint control)	An unconsolidated fund (without significant influence)	Portfolio companies under consolidated funds or consolidated direct investment entities
Accounting Methodology	Consolidated subsidiaries, with limited partner portion accounted as financial liability	Accounted with equity method as associates/joint ventures	Accounted as financial assets at FVTPL	Accounted as financial assets at FVTPL/interests in associates measured at fair value
Consolidated Statements of Profit or Loss Reflection	Consolidated in every line, as subsidiaries; limited partner portion accounted as “unrealized losses from financial liabilities at FVTPL”	Share of results from associates/joint ventures	Investment gains/losses from financial assets at FVTPL	Our gains or losses from portfolio companies are presented as realized or unrealized gains or losses from financial assets at FVTPL or interests in associates measured at fair value
Consolidated Statements of Financial Position Reflection	Consolidated in every line, as subsidiaries; limited partner portion accounted as “financial liabilities at FVTPL”	Interests in associates measured using equity method; or interests in joint ventures	Accounted as financial assets at FVTPL	Portfolio companies are presented as interests in associates measured at fair value or financial assets at FVTPL

Our consolidated funds in this prospectus refer to the funds registered under AMAC or CIMA that the Group is able to exercise control; our unconsolidated funds refer to the funds registered under AMAC or CIMA that the Group is able to exercise joint control or significant influence measured using equity method, or a fund over which the Group has no significant influence accounted for as financial assets at FVTPL; and our direct investments represent the investments accounted for as financial assets at FVTPL and interests in associates measured at fair value, which are made through the consolidated structure entities directly and indirectly held by us, including the Company and special purpose holding vehicles, except for the consolidated and unconsolidated funds.

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Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Judgments in Determining the Performance and Timing of Satisfaction of Performance Obligations

For the income from Carried Interest in a typical arrangement in which we serve as general partner, we are entitled to a performance-based fee on the extent by which the fund's investment performance exceeds the minimum return levels. Such performance-based fees are typically calculated and distributed when the cumulative return of the fund can be determined (i.e. investment gains are realized), and is not subject to clawback provisions. The income from Carried Interest will not be recognized as revenue until (a) it is highly probable that a significant reversal in the amount of cumulative revenue will not occur, or (b) the uncertainty associated with the Carried Interest is subsequently resolved.

Consolidation of Structured Entities

Management needs to make significant judgment on whether a structured entity is under our control and shall be consolidated. Such judgment may affect accounting methods as well as our financial position and operating results.

When assessing control, we consider: (a) power over a portfolio company, (b) exposure, or rights, to variable returns from involvement with that portfolio company; and (c) the ability to use power over that portfolio company to affect the amount of the investor's returns.

When judging the level of the control over the structured entities, we consider the following four elements:

- (a) The decisions we applied when setting up the structured entities and the involvement in those entities;
- (b) The related agreement arrangements;
- (c) We will only take specific actions under certain conditions or incidents; and
- (d) The commitments made by us to the structured entities.

When assessing whether there is control over the structured entities, we also consider whether the decisions we make are as a principal or as an agent. Aspects of considerations normally include the decision making scope over the structured entities, substantive rights of third parties, our rewards, and the risks of undertaking variable returns from owning other benefits of the structured entities.

All facts and circumstances must be taken into consideration in the assessment of whether we, as an investor, control a portfolio company.

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For investment funds and limited partnerships where we involve as manager and also as investor, we assess whether the combination of investments we hold together with our remuneration and credit enhancement creates exposure to variability of returns from the activities of the investment funds and limited partnerships that is of such significance that it indicates that we are a principal. The investment funds and limited partnerships are consolidated if we have control.

Based on all the aforementioned judgments, a fund is under our control and is consolidated by us when all of the following conditions are met: (i) we, acting as the fund manager, have control over the fund's investment committee, which has discretion in making decisions about the relevant activities of the respective fund, such as investing in or selling portfolio companies; or acting as the general partner, which has discretion in making decisions about the relevant activities of the investee; (ii) the other investors of the fund cannot remove us as the fund manager, the general partner, nor our appointed members in the investment committee, if any, unless there is a breach of relevant limited partnership agreements; (iii) the remuneration aligns our interests with those of the other investors to increase the value of the fund; and (iv) the combination of the general partner's investment together with our remuneration creates exposure to variability of returns from the activities of the fund that is of such significance that it indicates that the fund manager is a principal.

Our consolidated statements of cash flows would be impacted if we had not consolidated certain funds during the Track Record Period. In particular, we would report our interests in such funds as associates or joint ventures using the equity method, and include our investments in such funds and distributions and other payments or receipts between our Group and such funds in our consolidated statement of cash flows. Details of impact on our cash flows position if our funds were not consolidated during the Track Record Period include: (i) in our operating cash flows, the investment in and exit from the portfolio companies with respect to the consolidated funds would be derecognized; (ii) in our investing cash flows, capital injection in the consolidated funds, proceeds from the capital distribution from the consolidated funds would be recognized; and (iii) in our financing cash flows, cash injection by or distribution to limited partners to the consolidated funds would be derecognized.

Determination of Deconsolidation of Tiantu Xingnan and Mengtian Dairy Since December 31, 2021 and Discontinued Operation of Mengtian Dairy

Prior to December 31, 2021, we acted as the general partner of Shenzhen Tiantu Xingnan Investment Enterprise (Limited Partnership) ("**Tiantu Xingnan**"), Shenzhen Tiantu Xingpeng Consumption Industry Equity Investment Fund Partnership (Limited Partnership) ("**Tiantu Xingpeng**") and Shenzhen Tiantu Xing'an Investment Enterprise (Limited Partnership) ("**Tiantu Xing'an**"). Mengtian Dairy was held by Tiantu Xingnan, Tiantu Xingpeng and Tiantu Xing'an as to 45.16%, 16.19% and 5.27%, respectively, totaling 66.62% in aggregate immediately before December 31, 2021 and pursuant to the shareholders' resolution, (i) we may appoint up to three out of five members of the investment committee of Tiantu Xingnan; and (ii) Tiantu Xingnan and our related investment funds may collectively appoint a majority but up to five directors in Mengtian Dairy. In view that immediately before December 31, 2021,

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we had control over Tiantu Xingnan through the control of its investment committee, we, together with Tiantu Xingnan as our subsidiary, had control over Mengtian Dairy as we had control over its board of directors.

On December 31, 2021, our Directors, Mengtian Dairy and the limited partners of Tiantu Xingnan resolved and agreed among the parties that (i) our appointment right of members is limited to two out of five members of the investment committee of Tiantu Xingnan; (ii) Tiantu Xingnan and our related investment funds' appointment right of directors is limited to not more than a half out of the total number of directors in Mengtian Dairy; (iii) Tiantu Xingnan's voting right and appointment right of directors in Mengtian Dairy are delegated from its general partner, which is us, to the investment committee of Tiantu Xingnan; and (iv) our Carried Interest over Tiantu Xingnan would be reduced as a result of the change of the role between us and Tiantu Xingnan, with effect from December 31, 2021. Our Directors have assessed that, after these amendments, although our ownership interest over Tiantu Xingnan and Mengtian Dairy remained unchanged, we had lost the absolute control over Tiantu Xingnan and Mengtian Dairy as we no longer control the investment committee of Tiantu Xingnan and the board of directors of Mengtian Dairy. As a result of these amendments, we now switched from having full control to having significant influence over Tiantu Xingnan and Mengtian Dairy. Accordingly, Tiantu Xingnan and Mengtian Dairy became our associates since December 31, 2021.

Upon the deconsolidation of Mengtian Dairy Business as of December 31, 2021, which is treated as a deemed disposal in accounting, a one-off gain of RMB123.3 million was recognized and was included in the profit from discontinued operations in our financial statements. Such gain represents primarily the value appreciation of all our equity interests in Mengtian Dairy, with reference to its fair value on date of deconsolidation, since our acquisition.

Our Mengtian Dairy business has also been categorized as a discontinued operation along with these amendments. The financial performance of Mengtian Dairy business is therefore presented as a discontinued operation since the beginning of the Track Record Period.

Determination of Deconsolidation of Yoplait China Since June 15, 2022 and Discontinued Operation of Yoplait China

As detailed in Note 39 to the Accountants' Report in Appendix I to this prospectus, we acquired the entire equity interest of Yoplait China on April 1, 2019, through Tiantu Xingnan, Xingqi Investment and Tiantu Xingpeng. Our equity interests in and shareholder's right of Yoplait China have been gradually diluted as a result of the following corporate actions:

In 2020, a new external investor invested into Yoplait China through subscription of new shares. As of December 31, 2021 we lost control of Tiantu Xingnan. Additionally, we also issued a commitment letter to Yoplait China in April 2022, pursuant to which we undertook to limit our appointment right of directors to not more than a half of total number of directors of Yoplait China.

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Further, on June 10, 2022, we entered into a share purchase agreement with a new independent investor, pursuant to which, we agreed to sell and this new investor agreed to buy 59.98% of partnership interests of our consolidated structured entity, Pingtan Xingxu, which holds 8.70% equity interest of Yoplait China, for a cash consideration of RMB62.6 million. This share transfer transaction was completed on June 15, 2022, and up to Latest Practicable Date, we received RMB31.3 million, being 50% of the consideration, while the remaining amount will be settled within 12 months after the date of signing the share purchase agreement. In June 2023, we had agreed with this new independent investor to extend the maturity date by one year. Following this transaction, this new investor acts as general partner of Pingtan Xingxu and holds 60% equity interest of and has achieved control of Pingtan Xingxu. Moreover, we terminated an acting in concert agreement with Pingtan Xingxu in June 2022, pursuant to which Pingtan Xingxu agreed to follow all the shareholder's decisions made by us. Accordingly, our equity interest in Yoplait China was reduced from 53.91% as of June 10, 2022 to 45.22% upon its deconsolidation on June 15, 2022.

As a result of the above transactions, the assets and liabilities of and non-controlling interests in relation to Yoplait China and the assets and liabilities of Pingtan Xingxu are derecognized. Our equity interest in Yoplait China, at the date when control is lost, was measured at fair value on initial recognition of interests in associates. We elect to measure our interest in Yoplait China at fair value subsequent to initial recognition since Yoplait China is held by our entities that are venture capital organization, while Pingtan Xingxu is accounted for as interests in associates measured using equity method.

Yoplait China business has also been categorized as a discontinued operation along with these transactions, and the financial performance of Yoplait China is presented as a discontinued operation since the beginning of the Track Record Period.

The impacts on our financial statements arising from the above corporate actions and transactions relating to the deconsolidation of Yoplait China are as below:

In 2021, the deconsolidation of Tiantu Xingnan were accounted for as equity transactions that resulted in no gains in the profit or loss according to IFRS10. The excess between the fair value of Tiantu Xingnan's equity interest in Yoplait China and the carrying amount of non-controlling interest had been credited to capital reserve. Even though the valuation of Yoplait China continued to grow in 2021, we did not record any gains in the profit or loss because we had been controlling Yoplait China as a subsidiary in the whole period.

In 2022, the continuous value appreciation of Yoplait China was reflected in profit or loss via (i) share of results of associates in respect of the equity interest in Yoplait China held by Tiantu Xingnan in continuing operations, and (ii) a gain on deemed disposal of Yoplait China in respect of the interest held by our consolidated structured entities on June 15, 2022 when the deconsolidation of Yoplait China was completed.

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The table below sets forth the carrying amount of the major assets and liabilities of Mengtian Dairy on December 31, 2021, being the date of deemed disposal of Mengtian Dairy:

	<i>RMB'000</i>
Property, plant and equipment	473,006
Right-of-use assets	106,826
Goodwill	357,323
Intangible assets	129,074
Deferred tax assets	5,140
Biological assets	194,114
Accounts receivables	79,018
Prepayments and other receivable	128,269
Inventories	98,032
Bank balances and cash	51,045
Accounts payables	(102,417)
Other payables and accruals	(164,809)
Contract liabilities	(88,124)
Tax payables	(5,729)
Bank and other borrowings	(93,348)
Lease liabilities	(54,909)
Deferred tax liabilities	(1,889)
Deferred income	(13,791)
	<hr/>
Net assets disposed of	1,096,831
	<hr/> <hr/>

As of December 31, 2021, the fair value of the Mengtian Dairy was RMB1,423.8 million.

The table below sets forth the carrying amount of the major assets and liabilities of Yoplait China on June 15, 2022, being the date of deemed disposal of Yoplait China:

	<i>RMB'000</i>
Property, plant and equipment	203,484
Right-of-use assets	15,082
Goodwill	14,357
Intangible assets	846
Other non-current assets	2,227
Accounts receivables	50,922
Prepayments and other receivables	9,021
Inventories	9,359
Financial assets at FVTPL	13,030
Bank balances and cash	4,943
Accounts payable	(126,320)
Other payables and accruals	(45,775)
Loan payables to a related party	(72,596)
Contract liabilities	(2,333)
Bank and other borrowings	(30,392)
Lease liabilities	(207)
Deferred tax liabilities	(7,479)
	<hr/>
Net assets disposed of	38,169
	<hr/> <hr/>

As of June 15, 2022, the fair value of Yoplait China was RMB1,200.4 million.

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The fair value of Mengtian Dairy and Yoplait China at their respective disposal dates was determined with reference to the valuation reports prepared by Avista Business Consulting (Shanghai) Co., Ltd. (“Avista”), a valuation firm independent of us, whose professional valuers have appropriate qualifications and experience in equity valuation.

Avista adopted the market approach, specifically the guideline public company method and backsolve method where appropriate, when preparing the valuations of Mengtian Dairy and Yoplait China. The guideline public company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject entity and then applies the result to a base of the subject entity. The backsolve method is a valuation approach that derives the value of an entity based on the implied value from the price of a recently closed transaction or financing round. Key parameters adopted by Avista include the market multiples of comparable companies of the targets as of the valuation dates sourced from S&P Capital IQ, historical and forecasted financials of the targets provided by management of the targets and discount for lack of liquidity derived by the Finnerty’s put option model, a model utilized to calculate a valuation discount on the underlying equity shares for the illiquidity comparing with guideline public companies.

Fair Value Measurements and Valuation Process

Some of our assets and liabilities are measured at fair value for financial reporting purposes. The board of the Directors authorized the financial department headed by our chief financial officer to determine the appropriate valuation techniques and inputs for fair value.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

In estimating the fair value of an asset or a liability, we use market-observable data to the extent it is available. Where the Level 1 inputs are not available, we engage third-party qualified valuation experts to perform the valuation. The valuation team works closely with the qualified external valuation experts to establish the appropriate valuation techniques and inputs to the model. The valuation team reports the findings to our board of the directors every year to explain the cause of the fluctuations in the fair value of the assets and liabilities.

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For our financial instruments in Level 3, fair value are determined using valuation techniques such as adjusted market prices by option pricing model, comparable companies analysis valuation, recent transaction price adjusted by market multiples and other similar techniques or key inputs. Valuation techniques are certified by an independent and recognized international business valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Valuation models established by the valuer make the maximum use of market inputs and rely as little as possible on our own specific data. However, it should be noted that some inputs require management estimates. Management estimates and assumptions are reviewed periodically and are adjusted if necessary. Should any of the estimates and assumptions change, it may lead to a change in the fair value of our financial instrument. Our financial assets and liabilities in Level 3 mainly include financial assets at FVTPL, convertible bonds, interests in associates measured at fair value and financial liabilities at fair value through profit or loss. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 48 *Financial Risk Management* to the Accountants' Report in Appendix I to this prospectus.

In relation to the valuation of the financial instruments in level 3, our Directors, based on the professional advice received, adopted the following procedures: (i) engaged independent valuers, provided necessary financial and non-financial information so as to enable the valuers to perform valuation procedures and discussed with the valuers on relevant assumptions; (ii) reviewed relevant agreements and supporting documents, including investing agreements, memorandum of associations, among others, to understand the detailed underlying terms and conditions that may affect the valuation of financial instruments; (iii) carefully considered all information especially those non-market related information input, such as liquidity discount, which require management assessments and estimates; and (iv) reviewed the valuation working papers and results prepared by the valuers. Based on the above procedures, our Directors are of the view that the valuation analysis performed by the valuer is fair and reasonable, and the financial statements of our Group are properly prepared.

Details of the fair value measurement of financial assets and liabilities, particularly the fair value hierarchy, the valuation techniques and key inputs, including significant unobservable inputs, the relationship of unobservable inputs to fair value and reconciliation of level 3 measurements are disclosed in Note 48 *Financial Risk Management* in the Accountants Report issued by the Reporting Accountants in accordance with Hong Kong Standard on Investment Circular Reporting Engagement 200 "Accountants' Report on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants in Appendix I to this prospectus. The reporting accountants' opinion on the Historical Financial Information of the Group for the Track Record Period as a whole is set out on page I-2 of Appendix I to this prospectus.

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In relation to the valuation analysis performed by valuer on financial assets and liabilities, the Joint Sponsors have conducted relevant due diligence work, including but not limited to, (i) reviewed relevant disclosures and notes in the Accountants' Report as contained in Appendix I; (ii) obtained and reviewed relevant valuation reports with respect to the financial assets and liabilities by samples; and (iii) understood from the Company, the Reporting Accountant and the valuers about the key bases, assumptions and methodologies for the valuation of the financial assets and liabilities. Having considered the work done by the Directors and Reporting Accountant and the relevant due diligence done as stated above, nothing has come to the Joint Sponsors' attention that would cause the Joint Sponsors to question the valuation analysis performed by the valuers on the financial assets and liabilities.

Fair Value Measurements of Biological Assets

Mengtian's Dairy's biological assets are measured at fair value less costs to sell at the end of each reporting period. Mengtian Dairy uses valuation techniques that include inputs that are not based on market observable data to estimate the fair value of biological assets. For heifers and calves, the fair value is determined based on the 14 months old heifers' local market selling prices and adjusted by estimated feeding costs for heifers and calves older or younger than 14 months. For milkable cows, the fair value is determined by using the multi-period excess earning method with key inputs including the discount rate, the estimated feed costs per kilogram of raw milk, estimated average daily milk yield at each lactation cycle and the estimated local future market price of raw milk. Any changes in the inputs may affect the fair value of Mengtian's Dairy's biological assets significantly. The carrying amount of Mengtian's Dairy's biological assets as of December 31, 2020 was RMB229.8 million. We had no biological assets as of December 31, 2021 and 2022 and March 31, 2023 along with the deconsolidation of Mengtian Dairy which was completed on December 31, 2021. For more details, please see Note 23 *Biological Assets* and Note 48A *Fair Value Measurement of Biological Assets* to the Accountants' Report in Appendix I to this prospectus.

FINANCIAL INFORMATION

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated.

	Year Ended December 31,			Three Months Ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Continuing Operation					
Revenue	38,602	34,823	45,983	8,491	12,442
Investment gains or losses, net	1,156,557	460,408	377,234	(195,600)	(206,349)
Total revenue and investment gains or losses, net					
	1,195,159	495,231	423,217	(187,109)	(193,907)
Staff costs	(49,264)	(46,726)	(61,364)	(13,301)	(14,042)
Depreciation expenses	(8,863)	(10,582)	(11,599)	(2,672)	(3,220)
Other operating expenses	(86,791)	(49,577)	(50,621)	(8,117)	(6,663)
Finance costs	(181,212)	(150,435)	(118,674)	(36,845)	(17,396)
Impairment reversed (recognised) under expected credit loss model, net	60	(35)	(44)	–	(27,568)
Other income	22,440	13,807	8,415	1,870	7,495
Other gains and losses	(1,905)	(638)	(621)	(111)	720
Share of results of associates	346	17,094	8,439	41,926	19,139
Share of results of joint ventures	77,428	394,898	(37,667)	(4,272)	138,897
Profit (loss) before tax	967,398	663,037	159,481	(208,631)	(96,545)
Income tax credit (expense)	90,326	(13,682)	(107,317)	900	15,607
Profit (loss) for the year/period from continuing operations	1,057,724	649,355	52,164	(207,731)	(80,938)
Discontinued operation					
Profit (loss) for the year/period from discontinued operation	165	70,468	480,749	(27,651)	–
Profit (loss) for the year/period	1,057,889	719,823	532,913	(235,382)	(80,938)

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	Year Ended December 31,			Three Months Ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other comprehensive income (expenses)					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences arising on translation of foreign operations	(137,804)	(55,840)	215,765	(16,410)	(30,174)
Total comprehensive income (expense) for the year/period	<u>920,085</u>	<u>663,983</u>	<u>748,678</u>	<u>(251,792)</u>	<u>(111,112)</u>
Profit (loss) for the year/period attributable to owners of the Company					
– From continuing operation	747,261	656,506	59,814	(195,674)	(80,343)
– From discontinued operations	(26,262)	73,627	499,471	(27,657)	–
	<u>720,999</u>	<u>730,133</u>	<u>559,285</u>	<u>(223,331)</u>	<u>(80,343)</u>
Profit (loss) for the year/period attributable to non-controlling interests					
– From continuing operation	310,463	(7,151)	(7,650)	(12,057)	(595)
– From discontinued operations	26,427	(3,159)	(18,722)	6	–
	<u>336,890</u>	<u>(10,310)</u>	<u>(26,372)</u>	<u>(12,051)</u>	<u>(595)</u>
Total comprehensive income (expenses) for the year/period attributable to					
– Owners of the Company	585,113	675,083	772,762	(239,614)	(110,229)
– Non-controlling interests	334,972	(11,100)	(24,084)	(12,178)	(883)
	<u>920,085</u>	<u>663,983</u>	<u>748,678</u>	<u>(251,792)</u>	<u>(111,112)</u>

FINANCIAL INFORMATION

Continuing Operations

Revenue

During the Track Record Period, our revenue was generated from our private equity investment business in the form of fund management fees and carried interest charged to the funds under our management. Fund management fees are charged periodically from our funds based on a predetermined fixed percentage, generally 2% of (i) committed capital during the investment period, and (ii) committed or paid-in capital minus the cost of exited investments after the investment period. Cost of exited investments refers to the initial investment amount of projects that we have already exited. Carried interest is charged as a percentage, generally 20%, of the realized gain when the gain exceeds certain hurdle rates achieved by the funds under our management upon the exit of investments. Carried interest will become payable to us and are recognized as revenue when distribution by a fund to its limited partners exceeds all their paid-in capital plus certain hurdle return rates. Before the Track Record Period, we recognized carried interest from our early funds, but during the Track Record Period, we recognized no carried interest as most of our funds were in their investment periods or early post-investment periods.

Our revenue was RMB38.6 million, RMB34.8 million, RMB46.0 million, RMB8.5 million and RMB12.4 million in 2020, 2021 and 2022, and the first three months of 2022 and 2023, respectively. The table below sets forth the breakdown of our revenue during the Track Record Period:

	Year Ended December 31,			Three Months Ended	
	2020	2021	2022	March 31, 2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Revenue					
Fund management fees	38,602	34,823	45,983	8,491	12,442
Carried interest	-	-	-	-	-
Total	<u>38,602</u>	<u>34,823</u>	<u>45,983</u>	<u>8,491</u>	<u>12,442</u>

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The table below sets forth details of our revenue from contracts with customers in our private equity fund management business:

Revenue	Fund management fees	Carried interest
Customer	Funds under our management	Funds under our management
Performance Obligation	Provide services to funds in relation to their daily operations and management, mainly including fund registration and filing, investment management, information disclosure and reporting	The gain achieved by the funds under our management exceeds certain hurdle rates upon the exit of investments
Satisfaction of Performance	Over time	Over time
Consideration Type	Fixed percentage of (i) committed capital during the investment period, and (ii) committed or paid-in capital minus the cost of exited investments after the investment period (cost of exited investments refers to the initial investment amount of projects that we have already exited)	Variable consideration based on fund performance: generally 20% of the realized gain when the gain exceeds certain hurdle rates upon the exit of investments

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Payment Terms	Initially, management fees are typically charged on total committed capital during the investment period (approximately 3-4 years)	After all partners have received their respective portion of capital contributions with a specific hurdle rate of return, our funds' profits are typically (i) distributed to the general partner or fund manager until such amount reaches 20% of the realized gains, which is referred to as carried interest, and (ii) 80% of the realized gains is shared among all partners in proportion to their respective capital contribution
	Upon the end of investment period, management fees are typically charged on committed or paid-in capital minus cost of exited investments	
	As the fund exits investments, the committed or paid-in capital minus cost of exited investments, reduces. Fund terms typically expire after 8 years	

Our revenue above only presents our fund management fees from unconsolidated funds under our management during the Track Record Period. We also received fund management fees from our consolidated funds on a similar fee scale, but those amounts were offset as inter group transactions when we prepare the consolidated financial statements. For more details, see “Business – Income From Our Fund Management and Investments – Revenue From Managing External Capital” and Note 3 *Accounting Policies* to the Accountants’ Report in Appendix I to this prospectus. When including fund management fees received from our consolidated funds in order to present a full picture of our total fund management fee revenue, the gross fund management fees was RMB176.6 million, RMB166.2 million, RMB179.6 million, RMB46.5 million and RMB39.8 million in 2020, 2021 and 2022, and in the first three months of 2022 and 2023, respectively. The following table sets forth the revenue from funds under our management for the periods indicated:

	Year Ended December 31,			Three Months Ended	
	2020	2021	2022	March 31,	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Gross fund management fees ⁽¹⁾	176,625	166,162	179,575	46,487	39,816
Less fund management fees charged from consolidated funds	(138,023)	(131,339)	(133,592)	(37,996)	(27,374)
Revenue from private equity investment business	38,602	34,823	45,983	8,491	12,442

FINANCIAL INFORMATION

Note:

- (1) Refers to the fund management fees charged from all the funds under our management, for the periods indicated, including the consolidated funds' fund management fees, which are eliminated on consolidation.

The table below sets forth the breakdown of our gross fund management fees from each of our existing funds under management as of March 31, 2023 for the periods indicated:

	Year Ended December 31,			Three Months Ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Tiantu Xingbei	42,242	37,958	18,240	9,327	–
Tiantu Xingnan	30,189	(7,485) ⁽¹⁾	12,066	–	4,033
Tiantu Xingpeng	42,318	46,261	47,509	11,877	11,877
Tiantu Xingshen	5,213	9,321	11,921	2,876	1,975
Tiantu Xingzhou	N/A ⁽²⁾	5,635	22,298	4,652	5,377
Tiantu China Consumer Fund II, L.P.	13,501	12,901	13,340	3,137	3,412
Tiantu VC USD Fund I L.P.	4,561	20,127	18,631	4,474	4,732
Tiantu Tiantou	4,217	1,985	1,983	489	482
Tiantu Dongfeng	22,642	22,642	22,601	5,660	5,632
Tangrenshen	11,625	10,197	9,333	2,341	2,294
Tiantu China Consumer Fund I, L.P.	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾

Notes:

- (1) This negative management fee was primarily because we reversed certain amount of withholding fund management fees for prior years in 2021 as we charge fund management fees based on a fixed percentage of committed capital according to the limited partnership agreement of Tiantu Xingnan and we reduced the committed capital of Tiantu Xingnan in 2021.
- (2) The investment period of Tiantu Xingzhou is from the second half of 2021 to 2025 and we were able to charge fund management fees since the second half of 2021.
- (3) Fund management fees for Tiantu China Consumer Fund I, L.P. started to be categorized as investment gains in accounting in 2020 because of cash flow changes as a result of the changes of general partner of Tiantu China Consumer Fund I, L.P. in relation to a new regulation in the Cayman Islands in 2019. For more details regarding the changes, please see “Connected Transactions – Potential Non-Exempt/Partially Exempt Continuing Connected Transactions – Distribution of Management Fees and Carried Interest of Tiantu China Consumer Fund I, L.P.”

FINANCIAL INFORMATION

The significant increase in the fund management fees from Tiantu Xingshen in 2021 was primarily attributable to an increase in the paid-in capital of Tiantu Xingshen in 2021 as we charge fund management fees based on the fixed percentage of paid-in capital according to the respective management agreement. The significant decrease in the fund management fees from Tiantu Tiantou in 2021 was primarily because Tiantu Tiantou entered into its post-investment period by the end of 2020 and we are required to charge fund management fees at a lower percentage during the post-investment period according to the respective management agreement. The significant increase in the fund management fees from Tiantu VC USD Fund I L.P. in 2021 was primarily because we charged more fund management fees from it based on its increased committed capital.

The decrease in fund management fees from Tiantu Xingbei in 2022 was because we had been charging fund management fees until expiry date, being June 2022, in accordance with the initial fund partnership agreement. The term of Tiantu Xingbei has been extended to 2025 and the subsequent arrangement will be in accordance with the updated fund partnership agreement. For Tiantu Xingzhou, we charged fund management fees for only around three and half months in 2021 since it was established in September 2021, and we were only able to start charging fund management fees therefrom according to the fund partnership agreement, and in 2022, we charged fund management fees for the entire year, resulting in a significant increase compared to 2021.

The decrease in fund management fees from Tiantu Xingbei in the first three months of 2023 was because we had been charging fund management fees until expiry date, being June 2022, in accordance with the initial fund partnership agreement. The increase in fund management fees from Tiantu Xingnan in the first three months of 2023 was primarily due to the adoption of a new limited partnership agreement for Tiantu Xingnan in December 2021, pursuant to which and in accordance with the relevant accounting treatments, we began to recognize fund management fees for the post-investment period in April 2022, and thus recognized more management fees in the first three months of 2023.

Despite the fact that the consolidation of funds under management results in some fluctuation in fund management fee revenue, we do recognize a higher proportion of investment gains or losses generated from those funds. We prudently manage the pace of our expansion according to our judgement of investment opportunities, with the goal of maximizing returns of our investments through our management funds and through direct investments. While managing a solid pool of capital has been the foundation of our business, we make investments primarily to achieve strong returns, by exploring and seeking to invest in companies that carry the spirit of the time.

FINANCIAL INFORMATION

The table below sets forth the details of each of our existing managed funds as of March 31, 2023 as of the dates indicated:

	As of December 31,						As of March 31,					
	2020			2021			2022			2023		
	Phase of fund	Remaining term	AUM <i>In RMB million</i>	Phase of fund	Remaining term	AUM <i>In RMB million</i>	Phase of fund	Remaining term	AUM <i>In RMB million</i>	Phase of fund	Remaining term	AUM <i>In RMB million</i>
Consolidated Funds												
Tiantu Xingbei	Post-investment period	1	3,955	Post-investment period	less than 1	3,728	Post-investment period	2 ⁽¹⁾	3,489	Post-investment period	2	3,384
Tiantu Xingpeng	Investment period	4	2,853	Post-investment period	3	2,934	Post-investment period	2	2,853	Post-investment period	2	2,720
Tiantu Xingshen ⁽³⁾	Investment period	6	528	Investment period	5	624	Post-investment period	4	665	Post-investment period	4	747
Tiantu Xingzhou	N/A	N/A	N/A	Investment period	7	993	Investment period	6	1,142	Investment period	5	1,134
Tiantu China Consumer Fund II, L.P.	Investment period	6	1,424	Investment period	5	1,745	Investment period	4	1,776	Post-investment period	4	1,793
Tiantu VC USD Fund I L.P.	Investment period	10	637	Investment period	9	1,270	Investment period	8	1,318	Investment period	7	1,257
Unconsolidated Funds												
Tiantu Xingnan ⁽²⁾	Investment period	4	1,092	Investment period	3	1,173	Post-investment period	2	1,109	Post-investment period	2	1,162
Tiantu Tiantou ⁽³⁾	Post-investment period	3	777	Post-investment period	2	926	Post-investment period	less than 1	788	Post-investment period	less than 1	803
Tiantu Dongfeng	Investment period	5	1,548	Investment period	4	3,851	Post-investment period	3	3,960	Post-investment period	2	4,755
Tangrenshen	Investment period	2	681	Post-investment period	1	626	Post-investment period	2 ⁽¹⁾	468	Post-investment period	2	454
Tiantu China Consumer Fund I, L.P.	Post-investment period	1	1,452	Post-investment period	1 ⁽¹⁾	1,967	Post-investment period	1	2,126	Post-investment period	less than 1	2,192

Notes:

- (1) Tiantu Xingbei, Tangrenshen and Tiantu China Consumer Fund I, L.P. were all approved to extend fund terms according to their respective partnership agreements.
- (2) Tiantu Xingnan was a consolidated fund before 2021 and became an unconsolidated fund since December 31, 2021 after its deconsolidation.
- (3) The fund management fee rates of Tiantu Tiantou and Tiantu Xingshen may vary depending on the stage of funds according to the relevant fund partnership agreements. We are considering to extend the fund term of Tiantu Tiantou according to its partnership agreement.

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The lifespan phases of our existing funds affected our fund management fees since (i) the management fee rates may vary depending on the phases of funds according to the relevant fund partnership agreements. For example, the fund management fee rates of Tiantu Tiantou will change from 2% during the investment period to 1% during the post-investment period, and (ii) the exits of investments would lead to a decrease in fund management fees if such fees were charged based on the paid-in capital minus the cost of exits of investments during the post-investment period. In addition, our fund management fees are proportionate to the fee-paying AUM, namely the assets we manage from which we are entitled to receive recurring management fees, assuming the fund management fee rates remain the same during a specific period. For more details of how the fund management fees changes over the life cycle of a fund, please see “Business – Income From Our Fund Management and Investments – Revenue From Managing External Capital.” For each fund under our management, we actively monitor its remaining term and take it into account when formulating our future development strategy. Typically, if an existing fund under our management enters into post-investment period or has invested all of its capital, we will initiate preparation for the establishment of a new fund to ensure the continuity and sustainability of fund management fees as well as underlying investment activities.

Over the challenging market condition, we have been focused on supporting the business operations of portfolio companies. We constantly evaluate exit opportunity and balance overall return and immediate liquidity for our LPs and shareholders. While we actively seek alternative routes for potential monetization, we also look to retain long-term value for stakeholders.

Our revenue decreased from RMB38.6 million in 2020 to RMB34.8 million in 2021, primarily due to (i) a decrease of RMB2.2 million in the fund management fees from Tiantu Tiantou, as Tiantu Tiantou entered into post-investment period in 2020 and its management fee rate changed from 2% during the investment period to 1% during the post-investment period according to its partnership agreement; and (ii) a decrease of RMB1.4 million in the fund management fees from Tangrenshen, as Tangrenshen exited some investments and our fund management fees were charged based on its paid-in capital minus the cost of exits of investments during its post-investment period.

Our revenue increased from RMB34.8 million in 2021 to RMB46.0 million in 2022, primarily because Tiantu Xingnan became an unconsolidated fund since December 31, 2021, and therefore, its fund management fees generated were presented in our revenue in 2022. There was no material change in the fee-paying AUM or the phases of our unconsolidated funds in 2022.

Our revenue increased from RMB8.5 million in the first three months of 2022 to RMB12.4 million in the first three months of 2023, primarily due to the adoption of a new limited partnership agreement for Tiantu Xingnan in December 2021, pursuant to which and in accordance with the relevant accounting treatments, we began to recognize fund management fees for the post-investment period in April 2022, and thus recognized more management fees in the first three months of 2023.

FINANCIAL INFORMATION

Although our fund management fees are determined on a fixed rate, for illustrative purpose, a sensitivity test is performed to illustrate the financial impact assuming a 0.5% increase or decrease in percentage of fund management fees while holding all other variable constant would increase or decrease the amount of gross fund management fees and revenue from private equity investment business, as below:

	Year Ended December 31,			Three Months Ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Impact on gross fund management fees⁽¹⁾					
0.5% increase in the percentage of fund management fee	43,925	41,571	44,793	11,600	9,976
0.5% decrease in the percentage of fund management fee	(43,925)	(41,571)	(44,793)	(11,600)	(9,976)
Impact on revenue from private equity investment business					
0.5% increase in the percentage of fund management fee	9,680	9,202	11,992	2,245	3,231
0.5% decrease in the percentage of fund management fee	(9,680)	(9,202)	(11,992)	(2,245)	(3,231)

Notes:

(1) Refers to the fund management fees charged from all the funds under our management.

In addition, during the Track Record Period, as we recognized no carried interest, no sensitivity test for carried interest is presented for the Track Record Period accordingly.

FINANCIAL INFORMATION

The table below sets forth the management fee margin and annual return rate of our major funds during the Track Record Period:

	<u>Management fee margin⁽²⁾</u>	<u>Annual return rate⁽³⁾</u>
	%	
For the year ended December 31, 2020		
Tiantu Dongfeng	1.46	16.99
Tiantu Tiantou	0.54	16.02
Tiantu China Consumer Fund I, L.P.	N/A ⁽⁴⁾	11.05
Tiantu Xingnan	2.76	9.63
Tiantu China Consumer Fund II, L.P.	0.95	8.50
For the year ended December 31, 2021		
Tiantu Dongfeng	0.59	59.80
Tiantu VC USD Fund I L.P.	1.59	31.70
Tiantu China Consumer Fund I, L.P.	N/A ⁽⁴⁾	28.25
Tiantu China Consumer Fund II, L.P.	0.74	22.20
Tiantu Xingnan	(0.64) ⁽⁵⁾	12.03
For the year ended December 31, 2022⁽⁶⁾		
Tiantu Dongfeng	0.57	2.74
Tiantu Xingshen	1.79	6.09
Tiantu Xingnan	1.09	2.38
Tiantu Xingzhou	1.95	1.57
Tiantu China Consumer Fund I, L.P.	N/A ⁽⁴⁾	(0.71)
For the three months ended March 31, 2023		
Tiantu Dongfeng	0.12	16.73
Tiantu Xingshen	0.17	10.92
Tiantu Xingnan	0.35	4.54
Tiantu China Consumer Fund I, L.P.	N/A ⁽⁴⁾	4.32
Tiantu China Consumer Fund II, L.P.	0.19	2.49

Notes:

- (1) Our major funds are the top five funds of each year that contributed the highest fair value gains, including investment gains and shares of results of associates or joint ventures, in that year.
- (2) Management fee margin is the fund management fees from each fund divided by the AUM of each fund for the period indicated.
- (3) Annual return rate is the net profit of each fund divided by the NAV of each fund for the period indicated.
- (4) Fund management fees for Tiantu China Consumer Fund I, L.P. became to be categorized as investment gains in accounting in 2020 because of cash flow changes as a result of the changes of general partner of Tiantu China Consumer Fund I, L.P. in relation to a new regulation in the Cayman Islands in 2019. For more details regarding the changes, please see “Connected Transactions – Potential Non-Exempt/Partially Exempt Continuing Connected Transactions – Distribution of Management Fees and Carried Interest of Tiantu China Consumer Fund I, L.P.”
- (5) This negative management fee margin was primarily because we reversed certain amount of withholding fund management fees for prior years in 2021 as we charge the fund management fees based on fixed percentage of committed capital according to the limited partnership agreement of Tiantu Xingnan and we adjusted the committed capital of Tiantu Xingnan in 2021.
- (6) In 2022, there were turbulent conditions in the capital markets in China, as well as in many other countries and regions. As a result, the capital market and valuation levels cooled down throughout the year, which inevitably impacted the performance of our funds leading to a downward trend in the annual return rates of our funds in 2022.

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Investment Gains or Losses, Net

Our net investment gains or losses consist of (i) dividends and interests from financial assets at fair value through profit or loss (“FVTPL”) and interests in associates measured at fair value, representing the dividends and interests received from our portfolio companies; (ii) realized gains or losses from financial assets at FVTPL and interests in associates measured at fair value, primarily representing investment gains or losses from our investments upon exit; (iii) unrealized gains or losses from financial assets at FVTPL and interests in associates measured at fair value, representing the appreciation or depreciation of our interests in portfolio companies that are not yet realized; and (iv) unrealized losses from financial liabilities at FVTPL, representing the share of the fair value gain arising from our consolidated structure entities to other limited partners according to their respective interests in such entities.

When our consolidated funds or we directly make a minority investment into a portfolio company and appoint directors onto its board, such investment is recorded as interests in associates measured at fair value as they are held through venture capital organization; otherwise the minority investment is recorded as financial assets at FVTPL. The table below sets forth a breakdown of our net investment gains or losses for the periods indicated. Performance of our unconsolidated fund accounted for as financial assets is recorded as investment gains or losses, while performance of our unconsolidated funds accounted for with the equity method is recorded as share of results of associates or joint ventures, which is discussed in “– Share of Results of Associates, Share of Results of Joint Ventures” below.

	Year Ended December 31,						Three Months Ended March 31,			
	2020		2021		2022		2022		2023	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Continuing operations										
Dividends and interests from										
– Financial assets at FVTPL	38,913	3.4	34,439	7.5	11,867	3.2	120	(0.1)	104	(0.1)
– Interests in associates measured at fair value	162,937	14.1	87,706	19.0	94,442	25.0	–	–	750	(0.4)
Realized gains (losses) from										
– Financial assets at FVTPL	883,390	76.4	309,333	67.2	45,710	12.1	363	(0.2)	500	(0.2)
– Interests in associates measured at fair value	943,749	81.6	(41,461)	(9.0)	70,666	18.7	–	–	51,105	(24.8)
Unrealized gains (losses) from										
– Financial assets at FVTPL	683,960	59.1	2,742	0.6	(267,122)	(70.8)	(214,525)	109.7	(10,220)	5.0
– Interests in associates measured at fair value	(1,424,319)	(123.2)	637,564	138.5	63,535	16.9	(172,642)	88.3	(247,456)	119.9
Unrealized (losses) gains from financial liabilities at FVTPL	(132,073)	(11.4)	(569,915)	(123.8)	358,136 ⁽¹⁾	94.9	191,084	(97.7)	(1,132)	0.6
Total	1,156,557	100.0	460,408	100.0	377,234	100.0	(195,600)	100.0	(206,349)	100.0

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The table below sets forth a breakdown of our net investment gains or losses for our funds under management and direct investments as analyzed from investment operations' perspective for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,			
	2020		2021		2022		2022		2023	
	RMB'000	% RMB'000	RMB'000	% RMB'000	RMB'000	% RMB'000	RMB'000	% RMB'000	RMB'000	% RMB'000
	<i>(unaudited)</i>									
Continuing operations										
Dividend and interest from entities held through										
- Funds under management	51,164	4.4	30,284	6.6	30,991	8.2	120	(0.1)	854	(0.4)
- Direct investments	150,686	13.0	91,861	20.0	75,318	20.0	-	-	-	-
Realized gains (losses) from entities held through										
- Funds under management	(14,634)	(1.3)	(148)	0.0	-	-	-	-	44,894	(21.8)
- Direct investments	1,841,773	159.2	268,020	58.2	116,376	30.8	363	(0.2)	6,711	(3.3)
Unrealized gains (losses) from entities held through										
- Funds under management	300,138	26.0	766,023	166.4	(431,649)	(114.4)	(226,335)	115.7	(17,306)	8.5
- Direct investments	(1,040,497)	(90.0)	(125,717)	(27.3)	228,062	60.5	(160,832)	82.2	(240,370)	116.5
Unrealized (losses) gains from financial liabilities at FVTPL from entities held through										
- Funds under management	(133,940)	(11.6)	(565,823)	(122.9)	347,533 ⁽¹⁾	92.1	190,268	(97.3)	11,760	(5.7)
- Direct investments	1,867 ⁽¹⁾	0.2	(4,092)	(0.9)	10,603 ⁽¹⁾	2.8	816	(0.4)	(12,892)	6.2
Total	1,156,557	100.0	460,408	100.0	377,234	100.0	(195,600)	100.0	(206,349)	100.0

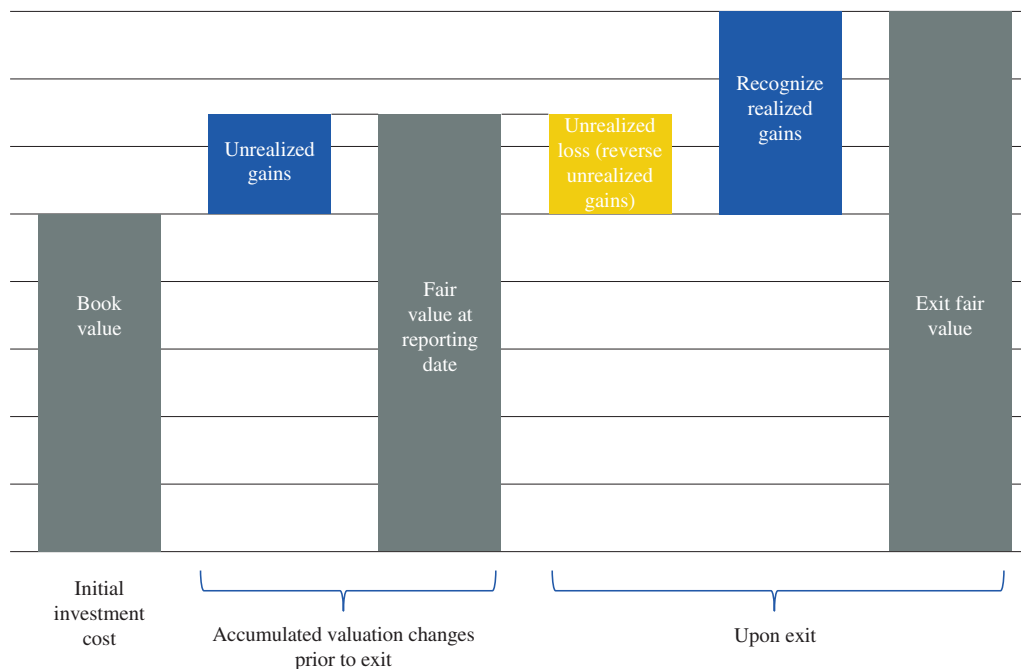
Note:

- (1) Unrealized gains from financial liabilities at FVTPL represents the unrealized losses attributable to the external partners of certain non-wholly owned direct investment entities when the fair value of underlying portfolio companies held by such entities decreased over the respective year or period.

We measure the fair value of our financial assets and liabilities at the end of each financial period or when assets are disposed of, and recorded the gains and losses arising from the fair value measurement. This process is inevitably timing sensitive and deeply affected by market volatility. According to the applicable accounting standards, mark-to-market valuation of the shares of our listed portfolio companies tracks the stock value at the balance sheet date of each reporting period and the valuation of unlisted portfolio companies typically references stock prices of comparable listed companies. As a result, market fluctuations affect our general investment performance.

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In 2020, we disposed of certain equity interests of our portfolio companies. To calculate the accurate amount of realized gains, we adjusted the amount of unrealized gains or losses recognized in prior years or periods to realized gains or losses in current year or period when disposal transactions occurred according to our accounting policies. As a result, we recognized significant unrealized losses in associates measured at fair value in 2020. This accounting treatment is visually illustrated in the below diagram. Because of this accounting treatment, when the valuation of a portfolio company continues to appreciate over our holding period, we recognized unrealized gains. Such unrealized gains will be reversed upon its disposal, with an amount of recognized realized gains being recorded at the same time. This in particular contributed to the large unrealized loss in 2020, which was actually a lucrative year in terms of realized gains for our equity investment and we managed to exit from several portfolio companies, and such large unrealized loss in 2020 was actually a reversal of unrealized gains recognized previously.



The decrease in net investment gains in 2022 was primarily because certain portfolio companies managed to go public and therefore achieved high value appreciation of their stock in 2021, which did not repeat in 2022.

The net investment losses in the first three months of 2022 was primarily caused by the fluctuations in the prices of stocks we invested. The net investment losses in the first three months of 2023 was primarily due to the changes in the valuation of certain of our equity investments.

Staff Costs

Our staff costs consist of salaries, bonus and fringe benefits for the employees. We recorded staff costs of RMB49.3 million, RMB46.7 million, RMB61.4 million, RMB13.3 million and RMB14.0 million, in 2020, 2021 and 2022, and the first three months of 2022 and 2023, respectively.

FINANCIAL INFORMATION

Depreciation Expenses

Our depreciation expenses represent depreciation charges for property, plant and equipment and leases. We recorded depreciation expenses of RMB8.9 million, RMB10.6 million, RMB11.6 million, RMB2.7 million and RMB3.2 million in 2020, 2021 and 2022, and the first three months of 2022 and 2023, respectively.

Other Operating Expenses

Our other operating expenses primarily consist of (i) third-party contracting expenses, representing financial advisory expenses and audit and capital verification fees we paid in the ordinary course of our business, and (ii) office and travel expenses. The table below sets forth a breakdown of our other operating expenses for the periods indicated:

	Year Ended December 31,			Three Months Ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Continuing operations					
Third-party contracting expenses	46,090	24,249	21,996	4,259	2,655
– Financial advisory expenses ⁽¹⁾	43,757	21,563	19,252	3,746	2,154
– Audit and capital verification fees	2,333	2,686	2,744	513	501
Office and travel expenses	8,893	10,316	9,213	903	1,358
Management expenses for funds	7,063	5,899	6,122	1,850	1,154
Tax and surcharge	3,437	1,908	1,002	278	219
Conference and entertainment expenses	2,553	2,961	3,119	447	588
Bank charges	12,363	352	136	29	23
Others ⁽²⁾	6,392	3,892	9,033	351	665
Total	86,791	49,577	50,621	8,117	6,663

Notes:

- (1) Financial advisory expenses mainly included project related consultancy fees, professional services fees in connection with our fund raising activities and expenses in connection with our due diligence exercise when making investment decisions.
- (2) Others primarily included lease expenses, property management fees and donations.

FINANCIAL INFORMATION

Finance Costs

Our finance costs primarily consist of (i) interest on bond payables, representing interest arising from our bonds issued in 2017 and 2022. For more details of bond payables, please see subsection named “– Indebtedness – Bond Payables Due Within/Over One Year”; (ii) interest on bank and other borrowings; and (iii) interest on loan payable to related parties. The table below sets forth a breakdown of our finance costs for the periods indicated:

	Year Ended December 31,			Three Months Ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bond payables	142,763	135,050	100,918	33,746	16,111
Interest on bank and other borrowings	18,618	11,030	3,622	837	1,015
Interest on loan payable to related parties	15,605	1,956	11,902	1,894	–
Interest on loan payable to a director	3,156	1,747	1,486	269	–
Interest on loan payable to third parties	428	–	–	–	–
Interest on lease liabilities	642	652	746	99	270
Total	<u>181,212</u>	<u>150,435</u>	<u>118,674</u>	<u>36,845</u>	<u>17,396</u>

Net Impairment Reversed (Recognized) under Expected Credit Loss Model

We perform impairment assessment under expected credit loss model, which mandates the consideration of anticipated credit losses and their fluctuations at each reporting date, to reflect changes in credit risks since the initial recognition. During the Track Record Period, we reversed net impairment of RMB0.06 million in 2020, and recognized net impairment of RMB0.04 million, RMB0.04 million, nil and RMB27.6 million in 2021, 2022 and the first three months of 2022 and 2023, respectively. The significant increase in our net impairment recognized under expected credit loss model in the first three months of 2023 was primarily attribute to a specific event. Specifically, we had RMB27.6 million in deposits with Silicon Valley Bank (“SVB”). However, SVB was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation as receiver. Consequently, we recognized the loss allowance amounting to RMB27.6 million, given the existing exposure of these deposits to liquidity risk. Given the recognition of loss allowance for all SVB deposits, our management anticipates no further impairment related to this deposit.

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Other Income

Our other income primarily consists of (i) interest income, mainly reflecting the interest we received from our funds in escrow accounts at banks; (ii) advisory services income, representing the fees received in relation to the consulting services and market updates provided to the investors; and (iii) government grants, representing subsidies received from the local governments mainly for the purpose of encouraging domestic business development or providing financial support to our business operations. The following table sets forth a breakdown of our other income for the periods indicated:

	Year Ended December 31,			Three Months Ended	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Interest income	6,760	7,012	6,955	1,870	1,920
Advisory services income	8,919	6,795	985	–	570
Government grants					
– Related to income	6,480	–	475	–	5,000
Others	281	–	–	–	–
Total	22,440	13,807	8,415	1,870	7,495

Other Gains and Losses

Our other gains and losses mainly comprise net losses on foreign exchange in connection with bank balances denominated in USD and HKD. During the Track Record Period, we recorded other losses of RMB1.9 million, RMB0.6 million and RMB0.6 million and RMB0.1 million in 2020, 2021 and 2022 and the first three months of 2022, respectively, and recorded other gains of RMB0.7 million in the first three months of 2023.

Share of Results of Associates, Share of Results of Joint Ventures

Our unconsolidated entities, mainly funds, are treated as our associates or joint ventures, and we record our share of their profit and the total comprehensive income as share of results of associates or share of results of joint ventures. Such shares of results also reflect our ability to generate investment income through our managed funds.

Our share of results of associates was a gain of RMB0.3 million, RMB17.1 million and RMB8.4 million, RMB41.9 million and RMB19.1 million in 2020, 2021 and 2022 and the first three months of 2022 and 2023, respectively. Our share of results of joint ventures was a gain of RMB77.4 million, RMB394.9 million and RMB138.9 million in 2020 and 2021 and the first three months of 2023, respectively, and a loss of RMB37.7 million and RMB4.3 million in 2022 and the first three months of 2022.

FINANCIAL INFORMATION

Taxation

Our principal applicable taxes and tax rates are set forth as follows:

Cayman Islands and British Virgin Islands

Our subsidiaries incorporated in Cayman Islands and British Virgin Islands are exempted companies and are not subject to Cayman Islands and British Virgin Islands taxation.

Hong Kong

No provision of Hong Kong Profit Tax was made in our historical financial statements as we had no assessable profit subject to Hong Kong Profit Tax during the Track Record Period.

Mainland China

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, except for the preferential treatments available to certain consolidated structure entities as mentioned below, other subsidiaries within the Group operating in the PRC are subject to the EIT Law at the statutory rate of 25% during the Track Record Period.

The structured entities included in the historical financial information are mainly limited partnerships, which are not subject to enterprise income tax and therefore shall adjust their profit or loss before tax. The legal partners of the structured entities (limited partnership) consolidated in the historical financial information, shall pay enterprise income tax on that share of these structured entities’ taxable income under the tax law, such impact has been reflected in the different tax rates of subsidiaries.

Certain consolidated structure entities of the Group engaged in equity investment in small-and-medium sized high-tech enterprises are eligible for certain preferential treatments (i.e. additional tax deduction) during the years ended December 31, 2020, 2021 and 2022 and the first three months of 2022 and 2023.

FINANCIAL INFORMATION

The income tax on our profit or loss before income tax differs from the theoretical amount that would apply using the statutory income tax rate applicable to the profit or loss of the consolidated entities. The following table sets forth the detailed calculation:

	Year Ended December 31,			Three Months Ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Continuing Operation					
Profit (loss) before tax	967,398	663,037	159,481	(208,631)	(96,545)
Income tax (expense)					
credit calculated at 25%	(241,850)	(165,759)	(39,870)	52,158	24,136
Effect of additional tax deduction	33,328	1,900	1,375	655	1,551
Effect of share of results of associates	87	4,274	2,110	10,481	4,785
Effect of share of results of joint ventures	19,357	98,725	(9,417)	(1,068)	34,724
Effect of expenses that are not deductible	(121)	(408)	(228)	(49)	(91)
Effect of income that are not taxable	17,902	7,252	9,319	–	–
Effect of different tax rates and other adjustments of taxable temporary differences of subsidiaries	205,368	58,094	(86,002)	(56,803)	(47,984)
Effect of tax losses not recognized	(1,739)	(17,849)	(2,013)	(5,374)	(391)
Utilization of tax losses previously not recognized	58,153	–	16,724	–	188
(Under) over provision in respect of prior years	(159)	89	685	900	(1,311)
Income tax credit (expenses) for the year/period	90,326	(13,682)	(107,317)	900	15,607

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Our tax expenses differ from the theoretical amount that would apply using an applicable tax rate mainly because the fair value changes of our portfolio companies held offshore, including Hong Kong, British Virgin Islands and Cayman Islands, are not subject to Hong Kong Profit Tax or tax-exempted according to the relevant tax rules. The fluctuations in our income tax credit or expenses during the Track Record Period are mainly deferred tax in nature. The deferred tax movements mainly arise from the unrealized fair value changes of the portfolio companies held by our investment entities in the PRC, including the consolidated funds, direct investments and unconsolidated funds.

The increase in income tax expenses in 2022 was primarily due to (i) the recognition of deferred tax liabilities as a result of the future taxable temporary differences arising from the overall increase in fair value of the domestic portfolio companies held by us, in the PRC, including via our consolidated funds, direct investments and unconsolidated funds after taking into account the available tax losses; and (ii) an increase in other taxable temporary difference related to our limited partnerships which are all deferred tax in nature.

During the Track Record Period, we recognized deferred tax credit of RMB97.7 million in 2020, and deferred tax charge of RMB7.3 million and RMB219.9 million in 2021 and 2022, respectively. For more details regarding deferred taxation, please refer to Note 20 *Deferred Tax Assets/Liabilities* to the Accountants' Report in Appendix I to this prospectus.

Deferred tax credit of RMB97.7 million had been recognized for the year ended December 31, 2020, which was primarily due to the recognition of deferred tax credit amounting to RMB96.6 million as a result of the future deductible temporary differences arising from the drastic decline in share price of the listed investees and the overall valuation drop in respect of the sectors that our unlisted investees belong in the PRC.

Deferred tax charge of RMB7.3 million had been recognized for the year ended December 31, 2021, which was primarily due to the recognition of deferred tax charge amounting to RMB7.8 million as a result of the future taxable temporary differences arising from slight increase in share price of the listed investees and the overall valuation of the unlisted investees held by our investment entities in the PRC. The majority of unrealized fair value changes for the year ended December 31, 2021 was resulted from the fair value changes of the portfolio companies held by our offshore investment entities, which had no impact on deferred taxation.

Deferred tax charge of RMB219.9 million had been recognized for the year ended December 31, 2022, which was primarily due to the recognition of deferred tax charge amounting to RMB220.1 million as a result of the future taxable temporary differences arising from drastic increase in share price of the listed investees and the overall valuation of the unlisted investees held by our investment entities in the PRC, such as CalEx Tech (飛算), Bama Tea (八馬茶業), and Jiangxiaobai (江小白).

Deferred tax credit of RMB18.1 million had been recognized for the three months ended March 31, 2023, which was primarily due to the recognition of deferred tax credit amounting to RMB18.1 million as a result of the future deductible temporary differences arising from the drastic decline in share price of the listed investees and the overall valuation drop in respect of the sector that our unlisted investees belong in the PRC.

During the Track Record Period, we had made all the required tax filings and had no outstanding tax liabilities with the relevant tax authorities in the relevant jurisdictions and we are not aware of any outstanding or potential disputes with such tax authorities.

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RESULTS OF OPERATIONS

Three Months Ended March 31, 2023 Compared With Three Months Ended March 31, 2022

Revenue

Our revenue increased from RMB8.5 million in the first three months of 2022 to RMB12.4 million in the first three months of 2023, primarily due to the adoption of a new limited partnership agreement for Tiantu Xingnan in December 2021, pursuant to which and in accordance with the relevant accounting treatments, we began to recognize fund management fees for the post-investment period in April 2022, and thus recognized more management fees in the first three months of 2023.

Investment Gains or Losses, Net

We recognized net investment gains or losses primarily throughout the changes of valuation of, exit or partial exit from our portfolio companies, which is driven by exit schedule, market condition, investment cycle and valuation fluctuation.

In the first three months of 2023, we recognized net investment losses of RMB206.3 million. Without considering the portion that we should distribute to limited partners of our consolidated funds that are recorded as unrealized losses from financial liabilities at FVTPL, the certain listed and private portfolio companies with decreased fair value were mainly in the fields of transactions and services platform, finance, and food, partially offset by the investment gains contributed by certain investments in the first three months of 2023, such as CalEx Tech (飛算), Guoquan Shihui (鍋圈食匯), Junyi F&T (駿逸富頓), Xiaohongshu (小紅書), and Ziroom (自如) (list in alphabetical order, covering investments made by our funds and direct investments).

Despite we recognized net investment gains of RMB377.2 million in 2022, in the first three months of 2022, we recognized net investment losses of RMB195.6 million. Without considering the portion that we should distribute to limited partners of our consolidated funds that are recorded as unrealized losses from financial liabilities at FVTPL, the certain listed and private portfolio companies with decreased fair value were mainly in the fields of transactions and services platform, finance, and food, partially offset by the investment gains contributed by certain investments in the first three months of 2022, such as Chicecream (鐘薛高), On the Road Store (公路商店), Ripe Fruit (果子熟了), Signet Therapeutics (希格生科), and Yoplait China (list in alphabetical order, covering investments made by our funds and direct investments).

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Total Revenue and Investment Gains or Losses, Net

Based on the reasons aforesaid, our total revenue and net investment gains or losses changed from a loss of RMB187.1 million in the first three months of 2022 to a loss of RMB193.9 million in the first three months of 2023.

Staff Costs

Our staff costs remained relatively stable at RMB13.3 million and RMB14.0 million in the first three months of 2022 and 2023, respectively.

Depreciation Expenses

Our depreciation expenses remained relatively stable at RMB2.7 million and RMB3.2 million in the first three months of 2022 and 2023, respectively.

Other Operating Expenses

Our other operating expenses decreased from RMB8.1 million in the first three months of 2022 to RMB6.7 million in the first three months of 2023, primarily due to a decrease of RMB1.6 million in third-party contracting expenses as we incurred less financial advisory expenses in the first three months of 2023. The decrease of financial advisory expenses was primarily because we controlled our costs for professional services in relation to fund raising activities and due diligence services in the first three months of 2023.

Finance Costs

Our financial costs decreased significantly from RMB36.8 million in the first three months of 2022 to RMB17.4 million in the first three months of 2023, primarily due to a decrease of RMB17.6 million in the interest on bond payables since we only had bond payables of RMB1,017.4 million as of March 31, 2023 compared with RMB1,863.9 million as of March 31, 2022.

Other Income

Our other income increased significantly from RMB1.9 million in the first three months of 2022 to RMB7.5 million in the first three months of 2023, primarily due to the government grants of RMB5.0 million we received in relation to the incentive for the settlement of equity investment companies.

FINANCIAL INFORMATION

Share of Results of Associate and Joint Ventures

Our share of results of associate and joint ventures increased significantly from a negative amount of RMB37.7 million in the first three months of 2022 to RMB158.0 million in the first three months of 2023, primarily due to increased investment gains from our unconsolidated funds under our management, mainly Tiantu Dongfeng, which was in line with the financial performance of those funds.

Income Tax Credits

Our income tax credits increased significantly from RMB0.9 million in the first three months of 2022 to RMB15.6 million in the first three months of 2023, primarily due to decreased deferred tax liabilities caused by the decrease in the fair value of our financial assets in the first three months of 2023.

Loss for the Period From Continuing Operation

As a result of the above, our loss for the period from continuing operations decreased from RMB207.7 million in the first three months of 2022 to RMB80.9 million in the first three months of 2023.

Discontinued Operations

Our loss from discontinued operations decreased from RMB27.7 million in the first three months of 2022 to nil in the first three months of 2023, primarily due to the deconsolidation of Yoplait China as of June 15, 2022. Yoplait China then became our associate measured at fair value after its deconsolidation.

Year Ended December 31, 2022 Compared With Year Ended December 31, 2021

Revenue

Our revenue increased from RMB34.8 million in 2021 to RMB46.0 million in 2022, primarily because Tiantu Xingnan, a previously consolidated fund, became an unconsolidated fund in 2022, and therefore, its fund management fees generated were presented in our revenue in 2022.

Investment Gains or Losses, Net

We recognized net investment gains or losses primarily throughout the changes of valuation of, exit or partial exit from our portfolio companies, which is driven by exit schedule, market condition, investment cycle and valuation fluctuation.

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In 2022, we recognized net investment gains of RMB377.2 million. Without considering the portion that we should distribute to limited partners of our consolidated funds that are recorded as unrealized losses from financial liabilities at FVTPL, the overall top five investments that contributed the highest investment gains in 2022 were Bama Tea (八馬茶業), CalEx Tech (飛算), Jiangxiaobai (江小白), Junyi F&T (駿逸富頓) and Xiaohongshu (小紅書) (list in alphabetical order, covering investments made by our funds and direct investments), partially offset by the decreased fair value of investments in certain listed and private portfolio companies in the fields of food and finance.

In 2021, we recognized net investment gains of RMB460.4 million. Without considering the portion that we should distribute to limited partners of our consolidated funds that are recorded as unrealized losses from financial liabilities at FVTPL, the overall top five investments that contributed the highest investment gains in 2021 were Drooling Baby (寶寶餓了), BeBeBus, CalEx Tech (飛算), CredEx (飛貸) and Xiaohongshu (小紅書) (list in alphabetical order, covering investments made by our funds and direct investments), partially offset by the decreased fair value of investments in certain listed and private portfolio companies in the fields of transactions and services platform, food and education.

Total Revenue and Investment Gains or Losses, Net

Based on the reasons aforesaid, our total revenue and net investment gains or losses decreased from RMB495.2 million in 2021 to RMB423.2 million in 2022.

Staff Costs

Our staff costs increased from RMB46.7 million in 2021 to RMB61.4 million in 2022, primarily due to the salary increase for certain employees.

Depreciation Expenses

Our depreciation expenses remained relatively stable at RMB10.6 million and RMB11.6 million in 2021 and 2022, respectively.

Other Operating Expenses

Our other operating expenses remained relatively stable at RMB49.6 million and RMB50.6 million in 2021 and 2022, respectively.

Finance Costs

Our finance costs decreased from RMB150.4 million in 2021 to RMB118.7 million in 2022, primarily due to a decrease of RMB34.1 million in interest on bond payables as we redeemed certain of our bonds, 17Tiantu01 and 17Tiantu02, in 2022.

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Other Income

Our other income decreased from RMB13.8 million in 2021 to RMB8.4 million in 2022, primarily due to a decrease of RMB5.8 million in our occasional advisory services income in 2022.

Share of Results of Associates and Joint Ventures

Our share of results of associates and joint ventures changed from gains of RMB412.0 million in 2021 to losses of RMB29.2 million in 2022, primarily reflecting the decreases in the fair value of certain investments held by Tiantu Tiantou, our unconsolidated RMB-denominated fund, and Tiantu Maverick, our direct investment entity, in 2022, which mainly caused by the fluctuations in the capital markets.

Income Tax Expenses

Our income tax expenses increased from RMB13.7 million in 2021 to RMB107.3 million in 2022, primarily due to increased deferred tax liabilities caused by the increase in the fair value of our financial assets held by our RMB-denominated funds or onshore direct investment entities in 2022.

Profit for the Year From Continuing Operation

As a result of the above, our profit for the year from continuing operations decreased from RMB649.4 million in 2021 to RMB52.2 million in 2022.

Discontinued Operations

Our profit for the year from discontinued operations increased from RMB70.5 million in 2021 to RMB480.7 million in 2022, primarily because we recognized a one-off gain of RMB520.4 million on the deconsolidation of Yoplait China as of June 15, 2022, and this one-off gain represented the fair value gains of our retained interests in Yoplait China recognized as interests in an associate measured at fair value.

Profit for the Year

As a result of foregoing, our profit for the year decreased from RMB719.8 million in 2021 to RMB532.9 million in 2022.

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Year Ended December 31, 2021 Compared With Year Ended December 31, 2020

Revenue

Our revenue decreased from RMB38.6 million in 2020 to RMB34.8 million in 2021, primarily because certain funds under our management started to exit their investments and we received less management fees from our funds during the exit period or post-investment period in accordance with the relevant fund management agreements.

Investment Gains or Losses, Net

We recognized net investment gains or losses primarily throughout the changes of valuation of, exit or partial exit from our portfolio companies, which is driven by exit schedule, market condition, investment cycle and valuation fluctuation.

In 2021, we recognized net investment gains of RMB460.4 million. Without considering the portion that we should distribute to limited partners of our consolidated funds that are recorded as unrealized losses from financial liabilities at FVTPL, the overall top five investments that contributed the highest investment gains in 2021 were Drooling Baby (寶寶餓了), BeBeBus, CalEx Tech (飛算), CredEx (飛貸) and Xiaohongshu (小紅書) (list in alphabetical order, covering investments made by our funds and direct investments), partially offset by the decreased fair value of investments in certain listed and private portfolio companies in the fields of transactions and services platform, food and education.

In 2020, we recognized net investment gains of RMB1,156.6 million. Without considering the portion that we should distribute to limited partners of our consolidated funds that are recorded as unrealized losses from financial liabilities at FVTPL, the overall top five investments that contributed the highest investment gains in 2020 were China Feihe (中國飛鶴), FANSAOGUANG FOOD (飯掃光), Kuaikan (快看漫畫), Nayuki (奈雪的茶) and Zuoyebang (作業幫) (list in alphabetical order, covering investments made by our funds and direct investments), partially offset by the decreased fair value of investments in certain listed and private portfolio companies in the fields of finance and home services.

Total Revenue and Investment Gains or Losses, Net

Based on the reasons aforesaid, our total revenue and net investment gains or losses decreased from RMB1,195.2 million in 2020 to RMB495.2 million in 2021.

Staff Costs

Our staff costs decreased from RMB49.3 million in 2020 to RMB46.7 million in 2021, primarily due to our optimization of personnel structure.

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Depreciation Expenses

Depreciation expenses increased from RMB8.9 million in 2020 to RMB10.6 million in 2021, primarily due to an increase in the depreciation of our lease premises.

Other Operating Expense

Our other operating expenses decreased from RMB86.8 million in 2020 to RMB49.6 million in 2021, primarily due to (i) a decrease of RMB21.8 million in third-party contracting expenses in 2021 as we incurred less financial advisory expenses in 2021. The decrease of financial advisory expenses was primarily because we incurred less for professional services in relation to fund raising activities and due diligence services in 2021; and (ii) a decrease of RMB12.0 million in bank charges as we incurred a large amount of bank charges in 2020, but not in 2021. Such bank charges in 2020 were in relation to our loans from commercial banks and our early repayment of a long-term bank borrowing.

Finance Costs

Our finance costs decreased from RMB181.2 million in 2020 to RMB150.4 million in 2021, primarily due to (i) a decrease of RMB13.6 million in interest on loans payable to related parties as we repaid certain loans in 2020; and (ii) a decrease of RMB7.7 million in interest on bond payables caused by the downward adjustment of the interest rates of our bonds in 2020.

Other Income

Our other income decreased from RMB22.4 million in 2020 to RMB13.8 million in 2021, primarily due to (i) a decrease of RMB6.5 million in government grants mainly as our private equity investment business received a certain one-off government grant for the purpose of providing financial support for our operations in 2020; and (ii) a decrease of RMB2.1 million in occasional advisory services income.

Share of Results of Associates and Joint Ventures

Our share of results of associates and joint ventures increased significantly from RMB77.8 million in 2020 to RMB412.0 million in 2021, primarily due to increased investment gains from our unconsolidated funds under our management, which was in line with the financial performance of those funds.

Income Tax Credit (Expenses)

We recorded income tax credit of RMB90.3 million in 2020 and income tax expense of RMB13.7 million in 2021. The change was primarily due to increased deferred tax liabilities caused by the increase in the fair value of our financial assets in 2021.

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Profit for the Year From Continuing Operation

As a result of the above, our profit for the year from continuing operations decreased from RMB1,057.7 million in 2020 to RMB649.4 million in 2021.

Discontinued Operations

Our profit from discontinued operation increased from RMB0.2 million in 2020 to RMB70.5 million in 2021. Such change was primarily because we recognized a one-off gain on the deconsolidation of Mengtian Dairy as of December 31, 2021, and this one-off gain represented the fair value gains of our retained interests in Mengtian Dairy.

Profit for the Year

As a result of the foregoing, our profit for year decreased from RMB1,057.9 million in 2020 to RMB719.8 million in 2021.

DISCONTINUED OPERATIONS

Historically, we deployed buyout investment strategies and have invested in certain dairy businesses that generated revenue and profit mainly from the farming and production and sales of dairy products, the operating entities of which mainly included Mengtian Dairy and Yoplait China. Unlike many other portfolio companies whose operations are not consolidated in our financial statements and are merely recognized as financial assets at FVTPL or associates at fair value, Mengtian Dairy and Yoplait China, in which we held more than 50% equity interests, were indirectly controlled by us via our consolidated entities. As we could exercise control over Mengtian Dairy and Yoplait China, they were consolidated into our financial statements as subsidiaries and generated revenue from the farming and production and sales of dairy products during the Track Record Period until their deconsolidation. As such, the revenue from the farming and production and sales of dairy products during the three years is nevertheless considered as our operation results.

In July 2020, Mengtian Dairy entered into an acquisition agreement with the shareholders of Dongjun Dairy (Yucheng) Co., Ltd. (“**Dongjun Dairy**”) to acquire from Dongjun Dairy certain business-related assets. After that, certain business-related assets from Dongjun Dairy became part of the business of Mengtian Dairy and therefore certain assets were included in the financial statement of Mengtian Dairy. For further information, please see Note 38 *Acquisition of Subsidiaries* to the Accountants’ Report in Appendix I to this prospectus.

Pursuant to certain adjustments of corporate governance and the disposal of certain economic interests, Mengtian Dairy ceased to be our subsidiary as of December 31, 2021 and Yoplait China ceased to be our subsidiary as of June 15, 2022, and each of them then became our associate measured at fair value after their respective deconsolidation. As a result, the historical operations of Mengtian Dairy and Yoplait China together with the gains on the deconsolidation thereof were presented as discontinued operations in our financial statements contained in this prospectus. Please see Note 4 *Critical Accounting Judgments and Key Sources of Estimation Uncertainty*, and Note 39 *Discontinued Operation of Mengtian Dairy Business and Yoplait China* to the Accountants’ Report in Appendix I to this prospectus. During the Track Record Period, we recorded a profit from discontinued operations RMB0.2 million, RMB70.5 million and RMB480.7 million in 2020, 2021 and 2022, respectively.

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Discussion of Financial Performance of Mengtian Dairy

The discussion below is based on the results of Mengtian Dairy included in our consolidated statement of profit or loss and other comprehensive income after eliminating the transactions at the Group's level, which is consistently presented as a discontinued operation. For more details regarding results of Mengtian Dairy included in our financial statements, please see Note 39 *Discontinued Operation of Mengtian Dairy Business and Yoplait China* to the Accountants' Report in Appendix I to this prospectus.

Revenue

Revenue from Mengtian Dairy is primarily generated from the production and sale of dairy products. The revenue from Mengtian Dairy decreased from RMB968.9 million in 2020 to RMB653.4 million in 2021, primarily due to the decrease in the sales volume of raw milk from 91.2 million kilograms in 2020 to 48.3 million kilograms in 2021, as Mengtian Dairy's sales of dairy products was affected by the travel restrictions and lockdowns caused by the resurgence of the COVID-19 and associated restrictive government measures imposed in 2021.

Changes in Inventories of Finished Goods

Changes in inventories of finished goods incurred by Mengtian Dairy represented the goods made in prior years that are subsequently sold in one specific period. The significant decrease in changes in inventories of finished goods incurred by Mengtian Dairy in 2021 was primarily due to the decrease in the sales volume of dairy products caused by the resurgence of the COVID-19, associated restrictive government measures imposed and the disposal of Shandong Shijie Husbandry Co., Ltd. ("**Shijie Husbandry**") by Mengtian Dairy. Shijie Husbandry was one of subsidiaries of Mengtian Dairy before the disposal, which owned pasture and dairy cows and generated revenue and profit mainly from sales of dairy products.

Raw Materials and Consumables Used

Raw materials and consumables used incurred by Mengtian Dairy mainly represent the raw milk and packaging materials used in our production and sales. The raw materials and consumables used decreased from RMB496.8 million in 2020 to RMB368.8 million in 2021, primarily due to the decrease in the production and sales of dairy products caused by the resurgence of the COVID-19 and associated restrictive government measures imposed in 2021.

Other Operating Expenses

Other operating expenses incurred by Mengtian Dairy primarily consist of transportation expenses, advertising and service expenses, forage costs and travel expenses. The other operating expenses incurred by Mengtian Dairy decreased from RMB161.4 million in 2020 to RMB89.5 million in 2021, primarily due to the disposal of Shijie Husbandry.

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Gains Arising on Initial Recognition of Raw Milk at Fair Value Less Costs to Sell at the Point of Harvest

Agricultural produce harvested from the biological assets should be measured at its fair value less estimated point-of-sale costs at the point of harvest. Such measurement is the inventory cost at that date when applying International Accounting Standard 2 *Inventories*. Raw milk is recognized at the point of harvest at its fair value less costs to sell. The fair value of milk is determined based on market prices in the local area at the point of harvest. The costs to sell are the incremental costs directly attributable to the sales of milk, mainly transportation cost, excluding finance cost and income taxes. The management considered that quoted market prices for raw milk are available and for which fair value measurements are determined to be clearly reliable on initial recognition of raw milk. Mengtian Dairy recorded gains arising on initial recognition of raw milk at fair value less costs to sell at the point of harvest of RMB125.6 million and RMB33.3 million in 2020 and 2021, respectively. The significant decrease in 2021 was primarily caused by the disposal by Mengtian Dairy of Shijie Husbandry. Mengtian Dairy kept 5,984 and 4,582 dairy cows as of December 31, 2020 and 2021, respectively.

Profit for the Year

The profit for the year of Mengtian Dairy decreased significantly from RMB96.5 million in 2020 to RMB5.0 million in 2021, primarily due to the decrease in the sales volume of dairy products caused by the resurgence of the COVID-19, associated restrictive government measures imposed and the disposal of Shandong Shijie Husbandry.

Upon the deconsolidation of Mengtian Dairy as of December 31, 2021, which is treated as a deemed disposal in accounting, a one-off gain of RMB123.3 million was recognized and was included in the profit from discontinued operations in our financial statements. Such gain represented primarily the value appreciation of all our equity interests in Mengtian Dairy, with reference to its fair value of our retained interests recognized as interests in an associate measured on date of deconsolidation, since our acquisition.

Upon the deconsolidation of Mengtian Dairy as of December 31, 2021, Mengtian Dairy became our associate measured at fair value, and therefore, its financial performance in proportion to the equity interests held by our consolidated funds would be presented in the net investment gains or losses going forward and its financial performance in proportion to the equity interests held by our unconsolidated funds would be presented in the share of results of associates.

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Discussion of Financial Performance of Yoplait China

The discussion below is based on the results of Yoplait China included in our consolidated statement of profit or loss and other comprehensive income after eliminating the transactions at the Group's level, which is presented as a discontinued operation since its deconsolidation. For more details regarding results of Yoplait China included in our financial statements, please see Note 39 *Discontinued Operation of Mengtian Dairy Business and Yoplait China* to the Accountants' Report in Appendix I to this prospectus. As of June 30, 2022, Yoplait China was deconsolidated, and therefore, the below financial data for the six months ended June 30, 2022, refers to the period up to the deconsolidation date of Yoplait China in 2022.

Revenue

Revenue from Yoplait China is primarily generated from the production and sales of yogurt and other milk beverages. The revenue from Yoplait China increased from RMB220.6 million in 2020 to RMB312.2 million in 2021, primarily due to a rapid increase of sales volumes of yogurt as Yoplait China reorganized its sales team and expanded its sales channels. Yoplait China reorganized its sales team in many cities or provinces, including Shanghai, Zhejiang and Jiangsu, through replacing some sales managers or adjusting the sales regions of some sales teams from 2019. For its sales channels, Yoplait China promoted its products to Guangzhou, Shenzhen and other cities through cooperation with new retail channels. Benefiting from the foregoing, Yoplait China sold yogurt and milk beverages amounting to 10.3 million kilograms and 12.2 million kilograms for the years ended December 31, 2020 and 2021, respectively.

The revenue from Yoplait China decreased from RMB143.6 million for the six months ended June 30, 2021 to RMB131.8 million for the six months ended June 30, 2022, primarily due to the decrease in the production and sales of yogurt caused by the resurgence of the COVID-19. Yoplait China's sales volume of yogurt decreased from 2.7 million kilograms in the first six months of 2021 to 2.4 million kilograms in the first six months of 2022.

During the Track Record Period, Yoplait China's cooperation with major online retail platforms remained relatively unaffected during the COVID-19, which facilitated the steady growth of Yoplait China's product sales in 2020 and 2021. In addition, Yoplait China successfully started the online group purchase model when offline stores were shut down in Shanghai due to pandemic control measures taken by local government during the six months ended June 30, 2022, and thus mitigated the negative effects caused by such measures.

Raw Materials and Consumable Used

Raw materials and consumable used incurred by Yoplait China mainly represent the raw milk and packaging materials used in our production and sales. The raw materials and consumable used incurred by Yoplait China increased from RMB120.5 million in 2020 to RMB173.9 million in 2021, primarily due to our increase in sales volume of yogurt and other milk beverages mainly as Yoplait China continued to expand its sales market. The raw

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materials and consumable used incurred by Yoplait China decreased from RMB81.7 million for the six months ended June 30, 2021 to RMB74.3 million for the six months ended June 30, 2022, in line with the change in revenue for the respective periods.

Staff Costs

Staff costs incurred by Yoplait China consist of salaries, bonus and fringe benefits for the employees. Yoplait China's staff costs increased from RMB57.9 million in 2020 to RMB63.6 million in 2021, and increased from RMB30.2 million for the six months ended June 30, 2021 to RMB34.9 million for the six months ended June 30, 2022, primarily because Yoplait China hired more employees to support its business expansion, and the increase of both the minimum wage level and social security base. Yoplait China's total number of employees increased from 335 in 2020 to 416 in 2021, and remained relatively stable at 410 as of June 30, 2022.

Other Operating Expenses

Other operating expenses incurred by Yoplait China primarily consist of selling and distribution expenses, transportation expenses and travel expenses. The other operating expenses incurred by Yoplait China decreased from RMB112.4 million in 2020 to RMB103.4 million in 2021, primarily due to a decrease in transportation fees mainly because Yoplait China entered into new logistics agreements, pursuant to which the transportation price per unit of weight was lowered in 2021. The other operating expenses incurred by Yoplait China remained relatively stable at RMB44.8 million and RMB48.5 million for the six months ended June 30, 2021 and 2022, respectively.

Loss for the Year/Period

The loss for the year or period of Yoplait China was RMB96.3 million, RMB57.7 million, RMB27.3 million and RMB39.7 million in 2020, 2021 and the first six months ended June 30, 2021 and 2022, respectively, primarily because Yoplait China's business has not yet achieved economies of scale, and incurred significant amount of raw materials expenses, selling and distribution expenses, transportation fees and staff costs during the Track Record Period, owing to Yoplait China's increasing production volumes and ongoing sales district expansion.

Upon the deconsolidation of Yoplait China as of June 15, 2022, a one-off gain of RMB520.4 million on its deconsolidation was recognized and was included in profit from discontinued operations. Such gain represented the fair value gains of our retained interests in Yoplait China recognized as interests in an associate measured at fair value.

Upon the deconsolidation of Yoplait China as of June 15, 2022, Yoplait China became our associate measured at fair value, and therefore, its financial performance in proportion to the equity interests held by our consolidated funds would be presented in the net investment gains or losses going forward and its financial performance in proportion to the equity interests held by our unconsolidated funds would be presented in the share of results of associates.

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DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of
	2020	2021	2022	March 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>2023</i>
				<i>RMB'000</i>
ASSETS				
Non-current assets				
Property, plant and equipment	663,199	213,038	2,519	3,590
Right-of-use assets	105,157	22,294	19,525	16,680
Goodwill	297,853	14,413	56	56
Intangible assets	1,195	883	–	–
Deferred income tax assets	41,525	28,655	9,071	12,896
Interests in associates measured using equity method	96,610	557,910	551,880	571,019
Interests in associates measured at fair value	7,511,487	8,898,914	10,079,602	9,799,975
Interest in joint ventures	364,261	898,642	748,283	887,180
Biological assets	229,809	–	–	–
Financial assets at FVTPL	3,649,729	4,565,641	4,708,010	4,797,738
Deposit for the acquisition of Dongjun Dairy Business	113,336	–	–	–
Other non-current assets	1,219	1,181	999	798
Total non-current assets	<u>13,075,380</u>	<u>15,201,571</u>	<u>16,119,945</u>	<u>16,089,932</u>
Current assets				
Accounts receivables	114,930	93,419	44,030	49,639
Prepayments and other receivables	269,883	118,623	245,091	163,299
Inventories	94,365	10,637	–	–
Financial assets at FVTPL	1,407,948	892,989	530,282	511,194
Restricted bank deposits	–	6,055	–	–
Bank balances and cash	793,401	1,015,797	613,612	551,388
Total current assets	<u>2,680,527</u>	<u>2,137,520</u>	<u>1,433,015</u>	<u>1,275,520</u>
Total assets	<u>15,755,907</u>	<u>17,339,091</u>	<u>17,552,960</u>	<u>17,365,452</u>

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	As of December 31,			As of
	2020	2021	2022	March 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2023 <i>RMB'000</i>
LIABILITIES				
Current liabilities				
Accounts payables	100,998	106,730	–	–
Other payables and accruals	218,888	229,207	57,225	34,747
Contract liabilities	134,249	77,844	62,648	55,429
Advances from share transfer transaction	186,730	176,730	176,730	176,730
Amount due to a director	104,338	73,315	–	–
Tax payable	28,799	24,578	24,794	23,598
Bank and other borrowings	213,674	118,521	85,245	84,860
Bond payables due within one year	44,626	1,830,162	20,398	32,525
Lease liabilities	10,013	6,021	6,821	4,819
Total current liabilities	<u>1,042,315</u>	<u>2,643,108</u>	<u>433,861</u>	<u>412,708</u>
Net current assets (liabilities)	<u>1,638,212</u>	<u>(505,588)</u>	<u>999,154</u>	<u>862,812</u>
Non-current liabilities				
Deferred tax liabilities	10,056	7,723	200,549	186,227
Bond payables due over one year	1,783,668	–	980,913	984,897
Financial liabilities at FVTPL	6,822,495	8,075,184	8,596,707	8,552,617
Deferred income	14,073	–	–	–
Other non-current liabilities	34	–	–	–
Lease liabilities	24,816	1,163	13,830	13,015
Total non-current liabilities	<u>8,655,142</u>	<u>8,084,070</u>	<u>9,791,999</u>	<u>9,736,756</u>
Total liabilities	<u>9,697,457</u>	<u>10,727,178</u>	<u>10,225,860</u>	<u>10,149,464</u>
Net assets	<u>6,058,450</u>	<u>6,611,913</u>	<u>7,327,100</u>	<u>7,215,988</u>

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	As of December 31,			As of
	2020	2021	2022	March 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
CAPITAL AND RESERVES				
Share capital	519,773	519,773	519,773	519,773
Reserves	5,241,047	6,008,587	6,776,765	6,666,536
Equity attributable to owners of the Company	5,760,820	6,528,360	7,296,538	7,186,309
Non-controlling interests	297,630	83,553	30,562	29,679
Total equity	<u>6,058,450</u>	<u>6,611,913</u>	<u>7,327,100</u>	<u>7,215,988</u>

Property, Plant and Equipment

Our property, plant and equipment primarily consists of buildings, plant and machinery, construction in progress, motor vehicles and leasehold improvements, mainly in relation to Mengtian Dairy and Yoplait China. Our property, plant and equipment decreased significantly from RMB663.2 million as of December 31, 2020 to RMB213.0 million as of December 31, 2021, primarily due to the deconsolidation of Mengtian Dairy in 2021. Our property, plant and equipment decreased significantly to RMB2.5 million as of December 31, 2022, primarily due to the deconsolidation of Yoplait China in 2022. Our property, plant and equipment then increased to RMB3.6 million as of March 31, 2023, primarily due to the office decoration undertaken during the first three months of 2023.

Right-of-Use Assets

Our right-of-use assets are primarily related to our leased premises and leasehold land in the PRC used in our operation. Most of our right of use assets arise from Mengtian Dairy and Yoplait China. Our right-of-use assets decreased from RMB105.2 million as of December 31, 2020 to RMB22.3 million as of December 31, 2021, primarily due the deconsolidation of Mengtian Dairy in 2021. Our right-of-use assets remained relatively stable at RMB19.5 million as of December 31, 2022. Our right-of-use assets then decreased to RMB16.7 million as of March 31, 2023, primarily due to the depreciation of the leased premises.

Goodwill

Our goodwill arose from the acquisition of Mengtian Dairy. Our goodwill decreased significantly from RMB297.9 million as of December 31, 2020 to RMB14.4 million as of December 31, 2021, primarily due to the deconsolidation of Mengtian Dairy in 2021. Our goodwill decreased significantly to RMB0.06 million as of December 31, 2022, primarily due to the deconsolidation of Yoplait China in 2022. Our goodwill remained stable at RMB0.06 million as of March 31, 2023.

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For the purpose of impairment testing, goodwill in relation to Mengtian Dairy, Yoplait China and Tiantu Advisory have been assessed as cash-generating units. The table below sets forth the carrying amount of these cash-generating units as of the dates indicated:

	As of December 31,			As of
				March 31,
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Goodwill				
– Tiantu Advisory	56	56	56	56
– Mengtian Dairy	283,440	–	–	–
– Yoplait China	14,357	14,357	–	–
	<u>297,853</u>	<u>14,413</u>	<u>56</u>	<u>56</u>

In addition to goodwill above, related net assets (including allocation of corporate assets) that generate cash flows together with the related goodwill are also included in the respective cash-generating unit for the purpose of impairment assessment. The table below sets forth the carrying amount of these cash-generating units as of the dates indicated:

	As of December 31,			As of
				March 31,
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount of cash-generating unit				
– Tiantu Advisory	288,299	280,013	26,185	25,593
– Mengtian Dairy	1,075,650	–	–	–
– Yoplait China	157,936	78,030	–	–
	<u>1,521,885</u>	<u>358,043</u>	<u>26,185</u>	<u>25,593</u>

The basis of the recoverable amounts of Mengtian Dairy and Yoplait China and its major underlying assumptions are summarized below:

Mengtian Dairy

The recoverable amount of this cash-generating unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on the financial budgets approved by Mengtian Dairy's management covering a 5-year period, and pre-tax

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discount rate of 14.18% as of December 31, 2020. Cash flows beyond the 5-year period are extrapolated using a steady growth rate of 1% as of December 31, 2020. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and expenses, based on Mengtian Dairy cash-generating unit's past performance and its management's expectations for the market development.

The cash flow projections, growth rates and discount rates as of December 31, 2020 have been reassessed, taking into consideration higher degree of estimation uncertainties due to how the COVID-19 pandemic may progress and evolve and the volatility in financial markets, including potential disruptions of Mengtian Dairy's raw milk and dairy farming products business.

As of December 31, 2020, our management determined that there was no impairment for the Mengtian Dairy cash-generating unit, and the recoverable amount exceeds the carrying amount by RMB58.0 million. This indicates that there was additional headroom in respect of the reasonably possible change in the key parameters. Even if increasing the pre-tax discount rate, a key parameter used in the calculation by 0.5 percentage point, the recoverable amount of Mengtian Dairy cash-generating unit still clearly exceeded the carrying amount by RMB20.5 million as of December 31, 2020. Any reasonably possible change in key parameters would not cause the carrying amount of the Mengtian Dairy cash-generating unit to exceed its recoverable amount. Only if the pre-tax discount rate were changed to above 14.97% (an increase of 0.79 percentage point) as of December 31, 2020 – while other parameters remained constant – the recoverable amount would start to be less than the cash-generating unit's carrying amount.

Yoplait China

The recoverable amount of this cash-generating unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and pre-tax discount rate of 15.82% and 15.73% as of December 31, 2020 and 2021, respectively. Cash flows beyond the 5-year period are extrapolated using a steady growth rate of 2% and 2% as of December 31, 2020 and 2021, respectively. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and expenses, such estimation is based on Yoplait China cash-generating unit's past performance and its management's expectations for the market development.

The cash flow projections, growth rates and discount rates as of December 31, 2020 and 2021 have been reassessed taking into consideration higher degree of estimation uncertainties in the current year due to how the COVID-19 pandemic may progress and evolve and volatility in financial markets, including potential disruptions of Yoplait China's liquid milk business.

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As of December 31, 2020 and 2021, our management determined that there was no impairment for the Yoplait China cash-generating unit, and the recoverable amount exceeds the carrying amount by RMB91.8 million and RMB39.5 million, respectively. This indicates that there was additional headroom in respect of the reasonably possible change in the key parameters. Even if increasing the pre-tax discount rate, a key parameter used in the calculation by 0.5 percentage, the recoverable amount of Yoplait China cash-generating unit still clearly exceeds the carrying amount by RMB78.9 million and RMB25.7 million as of December 31, 2020 and 2021, respectively. Any reasonably possible change in key parameters would not cause the carrying amount of the Yoplait China cash-generating unit to exceed its recoverable amount. Only if the pre-tax discount rate were changed to above 20.4% (an increase of 4.58 percentage points) and 17.3% (an increase of 1.57 percentage points) as of December 31, 2020 and 2021, respectively – while other parameters remained constant – the recoverable amount would start to be less than the cash-generating unit's carrying amount.

Interests in Associates and Joint Ventures

Our interests in associates and joint ventures measured using equity method represent our equity interests in the unconsolidated investment entities over which we have significant influence or joint control, mostly unconsolidated funds under our management. Our interests in associates measured at fair value represent our equity interests in the portfolio companies held by consolidated investment entities over which we have significant influence or to which we appoint directors.

Interests in Associates Measured Using Equity Method

We recorded interests in associates measured using equity method of RMB96.6 million, RMB557.9 million, RMB551.9 million and RMB571.0 million as of December 31, 2020, 2021 and 2022 and March 31, 2023, respectively. The significant increase in 2021 was primarily because Tiantu Xingnan became an unconsolidated fund recorded as an associate measured using equity method subsequent to its deconsolidation in 2021.

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Our interests in associates measured using equity method represent our equity interests in our unconsolidated investment entities. We accounted using the equity method for these unconsolidated entities directly according to our attributable interests, while the underlying portfolio companies held by these unconsolidated investment entities were still measured at fair value. The table below sets forth the details of our associates measured using equity method as of the dates indicated:

Principal Activities	Place of Operation	Ownership Interests and Voting Rights				Carrying Amounts Attributable to the Group's Interests				
		As of December 31,		As of March 31,		As of December 31,			As of March 31,	
		2020	2021	2022	2023	2020	2021	2022	2023	
		<i>RMB'000</i>		<i>RMB'000</i>		<i>RMB'000</i>		<i>RMB'000</i>		
Interests in associates measured using equity method										
- Tangrenshen	Unconsolidated fund under management	The PRC	14.18%	14.18%	14.17%	14.17%	96,610	88,721	66,381	64,403
- Tiantu Xingnan	Unconsolidated fund under management	The PRC	N/A	40.00%	40.00%	40.00%	N/A	469,189	443,761	464,883
- Pingtan Xingxu	Direct investment entity	The PRC	N/A	N/A	40.00%	40.00%	N/A	N/A	41,738	41,733

The table below sets forth a breakdown of interests in associates measured using equity method by our unconsolidated funds and unconsolidated direct investment entities as of the dates indicated:

	As of December 31,			As of March 31,
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interests in associates measured using equity method				
- Unconsolidated funds	96,610	557,910	510,142	529,286
- Unconsolidated direct investment entities and others	—	—	41,738	41,733
	<u>96,610</u>	<u>557,910</u>	<u>551,880</u>	<u>571,019</u>

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Our investments in funds under interests in associates measured using equity method increased significantly in 2021. This was primarily because Tiantu Xingnan became an unconsolidated fund recorded as an associate measured using equity method subsequent to its deconsolidation in 2021. Our direct investment under interests in associates measured using equity method increased significantly in 2022 because Pingtan Xingxu became our unconsolidated entity. For more details, please see “History, Development and Corporate Structure – Deconsolidation of Dairy Businesses (Discontinued Operations).”

Interests in Joint Ventures Measured Using Equity Method

As of December 31, 2020, 2021 and 2022 and March 31, 2023, we recorded interests in joint ventures of RMB364.3 million, RMB898.6 million, RMB748.3 million and RMB887.2 million, respectively. The increases were mainly caused by the continuing increase in the share of results of Tiantu Dongfeng, which was an unconsolidated fund treated as our joint venture during the Track Record Period. Our interests in joint ventures then decreased to RMB748.3 million as of December 31, 2022, primarily due to the disposal of Tiantu Maverick in 2022 and the loss generated from the fair value changes of certain investments held under Tiantu Tiantou in 2022. Our interests in joint ventures measured using equity method then increased to RMB887.2 million as of March 31, 2023, primarily due to the increase in the share of results of Tiantu Dongfeng.

Our interests in joint ventures measured using equity method represent our interests in our unconsolidated investment entities over which we have joint control. We accounted using the equity method for these unconsolidated investment entities directly according to our attributable interest, while each of underlying portfolio companies held by these unconsolidated investment entities were measured at fair value. The table below sets forth the details of our joint ventures as of the dates indicated:

Principal Activities	Place of Operation	Ownership Interests and Voting Rights				Carrying Amounts Attributable to the Group's Interests				
		As of December 31,			As of	As of December 31,			As of	
		2020	2021	2022	March 31, 2023	2020	2021	2022	March 31, 2023	
					RMB'000	RMB'000	RMB'000	RMB'000		
Interests in Joint Ventures using equity method										
- Shenzhen Tiantu Dongfeng Investment Consulting Center (Limited Partnership)	Unconsolidated fund under management	The PRC	43.80%	39.80%	39.80%	39.8%	282,499	638,577	656,573	788,529

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	Principal Activities	Place of Operation	Ownership Interests and Voting Rights				Carrying Amounts Attributable to the Group's Interests				
			As of December 31,			As of	As of December 31,			As of	
			2020	2021	2022	March 31,	2020	2021	2022	March 31,	
						2023				2023	
-	Tiantu Tiantou	Unconsolidated fund under management	The PRC	5.00%	5.00%	5.00%	5.00%	38,831	46,278	39,415	40,158
-	Tiantu Dongfeng	Unconsolidated fund under management	The PRC	0.83%	0.83%	0.83%	0.83%	12,902	32,092	32,996	39,628
-	Shenzhen Kingshun Investment Partnership (Limited Partnership)	Direct investment entity	The PRC	42.86%	42.86%	42.86%	42.86%	30,029	30,024	19,299	18,865
-	Tiantu Maverick	Direct investment entity	Cayman Islands	N/A	50.00%	N/A	N/A	N/A	151,670	N/A	N/A

The table below sets forth a breakdown of interests in joint ventures measured using equity method by our unconsolidated funds and unconsolidated direct investment entities as of the dates indicated:

	As of December 31,			As of	
	2020	2021	2022	March 31,	
				2023	
Interests in joint ventures measured using equity method					
-	Unconsolidated funds	334,232	716,948	728,985	868,315
-	Unconsolidated direct investment entities	30,029	181,694	19,298	18,865
		<u>364,261</u>	<u>898,642</u>	<u>748,283</u>	<u>887,180</u>

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Our investments in funds under interests in joint ventures measured using equity method increased significantly in 2021 was mainly attributable to the continuing increase in the share of results of Tiantu Dongfeng. Our direct investments under interest in joint ventures measured using equity method increased significantly in 2021 primarily attributable to a new direct investment entity we established in 2021, which was treated as our joint venture. The decrease in our direct investments under interests in joint ventures measured using the equity method in 2022 was primarily due to the disposal of a direct investment entity, Tiantu Maverick, during the year. The increase in our unconsolidated funds under interests in joint venture measured using equity method as of March 31, 2023 was primarily due to the increase in the shares of results of Tiantu Dongfeng, which was in line with its financial performance.

Interests in Associates Measured at Fair Value

As of December 31, 2020, 2021 and 2022 and March 31, 2023, we recorded interests in associates measured at fair value of RMB7,511.5 million, RMB8,898.9 million, RMB10,079.6 million and RMB9,800.0 million, respectively, of which RMB167.3 million, RMB831.0 million, RMB701.7 million and RMB681.0 million were our listed equity investments, respectively. The increase in 2021 was primarily due to (i) the new investments we made in 2021; and (ii) the deconsolidation of Mengtian Dairy which was subsequently categorized as an associate measured at fair value as of December 31, 2021. The increase in 2022 was primarily due to (i) the value appreciation of certain portfolio companies; and (ii) the deconsolidation of Yoplait China which was subsequently categorized as an associate measured at fair value on June 15, 2022. The decrease in the first three months of 2023 was primarily due to (i) our partial exits from specific investments and (ii) the value depreciation of certain investments as of March 31, 2023.

The table below sets forth the details of our material associates measured at fair value as of the dates indicated:

	<u>Principal Activities</u>	<u>Place of Operation</u>	<u>Ownership Interests</u>	<u>Voting Rights</u>	<u>Channel</u>
As of December 31, 2020					
- Company A	Internet-based financing	The PRC	42.37%	42.37%	Funds and direct investments
- Company B	Entertainment and social networking community service	The PRC	9.00%	9.00%	Funds
- Company C	Food and beverage industry	The PRC	8.22%	8.22%	Funds
- Company D	Food product	The PRC	0.59% ⁽¹⁾	0.59% ⁽¹⁾	Direct investments
- Company E	Digital enterprise solution services	The PRC	42.37%	42.37%	Funds and direct investments

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	<u>Principal Activities</u>	<u>Place of Operation</u>	<u>Ownership Interests</u>	<u>Voting Rights</u>	<u>Channel</u>
As of December 31, 2021					
- Company A	Internet-based financing	The PRC	42.37%	42.37%	Funds and direct investments
- Company B	Entertainment and social networking community service	The PRC	8.66%	8.66%	Funds and direct investments
- Company C	Food and beverage industry	The PRC	5.82%	5.82%	Funds
- Company D	Food product	The PRC	0.46% ⁽¹⁾	0.46% ⁽¹⁾	Direct investments
- Company E	Digital enterprise solution services	The PRC	42.37%	42.37%	Funds and direct investments
- Mengtian Dairy	Dairy drinks and dairy farming business	The PRC	21.46% ⁽²⁾	21.46% ⁽²⁾	Funds and direct investments
As of December 31, 2022					
- Company A	Internet-based financing	The PRC	42.37%	42.37%	Funds and direct investments
- Company B	Entertainment and social networking community service	The PRC	8.66%	8.66%	Funds and direct investments
- Company C	Food and beverage industry	The PRC	5.82%	5.82%	Funds
- Company E	Digital enterprise solution services	The PRC	40.51%	40.51%	Funds and direct investments
- Mengtian Dairy	Dairy drinks and dairy farming business	The PRC	21.46%	21.46%	Funds and direct investments
- Yoplait China	Manufacturing and sales of yogurt and other dairy products	The PRC	45.22% ⁽³⁾	45.22% ⁽³⁾	Funds and direct investments

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	<u>Principal Activities</u>	<u>Place of Operation</u>	<u>Ownership Interests</u>	<u>Voting Rights</u>	<u>Channel</u>
As of March 31, 2023					
- Company A	Internet-based financing	The PRC	42.37%	42.37%	Funds and direct investments
- Company B	Entertainment and social networking community service	The PRC	8.66%	8.66%	Funds and direct investments
- Company C	Food and beverage industry	The PRC	5.18%	5.18%	Funds
- Company E	Digital enterprise solution services	The PRC	40.51%	40.51%	Funds and direct Investments
- Mengtian Dairy	Dairy drinks and dairy farming business	The PRC	21.46%	21.46%	Funds and direct investments
- Yoplait China	Manufacturing and sales of yogurt and other dairy products	The PRC	45.22%	45.22%	Funds and direct investments

Notes:

- (1) We gradually exited from Company D in 2021 and 2022, resulting in a decrease in our ownership interest from 0.59% as of December 31, 2020 to 0.46% as of December 31, 2021, and ultimately to nil as of December 31, 2022.
- (2) After the deconsolidation of Mengtian Dairy as of December 31, 2021, it became our associate measured at fair value. For more details, please see “History, Development and Corporate Structure – Deconsolidation of Dairy Businesses (Discontinued Operations) – Mengtian Deconsolidation.”
- (3) After the deconsolidation of Yoplait China as of June 15, 2022, it became our associate measured at fair value. For more details, please see “History, Development and Corporate Structure – Deconsolidation of Dairy Businesses (Discontinued Operations) – Yoplait Deconsolidation.”

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The table below sets forth the movement in our interests in associates measured at fair value during the Track Record Period.

	Years ended December 31,			Three Months Ended March 31,
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost:				
At the beginning of the period	7,253,406	7,266,150	8,141,067	9,096,906
Additions	419,960	1,153,056	960,848	96,313
Reductions	(407,216)	(278,139)	(5,009)	(24,922)
At the end of the period	<u>7,266,150</u>	<u>8,141,067</u>	<u>9,096,906</u>	<u>9,168,297</u>
Fair value:				
At the beginning of the period	1,694,037	278,029	786,149	870,127
Changes for the period	(1,416,008)	508,120	83,978	(220,918)
At the end of the period	<u>278,029</u>	<u>786,149</u>	<u>870,127</u>	<u>649,209</u>
Changes in exchange rate	<u>(32,692)</u>	<u>(28,302)</u>	<u>112,569</u>	<u>(17,531)</u>
Total	<u><u>7,511,487</u></u>	<u><u>8,898,914</u></u>	<u><u>10,079,602</u></u>	<u><u>9,799,975</u></u>

The table below sets forth a breakdown of interests in associates measured at fair value as of the dates indicated:

	As of December 31,			As of March 31,
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interests in associates measured at fair value				
<i>Listing Status</i>				
– Investments in listed companies	167,325	831,038	701,672	681,025
– Investments in unlisted companies	<u>7,344,162</u>	<u>8,067,876</u>	<u>9,377,930</u>	<u>9,118,950</u>

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	As of December 31,			As of March 31,
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<i>Channel</i>				
– Consolidated Funds	4,965,435	6,264,234	6,593,755	6,749,778
– Direct Investments	2,546,052	2,634,680	3,485,847	3,050,197
	7,511,487	8,898,914	10,079,602	9,799,975

Our investments in listed companies under interests in associates measured at fair value increased significantly in 2021 was primarily due to the listing of certain of our portfolio companies in 2021. The increase in our investments in unlisted companies from interests in associates measured at fair value in 2021 was mainly caused by the deconsolidation of Mengtian Dairy which became to be categorized as an associate measured at fair value as of December 31, 2021. The increase in unlisted companies under interests in associates measured at fair value in 2022 was primarily due to (i) the value appreciation of certain portfolio companies; and (ii) the deconsolidation of Yoplait China which was subsequently categorized as an associate measured at fair value as of June 15, 2022. Our investment in unlisted companies under interests in associates measured at fair value decreased in the first three months of 2023, primarily due to the value depreciation of certain portfolio companies.

Biological Assets

Our biological assets mainly represent dairy cows held to produce raw milk in our dairy business. We recorded RMB229.8 million, nil, nil and nil as of December 2020, 2021 and 2022 and March 31, 2023, respectively. The significant decrease in 2021 was because we ceased to consolidate Mengtian Dairy as of December 31, 2021.

Our biological assets were independently valued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, a firm of independent qualified professional valuers not connected with us, which has appropriate qualifications and experiences in valuation of biological assets. For valuation of our biological assets, please see Note 23 *Biological Assets* and Note 48A *Fair Value Measurement of Biological Assets* to the Accountants' Report in Appendix I to this prospectus.

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Accounts Receivables

Our accounts receivables primarily comprise (i) accounts receivables from independent third parties in relation to our dairy business which we acquired under buyout investment strategies, mainly representing amounts due from customers for products provided in the ordinary course of business; and (ii) accounts receivables from related parties, mainly representing the amount of fund management fees owed by certain funds under our management as they invested all of their investment gains into other projects from time to time. The following table sets forth the details of our accounts receivables as of the dates indicated:

	As of December 31,			As of
	2020	2021	2022	March 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>2023</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Accounts receivable from related parties				
– Private Equity Investment Business	25,364	24,784	44,030	49,639
Subtotal	25,364	24,784	44,030	49,639
Accounts receivable from independent third parties				
– Yoplait China and Mengtian Dairy	91,102	69,198	N/A	N/A
Subtotal	91,102	69,198	N/A	N/A
<i>Less: Impairment losses allowance for</i>				
– Yoplait China and Mengtian Dairy	(1,536)	(563)	N/A	N/A
Total	114,930	93,419	44,030	49,639

Our accounts receivables decreased from RMB114.9 million as of December 31, 2020 to RMB93.4 million as of December 31, 2021, primarily due to the deconsolidation of Mengtian Dairy in 2021. Our accounts receivables then decreased to RMB44.0 million as of December 31, 2022, primarily due to the deconsolidation of Yoplait China in 2022. Our accounts receivables remained relatively stable at RMB49.6 million as of March 31, 2023.

There are few credit term or accounts receivable issues in our private equity investment business, as we manage our funds and can always receive our entitled carried interest and investment gains as soon as available. On the other hand, although Mengtian Dairy and Yoplait China have been deconsolidated, the below table sets forth the details of our accounts receivables turnover days for Yoplait China and Mengtian Dairy for the periods indicated for your information.

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	Year Ended December 31,			Three Months Ended March 31,
	2020	2021	2022	2023
	Accounts receivable turnover days for Yoplait China and Mengtian Dairy ⁽¹⁾	24	31	N/A ⁽²⁾

Notes:

- (1) Accounts receivables turnover days was calculated based on the average of opening and closing balance of accounts receivable less allowance for impairment for the relevant period, divided by the revenue from Yoplait China and Mengtian Dairy (as appropriate) for the same period and multiplied by 360 days for 2020, 2021 and 2022, and by 90 days for the three months of 2023.
- (2) We had no accounts receivables as of December 31, 2022 and March 31, 2023 for Mengtian Dairy and Yoplait China after their deconsolidation.

The table below sets forth the aging analysis of our accounts receivable for our private equity investment business as of the dates indicated:

	As of December 31,			As of March 31,
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Private Equity Investment Business				
– 0-180 days	–	–	11,957	11,927
– 181 to 365 days	–	–	5,000	11,000
– Over 1 year	25,364	24,784	27,073	26,712
Total	25,364	24,784	44,030	49,639

As of August 31, 2023, RMB17.0 million, or 34.2% of our accounts receivable as of March 31, 2023 had been subsequently settled.

Our Directors consider that there is no recoverability issue with respect to outstanding accounts receivables as of March 31, 2023 for the following reasons: (i) the accounts receivables as of March 31, 2023 are due from the funds under our management and we have managed these funds for a long time. We are able to review and monitor the financial performance and the exit plan of these funds as their fund manager and investor. As certain funds have partially exited from their investments, an amount of RMB17.0 million in our trade receivables has been settled in August 2023; (ii) with reference to the fair value of underlying investments held by those funds, our Directors conclude that the accounts receivables are recoverable and the risk of impairment is low; (iii) we have taken various measures to enhance collection efforts for accounts receivables and prepayments and other receivables, which include reviewing receivables on an issue-specific basis by business, legal and finance personnel. As of March 31, 2023, no provision was made for our accounts receivables.

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Specifically, most of our accounts receivables aged over one year were the fund management fees due from Tiantu China Consumer Fund I, L.P. as it invested all of its cash into its portfolio companies. Our Directors believe that there is no recoverability issue for accounts receivables aged over one year because (i) as its fund manager, we are able to review and monitor its financial performance and implement exit strategies; (ii) the fair value of the underlying portfolio companies held by it was far more than the amount of fund management fees due from it; and (iii) it is expected that the outstanding management fees will be settled once Tiantu China Consumer Fund I, L.P. exits from certain investments and we do not consider Tiantu China Consumer Fund I, L.P. to have difficulty in exit of investments. For the aforementioned reasons, we also did not make any provision for accounts receivables aged over one year as of March 31, 2023.

Prepayments and Other Receivables

Our prepayments and other receivables primarily consist of (i) dividend receivables; (ii) loans to investee companies classified as associates measured at fair value. Such balance of RMB47.5 million as of December 31, 2020, 2021 and 2022 and March 31, 2023 arose from certain investee companies, and was fully impaired before the Track Record Period as those investee companies experienced significant financial difficulties; and (iii) loans to independent third parties. Such balance of RMB6.9 million as of December 31, 2020, 2021 and 2022 and March 31, 2023 arose from certain investee company, and was fully impaired before the Track Record Period as the age of such loan was more than five years. The following table sets forth the details of our prepayments and other receivables as of the dates indicated:

	As of December 31,			As of
	2020	2021	2022	March 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>2023</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Dividend receivables	60,874	84,736	84,736	–
Loans to investee companies classified as associates measured at fair value	47,514	47,514	120,117	120,014
Consideration receivable for deemed disposal of Yoplait China	–	–	31,305	31,305
Deferred issue costs	–	–	41,462	44,878
Value added tax recoverable	10,860	8,824	3,114	2,908
Interest on loan receivables from Mengtian Dairy	–	6,998	–	–
Loans to independent third parties	173,850	6,913	6,913	6,913
Prepayments to independent third parties	6,883	4,775	189	137

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	As of December 31,			As of March 31,
	2020	2021	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayment for listing expenses	–	1,659	–	–
Amount due from related parties	357	669	3,307	3,159
Corporate income tax recoverable	4,742	–	–	–
Other receivables	32,114	20,869	18,305	18,342
Subtotal	337,194	182,957	309,448	227,656
<i>Less: Impairment losses allowance</i>	(67,311)	(64,334)	(64,357)	(64,357)
– <i>Loans to investee companies classified as associates measured at fair value</i>	(47,514)	(47,514)	(47,514)	(47,514)
– <i>Loans to independent third parties</i>	(7,512)	(6,913)	(6,913)	(6,913)
– <i>Other receivables</i>	(12,285)	(9,907)	(9,930)	(9,930)
Total	269,883	118,623	245,091	163,299

Our prepayments and other receivables decreased significantly from RMB269.9 million as of December 31, 2020 to RMB118.6 million as of December 31, 2021, primarily due to the deconsolidation of Mengtian Dairy in our financial statements. Our prepayments and other receivables then increased to RMB245.1 million as of December 31, 2022, primarily due to an increase of RMB72.6 million in loans to investee companies caused by the deconsolidation of Yoplait China. Since Yoplait China became one of our associates after its deconsolidation, the loans we made to it were presented in the loans to investee companies going forward. Our prepayments and other receivables then decreased to RMB163.3 million as of March 31, 2023, primarily because we received dividend of RMB84.7 million from our portfolio companies in January 2023.

As of August 31, 2023, RMB3.0 million, or 1.3% of our prepayments and other receivables as of March 31, 2023 had been subsequently settled.

As of March 31, 2023, our prepayments and other receivables mainly represent (i) a loan to Yoplait China; and (ii) consideration receivable due from Investor A in connection with the deemed disposal of Yoplait China.

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Our Directors consider that there is no recoverability issue with respect to outstanding prepayments and other receivables as of March 31, 2023 for the following reasons: (i) the loan to Yoplait China was granted to support the business operations and development of Yoplait China when Yoplait China was still a subsidiary of our Group and therefore the loan was an inter-group transaction when occurred. After its deconsolidation as of June 15, 2022, Yoplait China became our associate and such loan was reclassified as loans to related parties. According to the loan agreement between Yoplait China and us, such loan was scheduled to be settled by May 2023. However, in order to support the business development of Yoplait China, we plan to extend the loan agreement and anticipate settling the loan by May 2024; (ii) pursuant to relevant partnership interest transfer agreement, in terms of the consideration receivable in connection with the deemed disposal of Yoplait China, the outstanding balance is in connection with the second installment of consideration, which is expected to be settled in June 2023. However, such Investor A planned to utilize its own funds to conduct investments in secondary market, and expressed intention to negotiate a one-year extension in the second quarter of 2023. Following our assessment for its creditworthiness, we mutually agreed to extend the maturity date by one year to May 2024; (iii) we have taken various measures to enhance collection efforts for prepayments and other receivables, which include, among others, (a) reviewing receivables on an issue-specific basis by business, legal and finance personnel, and (b) collecting prepayments and other receivables frequently through phone calls and text messages; (iv) if there is any collection difficulty, we may send written correspondence, such as demand letters, or take legal actions. As of March 31, 2023, no provision was made for such prepayments and other receivables.

Loans to Investee Companies and Independent Third Parties

Our loans to investee companies classified as associates measured at fair value amounted to RMB47.5 million as of December 31, 2020, 2021 and 2022 and March 31, 2023. The borrowers were our investees, including Jiangsu Zhongying Lianhe Data Technology Co., Ltd. (江蘇眾瀛聯合數據科技有限公司), Beijing Yinglishengke New Material Technology Co., Ltd. (北京英力生科新材料技術有限公司) and Lide High Tech (Beijing) Digital Technology Co., Ltd. (立德高科(北京)數碼科技有限責任公司). The loans were granted prior to 2015 for the purpose of supporting relevant investees' operations, and had a maturity term of six or twelve months, most of which were interest free or carried an interest at 1% per month. The loans had been fully impaired before the Track Record Period as those investees experienced significant financial difficulties. Before the deconsolidation of Yoplait China, the loans we made to Yoplait China were eliminated at the Group's level as Yoplait China was our subsidiary and its financial performance was consolidated into our financial statements. As of December 31, 2022, since Yoplait China became one of our associates after its deconsolidation, the loans with a total principal amount of RMB72.6 million we made to Yoplait China before were presented in the loans to investee companies going forward. Such loans were granted in May 2022 for the purpose of supporting its business operations, and had a maturity term of twelve months and carried an interest at 5.12% per annum. As of August 31, 2023, none of our loans to investee companies classified as associates measured at fair value as of March 31, 2023 had been subsequently settled. To the best knowledge of our Directors, borrowers of these loans are independent with each other.

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As of December 31, 2020, 2021 and 2022 and March 31, 2023, our loans to independent third parties amounted to RMB173.9 million, RMB6.9 million, RMB6.9 million and RMB6.9 million, respectively. To the best knowledge of our Directors, borrowers of these loans were independent with each other when we granted these loans. The loans as of December 31, 2020 mainly represented the loans that Mengtian Dairy made to Shijie Husbandry, which was disposed of by Mengtian Dairy and became an independent third party in 2020. The significant decrease of such loans in 2021 was primarily due to the deconsolidation of Mengtian Dairy in our financial statements. Details of our outstanding loans to independent third parties are as follows: (i) as of December 31, 2020, 2021 and 2022 and March 31, 2023, we had outstanding loan receivable due from Beijing Zhongneng Huanke Asset Management Co., Ltd. (北京中能環科資產管理有限公司) amounted to RMB6.9 million, which carried an interest at 12% per annum and with a maturity term of 3 years guaranteed by shares of the borrower. The borrower was a shareholder of one of our investees, who intended to inject capital into the investee but lacked sufficient funds. This loan was provided in 2010 to support the investee's capital increase and business growth; (ii) as of December 31, 2020, we had outstanding loan receivable arising from the business operated by Mengtian Dairy amounted to RMB164.9 million, which included RMB117.9 million with an interest at 6.53% per annum or the prevailing interest rate, and RMB47.0 million that is interest free. They are unsecured, unguaranteed and repayable on demand. Most of these loans were granted to Shijie Husbandry that is a former subsidiary of Mengtian Dairy, and Dongjun Dairy from which Mengtian Dairy acquired certain business-related assets, for the purpose of supporting the borrowers' business development. Due to the deconsolidation of Mengtian Dairy, these loans were no longer presented in our financial statements as of December 31, 2021 and we do not expect to record such loans in the future; and (iii) as of December 31, 2020, we had outstanding loan receivable of RMB2.0 million due from Shenzhen Jinyunque Technology Co., Ltd. (深圳市金雲雀科技有限公司), which is one of our investees. The loan was an interest-free bridge loan provided to facilitate our investment in the borrower and to support its business operation. This loan had been repaid in full in 2021. As of December 31, 2020, 2021 and 2022 and March 31, 2023, RMB7.5 million, RMB6.9 million, RMB6.9 million and RMB6.9 million of our loans to independent third parties have been impaired, respectively, as relevant borrowers experienced financial difficulties.

According to the General Lending Provisions (《貸款通則》), a regulation promulgated by the PBOC in 1996, only financial institutions may legally engage in the business of extending loans, and loans as between companies that are not financial institutions are prohibited. The PBOC may impose penalties on the lender that is not a financial institution in the amount equivalent to one to five times of the income generated (being interest charged) from the provision of the loan. However, under normal circumstances, the PBOC seldom imposes administrative penalties pursuant to the General Lending Provisions in practice, and according to the Provisions of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Private Lending Cases (《最高人民法院關於審理民間借貸案件適用法律若干問題的規定》), the Supreme People's Court recognizes the validity and legality of financing arrangements and lending transactions between non-financial institutions so long as certain requirements, such as the interest rates charged, are satisfied and there is no violation of mandatory provisions of applicable laws and regulations.

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Pursuant to the loan agreements entered into between us and relevant borrowers, (i) we did not intend to and will not receive interest exceeding four times the market interest rate for one-year loan released every month by the National Interbank Funding Center with the authorization of the People’s Bank of China, which shall be supported by the People’s Court and (ii) we had not received any notice of claim or penalty relating to such provision of loan from any relevant authority. Based on the above, our PRC Legal Advisor is of the view that the risk that we become subject to any penalty with respect to our interest-bearing loans to investee companies and independent third parties pursuant to the General Lending Provisions is remote, and such loans are legally binding on the relevant parties.

For more details, please see “Risk Factors – Risks Relating to Our Business – Our lending activities may not be in compliance with the relevant PRC laws and regulations” in this prospectus.

Inventories

Our inventories primarily consist of raw milk, yogurt, other milk beverage and forage and grass in our dairy business. We do not have inventory in our private equity investment business. After the deconsolidation of our Mengtian Dairy and Yoplait China, there will be no inventories in our financial statements going forward. The following table sets forth a breakdown of our inventory balances as of the dates indicated:

	As of December 31,			As of March 31,
	2020	2021	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Raw materials and consumables	88,725	8,952	N/A	N/A
Work in progress	50	801	N/A	N/A
Finished goods	5,590	884	N/A	N/A
Total	94,365	10,637	N/A	N/A

Our inventories decreased from RMB94.4 million as of December 31, 2020 to RMB10.6 million as of December 31, 2021. The significant drop in inventory as of December 31, 2021 was primarily the result of the deconsolidation of Mengtian Dairy. Because of the deconsolidation of Yoplait China as of June 30, 2022, we have no inventories as of December 31, 2022 and March 31, 2023.

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Although Mengtian Dairy and Yoplait China have been deconsolidated, the below table sets forth the details of our inventory turnover days for Yoplait China and Mengtian Dairy for the periods indicated for your information.

	Year Ended December 31,			Three Months Ended March 31,
	2020	2021	2022	2023
	Inventory turnover days for Yoplait China and Mengtian Dairy ⁽¹⁾	51	64	N/A ⁽²⁾

Notes:

- (1) Inventory turnover days was calculated based on the average of the opening and closing inventory balances for the relevant period, divided by the cost of sales, which consists of raw materials and consumables used and changes in inventories of finished goods and work in progress from Yoplait China and Mengtian Dairy (as appropriate) for the same period, and multiplied by 360 days for 2020, 2021 and 2022, and by 90 days for the three months of 2023.
- (2) We had no inventories as of December 31, 2022 and March 31, 2023 as Mengtian Dairy and Yoplait China were deconsolidated.

Financial Assets at FVTPL

Our financial assets at FVTPL primarily represent the investment by our funds in various methods, such as equity investments, convertible bonds and debt instrument investments. For a discussion of our accounting policies and more details with respect to financial assets at FVTPL, please see Note 3 *Accounting Policies* and Note 24 *Financial Assets at FVTPL* to the Accountants' Report in Appendix I to this prospectus. The following table sets forth a breakdown of our financial assets at FVTPL as of the dates indicated:

	As of December 31,			As of March 31,
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current				
Listed equity investments	1,161,680	687,632	330,034	310,843
– Freely tradable	1,161,680	458,999	330,034	310,843
– Non-tradable as within lock-up period ⁽¹⁾	–	228,633	–	–

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	As of December 31,			As of March 31,
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Unlisted financial products/equity investments ⁽²⁾	246,268	205,357	200,248	200,351
Subtotal	<u>1,407,948</u>	<u>892,989</u>	<u>530,282</u>	<u>511,194</u>
Non-current				
Listed equity investments	35,255	–	–	–
Unlisted equity investments	2,093,896	3,778,372	4,073,859	4,157,627
Unlisted convertible bonds/bonds connected with conversion feature	1,520,578	787,269	634,151	640,111
Subtotal	<u>3,649,729</u>	<u>4,565,641</u>	<u>4,708,010</u>	<u>4,797,738</u>
Total	<u>5,057,677</u>	<u>5,458,630</u>	<u>5,238,292</u>	<u>5,308,932</u>

Notes:

- (1) These investments were classified as current, because the lock-up period will be expired and will become freely tradable in the public market within 12 months after the end of the reporting period.
- (2) These investments include (a) money market funds and bond market funds with unguaranteed rates of return, and (b) wealth management products with expected rates of return as stipulated in the relevant agreements.

The table below sets forth a breakdown of our financial assets at FVTPL by our funds and direct investments as of the dates indicated:

	As of December 31,			As of March 31,
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Funds	2,668,165	3,425,834	3,243,485	3,268,467
Direct Investments	2,389,512	2,032,796	1,994,807	2,040,456
Total	<u>5,057,677</u>	<u>5,458,630</u>	<u>5,238,292</u>	<u>5,308,932</u>

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The table below sets forth the details of our material financial assets at FVTPL as of the dates indicated:

	<u>Principal Activities</u>	<u>Place of Operation</u>	<u>Ownership Interests</u>	<u>Voting Rights⁽¹⁾</u>	<u>Channel</u>
As of December 31, 2020					
- Company A	Housing lease	The PRC	0.17%	0.75%	Funds
- Company B	A pre-owned car transactions and services platform	The PRC	0.22%	0.21%	Funds
- Company C	Housing leasing	The PRC	17.12%	10.15%	Funds
- Company D	Education	The PRC	0.82%	0.82%	Funds and direct investments
- Company E	Entertainment and social networking community service	The PRC	0.84%	0.84%	Funds and direct Investments
As of December 31, 2021					
- Company A	Housing lease	The PRC	0.17%	0.75%	Funds
- Company B	A pre-owned car transactions and services platform	The PRC	0.50%	0.21%	Funds
- Company C	Housing leasing	The PRC	15.89%	10.82%	Funds
- Company D	Education	The PRC	0.82%	0.82%	Funds and direct investments
- Company E	Entertainment and social networking community service	The PRC	0.81%	0.81%	Funds and direct investments
As of December 31, 2022					
- Company A	Housing lease	The PRC	0.75%	0.75%	Funds
- Company B	A pre-owned car transactions and services platform	The PRC	0.50%	0.20%	Funds
- Company C	Housing leasing	The PRC	15.89%	10.82%	Funds
- Company D	Education	The PRC	0.82%	0.82%	Funds and direct investments
- Company E	Entertainment and social networking community service	The PRC	0.80%	0.80%	Funds and direct investments

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	<u>Principal Activities</u>	<u>Place of Operation</u>	<u>Ownership Interests</u>	<u>Voting Rights⁽¹⁾</u>	<u>Channel</u>
As of March 31, 2023					
- Company A	Housing lease	The PRC	0.75%	0.75%	Funds
- Company B	A pre-owned car transactions and services platform	The PRC	0.50%	0.20%	Funds
- Company C	Housing leasing	The PRC	15.89%	10.82%	Funds
- Company D	Education	The PRC	0.82%	0.82%	Funds and direct investments
- Company E	Entertainment and social networking community service	The PRC	0.79%	0.79%	Funds and direct investments

Note:

- (1) Voting rights are calculated based on the relevant shareholder agreements and articles of association of each portfolio company, which may stipulate voting mechanisms such as multiple votes per share, and therefore, there may be some differences between the ownership interests and voting rights of some portfolio companies.

Our financial assets at FVTPL increased from RMB5,057.7 million as of December 31, 2020 to RMB5,458.6 million as of December 31, 2021. The rapid increase was in line with our growing AUM, which grew from RMB18.5 billion as of January 1, 2019 to RMB24.9 billion as of December 31, 2021, as well as our efficient deployment of capital under our management. Our financial assets at FVTPL decreased from RMB5,458.6 million as of December 31, 2021 to RMB5,238.3 million as of December 31, 2022, primarily due to (i) a decrease in listed equity investments mainly caused by the value depreciation and disposal of certain investments; and (ii) a decrease in the unlisted convertible bonds as convertible bonds of a certain investment were converted into equity interests in 2022. Our financial assets at FVTPL increased to RMB5,309.0 million as of March 31, 2023, primarily due to the new investments we made in unlisted portfolio companies.

Our financial assets at FVTPL are mainly the portfolio companies we invested in our private equity investment business. As a private equity investor and fund manager, we focus primarily on investments in the consumer industry, conduct systematic research to develop our investment methodologies and strategies, and validate them through continuous investment practice. We place great emphasis on early-stage investments and are willing to invest a substantial amount to incubate high-quality consumer companies in their early stages in order to achieve high returns. We also make growth and late-stage investments, which target relatively mature companies in the consumer industry with a preference for portfolio companies that ranked in the top three of their relevant sectors in China.

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We have established a risk management system with the Board at the top of our risk management hierarchy being responsible for overall risk management and overseeing the risk management functions. As of the Latest Practicable Date, we have a highly experienced team of 51 investment and operation professionals, including 31 senior professionals that have an average tenure of eight years with Tiantu. We maintain a rigorous investment process and a comprehensive due diligence approach. In particular, a prospective project is typically required to be presented to the relevant investment committee for discussion and review at three meetings before an investment is made, including project establishment meeting, preliminary review meeting and investment decision meeting. The Company's own investment committee for direct investments usually consists of three to five members, selected by our Board or executive committee from our senior management. An investment project involving more than 10% of the Company's latest audited net assets needs to be reviewed and approved by the Board.

Due diligence is performed throughout the entire evaluation and committee review process, which include but are not limited to comparative analysis, on-site verification and financial forecast. In addition, we control risks related to post-investment management through various measures, such as appointing directors or supervisors to investee companies and collecting and analyzing financial statements and other information of investee companies each quarter. We also pay close attention to exit opportunities to optimize returns, and continue to evaluate and facilitate exit options.

For more details regarding our investment strategies, the associated internal control mechanism, management expertise and the investment process, please see "Business – Investment Strategies," "Business – Investment Approach," "Business – Investment Process and Arrangement" and "Business – Risk Management and Internal Control."

In addition, we expect to continue to make private equity investments, after the Listing, which may be subject to Chapter 14 of the Listing Rules.

Restricted Bank Deposits

We had restricted bank deposits of nil, RMB6.1 million, nil and nil as of December 31, 2020, 2021 and 2022 and March 31, 2023, respectively. For more details regarding restricted bank deposits, please see Note 28 *Cash and Cash Equivalents and Restricted Bank Deposits* to the Accountants' Report in Appendix I to this prospectus.

Bank Balances and Cash

Our bank balances and cash primarily consisted of bank deposits. Cash at banks earns interest at prevailing market interest rates. Our bank balance and cash increased from RMB793.4 million as of December 31, 2020 to RMB1,015.8 million as of December 31, 2021, primarily because we received a significant amount of committed capital from investors as we newly established two funds and had not invested the amounts raised by the end of 2021. Our bank balance and cash then decreased to RMB613.6 million as of December 31, 2022, primarily due to our repayment of the bonds, 17Tiantu01 and 17Tiantu02, in 2022. Our bank balance and cash then decreased to RMB551.4 million as of March 31, 2023, primarily as a result of our ongoing investment activities during the first three months of 2023.

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Accounts Payables

Our accounts payables primarily consist of payments we owed to suppliers for raw materials for the production of dairy products, feed and forage grass for Mengtian Dairy and Yoplait China. The following table sets forth the details of our accounts payables as of the dates indicated:

	As of December 31,			As of
	2020	2021	2022	March 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Account payable to a related party	–	69,821	N/A	N/A
Accounts payables to third parties	100,998	36,909	N/A	N/A
Total	100,998	106,730	N/A	N/A

Our accounts payables remained relatively stable at RMB106.7 million as of December 31, 2021. Yoplait China purchases raw milk from Mengtian Dairy, and the account payable to a related party as of December 31, 2021 (RMB69.8 million) represented the outstanding amount payable by Yoplait China to Mengtian Dairy, as Mengtian Dairy ceased to be our subsidiary and became an associate (related party) as of December 31, 2021. We had no accounts payables as of December 31, 2022 and March 31, 2023.

Our suppliers typically granted us a credit period ranging from 30 to 90 days during the Track Record Period. The following table sets forth an aging analysis of our accounts payables as of the dates indicated based on the delivery date:

	As of December 31,			As of
	2020	2021	2022	March 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	100,688	106,730	N/A	N/A
1 to 2 years	310	–	N/A	N/A
Total	100,998	106,730	N/A	N/A

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We do not have accounts payable issues in our private equity investment business. On the other hand, although Mengtian Dairy and Yoplait China have been deconsolidated, the below table sets forth the details of our accounts payables turnover days for Yoplait China and Mengtian Dairy for the periods indicated for your information.

	Year Ended December 31,			Three Months Ended March 31,
	2020	2021	2022	2023
	Accounts payables turnover days for Yoplait China and Mengtian Dairy ⁽¹⁾	69	76	N/A ⁽²⁾

Notes:

- (1) Accounts payables turnover days was calculated based on the average of opening and closing balances of accounts payables for the relevant period, divided by the cost of sales, which consists of raw materials and consumables used and changes in inventories of finished goods and work in progress for Mengtian Dairy and Yoplait China (as appropriate) for the same period, and multiplied by 360 days for 2020, 2021, and 2022, and by 90 days for the three months of 2023.
- (2) We had no accounts payables as of December 31, 2022 and March 31, 2023, as Mengtian Dairy and Yoplait China were deconsolidated.

Other Payables and Accruals

Our other payables and accruals primarily consist of (i) loan payables to related parties; (ii) salaries and welfare payables; (iii) dividend payables to an independent third party; and (iv) payables for acquisition of property, plant and equipment. The following table sets forth the details of our other payables and accruals as of the dates indicated:

	As of December 31,			As of March 31,
	2020	2021	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Loan payables to related parties	–	150,000	–	–
Accrued issue cost	–	–	16,502	8,774
Salaries and welfare payables	21,546	7,135	224	148
Dividend payables to an independent third party	5,579	5,452	5,955	5,876
Payables for acquisition of property, plant and equipment	1,790	4,749	–	–

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	As of December 31,			As of March 31,
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Deposits received	13,737	4,510	7,115	7,115
Loan payables to independent third parties	62,150	2,600	–	–
Other tax payables	11,958	2,158	1,514	420
Interest on loan payables to related parties	1,267	1,528	–	–
Other payables to related parties	69	57	–	–
Interest on loan payables to an independent third party	4,246	15	–	–
Investment payables to related parties	3,846	–	–	–
Construction costs payables	2,862	–	–	–
Sundry payables and accrued	89,838	51,003	25,915	12,414
Total	218,888	229,207	57,225	34,747

Our other payables and accruals increased from RMB218.9 million as of December 31, 2020 to RMB229.2 million as of December 31, 2021, primarily due to an increase of RMB150.0 million in loan payables to a related party as Tiantu Chuangye provided such loan to support our business operations, which was fully settled in 2022. The increase was partially offset by a decrease of RMB59.6 million in loan payables to independent third parties mainly caused by the deconsolidation of Mengtian Dairy as of December 31, 2021.

Our other payables and accruals decreased significantly from RMB229.2 million as of December 31, 2021 to RMB57.2 million as of December 31, 2022, primarily due to our repayment of RMB150.0 million in loan payables to related parties in 2022.

Our other payables and accruals decreased from RMB57.2 million as of December 31, 2022 to RMB34.7 million as of March 31, 2023, primarily due to (i) our payment in relation to our listing expenses, and (ii) our payment of consulting fee mainly in relation to fund raising activities and due diligence services for our business.

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Contract Liabilities

Our contract liabilities mainly represent (i) the advances from customers for goods in Mengtian Dairy and Yoplait China businesses; (ii) the prepaid fund management fees received from the unconsolidated investment funds under our management in our private equity investment business; and (iii) customer loyalty scheme representing the award credits granted by Mengtian Dairy to its distributors, which can be used by distributors in the future. The table below sets forth a breakdown of our contract liabilities as of the dates indicated:

	As of December 31,			As of
	2020	2021	2022	March 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>2023</i>
				<i>RMB'000</i>
Amounts received in advance in respect of:				
– Mengtian Dairy and Yoplait China	63,356	2,334	N/A	N/A
– Private equity investment business	6,140	75,510	62,648	55,429
Customer loyalty scheme from Mengtian Dairy	64,753	N/A	N/A	N/A
Total	<u>134,249</u>	<u>77,844</u>	<u>62,648</u>	<u>55,429</u>

Our contract liabilities decreased from RMB134.2 million as of December 31, 2020 to RMB77.8 million as of December 31, 2021, primarily due to the deconsolidation of Mengtian Dairy in 2021. In addition, the significant increase in contract liabilities in respect of our private equity investment business in 2021 was because we adjusted one fund's scale and therefore a certain part of the fund management fees previously paid by that fund's limited partners based on the pre-adjustment fund size were accounted for as contract liabilities. Our contract liabilities remained relatively stable at RMB62.6 million as of December 31, 2022. Our contract liabilities then decreased to RMB55.4 million as of March 31, 2023, primarily because a certain amount of prepaid fund management fees received from our unconsolidated funds were recognized as revenue according to their partnership agreements.

As of August 31, 2023, RMB9.2 million, or 16.7% of contract liabilities as of March 31, 2023 had been recognized as revenue.

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Advances From Share Transfer Transaction

Our advances from share transfer transaction mainly represent the consideration for equity transfers received from share transfer transactions. Our advances from share transfer transaction amounted to RMB186.7 million, RMB176.7 million, RMB176.7 million and RMB176.7 million as of December 31, 2020, 2021 and 2022 and March 31, 2023, respectively.

Beijing Shouhui Kaizhuo Technology Company Limited (“**Shouhui Kaizhuo**”) and 51 Credit Card Inc. are our portfolio companies. In order to control Beijing Yaku Shikong Information Exchange Technology Co., Ltd. (“**Yaku Shikong**”), a wholly-owned subsidiary of Shouhui Kaizhuo, which holds a valid payment business license, in April 2017, 51 Credit Card Inc. and its related entities entered into share transfer agreements with all shareholders of Shouhui Kaizhuo, including us as a minority shareholder holding 19.12% equity interests, to acquire 100% equity interest of Shouhui Kaizhuo. Our Group is independent from the former controlling shareholder of Shouhui Kaizhuo, Mr. Yang. As a part of the acquisition, Hangzhou Shangniu Investment Management Partnership (Limited Partnership) (“**Hangzhou Shangniu**”)⁽¹⁾, a current subsidiary of 51 Credit Card Inc., entered into agreements with us in June 2017, pursuant to which we agreed to sell our equity interest in Shouhui Kaizhuo for a total consideration of RMB176.7 million, which we received in July 2018 (the “**Share Transfer Transaction**”).

Under the share transfer agreements, obtaining the PBOC’s confirmation on the change of de facto controller of Yaku Shikong, the holder of relevant payment business license, is a condition precedent for the closing of the Share Transfer Transaction. Considering such approval has not been obtained yet, the received consideration is classified as “advances from share transfer transaction”.

As a minority shareholder of Shouhui Kaizhuo, we are not involved in the process of obtaining such approval. We have been actively facilitating the Share Transfer Transaction and monitoring the updates of the approval process. However, there was a dispute between 51 Credit Card Inc. and Mr. Yang. On January 29, 2023, we received a notice of arbitration and became aware of the fact that we were named as a party in an arbitration. A subsidiary of 51 Credit Card Inc. initiated an arbitration proceeding with Hangzhou Arbitration Commission against the controlling shareholder and all other prior shareholders of Shouhui Kaizhuo. We have engaged a reputable PRC law firm with relevant arbitration expertise as our arbitration expert to assist us in responding to the arbitration. As advised by our arbitration expert, based on their review and analysis of all the materials currently available, the likelihood of the arbitration panel granting request of 51 Credit Card Inc. is remote. Furthermore, as advised by our PRC Legal Advisor, all the agreements and supplemental agreements entered by us in

Note:

- (1) We are a limited partner of Hangzhou Shangniu, whose general partner and majority partnership interest owner is a subsidiary of 51 Credit Card Inc. Hangzhou Shangniu was registered as a fund with the AMAC in November 2017, and we used to act as its fund manager until it was deregistered as a fund with the AMAC in June 2022.

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relation to the Share Transfer Transaction remain valid and legally effective; even if 51 Credit Card Inc. prevails in the arbitration, we are still entitled to seek indemnities and other recourses. As of the Latest Practicable Date, the arbitration panel had just been established and this arbitration was still in a very early stage. Considering the available information and the opinions of our PRC Legal Advisor and arbitration expert, our Directors are of the view that there is no material impact on our business operations and financial performance. There is no adjustment or contingent liabilities made related to this incident in our historical financial statement. For risks related to this incident, please see “Risk Factors – Risks Relating to Our Business – We and Our Portfolio Companies are Exposed to Litigation Risks Which Could Negatively Impact Our Financial Position and Reputation.”

In the extreme event that the claims of 51 Credit Card Inc. are upheld by the arbitration panel, or that the Share Transfer Transaction cannot be completed, we may be requested to refund part or all of the consideration received, which amounted to RMB176.7 million. Should this happen, such refund would only have manageable impact on our cash flow, and no impact on our historical profits and losses or net assets. Taking into account that we can still request for indemnities and seek other recourses, and as of July 31, 2023, we have (i) available bank balances and cash of RMB534.1 million, (ii) listed equity investments with a value of RMB743.6 million that were not subject to trading restriction, including financial assets at FVTPL and interest in associate measured at fair value; (iii) unutilized bank facilities of RMB35.1 million, as well as our flexibility to issue long-term corporate bonds and request new facilities from financial institutions, we believe that such refund would not significantly affect our capital sufficiency and results of operations.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our primary liquidity requirements have been, and are expected to continue to be, to meet the costs associated with our business operations. Our main source of liquidity has been generated from cash flow from operation. Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash flows generated from our operating activities, long-term corporate bonds, bank facilities and net proceeds from the Global Offering. As of July 31, 2023, we had bank balances and cash of RMB534.1 million. Taking into account the available bank balances and cash, cash flows from operating activities, the available facilities, and the estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this prospectus. In addition, we also have the flexibility to dispose of those listed equity investments classified as interests in associates measured at fair value amounting to RMB452.9 million as of July 31, 2023, which are included in non-current assets but are freely tradable at our discretion. In December 2022, we entered into multiple agreements with an independent third-party investor for the purpose of optimizing our capital structure. Pursuant to these agreements, the investor acquired a total of 34.75% limited partnership interest in Tiantu Xing’an for an aggregate consideration of RMB426.1 million. As of July 31, 2023, such amount had been fully settled.

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Cash Flows

The following table sets forth our consolidated statements of cash flows for the periods indicated:

	Year Ended December 31,			Three Months Ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
The operating cash flows before movements in working capital	83,863	55,970	(90,137)	(33,171)	(1,973)
Change in working capital	858,472	(829,214)	(118,622)	(66,268)	106,125
Income tax paid	(10,661)	(17,758)	(5,965)	99	(3,736)
Net cash flows generated from/(used in) operating activities	931,674	(791,002)	(214,724)	(99,340)	100,416
Net cash flows (used in)/generated from investing activities	(135,239)	(311,000)	203,457	747	(99,524)
Subtotal	796,435	(1,102,002)	(11,267)	(98,593)	892
Net cash flows (used in)/generated from financing activities	(764,691)	1,314,242	(395,273)	53,787	(35,159)
Net increase (decrease) in cash and cash equivalents	31,744	212,240	(406,540)	(44,806)	(34,267)
Cash and cash equivalents at beginning of the year/period	768,353	793,401	1,015,797	1,015,797	613,612
Effect of foreign exchange rate changes	(6,696)	10,156	4,355	(2,295)	(574)
Cash and cash equivalents at end of the year/period, represented by bank balances and cash	793,401	1,015,797	613,612	968,696	578,771
Less: Impairment recognised for bank balance	-	-	-	-	(27,383)
	<u>793,401</u>	<u>1,015,797</u>	<u>613,612</u>	<u>968,696</u>	<u>551,338</u>

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Net Cash Generated/(Used in) from Operating Activities

For the three months ended March 31, 2023, our net cash generated from operating activities was RMB100.4 million. The difference between the operating cash flow of RMB100.4 million and our loss before tax from continuing operations of RMB96.5 million was mainly the result of RMB106.1 million of cash released from our working capital, primarily including (i) dividend received of RMB85.5 million; and (ii) a decrease in interests in associates measured at fair value of RMB47.3 million, partially offset by an increase in other payables and accruals of RMB14.7 million. This was partially offset by the adjustment of certain non-cash and non-operating items, which primarily include (i) share of results of joint ventures of RMB138.9 million; (ii) realized gains from interests in associates measured at fair value.

For the year ended December 31, 2022, our net cash used in operating activities was RMB214.7 million. The difference between the negative operating cash flow of RMB214.7 million and our profit before tax from continuing and discontinued operations of RMB759.0 million was mainly the result of excluding the effects of certain non-cash and non-operating items, which primarily include (i) gains on disposal of subsidiaries of RMB639.4 million, and (ii) unrealized gains from financial liabilities at FVTPL of RMB358.1 million. In addition, additional RMB118.6 million was used for our working capital, primarily including increase in interests in associate measured at fair value of RMB186.1 million.

For the year ended December 31, 2021, our net cash used in operating activities was RMB791.0 million. The difference between the negative operating cash flow of RMB791.0 million and our profit before tax from continuing and discontinued operations of RMB746.4 million was mainly the result of excluding the effects of certain non-cash and non-operating items, which primarily include (i) unrealized fair value changes in interests in associates measured at fair value of RMB637.6 million, and (ii) share of results of joint ventures of RMB394.9 million. In addition, additional RMB829.2 million was used for our working capital, primarily including (i) an increase in interests in associates measured at fair value of RMB813.4 million, and (ii) an increase in financial assets at FVTPL of RMB150.5 million.

For the year ended December 31, 2020, our net cash generated from operating activities was RMB931.7 million. The difference between the operating cash flow of RMB931.7 million and our profit before tax from continuing and discontinued operations of RMB976.0 million was the result of RMB858.5 million of cash released from our working capital, primarily including (i) a decrease in interests in associates measured at fair value of RMB898.1 million, and (ii) dividend received of RMB141.0 million, partially offset by (a) an increase in financial assets at FVTPL of RMB212.7 million, and (b) a decrease in accounts and bills payables of RMB58.3 million. This was partially offset by the adjustment of certain non-cash and non-operating items, which primarily include (i) realized gains from interests in associates measured at fair value of RMB943.7 million, (ii) realized gains from financial assets at FVTPL of RMB883.4 million, and (iii) unrealized gains from financial assets at FVTPL of RMB684.0 million.

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Our working capital includes certain items related to our investments, such as financial assets at FVTPL and interests in associates measured at fair value. As a result of changes in valuation of our portfolio companies and different timing of investments and exits, the amount of changes in working capital may fluctuate from year to year, which then affect our operating cash flow. As most of our funds were still in their investment periods or just entered into post-investment periods during the Track Record Period, our cash outflows for investments exceeded our cash inflows from realized investment gains and results in the cash outflows from operating activities.

Cash flows from operating and investing activities are the reflection of our discretionary choice during our investment activities.

Net Cash (Used in)/Generated from Investing Activities

For the three months ended March 31, 2023, our net cash used in investing activities was RMB99.5 million, which was primarily attributable to (i) placement of unlisted financial products classified as financial assets at FVTPL of RMB100.0 million, and (ii) purchase of property, plant and equipment, intangible assets and other non-current assets of RMB1.4 million, partially offset by interest received of RMB1.9 million.

For the year ended December 31, 2022, our net cash generated from investing activities was RMB203.5 million, which was primarily attributable to (i) proceeds from the capital reduction of interests in joint ventures of RMB121.8 million, (ii) withdrawal of unlisted financial products classified as financial assets at FVTPL of RMB77.1 million, and (iii) proceeds from the capital reduction of interests in associates of RMB56.2 million, partially offset by placement of unlisted financial products classified as financial assets at FVTPL of RMB85.1 million.

For the year ended December 31, 2021, our net cash used in investing activities was RMB311.0 million, which was primarily attributable to (i) capital injection to a joint venture of RMB159.5 million, and (ii) deconsolidation of Tiantu Xingnan and Mengtian Dairy of RMB141.4 million, partially offset by repayment from the independent third parties of RMB94.6 million.

For the year ended December 31, 2020, our net cash used in investing activities was RMB135.2 million, which was primarily attributable to (i) net cash outflow on acquisition of subsidiaries of RMB281.5 million, and (ii) purchase of biological assets by Mengtian Dairy of RMB114.2 million, partially offset by (i) net cash inflow on disposal of our subsidiaries of RMB138.6 million, and (ii) repayment from the independent third parties of RMB137.8 million.

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Net Cash (Used in)/Generated From Financing Activities

For the three months ended March 31, 2023, our net cash used in financing activities was RMB35.2 million, which was primarily attributable to (i) capital redemption by third-party holders of consolidated structure entities of RMB21.6 million; and (ii) payments of issue costs of RMB11.1 million, partially offset by capital injection by third parties to consolidated structure entities of RMB2.1 million.

For the year ended December 31, 2022, our net cash used in financing activities was RMB395.3 million, which was primarily attributable to repayment of bonds of RMB1,800.0 million, partially offset by (i) proceeds from bonds issued of RMB995.2 million and (ii) cash injection by fund investors to consolidated funds of RMB862.9 million.

For the year ended December 31, 2021, our net cash generated from financing activities was RMB1,314.2 million, which was primarily attributable to (i) cash injection by fund investors to consolidated funds of RMB1,489.3 million, and (ii) new bank and other borrowings raised of RMB300.5 million, partially offset by (i) repayments of bank and other borrowings of RMB292.7 million, and (ii) interest paid of RMB174.6 million.

For the year ended December 31, 2020, our net cash used in financing activities was RMB764.7 million, which was primarily attributable to (i) repayments of bank and other borrowings of RMB772.4 million, and (ii) repayment of loan from related parties of RMB468.6 million, partially offset by cash injection by fund investors to consolidated funds of RMB599.2 million.

Net Current Assets/Liabilities

	As of December 31,			As of March 31,	As of July 31,
	2020	2021	2022	2023	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>
Current assets					
Accounts receivables	114,930	93,419	44,030	49,639	58,605
Prepayments and other receivables	269,883	118,623	245,091	163,299	172,958
Inventories	94,365	10,637	–	–	–
Financial assets at FVTPL	1,407,948	892,989	530,282	511,194	491,284
Restricted bank deposits	–	6,055	–	–	–
Bank balances and cash	793,401	1,015,797	613,612	551,388	534,088
Total current assets	2,680,527	2,137,520	1,433,015	1,275,520	1,256,935

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	As of December 31,			As of	As of
				March 31,	July 31,
	2020	2021	2022	2023	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>				
Current liabilities					
Accounts and bills payables	100,998	106,730	–	–	–
Other payables and accruals	218,888	229,207	57,225	34,747	37,566
Contract liabilities	134,249	77,844	62,648	55,429	47,795
Advances from share transfer transaction	186,730	176,730	176,730	176,730	176,730
Amount due to a director	104,338	73,315	–	–	–
Tax payable	28,799	24,578	24,794	23,598	22,544
Bank and other borrowings	213,674	118,521	85,245	84,860	84,860
Bond payables due within one year	44,626	1,830,162	20,398	32,525	222,414
Lease liabilities	10,013	6,021	6,821	4,819	10,814
Total current liabilities	<u>1,042,315</u>	<u>2,643,108</u>	<u>433,861</u>	<u>412,708</u>	<u>602,723</u>
Net current assets (liabilities)	<u>1,638,212</u>	<u>(505,588)</u>	<u>999,154</u>	<u>862,812</u>	<u>654,212</u>

We had net current liabilities of RMB505.6 million as of December 31, 2021, primarily because we had a large amount of bond payables due within one year as of December 31, 2021 since our bonds, 17Tiantu01 of RMB1,000.0 million and 17Tiantu02 of RMB800.0 million, would mature in May 2022 and October 2022, respectively. We had net current assets of RMB999.2 million and RMB862.8 million as of December 31, 2022 and March 31, 2023, respectively, primarily because we issued the 2022 First Corporate Bonds and 2022 Second Corporate Bonds, due in 2025 or 2027, with a total principal amount of RMB1,000.0 million in 2022. In addition, we also redeemed the bond 17Tiantu01 and 17Tiantu02 upon maturity in 2022, using the proceeds of the bonds issued in 2022 as well as our internal resources. The decrease in the net current assets as of March 31, 2023 was primarily due to a decrease in our bank balance and cash mainly as a result of our ongoing investment activities during the first three months of 2023.

One technical accounting treatment also significantly affects our net current asset position. If we invest in a portfolio company and appoint a member to the board, such investment will be accounted for as an interest in associate measured at fair value and classified as a non-current asset item regardless of whether the equity securities of that portfolio company is highly liquid and traded on a reputable stock exchange. As of December 31, 2020, 2021 and 2022 and March 31, 2023 and July 31, 2023, RMB167.3 million, RMB831.0 million, RMB701.7 million, RMB681.0 million and RMB452.9 million of interests in associates measured at fair value represented our listed equity investments and were not subject to trading restriction.

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INDEBTEDNESS

Our indebtedness mainly included amounts due to related parties – non-trade, amounts due to a director – non-trade, advances from share transfer transaction – non-trade, bank and other borrowings, bond payables and lease liabilities, during the Track Record Period and as of July 31, 2023. Except as disclosed in the table below, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of July 31, 2023. After due and careful consideration, our Directors confirm that there had been no material adverse change in our indebtedness since July 31, 2023 and up to the Latest Practicable Date. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of	As of
	2020	2021	2022	March 31,	July 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					<i>(unaudited)</i>
Current					
Amounts due to independent third parties – non-trade	66,396	2,615	–	–	–
Amounts due to related parties – non-trade	5,182	151,585	–	–	–
Amount due to a director – non-trade	104,338	73,315	–	–	–
Advances from share transfer transaction – non-trade	186,730	176,730	176,730	176,730	176,730
Bank and other borrowings	213,674	118,521	85,245	84,860	84,860
Bond payables due within one year	44,626	1,830,162	20,398	32,525	222,414
Lease liabilities	10,013	6,021	6,821	4,819	10,814
Non-current					
Bank and other borrowings	–	–	–	–	–
Bond payables due over one year	1,783,668	–	980,913	984,897	785,905
Lease liabilities	24,816	1,163	13,830	13,015	14,176
Total	2,439,443	2,360,112	1,283,937	1,296,846	1,294,899

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Amounts Due To Independent Third Parties – Non-trade

Our amounts due to independent third parties mainly represented loans we received from independent third parties for the business operation of Mengtian Dairy. We had amounts due to independent third parties of RMB66.4 million, RMB2.6 million, nil, nil and nil as of December 31, 2020, 2021 and 2022 and March 31, 2023 and July 31, 2023. The significant decrease in 2021 was caused by the deconsolidation of Mengtian Dairy.

Amounts Due To Related Parties – Non-trade

Our amounts due to related parties mainly represented the loans made from related parties. Such loans were primarily made by the entities controlled by Mr. Wang, our Controlling Shareholder, to support our business operations. We had amounts due to related parties of RMB5.2 million, RMB151.6 million, nil, nil and nil as of December 31, 2020, 2021 and 2022 and March 31, 2023 and July 31, 2023, respectively. Our amounts due to related parties were unsecured and unguaranteed. As of July 31, 2023, our amounts due to related parties had been fully settled.

Amount Due To A Director – Non-trade

Our amount due to a director primarily represented the loans of HK\$125.0 million from Mr. Wang, our Controlling Shareholder, to support our business operations in December 2018. We had amount due to a director of RMB104.3 million, RMB73.3 million, nil, nil and nil as of December 31, 2020, 2021 and 2022 and March 31, 2023 and July 31, 2023, respectively. Such balance was unsecured and unguaranteed. As of July 31, 2023, our amounts due to a director had been fully settled.

Advances from Share Transfer Transaction – Non-trade

Our advances from share transfer transaction mainly represent the consideration for equity transfers received from share transfer transactions. Our advances from share transfer transaction amounted to RMB186.7 million, RMB176.7 million, RMB176.7 million, RMB176.7 million and RMB176.7 million as of December 31, 2020, 2021 and 2022 and March 31, 2023 and July 31, 2023, respectively. Such balance was unsecured and unguaranteed. For more details regarding our advances from share transfer transaction, please see “– Discussion of Certain Selected Items From the Consolidated Statements of Financial Position – Advances From Share Transfer Transaction.”

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Bank and Other Borrowings

Our bank and other borrowings were primarily used to supplement our working capital. Our bank and other borrowings amounted to RMB213.7 million, RMB118.5 million, RMB85.2 million, RMB84.9 million and RMB84.9 million as of December 31, 2020, 2021 and 2022 and March 31, 2023 and July 31, 2023, respectively. As of July 31, 2023, we had unutilized bank facilities of RMB35.1 million. The following table sets forth a breakdown of our bank and other borrowings as of the dates indicated:

	As of December 31,			As of	As of
	2020	2021	2022	March 31,	July 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					<i>(unaudited)</i>
Bank borrowings					
– Secured and guaranteed	44,118	–	–	–	–
– Secured and unguaranteed	30,547	48,521	–	–	–
– Unsecured and guaranteed	30,043	70,000 ⁽¹⁾	70,000 ⁽¹⁾	70,000 ⁽¹⁾	–
– Unsecured and unguaranteed	–	–	15,245	14,860	84,860
Subtotal	104,708	118,521	85,245	84,860	84,860
Other borrowings					
– Secured and guaranteed	8,966	–	–	–	–
– Unsecured and guaranteed	100,000	–	–	–	–
Subtotal	108,966	–	–	–	–
Total	213,674	118,521	85,245	84,860	84,860

Note:

- (1) The loan was unsecured and was guaranteed by Mr. Wang. Such personal guarantee was released when we renewed such loan in May 2023.

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The following table sets forth the range of effective interest rates of our bank and other borrowings as of the date indicated:

	As of December 31,			As of
	2020	2021	2022	March 31,
	%	%	%	2023
	%	%	%	%
Floating rate borrowing	4.79 to 6.09	4.35 to 4.80	N/A	N/A
Fixed rate borrowing	<u>4.50 to 10.44</u>	<u>4.79</u>	<u>4.79 to 5.00</u>	<u>4.79 to 5.00</u>

The table below sets forth payment schedule of our bank and other borrowings as of the date indicated:

	As of December 31,			As of	As of
	2020	2021	2022	March 31,	July 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					<i>(unaudited)</i>
Repayment within one year	213,674	118,521	85,245	84,860	84,860
Repayment within one year to two years	-	-	-	-	-
Total	<u>213,674</u>	<u>118,521</u>	<u>85,245</u>	<u>84,860</u>	<u>84,860</u>

Our Directors confirm that we have not defaulted in the repayment of the bank loans and other borrowings during the Track Record Period. Our Directors have confirmed that there was no material covenant on any of our outstanding debt and there was no breach of any covenants during the Track Record Period and up to July 31, 2023. During the Track Record Period and up to July 31, 2023, to the best knowledge of our Directors, we did not experience any difficulty in obtaining bank loans. Given our credit history and our current credit status, we believe that we will not encounter any major difficulties in obtaining additional bank borrowings in the future.

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Bond Payables Due Within/Over One Year

Our bond payables due within or over one year during the Track Record Period represented the 2017 Innovation and Entrepreneurship Bonds (17Tiantu01 and 17Tiantu02), the 2022 First Corporate Bonds (22Tiantu01 and 22Tiantu02) and the 2022 Second Corporate Bonds (22Tiantu03) issued by us, which were approved by the China Securities Regulatory Commission for the issue to qualified investors in the PRC by installment in 2017 and 2022. As of December 31, 2020, 2021 and 2022 and March 31, 2023 and July 31, 2023, we had bond payables of RMB1,828.3 million, RMB1,830.2 million, RMB1,001.3 million, RMB1,017.4 million and RMB1,008.3 million, respectively. All of our bonds are unsecured and guaranteed. We used the net proceeds from the issuance of such listed corporate bonds primarily to fund our growth of business scale. As of July 31, 2023, the 2022 First Corporate Bonds and 2022 Second Corporate Bonds with an aggregated principal amount of RMB1,000.0 million remained outstanding. We redeemed the bond 17Tiantu01 (principal RMB1,000.0 million) in May 2022 and 17Tiantu02 (principal RMB800.0 million) in October 2022, using the proceeds of the 2022 First Corporate Bonds and the 2022 Second Corporate Bonds as well as our internal resources. The table below sets forth certain information on our bonds:

<u>Name</u>	<u>Issued Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Coupon rate</u>
	<i>RMB'000</i>			
17Tiantu01 ⁽¹⁾⁽³⁾⁽⁴⁾	1,000,000	May 22, 2017	May 22, 2022	The coupon rate is 6.5% per annum, while subsequently on April 21, 2020, the Company exercised its rights as included in the bond offering document to revise the coupon rate to 5.8% per annum.
17Tiantu02 ⁽²⁾⁽³⁾⁽⁴⁾	800,000	October 24, 2017	October 24, 2022	The coupon rate is 6% per annum, while subsequently on September 28, 2020, the Company exercised its rights as included in the bond offering document to revise the coupon rate to 5.8% per annum.

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<u>Name</u>	<u>Issued Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Coupon rate</u>
	<i>RMB'000</i>			
22Tiantu01 ⁽⁵⁾	200,000	May 5, 2022	May 5, 2025	The coupon rate is 4.27% per annum. Pursuant to the bond offering document, the Company has the right to revise the coupon rate in the second year, and the bondholders are granted with right to request the Company to redeem the outstanding bond in the second years after the date of issue.
22Tiantu02 ⁽⁵⁾	300,000	May 5, 2022	May 5, 2027	The coupon rate is 4.99% per annum. Pursuant to the bond offering document, the Company has the right to revise the coupon rate in the third year, and the bondholders are granted with right to request the Company to redeem the outstanding bond in the third year after the date of issue.
22Tiantu03 ⁽⁵⁾	500,000	October 19, 2022	October 19, 2025	The coupon rate is 5.00% per annum.

Notes:

- (1) On May 22, 2020, we repurchased 4,000 units of 17Tiantu01 with principal amount of RMB400,000.
- (2) On October 24, 2020, we repurchased 500,000 units of 17Tiantu02 with principal amount of RMB50.0 million.
- (3) Pursuant to the bond offering document, the bondholders were granted the right to request us to redeem the outstanding bonds at the third year after the date of issue. Subsequently, in 2020, the unredeemed portion of the corporate bonds, according to the original issue terms, had been extended for another two years, which would mature in 2022 and, therefore, was reclassified to non-current liabilities as of December 31, 2020.

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- (4) During the years ended December 31, 2020 and 2021, Mr. Wang, his spouse and Tiantu Chuangye provided counter-guarantees to an independent financial institution, who was one of our portfolio companies accounted for as financial assets at FVTPL and acted as a third-party guarantor for the 2017 Innovation and Entrepreneurship Bonds. Such counter-guarantees included (a) 209,170,000 Shares held by Mr. Wang; (b) personal counter-guarantees jointly provided by Mr. Wang and his spouse; (c) pledge of certain shares of one financial asset at FVTPL and of our interest in an associate measured at fair value ((a), (b) and (c) collectively, the “**2017 Bonds Counter-Guarantees**”). In March 2022, certain pledged Shares held by Mr. Wang was released from that independent financial institution and were reduced to 105,215,378 Shares. As the 2017 Innovation and Entrepreneurship Bonds were redeemed by the Company in October 2022, the 2017 Bonds Counter-Guarantees have been released accordingly. For more details, please see “Relationship With Our Controlling Shareholders – Independence From Our Controlling Shareholders – Financial Independence” in this prospectus.
- (5) During the year ended December 31, 2022 and the seven months ended July 31, 2023, the 2022 First Corporate Bonds were guaranteed by an independent financial institution who acted as the third-party guarantor. In return, Mr. Wang, his spouse and Tiantu Chuangye provided counter-guarantees to that independent financial institution, such counter-guarantees included (a) 103,954,622 Share held by Mr. Wang (the “**Share Pledge**”); (b) personal guarantees provided by Mr. Wang and his spouse to that independent financial institution; (c) corporate guarantee provided by Tiantu Chuangye; (d) pledge of certain shares held by Tiantu Chuangye in one of its invested companies, (e) mortgages over certain real estate property of Tiantu Chuangye, and (f) pledge of certain shares of our interest in associates measured at fair value and of 100% shareholding of a subsidiary. The Share Pledge are expected to be released from that independent financial institution upon the Listing. In connection with the issuance of the 2022 Second Corporate Bonds, China CSCI, an independent financial institution, provided guarantee for our repayment obligations thereunder. In return, Mr. Wang, his spouse and Tiantu Chuangye provided counter-guarantees to China CSCI, including: (a) 105,215,378 Shares held by Mr. Wang, (b) personal guarantee provided by Mr. Wang and his spouse, (c) corporate guarantee provided by Tiantu Chuangye and (d) pledge of certain shares of our interest in associates measured at fair value. Such counter-guarantees are expected to be released immediately upon the Listing. For more details, please see “Relationship With Our Controlling Shareholders – Independence From Our Controlling Shareholders – Financial Independence” in this prospectus and Note 34 *Bond Payables Due Within/Over One Year* to the Accountants’ Report in Appendix I to this prospectus.

Lease Liabilities

Our lease liabilities amounted to RMB34.8 million, RMB7.2 million, RMB20.7 million, RMB17.8 million and RMB25.0 million as of December 31, 2020, 2021 and 2022 and March 31, 2023 and July 31, 2023, respectively, mainly in relation to properties we leased for Mengtian Dairy and Yoplait China. As of July 31, 2023, RMB19.7 million of our lease liabilities was unguaranteed and secured by rental deposits paid while remaining portion of the lease liabilities was unsecured and unguaranteed. The following table sets forth our lease liabilities as of the dates indicated:

	As of December 31,			As of March 31,	As of July 31,
	2020	2021	2022	2023	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					<i>(unaudited)</i>
Current	10,013	6,021	6,821	4,819	10,814
Non-current	24,816	1,163	13,830	13,015	14,176
Total	34,829	7,184	20,651	17,873	24,990

FINANCIAL INFORMATION

Our lease liabilities decreased from RMB34.8 million as of December 31, 2020 to RMB7.2 million as of December 31, 2021, primarily due to the deconsolidation of Mengtian Dairy as of December 31, 2021. Our lease liabilities then increased to RMB20.7 million as of December 31, 2022, primarily due to (i) our renewal of lease agreements in 2022, and (ii) new office premises we leased in Shenzhen in July 2022. Our lease liabilities decreased to RMB17.9 million as of March 31, 2023, primarily due to our continuous payment of rent. Our lease liabilities then increased to RMB25.0 million as of July 31, 2023, primarily due to the renewal of our lease for office premises in Shenzhen during July 2023.

CAPITAL EXPENDITURES

We regularly incur capital expenditures to expand our operations, upgrade our facilities of our dairy business and increase our operating efficiency. Our capital expenditures represented payment for purchases of property, plant and equipment, intangible assets and leasehold improvement during the Track Record Period. The following table sets forth our capital expenditures for the periods indicated:

	Year Ended December 31,			Three Months Ended March 31,	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Purchases of property, plant and equipment, intangible assets and other non-current assets	89,520	42,080	10,954	2,390	1,449
Total	89,520	42,080	10,954	2,390	1,449

Our capital expenditures were almost all related to Mengtian Dairy and Yoplait China during the Track Record Period, and therefore, after the deconsolidation of those two entities, we expect to incur minimal capital expenditures in relation to our private equity investment business.

FINANCIAL INFORMATION

CONTRACTUAL OBLIGATIONS

Capital Commitments

As of December 31, 2020, 2021 and 2022 and March 31, 2023, we had capital commitments of RMB190.0 million, RMB181.0 million, RMB36.2 million and RMB10.5 million, respectively, primarily in connection with our private equity investment activities. The following table sets forth our capital commitments as of the date indicated:

	As of December 31,			As of
	2020	2021	2022	March 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Capital commitments in respect of				
– Property, plant and equipment	1,576	3,486	–	–
– Minimum investments to portfolio companies	<u>188,412</u>	<u>177,520</u>	<u>36,200</u>	<u>10,500</u>
Total	<u><u>189,988</u></u>	<u><u>181,006</u></u>	<u><u>36,200</u></u>	<u><u>10,500</u></u>

CONTINGENT LIABILITIES

As of December 31, 2020, 2021 and 2022 and March 31, 2023, we did not have any contingent liabilities. We confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

We enter into transactions with related parties from time to time. Our Directors are of the view that the related party transactions set out in Note 44 *Related Party Transactions and Balances* to the Accountants' Report in Appendix I to this prospectus, which primarily include amounts due to related parties, amounts due from related parties, loans to related parties, deposit for the acquisition of a subsidiary, were conducted in the ordinary course of our business, on an arm's length basis and on normal commercial terms between the relevant parties.

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We expect that certain non-trade balances with related parties will not be fully settled prior to the Listing, including (i) amounts due from related parties, (ii) loans to related parties, (iii) advance from a related party and (iv) lease liabilities related to Tiantu Chuangye. With respect to the loans to related parties and advance from a related party, our Directors consider that (i) the remaining balance of loans to related parties, net of impairment loss allowance, is relatively small and our Group charged the related party based on fair market interest rate; and (ii) the advance from a related party, which arose from a share transfer, would be derecognized upon the completion of such share transfer, with no material impact to our profit or loss or net assets. In addition, the balances of amounts due from related parties and lease liabilities related to Tiantu Chuangye are small and insignificant to our Group. As such, maintaining such non-trade balances with related parties will not affect our financial independence.

CAPITAL RISKS DISCLOSURE

We manage our capital to ensure that our group companies will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. Our overall strategy remains unchanged throughout the Track Record Period.

The capital structure of our Group consists of net debt, which includes amount due to a director, bank and other borrowings, bond payables due within/over one year, amounts due to related parties – trade or non-trade nature and lease liabilities.

Our management team reviews the capital structure regularly. As part of this review, our management team considers the cost of capital and the risks associated with each class of capital. Based on recommendations of our management team, we will balance our overall capital structure through new shares issues as well as the issue of new debt or redemption of existing debt.

FINANCIAL RISKS DISCLOSURE

We are exposed to a variety of financial risks: market risk (including currency risk, interest rate risk, and other price risk), credit risk, liquidity risk and fair value measurement. Our management team manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. For more details, please see Note 48 *Financial Risk Management* to the Accountants' Report in Appendix I to this prospectus.

DIVIDENDS

No dividend has been paid or declared by our Company during the Track Record Period. On April 20, 2023, our shareholders' general meeting passed a resolution to declare and distribute a cash dividend of RMB104.0 million for the year ended December 31, 2022 ("**2023 Dividend**") to all holders of our Shares listed on the NEEQ as of a record date prior to the Listing, as part of our commitment to sharing our development results with shareholders and in line with our long-term business plan. The 2023 Dividend was paid in June 2023, using our

FINANCIAL INFORMATION

profits and reserves available for distribution, in compliance with the PRC Company Laws and our Articles of Association, as advised by our PRC Legal Advisor. We believe that the distribution of the 2023 Dividend will not have a material impact on the sufficiency of our working capital after the Listing and we will be able to maintain sufficient funds to meet our working capital requirement and debt obligations. Our historical declarations of dividends, including the 2023 Dividend, may not be indicative of our future declarations of dividends.

We currently do not have any dividend policy to declare or pay any dividends. We will periodically review our performance and evaluate whether it would be appropriate to declare and pay dividends. Any declaration and payment as well as the amount of dividends will be subject to our Articles of Association and the PRC Company Law. The declaration and payment of any dividends in the future will be determined by our Board, in its discretion, and will depend on a number of factors, including our earnings, capital requirements, overall financial condition and contractual restrictions. Our Shareholders in a general meeting may approve any declaration of dividends, 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.

As confirmed by our PRC Legal Advisor, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for, and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above. There is no assurance that dividends of any amount will be declared to be distributed in any year.

DISTRIBUTABLE RESERVES

As of March 31, 2023, we had retained earnings of RMB204.6 million available for distribution upon satisfaction of certain conditions and procedures in accordance with applicable laws and regulations.

LISTING EXPENSES

Based on the mid-point of our indicative price range and assuming the Over-allotment Option is not exercised, the listing expenses to be borne by us are estimated to be approximately RMB119.6 million (HK\$130.4 million) and are expected to represent approximately 8.8% of the gross proceeds of the Global Offering (including underwriting commission), comprising of (i) underwriting-related expenses, including underwriting commission and other expenses, of RMB52.8 million (HK\$57.5 million); and (ii) non-underwriting-related expenses of RMB66.8 million (HK\$72.9 million), including (a) fee prepaid and payable to Legal Advisors and Reporting Accountant of RMB44.3 million (HK\$48.3 million); and (b) other fees and expenses of RMB22.5 million (HK\$24.6 million). Among such estimated total listing expenses, approximately RMB1.5 million (HK\$1.7 million) is expected to be charged to our consolidated

FINANCIAL INFORMATION

statements of profit or loss, and approximately RMB118.1 million (HK\$128.7 million) is expected to be recognized as a deduction from equity upon the Listing. As of March 31, 2023, we incurred RMB44.9 million (HK\$48.9 million) in listing expenses recognized as deferred issue cost, which are primarily directly attributable to the issuance of the H Shares and will be deducted from equity upon the Listing. We estimate that additional listing expenses of approximately RMB74.7 million (HK\$81.5 million) (including underwriting commissions of approximately RMB47.8 million (HK\$52.2 million), assuming the Over-allotment Option is not exercised and based on the Offer Price of HK\$8.60 per Offer Share) will be incurred by our Company.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of our Group attributable to owners of our Company which has been prepared in accordance with paragraph 4.29 of the Listing Rules is for the purpose of illustrating the effect of the proposed Hong Kong public offering and international offering of the H Shares of the Company (the “**Global Offering**”) as if the Global Offering had taken place on March 31, 2023.

This unaudited pro forma statement of adjusted consolidated net tangible assets of our Group attributable to owners of our Company has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of our Group attributable to owners of our Company had the Global Offering been completed as of March 31, 2023 or at any further dates. It is prepared based on the audited consolidated net tangible assets of our Group attributable to owners of our Company as of March 31, 2023 as derived from the Accountants’ Report set out in Appendix I to this prospectus and adjusted as described below.

	Consolidated net tangible assets of our Group attributable to owners of our Company as of March 31, 2023	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as of March 31, 2023	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per share as of March 31, 2023	
	<i>RMB'000</i> <i>(Note 1)</i>	<i>RMB'000</i> <i>(Note 2)</i>	<i>RMB'000</i>	<i>RMB</i> <i>(Note 3)</i>	<i>HK\$</i> <i>(Note 4)</i>
Based on an Offer Price of HK\$5.80 per H Share	7,186,253	817,574	8,003,827	11.55	12.59
Based on an Offer Price of HK\$11.40 per H Share	7,186,253	1,676,129	8,862,382	12.79	13.94

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Notes:

- (1) The consolidated net tangible assets of the Group attributable to owners of the Company as of March 31, 2023 is arrived at after deducting goodwill attributable to owners of the Company of RMB56,000 from the audited consolidated net assets of RMB7,186,309,000 attributable to owners of the Company as of March 31, 2023 as extracted from the Accountants' Report set out in Appendix I to this prospectus.
- (2) The estimated net proceeds from the issue of the new shares pursuant to the Global Offering are based on 173,258,000 H Shares at the Offer Price of HK\$5.80 and HK\$11.40 per H Share, being the low-end and high-end of the stated Offer Price Range, after deduction of the estimated underwriting fees and commissions and other related expenses not yet recognised in profit or loss up to March 31, 2023. It does not take into account of any share which may be allotted and issued upon the exercise of the Over-allotment Option or any other issuance or repurchase of shares by the Company.

For the purpose of this unaudited pro forma statement, the estimated net proceeds from the Global Offering are converted from HK\$ into RMB at an exchange rate of RMB0.9171 to HK\$1.00, which was the exchange rate prevailing on September 15, 2023 with reference to the rate published by the People's Bank of China. No representation is made that the HK\$ amounts have been, could have been or may be converted to RMB, or vice versa, at that rate or any other rates or at all.

- (3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share is arrived at on the basis that 693,031,110 shares were in issue assuming that the Global Offering had been completed on March 31, 2023 and without taking into account of any share which may be allotted and issued upon the exercise of the Over-allotment Option or any other issuance or repurchase of shares by the Company.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share, is converted from RMB into HK\$ at an exchange rate of RMB0.9171 to HK\$1.00, which was the exchange rate prevailing on September 15, 2023 with reference to the rate published by the People's Bank of China. No representation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or any other rates or at all.
- (5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group as of March 31, 2023 to reflect any trading result or other transaction of the Group entered into subsequent to March 31, 2023. In particular, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company have not been adjusted to illustrate the effect of the 2023 Dividend of RMB103,955,000 distributed as disclosed in the paragraph headed "– Dividends" in this section. After taking into account the 2023 Dividend, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company would have been RMB7,899,872,000 and RMB8,758,427,000 and the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share would have been HK\$12.43 and HK\$13.78, respectively, assuming the amounts is converted from RMB into HK\$ at an exchange rate of RMB0.9171 to HK\$1.00, which was the exchange rate prevailing on September 15, 2023 with reference to the rate published by the People's Bank of China. No representation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or any other rates or at all.

FINANCIAL INFORMATION

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this prospectus, other than as disclosed under the “Recent Developments and No Material Adverse Change” in the “Summary” section, there had been no material adverse change in our financial and operational conditions or prospects since March 31, 2023, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants’ Report in Appendix I to this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

For a detailed description of our future plans, please see “Business – Strategies” in this prospectus.

USE OF PROCEEDS

The aggregate net proceeds that we expect to receive from the Global Offering (after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering) will be approximately HK\$1,359.6 million, assuming the Over-allotment Option being not exercised and assuming an Offer Price of HK\$8.60 per Share, being the mid-point of the indicative Offer Price range stated in this prospectus. In line with our strategies, we intend to use our net proceeds from the Global Offering for the following:

- 65.0%, or approximately HK\$883.8 million, will be allocated to further expand our private equity fund management business. Specifically, we plan to allocate:
 - 35.0% or approximately HK\$475.9 million to provide capitals for our fund management business to solidify our leading position. We will use the net proceeds as seed investment funds for the purpose of the AUM growth in respect of our fund management business. Specifically, we plan to incubate four new funds over the next three years with a primary focus on investments in consumer demand-driven sectors that are directly related to evolving lifestyles, including but not limited to healthcare, artificial intelligence and biotechnology, which we believe will become the next fast growing sectors. We believe selectively committing our own capital as a general partner and/or as a limited partner in funds helps to align our interests with those of our fund investors and to enhance investors’ confidence, which will help us to attract more external investors to further expand our fund management business;
 - 15.0% or approximately HK\$203.9 million to invest in our talents in the aspects of fund management, risk management and internal control to support the expansion of our fund management business. Specifically, (i) we will prepare attractive remuneration package, including compensation and benefits, to enhance our abilities to attract, motivate and retain our personnel; and (ii) we plan to hire more talents to strengthen our coverage of the ever-expanding consumer industry and other promising sectors, and incubate and partner with more investment talents who will reinforce our expertise in deal sourcing, fund management and risk management capacities;

FUTURE PLANS AND USE OF PROCEEDS

- 10.0% or approximately HK\$136.0 million to invest in the external professional support for our fund management business. Specifically, we expect to engage third-party service providers in the expansion of our fund management business to provide professional services in accounting, finance, client acquisition, compliance and legal areas that will facilitate the increasing needs; and
- 5.0% or approximately HK\$68.0 million to invest in office and IT infrastructure. We intend to continue to invest in emerging third-party technologies, focusing on data aggregation and analytics and other technologies to improve the data intelligence and overall efficiency of our fund management operations. In addition, we also expect to invest in office expansion and renovation in response to our expanding business.
- 25.0%, or approximately HK\$339.9 million, will be allocated to further develop and strengthen our direct investment business. Specifically, we plan to allocate:
 - 12.5% or approximately HK\$170.0 million to leverage our investment expertise to commit our own capital by way of direct investment to grasp market opportunities that complement our funds' strategies. Our direct investment business will continue to focus on the consumer-driven sectors with disciplined investment selection. As of the Latest Practicable Date, we had not yet identified any target for direct investments using such net proceeds;
 - 10.0% or approximately HK\$136.0 million to optimize our capital structure. As we redeemed our bond Tiantu02 in October 2022 partially with our own capital, and expect to incur additional finance cost and bonds payable due in the coming years in relation to the 2022 First Corporate Bonds and the 2022 Second Corporate Bonds, we plan to use the net proceeds to facilitate the repayment schedule and diversify our sources of funding and minimize overall financing costs; and
 - 2.5% or approximately HK\$34.0 million to continue to invest in our post-investment support and overall direct investment capabilities. We plan to recruit personnel in the aspects of research and development and compliance to strengthen our post-investment management to better handle market fluctuations. In addition, we expect to further develop our investment training system to provide training sessions to all of our existing and newly recruited investment personnel, including knowledge of investment management, risk management and ESG matters.
- 10.0%, or approximately HK\$136.0 million, will be allocated to our general corporate purposes.

FUTURE PLANS AND USE OF PROCEEDS

The above allocation of the net proceeds from the Global Offering will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the indicative Offer Price range stated in this prospectus.

Pending the deployment of the net proceeds from the Global Offering as described above, the Company intends to deposit the unused net proceeds into short-term interest-bearing bank deposits only with licensed banks or authorized financial institutions as defined under the Securities and Future Ordinance. The net proceeds from the Global Offering will not be used for securities investment in the secondary market or derivatives investment, and will not be invested directly or indirectly in companies that mainly engage in the trading of marketable securities.

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$1,359.6 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, and assuming the Over-Allotment Option being not exercised and an Offer Price of HK\$8.60 per Share, which is the mid-point of the indicative Offer Price range stated in this prospectus. If the Offer Price is set at HK\$11.40 per Share, which is the high end of the indicative Offer Price range, the net proceeds from the Global Offering will increase by approximately HK\$468.1 million. If the Offer Price is set at HK\$5.80 per Share, which is the low end of the indicative Offer Price range, the net proceeds from the Global Offering will decrease by approximately HK\$468.1 million. If the Over-allotment Option is exercised in full, and assuming an Offer Price of HK\$8.60 per Share (being the mid-point of the indicative Offer Price range), the additional net proceeds that we will receive will be approximately HK\$215.7 million.

UNDERWRITING

HONG KONG UNDERWRITERS

Huatai Financial Holdings (Hong Kong) Limited
BOCI Asia Limited
Zhongtai International Securities Limited
CMB International Capital Limited
China Galaxy International Securities (Hong Kong) Co., Limited
ICBC International Securities Limited
China Industrial Securities International Capital Limited
Essence International Securities (Hong Kong) Limited
CCB International Capital Limited
BOCOM International Securities Limited
ABCI Securities Company Limited
Guodu Securities (Hong Kong) Limited
Futu Securities International (Hong Kong) Limited
Tiger Brokers (HK) Global Limited
Livermore Holdings Limited
Valuable Capital Limited

HONG KONG UNDERWRITING ARRANGEMENTS

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 17,326,000 Hong Kong Offer Shares (subject to reallocation) for subscription by the public in Hong Kong at the Offer Price on and subject to the terms and conditions of this prospectus.

Subject to (a) the Stock Exchange granting listing of, and permission to deal in, the H Shares to be issued and sold pursuant to the Global Offering (including any additional H Shares which may be issued and/or sold pursuant to the exercise of the Over-allotment Option) as mentioned herein and (b) to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have severally agreed to subscribe or procure subscriptions for their respective applicable proportions of the Hong Kong Offer Shares now being offered but which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

UNDERWRITING

Grounds for Termination

The Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters), shall be entitled by written notice to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect if prior to 8:00 a.m. on the Listing Date:

- (a) there shall develop, occur, exist or come into effect:
 - (i) any event or series of events, whether in continuation, or circumstances or in the nature of force majeure (including any acts of government, declaration of a local, regional, national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreaks, escalation or mutation of diseases (including, without limitation, SARS, swine or avian flu, H5N1, H1N1, H7N9, contagious coronavirus (COVID-19) and such related/mutated forms), accident or interruption or delay in transportation, economic sanctions, strikes, labor disputes, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism (whether or not responsibility has been claimed)) in or affecting Hong Kong, the PRC, the United States, the Cayman Islands, the BVI, the United Kingdom or the European Union (or any member thereof), or Japan, or any other jurisdiction relevant to any member of the Group (collectively, the “**Relevant Jurisdiction(s)**”); or
 - (ii) any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market matters or conditions, equity securities or exchange control or any monetary or trading settlement system or other financial markets (including conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets), in or affecting any of the Relevant Jurisdictions; or
 - (iii) any moratorium, suspension or restriction (including any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange; or
 - (iv) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent governmental authority), New York (imposed at Federal or New York State level or other competent governmental authority), London, the PRC, the European Union (or any member thereof), Japan or any Relevant

UNDERWRITING

Jurisdiction or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdiction; or

- (v) any new law or regulation or any change or development involving a prospective change in existing laws or regulations or any change or development involving a prospective change in the interpretation or application thereof by any court or any governmental authority in or affecting any of the Relevant Jurisdictions; or
- (vi) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for, any of the Relevant Jurisdictions in respect of any jurisdiction relevant to the business operations of any member of the Group; or
- (vii) any change or development involving a prospective change or amendment in or affecting taxation or foreign exchange control, currency exchange rates or foreign investment regulations (including a material devaluation of the Hong Kong dollar or RMB against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar), or the implementation of any exchange control, in any of the Relevant Jurisdictions or adversely affecting an investment in the Offer Shares; or
- (viii) any litigation, dispute, legal action or claim being threatened or instigated against any member of the Group, any Controlling Shareholder or any Director or any Supervisor; or
- (ix) the chairman of the Board, chief executive officer, any executive Director of the Company vacating his or her office; or
- (x) any Director, any Supervisor or a member of the Group's senior management being charged with an indictable offense or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company, or there is the commencement of or being subject to any disciplinary proceedings or investigations or other actions by or before any authority or political or regulatory or administrative body, agency or organization in any Relevant Jurisdiction (including, in particular, the CSRC and its local branches and representative offices) or an announcement by any authority or political or regulatory or administrative body, agency or organization in any Relevant Jurisdiction that it intends to commence any such investigation or take any such action; or

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- (xi) the issue or requirement to issue by the Company of a supplement or amendment to the prospectus, any **GREEN** Application Forms or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or
- (xii) a valid demand by any creditor for repayment or payment of any indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (xiii) any change, development or event involving a prospective change in, or a materialization of, any of the risks set out in the section headed “Risk Factors” of the prospectus; or
- (xiv) a contravention by the Company or any member of the Group of any applicable laws and regulations, including the Listing Rules, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the PRC Company Law, the PRC Securities Law; or
- (xv) any non-compliance of the prospectus (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable laws and regulations,

which, individually or in the aggregate, in the sole and absolute opinion of the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters), (1) has or will have or may have a material adverse effect; (2) has or will have or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; (3) makes or will make or is likely to make it inadvisable, inexpedient, impracticable or incapable for the Hong Kong Public Offering and/or the International Offering to proceed or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the prospectus; or (4) has or will or may have the effect of making any material part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

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- (b) there has come to the notice of the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) that:
- (i) any statement contained in the application proof, the post hearing information proof, the offering documents and operative documents (as defined in the Hong Kong Underwriting Agreement), the preliminary offering circular, and/or any notices, announcements, advertisements, communications or other documents (including any announcement, circular, document or other communication pursuant to the Hong Kong Underwriting Agreement) issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering and the Global Offering (including any supplement or amendment thereto (the “**Offer-Related Documents**”) but excluding information furnished by the Underwriters, being the names, logos and addresses of such underwriters appearing in the Offer-Related Documents) was, when it was issued, or has become, untrue, incorrect, or misleading or deceptive, or that any estimate, forecast, expression of opinion, intention or expectation contained in any of such documents is not fair and honest and based on reasonable grounds or reasonable assumptions; or
 - (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the prospectus, constitute a material omission from, or misstatement in, any of the Offer-Related Documents; or
 - (iii) there is a material breach of any of the obligations imposed upon the Company or the Controlling Shareholders under the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable; or
 - (iv) there is an event, act or omission which gives or is likely to give rise to any material liability of the Company or the Controlling Shareholders pursuant to the indemnities given by any of them under the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable; or
 - (v) there is any material adverse change or development involving a prospective adverse change in the assets, liabilities, general affairs, business, management, prospects, shareholders’ equity, profits, losses, earnings, solvency, liquidity position, funding, results of operations, performance, position or condition, financial or otherwise, of the Group as a whole; or
 - (vi) there is a breach of, or any event or circumstance rendering untrue, incorrect, or misleading, any of the warranties given by the Company and the Controlling Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable; or

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- (vii) the approval of the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and the H Shares to be issued pursuant to the Global Offering (including the additional H Shares which may be issued upon the exercise of the Over-Allotment Option) is refused or not granted, other than subject to customary conditions, on or before the date of the Listing, or if granted, the approval is subsequently withdrawn, canceled, qualified (other than by customary conditions), revoked or withheld; or
- (viii) any expert (other than the Joint Sponsors and the Overall Coordinators) has withdrawn its consent to the issue of the prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (ix) the Company withdraws the prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering; or
- (x) that a material portion of the orders placed or confirmed in the bookbuilding process, or of the investment commitments made by any cornerstone investors under agreements signed with such cornerstone investors, have been withdrawn, terminated or canceled, or any cornerstone investment agreement is terminated; or
- (xi) there is a prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares (including any additional H Shares to be issued pursuant to the Over-allotment Option) pursuant to the terms of the Global Offering; or
- (xii) there is any order or petition for the winding-up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group.

UNDERTAKINGS TO THE STOCK EXCHANGE PURSUANT TO THE LISTING RULES

Undertakings by Our Company

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that no further Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) may be issued or form the subject of any agreement to such issue within six months from the Listing Date (whether or not such issue of Shares or securities

UNDERWRITING

will be completed within six months from the commencement of dealing), except for the issuance of H Shares or securities pursuant to the Global Offering (including the exercise of the Over-allotment Option) or for the circumstances permitted under Rule 10.08 of the Listing Rules.

Undertakings by our Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders has undertaken to each of our Company and the Stock Exchange that, save as disclosed in this prospectus and except pursuant to the Global Offering and the Over-allotment Option (if any), they shall not:

- (a) in the period commencing on the date by reference to which disclosure of its shareholding is made in this prospectus and ending on the date which is six months from the Listing Date (the “**First Six-Month Period**”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which the Controlling Shareholders are shown in this prospectus to be the beneficial owners; and
- (b) in the period of six months commencing from the expiry of the First Six-Month Period (the “**Second Six-Month Period**”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, our Controlling Shareholders will cease to be our Controlling Shareholders, provided that the above shall not prevent them from using securities of the Company beneficially owned by them as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the laws of Hong Kong)) for a bona fide commercial loan.

Each of our Controlling Shareholders has further undertaken to the Company and the Stock Exchange that during the First Six-Month Period and the Second Six-Month Period:

- (1) when the Controlling Shareholders pledge or charge any Shares beneficially owned by him/it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, the Controlling Shareholders will immediately inform our Company of such pledge or charge together with the number of Shares so pledged or charged; and
- (2) when the Controlling Shareholders receive any indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares will be disposed of, the Controlling Shareholders will immediately inform our Company of such indications.

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We will also inform the Stock Exchange as soon as we have been informed of the above matters (if any) by our Controlling Shareholders and disclose such matters in accordance with the publication requirements under Rule 2.07C of the Listing Rules as soon as possible after being so informed by our Controlling Shareholders.

UNDERTAKINGS PURSUANT TO THE HONG KONG UNDERWRITING AGREEMENT

Undertaking by Our Company

Except for the issue, offer or sale of the Offer Shares by the Company pursuant to the Global Offering (including pursuant to the Over-Allotment Option) or for issue, offer or sale of Shares by the Company consented to by the Stock Exchange, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the First Six-Month Period, the Company undertakes to each of the Hong Kong Underwriters, the CMI, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, and the Joint Sponsors not to, without the prior written consent of the Joint Sponsors and the Overall Coordinators (on behalf of the Joint Global Coordinators, the Hong Kong Underwriters and the CMI) and unless in compliance with the requirements of the Listing Rules:

- (a) offer, allot, issue, sell, accept subscription for, contract to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, right or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in the share capital or other equity securities of the Company, or any interests in any of the foregoing (including, but not limited to, any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, or any warrants or other rights to purchase, any H Shares) or deposit any H Shares or other securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the H Shares or any other securities of the Company, or any interest therein (including, without limitation, any securities of which are convertible into or exchangeable or exercisable for, or represent the right to receive, or any warrants or other rights to purchase any H Shares); or
- (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or

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- (d) offer to or contract to or agree to announce, or publicly disclose that the Company will or may enter into any transaction described in (a), (b) or (c) above, in each case, whether any of the transactions specified in paragraphs (a), (b) and (c) above is to be settled by delivery of H Shares or other equity securities of the Company, as applicable, in cash or otherwise (whether or not the issue of such H Shares or other equity securities will be completed within the First Six-Month Period).

In the event that, during the Second Six-Month Period, the Company enters into any of the transactions specified in paragraphs (a), (b) or (c) above or offers to or agrees to or contracts to or announces, or publicly discloses, any intention to, enter into any such transactions, the Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of the Company.

The Company shall not enter into any of the transactions specified in paragraphs (a), (b) or (c) above or offer to or agree to or announce any intention to effect any such transaction such that the Controlling Shareholders would, directly or indirectly, cease to be Controlling Shareholders (within the meaning defined in the Listing Rules) of the Company during the First Six-Month Period and Second Six-Month Period. The Controlling Shareholders undertake to each of the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters, the CMIs and the Joint Sponsors to procure the Company to comply with the undertakings.

Undertaking by the Controlling Shareholders

Each of the Controlling Shareholder has undertaken to each of the Company, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters, the CMIs and the Joint Sponsors that, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules, he/it, at any time during the First Six-Month Period, will not:

- (a) offer, pledge, charge, sell, assign, contract or agree to sell, mortgage, charge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant, or purchase any option, warrant, contract or right to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any share capital or other securities of the Company or any interest in any of the foregoing (including, but not limited to, any securities that are convertible into or exchangeable or exercisable for, or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or other securities of the Company) legally or beneficially owned by him/it as of the Listing Date (the “**Locked-up Securities**”);
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of, any Locked-up Securities or any interest therein, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares);

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- (c) enter into any transaction with the same economic effect as any transaction described in (a) or (b) above; or
- (d) offer to contract or agree to or publicly disclose that he/it will or may enter into any transaction described in (a), (b) or (c) above,

whether any such transaction described in paragraphs (a), (b), and (c) above is to be settled by delivery of such H Shares or other securities of the Company, in cash or otherwise (whether or not the settlement or delivery of such H Shares or other securities will be completed within the First Six-Month Period);

During the Second Six-Month Period, he/it will not, and will procure that the relevant registered holder(s) will not, enter into any transaction described in paragraphs (a), (b) or (c) above in respect of any Locked-up Securities or offer to or agree to or contract to or publicly announce any intention to enter into any such transaction if, immediately following such transaction or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, another shareholder or person holding the beneficial interests in the Shares or securities of the Company becomes a “controlling shareholder” (as defined under the Listing Rules) of the Company.

Until the expiry of the Second Six-Month Period, in the event that he/it or the relevant registered holder(s) enters into any such transactions specified in paragraphs (a), (b) or (c) above or offers to or agrees to or contracts to, or publicly announces an intention to enter into any such transactions, he/it will take all reasonable steps to ensure that he/it will not create a disorderly or false market in the securities of the Company; and at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling 12 months after the Listing Date, he/it will and will procure that the relevant registered holder(s) will (a) if and when he/it pledges or charges any H Shares or other securities of the Company beneficially owned by him/it, immediately inform the Company in writing of such pledge or charge together with the number of H Shares or other securities of the Company so pledged or charged; and (b) if and when he/it or the relevant registered holder(s) receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged H Shares or other securities of the Company will be disposed of, immediately inform the Company in writing of such indications. The Company shall, as soon as reasonably practicable upon receiving such information in writing from the Controlling Shareholders and if required pursuant to the Listing Rules, notify the Stock Exchange and make a public disclosure in relation to such information by way of an announcement.

The Controlling Shareholders’ undertakings shall not (i) apply to H Shares acquired by the Controlling Shareholders subsequent to the completion of the Global Offering; or (ii) prevent the Controlling Shareholders from using the H Shares beneficially owned by the Controlling Shareholders as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, provided that the requirements under paragraph (d) are satisfied.

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INTERNATIONAL OFFERING

International Underwriting Agreement

In connection with the International Offering, it is expected that we will enter into the International Underwriting Agreement with, amongst others, the Overall Coordinators, the Joint Global Coordinators and the International Underwriters. Under the International Underwriting Agreement, the International Underwriters, subject to certain conditions set out therein, will agree severally to purchase, or procure subscribers or purchasers for, the International Offer Shares being offered pursuant to the International Offering. Please refer to the paragraph headed “Structure of the Global Offering – The International Offering” in this prospectus.

We expect to grant the Over-allotment Option to the International Underwriters exercisable by the Overall Coordinators on behalf of the International Underwriters on or before Saturday, October 28, 2023, being the 30th day from the last day for lodging applications under the Hong Kong Public Offering, to require us to issue and allot, up to an aggregate of 25,988,000 Shares, representing in aggregate approximately 15% of Offer Shares initially available under the Global Offering at the Offer Price to cover over-allocations, if any, in the International Offering. Please refer to the paragraph headed “Structure of the Global Offering – The International Offering – Over-allotment Option” in this prospectus.

COMMISSION AND EXPENSES

The Underwriters will receive an underwriting commission of 2.5% of the aggregate Offer Price of all the Offer Shares, including Offer Shares to be issued pursuant to the Over-allotment Option (the “**Fixed Fees**”). Our Company may, at our sole and absolute discretion, pay to one or more Underwriters an incentive fee up to 1.0% of the Offer Price in respect of all the Offer Shares (including Offer Shares to be issued pursuant to the Over-allotment Option) (the “**Discretionary Fees**”). The ratio of Fixed Fees and Discretionary Fees payable is therefore 71.4%:28.6% (on the basis that the Discretionary Fees will be fully paid). For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters and not the Hong Kong Underwriters.

The aggregate commissions and fees, together with the listing fees, SFC transaction levy, the Stock Exchange trading fee, AFRC transaction levy, legal and other professional fees, printing and other expenses payable by us relating to the Global Offering are estimated to amount to approximately RMB119.6 million (approximately HK\$130.4 million) in total (based on the Offer Price of HK\$8.60 per Offer Share which is the mid-point of the Offer Price range and assuming the Over-allotment Option is not exercised).

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HONG KONG UNDERWRITERS' INTERESTS IN OUR COMPANY

As of the Latest Practicable Date,

- approximately 2.3% of the partnership interest in Tiantu Xingpeng, a RMB-denominated consolidated fund of our Group, was held by Southern Capital Management Co., Ltd. (南方資本管理有限公司), a wholly owned subsidiary of China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司) (“CSAM”). Huatai Securities Co., Ltd., a company incorporated in the PRC listed on the Stock Exchange (stock code: 6886) and the holding company of Huatai Financial Holdings (Hong Kong) Limited (“Huatai”), one of the Joint Sponsors, had an approximately 41.2% non-controlling interest in CSAM. Notwithstanding the aforesaid, (i) none of Huatai, its directors or its directors’ close associates collectively holds and will, immediately following the completion of the Global Offering, hold, directly or indirectly, more than 5% of the number of issued Shares of the Company; and (ii) Huatai, having conducted its own assessment taking into consideration the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules, considers itself to be independent under Rule 3A.07 of the Listing Rules; and
- 13.33% of the partnership interest in Tiantu Xingzhou, a RMB-denominated consolidated fund of our Group, was held by BOCG Investment Asset Management Co., Ltd. (中銀投資資產管理有限公司) (“BOCGIAM”), a company incorporated in the PRC. Both BOCI Asia Limited (“BOCI”), one of the Joint Sponsors, and BOCGI AM are subsidiaries of Bank of China Limited, a joint stock company incorporated in the PRC listed on the Stock Exchange (stock code: 3988) and Shanghai Stock Exchange (stock code: 601988). Notwithstanding the aforesaid, (i) as a limited partner, BOCGI AM does not have general voting powers in Tiantu Xingzhou, therefore it would not be treated as a substantial shareholder of Tiantu Xingzhou and not be considered as a connected person or a core connected person of the Company under the Listing Rules, (ii) BOCGI AM is not involved in the management and operation of Tiantu Xingzhou, (iii) none of BOCI, its directors or its directors’ close associates collectively holds and will, immediately following the completion of the Global Offering, hold, directly or indirectly, more than 5% of the number of issued Shares of the Company; and (iv) BOCI, having conducted its own assessment taking into consideration the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules, considers itself to be independent under Rule 3A.07 of the Listing Rules; and
- approximately 14.4% of the partnership interest in Tiantu VC USD Fund I L.P., a USD-denominated consolidated fund of our Group, was held by Vandi Investments Limited (“Vandi”). Both of Vandi and CCB International Capital Limited, one of the Hong Kong Underwriters, are ultimately controlled by China Construction Bank Corporation, a company incorporated in the PRC listed on the Stock Exchange (stock code: 939); and

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- 15.0% of the partnership interest in Tiantu China Consumer Fund II L.P., a USD-denominated consolidated fund of our Group, was held by BOCOM International Holdings Company Limited (“**BOCOMI**”), a company incorporated in Hong Kong listed on the Stock Exchange (stock code: 3329). BOCOM International Securities Limited, one of the Hong Kong Underwriters, is a wholly-owned subsidiary of BOCOMI.

Save for its obligations under the Hong Kong Underwriting Agreement and save as otherwise disclosed in this prospectus, as of the Latest Practicable Date, none of the Hong Kong Underwriters has any shareholding in any member of our Group or any right or option (whether legally enforceable or not) to purchase or subscribe for or to nominate persons to purchase or subscribe for securities in any member of our Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement.

JOINT SPONSORS’ INDEPENDENCE

Each of the Joint Sponsors satisfies the independence criteria set out in Rule 3A.07 of the Listing Rules.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the “**Syndicate Members**”) and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company and/or persons and entities with relationships with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group’s loans and other debt.

UNDERWRITING

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the relevant rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed “Structure of the Global Offering” in this prospectus. Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- (a) the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares) whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to the Company and its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. Huatai Financial Holdings (Hong Kong) Limited and BOCI Asia Limited are the Overall Coordinators of the Global Offering.

The listing of the Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of the Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued as mentioned in this prospectus. The Global Offering consists of (subject to reallocation and the Over-allotment Option):

- (i) the Hong Kong Public Offering of 17,326,000 H Shares (subject to reallocation as mentioned below) in Hong Kong as described in the paragraph headed “The Hong Kong Public Offering” in this section; and
- (ii) the International Offering of 155,932,000 H Shares (subject to reallocation and Over-allotment Option as mentioned below) outside the United States to persons who are not, and are not acting for the account or benefit of, U.S. Persons in offshore transactions in reliance on Regulation S.

The Offer Shares will represent approximately 25.0% of the total share capital of our Company immediately after completion of the Global Offering without taking into account the exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 27.7% of the total share capital immediately after completion of the Global Offering and the exercise of the Over-allotment Option as set out in the paragraph headed “The International Offering – Over-allotment Option” in this section.

Investors may either:

- (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or
- (ii) apply for or indicate an interest, if qualified to do so, for International Offer Shares under the International Offering,

but may not do both.

STRUCTURE OF THE GLOBAL OFFERING

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. The International Offering will involve selective marketing of the International Offer Shares to institutional and professional investors and other investors expected to have a sizeable demand for the International Offer Shares in Hong Kong and other jurisdictions outside the United States and to persons who are not, and are not acting for the account or benefit of, U.S. Persons in offshore transactions in reliance on Regulation S. The International Underwriters are soliciting from prospective investors' indications of interest in acquiring the International Offer Shares. Prospective investors will be required to specify the number of International Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price.

The number of Hong Kong Offer Shares and International Offer Shares to be offered under the Hong Kong Public Offering and the International Offering respectively may be subject to reallocation as described in the paragraph headed “– The Hong Kong Public Offering – Reallocation and Clawback” in this section.

THE HONG KONG PUBLIC OFFERING

Number of Shares Initially Offered

Subject to reallocation as mentioned below, the Company is initially offering 17,326,000 H Shares at the Offer Price under the Hong Kong Public Offering for subscription by the public in Hong Kong, representing approximately 10.0% of the 173,258,000 H Shares initially available under the Global Offering. Subject to reallocation as mentioned below, the number of H Shares initially offered under the Hong Kong Public Offering will represent approximately 2.50% of our total share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

In Hong Kong, individual retail investors are expected to apply for the Hong Kong Offer Shares through the Hong Kong Public Offering and individual retail investors, including individual investors in Hong Kong applying through banks and other institutions, seeking International Offer Shares will not be allotted International Offer Shares in the International Offering.

The Overall Coordinators (for themselves and on behalf of the Underwriters) and the Joint Sponsors may require any investor who has been offered H Shares under the International Offering, and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators and the Joint Sponsors so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application for the Hong Kong Offer Shares.

Completion of the Hong Kong Public Offering is subject to the conditions set out in the paragraph headed “Conditions of the Global Offering” in this section.

STRUCTURE OF THE GLOBAL OFFERING

Allocation

For allocation purposes only, the 17,326,000 H Shares initially being offered for subscription under the Hong Kong Public Offering (after taking into account any reallocation in the number of Offer Shares allocated between the Hong Kong Public Offering and the International Offering) will be divided equally (to the nearest board lot and with any odd lots being allocated to Pool A) into two pools: Pool A comprising 8,663,200 Hong Kong Offer Shares and Pool B comprising 8,662,800 Hong Kong Offer Shares, both of which are available on an equitable basis to successful applicants. All valid applications that have been received for the Hong Kong Offer Shares with a total subscription amount (excluding brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy) of HK\$5 million or below will fall into Pool A and all valid applications that have been received for the Hong Kong Offer Shares with a total subscription amount (excluding brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy) of over HK\$5 million and up to the total value of Pool B, will fall into Pool B.

Applicants should be aware that applications in Pool A and Pool B are likely to receive different allocation ratios. If the Hong Kong Offer Shares in one pool (but not both pools) are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B but not from both pools and only apply for Hong Kong Offer Shares in either Pool A or Pool B. When there is over-subscription, allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering, both in relation to Pool A and Pool B, will be based on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation in each pool may vary, depending on the number of Hong Kong Offer Shares validly applied for by each applicant. The allocation of Hong Kong Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

Reallocation and Clawback

The allocation of Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if the International Offering is fully subscribed or oversubscribed and certain prescribed total demand levels are reached under the Hong Kong Public Offering.

If the number of H Shares validly applied for in the Hong Kong Public Offering represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times, and (iii) 100 times or more, of the number of Hong Kong Offer Shares available under the Hong Kong Public Offering, the total number of Hong Kong Offer Shares available under

STRUCTURE OF THE GLOBAL OFFERING

the Hong Kong Public Offering will be increased to 51,977,600 (in the case of (i)), 69,303,200 (in the case of (ii)), and 86,628,800 Shares (in the case of (iii)), respectively, representing approximately 30%, 40% and 50% of the total number of Offer Shares initially available under the Global Offering, respectively (before any exercise of the Over-allotment Option).

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate.

In addition to any mandatory reallocation required as described above, the Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Overall Coordinators. The Overall Coordinators may, at their sole discretion, reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In particular, if (i) the International Offering is not fully subscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offering is fully subscribed or oversubscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed with the number of Offer Shares validly applied for in the Hong Kong Public Offering representing less than 15 times of the number of Shares initially available for subscription under the Hong Kong Public Offering, the Overall Coordinators have the authority to reallocate International Offer Shares originally in the International Offering to the Hong Kong Public Offering in such number as they deem appropriate, provided that in accordance with Guidance Letter HKEX-GL91-18 issued by the Stock Exchange, (i) the total number of Offer Shares available under the Hong Kong Public Offering following such reallocation should not exceed 34,652,000 Shares, representing approximately 20% of the Offer Shares initially available under the Global Offering; and (ii) the final Offer Price should be fixed at the bottom end of the indicative Offer Price range (i.e., HK\$5.80 per Offer Share).

If the Hong Kong Public Offering is not fully subscribed for, the Overall Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Overall Coordinators deem appropriate.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering expected to be published on Thursday, October 5, 2023.

STRUCTURE OF THE GLOBAL OFFERING

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him or her that he or she and any person(s) for whose benefit he or she is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering, and such applicant's application will be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated Offer Shares under the International Offering.

Multiple or suspected multiple applications and any application for more than 8,662,800 H Shares (being approximately 50% of the 17,326,000 Hong Kong Offer Shares initially available under the Hong Kong Public Offering) will be rejected.

The listing of the Offer Shares on the Hong Kong Stock Exchange is sponsored by the Joint Sponsors. Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum Offer Price of HK\$11.40 per Offer Share in addition to any brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy payable on each Offer Share. If the Offer Price, as finally determined in the manner described in the paragraph headed "Pricing of the Global Offering" in this section, is less than the maximum Offer Price of HK\$11.40 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy attributable to the surplus application monies) will be made to successful applications, without interest. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE INTERNATIONAL OFFERING

Number of International Offer Shares Offered

The number of International Offer Shares to be initially offered by us for subscription under the International Offering will consist of an initial offering of 155,932,000 Offer Shares, representing approximately 90.0% of the Offer Shares under the Global Offering. Subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the International Offer Shares will represent approximately 22.5% of our total share capital immediately after completion of the Global Offering assuming that the Over-allotment Option is not exercised.

STRUCTURE OF THE GLOBAL OFFERING

Allocation

Pursuant to the International Offering, the International Underwriters will conditionally place the International Offer Shares with institutional and professional investors and other investors and expected to have a sizeable demand for the Shares in Hong Kong and other jurisdictions outside the United States and to persons who are not, and are not acting for the account or benefit of, U.S. Persons in reliance on Regulation S. The International Offering is subject to the Hong Kong Public Offering being unconditional.

Allocation of the International Offer Shares pursuant to the International Offering will be determined by the Overall Coordinators and will be based on a number of factors including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell Offer Shares after the Listing. Such allocation may be made to professional, institutional and corporate investors and is intended to result in a distribution of our Offer Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of our Company and our Shareholders as a whole.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the Hong Kong Public Offering.

Reallocation and Clawback

The total number of International Offer Shares to be transferred pursuant to the International Offering may change as a result of the clawback arrangement described in the paragraph headed “– The Hong Kong Public Offering – Reallocation and Clawback” in this section, exercise of the Over-allotment Option in whole or in part and/or reallocation of all or any unsubscribed Hong Kong Offer Shares to the International Offering.

Over-allotment Option

In connection with the Global Offering, our Company is expected to grant the Over-allotment Option to the International Underwriters exercisable by the Overall Coordinators at their sole and absolute discretion on behalf of the International Underwriters for up to 30 days after the last day for lodging applications under the Hong Kong Public Offering. Pursuant to the Over-allotment Option, the Overall Coordinators will have the right to require our Company to issue and allot, at the Offer Price, up to an aggregate of additional 25,988,000 H Shares representing in aggregate approximately 15% of the number of the Offer Shares initially available under the Global Offering at the Offer Price to cover over-allocations in the International Offering, if any. An announcement will be made in the event that the Over-allotment Option is exercised.

STRUCTURE OF THE GLOBAL OFFERING

If the Over-allotment Option is exercised in full, the additional International Offer Shares to be issued pursuant thereto will represent approximately 3.6% of the share capital of the Company immediately after the completion of the Global Offering.

Stabilization

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the Underwriters may bid for, or purchase, the new securities in the secondary market, during a specified period of time, to retard and, if possible, prevent any decline in the market price of the securities below the Offer Price. In Hong Kong and certain other jurisdictions, an activity aimed at reducing the market price is prohibited and the price at which stabilization is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may, to the extent permitted by applicable laws of Hong Kong or elsewhere, over-allocate or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of the H Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the last day for the lodging of applications under the Hong Kong Public Offering. Any market purchases of H Shares will be effected in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager or any person acting for it to conduct any such stabilizing activity, which if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering. The number of H Shares that may be over-allocated will not exceed the number of H Shares that may be issued and/or sold under the Over-allotment Option, namely 25,988,000 H Shares, which is approximately 15% of the Offer Shares initially available under the Global Offering.

Stabilizing action will be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilization and stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) under SFO includes: (i) over-allocation for the purpose of preventing or minimizing any reduction in the market price of the H Shares; (ii) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares; (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, the H Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above; (iv) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares; (v) selling or agreeing to sell any Shares in order to liquidate any position held as a result of those purchases; and (vi) offering or attempting to do anything described in (ii), (iii), (iv) or (v).

STRUCTURE OF THE GLOBAL OFFERING

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- (i) the Stabilizing Manager, or any person acting for it, may, in connection with the stabilizing action, maintain a long position in the H Shares;
- (ii) there is no certainty regarding the extent to which and the time period for which the Stabilizing Manager, or any person acting for it, will maintain such a position;
- (iii) liquidation of any such long position by the Stabilizing Manager may have an adverse impact on the market price of the H Shares;
- (iv) no stabilizing action can be taken to support the price of the H Shares for longer than the stabilizing period which will begin on the Listing Date following announcement of the Offer Price, and is expected to expire on the 30th day after the last date for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;
- (v) the price of the H Shares cannot be assured to stay at or above the Offer Price either during or after the stabilizing period by the taking of any stabilizing action; and
- (vi) stabilizing bids may be made or transactions effected in the course of the stabilizing action at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the H Shares.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 25,988,000 H Shares, representing up to 15% of the initial Offer Shares, through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be fully paid on the Listing Date, accordingly there will be no delayed settlement of the Offer Shares.

Our Company will procure that a public announcement in compliance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) will be made within seven days of the expiration of the stabilizing period.

Over-Allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager may cover such over-allocations by exercising the Over-allotment Option, making purchases in the secondary market at prices that do not exceed the Offer Price or by any combination of these means.

STRUCTURE OF THE GLOBAL OFFERING

PRICING OF THE GLOBAL OFFERING

The Offer Price is expected to be fixed by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date, when market demand for the Offer Shares will be determined. The Price Determination Date is expected to be on or around Thursday, September 28, 2023 and in no event later than Thursday, October 5, 2023.

The Offer Price will be not more than HK\$11.40 per Offer Share and is currently expected not to be less than HK\$5.80 per Offer Share unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum Offer Price of HK\$11.40 for each Hong Kong Offer Share together with brokerage of 1%, a Stock Exchange trading fee of 0.00565%, a SFC transaction levy of 0.0027% and a AFRC transaction levy of 0.00015%. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative price range stated in this prospectus.**

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

If, based on the level of interest expressed by prospective institutional, professional and other investors during the book-building process, the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Joint Sponsors consider it appropriate, with our consent the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range stated in this prospectus may be reduced at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the Hong Kong Stock Exchange’s website at www.hkexnews.hk, and on our website at www.tiantucapital.com notice of such reduction in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the offering statistics as currently set out in this prospectus and any other financial information which may change as a result of such reduction. Upon issue of such notice, the number of Offer Shares in the Global Offering and/or the revised Offer Price range will be final and conclusive and the Offer Price, if agreed upon between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, will be fixed within such revised Offer Price range.

STRUCTURE OF THE GLOBAL OFFERING

As soon as practicable after such reduction of the number of Offer Shares and/or the indicative Offer Price range, we will also issue a supplemental prospectus updating investors of such reduction together with an update of all financial and other information in connection with such change, and, where appropriate, extend the period under which the Hong Kong Public Offering is open for acceptance, and give potential investors who had applied for the Offer Shares to withdraw their applications.

In the absence of any such notice and supplemental prospectus so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters), will under no circumstances be set outside the Offer Price range stated in this prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering.

If applications for Hong Kong Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Hong Kong Public Offering, in the event that the number of Offer Shares and/or the Offer Price is so reduced, such applications can subsequently be withdrawn. All applicants who have already submitted an application will be entitled to withdraw their applications and will need to confirm their applications in accordance with the procedures set out in the supplemental prospectus. All unconfirmed applications will not be valid.

The Hong Kong Offer Shares and the International Offer Shares may, in certain circumstances, be reallocated as between the Hong Kong Public Offering and International Offering at the discretion of the Overall Coordinators and the Joint Sponsors.

The final Offer Price, the level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering, the basis of allocations of the Hong Kong Offer Shares and the results of applications in the Hong Kong Public Offering are expected to be announced on Thursday, October 5, 2023 through a variety of channels described in the paragraph headed “How to Apply for Hong Kong Offer Shares – Publication of Results” in this prospectus.

STRUCTURE OF THE GLOBAL OFFERING

UNDERWRITING ARRANGEMENTS

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement, subject to agreement on the Offer Price between the Overall Coordinators (for themselves on behalf of the Underwriters) and us on the Price Determination Date.

We expect that our Company will, on or about Thursday, September 28, 2023, enter into the International Underwriting Agreement relating to the International Offering. Underwriting arrangements, the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarized in the section headed “Underwriting” in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for the Offer Shares will be conditional on, inter alia:

- the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;
- the Offer Price having been agreed between the Overall Coordinators (on behalf of the Underwriters) and the Company;
- the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date;
- our Company having submitted to the HKSCC all requisite documents to enable the Offer Shares to be admitted to trade on the Hong Kong Stock Exchange; and
- the obligations of the Underwriters under the respective Underwriting Agreements becoming and remaining unconditional (unless and to the extent such conditions are validly waived on or before such dates and times) and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date which is 30 days after the date of this prospectus.

If for any reason, the Offer Price is not agreed by Thursday, October 5, 2023 between us and the Overall Coordinators (for themselves on behalf of the Underwriters), the Global Offering will not proceed and will lapse.

STRUCTURE OF THE GLOBAL OFFERING

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Hong Kong Stock Exchange will be notified immediately. We will cause a notice of the lapse of the Hong Kong Public Offering to be published by us on the websites of our Company at www.tiantucapital.com, and the Hong Kong Stock Exchange at www.hkexnews.hk, respectively on the next day following such lapse. In such event, all application monies will be returned, without interest, on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus. In the meantime, the application monies will be held in separate bank account(s) with the Company’s receiving banker(s) or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, amongst other things, the other becoming unconditional and not having been terminated in accordance with its terms.

Share certificates for the Offer Shares are expected to be issued on Thursday, October 5, 2023 but will only become valid evidence of title at 8:00 a.m. on the date of commencement of the dealings in our H Shares, which is expected to be on Thursday, October 5, 2023, provided that (i) the Global Offering has become unconditional in all respects at or before that time and (ii) neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade H Shares prior to the receipt of Share certificates or prior to the Share certificates bearing valid evidence of title do so entirely at their own risk.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, October 6, 2023, it is expected that dealings in Shares on the Hong Kong Stock Exchange will commence on Friday, October 6, 2023. Shares will be traded in board lots of 400 H Shares each and the stock code will be 1973.

HOW TO APPLY FOR HONG KONG OFFER SHARES

IMPORTANT NOTICE TO INVESTORS:

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide any printed copies of this prospectus or any printed copies of any application forms for use by the public.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “HKEXnews > New Listings > New Listing Information” section, and our website at www.tiantucapital.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

The contents of the electronic version of the prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Set out below are procedures through which you can apply for the Hong Kong Offer Shares electronically. We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public.

If you are an intermediary, broker or agent, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

If you have any question about the application for the Hong Kong Offer Shares, you may call the enquiry hotline of our H Share Registrar, Tricor Investor Services Limited, at +852 3907 7333 on the following dates:

Monday, September 25, 2023 – 9:00 a.m. to 6:00 p.m.
Tuesday, September 26, 2023 – 9:00 a.m. to 6:00 p.m.
Wednesday, September 27, 2023 – 9:00 a.m. to 6:00 p.m.
Thursday, September 28, 2023 – 9:00 a.m. to 12:00 noon

1. HOW TO APPLY

We will not provide any printed application forms for use by the public.

To apply for Hong Kong Offer Shares, you may:

- (1) apply online via the **HK eIPO White Form** service in the **IPO App** (which can be downloaded by searching “**IPO App**” in App Store or Google Play or downloaded at www.hkeipo.hk/IPOApp or www.tricorglobal.com/IPOApp) or at www.hkeipo.hk; or

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (2) apply through the **CCASS EIPO** service to electronically cause HKSCC Nominees to apply on your behalf, including by:
- (i) instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf; or
 - (ii) (if you are an existing CCASS Investor Participant) giving **electronic application instructions** through the CCASS Internet System (<https://ip.ccass.com>) or through the CCASS Phone System by calling +852 2979 7888 (using the procedures in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time). HKSCC can also input **electronic application instructions** for CCASS Investor Participants through HKSCC’s Customer Service Center at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong by completing an input request.

If you apply through channel (1) above, the Hong Kong Offer Shares successfully applied for will be issued in your own name.

If you apply through channels (2)(i) or (2)(ii) above, the Hong Kong Offer Shares successfully applied for will be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant’s stock account.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

The Company, the Overall Coordinators, the designated **HK eIPO White Form** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

Eligibility for the Application

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a U.S. Person; and
- are not a legal or natural person of the PRC.

HOW TO APPLY FOR HONG KONG OFFER SHARES

If an application is made by a person under a power of attorney, the Overall Coordinators may accept it at their discretion and on any conditions they think fit, including requiring evidence of the attorney's authority.

The number of joint applicants may not exceed four.

If you are a firm, the application must be in the individual members' names.

Unless permitted by the Listing Rules and guidance letters issued by the Stock Exchange, or any relevant waivers that have been granted by the Stock Exchange, you cannot apply for any Hong Kong Offer Shares if you are:

- an existing beneficial owner of Shares in the Company and/or any its subsidiaries;
- a Director, supervisor or chief executive of the Company and/or any of its subsidiaries;
- a close associate (as defined in the Listing Rules) of any of the above; or
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

Items Required for the Application

If you apply for the Hong Kong Offer Shares online through the **HK eIPO White Form** service, you must:

- (a) have a valid Hong Kong identity card number/passport number (for individual applicant) or Hong Kong business registration number/certificate of incorporation number (for body corporate applicant);
- (b) have a Hong Kong address; and
- (c) provide a valid e-mail address and a contact telephone number.

If you are applying for the Hong Kong Offer Shares online by instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals, please contact them for the items required for the application.

HOW TO APPLY FOR HONG KONG OFFER SHARES

3. TERMS AND CONDITIONS OF AN APPLICATION

By applying through the application channels specified in this prospectus, you:

- (i) undertake to execute all relevant documents and instruct and authorize the Company and/or the Overall Coordinators (or their agents or nominees), as agents of the Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;
- (ii) agree to comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus, and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;
- (vi) agree that none of the Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering and the **HK eIPO White Form** Service Provider is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering nor participated in the International Offering;
- (viii) agree to disclose to the Company, our H Share Registrar, receiving bank(s), the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of the Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;
- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the laws of Hong Kong;
- (xii) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States and are not a U.S. Person;
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorize the Company to place your name(s) or the name of the HKSCC Nominees, on the Company's register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and the Company and/or its agents to send any share certificate(s) and/or any e-Auto Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have fulfilled the criteria mentioned in "14. Despatch/Collection of H Share Certificates and Refund Monies – Personal Collection" in this prospectus to collect the H Share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xvii) understand that the Company, the Overall Coordinators and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC or to the designated **HK eIPO White Form** Service Provider by you or by any one as your agent or by any other person;

HOW TO APPLY FOR HONG KONG OFFER SHARES

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person giving **electronic application instructions** to HKSCC or to the designated **HK eIPO White Form** Service Provider; and (ii) you have due authority to give **electronic application instructions** on behalf of that other person as their agent.

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant and CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

4. MINIMUM APPLICATION AMOUNT AND PERMITTED NUMBERS

Your application through the **HK eIPO White Form** service or the **CCASS EIPO** service must be for a minimum of 400 Hong Kong Offer Shares and in one of the numbers set out in the table below. You are required to pay the amount next to the number you select.

Tian Tu Capital Co., Ltd.

(HK\$11.40 per Hong Kong Offer Share)

Number of Hong Kong Offer Shares that may be Applied for and Payments

No. of Hong Kong Offer Shares applied for	Amount payable on application	No. of Hong Kong Offer Shares applied for	Amount payable on application	No. of Hong Kong Offer Shares applied for	Amount payable on application	No. of Hong Kong Offer Shares applied for	Amount payable on application
	<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>
400	4,605.99	6,000	69,089.81	90,000	1,036,347.21	1,000,000	11,514,969.00
800	9,211.98	8,000	92,119.75	100,000	1,151,496.90	2,000,000	23,029,938.00
1,200	13,817.96	10,000	115,149.69	200,000	2,302,993.80	3,000,000	34,544,907.00
1,600	18,423.95	20,000	230,299.38	300,000	3,454,490.70	4,000,000	46,059,876.00
2,000	23,029.94	30,000	345,449.06	400,000	4,605,987.60	5,000,000	57,574,845.00
2,400	27,635.93	40,000	460,598.75	500,000	5,757,484.50	6,000,000	69,089,814.00
2,800	32,241.91	50,000	575,748.46	600,000	6,908,981.40	7,000,000	80,604,783.00
3,200	36,847.89	60,000	690,898.15	700,000	8,060,478.30	8,000,000	92,119,752.00
3,600	41,453.89	70,000	806,047.84	800,000	9,211,975.20	8,662,800*	99,751,873.45
4,000	46,059.88	80,000	921,197.52	900,000	10,363,472.10		

* Maximum number of Hong Kong Offer Shares you may apply for

HOW TO APPLY FOR HONG KONG OFFER SHARES

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

5. APPLYING THROUGH THE HK eIPO WHITE FORM SERVICE

General

Applicants who meet the criteria in the paragraph headed “– 2. Who can apply” in this section may apply through the **HK eIPO White Form** service for the Hong Kong Offer Shares to be allotted and registered in their own names through the **IPO App** or the designated website at www.hkeipo.hk.

Detailed instructions for application through the **HK eIPO White Form** service are in the **IPO App** or on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to the Company. If you apply through the **IPO App** or the designated website, you authorize the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

If you have any questions on how to apply through the **HK eIPO White Form** service for the Hong Kong Offer Shares, please contact the telephone enquiry line of the H Share Registrar at +852 3907 7333 on the following dates:

Monday, September 25, 2023 – 9:00 a.m. to 6:00 p.m.
Tuesday, September 26, 2023 – 9:00 a.m. to 6:00 p.m.
Wednesday, September 27, 2023 – 9:00 a.m. to 6:00 p.m.
Thursday, September 28, 2023 – 9:00 a.m. to 12:00 noon

Time for Submitting Applications under the HK eIPO White Form

You may submit your application to the designated **HK eIPO White Form** Service Provider through the **IPO App** or at www.hkeipo.hk (24 hours daily, except on the last application day) from 9:00 a.m. on Monday, September 25, 2023 until 11:30 a.m. on Thursday, September 28, 2023 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Thursday, September 28, 2023 or such later time under the paragraph headed “– 10. Effect of Bad Weather and/or Extreme Conditions on the Opening and Closing of the Application Lists” in this section.

HOW TO APPLY FOR HONG KONG OFFER SHARES

No Multiple Applications

If you apply by means of **HK eIPO White Form**, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under **HK eIPO White Form** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **HK eIPO White Form** service or by any other means, all of your applications are liable to be rejected.

6. APPLYING THROUGH THE CCASS EIPO SERVICE

General

You may instruct your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf. CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Internet System (<https://ip.ccass.com>) or through the CCASS Phone System by calling +852 2979 7888 (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** for CCASS Investor Participants through HKSCC's Customer Service Center at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong if you complete an input request.

You will be deemed to have authorized HKSCC and/or HKSCC Nominees to transfer the details of your application to the Company, the Overall Coordinators and our H Share Registrar.

Applying through the CCASS EIPO Service

Where you have applied through the **CCASS EIPO** service (either indirectly through a **broker** or **custodian** or directly) and an application is made by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of this prospectus;

HOW TO APPLY FOR HONG KONG OFFER SHARES

(ii) HKSCC Nominees will do the following things on your behalf:

- agree that the Hong Kong Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
- agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated;
- undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering;
- (if the **electronic application instructions** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;
- (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorized to give those instructions as their agent;
- confirm that you understand that the Company, the Directors, the Overall Coordinators and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted if you make a false declaration;
- authorize the Company to place HKSCC Nominees' name on the Company's register of members as the holder of the Hong Kong Offer Shares allotted to you and to send H Share certificate(s) and/or refund monies under the arrangements separately agreed between the Company and HKSCC;
- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of the Company, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to this prospectus);

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- agree to disclose your personal data to the Company, our H Share Registrar, receiving banks, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or their respective advisers and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of the Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;
- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by the Company's announcement of the Hong Kong Public Offering results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Hong Kong Offer Shares;
- agree with the Company, for itself and for the benefit of each Shareholder (and so that the Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the PRC Company Law, the Special Regulations and the Articles of Association;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- agree with the Company, for itself and for the benefit of each shareholder of the Company and each director, supervisor, manager and other senior officer of the Company (and so that the Company will be deemed by its acceptance in whole or in part of this application to have agreed, for itself and on behalf of each shareholder of the Company and each director, supervisor, manager and other senior officer of the Company, with each CCASS Participant giving **electronic application instructions**):
 - (a) to refer all differences and claims arising from the Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or other relevant laws and administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association;
 - (b) that any award made in such arbitration shall be final and conclusive; and
 - (c) that the arbitration tribunal may conduct hearings in open sessions and publish its award;
- agree with the Company (for the Company itself and for the benefit of each shareholder of the Company) that H Shares in the Company are freely transferable by their holders;
- authorize the Company to enter into a contract on its behalf with each director and officer of the Company whereby each such director and officer undertakes to observe and comply with his obligations to shareholders stipulated in the Articles of Association; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the laws of Hong Kong.

Effect of Applying through the CCASS EIPO Service

By applying through the **CCASS EIPO** service, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to the Company or any other person in respect of the things mentioned below:

- instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;

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- instructed and authorized HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy) by crediting your designated bank account; and
- instructed and authorized HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in this prospectus.

Time for Inputting Electronic Application Instructions⁽¹⁾

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

- Monday, September 25, 2023 - 9:00 a.m. to 8:30 p.m.
- Tuesday, September 26, 2023 - 8:00 a.m. to 8:30 p.m.
- Wednesday, September 27, 2023 - 8:00 a.m. to 8:30 p.m.
- Thursday, September 28, 2023 - 8:00 a.m. to 12:00 noon

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Monday, September 25, 2023 until 12:00 noon on Thursday, September 28, 2023 (24 hours daily, except on Thursday, September 28, 2023, the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Thursday, September 28, 2023, the last application day or such later time as described in the paragraph headed “– 10. Effect of Bad Weather and/or Extreme Conditions on the Opening and Closing of the Application Lists” in this section.

Note:

- (1) These times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

If you are instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Section 40 of the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal Data

The following Personal Information Collection Statement applies to any personal data held by the Company, the H Share Registrar, the receiving bank(s), the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. By applying through the **CCASS eIPO** service or the **HK eIPO White Form** service, you agree to all of the terms of the Personal Information Collection Statement below.

Personal Information Collection Statement

This Personal Information Collection Statement informs applicant for, and holder of, the Hong Kong Offer Shares, of the policies and practices of the Company and its H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

Reasons for the collection of your personal data

It is necessary for applicants and registered holders of the Hong Kong Offer Shares to supply correct personal data to the Company or its agents and the H Share Registrar when applying for the Hong Kong Offer Shares or transferring the Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data may result in your application for the Hong Kong Offer Shares being rejected, or in delay or the inability of the Company or its H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of the Hong Kong Offer Shares which you have successfully applied for and/or the dispatch of H Share certificate(s) to which you are entitled.

It is important that the holders of the Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque, where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of the Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Company's Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the Company's Register of Members;
- verifying identities of the holders of the Company's Shares;
- establishing benefit entitlements of holders of the Company's Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Company's Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to holders of the Company's Shares and/or regulators and/or any other purposes to which the securities' holders may from time to time agree.

Transfer of personal data

Personal data held by the Company and its H Share Registrar relating to the holders of the Hong Kong Offer Shares will be kept confidential but the Company and its H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving bankers and overseas principal share registrar;

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- where applicants for the Hong Kong Offer Shares request a deposit into CCASS, HKSCC or HKSCC Nominees, who will use the personal data for the purposes of operating CCASS;
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Hong Kong Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations; and
- any persons or institutions with which the holders of the Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or stockbrokers etc.

Retention of personal data

The Company and its H Share Registrar will keep the personal data of the applicants and holders of the Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

Access to and correction of personal data

Holders of the Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company, at the Company's registered address disclosed in the section headed "Corporate Information" in this prospectus or as notified from time to time, for the attention of the secretary, or the Company's H Share Registrar for the attention of the privacy compliance officer.

7. WARNING FOR ELECTRONIC APPLICATIONS

The application for the Hong Kong Offer Shares by the **CCASS EIPO** service (directly or indirectly through your **broker** or **custodian**) is only a facility provided to CCASS Participants.

Similarly, the application for Hong Kong Offer Shares through the **HK eIPO White Form** service is also only a facility provided by the designated **HK eIPO White Form** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. The Company, the Directors, the Joint Sponsors, the Overall

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Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and the **HK eIPO White Form** Service Provider take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the designated **HK eIPO White Form** Service Provider will be allotted any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System or the CCASS Internet System for submission of **electronic application instructions**, they should go to HKSCC's Customer Service Center to complete an input request form for **electronic application instructions** before 12:00 noon on Thursday, September 28, 2023, the last application day, or such time as described in the paragraph headed “– 10. Effect of Bad Weather and/or Extreme Conditions on the Opening and Closing of the Application Lists” in this section.

8. HOW MANY APPLICATIONS YOU CAN MAKE

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees. If you are a nominee and apply through the **HK eIPO White Form** service, in the box marked “For Nominees”, you must include an account number or some other identification code for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner when you fill in the application details. If you do not include this information, the application will be treated as being made for your own benefit.

All of your applications will be rejected if more than one application through the **CCASS eIPO** service (directly or indirectly through your **broker** or **custodian**) or through the **HK eIPO White Form** service, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**), and the number of Hong Kong Offer Shares applied by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your behalf. If you are suspected of submitting more than one application through the **HK eIPO White Form** service or by any other means, all of your applications are liable to be rejected.

If you apply by means of the **HK eIPO White Form** service, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under the **HK eIPO White Form** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application. However, any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC will be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

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If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being made for your benefit.

“Unlisted company” means a company with no equity securities listed on the Stock Exchange. “Statutory control” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE HONG KONG OFFER SHARES

The maximum Offer Price is HK\$11.40 per Offer Share. You must also pay brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%. This means that for one board lot of 400 Hong Kong Offer Shares, you will pay HK\$4,605.99.

You must pay the maximum Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy in full upon application for the Hong Kong Offer Shares.

You may submit an application through the **HK eIPO White Form** service or the **CCASS EIPO** service in respect of a minimum of 400 Hong Kong Offer Shares. Each application or **electronic application instruction** in respect of more than 400 Hong Kong Offer Shares must be in one of the numbers set out in the table in “– 4. Minimum Application Amount and Permitted Numbers”, or as otherwise specified in the **IPO App** or on the designated website at www.hkeipo.hk.

If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules), and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy and AFRC transaction levy, collected by the Stock Exchange on behalf of the SFC and the AFRC respectively).

For further details on the Offer Price, please refer to the paragraph headed “Structure of the Global Offering – Pricing of the Global Offering” in this prospectus.

HOW TO APPLY FOR HONG KONG OFFER SHARES

10. EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE OPENING AND CLOSING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning; and/or
- Extreme Conditions,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, September 28, 2023. Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings and/or Extreme Conditions in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Thursday, September 28, 2023 or if there is/are a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal and/or Extreme Conditions in force in Hong Kong that may affect the dates mentioned in the section headed “Expected Timetable” in this prospectus, an announcement will be made on our website at www.tiantucapital.com and the website of the Stock Exchange at www.hkexnews.hk.

11. PUBLICATION OF RESULTS

The Company expects to announce the final Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Thursday, October 5, 2023 on our website at www.tiantucapital.com and the website of the Stock Exchange at www.hkexnews.hk.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration/certificate of incorporation numbers of successful applicants under the Hong Kong Public Offering will be available at the times and dates and in the manner specified below:

- in the announcement to be posted on the Company’s website at www.tiantucapital.com and the Stock Exchange’s website at www.hkexnews.hk by no later than 8:00 a.m. on Thursday, October 5, 2023;
- from the “IPO Results” function in the **IPO App** or the designated results of allocations website at www.tricor.com.hk/ipo/result or www.hkeipo.hk/IPOResult with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Thursday, October 5, 2023 to 12:00 midnight on Wednesday, October 11, 2023; and

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- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Thursday, October 5, 2023 to Wednesday, October 11, 2023 (except Saturday, Sunday and public holiday in Hong Kong).

If the Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in the section headed “Structure of the Global Offering” in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which the Hong Kong Offer Shares will not be allotted to you:

(i) If your application is revoked:

By applying through the **CCASS EIPO** service or through the **HK eIPO White Form** service, you agree that your application or application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with the Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before the fifth day after the time of the opening of the application lists (excluding any days which is a Saturday, Sunday or public holiday in Hong Kong) in the following circumstances:

- (a) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section on or before the fifth day after the time of the opening of the application lists (excluding any days which is a Saturday, Sunday or public holiday in Hong Kong) which excludes or limits that person’s responsibility for this prospectus; or

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- (b) if any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If the Company or its agents exercise their discretion to reject your application:

The Company, the Overall Coordinators, the designated **HK eIPO White Form** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Hong Kong Offer Shares is void:

The allotment of Hong Kong Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee of the Stock Exchange notifies the Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and International Offer Shares;
- your **electronic application instructions** through the **HK eIPO White Form** service are not completed in accordance with the instructions, terms and conditions in the **IPO App** or on the designated website;
- your payment is not made correctly;

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- the Underwriting Agreements do not become unconditional or are terminated;
- the Company or the Overall Coordinators believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price per Offer Share (excluding brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with the paragraph headed “Structure of the Global Offering-Conditions of the Global Offering” in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy, will be refunded, without interest or the check or banker’s cashier order will not be cleared.

Any refund of your application monies will be made on or before Thursday, October 5, 2023.

14. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **CCASS EIPO** service where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

Subject to arrangement on dispatch/collection of H Share certificates and refund monies as mentioned below, any refund cheques and H Share certificates are expected to be posted on or before Thursday, October 5, 2023. The right is reserved to retain any H Share certificate(s) and any surplus application monies pending clearance of check(s) or banker’s cashier’s order(s).

HOW TO APPLY FOR HONG KONG OFFER SHARES

Share certificates will only become valid at 8:00 a.m. on Friday, October 6, 2023 provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting” in this prospectus has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so at their own risk.

Personal Collection

(i) If you apply through the HK eIPO White Form service

If you apply for 1,000,000 Hong Kong Offer Shares or more and your application is wholly or partially successful, you may collect your Share certificate(s) from our H Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, October 5, 2023, or such other date as notified by the Company in the newspapers as the date of despatch/collection of H Share certificates/e-Auto Refund payment instructions/refund cheques.

If you are an individual who is eligible for personal collection, you must not authorize any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation’s chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.

If you do not collect your H Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your H Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Thursday, October 5, 2023 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Auto Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at your own risk.

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(ii) *If you apply through the CCASS EIPO service*

Allocation of Hong Kong Offer Shares

For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of H Share Certificates into CCASS and Refund of Application Monies

If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant's stock account on Thursday, October 5, 2023, or, on any other date determined by HKSCC or HKSCC Nominees.

The Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a **broker** or **custodian**, the Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number/certificate of incorporation number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in the paragraph headed “– 11. Publication of Results” in this section on Thursday, October 5, 2023. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, October 5, 2023 or such other date as determined by HKSCC or HKSCC Nominees.

If you have instructed your **broker** or **custodian** to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that **broker** or **custodian**.

If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's “An Operating Guide for Investor Participants” in effect from time to time) on Thursday, October 5, 2023. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

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Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy but without interest) will be credited to your designated bank account or the designated bank account of your **broker** or **custodian** on Thursday, October 5, 2023.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report set out on pages I-1 to I-162, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF TIAN TU CAPITAL CO., LTD., HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED AND BOCI ASIA LIMITED

Introduction

We report on the historical financial information of Tian Tu Capital Co., Ltd. (深圳市天圖投資管理股份有限公司) (previously known as Tian Tu Capital Limited (深圳市天圖投資管理有限公司) prior to July 2015) (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-162, which comprises the consolidated statements of financial position of the Group as at December 31, 2020, 2021 and 2022 and March 31, 2023, the statements of financial position of the Company as at December 31, 2020, 2021 and 2022 and March 31, 2023 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023 (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-162 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated September 25, 2023 (the "Prospectus") in connection with the initial listing of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's and the Company's financial position as at December 31, 2020, 2021 and 2022 and March 31, 2023, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information.

REVIEW OF STUB PERIOD COMPARATIVE FINANCIAL INFORMATION

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three months ended March 31, 2022 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 14 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
September 25, 2023

HISTORICAL FINANCIAL INFORMATION OF THE GROUP**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB") and were audited by us in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	For the year ended December 31,			For the three months ended March 31,	
		2020	2021	2022	2022	2023
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					<i>(unaudited)</i>	
Continuing operation						
Revenue	5	38,602	34,823	45,983	8,491	12,442
Investment gains or losses, net	6	1,156,557	460,408	377,234	(195,600)	(206,349)
Total revenue and investment gains or losses, net		1,195,159	495,231	423,217	(187,109)	(193,907)
Staff costs		(49,264)	(46,726)	(61,364)	(13,301)	(14,042)
Depreciation expenses	12	(8,863)	(10,582)	(11,599)	(2,672)	(3,220)
Other operating expense		(86,791)	(49,577)	(50,621)	(8,117)	(6,663)
Finance costs	10	(181,212)	(150,435)	(118,674)	(36,845)	(17,396)
Impairment reversed (recognised) under expected credit loss model, net	9	60	(35)	(44)	–	(27,568)
Other income	7	22,440	13,807	8,415	1,870	7,495
Other gains and losses	8	(1,905)	(638)	(621)	(111)	720
Share of results of associates		346	17,094	8,439	41,926	19,139
Share of results of joint ventures		77,428	394,898	(37,667)	(4,272)	138,897
Profit (loss) before tax		967,398	663,037	159,481	(208,631)	(96,545)
Income tax credit (expense)	11	90,326	(13,682)	(107,317)	900	15,607
Profit (loss) for the year/period from continuing operation		1,057,724	649,355	52,164	(207,731)	(80,938)
Discontinued operations						
Profit (loss) for the year/period from discontinued operations	39	165	70,468	480,749	(27,651)	–
Profit (loss) for the year/period from discontinued operations	12	1,057,889	719,823	532,913	(235,382)	(80,938)
Other comprehensive (expense) income						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences arising on translation of foreign operations		(137,804)	(55,840)	215,765	(16,410)	(30,174)
Total comprehensive income (expense) for the year/period		920,085	663,983	748,678	(251,792)	(111,112)

NOTES	For the year ended December 31,			For the three months ended March 31,	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Profit (loss) for the year/period attributable to owners of the Company					
– from continuing operation	747,261	656,506	59,814	(195,674)	(80,343)
– from discontinued operations	(26,262)	73,627	499,471	(27,657)	–
	<u>720,999</u>	<u>730,133</u>	<u>559,285</u>	<u>(223,331)</u>	<u>(80,343)</u>
Profit (loss) for the year/period attributable to non-controlling interests					
– from continuing operation	310,463	(7,151)	(7,650)	(12,057)	(595)
– from discontinued operations	26,427	(3,159)	(18,722)	6	–
	<u>336,890</u>	<u>(10,310)</u>	<u>(26,372)</u>	<u>(12,051)</u>	<u>(595)</u>
Total comprehensive income (expense) for the year/period attributable to:					
– Owners of the Company	585,113	675,083	772,762	(239,614)	(110,229)
– Non-controlling interests	334,972	(11,100)	(24,084)	(12,178)	(883)
	<u>920,085</u>	<u>663,983</u>	<u>748,678</u>	<u>(251,792)</u>	<u>(111,112)</u>
Earnings (loss) per share					
From continuing and discontinued operations (RMB)					
Basic	15	<u>1.39</u>	<u>1.40</u>	<u>1.08</u>	<u>(0.43)</u>
		<u>1.44</u>	<u>1.26</u>	<u>0.12</u>	<u>(0.38)</u>
From continuing operation (RMB)					
Basic	15	<u>1.44</u>	<u>1.26</u>	<u>0.12</u>	<u>(0.15)</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	NOTES	At December 31,			At
		2020	2021	2022	March 31,
		RMB'000	RMB'000	RMB'000	2023
					RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	16	663,199	213,038	2,519	3,590
Right-of-use assets	17	105,157	22,294	19,525	16,680
Goodwill	18	297,853	14,413	56	56
Intangible assets	19	1,195	883	–	–
Deferred tax assets	20	41,525	28,655	9,071	12,896
Interests in associates measured using equity method	21	96,610	557,910	551,880	571,019
Interests in associates measured at fair value	21A	7,511,487	8,898,914	10,079,602	9,799,975
Interests in joint ventures	22	364,261	898,642	748,283	887,180
Biological assets	23	229,809	–	–	–
Financial assets at fair value through profit or loss (“FVTPL”)	24	3,649,729	4,565,641	4,708,010	4,797,738
Deposit for the acquisition of Dongjun Dairy Business (as defined in note 38 (i))	38	113,336	–	–	–
Other non-current assets		1,219	1,181	999	798
		<u>13,075,380</u>	<u>15,201,571</u>	<u>16,119,945</u>	<u>16,089,932</u>
CURRENT ASSETS					
Accounts receivables	25	114,930	93,419	44,030	49,639
Prepayments and other receivables	26	269,883	118,623	245,091	163,299
Inventories	27	94,365	10,637	–	–
Financial assets at FVTPL	24	1,407,948	892,989	530,282	511,194
Restricted bank deposits	28	–	6,055	–	–
Bank balances and cash	28	793,401	1,015,797	613,612	551,388
		<u>2,680,527</u>	<u>2,137,520</u>	<u>1,433,015</u>	<u>1,275,520</u>
CURRENT LIABILITIES					
Accounts payables	29	100,998	106,730	–	–
Other payables and accruals	30	218,888	229,207	57,225	34,747
Contract liabilities	31	134,249	77,844	62,648	55,429
Advances from share transfer transaction	32	186,730	176,730	176,730	176,730
Amount due to a director	44(d)	104,338	73,315	–	–
Tax payable		28,799	24,578	24,794	23,598
Bank and other borrowings	33	213,674	118,521	85,245	84,860
Bond payables due within one year	34	44,626	1,830,162	20,398	32,525
Lease liabilities	37	10,013	6,021	6,821	4,819
		<u>1,042,315</u>	<u>2,643,108</u>	<u>433,861</u>	<u>412,708</u>
NET CURRENT ASSETS (LIABILITIES)		<u>1,638,212</u>	<u>(505,588)</u>	<u>999,154</u>	<u>862,812</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,713,592</u>	<u>14,695,983</u>	<u>17,119,099</u>	<u>16,952,744</u>

		At December 31,			At
	NOTES	2020	2021	2022	March 31,
		RMB'000	RMB'000	RMB'000	2023
					RMB'000
NON-CURRENT LIABILITIES					
Deferred tax liabilities	20	10,056	7,723	200,549	186,227
Bond payables due over one year	34	1,783,668	–	980,913	984,897
Financial liabilities at FVTPL	35	6,822,495	8,075,184	8,596,707	8,552,617
Deferred income	36	14,073	–	–	–
Other non-current liabilities		34	–	–	–
Lease liabilities	37	24,816	1,163	13,830	13,015
		<u>8,655,142</u>	<u>8,084,070</u>	<u>9,791,999</u>	<u>9,736,756</u>
NET ASSETS		<u>6,058,450</u>	<u>6,611,913</u>	<u>7,327,100</u>	<u>7,215,988</u>
CAPITAL AND RESERVES					
Share capital	43	519,773	519,773	519,773	519,773
Reserves		<u>5,241,047</u>	<u>6,008,587</u>	<u>6,776,765</u>	<u>6,666,536</u>
Equity attributable to owners of the Company		<u>5,760,820</u>	<u>6,528,360</u>	<u>7,296,538</u>	<u>7,186,309</u>
Non-controlling interests	50	<u>297,630</u>	<u>83,553</u>	<u>30,562</u>	<u>29,679</u>
TOTAL EQUITY		<u>6,058,450</u>	<u>6,611,913</u>	<u>7,327,100</u>	<u>7,215,988</u>

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	NOTES	At December 31,			At
		2020	2021	2022	March 31,
		RMB'000	RMB'000	RMB'000	2023
					RMB'000
NON-CURRENT ASSETS					
Property and equipment		1,425	1,584	1,233	1,557
Right-of-use assets	17	4,851	2,884	5,103	3,571
Investments in subsidiaries	51	2,564,942	2,792,724	2,784,138	2,784,138
Interests in joint ventures	22	29,328	29,323	18,848	18,425
Deferred tax assets	20	21,661	19,777	–	–
Interests in associates measured at fair value	21A	863,395	870,931	1,183,260	1,047,257
Other receivables	26	–	–	996,670	996,670
Other non-current assets		89	269	256	181
		<u>3,485,691</u>	<u>3,717,492</u>	<u>4,989,508</u>	<u>4,851,799</u>
CURRENT ASSETS					
Prepayments and other receivables	26	2,935,589	2,765,886	679,975	788,057
Financial assets at FVTPL	24	71,120	71,120	71,120	71,120
Bank balances and cash	28	74,034	19,371	203,708	94,126
		<u>3,080,743</u>	<u>2,856,377</u>	<u>954,803</u>	<u>953,303</u>
CURRENT LIABILITIES					
Other payables and accruals	30	1,090	156,904	36,835	39,521
Advances from share transfer transaction	32	71,120	71,120	71,120	71,120
Tax payable		18,972	18,972	18,980	19,909
Bank and other borrowings	33	100,000	70,000	85,245	84,860
Bond payables due within one year	34	44,626	1,830,162	20,398	32,525
Lease liabilities	37	3,384	3,032	3,270	1,835
		<u>239,192</u>	<u>2,150,190</u>	<u>235,848</u>	<u>249,770</u>
NET CURRENT ASSETS		<u>2,841,551</u>	<u>706,187</u>	<u>718,955</u>	<u>703,533</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,327,242</u>	<u>4,423,679</u>	<u>5,708,463</u>	<u>5,555,332</u>
NON-CURRENT LIABILITIES					
Deferred tax liabilities	20	–	–	58,863	24,863
Bond payables due over one year	34	1,783,668	–	980,913	984,897
Lease liabilities	37	1,769	–	2,061	1,939
		<u>1,785,437</u>	<u>–</u>	<u>1,041,837</u>	<u>1,011,699</u>
NET ASSETS		<u>4,541,805</u>	<u>4,423,679</u>	<u>4,666,626</u>	<u>4,543,633</u>
CAPITAL AND RESERVES					
Share capital		519,773	519,773	519,773	519,773
Reserves		4,022,032	3,903,906	4,146,853	4,023,860
TOTAL EQUITY		<u>4,541,805</u>	<u>4,423,679</u>	<u>4,666,626</u>	<u>4,543,633</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company							Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Other reserves RMB'000	Translation reserves RMB'000	Statutory reserve RMB'000 (note i)	Retained earnings RMB'000	Sub-total RMB'000		
At January 1, 2020	519,773	3,550,151	-	90,394	100,350	914,576	5,175,244	566,342	5,741,586
Profit for the year	-	-	-	-	-	720,999	720,999	336,890	1,057,889
Other comprehensive expense for the year	-	-	-	(135,886)	-	-	(135,886)	(1,918)	(137,804)
Total comprehensive (expense) income for the year	-	-	-	(135,886)	-	720,999	585,113	334,972	920,085
Appropriation to statutory reserves	-	-	-	-	13,006	(13,006)	-	-	-
Capital contribution from non-controlling shareholders of subsidiaries of the Group (note iii)	-	-	-	-	-	-	-	74,303	74,303
Capital redemption by non-controlling shareholders of subsidiaries of the Group (notes ii and iv)	-	-	463	-	-	-	463	(677,987)	(677,524)
Disposal of a subsidiary	-	-	-	-	(1,896)	1,896	-	-	-
At December 31, 2020 and January 1, 2021	519,773	3,550,151	463	(45,492)	111,460	1,624,465	5,760,820	297,630	6,058,450
Profit (loss) for the year	-	-	-	-	-	730,133	730,133	(10,310)	719,823
Other comprehensive expense for the year	-	-	-	(55,050)	-	-	(55,050)	(790)	(55,840)
Total comprehensive (expense) income for the year	-	-	-	(55,050)	-	730,133	675,083	(11,100)	663,983
Capital contribution from non-controlling shareholders of a subsidiary of the Group (note v)	-	-	-	-	-	-	-	1,800	1,800
Capital redemption by non-controlling shareholders of subsidiaries of the Group	-	-	-	-	-	-	-	(25)	(25)
Effect arising on deconsolidation of Mengtian Dairy (as defined in Note 1) and dilution of Yoplait China (as defined in Note 1) (note vi)	-	-	92,457	-	(16,394)	16,394	92,457	(204,752)	(112,295)
At December 31, 2021	519,773	3,550,151	92,920	(100,542)	95,066	2,370,992	6,528,360	83,553	6,611,913

	Attributable to owners of the Company							Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Other reserves RMB'000	Translation reserves RMB'000	Statutory reserve RMB'000 (note i)	Retained earnings RMB'000	Sub-total RMB'000		
At January 1, 2022	519,773	3,550,151	92,920	(100,542)	95,066	2,370,992	6,528,360	83,553	6,611,913
Profit (loss) for the year	-	-	-	213,477	-	559,285	559,285	(26,372)	532,913
Other comprehensive income for the year	-	-	-	-	-	-	213,477	2,288	215,765
Total comprehensive income (expense) for the year	-	-	-	213,477	-	559,285	772,762	(24,084)	748,678
Appropriation to statutory reserves	-	-	-	-	26,077	(26,077)	-	-	-
Capital contribution from non-controlling shareholders of a subsidiary of the Group (note vi)	-	-	-	-	-	-	-	1,500	1,500
Capital contribution from limited partnership of a consolidated fund of the Group (note vii)	-	-	(4,584)	-	-	-	(4,584)	-	(4,584)
Effect arising on deconsolidation of Yoplait China (as defined in note 1) (note vi)	-	-	-	-	-	-	-	(30,425)	(30,425)
Effect arising on deregistration of a subsidiary	-	-	-	-	-	-	-	18	18
At December 31, 2022 and January 1, 2023	519,773	3,550,151	88,336	112,935	121,143	2,904,200	7,296,538	30,562	7,327,100
Loss for the period	-	-	-	-	-	(80,343)	(80,343)	(595)	(80,938)
Other comprehensive expense for the period	-	-	-	(29,886)	-	-	(29,886)	(288)	(30,174)
Total comprehensive expense for the period	-	-	-	(29,886)	-	(80,343)	(110,229)	(883)	(111,112)
At March 31, 2023	519,773	3,550,151	88,336	83,049	121,143	2,823,857	7,186,309	29,679	7,215,988

Attributable to owners of the Company									
Share capital RMB'000	Capital reserve RMB'000	Other reserves RMB'000	Translation reserves RMB'000	Statutory reserve RMB'000 (note i)	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000	
519,773	3,550,151	92,920	(100,542)	95,066	2,370,992	6,528,360	83,553	6,611,913	
-	-	-	-	-	(223,331)	(223,331)	(12,051)	(235,382)	
-	-	-	(16,283)	-	-	(16,283)	(127)	(16,410)	
-	-	-	(16,283)	-	(223,331)	(239,614)	(12,178)	(251,792)	
-	-	-	-	-	-	-	1,500	1,500	
519,773	3,550,151	92,920	(116,825)	95,066	2,147,661	6,288,746	72,875	6,361,621	

(Unaudited)
At January 1, 2022
Loss for the period
Other comprehensive expense for the period

Total comprehensive expense for the period
Capital contribution from non-controlling shareholders of a subsidiary of the Group (note vi)

At March 31, 2022

Notes:

- (i) The amount mainly represents statutory reserve fund. According to the relevant laws in the People's Republic of China (the "PRC"), each of the Group's entities established in the PRC is required to allocate at least 10% of its profit after tax as per financial statements prepared in accordance with the relevant PRC accounting standards to statutory reserve fund until the reserve fund reaches 50% of the registered capital of respective entity. The transfer to this fund must be made before the distribution of dividend to the equity owners. The statutory reserve fund can be used to make up previous years' losses, if any. The statutory reserve fund is non-distributable other than upon liquidation.
- (ii) During the year ended December 31, 2020, the non-controlling shareholder withdrew its 27% equity interest in Tiantu Xinghe Investments Limited Company ("Tiantu Xinghe Investments"), a subsidiary of the Group for an aggregate consideration of RMB571,451,000, which represents the carrying amount of the respective non-controlling interests in Tiantu Xinghe Investments at the date of withdrawal. Upon completion of the capital reduction to the non-controlling shareholders, the Group's equity interests in Tiantu Xinghe Investments increased from 73% to 100%.
- (iii) During the year ended December 31, 2020, an independent third party subscribed 11.76% paid-in equity interest of Yoplait China (as defined in Note 1), a subsidiary of the Group, for a consideration of RMB40,000,000. Upon completion of the capital injection by the non-controlling shareholder, the Group's paid-in equity interests in Yoplait China decreased from 100% to 88.24% without losing control over Yoplait China.
- During the year ended December 31, 2020, the original shareholder of Bei Partners Holding Limited ("Bei Partners") transferred 100% equity interest of Bei Partners to the Group. The Group passed a resolution to approve the allotment of shares between the Group and new investors. The new investors subscribed for the paid-in capital of Bei Partners for an aggregate consideration of USD5,000,000 (equivalent to RMB34,303,000), which the Group, the investors held 83.33% and 16.67% equity interests of Bei Partners.
- (iv) During the year ended December 31, 2020, a non-controlling shareholder of Mengtian Dairy withdrew its 8.13% equity interest in Mengtian Dairy and Mengtian Dairy returned cash of RMB106,073,000 to the non-controlling shareholder for a sum equivalent to the relevant portion of net asset value of Mengtian Dairy, resulting in the reduction of Mengtian Dairy's paid-in capital RMB49,206,000 and non-controlling interests by RMB106,536,000, respectively. As such, the Group's equity interests in Mengtian Dairy increased from 61.21% to 66.62%.
- (v) During the year ended December 31, 2021, the Group and the independent third party of Shenzhen Tiantu Xingshuo Equity Investment Management Co., Ltd.* (深圳天圖興碩股權投資管理有限公司) ("Tiantu Xingshuo") injected RMB4,200,000 and RMB1,800,000, respectively, as paid-in capital of Tiantu Xingshuo and registered capital of Tiantu Xingshuo increased to RMB10,000,000 since then. Upon the completion of capital injection, the shareholding of Tiantu Xingshuo, which is 70% and 30% held by the Group and the non-controlling shareholder, respectively, remained unchanged.
- (vi) Non-controlling interests of Yoplait China has been increased from 13.04% to 46.09% as a result of the Group's lost of control over Tiantu Xingnan on December 31, 2021 as detailed in Note 4. The dilution of the Group's interest in Yoplait China has no impact to profit or loss, while RMB92,457,000 has been credited to other reserve accordingly. As the Group's absolute control over Tiantu Xingnan and Mengtian Dairy has been lost, Mengtian Dairy is presented as discontinued operation as detailed in Note 39(i). The amount of related non-controlling interests of Mengtian Dairy amounting to RMB271,477,000 has been debited to non-controlling interests.

* English name is for the identification purpose only.

During the year ended December 31, 2022, an independent third party injected RMB1,500,000 in Yoplait China as paid-in capital. As such, the Group's paid-in equity interests in Yoplait China decreased from 88.24% to 87.85%. Subsequently, as the Group disposed 8.70% of equity interest of Yoplait China, together with certain arrangement between the Group and Yoplait China and the other shareholder on June 15, 2022, the Group's absolute control over Yoplait China has been lost, Yoplait China is presented as discontinued operation as detailed in Note 39(ii). The amount of related non-controlling interests of Yoplait China amounting to RMB30,425,000 has been debited to non-controlling interests.

(vii) During the year ended December 31, 2022, the Group entered into a partnership interest transfer agreement with certain investors including Shenzhen Tiantu Chuangye Investment Co., Ltd. ("Tiantu Chuangye")* (深圳市天圖創業投資有限公司), one of the portfolio companies and an entity that the Controlling Shareholder has indirect economic interests, pursuant to which, the Group agreed to transfer an aggregate of 66.13% limited partnership interest of Tiantu Xingqiao to these investors for an aggregate consideration of RMB350,000,000.

As such, the Group's equity interests in Tiantu Xingqiao decreased from 100% to 33.87%. The management of the Group assessed that the Group can retain control over the investment committee of Tiantu Xingqiao, as the Group still acts as its general partner and it has the power to appoint the majority of the members of investment committee of Tiantu Xingqiao and has the power to affect its variable returns. The difference between the consideration of RMB350,000,000 and the carrying amount of the relevant interests in Tiantu Xingqiao of RMB354,584,000, on date of transaction, has been debited to other reserves. As Tiantu Xingqiao is a consolidated structure entity of the Group, the non-controlling interests of Tiantu Xingqiao held by the other investors totalling RMB354,584,000 has been accounted for as "financial liabilities of FVTPL" in Note 35.

* English name is for the identification purpose only.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended December 31,			For the three months ended March 31,	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Cash flows from operating activities					
Profit (loss) before tax from continuing and discontinued operations	976,018	746,375	758,983	(236,282)	(96,545)
Adjustments for:					
Finance costs	200,165	162,480	119,622	37,348	17,396
Interest income	(11,977)	(7,437)	(6,965)	(1,875)	(1,925)
Dividend and interest from financial assets at FVTPL	(38,913)	(34,439)	(11,867)	(120)	(104)
Dividends from interests in associates measured at fair value	(162,937)	(87,706)	(94,442)	–	(750)
Impairment loss under expected credit loss model, net of reversal					
– bank balances	–	–	–	–	27,568
– accounts receivables	2,100	(1,988)	75	–	–
– others receivables	1,465	(2,482)	48	–	–
Provision on inventories, net of reversal	2,096	(190)	21	–	–
Depreciation of property, plant and equipment	78,829	71,934	13,970	6,725	375
Depreciation of right-of-use assets	11,438	15,491	11,383	2,946	2,845
Amortisation of intangible assets	148	6,686	139	69	–
Loss on disposal of property, plant and equipment	1,354	740	–	–	–
Loss (gain) on disposal of subsidiaries	8,722	(123,258)	(639,407)	–	–
Loss arising from changes in fair value less costs					
to sell of dairy cows	47,713	61,014	–	–	–
Share of results of associates	81	(17,094)	(8,439)	(41,926)	(19,139)
Share of results of joint ventures	(77,428)	(394,898)	37,667	4,272	(138,897)
Realised gains from financial assets at FVTPL	(883,390)	(309,333)	(45,710)	(363)	(500)
Realised (gains) losses from interests in associates measured at fair value	(943,749)	41,461	(70,666)	–	(51,105)
Unrealised (gains) losses from financial assets at FVTPL	(683,960)	(3,455)	267,122	214,477	10,220
Unrealised fair value changes in interests in associates measured at fair value	1,424,319	(637,564)	(63,535)	172,642	247,456
Unrealised losses (gains) from financial liabilities at FVTPL	132,073	569,915	(358,136)	(191,084)	1,132
Income from government grants related to assets	(304)	(282)	–	–	–

	For the year ended December 31,			For the three months ended March 31,	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Operating cash flows before movement in working capital	83,863	55,970	(90,137)	(33,171)	(1,973)
(Increase) decrease in inventories	(35,938)	(14,113)	1,257	627	–
(Increase) decrease in accounts receivables	(45,422)	(55,519)	681	5,767	(5,970)
Decrease (increase) in prepayments and other receivables	40,099	(12,554)	(35,386)	(6,034)	472
(Increase) decrease in financial assets at FVTPL	(212,740)	(150,531)	(24,927)	(194,110)	500
Decrease (increase) in interests in associates measured at fair value	898,137	(813,448)	(186,142)	(206,005)	47,326
Dividend received	140,976	98,284	106,309	84,855	85,486
(Increase) decrease in other non-current assets	(8,044)	205	(2,850)	400	201
(Decrease) increase in accounts payables	(58,297)	108,149	19,590	262,365	–
Increase (decrease) in advances from share transfer transaction	10,000	(10,000)	–	–	–
Increase (decrease) in other payables and accruals	84,321	(11,372)	15,709	(10,742)	(14,671)
Increase (decrease) in contract liabilities	45,380	31,719	(12,863)	(3,391)	(7,219)
Decrease in other non-current liabilities	–	(34)	–	–	–
Cash generated from (used in) operations	942,335	(773,244)	(208,759)	(99,439)	104,152
Income taxes (paid) refunded	(10,661)	(17,758)	(5,965)	99	(3,736)
Net cash from (used in) operating activities	931,674	(791,002)	(214,724)	(99,340)	100,416

	NOTES	For the year ended December 31,			For the three months ended March 31,	
		2020	2021	2022	2022	2023
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
INVESTING ACTIVITIES						
Interest received		11,977	7,437	13,963	1,875	1,925
Net cash outflow on acquisition of subsidiaries	30 and 38	(281,511)	(69,805)	–	–	–
Repayment of deposits paid to related parties for strategic investment		40,000	–	–	–	–
Purchase of property, plant and equipment, intangible assets and other non-current assets		(89,520)	(42,080)	(10,954)	(2,390)	(1,449)
Purchase of biological assets		(114,172)	(84,269)	–	–	–
Proceeds from the capital reduction of interest in associates		1,473	24,983	56,209	–	–
Capital injection to a joint venture		–	(159,484)	–	–	–
Proceeds from the capital reduction of interests in joint ventures		–	20,000	121,781	–	–
Withdrawal of unlisted financial products classified as financial assets at FVTPL		11,191	216,335	77,132	45,000	–
Placement of unlisted financial products classified as financial assets at FVTPL		(10,811)	(212,000)	(85,054)	(43,667)	(100,000)
Withdrawal of restricted bank deposits		6,590	–	6,055	–	–
Placement of restricted bank deposits		–	(6,055)	–	(76)	–
Repayment from the independent third parties		137,830	94,649	–	–	–
Advance to the independent third parties		(44,954)	(22,293)	–	–	–
Deconsolidation of Tiantu Xingnan and Mengtian Dairy	39 and 40	–	(141,361)	–	–	–
Net cash inflow on disposal of other subsidiaries	39 and 40	138,587	–	24,320	–	–
Proceeds from disposal of biological assets		33,898	58,950	–	–	–
Proceeds from disposal of property, plant and equipment		24,183	3,993	5	5	–
Net cash (used in) from investing activities		(135,239)	(311,000)	203,457	747	(99,524)

NOTES	For the year ended December 31,			For the three months ended March 31,	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
FINANCING ACTIVITIES					
Interest paid	(253,970)	(174,641)	(144,870)	(1,479)	(1,015)
Capital contribution from non-controlling shareholders	74,303	1,800	1,500	1,500	–
Capital redemption from non-controlling shareholders	(106,073)	(25)	–	–	–
Cash injection by third-party holders to consolidated structured entities	599,207	1,489,287	862,855	70,000	2,058
Capital redemption by third-party holders of consolidated structured entities	(89,100)	(66,404)	(44,307)	–	(21,586)
New bank and other borrowings raised	237,720	300,489	109,607	24,363	–
Repayments of bank and other borrowings	(772,447)	(292,729)	(112,492)	(34,889)	(385)
Proceeds from bonds issued	50,000	–	995,160	–	–
Repayment of bonds	(50,400)	–	(1,799,600)	–	–
Advance from related parties	81,800	150,000	100,000	–	–
Repayment of loan from related parties	(468,600)	–	(250,000)	(100)	–
Repayment of loan from a director	(16,160)	(30,719)	(76,440)	–	–
Advance from independent third parties	74,124	1,000	–	–	–
Repayment of loan from independent third parties	(89,196)	(50,550)	(2,600)	(1,000)	–
Payments of issue costs	–	–	(23,301)	(2,149)	(11,144)
Repayment of lease liabilities	(35,899)	(13,266)	(10,785)	(2,459)	(3,087)
Net cash (used in) from financing activities	(764,691)	1,314,242	(395,273)	53,787	(35,159)
Net increase (decrease) in cash and cash equivalents	31,744	212,240	(406,540)	(44,806)	(34,267)
Cash and cash equivalents at beginning of the year/period	768,353	793,401	1,015,797	1,015,797	613,612
Effect of foreign exchange rate changes	(6,696)	10,156	4,355	(2,295)	(574)
Cash and cash equivalents at end of the year/period, represented by bank balances and cash	793,401	1,015,797	613,612	968,696	578,771
Less: Impairment recognised for bank balance	–	–	–	–	(27,383)
	<u>793,401</u>	<u>1,015,797</u>	<u>613,612</u>	<u>968,696</u>	<u>551,388</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION AND BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Company was incorporated and registered in the PRC on January 11, 2010 as a limited liability company. In July 2015, the Company was converted into a joint stock company with limited liability under the Company Laws of the PRC. On November 16, 2015, the Company was listed on the National Equities Exchange and Quotations (the "NEEQ") (stock code: 833979.NQ). The addresses of the registered office and the principal place of business of the Company is Unit 05, 43/F Shenzhen Metro Real Estate Building Shennan Avenue Tian'an Community, Shatou Street Futian District, Shenzhen PRC. The Company is established by Mr. Wang Yonghua ("Mr. Wang") (王永華), who is the single largest shareholder and controlling shareholder of the Company holding 40.35%, 40.35%, 40.35% and 40.35% equity interests of the Company as at December 31, 2020, 2021 and 2022 and March 31, 2023. He is also the chairman of the executive committee and chairman of the Company.

The Group is principally engaged in the provision of private equity investment management services through its own investment in funds, of which are financed with a mix of capital raised from external investors and the Group's own equity, primarily focusing minority private equity investments specialised in the consumer sector in the PRC (the "Private Equity Investment").

The Historical Financial Information has been prepared in accordance with the accounting policies set out in note 3 which conform with IFRSs.

Historically, the Group deployed buyout investment strategy through acquisition of targets, by certain consolidated structured entities under the Group's management, engaged in the dairy business in the PRC (the "Buyout Investment Business"). The Buyout Investment Business which had been discontinued during the Track Record Period included two major lines of dairy business, representing (i) the dairy farming business (mainly the production and sale of raw milk, lactobacillus drink) conducted by the Group's subsidiary, Mengtian Dairy Co., Ltd. ("Mengtian Dairy")* (蒙天乳業有限公司) (the "Mengtian Dairy Business") of which was acquired by the Group in 2018, and (ii) the liquid milk business (representing mainly the production and sale of yogurt and other milk beverages) conducted by the Group's subsidiary, Yoplait Dairy Co., Ltd.* ("Yoplait China") (優諾乳業有限公司), which was acquired by the Group in April 2019 (the "Yoplait China Business").

On December 31, 2021, the directors of the Company and Mengtian Dairy and limited partners of the Group's consolidated structured entities, including Shenzhen Tiantu Xingnan Investment Partnership Enterprise (Limited Partnership)* (深圳天圖興南投資合夥企業(有限合夥)) ("Tiantu Xingnan") resolved and agreed among the parties to pass a series of resolutions and amended the relevant agreements. As a result of these amendments, Tiantu Xingnan and Mengtian Dairy ceased to be subsidiaries of the Group, while remained as the Group's associates. Accordingly, the Group's Mengtian Dairy Business, which is one of the major lines of business under the Buyout Investment Business, has been discontinued along with these amendments. The financial performance of Mengtian Dairy Business is therefore presented as a discontinued operation. Further details are set out in Notes 4 and 39.

On June 10, 2022, the Group has entered into a share purchase agreement with a new independent investor ("New Independent Investor 1"), pursuant to which, the Group agrees to sell and the New Independent Investor 1 agrees to buy 59.98% registered capital of the Group's 99.97% owned consolidated structured entity, Pingtan Xingxu Investment Limited Partnership* (平潭興旭投資合夥企業(有限合夥)) ("Pingtan Xingxu"), which holds 8.70% equity interest of Yoplait China for a cash consideration of RMB62,610,000. As a result of this share transfer, together with certain arrangement between the Group and Yoplait China and the other shareholders, Yoplait China ceased to be a subsidiary of the Group, while remained as the Group's associate. Accordingly, the Group's Yoplait China, which is one of the major lines of business under the Buyout Investment Business, has been discontinued along with this share transfer. The financial performance of Yoplait China is therefore presented as a discontinued operation. Further details are set out in Notes 4 and 39(ii).

* English name is for identification purpose only.

2. APPLICATION OF NEW AND REVISED IFRSs

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied International Accounting Standards (“IASs”), IFRSs, amendments and the related Interpretations (“IFRICs”) (herein collectively referred to as the IFRSs) issued by IASB, which are effective for the Group’s financial year beginning on January 1, 2023 throughout the Track Record Period.

New and amendments to IFRSs in issue but not yet effective

The Group has not early adopted the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ²
Amendments to IAS 1	Non-current Liabilities with Covenants ²
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements ²
Amendments to IAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after January 1, 2024

³ Effective for annual periods beginning on or after January 1, 2025

The directors of the Company anticipate that the application of all amendments to IFRSs will have no material impact on the Group’s consolidated financial statements in the foreseeable future.

3. ACCOUNTING POLICIES

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with IFRSs issued by the IASB. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments and biological assets that are measured at fair values or fair value less costs to sell at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in Historical Financial Information is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When the Group is an investor of a fund in which the Group also acts as a fund manager, the Group will determine whether it is a principal or an agent for the purpose of assessing whether the Group controls the relevant fund.

An agent is a party primarily engaged to act on behalf and for the benefit of another party or parties (the principal(s)) and therefore does not control the investee when it exercises its decision-making authority. In determining whether the Group is an agent to the fund, the Group would assess:

- the scope of its decision-making authority over the investee;
- the rights held by other parties;
- the remuneration to which it is entitled in accordance with the remuneration agreements; and
- the decision maker's exposure to variability of returns from other interests that it holds in the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the Track Record Period are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributable to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. A structured entity often has restricted activities and a narrow and well defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained. The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in subsidiaries

Investments in subsidiaries are included in the statements of financial position of the Company at cost less accumulated impairment losses, if any.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group has invested in certain investment funds that it manages. As the fund manager, the Group may contribute capital in the funds that it manages. Where the Group has an interest in the funds that give the Group significant influence or joint control, but not control, the Group records such investments as investments in associates or joint ventures. The Group has applied the measurement exemption within IAS 28 *Investments in Associates and Joint Ventures*, when an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the Group elects to measure investments in those associates or joint ventures at fair value since the Group decides such funds have the following characteristics of a venture capital organisation:

- The investments are held for a short- to medium-term rather than for a long-term;
- the most appropriate point for exit is actively monitored; and
- investments form part of a portfolio, which is monitored and managed without distinguishing between investments that qualify as associates and those that do not.

For the Group's interests in associates and joint ventures accounted for using the equity method, the results and assets and liabilities of associates and joint ventures are incorporated in the Historical Financial Information using the equity method of accounting. The financial statements of an associate and a joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or a joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or a joint venture.

An investment in an associate or a joint venture that is not measured at fair value is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the

associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group that is not measured at fair value, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Historical Financial Information only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs;
or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative standalone selling price basis.

The standalone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a standalone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

The Group operates a customer loyalty scheme through which award credits are granted to the distributors when they had spending in the purchase of dairy products from Mengtian Dairy. The customers can use the award credits to redeem for purchase the goods from Mengtian Dairy Business. No expiry date for the award credits was granted after the date of grant of award credits. The grant of award credits is a separate performance obligation.

The transaction price is allocated between the target purchase volume from distributors and the award credits on a relative standalone selling price basis. The standalone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a standalone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

The standalone selling price of each award credit is estimated based on the right to be given when the award credits are redeemed by the customer as evidenced by the Group's historical experience.

A contract liability is recognised for revenue relating to the customer loyalty scheme at the time of the initial sales transaction. Revenue from the customer loyalty scheme is recognised when the award credits are redeemed by the customer. Revenue for award credits that are not expected to be redeemed is recognised in proportion to the pattern of rights exercised by customers.

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurement of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of each reporting period and the changes in circumstances during the reporting period.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

If control of the services transfers over time, revenue is recognised over the period of the contract by reference to the progress toward complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the services. In particular, revenue is recognised as follows:

(a) Management service for the funds

Management fee represents fees associated with the management services for the funds at a fixed percentage of commitment under management.

Management fee is recognised over time (i.e. the fund life) based on contractual terms specified in the underlying investment management agreements, since the customer (i.e. the managed fund) simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs and the fee rate and the capital contribution of the fund which are used to determine the management fee can be reliably measured.

(b) Income from carried interest

Income from carried interest earned based on the performance of the managed funds ("Carried Interest") is a form of variable consideration in their contracts with customers to provide investment management services. Carried Interest is earned based on fund performance during the period, subject to the achievement of minimum return levels, or high water marks, in accordance with the respective terms set out in each fund's governing agreements. Income from Carried Interest will not be recognised as revenue until (a) it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur, or (b) the uncertainty associated with the variable consideration is subsequently resolved. Income from Carried Interest is typically recognised as revenue at the later stage of the fund life based on the most likely amount.

(c) Sale of raw milk and beverages (including, lactobacillus drink, yogurt and other milk beverages)

The Group sells raw milk and beverages directly to distributors and the end customers. Revenue is recognised at a point in time when the control of the goods has been transferred, being at the point the customer received the goods and accepted the quality.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments).

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment; or
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the standalone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

COVID-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Borrowing costs

All borrowing costs not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit (loss) for the year/period. Taxable profit differs from "profit before tax" because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. Deferred tax asset related to lease liabilities are only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised while deferred tax liability related to right-of-use-assets are recognised for all taxable temporary differences, which are effective for the beginning of the Track Record Period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses, if any. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first in first out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attribute to the sale and non-incremental costs which the Group must incur to make the sale.

Biological assets

The Group's biological assets comprise dairy cows. Dairy cows, including milkable cows, heifers, calves and bulls, are measured on initial recognition and at the end of each reporting period at their fair value less costs to sell, with any resulting gain or loss recognised in profit or loss for the year/period in which it arises.

The feeding costs and other related costs including staff costs, depreciation charge, utility costs and consumables incurred for raising of heifers and calves are capitalised, until such time as the heifers and calves begin to produce milk.

Agricultural produce

Agricultural produce represents raw milk. Raw milk is recognised at the point of harvest at its fair value less costs to sell. A gain or loss arising from agricultural produce at the point of harvest measuring at fair value less costs to sell is included in profit or loss for the period in which it arises.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Retirement benefits costs

Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets*Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes dividend or interest earned on the financial assets and is included in the "investment gains or losses, net" line item.

The realised profit or loss is recognised in the consolidated statements of profit and loss when the Group manage to dispose all or part of an investment, including financial asset at FVTPL and interest in associates measured at fair value, representing the difference between the disposal price and the initial investment cost/deemed investment cost.

The unrealised profit or loss is recognised at the end of each reporting period when the Group continue to hold an investment, including financial asset at FVTPL and interest in associates measured at fair value, measuring the fair value of the investment at the end of the reporting period compared to that at the beginning of the reporting period.

The cumulative recorded unrealised gains (losses) will be reversed and re-presented as realised gains (losses) in the year/period upon exit of that respective investment.

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including accounts receivables, amounts due from related parties, other receivables, dividend receivables, interest on loan receivables from Mengtian Dairy, loans to the independent third parties, loans to related parties, restricted bank deposits and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for accounts receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

(ii) Definition of default

The Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on accounts receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for accounts receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of accounts receivables, other receivables, dividend receivables, interest on loan receivables from Mengtian Dairy, loans to independent third parties and loans to related parties, where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity*Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Financial liabilities at amortised cost

Financial liabilities including accounts payables, other payables, amount due to a director, bank and other borrowings and bond payables are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management of the Group is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the key assumptions concerning the future, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Historical Financial Information.

Judgments in determining the performance obligations and timing of satisfaction of performance obligations in relation to income from Carried Interest

For the income from Carried Interest in a typical arrangement in which the Group serves as general partner, the Group is entitled to a performance-based fee on the extent by which the fund's investment performance exceeds the minimum return levels. Such performance-based fees are typically calculated and distributed when the cumulative return of the fund can be determined (i.e. investment gains are realised), and is not subject to clawback provisions. The income from Carried Interest will not be recognised as revenue until (a) it is highly probable that a significant reversal in the amount of cumulative revenue will not occur, or (b) the uncertainty associated with the Carried Interest is subsequently resolved.

Consolidation of structured entities

Management needs to make significant judgment on whether a structured entity is under the Group's control and shall be consolidated. Such judgment may affect accounting methods as well as the financial position and operating results of the Group.

When assessing control, the Group considers: (a) power over the investee, (b) exposure, or rights, to variable returns from involvement with the investee; and (c) the ability to use power over the investee to affect the amount of the investor's returns.

When judging the level of the control over the structured entities, the Group considers the following four elements:

- (a) The decisions the Group applied when setting up the structured entities and the involvement in those entities;
- (b) The related agreement arrangements;

- (c) The Group will only take specific actions under certain conditions or incidents; and
- (d) The commitments made by the Group to the structured entities.

When assessing whether there is control over the structured entities, the Group also considers whether the decisions it makes are as a principal or as an agent. Aspects of considerations normally include the decision making scope over the structured entities, substantive rights of third parties, rewards of the Group, and the risks of undertaking variable returns from owning other benefits of the structured entities.

All facts and circumstances must be taken into consideration in the assessment of whether the Group, as an investor controls the investee.

For investment funds and limited partnerships where the Group involves as manager and also as investor, the Group assesses whether the combination of investments it holds together with its remuneration and credit enhancement creates exposure to variability of returns from the activities of the investment funds and limited partnerships that is of such significance that it indicates that the Group is a principal. The investment funds and limited partnerships are consolidated if the Group has control.

Determination of de-consolidation of Tiantu Xingnan and Mengtian Dairy since December 31, 2021 and discontinued operation of Mengtian Dairy Business

Prior to December 31, 2021, the Group acted as general partners over Tiantu Xingnan, Shenzhen Tiantu Xingpeng Great Consumer Industry Equity Fund Partnership (Limited Partnership)* (“Tiantu Xingpeng”) (深圳天圖興鵬大消費產業股權投資基金合夥企業(有限合夥)) and Shenzhen Tiantu Xing'an Investment Enterprise (Limited Partnership)* (“Tiantu Xing'an”) (深圳天圖興安投資企業(有限合夥)). Mengtian Dairy was held by Tiantu Xingnan, Tiantu Xingpeng and Tiantu Xing'an as to 45.16%, 16.19% and 5.27%, respectively, totalling 66.62% in aggregate immediately before December 31, 2021 and pursuant to the shareholders resolution, (i) the Company's appointment right was three out of five members of the investment committee of Tiantu Xingnan; and (ii) Tiantu Xingnan and the Company's related investment funds' appointment right of directors was five out of seven directors in Mengtian Dairy. In view that immediately before December 31, 2021, the Company had control over Tiantu Xingnan through the control of its investment committee, the Company, together with Tiantu Xingnan as a subsidiary of the Company, had control over Mengtian Dairy as the Company had control over its board of directors.

On December 31, 2021, the directors of the Company and Mengtian Dairy and limited partners of Tiantu Xingnan resolved and agreed among the parties that (i) the Company's appointment right of members is limited to two out of five members of the investment committee of Tiantu Xingnan; (ii) Tiantu Xingnan and the Company's related investment funds' appointment right of directors is limited to not more than a half out of the total number of directors in Mengtian Dairy; (iii) Tiantu Xingnan's voting right and appointment right of directors in Mengtian Dairy are delegated from its general partner, which is the Company, to the investment committee of Tiantu Xingnan; and (iv) the Company's Carried Interest over Tiantu Xingnan would be reduced as a result of the change of the role between the Company and Tiantu Xingnan, with effect from December 31, 2021. The directors of the Company has assessed that, after these amendments, although the Group's ownership interest over Tiantu Xingnan and Mengtian Dairy remained unchanged, the Group's absolute control over Tiantu Xingnan and Mengtian Dairy has been lost as the Company could no longer control the investment committee of Tiantu Xingnan and the board of directors of Mengtian Dairy. The Group only has significant influence over Tiantu Xingnan and Mengtian Dairy. Accordingly, Tiantu Xingnan and Mengtian Dairy became associates of the Group since then.

The Group's Mengtian Dairy Business, which is one of the major lines of business under the Buyout Investment Business, has also been discontinued along with these amendments. The financial performance of Mengtian Dairy Business is therefore presented as a discontinued operation since the beginning of the Track Record Period.

* English name is for the identification purpose only

Determination of de-consolidation of Yoplait China since June 15, 2022 and discontinued operation of Yoplait China Business

The Group acquired the entire equity interest of Yoplait China on April 1, 2019, which were held by Tiantu Xingnan, Xingqi Investment and Tiantu Xingpeng, all are the consolidated structured entities of the Group at that time.

Despite an independent third party subscribed shares issued by Yoplait China equivalent to its 11.76% paid-in equity interest in 2020 and the Group's loss of control of Tiantu Xingnan on December 31, 2021 which became an associate of the Group as mentioned in Note 40, the Group can still achieve control over Yoplait China through its shareholders' right in Yoplait China, since the Group, through its consolidated structured entities, owns 53.91% equity interest of and is able to exercise 66.96% shareholder's right of Yoplait China as the acting in concert agreement with this independent third party remains valid as at December 31, 2021.

On June 10, 2022, the Group has entered into a share purchase agreement with New Independent Investor 1, pursuant to which, the Group agrees to sell and the New Independent Investor 1 agrees to buy 59.98% registered share capital of the Group's 99.97% owned consolidated structured entity 'Pingtan Xingxu' which holds 8.70% equity interest of Yoplait China for a cash consideration of RMB62,610,000. An acting in concert agreement had been signed between the Group and Pingtan Xingxu in 2020, pursuant to which, Pingtan Xingxu agreed to follow all the shareholder's decisions made by the Group, and this has been terminated in June 2022. This share transfer transaction has been completed on June 15, 2022, and up to the date of issue of this report, the Group has received RMB31,305,000, being 50% of the consideration, while the remaining amount will be settled within 12 months after the date of signing the share purchase agreement. In June 2023, the Group and the New Independent Investor 1 had agreed to extend the maturity date for 1 year. The New Independent Investor 1 acts as general partner of Pingtan Xingxu and holds effectively, proportional to the amount of paid-up capital Pingtan Xingxu, 60% equity interest of and has achieved control of Pingtan Xingxu. The Group's equity interest in Yoplait China through its consolidated structured entities was then reduced to 45.22%.

A commitment letter has been issued by the Group to Yoplait China in April 2022, pursuant to which the Company, including all its consolidated structure entities, committed to limit their appointment right of directors to not more than a half of total number of directors of Yoplait China, together with the aforementioned termination of the acting in concert agreement between the Group and Pingtan Xingxu, Yoplait China and Pingtan Xingxu would then become the Group's 45.22% owned and 40% owned associate since June 15, 2022, respectively. The assets and liabilities of and non-controlling interests in relation to Yoplait China and the assets and liabilities of Pingtan Xingxu are derecognised. The fair value of the Group's equity interest in Yoplait China, at the date when control is lost, is deemed as the fair value on initial recognition of interests in associates. The Group elects to measure its interest in Yoplait China at fair value subsequent to initial recognition since Yoplait China is held by the Group's entities that are venture capital organisation, while Pingtan Xingxu is accounted for as interests in associates measured using equity method.

The Group's Yoplait China Business, which is one of the major lines of business under the Buyout Investment Business, has also been discontinued along with these amendments. The financial performance of Yoplait China Business is therefore presented as a discontinued operation since the beginning of the Track Record Period.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets within the next financial year.

Fair value measurements and valuation process

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The board of the directors authorised the financial department headed by the Chief Financial Officer of the Group to determine the appropriate valuation techniques and inputs for fair value.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where the Level 1 inputs are not available, the group engages third-party qualified valuation experts to perform the valuation. The valuation team works closely with the qualified external valuation experts to establish the appropriate valuation techniques and inputs to the model. The valuation team reports the findings to the board of the directors of the Group every year to explain the cause of the fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 48.

Fair value measurements of biological assets

The Group's biological assets are measured at fair value less costs to sell at the end of each reporting period. The Group uses valuation techniques that include inputs that are not based on market observable data to estimate the fair value of biological assets. For heifers and calves, the fair value is determined based on the 14 months old heifers' local market selling prices and adjusted by estimated feeding costs for heifers and calves older or younger than 14 months. For milkable cows, the fair value is determined by using the multi-period excess earning method with key inputs including the discount rate, the estimated feed costs per kilogram ("kg") of raw milk, estimated average daily milk yield at each lactation cycle and the estimated local future market price of raw milk. Any changes in the inputs may affect the fair value of the Group's biological assets significantly. The carrying amount of the Group's biological assets as at December 31, 2020 was RMB229,809,000. The Group does not have any biological assets as at December 31, 2021 and 2022 and March 31, 2023 along with the deconsolidation of Mengtian Dairy completed on December 31, 2021. Further details are set out in Notes 23 and 48A.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGUs to which goodwill has been allocated, which is the higher of its value in use and its fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable pre-tax discount rate in order to calculate the present value. Where the actual future cash flows are less than expected or when there is a downward revision to the estimated future cash flows due to changes in facts and circumstances, further impairment loss may arise.

As at December 31, 2020, 2021 and 2022 and March 31, 2023, the carrying amount of goodwill is RMB297,853,000, RMB14,413,000, RMB56,000 and RMB56,000, respectively, net of accumulated impairment loss. Details of the recoverable amount calculation are disclosed in Note 19A.

Recognition of deferred taxation

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. The recognition of the deferred tax assets mainly depends on whether sufficient future profits will be available in the future. In cases where the actual future profits generated are higher or lower than expected, the deferred tax assets might be materially adjusted accordingly and the corresponding amounts will be recognised in profit or loss in the periods in which such a situation takes place. Also, the recognition of deferred tax liabilities arising from the Group's investments (including those consolidated or unconsolidated structure entities of managed funds and limited partnerships) depends on their respective change in fair value. In cases where the actual amount of fair value arising from the Group's valuation of these investments is higher or lower than estimated, the amount of deferred taxation might be materially adjusted accordingly, and the corresponding amounts recognised in profit or loss would be adjusted as well.

As at December 31, 2020, 2021 and 2022 and March 31, 2023, the carrying amount of deferred tax assets amounting to RMB41,525,000, RMB28,655,000, RMB9,071,000 and RMB12,896,000, respectively and deferred tax liabilities amounting to RMB10,056,000, RMB7,723,000, RMB200,549,000 and RMB186,227,000, respectively.

5. REVENUE AND SEGMENT INFORMATION

During the Track Record Period, the Group derives its revenue from the provision of Private Equity Investment services.

Continuing operation*Disaggregation of revenue from contracts with customers*

	Year ended December 31,			Three months ended	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Private Equity Investment (<i>note</i>)					
fund management service,					
recognised over time	38,602	34,823	45,983	8,491	12,442
Carried interest, recognised					
over time	Nil	Nil	Nil	Nil	Nil

Note:

The Group derives its revenue from the provision of Private Equity Investment through the management of unconsolidated investment funds specialised in consumer business industries for investment returns.

No income from carried interest for the funds was recognised as revenue during the Track Record Period, details of which are set out in Note 4.

Transaction price allocated to the remaining performance obligation for contracts with customers

The Group receives management fees associated with the Private Equity Investment, at a fixed percentage of (i) committed or paid-in capital or committed or paid-in capital less cost of exited investments, during the investment period, and (ii) committed capital less cost of exited investments, or cost of existing investments, after the investment period. The Group usually received prepaid management fee from certain unconsolidated investment funds and such advance payments are recorded as contract liabilities until the services are rendered to the customers.

Carried Interest would be payable to general partner or fund manager. The unrealised income from Carried Interest is allocated to the general partners based on the cumulative fund performance to date, subject to the achievement of minimum return levels to limited partners on an as-if liquidation basis. At the end of each reporting period, the general partners calculate the income from Carried Interest that would be due to the general partners for each fund, pursuant to the fund agreements, as if the fair value of the underlying investments were realised as of such date, irrespective of whether such amounts have been realised.

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) during the investment period as at December 31, 2020, 2021 and 2022 and March 31, 2023 in respect of management fees as at December 31, 2020, 2021 and 2022 and March 31, 2023 and the expected timing of recognising revenue.

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Within one year	34,823	12,779	–	–
More than one year but not more than two years	12,779	–	–	–
Total	47,602	12,779	–	–

The amount of performance obligation that is not satisfied or partially satisfied after the investment period is not disclosed as the uncertainty about the committed capital minus cost of exited investments or cost of existing investments after the investment period is not expected to be resolved and the amount therefore cannot be estimated reliably.

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided and based on the financial information prepared under the generally accepted accounting principles in the PRC (“PRC GAAP”). Along with the Mengtian Dairy Business and Yoplait China Business having been discontinued on December 31, 2021 and June 15, 2022 respectively, the management of the Group considers that the Group only has one operating and reportable segment under Private Equity Investment as its continuing operations, and therefore, no operating segment information is presented other than the entity-wide disclosures.

Geographic information

All of the Group’s revenue from external customers are derived in the PRC based on the geographical location of the management team of the funds managed for Private Equity Investment. All of the Group’s non-current assets are located in the PRC and all the segments are managed on a nationwide basis because of the similarity of the type or class of the customers and the similarity of the regulatory environment in the whole region, no geographic information by segment is presented.

Information about major customers

Revenue from the Group's unconsolidated investment funds during the Track Record Period contributing over 10% of the Group's total revenue are as follows:

	Year ended December 31,			Three months ended	
	2020	2021	2022	March 31, 2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Shenzhen Tiantu Dongfeng Medium Small and Micro Enterprises Equity Investment Fund Partnership (Limited Partnership)* (“Tiantu Dongfeng”) (深圳市天圖東峰中 小微企業股權投資基金合夥企業 (有限合夥))	22,642	22,642	22,601	5,661	5,632
Shenzhen Futian District Tiantu Tangrenshen Innovation Consumption Equity Investment Fund Partnership (Limited Partnership)* (“Tangrenshen”) (深圳福田區天圖唐人 神創新消費股權投資基金合夥企業 (有限合夥))	11,625	10,197	9,333	2,341	2,295
Chengdu Tiantu Tiantou Dongfeng Equity Investment Fund Center (Limited Partnership)* (“Tiantu Tiantou”) (成都天圖天投東風股權投資基金 中心(有限合夥))	4,217	N/A [#]	N/A [#]	N/A [#]	N/A [#]
Tiantu Xingnan (<i>note</i>)	N/A	N/A	12,066	–	4,033

[#] The Group carried out transactions with this customer but the amount of the transaction was less than 10% of revenue for the respective year/period.

Note: Since December 31, 2021, Tiantu Xingnan has become an associate of the Group.

* English name is for the identification purpose only

6. INVESTMENT GAINS OR LOSSES, NET

	Year ended December 31,			Three months ended	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Continuing operation					
Dividends and interests from					
– financial assets at FVTPL	38,913	34,439	11,867	120	104
– interests in associates measured at fair value	162,937	87,706	94,442	–	750
Realised gains (losses) from					
– financial assets at FVTPL	883,390	309,333	45,710	363	500
– interests in associates measured at fair value	943,749	(41,461)	70,666	–	51,105
Unrealised gains (losses) from					
– financial assets at FVTPL	683,960	2,742	(267,122)	(214,525)	(10,220)
– interests in associates measured at fair value	(1,424,319)	637,564	63,535	(172,642)	(247,456)
Unrealised (losses) gains from financial liabilities at FVTPL	(132,073)	(569,915)	358,136	191,084	(1,132)
	<u>1,156,557</u>	<u>460,408</u>	<u>377,234</u>	<u>(195,600)</u>	<u>(206,349)</u>

7. OTHER INCOME

	Year ended December 31,			Three months ended	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Continuing operation					
Interest income	6,760	7,012	6,955	1,870	1,925
Advisory services income (<i>note i</i>)	8,919	6,795	985	–	570
Government grants					
– related to income (<i>note ii</i>)	6,480	–	475	–	5,000
Other	281	–	–	–	–
	<u>22,440</u>	<u>13,807</u>	<u>8,415</u>	<u>1,870</u>	<u>7,495</u>

Notes:

- (i) The amounts represent the fees received in relation to the consulting services and market updates provided to the investors.
- (ii) The amounts represent subsidies granted by certain local governments for encouraging domestic business development and unconditional subsidies for the purpose of giving financial support to the Group's operations. There are no unfulfilled conditions or contingencies relating to the above subsidies.

8. OTHER GAINS AND LOSSES

	Year ended December 31,			Three months ended	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Continuing operation					
Foreign exchange (loss) gain, net	(1,905)	(941)	(643)	(111)	720
Others	–	303	22	–	–
	(1,905)	(638)	(621)	(111)	720
	(1,905)	(638)	(621)	(111)	720

9. IMPAIRMENT REVERSED (RECOGNISED) UNDER ECL MODEL, NET

	Year ended December 31,			Three months ended	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Continuing operation					
Other receivables	60	(35)	(44)	–	–
Bank balance	–	–	–	–	(27,568)
	60	(35)	(44)	–	(27,568)
	60	(35)	(44)	–	(27,568)

Details of impairment assessment are set out in Note 48.

10. FINANCE COSTS

	Year ended December 31,			Three months ended	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Continuing operation					
Interest on bank and other borrowings	18,618	11,030	3,622	837	1,015
Interest on loan payable to third parties	428	–	–	–	–
Interest on loan payable to related parties (Note 44(i))	15,605	1,956	11,902	1,894	–
Interest on loan payable to a director (Note 44(i))	3,156	1,747	1,486	269	–
Interest on lease liabilities	642	652	746	99	270
Interest on bond payables	142,763	135,050	100,918	33,746	16,111
	181,212	150,435	118,674	36,845	17,396
	181,212	150,435	118,674	36,845	17,396

11. INCOME TAX CREDIT (EXPENSE)

	Year ended December 31,			Three months ended	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Continuing operation					
PRC Enterprise Income Tax (“EIT”)	(6,911)	(5,662)	(6,865)	–	(1,229)
(Under) over provision of PRC EIT in prior years/period	(159)	89	685	900	(1,311)
Deferred tax credit (charge) <i>(Note 20)</i>	97,396	(8,109)	(101,137)	–	18,147
	90,326	(13,682)	(107,317)	900	15,607
	90,326	(13,682)	(107,317)	900	15,607

The Group’s subsidiaries incorporated in Cayman Islands and British Virgin Islands are exempted companies and are not subject to Cayman Islands and British Virgin Islands taxation.

No provision of Hong Kong Profit Tax was made in the Historical Financial Information as the Group had no assessable profit subject to Hong Kong Profit Tax during the Track Record Period.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, except for the preferential treatments available to certain consolidated structure entities as mentioned below, other subsidiaries within the Group operating in the PRC are subject to EIT at the statutory rate of 25% during the Track Record Period.

The structured entities included in the Historical Financial Information are mainly limited partnerships, which are not subject to enterprise income tax and therefore shall adjust their profit or loss before tax. The legal partners of the structured entities (limited partnership) consolidated in the Historical Financial Information, shall pay enterprise income tax on that share of these structured entities’ taxable income under the tax law, such impact has been reflected in the different tax rates and other adjustments of taxable temporary differences of subsidiaries in the tax reconciliation table belows.

Certain consolidated structure entities of the Group engaged in equity investment in small- and- medium sized high-tech enterprises are eligible for certain preferential treatments (i.e, additional tax deduction) during the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023.

The income tax credit (expense) for the year/period can be reconciled to the profit (loss) before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,			Three months ended	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	<i>(unaudited)</i>				
Continuing operation					
Profit (loss) before tax	967,398	663,037	159,481	(208,631)	(96,545)
Income tax (expense) credit calculated at 25%	(241,850)	(165,759)	(39,870)	52,158	24,136
Effect of additional tax deduction	33,328	1,900	1,375	655	1,551
Effect of share of results of associates	87	4,274	2,110	10,481	4,785
Effect of share of results of joint ventures	19,357	98,725	(9,417)	(1,068)	34,724
Effect of expenses that are not deductible	(121)	(408)	(228)	(49)	(91)
Effect of income that are not taxable <i>(note)</i>	17,902	7,252	9,319	–	–
Effect of different tax rates and other adjustments of taxable temporary differences of subsidiaries	205,368	58,094	(86,002)	(56,803)	(47,984)
Effect of tax losses not recognised	(1,739)	(17,849)	(2,013)	(5,374)	(391)
Utilisation of tax losses previously not recognised	58,153	–	16,724	–	188
(Under) over provision in respect of prior years	(159)	89	685	900	(1,311)
Income tax credit (expense) for the year/period	90,326	(13,682)	(107,317)	900	15,607

Note: Effect of income that are not taxable mainly represents the non-taxable income for the dividends from financial assets at FVTPL and associates measured at fair value as dividends between qualified resident enterprises are not taxable according to the EIT Law.

12. PROFIT (LOSS) FOR THE YEAR/PERIOD

Continuing operation

Profit (loss) for the year/period has been arrived at after charging:

	Year ended December 31,			Three months ended	
	2020	2021	2022	March 31, 2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Depreciation of:					
Property, plant and equipment	1,648	1,064	1,130	270	375
Right-of-use assets	7,215	9,518	10,469	2,402	2,845
	<u>8,863</u>	<u>10,582</u>	<u>11,599</u>	<u>2,672</u>	<u>3,220</u>
Total depreciation					
Auditor's remuneration	1,860	2,070	1,996	504	501
Listing expense (<i>note ii</i>)	nil	nil	nil	nil	nil
Directors' and supervisors' remuneration					
(<i>Note 13</i>):	5,828	6,032	8,482	2,249	1,850
Other staff costs:					
– Salaries and allowances	35,183	34,885	42,980	10,021	10,154
– Performance-based bonus	7,254	3,980	4,086	–	–
– Retirement benefit scheme contributions	999	1,829	5,816	1,031	2,038
	<u>43,436</u>	<u>40,694</u>	<u>52,882</u>	<u>11,052</u>	<u>12,192</u>
Total staff costs	<u>49,264</u>	<u>46,726</u>	<u>61,364</u>	<u>13,301</u>	<u>14,042</u>

Notes:

- (i) During the year ended December 31, 2020, pursuant to the notice released by the relevant PRC authority, certain domestic subsidiaries of the Group in respect of its continuing operations have been fully or partially waived to undertake a number of social securities including endowment insurance, unemployment insurance and employment injury insurance, totaling approximately RMB508,000.
- (ii) For each of the three years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023, the Group incurred listing expenses of nil, nil, RMB41,462,000 and RMB3,416,000 respectively, which are primarily directly attributable to the issuance of the H shares and will be deducted from equity upon the listing of the H share of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Listing"). There were no significant amount of listing expenses incurred which would need to charge to profit or loss during the Track Record Period.

13. DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

During the Track Record Period, directors', supervisors' and chief executive's remuneration disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

For the year ended December 31, 2020:

	Date of appointment	Fees <i>RMB'000</i>	Salaries and allowance <i>RMB'000</i>	Performance-based bonus <i>RMB'000</i>	Retirement benefit scheme contributions <i>RMB'000</i>	Total <i>RMB'000</i>
<u>Executive directors</u>						
Mr. Wang	January 11, 2010	–	730	58	1	789
Mr. Feng Weidong (馮衛東) ("Mr. Feng")	July 15, 2015	–	677	54	1	732
Ms. Zou Yunli (鄒雲麗) ("Ms. Zou")	July 15, 2015	–	677	54	1	732
Mr. Li Xiaoyi (李小毅) ("Mr. Li X.")	July 15, 2015	–	895	72	1	968
		–	2,979	238	4	3,221
<u>Non-executive directors</u>						
Mr. Li Lan (黎瀾) ("Mr. Li L.")	December 28, 2016	125	–	–	–	125
Mr. Dai Yongbo ("Mr. Dai") (代永波)	May 20, 2020	36	–	–	–	36
		161	–	–	–	161
<u>Supervisors</u>						
Mr. Zhang Haiyan (張海燕) ("Mr. Zhang")	May 17, 2019	–	828	68	2	898
Mr. Tang Zhimin (湯志敏) ("Mr. Tang")	May 17, 2019	–	685	56	1	742
Mr. Li Kanglin (李康林) ("Mr. Li K.")	May 17, 2019	–	741	61	4	806
		–	2,254	185	7	2,446
		161	5,233	423	11	5,828

For the year ended December 31, 2021:

	Date of appointment	Fees RMB'000	Salaries, and allowance RMB'000	Performance-based Bonus RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
<u>Executive directors</u>						
Mr. Wang	January 11, 2010	–	710	58	11	779
Mr. Feng	July 15, 2015	–	662	54	11	727
Ms. Zou	July 15, 2015	–	662	54	11	727
Mr. Li X.	July 15, 2015	–	879	72	10	961
		–	2,913	238	43	3,194
<u>Non-executive directors</u>						
Mr. Li L.	December 28, 2016	100	–	–	–	100
Mr. Dai	May 20, 2020	100	–	–	–	100
		200	–	–	–	200
<u>Supervisors</u>						
Mr. Zhang	May 17, 2019 (note i)	–	442	–	6	448
Mr. Tang	May 17, 2019	–	688	56	11	755
Mr. Li K.	May 17, 2019	–	922	76	12	1,010
Mr. Di Zhe (“Mr. Di”) (狄喆)	July 12, 2021	–	388	32	5	425
		–	2,440	164	34	2,638
		200	5,353	402	77	6,032

For the year ended December 31, 2022:

	Date of appointment	Fees RMB'000	Salaries and allowances RMB'000	Performance-based Bonus RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
<u>Executive directors</u>						
Mr. Wang	January 11, 2010	–	826	63	40	929
Mr. Feng	July 15, 2015	–	714	54	40	808
Ms. Zou	July 15, 2015	–	714	54	40	808
Mr. Li X.	July 15, 2015	–	931	72	37	1,040
		–	3,185	243	157	3,585
<u>Independent non-executive directors</u>						
Mr. Liu Pingchun (劉平春) ("Mr. Liu")	April 7, 2022 (note ii)	–	–	–	–	–
Mr. Diao Yang (刁揚) ("Mr. Diao")	April 7, 2022 (note ii)	–	–	–	–	–
Mr. Tsai Lieh (蔡洌) ("Mr. Tsai")	April 7, 2022 (note ii)	–	–	–	–	–
		–	–	–	–	–
<u>Non-executive directors</u>						
Mr. Li L.	December 28, 2016	125	–	–	–	125
Mr. Dai	May 20, 2020	125	–	–	–	125
		250	–	–	–	250
<u>Supervisors</u>						
Mr. Tang	May 17, 2019	–	739	56	40	835
Mr. Li K.	May 17, 2019	–	2,117	656	55	2,828
Mr. Di	July 12, 2021	–	876	68	40	984
		–	3,732	780	135	4,647
		250	6,917	1,023	292	8,482

For the period ended March 31, 2022 (unaudited):

	Date of appointment	Fees <i>RMB'000</i>	Salaries and allowances <i>RMB'000</i>	Performance- based Bonus <i>RMB'000</i>	Retirement benefit scheme contributions <i>RMB'000</i>	Total <i>RMB'000</i>
<u>Executive directors</u>						
Mr. Wang	January 11, 2010	–	198	–	6	204
Mr. Feng	July 15, 2015	–	170	–	6	176
Ms. Zou	July 15, 2015	–	170	–	6	176
Mr. Li X.	July 15, 2015	–	224	–	5	229
		–	762	–	23	785
<u>Non-executive directors</u>						
Mr. Li L.	December 28, 2016	25	–	–	–	25
Mr. Dai	May 20, 2020	25	–	–	–	25
		50	–	–	–	50
<u>Supervisors</u>						
Mr. Tang	May 17, 2019	–	176	–	6	182
Mr. Li K.	May 17, 2019	–	524	484	7	1,015
Mr. Di	July 12, 2021	–	211	–	6	217
		–	911	484	19	1,414
		50	1,673	484	42	2,249

For the period ended March 31, 2023:

	Date of appointment	Fees RMB'000	Salaries and allowances RMB'000	Performance-based Bonus RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
<u>Executive directors</u>						
Mr. Wang	January 11, 2010	–	161	–	11	172
Mr. Feng	July 15, 2015	–	182	–	11	193
Ms. Zou	July 15, 2015	–	182	–	11	193
Mr. Li X.	July 15, 2015	–	236	–	10	246
		–	761	–	43	804
<u>Independent non-executive directors</u>						
Mr. Liu	April 7, 2022 (note ii)	–	–	–	–	–
Mr. Diao	April 7, 2022 (note ii)	–	–	–	–	–
Mr. Tsai	April 7, 2022 (note ii)	–	–	–	–	–
		–	–	–	–	–
<u>Non-executive directors</u>						
Mr. Li L.	December 28, 2016	25	–	–	–	25
Mr. Dai	May 20, 2020	25	–	–	–	25
		50	–	–	–	50
<u>Supervisors</u>						
Mr. Tang	May 17, 2019	–	202	–	11	213
Mr. Li K.	May 17, 2019	–	534	–	16	550
Mr. Di	July 12, 2021	–	222	–	11	233
		–	958	–	38	996
		50	1,719	–	81	1,850

Notes:

- (i) A supervisor resigned with effect from July 12, 2021
- (ii) The term of appointment of these directors would commence with effect from the Listing

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group during the Track Record Period.

The non-executive directors' and supervisors' emoluments shown above were for their services as directors and supervisors of the Company during the Track Record Period.

During the Track Record Period, there was no arrangement under which a director or supervisors or the chief executive waived or agreed to waive any emolument, and no emoluments were paid by the Group to any of the directors or supervisors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

Five highest paid employees

The five highest paid employees of the Group included nil, nil, nil, nil (unaudited) and nil director and nil, nil, 1, 1 (unaudited) and 1 supervisor of the Company whose emoluments are set out above for the Track Record Period. The emoluments of the remaining 5, 5, 4, 4 (unaudited) and 4 employees for each of the years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2022 (unaudited) and 2023, respectively, were as follows:

	Year ended December 31,			Three months ended	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Salaries	5,557	6,739	10,340	3,034	2,254
Performance-based bonus	6,800	1,390	1,040	–	–
Retirement benefit scheme contributions	32	59	204	24	66
	<u>12,389</u>	<u>8,188</u>	<u>11,584</u>	<u>3,058</u>	<u>2,320</u>

Performance-based bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

The number of the five highest paid individuals, including a supervisor of the Company, are within the following bands presented in Hong Kong Dollar ("HK\$"):

	Year ended December 31,			Three months ended	
	2020	2021	2022	2022	2023
				(unaudited)	
Nil to HK\$1,000,000	–	–	–	4	5
HK\$1,000,001 to HK\$1,500,000	1	2	–	1	–
HK\$1,500,001 to HK\$2,000,000	1	2	1	–	–
HK\$2,000,001 to HK\$2,500,000	–	–	1	–	–
HK\$2,500,001 to HK\$3,000,000	–	–	1	–	–
HK\$3,000,001 to HK\$3,500,000	2	–	2	–	–
HK\$3,500,001 to HK\$4,000,000	–	1	–	–	–
HK\$4,000,001 to HK\$5,000,000	1	–	–	–	–
	<u>1</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

During the Track Record Period, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

14. DIVIDENDS

No dividend was paid or declared by the Company during the Track Record Period. On March 30, 2023, a final dividend in respect of the year ended December 31, 2022 of RMB2 (2021: nil) per 10 ordinary share, of approximately RMB103,955,000, has been proposed by the directors of the Company and was approved by the shareholders in the general meeting on April 20, 2023. Such amount was fully settled in June 2023.

15. EARNINGS (LOSS) PER SHARE

For continuing operation

The calculation of basic earnings (loss) per share from continuing operations attributable to owners of the Company is based on the following data:

	Year ended December 31,			Three months ended	
	2020	2021	2022	March 31, 2022	2023
				<i>(unaudited)</i>	
Earnings (RMB'000)					
Profit (loss) for the year/period attributable to owners of the Company	720,999	730,133	559,285	(223,331)	(80,343)
Less:					
Loss (profit) for the year/period from discontinued operations	26,262	(73,627)	(499,471)	27,657	–
Earning for the purpose of basic earnings per share from continuing operation	<u>747,261</u>	<u>656,506</u>	<u>59,814</u>	<u>(195,674)</u>	<u>(80,343)</u>
Number of shares ('000):					
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>519,773</u>	<u>519,773</u>	<u>519,773</u>	<u>519,773</u>	<u>519,773</u>

For discontinued operations

Basic loss per share for the discontinued operations is RMB0.05 and RMB0.05 (unaudited), per share for the year ended December 31, 2020 and the three months ended March 31, 2022 and earnings per share for the discontinued operations are RMB0.14, RMB0.96 per share for the years ended December 31, 2021 and 2022, respectively, based on the loss for the year/period from the discontinued operations of RMB26,262,000 and RMB27,657,000 (unaudited) and the profit for the years from discontinued operations of RMB73,627,000 and RMB499,471,000 and the denominators detailed above for basic earnings per share.

No diluted earnings per share for the years ended December 31, 2020, 2021 and 2022 and the three months period ended March 31, 2022 and 2023 were presented as there were no potential ordinary shares in issue for the years ended December 31, 2020, 2021 and 2022 and the three months period ended March 31, 2022 and 2023.

The Group does not have any profit/loss for the period from discontinued operations for the three months ended March 31, 2023 along with the Mengtian Dairy Business and Yoplait China Business having been discontinued on December 31, 2021 and June 15, 2022 respectively.

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office and equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
At January 1, 2020	521,637	314,171	26,037	27,762	9,748	42,332	941,687
Additions	3,570	7,742	1,647	1,570	1,042	72,238	87,809
Disposals	(20,961)	(7,026)	(845)	(1,717)	–	–	(30,549)
Disposal of Shandong Shijie Husbandry (as defined in Note 40)	(131,068)	(42,993)	(5,558)	(1,692)	–	(7,555)	(188,866)
Transfers	86,373	15,592	458	1,633	–	(104,056)	–
Exchange alignments	–	–	(47)	–	–	–	(47)
At December 31, 2020	459,551	287,486	21,692	27,556	10,790	2,959	810,034
Additions	1,262	4,698	491	1,411	669	32,671	41,202
Acquired on the acquisition of Dongjun Dairy (as defined in Note 38)	–	–	–	–	–	58,322	58,322
Disposals	(4,518)	(4,444)	(2,175)	(1,041)	–	(75)	(12,253)
Deemed disposal of Mengtian Dairy (Note 39(i))	(364,919)	(196,481)	(18,459)	(21,293)	–	(7,793)	(608,945)
Transfer	7,167	73,815	22	1,770	–	(82,774)	–
Exchange alignments	–	–	(18)	–	–	–	(18)
At December 31, 2021	98,543	165,074	1,553	8,403	11,459	3,310	288,342
Additions	–	–	–	137	4,917	1,854	6,908
Disposals	–	–	–	(8)	–	–	(8)
Transfer	–	1,322	–	270	–	(1,592)	–
Deemed disposal of Yoplait China (Note 39(ii))	(98,543)	(166,396)	(298)	(4,291)	(9,958)	(3,572)	(283,058)
Exchange alignments	–	–	62	–	–	–	62
At December 31, 2022	–	–	1,317	4,511	6,418	–	12,246
Additions	–	–	–	30	1,419	–	1,449
Exchange alignments	–	–	(10)	–	–	–	(10)
At March 31, 2023	–	–	1,307	4,541	7,837	–	13,685

	Buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office and equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
DEPRECIATION							
At January 1, 2020	26,617	46,913	4,917	6,985	2,863	–	88,295
Provided for the year	25,025	44,983	2,436	3,736	2,649	–	78,829
Eliminated on disposals	(2,176)	(2,356)	(431)	(49)	–	–	(5,012)
Eliminated on disposal of Shandong Shijie Husbandry (Note 40)	(7,714)	(6,107)	(1,063)	(381)	–	–	(15,265)
Exchange alignments	–	–	(12)	–	–	–	(12)
At December 31, 2020	41,752	83,433	5,847	10,291	5,512	–	146,835
Provided for the year	21,149	44,063	1,665	3,041	2,016	–	71,934
Eliminated on disposals	(1,393)	(3,721)	(2,022)	(384)	–	–	(7,520)
Eliminated on deemed disposal of Mengtian Dairy (Note 39(i))	(54,223)	(69,852)	(4,323)	(7,541)	–	–	(135,939)
Exchange alignments	–	–	(6)	–	–	–	(6)
At December 31, 2021	7,285	53,923	1,161	5,407	7,528	–	75,304
Provided for the year	1,327	10,574	89	747	1,233	–	13,970
Eliminated on disposals	–	–	–	(3)	–	–	(3)
Eliminated on deemed disposal of Yoplait China (Note 39(ii))	(8,612)	(64,497)	(281)	(2,392)	(3,792)	–	(79,574)
Exchange alignments	–	–	30	–	–	–	30
At December 31, 2022	–	–	999	3,759	4,969	–	9,727
Provided for the year	–	–	22	64	289	–	375
Exchange alignments	–	–	(7)	–	–	–	(7)
At March 31, 2023	–	–	1,014	3,823	5,258	–	10,095
CARRYING VALUES							
At December 31, 2020	417,799	204,053	15,845	17,265	5,278	2,959	663,199
At December 31, 2021	91,258	111,151	392	2,996	3,931	3,310	213,038
At December 31, 2022	–	–	318	752	1,449	–	2,519
At March 31, 2023	–	–	293	718	2,579	–	3,590

The above items of property, plant and equipment, except for construction in progress, after taking into account their estimated residual values, if any, are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	30 years
Plant and machinery	10 years
Motor vehicles	4 to 8 years
Office and equipment	3 to 5 years
Leasehold improvements	The shorter of the terms of the relevant lease or 3 to 5 years

As at December 31, 2020 and 2021, certain of the Group's buildings with carrying amount of RMB176,464,000, RMB86,184,000, respectively, were pledged as securities from Mengtian Dairy and Yoplait China for the Group's bank borrowing as disclosed in Note 41. The related buildings are derecognised along with the deconsolidation of Mengtian Dairy and Yoplait China completed on December 31, 2021 and June 15, 2022, respectively.

The Group has obtained the land use right certificates for buildings except for building with carrying amount of RMB45,082,000 as at December 31, 2020 in which the Group was in the process of obtaining. The related leasehold land is derecognised arising from deconsolidation of Mengtian Dairy since December 31, 2021.

17. RIGHT-OF-USE ASSETS

The Group

	Leasehold Land in PRC RMB'000	Leased properties RMB'000	Office properties RMB'000	Staff quarters RMB'000	Total RMB'000
Carrying value					
At January 1, 2020	45,103	43,458	12,966	1,091	102,618
Additions (including adjustments arising from lease modification)	26	22,689	8,954	–	31,669
Depreciation charge	(967)	(1,707)	(8,366)	(398)	(11,438)
Disposal of Shandong Shijie Husbandry (Note 40)	–	(17,692)	–	–	(17,692)
At December 31, 2020	44,162	46,748	13,554	693	105,157
Additions (including adjustments arising from lease modification)	335	34,503	4,616	–	39,454
Depreciation charge	(1,049)	(3,253)	(10,793)	(396)	(15,491)
Deemed disposal of Mengtian Dairy (Note 39(i))	(28,392)	(77,998)	(436)	–	(106,826)
At December 31, 2021	15,056	–	6,941	297	22,294
Additions (including adjustments arising from lease modification)	–	–	23,696	–	23,696
Depreciation charge	(178)	–	(11,008)	(197)	(11,383)
Deemed disposal of Yoplait China (Note 39(ii))	(14,878)	–	(104)	(100)	(15,082)
At December 31, 2022	–	–	19,525	–	19,525
Depreciation charge	–	–	(2,845)	–	(2,845)
At March 31, 2023	–	–	16,680	–	16,680
					Three months ended March 31, 2023
					Year ended December 31,
					2020
					2021
					2022
					RMB'000
Expenses relating to short-term leases	742	254	201		34
Total cash outflow for leases	36,641	13,520	10,986		3,121

During the Track Record Period, the Group leases land, properties, office properties and staff quarters for its operations. Lease contracts are entered into for fixed term of 1 to 50 years for the year ended December 31, 2020 and 2021 and 1 to 5 years for the year ended December 31, 2022 and the three months ended March 31, 2023, respectively. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group has obtained the land use right certificates for all leasehold land except for leasehold land with carrying amount of RMB12,561,000 as at December 31, 2020, in which the Group was in the process of obtaining. The related leasehold land is derecognised arising from deconsolidation of Mengtian Dairy since December 31, 2021.

The Group regularly entered into short-term leases for office properties and staff quarters. As at December 31, 2020, 2021 and 2022 and March 31, 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

The Group has pledged certain right-of-use assets with carrying value of RMB17,549,000 and RMB13,697,000 to secure general banking facilities granted to the Group as at December 31, 2020 and 2021, respectively, disclosed in Note 41. The related right-of-use assets is derecognised arising from the deconsolidation of Yoplait China completed on June 15, 2022.

Restrictions or covenants on leases

In addition, lease liabilities of RMB34,829,000, RMB7,184,000, RMB20,651,000 and RMB17,834,000 are recognised with related right-of-use assets of RMB34,303,000, RMB7,238,000, RMB19,525,000 and RMB16,680,000 as at December 31, 2020, 2021 and 2022 and March 31, 2023, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. These leased assets may not be used as security for borrowing purposes.

The Company

	Leased properties <i>RMB'000</i>
Carrying value	
At January 1, 2020	8,102
Depreciation charge	<u>(3,251)</u>
At December 31, 2020	4,851
Additions (including adjustments arising from lease modification)	3,849
Depreciation charge	<u>(5,816)</u>
At December 31, 2021	2,884
Additions (including adjustments arising from lease modification)	8,231
Depreciation charge	<u>(6,012)</u>
At December 31, 2022	5,103
Depreciation charge	<u>(1,532)</u>
At March 31, 2023	<u><u>3,571</u></u>

18. GOODWILL

The Group

	<i>RMB'000</i>
COST AND CARRYING VALUE	
At January 1, 2020 and December 31, 2020	297,853
Acquisition of Dongjun Dairy (<i>Note 38</i>)	73,883
Deemed disposal of Mengtian Dairy (<i>Note 39(i)</i>)	(357,323)
	<hr/>
At December 31, 2021	14,413
Deemed disposal of Yoplait China (<i>Note 39(ii)</i>)	(14,357)
	<hr/>
At December 31, 2022 and March 31, 2023	<u>56</u>

The Group's goodwill arises from the acquisition of Mengtian Dairy, Yoplait China and Tiantu Advisory Company Limited* (天圖諮詢有限公司) ("Tiantu Advisory").

Particulars regarding impairment testing on goodwill are disclosed in Note 19A.

19. INTANGIBLE ASSETS

The Group

	Software RMB'000	Customer relationship RMB'000	Trademark RMB'000	Know-how and Recipes RMB'000	Patent rights RMB'000	Software Under development RMB'000	Total RMB'000
COST							
At January 1, 2020	917	–	16	–	21	261	1,215
Additions	125	–	–	–	–	259	384
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At December 31, 2020	1,042	–	16	–	21	520	1,599
Additions	584	–	–	–	225	–	809
Acquired on acquisition of Dongjun Dairy (<i>Note 38</i>)	–	1,482	75,247	57,910	–	–	134,639
Deemed disposal of Mengtian Dairy (<i>Note 39(i)</i>)	(740)	(1,482)	(75,263)	(57,910)	(246)	–	(135,641)
Transfer	520	–	–	–	–	(520)	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At December 31, 2021	1,406	–	–	–	–	–	1,406
Additions	102	–	–	–	–	–	102
Deemed disposal of Yoplait China (<i>Note 39(ii)</i>)	(1,508)	–	–	–	–	–	(1,508)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At December 31, 2022 and March 31, 2023	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

* English name is for the identification purpose only.

	Software RMB'000	Customer relationship RMB'000	Trademark RMB'000	Know-how and Recipes RMB'000	Patent rights RMB'000	Software Under development RMB'000	Total RMB'000
AMORTISATION							
At January 1, 2020	250	–	2	–	4	–	256
Provided for the year	145	–	1	–	2	–	148
At December 31, 2020	395	–	3	–	6	–	404
Provided for the year	198	173	2,931	3,378	6	–	6,686
Eliminated on deemed disposal of Mengtian Dairy (Note 39(i))	(70)	(173)	(2,934)	(3,378)	(12)	–	(6,567)
At December 31, 2021	523	–	–	–	–	–	523
Provided for the year	139	–	–	–	–	–	139
Eliminated on deemed disposal of Yoplait China (Note 39(ii))	(662)	–	–	–	–	–	(662)
At December 31, 2022 and March 31, 2023	–	–	–	–	–	–	–
NET CARRYING VALUES							
At December 31, 2020	647	–	13	–	15	520	1,195
At December 31, 2021	883	–	–	–	–	–	883
At December 31, 2022 and March 31, 2023	–	–	–	–	–	–	–

The above items of intangible assets are amortised on a straight-line basis, over their estimated useful lives as follows:

Software	4-10 years
Customer relationship	5 years
Trademark	10-15 years
Know-how and Recipes	10 years
Patent rights	10 years

19A. IMPAIRMENT ASSESSMENT ON GOODWILL

For the purpose of impairment testing, goodwill as set out in Note 18 in relation to Mengtian Dairy, Yoplait China and Tiantu Advisory have been assessed as cash-generating units. Their carrying amounts of as at 31 December 2020, 2021 and 2022 are as follows:

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Goodwill				
– Mengtian Dairy	283,440	–	–	–
– Yoplait China	14,357	14,357	–	–
– Tiantu Advisory	56	56	56	56
	<u>297,853</u>	<u>14,413</u>	<u>56</u>	<u>56</u>

Carrying amount of cash-generating unit (including allocation of corporate assets) that generate cash flows together with the related goodwill are also included in the respective cash-generating unit for the purpose of impairment assessment.

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
Carrying amount of cash-generating unit				RMB'000
– Mengtian Dairy	1,075,650	–	–	–
– Yoplait China	157,936	78,030	–	–
– Tiantu Advisory	288,299	280,013	26,185	25,593
	<u>1,521,885</u>	<u>358,043</u>	<u>26,185</u>	<u>25,593</u>

The basis of the recoverable amounts of Mengtian Dairy and Yoplait China and its major underlying assumptions are summarised below:

Mengtian Dairy

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and pre-tax discount rate of 14.18% as at December 31, 2020. Cash flows beyond the 5-year period are extrapolated using a steady growth rate of 1% as at December 31, 2020. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and expenses, such estimation is based on Mengtian Dairy cash-generating unit's past performance and management's expectations for the market development.

As at December 31, 2020, the recoverable amount of Mengtian Dairy cash-generating unit exceeds the carrying amount by RMB57,950,000.

The cash flow projections, growth rates and discount rates as at December 31, 2020 have been reassessed taking into consideration higher degree of estimation uncertainties due to how the COVID-19 pandemic may progress and evolve and volatility in financial markets, including potential disruptions of the Group's raw milk and dairy farming products business.

As at December 31, 2020, the management of the Group determined that there were no impairment. If the pre-tax discount rate was changed to 14.97% as at December 31, 2020, while other parameters remained constant, the recoverable amount would equal to its carrying amount.

The management of the Group analysed that such assessment indicated that there was additional headroom in respect of the reasonably possible change in the key parameter (i.e., increase in pre-tax discount rate by 0.5%), and had not identified that a reasonably possible change in the key parameter would cause the carrying amount of Mengtian Dairy cash-generating unit to exceed the recoverable amount as at December 31, 2020.

As further analysed by the management of the Group, if the pre-tax discount rate increase by 0.5%, the recoverable amount of Mengtian Dairy cash-generating unit would exceed the carrying amount by RMB20,473,000 as at December 31, 2020.

Yoplait China

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and pre-tax discount rate of 15.82% and 15.73% as at December 31, 2020 and 2021, respectively. Cash flows beyond the 5-year period are extrapolated using a steady growth rate of 2% and 2% as at December 31, 2020 and 2021, respectively. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and expenses, such estimation is based on Yoplait China cash generating unit's past performance and management's expectations for the market development.

As at December 31, 2020 and 2021, the recoverable amount of Yoplait China cash-generating unit exceeds the carrying amount by RMB91,764,000 and RMB39,517,000, respectively.

The cash flow projections, growth rates and discount rates as at December 31, 2020 and 2021 have been reassessed taking into consideration higher degree of estimation uncertainties in the current year due to how the COVID-19 pandemic may progress and evolve and volatility in financial markets, including potential disruptions of the Group's liquid milk business.

At December 31, 2020 and 2021, the management of the Group determined that there were no impairment. If the pre-tax discount rate was changed to 20.4% and 17.3% as at December 31, 2020 and 2021, respectively, while other parameters remained constant, the recoverable amount would equal to its carrying amount.

The management of the Group analysed that such assessment indicated that there was additional headroom in respect of the reasonably possible change in the key parameter (i.e., increase in pre-tax discount rate by 0.5%), and had not identified that a reasonably possible change in the key parameter would cause the carrying amount of Yoplait China cash-generating unit to exceed the recoverable amount as at December 31, 2020 and 2021.

As further analysed by the management of the Group, if the pre-tax discount rate increase by 0.5%, the recoverable amount of Yoplait China cash-generating unit would exceed the carrying amount by RMB78,864,000 and RMB25,725,000 as at December 31, 2020 and 2021, respectively.

20. DEFERRED TAX ASSETS/LIABILITIES**The Group**

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Deferred tax assets	41,525	28,655	9,071	12,896
Deferred tax liabilities	(10,056)	(7,723)	(200,549)	(186,227)
	<u>31,469</u>	<u>20,932</u>	<u>(191,478)</u>	<u>(173,331)</u>

The following are the major deferred tax balances recognised and movements thereon during the Track Record Period:

	Impairment losses on assets <i>RMB'000</i>	Changes in fair value of investments/ share of unrealised results from limited partnerships <i>RMB'000</i>	Accrued rebate <i>RMB'000</i>	Fair value adjustment arising from business combination <i>RMB'000</i>	Total <i>RMB'000</i>
At January 1, 2020	20	(60,138)	4,797	(10,951)	(66,272)
Credit to profit or loss	155	96,586	105	895	97,741
At December 31, 2020	175	36,448	4,902	(10,056)	31,469
(Charge) credit to profit or loss	(265)	(7,793)	231	541	(7,286)
Deemed disposal of Mengtian Dairy (<i>Note 39(i)</i>)	90	–	(5,133)	1,792	(3,251)
At December 31, 2021	–	28,655	–	(7,723)	20,932
(Charge) credit to profit or loss	–	(220,133)	–	244	(219,889)
Deemed disposal of Yoplait China (<i>Note 39(ii)</i>)	–	–	–	7,479	7,479
At December 31, 2022	–	(191,478)	–	–	(191,478)
Credit to profit or loss	–	18,147	–	–	18,147
At March 31, 2023	–	(173,331)	–	–	(173,331)

As at December 31, 2020, 2021 and 2022 and March 31, 2023, the Group has unused tax losses of approximately RMB748,921,000, RMB754,839,000, RMB35,293,000 and RMB36,307,000, respectively, available for offset against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams of these loss-making subsidiaries and it is not probable that taxable profit will be available against which the tax losses can be utilised. The expiry dates of the unrecognised tax losses are disclosed in the following table. Remaining losses may be carried forward indefinitely.

	As at December 31,			As at March 31,
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
2021	115,916	–	–	–
2022	198,845	198,845	–	–
2023	182,077	179,018	–	–
2024	119,557	110,030	–	–
2025	113,533	95,648	–	–
2026	–	145,504	–	–
2027	–	–	5,743	4,990
2028	–	–	–	1,174
	729,928	729,045	5,743	6,164

There were no other significant unrecognised temporary differences at the end of each reporting period.

The Company

For the purpose of presentation in the statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purpose:

	As at December 31,			As at
	2020	2021	2022	March 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Deferred tax assets	21,661	19,777	–	–
Deferred tax liabilities	–	–	(58,863)	(24,863)
	<u>21,661</u>	<u>19,777</u>	<u>(58,863)</u>	<u>(24,863)</u>

The following are the major deferred tax balances recognised and movements thereon during the Track Record Period:

	Changes in fair value of financial assets at FVTPL
	<i>RMB'000</i>
At January 1, 2020	(72,895)
Credit to profit or loss	<u>94,556</u>
At December 31, 2020	21,661
Charge to profit or loss	<u>(1,884)</u>
At December 31, 2021	19,777
Charge to profit or loss	<u>(78,640)</u>
At December 31, 2022	(58,863)
Credit to profit or loss	<u>34,000</u>
At March 31, 2023	<u>(24,863)</u>

21. INTERESTS IN ASSOCIATES MEASURED USING EQUITY METHOD

The Group

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Cost of investments, unlisted	79,526	523,732	509,263	509,263
Share of post-acquisition profits and other comprehensive income, net of dividends received	17,084	34,178	42,617	61,756
	<u>96,610</u>	<u>557,910</u>	<u>551,880</u>	<u>571,019</u>

Details of the Group's associates measured using equity method during the Track Record Period and at the date of this report are as follows:

Name of associates	Place of operation and principal place of operation	Proportion of ownership interest held by the Group					Proportion of voting right held by the Group					Principal activities
		As at December 31,		At date of this report	As at December 31,		At date of this report	As at December 31,		At date of this report		
		2020	2021		2022	2023		2020	2021		2022	
Tangrenshen (note i)	The PRC	14.18%	14.18%	14.17%	14.17%	14.17%	14.18%	14.18%	14.17%	14.17%	14.17%	Equity investment
Tiantu Xingnan (note ii)	The PRC	N/A	40%	40%	40%	40%	N/A	40%	40%	40%	40%	Equity investment
Pingtian Xingxu Investment Limited Partnership* 平潭興旭投資合夥企業(有限合伙) ("Pingtan Xingxu") (note iii)	The PRC	N/A	N/A	40%	40%	40%	N/A	N/A	40%	40%	40%	Equity investment

Notes:

- (i) As at December 31, 2020 and 2021, the Group acts as the general partner over Tangrenshen and it has the power to appoint four out of the eight members of its investment committee under the limited partnership agreement of Tangrenshen. Pursuant to the supplementary limited partnership agreement, the numbers of appointment of investment committee of Tangrenshen are changed to three out of six members of its investment committee during the year ended December 31, 2022. All investment resolutions need to be passed and to be confirmed by more than four members of the investment committee. The directors of the Company considered that the Group has significant influence over Tangrenshen. During the year ended December 31, 2021, the Group and other shareholders withdrew RMB24,983,000 and RMB151,076,000, respectively, while withdrew RMB20,209,000 and RMB122,211,000 during the year ended December 31, 2022, of the paid-in capital of Tangrenshen with a view to exit by stage after the investment period. Upon the completion of capital reduction in year 2021 the shareholding of Tangrenshen was held by the Group and other shareholders remained unchanged and as to 14.18% and 85.82%, respectively, while changed to 14.17% and 85.83%, respectively in year 2022.
- (ii) On December 31, 2021, along with those amendments as detailed in Note 4, the Group's absolute control over Tiantu Xingnan has been lost while the Group retained significant influence over Tiantu Xingnan as the Group has the right to appoint two out of five members of the investment committee of Tiantu Xingnan. During the year ended December 31, 2022, the Group and other shareholders withdrew the paid-in capital of Tiantu Xingnan in the amount of RMB36,000,000 and RMB54,000,000, respectively. Upon the completion of capital reduction, the shareholding of Tiantu Xingnan was held by the Group and other shareholders remained unchanged and as to 40% and 60%, respectively.
- (iii) Pingtan Xingxu has become the Group's 40% owned associate since June 15, 2022. Further details are set out in Note 39(ii).

* English name is for the identification purpose only.

Summarised financial information of material associates

Summarised financial information in respect of material associates are set out below. The summarised financial information below represents amounts shown in their financial statements prepared in accordance with IFRSs.

Summarised financial information of Tangrenshen

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Current assets	84,110	33,238	18,051	17,745
Non-current assets	597,153	608,306	460,655	446,674
Current liabilities	(97)	(15,856)	(10,375)	(10,042)
	Year ended December 31,			Three
	2020	2021	2022	months
	RMB'000	RMB'000	RMB'000	ended
				March 31,
				2023
				RMB'000
Consulting fee income	4,227	–	–	–
Dividend and interest from financial assets at FVTPL	45,396	9,518	–	2,400
Fair value (loss) gain from financial instruments	(36,130)	120,777	(5,232)	(13,981)
Profit (loss) and total comprehensive income (expense) for the year/period	2,440	120,580	(14,937)	(13,953)

Reconciliation at the above summarised financial information to the carrying amount of the interest in Tangrenshen recognised in the Historical Financial Information:

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Net assets of Tangrenshen	681,166	625,688	468,331	454,377
Proportion of the Group's ownership interest in Tangrenshen	14.18%	14.18%	14.17%	14.17%
Carrying amount of the Group's interest in Tangrenshen	96,610	88,721	66,381	64,403

Summarised financial information of Tiantu Xingnan

	As at December 31,		As at
	2021	2022	March 31,
	RMB'000	RMB'000	2023
			RMB'000
Current assets	160,234	191,520	66,416
Non-current assets	1,013,158	918,365	1,096,199
Current liabilities	(420)	(482)	(408)
	Year ended December 31,		Three
	2021	2022	months ended
	RMB'000	RMB'000	March 31,
			2023
			RMB'000
Dividend and interest from financial assets at FVTPL	N/A	–	3,271
Fair value gain from financial instruments	N/A	39,304	53,643
Profit and total comprehensive income for the year/period	N/A	26,431	52,804

Reconciliation at the above summarised financial information to the carrying amount of the interest in Tiantu Xingnan recognised in the Historical Financial Information:

	As at December 31,		As at
	2021	2022	March 31,
	RMB'000	RMB'000	2023
			RMB'000
Net assets of Tiantu Xingnan	1,172,972	1,109,403	1,162,207
Proportion of the Group's ownership interest in Tiantu Xingnan	40%	40%	40%
Carrying amount of the Group's interest in Tiantu Xingnan	469,189	443,761	464,883

Aggregate information of associates measured by equity method that is not individually material

	Year ended December 31,			Three
	2020	2021	2022	months ended
	RMB'000	RMB'000	RMB'000	March 31,
				2023
				RMB'000
The Group's share of loss and total comprehensive expenses from discontinued operation	(427)	–	–	–
The Group's share of loss and total comprehensive expenses from continuing operation	–	–	(1)	(5)
	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Aggregate carrying amount of the Group's interests in the associate	–	–	41,738	41,733

21A. INTERESTS IN ASSOCIATES MEASURED AT FAIR VALUE

The Group

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Deemed cost of investments	7,266,150	8,141,067	9,096,906	9,168,297
Fair value change in investments (note)	278,029	786,149	870,127	649,209
Exchange adjustments	(32,692)	(28,302)	112,569	(17,531)
	<u>7,511,487</u>	<u>8,898,914</u>	<u>10,079,602</u>	<u>9,799,975</u>
Analysed as:				
Listed equity investments (freely tradable without lock up period)	167,325	831,038	701,672	681,025
Unlisted equity investments	7,344,162	8,067,876	9,377,930	9,118,950
	<u>7,511,487</u>	<u>8,898,914</u>	<u>10,079,602</u>	<u>9,799,975</u>

Note: The changes in fair value of funds of each period were recorded in "investment gains or losses, net" in Note 6.

Details of the Group's material associates measured at fair value during the Track Record Period and at the date of this report are as follows:

Identity of associates	Place of operation and principal place of operation	Proportion of ownership interest held by the Group					Proportion of voting right held by the Group					Principal Activities
		As at December 31,		As at	At date	As at December 31,		As at	At date	of this report		
		2020	2021	2022	March 31, 2023	of this report	2020	2021	2022		March 31, 2023	
Company A [^] (notes i, ii)	PRC	42.37%	42.37%	42.37%	42.37%	42.37%	42.37%	42.37%	42.37%	42.37%	42.37%	Internet-based financing
Company B [^] (notes i, ii)	PRC	9.00%	8.66%	8.66%	8.66%	8.66%	9.00%	8.66%	8.66%	8.66%	8.66%	Entertainment and social networking community service
Company C [^] (notes i, iii)	PRC	8.22%	5.82%	5.82%	5.18%	5.18%	8.22%	5.82%	5.82%	5.18%	5.18%	Food and beverage industry
Company D [^] (notes i, iii)	PRC	0.59%	0.46%	N/A	N/A	N/A	0.59%	0.46%	N/A	N/A	N/A	Food product
Company E [^] (notes i, ii)	PRC	42.37%	42.37%	40.51%	40.51%	40.51%	42.37%	42.37%	40.51%	40.51%	40.51%	Digital enterprise solution services
Mengtian Dairy [^] (notes i, ii)	PRC	N/A	21.46%	21.46%	21.46%	21.46%	N/A	21.46%	21.46%	21.46%	21.46%	Dairy drinks and dairy farming business
Yoplait China [^] (notes i, ii) (Note 39 (ii))	PRC	N/A	N/A	45.22%	45.22%	45.22%	N/A	N/A	45.22%	45.22%	45.22%	Manufacturing and sales of Yogurt and other dairy products

Notes:

- (i) The Group had appointed the directors in those entities and the directors of the Company considered that the Group has a significant influence over those entities which are recognised as “interests in associates measured at fair value”.
- (ii) The investments are unlisted investments during December 31, 2020, 2021 and 2022 and March 31, 2023.
- (iii) The investments are listed investments as at December 31, 2020, 2021 and 2022 and March 31, 2023 which are freely tradable in the public market at the Group’s discretion without any restriction.
- ^ The fair values of these associates are determined by a firm of independent professional valuers not connected to the Group.

Summarised financial information of the material associates

Summarised financial information in respect of the Group’s material associates measured at fair value as above is set out below. The summarised financial information of Company A and B represents amounts shown in their financial statements prepared in accordance with China Accounting Standards for Business Enterprises (“PRC GAAP”) for the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2022 (unaudited) and 2023.

Summarised financial information of Company A and its subsidiaries

	As at December 31,			As at	
	2020	2021	2022	March 31,	2023
	RMB'000	RMB'000	RMB'000	RMB'000	
Current assets	1,878,267	1,641,738	1,203,678	998,060	
Non-current assets	245,593	217,806	354,678	355,260	
Current liabilities	(620,433)	(422,138)	(301,926)	(94,240)	
Non-current liabilities	(108,026)	(125,671)	(164,459)	(192,560)	
				Three months ended	
	Year ended December 31,			March 31,	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	
				(unaudited)	
Revenue	804,807	764,396	478,354	152,260	72,427
(Loss) profit and total comprehensive (expense) income for the year/period	(55,281)	116,331	(23,252)	3,469	(25,452)

Summarised financial information of Company B and its subsidiaries

	As at December 31,			As at
	2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000
Current assets	<u>382,950</u>	<u>1,465,167</u>	<u>1,246,447</u>	<u>1,103,814</u>
Non-current assets	<u>171,491</u>	<u>218,869</u>	<u>152,918</u>	<u>137,062</u>
Current liabilities	<u>(441,331)</u>	<u>(319,108)</u>	<u>(449,576)</u>	<u>(403,435)</u>

	Year ended December 31,			Three months ended	
	2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2022 RMB'000	2023 RMB'000
Revenue	<u>445,847</u>	<u>782,537</u>	<u>1,147,555</u>	<u>299,510</u>	<u>200,214</u>
Loss and total comprehensive expense for the year/period	<u>(235,857)</u>	<u>(314,414)</u>	<u>(492,253)</u>	<u>(126,399)</u>	<u>(100,035)</u>

The latest available summarised financial information of Company C represents amounts shown in its financial statements prepared in accordance with Hong Kong Financial Reporting Standards for the years ended December 31, 2020, 2021 and 2022.

Summarised financial information of Company C and its subsidiaries

	As at December 31,		
	2020 RMB'000	2021 RMB'000	2022 RMB'000
Current assets	<u>1,329,918</u>	<u>4,670,916</u>	<u>3,969,697</u>
Non-current assets	<u>1,984,191</u>	<u>2,657,530</u>	<u>2,970,021</u>
Current liabilities	<u>(2,728,191)</u>	<u>(1,330,170)</u>	<u>(1,202,569)</u>
Non-current liabilities	<u>(1,010,335)</u>	<u>(1,054,846)</u>	<u>(971,547)</u>

	Year ended December 31,		
	2020 RMB'000	2021 RMB'000	2022 RMB'000
Revenue	<u>3,057,181</u>	<u>4,296,618</u>	<u>4,291,586</u>
Loss for the year	<u>(203,302)</u>	<u>(4,525,524)</u>	<u>(475,806)</u>
Other comprehensive income (expense) for the year/period	<u>4,384</u>	<u>(40,446)</u>	<u>282,135</u>
Total comprehensive expense for the year/period	<u>(198,918)</u>	<u>(4,565,970)</u>	<u>(193,671)</u>

The latest available summarised financial information of Company D represents amounts shown in its financial statements prepared in accordance with International Financial Reporting Standards for the years ended December 31, 2020 and 2021. During the year ended December 31, 2022, the Group disposed all the shareholdings in Company D.

Summarised financial information of Company D and its subsidiaries

	As at December 31,		
	2020 RMB'000	2021 RMB'000	2022 RMB'000
Current assets	<u>4,324,215</u>	<u>3,788,021</u>	<u>N/A</u>
Non-current assets	<u>2,590,676</u>	<u>2,850,014</u>	<u>N/A</u>
Current liabilities	<u>(1,261,483)</u>	<u>(866,912)</u>	<u>N/A</u>
Non-current liabilities	<u>(1,552,555)</u>	<u>(1,560,815)</u>	<u>N/A</u>

	Year ended December 31,		
	2020 RMB'000	2021 RMB'000	2022 RMB'000
Revenue	<u>2,181,502</u>	<u>2,869,963</u>	<u>N/A</u>
Profit for the year	<u>151,221</u>	<u>342,424</u>	<u>N/A</u>
Other comprehensive expense for the year	<u>(60,779)</u>	<u>(22,716)</u>	<u>N/A</u>
Total comprehensive income for the year	<u>90,442</u>	<u>319,708</u>	<u>N/A</u>

The latest available summarised financial information of Company E represents amounts shown in their financial statements prepared in accordance with PRC GAAP for the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2022 (unaudited) and 2023.

Summarised financial information of Company E and its subsidiaries

	As at December 31,			As at
	2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000
Current assets	<u>194,530</u>	<u>240,869</u>	<u>242,204</u>	<u>234,894</u>
Non-current assets	<u>37,627</u>	<u>36,769</u>	<u>34,845</u>	<u>44,872</u>
Current liabilities	<u>(5,945)</u>	<u>(10,967)</u>	<u>(14,439)</u>	<u>(15,409)</u>
Non-current liabilities	<u>(17)</u>	<u>(2,975)</u>	<u>(2,900)</u>	<u>(12,373)</u>

	Year ended December 31,			Three months ended	
	2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2022 RMB'000	2023 RMB'000
Revenue	<u>32,120</u>	<u>85,292</u>	<u>63,724</u>	<u>18,293</u>	<u>11,961</u>
Profit (loss) and total comprehensive income (expense) for the year/period	<u>7,464</u>	<u>32,731</u>	<u>(7,292)</u>	<u>2,232</u>	<u>(7,728)</u>

The Company

	As at December 31,			As at
	2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000
Cost of investments	811,159	811,159	808,926	808,926
Fair value change in investments	<u>52,236</u>	<u>59,772</u>	<u>374,334</u>	<u>238,331</u>
	<u>863,395</u>	<u>870,931</u>	<u>1,183,260</u>	<u>1,047,257</u>
Analysed as:				
Unlisted equity investments	<u>863,395</u>	<u>870,931</u>	<u>1,183,260</u>	<u>1,047,257</u>
	<u>863,395</u>	<u>870,931</u>	<u>1,183,260</u>	<u>1,047,257</u>

Details of the Company's material associates measured at fair value during the Track Record Period and the date of this report are as follows:

Identity of associates	Place of operation and principal place of operation	Proportion of ownership interest held by the Company					Proportion of voting right held by the Company					Principal Activities
		As at December 31,		As at		At date of this report	As at December 31,		As at		At date of this report	
		2020	2021	2022	March 31, 2023		2020	2021	2022	March 31, 2023		
Company A (note)	PRC	17.14%	17.14%	17.14%	17.14%	17.14%	17.14%	17.14%	17.14%	17.14%	17.14%	Internet-based financing
Company E (note)	PRC	17.14%	17.14%	15.79%	15.79%	15.79%	17.14%	17.14%	15.79%	15.79%	15.79%	Digital enterprise solution services

Note: Summarised financial information of these material associates is set out above.

22. INTERESTS IN JOINT VENTURES

The Group

	As at December 31,			As at
	2020	2021	2022	March 31, 2023
	RMB'000	RMB'000	RMB'000	RMB'000
Cost of investments, unlisted	252,143	391,535	232,143	232,143
Share of post-acquisition profits and other comprehensive income, net of dividends received	112,118	507,107	516,140	655,037
	<u>364,261</u>	<u>898,642</u>	<u>748,283</u>	<u>887,180</u>

Details of the Group's joint ventures during the Track Record Period and at the date of this report are as follows:

Name of joint ventures	Place of incorporation and principal place of operation	Proportion of ownership interest held by the Group					Proportion of voting right held by the Group					Principal activities
		As at December 31,		As at		At date of this report	As at December 31,		As at		At date of this report	
		2020	2021	2022	March 31, 2023		2020	2021	2022	March 31, 2023		
Tiantu Tiantou (note i)	The PRC	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	Equity investment
Shenzhen Kingshun Investment Partnership (Limited Partnership)* ("Shenzhen Kingshun") 深圳興順投資合夥企業(有限合夥) (note ii)	The PRC	42.86%	42.86%	42.86%	42.86%	42.86%	42.86%	42.86%	42.86%	42.86%	42.86%	Equity investment

* English name is for the identification purpose only

Name of joint ventures	Place of incorporation and principal place of operation	Proportion of ownership interest held by the Group					Proportion of voting right held by the Group					Principal activities
		As at December 31,		As at	At date	As at December 31,		As at	At date	Principal		
		2020	2021	2022	2023	report	2020	2021	2022		2023	
Tiantu Maverick Limited (note v)	Cayman Islands	N/A	50%	N/A	N/A	N/A	N/A	50%	N/A	N/A	N/A	Equity investment
Tiantu Dongfeng (note iii)	The PRC	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	Equity investment
Shenzhen Tiantu Dongfeng Investment Consulting Center (Limited Partnership)* ("Shenzhen Tiantu Dongfeng") (深圳天圖東峰投資諮詢中心(有限合伙)) (note iv)	The PRC	43.80%	39.80%	39.80%	39.80%	39.80%	43.80%	39.80%	39.80%	39.80%	39.80%	Equity investment

Notes:

- (i) Pursuant to the limited partnership agreement, the Company has the right to appoint two out of five members of the investment committee of Tiantu Tiantou and all investment resolutions need to be passed and to be confirmed by four out of five members of the investment committee. As at December 31, 2020, 2021 and 2022 and March 31, 2023, the Group's shareholding in the company is less than 50% of its issued shares and the Group has joint control of it.
- (ii) During the year ended December 31, 2020, the Group transferred 57.14% equity interest of Shenzhen Xingshun to an independent third party for a consideration of RMB40,000,000. Pursuant to the limited partnership agreement, some of Shenzhen Xingshun's significant financial and operating policy decisions require at least two-thirds of the voting right. In effect, those significant financial and operating policy decisions of Shenzhen Xingshun would require the unanimous consent of the two shareholders. Upon completion of the transferal in year 2020, the Group's absolute control over Shenzhen Xingshun has been lost, and Shenzhen Xingshun became a 42.86% owed joint venture of the Group since then.
- (iii) Pursuant to the limited partnership agreement, the Company, being the general partner of Tiantu Dongfeng, has the right to appoint all three members of the investment committee of Tiantu Dongfeng. However, the decision making for some of the relevant significant activities including significant financial and operating policy decisions of Tiantu Dongfeng would require the unanimous consent of the Company and Shenzhen Tiantu Dongfeng, one of the limited partners of Tiantu Dongfeng, who is the party sharing the control of Tiantu Dongfeng.
- (iv) Pursuant to limited partnership agreement, the Company's and another investors' appointment right is limited to three and two out of five members of the investment committee of Shenzhen Tiantu Dongfeng respectively. However, the decision making for some of the relevant significant activities including significant financial and operating policy decisions of Shenzhen Tiantu Dongfeng would require the four out of five members of the investment committee's consent of the parties sharing control. During December 31, 2021, the Group transferred 4% equity interest of Shenzhen Tiantu Dongfeng to independent third parties for the consideration of RMB20,000,000. Pursuant to equity transfer agreement and limited partnership agreement, the independent third parties entitled to enjoy all rights, obligation, duties and responsibility for respective shareholdings of Shenzhen Tiantu Dongfeng, which represent the Group transferred all the investment cost and accumulated share of result of 4% equity interest of Shenzhen Tiantu Dongfeng to the independent third parties accordingly.
- (v) During the year ended December 31, 2021, the Group and an investor, collectively established Tiantu Maverick Limited ("Tiantu Maverick"), which the Group held 50% and an investor held 50% equity interest of Tiantu Maverick. The registered capital of Tiantu Maverick is USD50,000,000. The Group and an investor paid their respective shareholdings paid-in capital of Tiantu Maverick amounted to USD25,000,000 (equivalent to RMB159,484,000) and USD25,000,000, respectively. In August 2022, the Group resolved to exit its investment in Tiantu Maverick and Tiantu Maverick agreed to repurchase the Group's interest for a cash consideration of USD17,945,000 (equivalent to RMB121,781,000), which is determined based on the net asset value of Tiantu Maverick on the date of exit. Such transaction did not result in any gain or loss to the Group. The consideration has been received during the year ended December 31, 2022. Up to the date of exit, the Group's accumulated share of losses in the investment in Tiantu Maverick amounted to USD7,055,000 (equivalent to RMB46,791,000). During the period from January 1, 2022 up to the date of exit, the Group recognised the share of loss of USD5,844,000 (equivalent to RMB38,978,000). Upon completion of the exit, the Group has no interest in Tiantu Maverick and the other investor owned 100% interest in Tiantu Maverick since then.

* English name is for the identification purpose only

Summarised financial information of material joint ventures

Summarised financial information in respect of the Group's material joint ventures are set out below. The summarised financial information below represents amounts shown in its financial statements prepared in accordance with IFRSs.

Shenzhen Tiantu Dongfeng is accounted for using the equity method in the Historical Financial Information.

Summarised financial information of Shenzhen Tiantu Dongfeng

	As at December 31,			As at March 31,	
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2022 RMB'000	2023 RMB'000
Current assets	9	11	10		6
Non-current assets	645,100	1,604,612	1,649,852		1,981,402
Current liabilities	(134)	(157)	(182)		(179)
				Three months ended	
	Year ended December 31,			March 31,	
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2022 RMB'000 (unaudited)	2023 RMB'000
Investment gain or loss, net	107,710	959,512	45,239	54,645	331,549
Profit and total comprehensive income for the year/period	107,688	959,491	45,214	54,644	331,549
The above profit and total comprehensive income for the year/period includes the following:					
Interest expense	(6)	(1)	(1)	(1)	-

Reconciliation of the above summarised financial information to the carrying amount of interests in Shenzhen Tiantu Dongfeng.

	As at December 31,			As at March 31,	
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2022 RMB'000	2023 RMB'000
Net assets of Shenzhen Tiantu Dongfeng	644,975	1,604,466	1,649,680		1,981,229
Proportion of the Group's ownership interest in Shenzhen Tiantu Dongfeng	43.80%	39.80%	39.80%		39.80%
Carrying amount of the Group's interest in Shenzhen Tiantu Dongfeng	282,499	638,577	656,573		788,529

Summarised financial information of Tiantu Maverick Limited

	As at December 31,			As at
	2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000
Current assets	–	252,545	N/A	N/A
Non-current assets	–	50,795	N/A	N/A
	Year ended December 31,			Three months ended
	2020 RMB'000	2021 RMB'000	For the period from 1/1/2022 to 17/8/2022 RMB'000	March 31, 2022 RMB'000 (unaudited)
Investment gain or loss, net	–	(17,621)	(64,202)	(26,068)
Loss and total comprehensive expense for the year/period	–	(15,626)	(77,956)	(39,080)
The above loss and total comprehensive expense for the year/period includes the following:				
Interest expense	–	(31)	(33)	–

Reconciliation of the above summarised financial information to the carrying amount of interests in Tiantu Maverick Limited.

	As at December 31,			As at
	2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000
Net assets of Tiantu Maverick Limited	–	303,340	N/A	N/A
Proportion of the Group's ownership interest in Tiantu Maverick Limited	–	50%	N/A	N/A
Carrying amount of the Group's interest in Tiantu Maverick Limited	–	151,670	N/A	N/A

Aggregate information of joint ventures that are not individually material

	Year ended December 31,			Three months ended	
	2020	2021	2022	March 31,	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
The Group's share of profit (loss) after tax and total comprehensive income (expense)	30,261	26,633	(16,684)	(6,481)	6,940
	<u>30,261</u>	<u>26,633</u>	<u>(16,684)</u>	<u>(6,481)</u>	<u>6,940</u>
	As at December 31,			As at	
	2020	2021	2022	March 31,	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Aggregate carrying amount of the Group's interests in joint ventures	81,762	108,395	91,710	98,651	
	<u>81,762</u>	<u>108,395</u>	<u>91,710</u>	<u>98,651</u>	

The Company

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Cost of investments, unlisted	7,953	7,953	7,953	7,953
Share of post-acquisition profits and other comprehensive income, net of dividends received	21,375	21,370	10,895	10,472
	<u>29,328</u>	<u>29,323</u>	<u>18,848</u>	<u>18,425</u>

Details of the Company's joint venture during the Track Record Period and at the date of this report are as follows:

Name of a joint venture	Place of incorporation and principal place of operation	Proportion of ownership interest held by the Group					Proportion of voting right held by the Group					Principal activity
		As at December 31,		As at	At date	As at December 31,		As at	At date			
		2020	2021	2022	March 31,	of this report	2020	2021	2022	March 31,	of this report	
Shenzhen Xingshun	The PRC	41.86%	41.86%	41.86%	41.86%	41.86%	41.86%	41.86%	41.86%	41.86%	41.86%	Equity investment

Summarised financial information of Shenzhen Xingshun

Reconciliation of the above summarised financial information to the carrying amount of interests in a joint venture.

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Net assets of Shenzhen Xingshun	70,067	70,056	45,027	44,019
Proportion of the Company's ownership interest in Shenzhen Xingshun	41.86%	41.86%	41.86%	41.86%
Carrying amount of the Company's interest in Shenzhen Xingshun	<u>29,328</u>	<u>29,323</u>	<u>18,848</u>	<u>18,425</u>

23. BIOLOGICAL ASSETS

The Group

(a) Nature of activities

The biological assets of the Group mainly represents dairy cows held to produce raw milk.

The Group's dairy cows, including milkable cows held for milk production, heifers and calves that have not reached the age of producing raw milk and bulls, are all classified as non-current assets. The quantity of dairy cows owned by the Group at end of each reporting period is shown below:

	As at December 31,			As at
	2020	2021	2022	March 31,
	Head	Head	Head	Head
Milkable cows	5,984	N/A	N/A	N/A
Heifers, calves and bulls	5,205	N/A	N/A	N/A
	<u>11,189</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

The net gain or loss arising on initial recognition of raw milk and from the changes in fair value less costs to sell of dairy cows is analysed as follows:

	Year ended December 31,			Three months ended	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Gains arising on initial recognition of raw milk at fair value less costs to sell at the point of harvest	125,614	33,269	N/A	N/A	N/A
Loss arising from changes in fair value less costs to sell of dairy cows (Note 39)	(47,713)	(61,014)	N/A	N/A	N/A
	<u>77,901*</u>	<u>(27,745)*</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

* The balances included both realised and unrealised gain/loss arising from changes in fair value less costs to sell of biological assets. Included in balances are unrealised loss of RMB13,815,000 and RMB2,064,000 for the years ended December 31, 2020 and 2021 respectively as estimated by the Group's management.

The Group is exposed to fair value risks arising from changes in prices of raw milk. The Group does not anticipate that the prices of the raw milk will decline significantly in the foreseeable future and the management of the Group are of the view that there is no available derivative or other contracts which the Group can enter into to manage the risk of a decline in the prices of the raw milk.

In general, heifers are inseminated when they reached approximately 24 months old. After a period of 7 to 9 months pregnancy term, a calf is born and the dairy cow begins to produce raw milk and the lactation period begins. A milkable cow is typically milked for approximately 343 days to 348 days before approximately 60 days dry period. When a heifer begins to produce raw milk, it is transferred to the category of milkable cows based on the cost on the date of transfer.

The Group is exposed to a number of operating risks related to its biological assets as follows:

i. Regulatory and environmental risks

The Group is subject to laws and regulations in the location in which it operates.

The Group has established environmental policies and procedures aiming at compliance with local environmental and other laws. Management of the Group performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage these risks.

ii. Climate, disease and other natural risks

The biological assets are exposed to the risk of damage from climatic changes, diseases and other natural forces. The Group has processes in place aiming at monitoring and mitigating those risks, including regular inspections and disease controls and surveys and insurance.

(b) Quantity of the agriculture produce of biological assets

	Year ended December 31,			Three months ended	
	2020	2021	2022	March 31, 2022	2023
	Kg	Kg	Kg	Kg	Kg
				(unaudited)	
Volume – sales of raw milk	91,167,133	48,283,530	N/A	N/A	N/A

(c) Value of biological assets

	Milkable cows RMB'000	Heifers and calves and bulls RMB'000	Total RMB'000
Balance at January 1, 2020	206,130	137,101	343,231
Feeding cost and other related costs	–	114,172	114,172
Transfer	72,429	(72,429)	–
Decrease due to disposal/death	(28,350)	(5,548)	(33,898)
Disposal of Shandong Shijie Husbandry (as defined in Note 40)	(79,695)	(66,288)	(145,983)
Loss arising from changes in fair value less costs to sell	(40,358)	(7,355)	(47,713)
Balance at December 31, 2020	130,156	99,653	229,809
Feeding cost and other related costs	–	84,269	84,269
Transfer	71,273	(71,273)	–
Decrease due to disposal/death	(38,505)	(20,445)	(58,950)
Loss arising from changes in fair value less costs to sell	(54,827)	(6,187)	(61,014)
Deemed disposal of Mengtian Dairy (Note 39(i))	(108,097)	(86,017)	(194,114)
Balance at December 31, 2021 and 2022 and March 31, 2023	–	–	–

The management of the Group have engaged a qualified independent valuer, Jones Lang LaSalle Corporate Appraisal And Advisory Limited, to assist in assessing the fair values of cows. The valuer's address is 7/F One Taikoo Place, 979 King's Road, Hong Kong. The valuer and the management of the Group held meetings in 2022 when preparing the Historical Financial Information to discuss the valuation techniques and changes in market information to ensure the valuations have been performed properly. The valuation techniques used in the determination of fair values as well as the key inputs used in the valuation models are disclosed in Note 48A.

As at December 31, 2020, the Group's dairy cows in the amount of RMB72,646,000 were pledged to secure certain other borrowing granted to the Group as set out in Note 41. The carrying amount of which has been derecognised upon deconsolidation of Mengtian Dairy completed on December 31, 2021.

24. FINANCIAL ASSETS AT FVTPL

(a) Financial assets designated at FVTPL

The Group

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
<u>Current</u>				
<i>Listed equity investments (note i)</i>				
– Freely tradable*				
– Project A engaged in milk powder industry	1,157,536	407,355	172,169	149,669
– Others	4,144	51,644	157,865	161,174
– Non tradable as within the lock up period				
– Project B engaged in electronics transactions industry [#]	–	228,633	–	–
<i>Unlisted financial products/equity investments (notes i, ii)</i>	246,268	205,357	200,248	200,351
	<u>1,407,948</u>	<u>892,989</u>	<u>530,282</u>	<u>511,194</u>

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
<u>Non-current</u>				
<i>Listed equity investments (note i)</i>	35,255	–	–	–
<i>Unlisted equity investments (note i)</i>	2,093,896	3,778,372	4,073,859	4,157,627
<i>Unlisted convertible bonds/bonds connected with conversion feature (note iii)</i>	1,520,578	787,269	634,151	640,111
	<u>3,649,729</u>	<u>4,565,641</u>	<u>4,708,010</u>	<u>4,797,738</u>

The Company

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
<u>Current</u>				
<i>Unlisted equity investments (note i)</i>	71,120	71,120	71,120	71,120

* Not subject to investment restriction and can be freely tradable in the public market.

These investments were classified as current, because the lock up period will be expired and will become freely tradable in the public market within 12 months after the end of the reporting period.

The Group has engaged firms of independent professional valuers to assess the fair values of the financial assets at FVTPL as the end of December 31, 2020, 2021 and 2022 and March 31, 2023, respectively. The independent professional valuers and the management of the Group held meetings periodically to discuss the valuation techniques and changes in market information to ensure the valuation was performed properly. The valuation techniques used in the determination of fair values as well as the key inputs used in the valuation models are disclosed in Note 48.

Notes:

- (i) These investments represent equity investments in listed/unlisted entities and unlisted financial products and subsequent fair value change of these investments are recognised as “investment gains or losses, net” in Note 6.
- (ii) These investments includes (a) the money market funds and bond market funds with unguaranteed rates of return and (b) wealth management products with expected rates of return as stipulated in the relevant subscription agreement.
- (iii) The Group subscribed for a number of convertible bonds. The relevant convertible bonds carried at a fixed coupon and are convertible into the shares of the convertible bond issuers at a pre-determined conversion price in accordance with the relevant agreements, which are measured at fair value. Some of the convertible bonds held by the Group are carried with some conversion restriction.

25. ACCOUNTS RECEIVABLES

The Group

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Accounts receivables from related parties (<i>Note 44(b)</i>)				
– Private Equity Investment Management	25,364	24,784	44,030	49,639
	25,364	24,784	44,030	49,639
Accounts receivable from independent third parties				
– Buyout Investment Business				
Yoplait China Business	58,667	69,198	N/A	N/A
Mengtian Dairy Business	32,435	N/A	N/A	N/A
	91,102	69,198	N/A	N/A
Less: Allowance for credit losses				
Buyout Investment Business				
– Yoplait China Business	(18)	(563)	N/A	N/A
– Mengtian Dairy Business	(1,518)	N/A	N/A	N/A
	(1,536)	(563)	N/A	N/A
	114,930	93,419	44,030	49,639

As at January 1, 2020, accounts receivables from contracts with customers amounting to RMB69,495,000 (net of impairment loss allowance of RMB1,234,000).

The Group generally allows the credit period ranged from 30 days to 60 days for the customers of the Mengtian Dairy Business and the Yoplait China Business. The Group has no credit period allowed for the customers of Private Equity Investment over the Track Record Period.

The following is an aging analysis of accounts receivables for the Private Equity Investment (net of impairment loss allowance) based on invoice dates at the end of each reporting period:

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
0 – 180 days	–	–	11,957	11,927
181 – 365 days	–	–	5,000	11,000
Over 1 year	25,364	24,784	27,073	26,712
	<u>25,364</u>	<u>24,784</u>	<u>44,030</u>	<u>49,639</u>

The following is an aging analysis of accounts receivables for the Yoplait China Business (net of impairment loss allowance) based on invoice dates at the end of each reporting period:

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
1 – 90 days	57,962	67,753	N/A	N/A
91 – 180 days	216	451	N/A	N/A
181 – 365 days	265	28	N/A	N/A
Over 1 year	206	403	N/A	N/A
	<u>58,649</u>	<u>68,635</u>	<u>N/A</u>	<u>N/A</u>

The following is an aging analysis of accounts receivables for Mengtian Dairy Business (net of impairment loss allowance) based on invoice dates at the end of each reporting period:

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
1 – 90 days	29,445	N/A	N/A	N/A
91 – 180 days	1,322	N/A	N/A	N/A
181 – 365 days	86	N/A	N/A	N/A
Over 1 year	64	N/A	N/A	N/A
	<u>30,917</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

For the Buyout Investment Business, before accepting any new customers, the Group assesses the potential customer's credit quality by investigating their historical credit record and defines credit limits by customer. Credit sales are made to customers with a satisfactory and trustworthy credit history. Credit limits attributed to customers are reviewed regularly.

The accounts receivables for the Private Equity Investment is mainly the management fee due from Tiantu China Consumer Fund I, L.P., which the investment is accounted for as financial assets at FVTPL of the Group, with the carrying amount of RMB25,364,000, RMB24,784,000, RMB27,073,000 and RMB26,712,000 as at December 31, 2020, 2021 and 2022 and March 31, 2023, respectively and from Tiantu Dongfeng with the carrying amount of RMB16,957,000 and RMB22,927,000 as at December 31, 2022 and March 31, 2023. The management of the Group assessed the impairment individually by reference to the fair value of underlying investments held by the fund and concluded that the accounts receivables are recoverable and the risk of impairment is low, no allowances for ECL had been recognised, accordingly.

As at December 31, 2020 and 2021, certain of the Group's accounts receivables with carrying amount of RMB17,765,000 and RMB6,752,000 respectively, were pledged as securities from Mengtian Dairy and Yoplait China for the Group's borrowings as disclosed in Note 41. The related accounts receivables are derecognised from the deconsolidation of Mengtian Dairy and Yoplait China completed on December 31, 2021 and June 15, 2022, respectively.

Details of impairment assessment of accounts and other receivables are set out in Note 48.

25A. TRANSFERS OF FINANCIAL ASSETS

The Group

In 2020 and 2021, the Group had discounted certain accounts receivables from Mengtian Dairy and Yoplait China to an independent third party to settle its payables through endorsing the accounts receivables to an independent third party, both with full recourse basis. As the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount of accounts receivables and recognise the cash received on the transfer as a collateralised borrowing. As at December 31, 2020, the carrying amount of accounts receivables transferred from Mengtian Dairy amounting to RMB17,765,000, while such amounts from Yoplait China amounting to RMB6,752,000 as at December 31, 2021. The relevant balance are derecognised after the deconsolidation of Yoplait China completed on June 15, 2022.

As at December 31, 2020 and 2021, the Group's maximum exposure to loss and cash outflow, which is same as the amount payable by the Group to the independent third party in respect of the accounts receivables endorsed, should the issuing independent third party fail to settle the accounts receivables on maturity date, of which amounting to RMB8,929,000 and RMB6,400,000, respectively.

Account receivable endorsed to an independent third party with full recourse.

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Carrying amount of transferred assets	17,765	6,752	N/A	N/A
Carrying amount of associated liabilities	(8,929)	(6,400)	N/A	N/A
Net position	<u>8,836</u>	<u>352</u>	<u>N/A</u>	<u>N/A</u>

26. PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Prepayments to independent third parties	6,883	4,775	189	137
Prepayment for listing expenses	–	1,659	–	–
Deferred issue costs (note iv)	–	–	41,462	44,878
Loans to investee companies classified as associates measured at FVTPL (note i, Note 44(c))	47,514	47,514	120,117	120,014
Loans to independent third parties (note ii)	173,850	6,913	6,913	6,913
Dividend receivables	60,874	84,736	84,736	–
Interest on loan receivable from Mengtian Dairy (Note 44(a))	–	6,998	–	–
Amounts due from related parties (Note 44(a))	357	669	3,307	3,159
Consideration receivable for deemed disposal of Yoplait China (Note 39(ii))	–	–	31,305	31,305
Other receivables (note iii)	32,114	20,869	18,305	18,342
Value added tax recoverable	10,860	8,824	3,114	2,908
Corporate income tax recoverable	4,742	–	–	–
	<u>337,194</u>	<u>182,957</u>	<u>309,448</u>	<u>227,656</u>

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Less: Allowance for credit losses arising from				
– Loans to investee companies classified as associates measured at FVTPL	(47,514)	(47,514)	(47,514)	(47,514)
– Loans to independent third parties	(7,512)	(6,913)	(6,913)	(6,913)
– Other receivables	(12,285)	(9,907)	(9,930)	(9,930)
	<u>(67,311)</u>	<u>(64,334)</u>	<u>(64,357)</u>	<u>(64,357)</u>
	<u>269,883</u>	<u>118,623</u>	<u>245,091</u>	<u>163,299</u>

Notes:

- (i) As at December 31, 2020, 2021 and 2022 and March 31, 2023, the Group has outstanding loan receivables due from the Group's investee companies classified as associates measured at fair value of the Group, amounting to RMB47,514,000 in aggregate, which had been defaulted and fully impaired prior to the beginning of the Track Record Period as these associates are in financial difficulties.

The remaining amount of RMB72,603,000 and RMB72,500,000 as at December 31, 2022 and March 31, 2023, represents loan receivable and interest on loan receivable from Yoplait China, which becomes the Group's associate measured at fair value since June 15, 2022. Further details are set out in Note 44(c).

- (ii) As at December 31, 2020, 2021 and 2022 and March 31, 2023, the Group has outstanding loan receivable due from an independent third party arising from Private Equity Investment amounted to RMB6,913,000 which carried fixed interest at 12% per annum. The loan receivable had maturity term of 3 years and was guaranteed by the shares of the borrower. The loan receivable was fully impaired prior to the year ended December 31, 2020.

As at December 31, 2020, the Group has outstanding loan receivables due from independent third parties arising from Mengtian Dairy Business amounted to RMB117,888,000 which carried fixed interest of 6.53% per annum or prevailing interest rate, while the remaining balance of the outstanding loan of RMB47,049,000 is interest free. These loan receivables are unsecured, unguaranteed and repayable on demand.

- (iii) As at December 31, 2020, 2021 and 2022 and March 31, 2023, the Group has gross other receivables arising from Private Equity Investment amounted to RMB10,598,000, RMB16,625,000, RMB18,305,000 and RMB18,342,000, respectively. The outstanding balance mainly represents the consideration receivable for disposal of an investment classified as associates measured at fair value of the Group and rental deposits which will be returned upon termination of the lease contract. The amount of RMB9,822,000 had been defaulted and fully impaired prior to the beginning of the Track Record Period.

As at December 31, 2020, 2021 and 2022 and March 31, 2023, the Group has other receivables arising from Buyout Investment Business amounted to RMB21,516,000, RMB4,244,000, nil and nil, respectively, which mainly represents the consideration receivable for disposal of biological assets and rental deposits which will be returned upon termination of the lease contract.

- (iv) Deferred issue costs represent the qualifying portion of issue costs incurred up to March 31, 2023, which will be debited to equity of the Group as share issue costs in respect of the issue of new shares upon the initial public offering and listing of the shares of the Company on the Stock Exchange.

The Company

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Amounts due from related parties (Note 44(j))	2,912,462	2,653,151	1,527,090	1,665,990
Loan to a related party (Note 44(m))	–	70,100	72,603	72,500
Deferred issue costs (Note (iv))	–	–	41,462	44,878
Dividend receivables	17,138	34,276	34,276	–
Value added tax recoverable	5,912	6,678	982	1,084
Prepayments to independent third parties	–	1,659	10	10
Others	93	38	233	276
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Less: Allowance for credit losses	(16)	(16)	(11)	(11)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>2,935,589</u>	<u>2,765,886</u>	<u>1,676,645</u>	<u>1,784,727</u>
Analysed as:				
Current	2,935,589	2,765,886	679,975	788,057
Non-current	–	–	996,670	996,670
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>2,935,589</u>	<u>2,765,886</u>	<u>1,676,645</u>	<u>1,784,727</u>

27. INVENTORIES**The Group**

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Raw materials and consumables	88,725	8,952	N/A	N/A
Work in progress	50	801	N/A	N/A
Finished goods	5,590	884	N/A	N/A
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>94,365</u>	<u>10,637</u>	<u>N/A</u>	<u>N/A</u>

The relevant balance are arising from Mengtian Dairy and Yoplait China during December 31, 2020, 2021 and are derecognised after the deconsolidation of Mengtian Dairy and Yoplait China completed on December 31, 2021 and June 15, 2022.

28. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

The Group

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Cash and Cash equivalents	793,401	1,015,797	613,612	578,771
Less: Impairment recognised for bank balance	—	—	—	(27,383)
	<u>793,401</u>	<u>1,015,797</u>	<u>613,612</u>	<u>551,388</u>

As at December 31, 2021, the balance of RMB6,055,000 was frozen by the Mareva injunction order granted by the local jurisdiction as part of the cash inflow received from an exited investment whose major shareholder was under investigation by the local jurisdiction. Such amount had been fully released during the year ended December 31, 2022.

Cash and cash equivalents include demand deposits and short term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at prevailing market interest rates.

The Group's restricted bank deposits are all denominated in RMB, bank balances and cash that are denominated in currencies other than functional currency of the relevant group entities are set out below:

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Analysis bank balance and cash by currency:				
Denominated in US Dollar ("US\$")	95,560	71,350	34,883	7,524
Denominated in HK\$	10,326	26,878	7,944	72,527
Denominated in Great Britain Pound ("GBP")	448	—	—	—
	<u>448</u>	<u>—</u>	<u>—</u>	<u>—</u>

The Company

Cash at banks earns interest at prevailing market interest rates.

The Company's bank balances and cash that are all denominated in its functional currency.

Details of impairment assessment of bank balances and restricted bank deposits of the Group and the Company are set out in note 48.

29. ACCOUNTS PAYABLES

The Group

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Account payable to a related party (Note 44(ei))	—	69,821	N/A	N/A
Accounts payables to third parties	100,998	36,909	N/A	N/A
	<u>100,998</u>	<u>106,730</u>	<u>N/A</u>	<u>N/A</u>

Accounts payables mainly represent the outstanding balance in respect of the Group's purchase of raw material for the production of dairy farming products, purchased feed and forage grass for the raw milk business and dairy farming products business. The credit period on purchases of goods generally ranges from 30 to 90 days.

The following is an aged analysis of accounts payables presented based on the delivery date at the end of each reporting period.

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Within 1 year	100,688	106,730	N/A	N/A
1 to 2 years	310	–	N/A	N/A
	<u>100,998</u>	<u>106,730</u>	<u>N/A</u>	<u>N/A</u>

30. OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Loan payables to related parties (note i, Note 44(e))	–	150,000	–	–
Investment payables to related parties (note ii, Note 44(e))	3,846	–	–	–
Interest on loan payables to related parties (note i, Note 44(e))	1,267	1,528	–	–
Other payables to related parties (Note 44(e))	69	57	–	–
Accrued issue cost	–	–	16,502	8,774
Dividend payables to an independent third party (note iii)	5,579	5,452	5,955	5,876
Loan payables to independent third parties (note iv)	62,150	2,600	–	–
Interest on loan payables to an independent third party	4,246	15	–	–
Sundry payables and accrued	89,838	51,003	25,915	12,414
Salaries and welfare payables	21,546	7,135	224	148
Other tax payables	11,958	2,158	1,514	420
Construction costs payable	2,862	–	–	–
Payable for acquisition of property, plant and equipment	1,790	4,749	–	–
Deposits received	13,737	4,510	7,115	7,115
	<u>218,888</u>	<u>229,207</u>	<u>57,225</u>	<u>34,747</u>

The Company

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
Loan payable to related parties (note i, Note 44(k))	–	150,000	–	–
Interest on loan payable to related parties (note i, Note 44(k))	–	290	–	–
Other payable to related parties (Note 44(k))	–	–	19,234	30,110
Accrued issue cost	–	–	16,502	8,774
Sundry payables and accrued	1,005	6,486	985	608
Other tax payables	85	128	114	29
	<u>1,090</u>	<u>156,904</u>	<u>36,835</u>	<u>39,521</u>

Notes:

- (i) Loan payables and interest on loan payables to related parties:

	Maturity date	Significant Covenant	Effective Interest rate	Carrying amount			
				December 31,			March 31,
				2020	2021	2022	2023
				RMB'000	RMB'000	RMB'000	RMB'000
<i>Fixed-rate</i>							
Unsecured and unguaranteed							
– Forever Highness Hong Kong Limited	On demand	N/A	N/A	1,267	1,238	–	–
– Tiantu Chuangye (as defined in Note 44(e))	August 2022	N/A	5.12%	–	150,290	–	–
				<u>1,267</u>	<u>151,528</u>	<u>–</u>	<u>–</u>

- (ii) The balance was unsecured, interest-free and was fully settled during the year ended 31 December 2021.
- (iii) The balance represented the outstanding dividend payable to an independent third party and was unsecured, interest-free and repayable on demand.
- (iv) As at December 31, 2020, 2021 and 2022 and March 31, 2023, arising from Private Equity Investment, the Group has loan payables of RMB1,600,000, RMB1,600,000, nil and nil, respectively. These loans are unsecured, unguaranteed, interest free and repayable on demand.

As at December 31, 2021, the Group has a loan payable of RMB1,000,000 from an independent third party arising from Yoplait China Business, which carried fixed interest rate at 3.85% per annum. The loan is unsecured, unguaranteed and repayable on demand. The relevant balance is derecognised after the deconsolidation of Yoplait China completed on June 15, 2022.

As at December 31, 2020, the Group has loan payables of RMB60,550,000, from independent third parties arising from Mengtian Dairy Business, which carried fixed interest rate ranging from 3.85% to 10% per annum. These loans are unsecured, unguaranteed and repayable on demand, while has been derecognised upon deconsolidation of Mengtian Dairy completed on December 31, 2021.

31. CONTRACT LIABILITIES

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Contract liabilities				
Amounts received in advance in respect of:				
– Private Equity Investment	6,140	75,510	62,648	55,429
– Buyout Investment Business	63,356	2,334	N/A	N/A
Customer loyalty scheme from Mengtian Dairy Business (note)	64,753	N/A	N/A	N/A
	<u>134,249</u>	<u>77,844</u>	<u>62,648</u>	<u>55,429</u>

Note: The award credits arising from the customer loyalty scheme operated by Mengtian Dairy which can be used in future purchases and consumptions by the distributors represents the transaction price allocated to unsatisfied performance obligation at the end of each reporting period.

Contract liabilities that were expected to be settled within the Group's normal operating cycle are classified as current liabilities. As at January 1, 2020, contract liabilities for Buyout Investment business, representing only the amounts received in advance, and Private Equity Investment business amounting to RMB33,731,000 and RMB6,107,000, respectively while contract liabilities in relation to the customer loyalty scheme amounting to RMB51,031,000.

During the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023, there were no revenue recognised that related to performance obligations that were satisfied in prior year. During the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023, the amount of revenue recognised that was included in the contract liability balance, representing only the amounts received in advance, at the beginning of the year amounting to RMB33,731,000, RMB63,356,000, RMB2,334,000 and nil, respectively from Buyout Investment Business and RMB6,107,000, RMB6,140,000, RMB23,800,000 and RMB7,219,000, respectively from Private Equity Investment, while contract liabilities in relation to the customer loyalty scheme amounting to RMB51,031,000, RMB64,753,000, nil and nil, respectively.

As at December 31, 2020, 2021 and 2022 and March 31, 2023, contract liabilities from related parties amounting to RMB6,140,000, RMB75,510,000, RMB62,648,000 and RMB55,429,000, respectively.

For the Private Equity Investment, the Group received prepaid management fee from unconsolidated investment funds and such advance payments are recorded as contract liabilities until the services are rendered. The Group typically receive prepaid management fee semi-annually/annually.

For the Buyout Investment Business, contract liabilities represent the receipts in advance from customers which is recognised as revenue at a point in time when the control of the goods is transferred to the customers. The Group typically receives 100% deposit on the acceptance of manufacturing orders. The contract liabilities related to customer loyalty scheme as disclosed above represented the Group's expectation on the rate of redemption made by customers. The relevant balance are derecognised after the deconsolidation of Yoplait China completed on June 15, 2022.

The significant increase in contract liabilities from Buyout Investment Business for the year ended December 31, 2020 was mainly due to the advances received from new contracts obtained. During the year ended December 31, 2021, the significant decrease in contract liabilities was mainly due to the deconsolidation of Mengtian Dairy which was completed on December 31, 2021.

In addition, the significant increase in contract liabilities from Private Equity Investment for the year ended December 31, 2021 was mainly due to the deconsolidation of Tiantu Xingnan. During the year ended December 31, 2021, the Group and the limited partners of Tiantu Xingnan agreed to downscale the fund's size of Tiantu Xingnan while the excess of the fund management fees previously paid to the Group, as determined based on the pre-adjustment fund size, were accounted for contract liabilities as at December 31, 2021 and 2022 and March 31, 2023.

The award credits arising from the customer loyalty scheme operated by Mengtian Dairy which can be used in future purchases and consumptions by the distributors represents the transaction price allocated to unsatisfied performance obligation at the end of each reporting period. The balance increased as at December 31, 2020 was in line with the sales volume of Mengtian Dairy, while the relevant balance had been derecognised upon the deconsolidation of Mengtian Dairy completed on December 31, 2021.

32. ADVANCES FROM SHARE TRANSFER TRANSACTION

The Group

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Receipts from equity transfer (Note 44(f))	186,730	176,730	176,730	176,730
	<u>186,730</u>	<u>176,730</u>	<u>176,730</u>	<u>176,730</u>

The Company

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Receipts from equity transfer (Note 44(l))	71,120	71,120	71,120	71,120
	<u>71,120</u>	<u>71,120</u>	<u>71,120</u>	<u>71,120</u>

In April 2017, the Company and a subsidiary of the Group entered into share transfer agreements with Hangzhou Shangniu Investment Management Partnership (Limited Partnership)* (“Hangzhou Shangniu”) (杭州商牛投资管理合夥企業(有限合夥)) (the “Buyer”), a subsidiary of 51 Credit Card Inc., pursuant to which, the Group agreed to transfer the Group’s entire equity interest in an unlisted entity for a total consideration of RMB176,730,000. The Group’s investment in the unlisted entity is accounted for as financial asset at FVTPL. In July 2018, the Group received equity transfer payments amounting to RMB105,610,000 and RMB71,120,000 from the Buyer, respectively as details in Note 44(f). As the share transfer is subject to the approval of the relevant regulatory authorities, the amount received is classified as “advances from share transfer transaction”.

During the three months ended March 31, 2023, Hangzhou Enniu Network Technology Co., Ltd.* (“杭州恩牛網絡技術有限公司”) (“Hangzhou Enniu”), a related entity of 51 Credit Card Inc. and a party of the Share Transfer Transaction, initiated an arbitration proceedings with Hangzhou Arbitration Commission against all shareholders of an unlisted entity. As further detailed in the paragraphs headed “Business – Legal Proceedings and Regulatory Compliance” in this prospectus, the claim submitted by Hangzhou Enniu alleges that the purpose of the share transfer agreements cannot be achieved and demands the rescission of contract. In its claims, Hangzhou Enniu did not allege that the Group has any wrongdoings on its part, and the Group was involved in the arbitration merely because the Group is a minority shareholder of the unlisted entity and therefore a party to the Share Transfer Transaction.

As advised by the Group’s arbitration expert, a reputation law firm in PRC, it is based on its review and analysis of all the materials currently available, including the claim made by Hangzhou Enniu, the relevant Share Transfer Agreements, supplemental agreements and other written materials executed or issued in connection with this transaction, the official business registration information obtained from the State Administration for Industry and Commerce, and announcements disclosed by 51 Credit Card Inc. with respect to its assessment and judgments had been made to demonstrate the Share Transfer Transaction had been completed, the likelihood of Hangzhou Enniu prevailing in the arbitration is remote. Furthermore, as advised by the Group’s PRC legal counsel, all the agreements and supplementary agreements entered into by the Group in relation to the Share Transfer Transaction remained valid and legally effective.

* English name is for the identification purpose only

During the year ended December 31, 2020, the Group entered into share transfer agreements with another independent third party, pursuant to which the Group agreed to transfer the Group's entire equity interest in another unlisted entity for a total consideration of RMB10,000,000, of which had been received in full. The relevant balance is fully settled during the year ended December 31, 2021.

33. BANK AND OTHER BORROWINGS

The Group

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Bank borrowings				
– Secured and guaranteed	44,118	–	–	–
– Secured and unguaranteed	30,547	48,521	–	–
– Unsecured and guaranteed	30,043	70,000	70,000	70,000
– Unsecured and unguaranteed	–	–	15,245	14,860
	104,708	118,521	85,245	84,860
Other borrowings				
– Secured and guaranteed	8,966	–	–	–
– Unsecured and guaranteed	100,000	–	–	–
	108,966	–	–	–
	213,674	118,521	85,245	84,860

Bank and other borrowings comprise:

	Maturity date	Significant Covenant	Notes	Effective Interest rate	Carrying amount			March 31, 2023
					2020	December 31, 2021	2022	
					RMB'000	RMB'000	RMB'000	RMB'000
Fixed-rate borrowings								
– secured and guaranteed	March 2021	N/A	(i)	10.44%	27,086	–	–	–
	March 2021	N/A	(ii)	7.00%	8,966	–	–	–
– unsecured and guaranteed	October 2021	N/A	(ix)	8.00%	100,000*	–	–	–
	March 2021	N/A	(iv)	4.50%	24,033	–	–	–
	March 2021	N/A	(iv)	5.66%	6,010	–	–	–
	May 2022	N/A	(v)	4.79%	–	70,000*	–	–
	May 2023	N/A	(v)	4.79%	–	–	70,000*	70,000*
– unsecured and unguaranteed	November 2023	N/A		5.00%	–	–	2,632*	2,632*
	December 2023	N/A		5.00%	–	–	12,613*	12,228*
– secured and unguaranteed	October 2021	N/A	(vi)	5.66%	21,047	–	–	–
					187,142	70,000	85,245	84,860

* Such amounts are included in the Company level.

	Maturity date	Significant Covenant	Notes	Effective Interest rate	Carrying amount			March 31, 2023 RMB'000
					December 31,			
					2020 RMB'000	2021 RMB'000	2022 RMB'000	
Floating-rate borrowings								
- secured and guaranteed	August 2021	N/A	(iii)	LPR+2.24%	17,032	-	-	-
- secured and unguaranteed	February 2021	N/A	(vi)	LPR+0.735%	9,500	-	-	-
	April 2022	N/A	(viii)	LPR+0.95%	-	6,400	-	-
	January 2022	N/A	(vi)	LPR+0.5%	-	15,462	-	-
	March 2022	N/A	(vi)	LPR+0.5%	-	9,490	-	-
	August 2022	N/A	(vii)	LPR+0.95%	-	17,169	-	-
					<u>26,532</u>	<u>48,521</u>	<u>-</u>	<u>-</u>
Total					<u>213,674</u>	<u>118,521</u>	<u>85,245</u>	<u>84,860</u>

	As at December 31,			As at March 31,
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000
Balance arising from:				
Private Equity Investment	100,000	70,000	85,245	84,860
Yoplait China Business	9,500	48,521	N/A	N/A
Mengtian Dairy Business	104,174	N/A	N/A	N/A
	<u>213,674</u>	<u>118,521</u>	<u>85,245</u>	<u>84,860</u>

Notes:

- (i) These loans were secured by the buildings, machinery and equipment and were guaranteed by independent third parties.
- (ii) These loans were secured by the Group's accounts receivables and were guaranteed by Mengtian Dairy and an independent third party.
- (iii) The loan was secured by buildings, machinery and equipment and was guaranteed by an independent third party.
- (iv) The loans were unsecured and were guaranteed by Mengtian Dairy and an independent third party.
- (v) The loan was unsecured and was guaranteed by Mr. Wang. Such personal guarantee was released when the Group renewed such loan in May 2023.
- (vi) The loan was unguaranteed and secured by buildings and right-of-use assets.
- (vii) The loan was unguaranteed and was secured by the Group's account receivables. The amount is derecognised from the deconsolidation of Yoplait China completed on June 15, 2022.
- (viii) The loan was unguaranteed and was secured by the Group's account receivables.
- (ix) The loans were raised from independent third parties which carried interest at a fixed rate of 8% per annum, and will be paid until the settlement date. The original maturity of the loan is 1 year. In 2020, the Group and the lenders had agreed to extend the maturity date for 1 year. The loan was unsecured and was guaranteed by Mr. Wang.

	At December 31,			At
	2020	2021	2022	March 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2023 <i>RMB'000</i>
The carrying amounts of the above borrowings are repayable*:				
– Within one year	213,674	118,521	85,245	84,860
	<u>213,674</u>	<u>118,521</u>	<u>85,245</u>	<u>84,860</u>
Less: Amounts due within one year shown under current liabilities				
– bank borrowings	(104,708)	(118,521)	(85,245)	(84,860)
– other borrowings	(108,966)	–	–	–
	<u>(213,674)</u>	<u>(118,521)</u>	<u>(85,245)</u>	<u>(84,860)</u>
Amounts shown under non-current liabilities				
– bank borrowings	–	–	–	–

Amounts due within one year amounting to RMB9,500,000 are under current liabilities and contain a repayment on demand clause. During the years ended December 31, 2020, the Group has not breached any covenants. Such amount was fully repaid during the year ended December 31, 2021.

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

The exposure of the Group's bank and other borrowings are as follows:

	At December 31,			At
	2020	2021	2022	March 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2023 <i>RMB'000</i>
Bank borrowings at fixed rate	78,176	70,000	85,245	84,860
Bank borrowings at floating rate	26,532	48,521	–	–
Other borrowings at fixed rate	108,966	–	–	–
	<u>213,674</u>	<u>118,521</u>	<u>85,245</u>	<u>84,860</u>

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	At December 31,			At
	2020	2021	2022	March 31,
	%	%	%	2023 %
Effective interest rates:				
Floating rate borrowing	4.79 to 6.09	4.35 to 4.80	N/A	N/A
Fixed rate borrowing	4.5 to 10.44	4.79	4.79 to 5.00	4.79 to 5.00

All borrowings were denominated in the functional currencies of the relevant group entities.

The Company

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Bank borrowings				
– Unsecured and guaranteed	–	70,000	70,000	70,000
– Unsecured and unguaranteed	–	–	15,245	14,860
Other borrowings				
– Unsecured and guaranteed	100,000	–	–	–
	<u>100,000</u>	<u>70,000</u>	<u>85,245</u>	<u>84,860</u>

34. BOND PAYABLES DUE WITHIN/OVER ONE YEAR

The Group and the Company

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Corporate bonds	1,783,668	1,785,536	980,913	984,897
Interest accrued	44,626	44,626	20,398	32,525
	<u>1,828,294</u>	<u>1,830,162</u>	<u>1,001,311</u>	<u>1,017,422</u>
Analysed as:				
Non-current	1,783,668	–	980,913	984,897
Current (note (iii))	44,626	1,830,162	20,398	32,525
	<u>1,828,294</u>	<u>1,830,162</u>	<u>1,001,311</u>	<u>1,017,422</u>
The carrying amounts of the above bond payables:				
– Within one year	44,626	1,830,162	20,398	32,525
– More than one year but within two years	1,783,668	–	198,207	199,001
– More than two years but within five years	–	–	782,706	785,896
	<u>1,828,294</u>	<u>1,830,162</u>	<u>1,001,311</u>	<u>1,017,422</u>

The following table presents an analysis of listed and unlisted corporate bonds issued by the Company, which are known as the 2017 Innovation and Entrepreneurship Bonds and the 2022 Corporate Bonds approved by the China Securities Regulatory Commission for the issue to the qualified investors in the PRC by installment during 2017 and 2022, with details as set out below:

Abbreviations	Issued amount RMB'000	Issue date	Maturity date	Coupon rate
17Tiantu01 (note (i), (v) and (vi))	1,000,000	May 22, 2017	May 22, 2022	note (i)
17Tiantu02 (note (ii), (v) and (vi))	800,000	October 24, 2017	October 24, 2022	note (ii)
22Tiantu01 (note (iii) and (vii))	200,000	May 5, 2022	May 5, 2025	note (iii)
22Tiantu02 (note (iv) and (vii))	300,000	May 5, 2022	May 5, 2027	note (iv)
22Tiantu03 (note (viii))	500,000	October 19, 2022	October 19, 2025	5% per annum

Notes:

- (i) The coupon rate is 6.5% per annum, while subsequently on April 21, 2020, the Company exercised its rights as included in the bond offering document to revise the coupon rate to 5.8% per annum. On May 22, 2020, the Group redeemed 4,000 units of 17Tiantu01 with principal amount of RMB400,000.
- (ii) The coupon rate is 6% per annum, while subsequently on September 28, 2020, the Company exercised its rights as included in the bond offering document to revise the coupon rate to 5.8% per annum. On October 24, 2020, the Group redeemed 500,000 units of 17Tiantu02 with principal amount of RMB50,000,000. On October 29, 2020, the Group transferred 500,000 units of 17Tiantu02 with principal amount of RMB50,000,000 to a financial institution.
- (iii) The coupon rate is 4.27% per annum. Pursuant to the bond offering document, the Company has the right to revise the coupon rate in the end of second anniversary year after the date of issue, and the bondholders are granted with right to request the Company to redeem the outstanding bond in the end of second anniversary year after the date of issue.
- (iv) The coupon rate is 4.99% per annum. Pursuant to the bond offering document, the Company has the right to revise the coupon rate in the end of third anniversary year after the date of issue, and the bondholders are granted with right to request the Company to redeem the outstanding bond in the end of third anniversary year after the date of issue.
- (v) Pursuant to the bond offering document, the bondholders were granted with right to request the Company to redeem the outstanding bond at the third year after the date of issue. Subsequently in 2020, the unredeemed portion of the corporate bonds, according to the original issue terms, had been extended for another two years which would be maturing in 2022. The principal balance and interest accrued in respect of 17Tiantu01 in the amount of RMB999,600,000 and RMB57,977,000, respectively, has been repaid and redeemed by the Company on May 19, 2022, while the principal balance and interest accrued in respect of 17Tiantu02 in the amount of RMB800,000,000 and RMB46,400,000, respectively, has been repaid and redeemed by the Company on October 20, 2022.
- (vi) During the year ended December 31, 2020 and 2021, Mr. Wang, his spouse Ms. Li Wen and Tiantu Chuangye provided counter-guarantees to an independent financial institution, which was one of the Group's portfolio companies accounted for as financial assets at FVTPL and acted as a third party guarantor for the 2017 Innovation and Entrepreneurship Bonds. Such counter-guarantees included (a) 209,170,000 shares of the Company held by Mr. Wang; (b) personal counter guarantees jointly provided by Mr. Wang and his spouse, Ms. Li Wen; (c) pledge of certain shares of one financial asset at FVTPL and of the Group's interest in an associate measured at fair value ((a), (b) and (c) collectively, the "2017 Bonds Counter-Guarantees"). In March 2022, certain pledged shares of the Company held by Mr. Wang was released from that independent financial institution and were reduced to 105,215,378 shares. As the 2017 Innovation and Entrepreneurship Bonds were redeemed by the Company in October 2022, the 2017 Bonds Counter-Guarantees have been released accordingly.

- (vii) During the year ended December 31, 2022 and the three months ended March 31, 2023, the 2022 First Corporate Bonds were guaranteed by an independent financial institution who acted as the third party guarantee. In return, Mr. Wang, his spouse Ms. Li Wen and Tiantu Chuangye provided counter-guarantees (the “2022 First Bonds Counter-Guarantees”) to that independent financial institution, such counter-guarantees included were secured by (a) 103,954,622 Shares of the Company held by Mr. Wang (the “Share Pledge”); (b) personal guarantees provided by Mr. Wang and his spouse Ms. Li Wen to that independent financial institution; (c) corporate guarantee provided by Tiantu Chuangye; (d) pledge of certain shares held by Tiantu Chuangye in one of its invested companies; (e) mortgages over a piece of real estate property of Tiantu Chuangye and (f) pledge of certain shares of the Group’s interest in the associates measured at fair value and of 100% shareholding of a subsidiary ((b) to (f), collectively, the “Remaining Guarantee and Pledge”). In November 2022, the Group entered into an agreement for the replacement of the Share Pledge by the pledge of 2 real estate properties owned by independent third parties and another 2 properties owned by the employees of the Group. As represented by the directors of the Company, the Share Pledge under the 2022 First Bonds Counter-Guarantees is expected to be replaced/released before or immediately upon the Listing. As the premature release of the Remaining Guarantees and Pledge under the 2022 First Bonds Counter-Guarantees is not in the commercial interests of the Company and its Shareholders and is not commercially viable, they will continue to be in effect after the Listing.
- (viii) In connection with the issuance of the 2022 Second Corporate Bonds an independent financial institution provided guarantee for our repayment obligations under the 2022 Second Corporate Bonds. In return, Mr. Wang, his spouse Li Wen and Tiantu Chuangye provided counter-guarantees (the “2022 Second Bonds Counter-Guarantees”) to an independent financial institution, including: (a) 105,215,378 Shares of the Company held by Mr. Wang; (b) personal guarantee provided by Mr. Wang and his spouse Ms. Li Wen; (c) corporate guarantee provided by Tiantu Chuangye and (d) pledge of certain shares of the Group’s interest in the associates measured at fair value. In August 2023, the (a) to (c) under the 2022 Second Bonds Counter Guarantees are expected to be released immediately upon the Listing.

35. FINANCIAL LIABILITIES AT FVTPL

The Group

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
Non-current				
Financial liabilities designated at				
FVTPL				
– Consolidated structured entities	6,822,495	8,075,184	8,596,707	8,552,617

In the Historical Financial Information, financial liabilities arising from the Group’s consolidated structured entities are designated at FVTPL, as the Group has an obligation to pay the consolidated structured entities’ other investors their respective share of the net assets value upon the respective maturity dates of the consolidated structured entities. As the respective maturity dates of the consolidated structured entities are over twelve months from the end of each reporting period, therefore the financial liabilities at FVTPL is classified as non-current liabilities.

36. DEFERRED INCOME

The Group

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Balance at the beginning of the year/period	14,377	14,073	–	–
Released to other income	(304)	(282)	–	–
Disposal of Mengtian Dairy (Note 39)	–	(13,791)	–	–
	<u>14,073</u>	<u>–</u>	<u>–</u>	<u>–</u>

Deferred income arising from government grants of the Group represents the government grants received for capital expenditure incurred for the acquisition of property, plant and equipment and right-of-use assets from the Buyout Investment Business. The amounts are deferred and are credited to the profit or loss on a systematic basis over the useful lives of the related assets.

37. LEASE LIABILITIES

The Group

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Lease liabilities payable:				
Within one year	10,013	6,021	6,821	4,819
Within a period of more than one year but not exceeding two years	6,250	1,163	3,430	3,528
Within a period of more than two years but not exceeding five years	4,845	–	10,400	9,487
Within a period of more than five years	13,721	–	–	–
	<u>34,829</u>	<u>7,184</u>	<u>20,651</u>	<u>17,834</u>
Less: Amounts due for settlement within 12 months shown under current liabilities	(10,013)	(6,021)	(6,821)	(4,819)
	<u>24,816</u>	<u>1,163</u>	<u>13,830</u>	<u>13,015</u>
Amounts due for settlement after 12 months shown under non-current liabilities				

The incremental borrowing rates applied to lease liabilities range from 5.59% to 8.30%, 5.59% to 5.98%, 4.64% to 5.97% and 4.64% to 5.98% for the years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023 respectively.

All lease obligations are denominated in the functional currencies of the relevant group entities.

The Company

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Lease liabilities payable:				
Within one year	3,384	3,032	3,270	1,835
Within a period of more than one year but not exceeding two years	1,769	–	511	526
Within a period of more than two years but not exceeding five years	–	–	1,550	1,413
Total	5,153	3,032	5,331	3,774
Less: Amounts due for settlement with 12 months shown under current liabilities	(3,384)	(3,032)	(3,270)	(1,835)
Amounts due for settlement after 12 months shown under non-current liabilities	1,769	–	2,061	1,939

The weighted average incremental borrowing rates applied to lease liabilities is 5.97% and 5.81% for the years ended December 31, 2020 and 2021 respectively. Furthermore, the incremental borrowing rates applied to lease liabilities range from 4.64% to 5.57% and 4.64% to 5.57% for the year ended December 31, 2022 and three months ended March 31, 2023.

All lease obligations are denominated in the functional currency of the Company.

38. ACQUISITION OF SUBSIDIARIES**(i) Acquisition of business-related assets constituting the Dongjun Dairy Business (as defined below) in 2021**

Dongjun Dairy (Yucheng) Co., Ltd.* (“Dongjun Dairy”) (東君乳業(禹城)有限公司) is engaged in the production and trading of lactobacillus products in the PRC (“Dongjun Dairy Business”). In July 2020, Mengtian Dairy, a subsidiary of the Group, entered into acquisition agreement with the shareholders of Dongjun Dairy pursuant to which the Group agreed to acquire from Dongjun Dairy certain business-related assets, including brand names, plant and equipment and intangible assets (i.e., trademarks, patents and formulas), together with the human resources related to research and development, procurement and sales and the sales channel, which enables the Group to carry out of the Dongjun Dairy Business, for a total consideration of RMB277,312,000.

The directors of the Company considered that such acquisition consisted of an integrated set of activities and assets that was capable of being conducted and managed for the purpose of providing goods to customers from ordinary activities, and it therefore constituted a business. Such acquisition was completed in May 2021 and was accounted for as an acquisition of business using the acquisition method.

During the years ended December 31, 2020 and 2021, the Group paid RMB113,336,000 and RMB69,805,000, respectively. The remaining consideration of RMB94,171,000 is repayable on demand and is recorded as other payables and accrual in the books of Mengtian Dairy as set out in Note 39.

* English name is for the identification purpose only

Consideration transferred:

	<i>RMB'000</i>
Cash paid in 2020 and 2021 [#]	183,141
Consideration payable (<i>Note 39</i>)	94,171
	<hr/>
Total consideration	277,312
	<hr/> <hr/>

[#] The amount included the deposit in the amount of RMB113,336,000 which was classified as “deposit for the acquisition of Dongjun Dairy Business” under non-current assets.

The fair value of identifiable asset recognised at the date of acquisition of Dongjun Dairy:

	<i>RMB'000</i>
Assets	
Plant and equipment	58,322
Intangible assets	134,639
Other receivables (<i>note</i>)	10,468
	<hr/>
	203,429
	<hr/> <hr/>

Note: The balance represents value-added tax recoverable.

Goodwill arising from acquisition of Dongjun Dairy:

	<i>RMB'000</i>
Total Consideration	277,312
Less: fair value of identifiable net assets acquired	(203,429)
	<hr/>
Goodwill arising from acquisition	73,883
	<hr/> <hr/>

Goodwill arose from acquisition of Dongjun Dairy because it facilitated continuous expansion of the Group's dairy farming operations and the consideration included a control premium. These benefits were not recognised separately from goodwill because they did not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising from this acquisition was expected to be deductible for tax purposes.

Cash outflows arising from acquisition of Dongjun Dairy:

	<i>RMB'000</i>
Cash consideration paid in 2020	113,336
Cash consideration paid in 2021	69,805
	<hr/>
Total cash outflows	183,141
	<hr/> <hr/>

39. DISCONTINUED OPERATION OF MENGtian DAIRY BUSINESS AND YOPLAIT CHINA

The profit (loss) for the year/period from the discontinued Mengtian Dairy Business and Yoplait China Business included in the Group's consolidated statements of profit or loss and other comprehensive income, which are consistently presented as discontinued operations, over the Track Record Period are set out below.

	Year ended December 31,			Three months ended	
	2020	2021	2022	March 31, 2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit of Mengtian Dairy Business for the year/period	96,488	4,954	–	–	–
Gain on deemed disposal of Mengtian Dairy Business	–	123,258	–	–	–
	<u>96,488</u>	<u>128,212</u>	<u>–</u>	<u>–</u>	<u>–</u>
Loss of Yoplait China Business for the year/period	(96,323)	(57,744)	(39,661)	(27,651)	–
Gain on deemed disposal of Yoplait China Business	–	–	639,407	–	–
Deferred tax on remeasurement of retained interest in Yoplait China at fair value	–	–	(118,997)	–	–
	<u>(96,323)</u>	<u>(57,744)</u>	<u>480,749</u>	<u>(27,651)</u>	<u>–</u>
	<u>165</u>	<u>70,468</u>	<u>480,749</u>	<u>(27,651)</u>	<u>–</u>

(i) Mengtian Dairy Business

During the year ended December 31, 2018, the Group acquired 58.39% equity interest of Mengtian Dairy from an independent third party for a consideration of RMB560,584,000 and inject paid-in capital of Mengtian Dairy amounting to RMB180,000,000. As such, the Group's equity interest in Mengtian Dairy increased from 58.39% to 61.21%. The Group's equity interest of Mengtian Dairy were held by its consolidated structured entities, including Tiantu Xingnan, Tiantu Xingpeng and Tiantu Xing'an.

During the year ended December 31, 2020, a non-controlling shareholder of Mengtian Dairy withdrew its 8.13% equity interest in Mengtian Dairy and Mengtian Dairy returned cash of RMB106,073,000, to the non-controlling shareholder for a sum equivalent to its interest to the carrying amount of net asset value, resulting in the reduction of Mengtian Dairy's paid-in capital and non-controlling interests by RMB49,206,000 and RMB106,536,000, respectively. As such, the Group's equity interests in Mengtian Dairy increased from 61.21% to 66.62%.

On December 31, 2021, along with those amendments as detailed in Note 4, the Group's absolute control over Mengtian Dairy has been lost and the Group's Mengtian Dairy Business, which is one of the major lines of business under the Buyout Investment Business, has been discontinued along with these amendments. The financial performance of Mengtian Dairy Business is therefore presented as discontinued operation since the beginning of the Track Record Period.

The results of the discontinued Mengtian Dairy Business included in the Group's consolidated statements of profit or loss and other comprehensive income (representing the financial information of Mengtian Dairy Business after elimination of intra-group transaction with the Group), which is consistently presented as a discontinued operation, over the Track Record Period are set out below.

	Year ended December 31,	
	2020 RMB'000	2021 RMB'000
Revenue	968,861	653,419
Changes in inventories of finished goods	(125,147)	(26,290)
Raw materials and consumables used	(496,847)	(368,814)
Staff costs	(97,623)	(76,613)
Depreciation and amortisation expenses	(54,920)	(56,204)
Other operating expenses	(161,398)	(89,451)
Finance costs	(17,868)	(10,078)
Impairment (recognised) reversed under expected credit loss model, net	(3,610)	5,048
Other income	24,231	29,004
Other gains and losses	(8,210)	(14,452)
Gains arising on initial recognition of raw milk at fair value less costs to sell at the point of harvest	125,614	33,269
Loss arising from changes in fair value less costs to sell of dairy cows	(47,713)	(61,014)
Share of results of associate	(427)	–
	<u>104,943</u>	<u>17,824</u>
Profit before tax		
Income tax expense	(8,455)	(12,870)
	<u>96,488</u>	<u>4,954</u>

Analysis of assets and liabilities over which control was lost on the date of deemed disposal of Mengtian Dairy on December 31, 2021:

	RMB'000
Property, plant and equipment	473,006
Right-of-use assets	106,826
Goodwill	357,323
Intangible assets	129,074
Deferred tax assets	5,140
Biological assets	194,114
Accounts receivables	79,018
Prepayments and other receivables (note i)	128,269
Inventories	98,032
Bank balances and cash	51,045
Accounts payables	(102,417)
Other payables and accruals (note ii)	(164,809)
Contract liabilities	(88,124)
Tax payable	(5,729)
Bank and other borrowings	(93,348)
Lease liabilities	(54,909)
Deferred tax liabilities	(1,889)
Deferred income	(13,791)
	<u>1,096,831</u>
Net assets disposed of	<u>1,096,831</u>

	<i>RMB'000</i>
Net assets disposed of attributable to owners of the Company	825,354
Net assets disposed of attributable to non-controlling interests	271,477
	<hr/>
Net assets disposed of	1,096,831
	<hr/> <hr/>

Gain on deemed disposal:

	<i>RMB'000</i>
Fair value of the Group's retained interests recognised as interests in an associate measured at fair value (<i>note iii</i>)	948,612
Less: Net assets disposed of attributable to owners of the Company	(825,354)
	<hr/>
Gain on deemed disposal of Mengtian Dairy Business	123,258
	<hr/> <hr/>

Notes:

- (i) The balance includes the consideration receivable of RMB57,376,000 in respect of the disposal of Shandong Shijie Husbandry (as defined in Note 40).
- (ii) The balance includes the remaining consideration of RMB94,171,000 in respect of the acquisition of Dongjun Dairy and the interest on loan payable of RMB6,997,000 which are still not yet settled as at December 31, 2021.
- (iii) As at December 31, 2021, the fair value of the Mengtian Dairy Business was RMB1,423,829,000, which is determined with reference to the valuation report prepared by a qualified independent valuer, Avista Business Consulting (Shanghai) Co., Ltd. The valuer's address is Unit C, 23/F, Phase II, Sino-Ocean Tower, No. 618 East Yan An Road, Huangpu District, Shanghai, PRC, 200001. Subsequent to the deemed disposal of Mengtian Dairy Business, the Group retained (i) 40% equity interests in Tiantu Xingnan which holds 45.16% equity interests in Mengtian Dairy ("Tiantu Xingnan Investment"), and (ii) 21.46% equity interests in Mengtian Dairy ("Mengtian Dairy Retained Investment") directly. The fair value of the Tiantu Xingnan Investment and Mengtian Dairy Retained Investment amounting to RMB643,014,000 and RMB305,598,000, respectively. The Tiantu Xingnan Investment is accounted for as interests in associates measured using equity method and the Mengtian Dairy Retained Investment is accounted for as interests in associates measured at fair value.

Profit for the year from discontinued operation of Mengtian Dairy includes the following:

	Year ended December 31,	
	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation of:		
Property, plant and equipment	52,514	45,655
Right-of-use assets	2,374	4,025
Amortisation of intangible assets	32	6,524
	<hr/>	<hr/>
Total depreciation and amortisation	54,920	56,204
	<hr/> <hr/>	<hr/> <hr/>

	Year ended December 31,	
	2020 RMB'000	2021 RMB'000
Research and development costs recognised as an expense, included in		
– Other operating expenses	6,984	7,665
– Staff costs	2,425	3,583
– Depreciation and amortisation expense	174	107
	<u>9,583</u>	<u>11,355</u>
Auditor's remuneration:	1,340	1,340
Staff costs:		
– Salaries and allowances	87,648	65,098
– Performance-based bonus	4,879	3,993
– Retirement benefit scheme contributions	5,096	7,522
Total staff costs	<u>97,623</u>	<u>76,613</u>

The cash flows contributed by the discontinued Mengtian Dairy Business to the Group during the Track Record Period are as follows:

	Year ended December 31,	
	2020 RMB'000	2021 RMB'000
Net cash flows from operating activities	<u>285,992</u>	<u>139,879</u>
Net cash flows used in investing activities	<u>(80,992)</u>	<u>(81,295)</u>
Net cash flows used in financing activities	<u>(130,172)</u>	<u>(144,768)</u>
Net cash inflows (outflows)	<u>74,828</u>	<u>(86,184)</u>

(ii) Yoplait China Business

The Group acquired the entire equity interest of Yoplait China for the consideration of RMB298,618,000 on April 1, 2019, which were held by Tiantu Xingnan, Xingqi Investment and Tiantu Xingpeng, all are the consolidated structured entities of the Group at that time.

During the year ended December 31, 2020, an independent third party subscribed 11.76% paid-in equity interest of Yoplait China, a subsidiary of the Group, for a consideration of RMB40,000,000. Upon completion of the capital injection by the non-controlling shareholder, the Group's equity interests in Yoplait China decreased from 100% to 88.24% without losing control over Yoplait China.

During the year ended December 31, 2022, Tiantu Xing'an, a wholly owned subsidiary of the Group, injected RMB30,000,000 and held effectively 99.97% equity interest in Pingtan Xingxu upon completion.

On January 31, 2022, the Group and other shareholders of Yoplait China entered into a share subscription agreement with a new independent investor ("New Independent Investor 2"), pursuant to which, Yoplait China agrees to issue new shares to the New Independent Investor 2 equivalent to 17.96% equity interest of Yoplait China. During the year ended December 31, 2022, this transaction had not yet completed due to New Independent Investor 2's non-payment of first installment of the consideration for 17.96% equity interest in Yoplait China.

On June 10, 2022, the Group has entered into a share purchase agreement with New Independent Investor 1, pursuant to which, the Group agrees to sell and the New Independent Investor 1 agrees to buy 59.98% registered capital of Pingtan Xingxu for a cash consideration of RMB62,610,000. Upon completion on June 15, 2022, the Group and the New Independent Investor 1 hold RMB12,000,000 and RMB18,000,000 paid-up capital of Pingtan Xingxu, representing 40% and 60% equity interest of Pingtan Xingxu, respectively. Up to the date of issue of this report, the Group received RMB31,305,000, being 50% of the consideration, while the remaining amount will be settled within 12 months after the date of signing the share purchase agreement. The Group only has significant influence over Pingtan Xingxu. Accordingly, Pingtan Xingxu became an associate of the Group using equity method since then.

Together with the certain arrangement between the Group and Yoplait China and the other shareholders as described in Note 4, the Group's absolute control over Yoplait China has been lost and the Group's Yoplait China Business, which is one of the major lines of business under the Buyout Investment Business, has been discontinued along with these amendments. The financial performance of Yoplait China Business is therefore presented as a discontinued operation since the beginning of the Track Record Period.

The results of the discontinued Yoplait China included in the Group's consolidated statements of profit or loss and other comprehensive income (representing the financial information of Yoplait China after elimination of intra-group transaction with the Group), which is consistently presented as a discontinued operation, over the Track Record Period are set out below.

	Year ended December 31,		For the period	Three
	2020	2021	from 1/1/2022	months
			to 15/6/2022	ended
	RMB'000	RMB'000	(the date of	March 31,
			deconsolidation)	2022
			RMB'000	RMB'000
				(unaudited)
Revenue	220,603	312,214	131,832	70,747
Investment gains or losses, net	–	713	126	48
Total revenue and investment gains or losses, net	220,603	312,927	131,958	70,795
Changes in inventories of finished goods	914	(779)	23	341
Raw materials and consumables used	(120,467)	(173,948)	(74,347)	(43,805)
Staff costs	(57,895)	(63,634)	(34,865)	(18,459)
Depreciation and amortisation expenses	(26,632)	(27,325)	(13,893)	(7,068)
Other operating expenses	(112,421)	(103,389)	(48,456)	(29,146)
Finance costs	(1,085)	(1,967)	(948)	(503)
Impairment losses under expected credit loss model, net of reversal	(15)	(543)	(79)	–
Other income	2,799	767	747	79
Other gains and losses	(2,124)	147	(45)	(11)
Loss before tax	(96,323)	(57,744)	(39,905)	(27,777)
Income tax expense	–	–	244	126
Loss for the year/period	(96,323)	(57,744)	(39,661)	(27,651)

Analysis of assets and liabilities over which control was lost on the date of deemed disposal of Yoplait China on June 15, 2022:

	<i>RMB'000</i>
Property, plant and equipment	203,484
Right-of-use assets	15,082
Goodwill	14,357
Intangible assets	846
Other non-current assets	2,227
Accounts receivables	50,922
Prepayments and other receivables	9,021
Inventories	9,359
Financial assets at FVTPL	13,030
Bank balances and cash	4,943
Accounts payables	(126,320)
Other payables and accruals	(45,775)
Loan payable to a related party	(72,596)
Contract liabilities	(2,333)
Bank and other borrowings	(30,392)
Lease liabilities	(207)
Deferred tax liabilities	(7,479)
	<hr/>
Net assets disposed of	38,169
	<hr/> <hr/>
Net assets disposed of attributable to owners of the Company	7,744
Net assets disposed of attributable to non-controlling interests	30,425
	<hr/>
Net assets disposed of	38,169
	<hr/> <hr/>

Gain on deemed disposal:

	<i>RMB'000</i>
Fair value of the Group's retained interests recognised as interests in an associate measured at fair value and using equity method (<i>note ii</i>)	584,541
Consideration (<i>note i</i>) (as details in Note 40)	62,610
Less: Net assets disposed of attributable to owners of the Company (<i>note ii</i>)	(7,744)
Deferred tax on remeasurement of retained interest in Yoplait China at fair value	(118,997)
	<hr/>
Gain on deemed disposal of Yoplait China	520,410
	<hr/> <hr/>

Notes:

- (i) The Group has received RMB31,305,000, being 50% of the consideration, while the remaining amount will be settled within 12 months after the date of signing the share purchase agreement.
- (ii) At the disposal date of Yoplait China, the fair value of Yoplait China was RMB1,200,425,000, which is determined with reference to the valuation report prepared by a qualified independent valuer, Avista Business Consulting (Shanghai) Co., Ltd.. The valuer's address is Unit C, 23/F, Phase II, Sino-Ocean Tower, No. 618 East Yan An Road, Huangpu District, Shanghai, PRC, 200001. Subsequent to the deemed disposal of Yoplait China Business, the Group retained 45.22% equity interests in Yoplait China directly. The fair value of Yoplait China is RMB584,541,000, which included the fair value of Yoplait China amounting to RMB41,740,000 in respect of 8.70% equity interest of Yoplait China held by Pingtan Xingxu. Yoplait China is accounted for as interests in associates measured at fair value.

Net cash inflows arising from disposal

	<i>RMB'000</i>
Cash received	31,305
Less: Bank balance and cash disposed of	<u>(4,943)</u>
Net cash inflows	<u><u>26,362</u></u>

Loss for the year/period from discontinued operation of Yoplait China Business includes the following:

	Year ended December 31,		Period from	Three
	2020	2021	1/1/2022 to	months
	<i>RMB'000</i>	<i>RMB'000</i>	15/6/2022	ended
			(the date of	March 31,
			deconsolidation)	2022
			<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>
Depreciation of:				
Property, plant and equipment	24,667	25,215	12,840	6,454
Right-of-use assets	1,849	1,948	914	545
Amortisation of intangible assets	<u>116</u>	<u>162</u>	<u>139</u>	<u>69</u>
Total depreciation and amortisation	<u><u>26,632</u></u>	<u><u>27,325</u></u>	<u><u>13,893</u></u>	<u><u>7,068</u></u>
Auditor's remuneration:	330	330	165	83
Staff costs:				
– Salaries and allowances	48,346	49,131	29,092	15,687
– Performance-based bonus	1,521	2,088	1,387	466
– Retirement benefit scheme contributions	<u>8,028</u>	<u>12,415</u>	<u>4,386</u>	<u>2,306</u>
Total staff costs	<u><u>57,895</u></u>	<u><u>63,634</u></u>	<u><u>34,865</u></u>	<u><u>18,459</u></u>

Note: During the year ended December 31, 2020, pursuant to the notice released by the relevant PRC authority, Yoplait China has been fully or partially waived to undertake a number of social securities including endowment insurance, unemployment insurance and employment injury insurance, totaling approximately RMB3,527,000.

The cash flows contributed by the discontinued Yoplait China Business to the Group during the Track Record Period are as follows:

	Year ended December 31,		Period from	Three
	2020	2021	1/1/2022 to	months
			15/6/2022 (the	ended
			date of	March 31,
	RMB'000	RMB'000	deconsolidation)	2022
			RMB'000	RMB'000
				(<i>undaudited</i>)
Net cash flows (used in) from operating activities	<u>(94,282)</u>	<u>(12,150)</u>	<u>15,797</u>	<u>(2,169)</u>
Net cash flows used in investing activities	<u>(17,698)</u>	<u>(11,030)</u>	<u>(16,311)</u>	<u>(1,425)</u>
Net cash flows from (used in) financing activities	<u>103,635</u>	<u>46,042</u>	<u>(18,549)</u>	<u>(11,678)</u>
Effect of foreign exchange rate changes	<u>(14)</u>	<u>(7)</u>	<u>-</u>	<u>-</u>
Net cash (outflows) inflows	<u>(8,359)</u>	<u>22,855</u>	<u>(19,063)</u>	<u>(15,272)</u>

40. DISPOSAL AND DECONSOLIDATION OF THE SUBSIDIARIES

Disposal of subsidiaries for the year ended December 31, 2020

In July 2020, the Group transferred its 100% equity interest in Shandong Shijie Husbandry Co., Ltd.* (“Shandong Shijie Husbandry”), (山東視界牧業有限公司) which was a subsidiary of Mengtian Dairy and engaged in the business of manufacturing dairy farming products to one of Mengtian Dairy’s former shareholders, for a consideration of RMB102,461,000. Such amount was fully settled in November 2020.

In addition, during the year ended December 31, 2020, the Group transferred its 57.14% equity interest of Shenzhen Xingshun, which was principally engaged in equity investments business to an independent third party with a consideration of RMB40,000,000. Such amount was fully settled on May 20, 2020. Subsequent to the disposal of Shenzhen Xingshun, the Group retained 42.86% equity interests of Shenzhen Xingshun and the fair value of retained equity interests amounting to RMB30,000,000. The Shenzhen Xingshun is accounted for as interests in a joint venture measured using equity method.

Consideration received:

	Shandong Shijie Husbandry RMB'000	Shenzhen Xingshun RMB'000	Total RMB'000
Cash received	<u>102,461</u>	<u>40,000</u>	<u>142,461</u>

* English name is for the identification purpose only

Analysis of assets and liabilities over which controls were lost at the date of disposal of subsidiaries:

	Shandong Shijie Husbandry RMB'000	Shenzhen Xingshun RMB'000	Total RMB'000
Assets			
Property, plant and equipment	173,601	–	173,601
Right-of-use assets	17,692	–	17,692
Biological assets	145,983	–	145,983
Other non-current assets	7,712	–	7,712
Interests in associates	2,307	–	2,307
Bank balances and cash	3,871	3	3,874
Accounts receivables	22,142	–	22,142
Prepayments and other receivables	4,076	69	4,145
Inventories	53,491	–	53,491
Financial assets at FVTPL	–	69,928	69,928
Total	430,875	70,000	500,875
Liabilities			
Accounts payables	23,514	–	23,514
Other payables and accruals	276,060	–	276,060
Contract liabilities	2,000	–	2,000
Tax payable	46	–	46
Lease liabilities	18,072	–	18,072
Total	319,692	–	319,692
Net assets	111,183	70,000	181,183
Loss on disposal of subsidiaries:			
	Shandong Shijie Husbandry RMB'000	Shenzhen Xingshun RMB'000	Total RMB'000
Consideration received and receivable	102,461	40,000	142,461
Fair value of retained interest classified as interests in a joint venture	–	30,000	30,000
Net assets disposed of	(111,183)	(70,000)	(181,183)
Loss on disposal	(8,722)	–	(8,722)
Net cash inflows arising from disposals:			
	Shandong Shijie Husbandry RMB'000	Shenzhen Xingshun RMB'000	Total RMB'000
Cash received	102,461	40,000	142,461
Less: Bank balance and cash disposed of	(3,871)	(3)	(3,874)
Net cash inflows	98,590	39,997	138,587

Deconsolidation of Tiantu Xingnan for the year ended December 31, 2021

During the year ended December 31, 2020, the Group holds 40% equity interest of Tiantu Xingnan. On December 31, 2021, along with those amendments as detailed in Note 4, the Group's absolute control over Tiantu Xingnan has been lost while the Group retained significant influence over Tiantu Xingnan as the Group has the right to appoint two out of five members of the investment committee of Tiantu Xingnan.

Analysis of assets and liabilities over which controls were lost at the date of deconsolidation:

	Tiantu Xingnan <i>RMB'000</i>
Assets	
Bank balances and cash	90,316
Financial assets at FVTPL	1,013,158
Prepayment for management fee	69,918
	<hr/>
Total	1,173,392
	<hr/> <hr/>
Liabilities	
Other payables and accruals	420
Financial liability at FVTPL	703,783
	<hr/>
Total	704,203
	<hr/> <hr/>
Net assets disposed of	469,189
	<hr/> <hr/>
Gain on deemed disposal:	
Fair value of the Group's retained interests recognised as interests in an associate measured using equity method (<i>note</i>)	469,189
Less: Net assets disposed of attributable to owners of the Company	(469,189)
	<hr/>
Gain on deemed disposal of Tiantu Xingnan	–
	<hr/> <hr/>

Note: As at December 31, 2021, the fair value of Tiantu Xingnan was RMB1,172,972,000, which is mainly determined with the fair value of the Tiantu Xingnan investments in Mengtian Dairy, Yoplait China and another listed entity amounting to RMB643,014,000, RMB230,617,000 and RMB139,527,000, respectively, with reference to the valuation report prepared by Avista Business Consulting (Shanghai) Co., Ltd. and the closing stock price as at 31 December 2021. Upon completion of the deemed disposal of the Tiantu Xingnan, the Group retained 40% equity interests in Tiantu Xingnan, which is accounted for as interests in associates using equity method.

Disposal of a subsidiary for the year ended December 31, 2022

The Group acts the general partner of Hainan Tiantu Xingchuang Investment Partnership (Limited Partnership)* (“Tiantu Xingchuang”) (海南天圖興創投資合夥企業(有限合夥)). In April 2022, the Group withdrew the original paid-in capital to exit the limited partnership of Tiantu Xingchuang and transferred its 0.625% paid-in capital equity interest to an independent third party, for a consideration of RMB1,200,000. Such amount was fully settled in April 2022.

Analysis of assets and liabilities over which controls were lost at the date of disposal of subsidiary:

	Tiantu Xingchuang <i>RMB'000</i>
Assets	
Bank balances and cash	3,242
Prepayments and other receivables	5,250
Financial assets at FVTPL	105,000
	<hr/>
Total	113,492
	<hr/> <hr/>

* English name is for the identification purpose only

	Tiantu Xingchuang RMB'000
Liabilities	
Other payables and accruals	29
Financial liabilities at FVTPL	112,263
	<hr/>
Total	112,292
	<hr/>
Net assets	1,200
	<hr/> <hr/>

Gain on disposal of subsidiary

	Tiantu Xingchuang RMB'000
Consideration received	1,200
Net assets disposed of	(1,200)
	<hr/>
Gain on disposal	–
	<hr/> <hr/>

Net cash outflow arising from disposal

	Tiantu Xingchuang RMB'000
Cash received	1,200
Less: Bank balance and cash disposed of	(3,242)
	<hr/>
Net cash outflows	(2,042)
	<hr/> <hr/>

41. PLEDGED OF ASSETS

The Group's borrowings and the issued bills payables had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

	As at December 31,			As at March 31,
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Restricted bank deposits	–	6,055	–	–
Financial assets at FVTPL	72,675	138,000	–	–
Interests in associates measured at fair value	1,123,810	1,112,649	2,457,459	2,272,022
Accounts receivables from Buyout				
Investment Business	17,765	6,752	–	–
Right-of-use assets	17,549	13,697	–	–
Buildings	176,464	86,184	–	–
Biological assets	72,646	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	1,480,909	1,363,337	2,457,459	2,272,022
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

42A RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank and other borrowings	Bond payables	Financial liabilities at FVTPL	Lease liabilities	Amount due to a director	Loan payables to related parties	Interest payables on loan to related parties	Loan payables to independent third parties	Interest payables on loan payable to independent third parties	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2020	772,680	1,827,669	6,216,350	53,398	127,503	386,800	52,819	77,222	1,685	9,516,126
Cash changes:										
Financing cash flows	(571,836)	(142,166)	510,107	(35,899)	(19,173)	(386,800)	(67,157)	(15,072)	(4,925)	(732,921)
Non-cash changes:										
Interest expenses	27,394	142,791	-	3,733	3,156	-	15,605	-	7,486	200,165
Unrealised losses	-	-	132,073	-	-	-	-	-	-	132,073
Additions of leases	-	-	-	31,669	-	-	-	-	-	31,669
Disposal of subsidiaries	-	-	-	(18,072)	-	-	-	-	-	(18,072)
Effect of exchange rate change	(14,564)	-	(36,035)	-	(7,148)	-	-	-	-	(57,747)
At December 31, 2020	213,674	1,828,294	6,822,495	34,829	104,338	-	1,267	62,150	4,246	9,071,293
Cash changes:										
Financing cash flows	(20,095)	(133,336)	1,422,883	(13,266)	(34,036)	150,000	(1,695)	(49,550)	(8,438)	1,312,467
Non-cash changes:										
Interest expenses	18,290	135,204	-	1,076	1,747	-	1,956	-	4,207	162,480
Unrealised losses	-	-	569,915	-	-	-	-	-	-	569,915
Additions of leases	-	-	-	39,454	-	-	-	-	-	39,454
Deconsolidation of Mengtian Dairy (Note 39)	(93,348)	-	-	(54,909)	-	-	-	(10,000)	-	(158,257)
Deconsolidation of Tiantu Xingnan (Note 40)	-	-	(703,783)	-	-	-	-	-	-	(703,783)
Effect of exchange rate change	-	-	(36,326)	-	1,266	-	-	-	-	(35,060)

	Bank and other borrowings RMB'000	Bond payables RMB'000	Financial liabilities at FVTPL RMB'000	Lease liabilities RMB'000	Amount due to a director RMB'000	Loan payables to related parties RMB'000	Interest payables on loan to related parties RMB'000	Loan payables to independent third parties RMB'000	Interest payables on loan payable to independent third parties RMB'000	Prepayment for listing expenses, deferred issue costs and accrued issue costs RMB'000	Total RMB'000
At December 31, 2021	118,521	1,830,162	8,075,184	7,184	73,315	150,000	1,528	2,600	15	(1,659)	10,256,850
Cash changes:											
Financing cash flows	(7,311)	(929,769)	818,548	(10,785)	(77,984)	(150,000)	(13,539)	(2,600)	(32)	(23,301)	(396,773)
Non-cash changes:											
Interest expenses	4,427	100,918	-	763	1,486	-	12,011	-	17	-	119,622
Unrealised gain	-	-	(358,136)	-	-	-	-	-	-	-	(358,136)
Additions of leases	-	-	-	23,696	-	-	-	-	-	-	23,696
Deconsolidation of Yoplait China (Note 39(ii))	(30,392)	-	-	(207)	-	-	-	-	-	-	(30,599)
Capital contribution of Tiantu Xingbei	-	-	4,584	-	-	-	-	-	-	-	4,584
Disposal of Tiantu Xingchuang (Note 40)	-	-	(112,263)	-	-	-	-	-	-	-	(112,263)
Effect of exchange rate change	-	-	168,790	-	3,183	-	-	-	-	-	171,973
At December 31, 2022	85,245	1,001,311	8,596,707	20,651	-	-	-	-	-	(24,960)	9,678,954
Cash changes:											
Financing cash flows	(1,400)	-	(19,528)	(3,087)	-	-	-	-	-	(11,144)	(35,159)
Non-cash changes:											
Interest expenses	1,015	16,111	-	270	-	-	-	-	-	-	17,396
Unrealised losses	-	-	1,132	-	-	-	-	-	-	-	1,132
Effect of exchange rate change	-	-	(25,694)	-	-	-	-	-	-	-	(25,694)
At March 31, 2023	84,860	1,017,422	8,552,617	17,834	-	-	-	-	-	(36,104)	9,636,629
(Unaudited)											
At January 1, 2022	118,521	1,830,162	8,075,184	7,184	73,315	150,000	1,528	2,600	15	(1,659)	10,256,850
Cash changes:											
Financing cash flows	(11,804)	-	70,000	(2,459)	(222)	(100)	44	(1,000)	(23)	(2,149)	52,287
Non-cash changes:											
Interest expenses	1,278	33,746	-	103	269	-	1,944	-	8	-	37,348
Unrealised gain	-	-	(191,084)	-	-	-	-	-	-	-	(191,084)
Effect of exchange rate change	-	-	(4,432)	-	(339)	-	-	-	-	-	(4,771)
At March 31, 2022	107,995	1,863,908	7,949,668	4,828	73,023	149,900	3,516	1,600	-	(3,808)	10,150,630

42B MAJOR NON-CASH TRANSACTIONS

During the year ended December 31, 2020, the non-controlling shareholder of Tiantu Xinghe Investments withdrew its 27% equity interest in Tiantu Xinghe Investments for an aggregate consideration of RMB571,451,000, which is settled by a listed equity investment included in financial assets at FVTPL. Further details are set out in Note (ii) in the consolidated statements of changes in equity.

During the year ended December 31, 2020, the consideration payable for the acquisition of Yoplait China amounted to RMB89,585,000 was fully settled through the release of bank balances from the custodian account which was previously classified as restricted bank deposits kept by the Group. Further details are set out in Note 28.

43. SHARE CAPITAL

All shares issued by the Company are fully paid domestic shares. The par value per share is RMB1. The Company's number of shares issued and their nominal value are as follows:

	Number of shares	Nominal value per share RMB	Share capital RMB
<u>Registered and fully paid</u>			
At January 1, 2020, December 31, 2020, 2021 and 2022 and March 31, 2023	519,773,110	1	519,773,110
	<u>519,773</u>	<u>519,773</u>	<u>519,773</u>
	As at December 31,		As at
	2020	2021	March 31,
	<i>RMB'000</i>	<i>RMB'000</i>	2023
		2022	<i>RMB'000</i>
		<i>RMB'000</i>	
Presented as	<u>519,773</u>	<u>519,773</u>	<u>519,773</u>

44. RELATED PARTY TRANSACTIONS AND BALANCES

The Group during the Track Record Period has the following related party balances.

The Group**(a) Amounts due from related parties – non-trade nature**

Relationship (notes)	As at	As at December 31,				As at	Maximum balance outstanding			Three months
	January 1, 2020 RMB'000	2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000	Year ended December 31, 2020 2021 2022 RMB'000 RMB'000 RMB'000			ended March 31, 2023 RMB'000	
Shenzhen Tiantu Dongfeng (i)	129	133	152	162	174	133	152	162	174	
Tiantu Dongfeng (i)	-	224	217	313	217	224	224	561	313	
Tiantu Xingnan (iv)	-	-	300	347	347	-	300	347	347	
Mengtian Dairy (iii)	-	-	6,998	-	-	-	6,998	6,998	-	
Tiantu Tiantou (i)	-	-	-	48	-	-	-	132	48	
Pingtian Xingxu (iv)	-	-	-	-	16	-	-	-	16	
Tiantu China Consumer Fund I, L.P. (ii)	-	-	-	2,437	2,405	-	-	2,437	2,437	
	<u>129</u>	<u>357</u>	<u>7,667</u>	<u>3,307</u>	<u>3,159</u>					

These amounts mentioned above are included in "prepayments and other receivables" as set out in Note 26. The amounts are unsecured, unguaranteed and repayable on demand.

As represented by the management of the Group, the outstanding amounts as at March 31, 2023 will not be fully settled prior to the Listing.

(b) Amounts due from related parties – trade nature

Relationship (notes)	As at December 31,			As at	
	2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000	
Tiantu China Consumer Fund I, L.P.	(ii)	25,364	24,784	27,073	26,712
Tiantu Dongfeng	(i)	–	–	16,957	22,927
		<u>25,364</u>	<u>24,784</u>	<u>44,030</u>	<u>49,639</u>

These amounts mentioned are included in “accounts receivables” as set out in Note 25.

(c) Loans to related parties – non-trade nature

Relationship (note)	As at	As at December 31,			As at	Maximum balance outstanding			Three months
	January 1, 2020 RMB'000	2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000	Year ended December 31,			ended March 31, 2023 RMB'000
						2020	2021	2022	
Jiangsu Zhongying United Data Technology Co., Ltd.* (江蘇眾贏聯合數據科技有限公司)	(iii)	24,600	24,600	24,600	24,600	24,600	24,600	24,600	24,600
Beijing Yingli Shengke New Material Technology Co., Ltd.* (北京英力生科新材料技術有限公司)	(iii)	18,114	18,114	18,114	18,114	18,114	18,114	18,114	18,114
Leader tech (Beijing) Digital Technology Co., Ltd.* (立德高科(北京)數碼科技有限責任公司)	(iii)	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Yoplait China	(iii)	–	–	–	72,603	–	–	72,603	72,603
		<u>47,514</u>	<u>47,514</u>	<u>47,514</u>	<u>120,117</u>	<u>120,014</u>			
Less: Impairment loss allowance		<u>(47,514)</u>	<u>(47,514)</u>	<u>(47,514)</u>	<u>(47,514)</u>				
		<u>–</u>	<u>–</u>	<u>–</u>	<u>72,603</u>	<u>72,500</u>			

These amounts mentioned above are loans to Yoplait China and the Group's other investee companies and are included in “prepayments and other receivables” as set out in Note 26. All loans to the Group's investee companies excluding Yoplait China have been defaulted and fully impaired prior to the beginning of the Track Record Period.

As represented by the management of the Group, the outstanding amount of loan to Yoplait China as at March 31, 2023 will not be settled prior to the Listing pursuant to the payment term of the loan contract.

(d) Amount due to a director – non-trade nature

Relationship (note)	As at December 31,			As at	
	2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000	
Mr. Wang	(vii)	<u>104,338</u>	<u>73,315</u>	<u>–</u>	<u>–</u>

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In December 2018, the Group entered into a loan agreement with Mr. Wang, pursuant to which Mr. Wang provided a loan of HK\$125,000,000 (equivalent to RMB104,338,000 as at December 31, 2020) at a variable interest rate at Hong Kong InterBank Offered Rate (“HIBOR”) plus 1.5% per annum. During the year ended December 31, 2021, the Group repaid HK\$35,000,000 (equivalent to RMB30,719,000) to Mr. Wang. The loan was unsecured, unguaranteed and repayable on demand. During the year ended December 31, 2022, the Group repaid the remaining loan amounting to HK\$90,000,000 (equivalent to RMB76,440,000).

(e) *Amounts due to related parties – non-trade nature*

	Relationship (notes)	As at December 31,			As at March 31,
		2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000
Tiantu Chuangye	(v)	–	150,290	–	–
Tiantu China Consumer Fund I, L.P.	(ii)	3,846	–	–	–
Forever Highness Hong Kong Limited	(vi)	1,267	1,238	–	–
Shenzhen Xingshun	(i)	69	57	–	–
		<u>5,182</u>	<u>151,585</u>	<u>–</u>	<u>–</u>

These amounts mentioned above are included in “other payables and accruals” as set out in Note 30.

In September and November 2022, the Group repaid the principal amount and accrued interest for the amount due to Tiantu Chuangye amounting to RMB150,000,000 and RMB5,534,000, respectively.

(ei) *Amount due to a related party – trade nature*

	Relationship (note)	As at December 31,			As at March 31,
		2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000
Dezhou Victoria Agriculture & Livestock Co., Ltd.* (“Dezhou Victoria”) (德州市維多利亞農牧有 限公司)	(iii)	–	69,821	N/A	N/A
		<u>–</u>	<u>69,821</u>	<u>N/A</u>	<u>N/A</u>

The amount mentioned above is included in “accounts payables” as set out in Note 29. The relevant balance is derecognised arising from the deconsolidation of Yoplait China completed on June 15, 2022.

(f) *Advance from a related party – non-trade nature*

	Relationship (note)	As at December 31,			As at March 31,
		2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000
Hangzhou Shangniu	(viii)	<u>176,730</u>	<u>176,730</u>	<u>176,730</u>	<u>176,730</u>

* English name is for the identification purpose only

These amounts mentioned above are included in “advances from share transfer transaction” as set out in Note 32.

The outstanding balance of the advance from a related party and the Group's investment in an unlisted entity classified as financial asset at FVTPL, both amounting to RMB176,730,000 as at March 31, 2023 will be derecognised upon the completion of the share transfer, with no material impact to profit or loss or net assets. The share transfer is subject to the approval of a relevant regulatory authority which had not been obtained up to March 31, 2023, and the management of Group expects such approval might not be obtained prior to the Listing.

(g) *Contract liabilities from related parties – trade nature*

	Relationship (notes)	As at December 31,			As at
		2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000
Tangrenshen	(iv)	4,298	3,750	3,675	1,243
Tiantu Tiantou	(i)	1,842	1,842	1,845	1,333
Tiantu Xingnan	(iv)	–	69,918	57,128	52,853
		<u>6,140</u>	<u>75,510</u>	<u>62,648</u>	<u>55,429</u>

These amounts mentioned above are included in “contract liabilities” as set out in Note 31.

(h) *Lease liabilities – non-trade nature*

	Relationship (note)	As at December 31,			As at
		2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000
Tiantu Chuangye	(v)	<u>5,153</u>	<u>3,032</u>	<u>2,898</u>	<u>1,457</u>

The amounts mentioned above are included in “lease liabilities” as set out in Note 37.

Relevant lease agreement with Tiantu Chuangye expired and was renewed in June 2023 and lease payments will be settled on a monthly basis with commercial terms at prevailing market price. The relevant lease liabilities balance with Tiantu Chuangye will be fully settled in June 2024 pursuant to the renewed lease agreement.

The balance as at December 31, 2020, 2021 and 2022 and March 31, 2023 are non-trade related. The management is of the opinion that the property leased from Tiantu Chuangye are for daily operation and as represented by the management of the Group, the outstanding amount of lease liabilities as at March 31, 2023 will not be settled in full prior to the Listing and will be settled in full in June 2024 in accordance with the lease term as stipulated in the lease agreement.

(i) *Financial liabilities at FVTPL – trade nature*

	Relationship (notes)	As at December 31,			As at
		2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000
Shenzhen iRead Foundation* (深圳市愛閱公益基金會)	(ix)	12,986	12,199	11,393	11,042
Lucky Resources Limited	(vi)	93,426	249,677	283,123	280,923
Tiantu Chuangye	(v)	–	29,098	–	–
		<u>106,412</u>	<u>290,974</u>	<u>294,516</u>	<u>291,965</u>

* English name is for the identification purpose only

The amounts mentioned above are included in “financial liabilities at FVTPL” as set out in Note 35.

The transactions with related parties during the Track Record Period are listed out below:

Relationship (notes)	Year ended December 31,			Three months ended March 31,	
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2022 RMB'000	2023 RMB'000
Management fees from:					
Tiantu Dongfeng (i)	22,642	22,642	22,601	5,661	5,632
Tangrenshen (iv)	11,625	10,197	9,333	2,341	2,295
Tiantu Tiantou (i)	4,217	1,984	1,983	489	482
Tiantu Xingnan (iv)	–	–	12,066	–	4,033
Hangzhou Shangniu (viii)	118	–	–	–	–
	<u>38,602</u>	<u>34,823</u>	<u>45,983</u>	<u>8,491</u>	<u>12,442</u>

Relationship (note)	Year ended December 31,			Three months ended March 31,	
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2022 RMB'000	2023 RMB'000
Loan interest income from:					
Yoplait China (iii)	–	–	1,790	–	778
	<u>–</u>	<u>–</u>	<u>1,790</u>	<u>–</u>	<u>778</u>

Relationship (notes)	Year ended December 31,			Three months ended March 31,	
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2022 RMB'000	2023 RMB'000
Loan interest expense to:					
Tiantu Chuangye (vi)	15,605	1,956	5,243	1,894	–
Mr. Wang (vii)	3,156	1,747	1,486	269	–
Shenzhen Feitiandai Financial Technology Co., Ltd.* (“Shenzhen Feitiandai”) (深圳中興飛貸金融科技有限公司) [#] (iii)	–	–	6,659	–	–
	<u>18,761</u>	<u>3,703</u>	<u>13,388</u>	<u>2,163</u>	<u>–</u>

Relationship (note)	Year ended December 31,			Three months ended March 31,	
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2022 RMB'000	2023 RMB'000
Interest on lease liabilities:					
Tiantu Chuangye (vi)	412	358	158	37	28
	<u>412</u>	<u>358</u>	<u>158</u>	<u>37</u>	<u>28</u>

In April 2022, the Group raised a loan of RMB100,000,000 from Shenzhen Feitiandai, an associate measured at fair value which is engaged in the internet-based financing business. The loan is unsecured and unguaranteed, which carries a fixed interest rate of 10% per annum. The Group repaid the principal amount and accrued interest totalling RMB106,659,000 in December 2022.

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	Relationship (note)	Year ended December 31,			Three months ended March 31,	
		2020 RMB'000	2021 RMB'000	2022 RMB'000	2022 RMB'000 (unaudited)	2023 RMB'000
Investment gains from:						
<i>Dividends and interests from interests in associates measured at fair value</i>						
Shenzhen Feitiandai#	(iii)	158,210	84,736	84,736	-	-
Beijing Longhe Longsheng Biotechnology Co., Ltd.* (北京龍和隆盛生物技術股份有限公司)	(iii)	496	-	-	-	-
Shandong Dezhou Braised Chicken Co., Ltd.* (山東德州扒雞股份有限公司)	(iii)	2,565	-	-	-	-
Zhou Hei Ya International Holdings Company Limited* (周黑鴨國際控股有限公司)	(iii)	1,666	720	1,106	-	-
Beijing Xichengjinrui Equity Investment Fund Management Co., Ltd.* (北京熙誠金睿股權投資基金管理有限公司)	(iii)	-	2,250	3,000	-	-
China Securities Credit Investment Co., Ltd. ("China CSC") (中證信用增進股份有限公司)	(iii)	-	-	5,600	-	-
Chengdu White Rabbit Cultural Communication Co., Ltd. (成都白兔有你文化傳播有限公司)	(iii)	-	-	-	-	750
		<u>162,937</u>	<u>87,706</u>	<u>94,442</u>	<u>-</u>	<u>750</u>
Purchase of raw milk: Dezhou Victoria	(iii)	<u>N/A</u>	<u>N/A</u>	<u>43,924</u>	<u>24,426</u>	<u>N/A</u>

As at December 31, 2020, 2021 and 2022 and March 31, 2023, the Group has outstanding dividend receivable due from Shenzhen Feitiandai amounted to RMB42,368,000, RMB84,736,000, RMB84,736,000 and nil respectively while the Company had outstanding dividend receivable due from Shenzhen Feitiandai amounted to RMB17,138,000, RMB34,276,000, RMB32,276,000 and nil. These amounts mentioned are included in "prepayments and other receivables" as set out in Note 26.

Notes:

- (i) Joint ventures measured at equity method of the Group.
- (ii) The Group exercises joint control over the general partner of the entity.
- (iii) Associates measured at fair value of the Group.
- (iv) Associates measured at equity method of the Group.
- (v) An entity controlled by Mr. Wang.
- (vi) A close member of Mr. Wang's family that has significant influence over this entity.
- (vii) A person has control of the Group.
- (viii) A consolidated entity of an associate measured at fair value of the Group.
- (ix) Mr. Wang is a member of the key management personnel of the entity.

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The Company

(j) Amounts due from related parties – non-trade nature

Relationship (note)	As at December 31,			As at	
	2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000	
Shenzhen Tiantu Capital Management Center (Limited Partnership)* (“Tiantu Capital Management Center”) (深圳天圖資本管理中心(有限合夥))	(i)	1,625,032	1,436,531	527,666	666,566
Shenzhen Tiantu Xingzhuo Investment Enterprise (Limited partnership)* (“Xingzhuo”) (深圳天圖興卓投資企業(有限合夥))	(i)	372,230	372,230	372,230	372,230
Shenzhen Tiantu Xingbang Investment Enterprise (Limited partnership)* (“Tiantu Xingbang”) (深圳天圖興邦投資企業(有限合夥))	(i)	350,000	350,000	350,000	350,000
Shenzhen Xingtu Investment Enterprise (Limited partnership)* (“Shenzhen Xingtu”) (深圳興途投資企業(有限合夥))	(i)	145,000	145,000	145,000	145,000
Shenzhen Tiantu Xingrui Venture Capital Investment Co., Ltd.* (“Tiantu Xingrui”) (深圳市天圖興瑞創業投資有限公司)	(i)	33,200	9,440	9,440	9,440
Shenzhen Tiantu Xingyi Investment Partnership (Limited Partnership)* (“Shenzhen Xingyi”) (深圳天圖興宜投資合夥企業(有限合夥))	(i)	–	–	120,000	120,000
Shanghai Tiantu Xingtong Management Consulting Partnership (Limited Partnership)* (“Tiantu Xingtong”) (上海天圖興通管理諮詢合夥企業(有限合夥))	(i)	–	–	1,353	1,353
Beijing Tiantu Xinghui Management Consulting Partnership (Limited Partnership)* (“Tiantu Xinghui”) (北京天圖興滙管理諮詢合夥企業(有限合夥))	(i)	–	–	933	933
Shenzhen Tiantu Xingfu Equity Investment Management Co. Ltd. (“Tiantu Xingfu”) (深圳天圖興福股權投資管理有限公司)	(i)	–	–	468	468
Tiantu Xing'an	(i)	387,000	339,950	–	–
		<u>2,912,462</u>	<u>2,653,151</u>	<u>1,527,090</u>	<u>1,665,990</u>

These amounts mentioned above are included in “prepayments and other receivables” as set out in Note 26. The amounts are unsecured, unguaranteed and repayable on demand.

* English name is for the identification purpose only

(k) Amount due to related parties – non-trade nature

	Relationship (notes)	As at December 31,			As at
		2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000
Tiantu Chuangye	(iii)	–	150,290	–	–
Hangzhou Tiantu Capital Management Co., Ltd.* (“Hangzhou Tiantu”) (杭州天圖資本管理有限公司)	(i)	–	–	1,650	1,650
Tianjin Tiantu Xingsheng Equity Investment Fund Partnership (Limited Partnership)* (“Tianjin Tiantu Xingsheng”) (天津天圖興盛股權投資基金合夥企業(有限合夥))	(i)	–	–	16,690	26,690
Tiantu Advisory	(i)	–	–	894	1,770
		<u>–</u>	<u>150,290</u>	<u>19,234</u>	<u>30,110</u>

The amounts mentioned above are included in “other payables and accruals” as set out in Note 30.

(l) Advances from share transfer transaction – non-trade nature

	Relationship (note)	As at December 31,			As at
		2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000
Hangzhou Shangniu	(ii)	<u>71,120</u>	<u>71,120</u>	<u>71,120</u>	<u>71,120</u>

The amount mentioned above is included in “advances from share transfer transaction” as set out in Note 32.

(m) Loan to a related party – non-trade nature

	Relationship (note)	As at December 31,			As at
		2020 RMB'000	2021 RMB'000	2022 RMB'000	March 31, 2023 RMB'000
Yoplait China	(iv)	<u>–</u>	<u>70,100</u>	<u>72,603</u>	<u>72,500</u>

The amount mentioned above is included in “prepayments and other receivables” as set out in Note 26.

In May 2021, the Company entered into a loan agreement with Yoplait China, pursuant to which the Company lent a loan of RMB70,000,000 at a fixed interest rate of 5.12% per annum. The loan was unsecured, unguaranteed and repayable on demand. The original maturity of the loan is 1 year. During the year ended December 31, 2022, the Group agreed to extend the maturity date for another 1 year and the principal amount of the loan is increased to RMB72,500,000. Subsequent to March 31, 2023, the Group agreed to extend the maturity date for another 1 year.

Notes:

- (i) Subsidiaries of the Company.
- (ii) An associate measured at fair value of the Group.
- (iii) An entity controlled by Mr. Wang.
- (iv) A subsidiary of the Company prior to June 15, 2022 and an associate measured at fair value of the Group after the deconsolidation completed on June 15, 2022.

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45. STRUCTURED ENTITIES

Consolidated structured entities

The consolidated structured entities of the Group included investment funds of which the Group acted as general partner and have majority interests. The Group considers it has control over such structured entities and those structured entities should be consolidated by the Group. As at December 31, 2020, 2021 and 2022 and March 31, 2023, the scale of the consolidated structured entities with reference to the net asset value, amounted to RMB8,964,071,000, RMB11,763,968,000, RMB13,042,835,000 and RMB13,063,539,000, respectively.

Unconsolidated structured entities

(i) Structured entities managed by third party institutions in which the Group holds an interest

The Group holds interests in these structured entities managed by third party institutions through investments in the beneficial rights or plans issued relating to these structured entities. The Group does not consolidate these structured entities. Such structured entities include money market funds, bond funds and financial bonds issued by financial institutions and investments in fund managed by third parties.

The following tables set out an analysis of the gross carrying amounts of interests held by the Group as at December 31, 2020, 2021 and 2022 and March 31, 2023 in the structured entities managed by third party institutions.

	December 31, 2020		
	Financial assets at fair value through profit or loss RMB'000	Maximum risk exposure (Note) RMB'000	Type of income
Money market funds	22,640	22,640	Investment gain
Wealth management products	10,321	10,321	Investment gain
	<u>32,961</u>	<u>32,961</u>	
	December 31, 2021		
	Financial assets at fair value through profit or loss RMB'000	Maximum risk exposure (Note) RMB'000	Type of income
Money market funds	23,127	23,127	Investment gain
Wealth management products	5,500	5,500	Investment gain
	<u>28,627</u>	<u>28,627</u>	
	December 31, 2022		
	Financial assets at fair value through profit or loss RMB'000	Maximum risk exposure (Note) RMB'000	Type of income
Money market funds	23,518	23,518	Investment gain
Unlisted financial products	25,000	25,000	Investment gain
	<u>48,518</u>	<u>48,518</u>	

	March 31, 2023		Type of income
	Financial assets at fair value through profit or loss RMB'000	Maximum risk exposure (Note) RMB'000	
Money market funds	23,622	23,622	Investment gain
Unlisted financial products	25,000	25,000	Investment gain
Wealth management products	85,178	85,178	Investment gain
	133,800	133,800	
	133,800	133,800	

Note: All of these unconsolidated structured entities are recorded in financial assets at FVTPL. The maximum exposures to loss in the above investments are the carrying amounts of the assets held by the Group at the end of each reporting period.

(ii) *Unconsolidated structured entities managed by the Group*

The types of unconsolidated structured entities, including certain financial assets at FVTPL and interests in joint ventures/associates, are managed by the Group include funds where it acts as the general partner and has minority interests. The purpose of managing these structured entities is to generate fees from managing assets on behalf of the fund. Interest held by the Group includes fees and carried interest charged by providing management services to these structured entities and net investment gains from structured entities. Financing is sustained through investment from the Group and other investors.

The following tables set out an analysis of the gross carrying amounts of interests held by the Group as at December 31, 2020, 2021 and 2022 and March 31, 2023 in the unconsolidated structured entities managed by the group.

	December 31, 2020	
	Carrying amount RMB'000	Maximum risk exposure RMB'000
Interests in associates measured using equity method	96,610	96,610
Financial assets at FVTPL	25,000	25,000
Interests in joint ventures	364,261	364,261
	485,871	485,871
	485,871	485,871

	December 31, 2021	
	Carrying amount RMB'000	Maximum risk exposure RMB'000
Interests in associates measured using equity method	557,910	557,910
Financial assets at FVTPL	25,000	25,000
Interests in joint ventures	746,972	746,972
	1,329,882	1,329,882
	1,329,882	1,329,882

	December 31, 2022	
	Carrying amount <i>RMB'000</i>	Maximum risk exposure <i>RMB'000</i>
Interests in associates measured using equity method	551,880	551,880
Interests in joint ventures	748,283	748,283
	<u>1,300,163</u>	<u>1,300,163</u>

	March 31, 2023	
	Carrying amount <i>RMB'000</i>	Maximum risk exposure <i>RMB'000</i>
Interests in associates measured using equity method	571,019	571,019
Interests in joint ventures	887,180	887,180
	<u>1,458,199</u>	<u>1,458,199</u>

For the years ended December 31, 2020, 2021 and 2022 and March 31, 2023, the management fee recognised amounting to RMB38,602,000, RMB34,823,000, RMB45,983,000 and RMB12,441,000 respectively.

No carried interest are recognised for the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023.

No investment gain is recognised for the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023.

For the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023, the share of results of associates recognised amounting to RMB346,000, RMB17,094,000, RMB8,439,000 and RMB19,139,000 respectively.

For the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023, the share of results of joint ventures recognised amounting to RMB77,428,000, RMB402,711,000, RMB1,311,000 and RMB138,897,000 respectively.

As at December 31, 2020, 2021 and 2022 and March 31, 2023, the amount of assets held by the funds managed by the Group amounting to RMB3,076,092,000, RMB6,645,345,000, RMB6,475,057,000 and RMB7,357,234,000, respectively.

46. CAPITAL COMMITMENTS

As at December 31, 2020, 2021 and 2022, the Group had the following capital commitments:

The Group

	As at December 31,			As at
	2020 <i>RMB'000</i>	2021 <i>RMB'000</i>	2022 <i>RMB'000</i>	March 31, 2023 <i>RMB'000</i>
Capital commitments in respect of				
– Property, plant and equipment	1,576	3,486	–	–
– Minimum investments to portfolio companies	188,412	177,520	36,200	10,500
	<u>189,988</u>	<u>181,006</u>	<u>36,200</u>	<u>10,500</u>

The Company

The Company did not have any capital commitments during the Track Record Period.

47. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that group companies in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debt, which includes amount due to a director, bank and other borrowings, bond payables due within/over one year, amounts due to related parties – trade/non-trade nature and lease liabilities disclosed in notes 44(d), 33, 34, 44(e) and 37, net of cash and cash equivalents and equity attributable to owners of the Group.

The management of the Group review the capital structure regularly. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through new shares issues as well as the issue of new debt or redemption of existing debt.

48. FINANCIAL RISK MANAGEMENT**Categories of financial instruments****The Group**

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
<u>Financial assets</u>				
Amortised cost	1,155,729	1,211,637	857,968	716,403
FVTPL	5,057,677	5,458,630	5,238,292	5,308,932
Interests in associates measured at fair value	7,511,487	8,898,914	10,079,602	9,799,975
	<u>13,724,893</u>	<u>15,569,181</u>	<u>16,175,862</u>	<u>15,825,310</u>
<u>Financial liabilities</u>				
Amortised cost	2,342,884	2,297,639	1,104,876	1,120,523
FVTPL	6,822,495	8,075,184	8,596,707	8,552,617
Lease liabilities	34,829	7,184	20,651	17,834
	<u>9,200,208</u>	<u>10,380,007</u>	<u>9,722,234</u>	<u>9,690,974</u>

The Company

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
<u>Financial assets</u>				
Amortised cost	3,003,711	2,776,920	1,837,899	1,832,881
FVTPL	71,120	71,120	71,120	71,120
Interests in associates measured at fair value	863,395	870,931	1,183,260	1,047,257
	<u>3,938,226</u>	<u>3,718,971</u>	<u>3,092,279</u>	<u>2,951,258</u>
<u>Financial liabilities</u>				
Amortised cost	1,928,294	2,050,452	1,105,790	1,132,392
Lease liabilities	5,153	3,032	5,331	3,774
	<u>1,933,447</u>	<u>2,053,484</u>	<u>1,111,121</u>	<u>1,136,166</u>

Financial risk management objectives and policies

The Group's and the Company's major financial instruments include financial assets at FVTPL, interests in associates measured at fair value, bank balances and cash, accounts receivables, restricted bank deposits, loans to independent third parties and related parties, amounts due from related parties, other receivables, accounts payables, bank and other borrowings, lease liabilities, amount due to a director, other payables, bonds payables, and financial liabilities at FVTPL. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk*(i) Currency risk*

Certain bank balances and cash, other receivables, accounts payables and amount due to a director are denominated in foreign currencies of the respective group entities which are exposed to foreign currency risk.

The carrying amounts of the Company's monetary assets and monetary liabilities are all denominated in RMB.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies at the end of each reporting period are as follows:

The Group

	Assets			Liabilities				
	As at December 31,			As at	As at December 31,			As at
	2020	2021	2022	March 31,	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023	RMB'000	RMB'000	RMB'000	2023
				RMB'000				RMB'000
HK\$	<u>10,326</u>	<u>26,921</u>	<u>7,944</u>	<u>72,527</u>	<u>104,140</u>	<u>73,121</u>	<u>-</u>	<u>-</u>

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Sensitivity analysis

The following table details the Group's sensitivity to a 10% decrease in the functional currency of the relevant group entities against the foreign currency. 10% is the sensitivity rate used in management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of each reporting period for a 10% change in foreign currency rates. A positive (negative) number below indicates an increase (decrease) in post-tax profit for the year/period where the functional currency of relevant group entities weakening against the relevant foreign currency. For a 10% strengthen of the functional currency of relevant group entities, there would be an equal and opposite impact on the profit (loss) and other comprehensive income (expense) and the amounts below:

	Year ended December 31,			Three months ended
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Foreign currency				
HK\$	(7,036)	(3,465)	596	5,440

(ii) Interest rate risk

The Group

The Group is exposed to fair value interest rate risk in relation to loans to independent third parties/related parties, loan payables to independent third/related parties, amounts due from related parties, fixed-rate bank and other borrowings, and bonds payables in Notes 26, 30, 33 and 34, respectively.

The Group is also exposed to cash flow interest rate risk due to the fluctuation of market rate on bond funds debt instrument investments, floating-rate bank balance, restricted bank deposits, amount due to a director, loan to a related party and floating-rate bank borrowings in Notes 24, 28, 44(d), 30 and 33.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates quoted by PBOC.

The Company

The Company is exposed to fair value interest rate risk in relation to loans to related parties, amounts due from related parties, fixed-rate bank and other borrowings and bonds payables in Notes 26, 33 and 34, respectively.

The Company is also exposed to cash flow interest rate risk due to the fluctuation of market rate on money market funds, bond funds debt instrument investments, floating-rate bank balance, restricted bank deposits and loan to a related party in Notes 24, 28, 30 and 26.

The Company's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates quoted by PBOC.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of each reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of each reporting period were outstanding for the whole year. A 100 basis point increase or decrease in money market funds, bond funds debt instrument investments, amount due to a director, loan to a related party and floating-rate bank borrowings are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's and the Company post-tax profit for the year/period would increase/(decrease) by the following magnitude:

	The Group				The Company			
	As at December 31,			As at	As at December 31,			As at
	2020	2021	2022	March 31,	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Increase/(decrease) in profit for the year/period	14,188	15,319	1,028	563	16,400	14,622	2,222	3,044

(iii) *Other price risk*

The Group is exposed to equity price risk through its investments in listed/unlisted equity investments, interests in associates measured at FVTPL, unlisted convertible bond measured at FVTPL and financial liabilities at FVTPL held by the Group. The equity price risk of these financial assets may arise due to changes in market price. The change may be caused by factors relating to the financial instrument itself or the issuer, and it may also be caused by market factors.

To manage its equity price risk arising from those investments, the management establish relevant internal control systems for the flow of investment project research, project approval, risk management control department, and board of investment management. The management regularly reviews the portfolio structure and target asset mix, taking into account the risks that the Group and the Company can afford to take and the liquidity it requires, with a view to achieving long-term investment return.

Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to equity price risk at the reporting date. If the prices of the respective equity instruments had been 1% higher/lower, the Group's and the Company's post-tax profit for the year/period would (decrease) increase by the following magnitude:

	The Group				The Company			
	As at December 31,			As at	As at December 31,			As at
	2020	2021	2022	March 31,	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Increase in profit for the year/period	42,665	46,715	50,233	48,995	7,009	7,065	9,408	8,388

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's and the Company's counterparty will default on its contractual obligations resulting in financial loss to the Group or the Company. At the end of each reporting period, the Group's and the Company's maximum exposure to credit risk, without taking into account any collateral held or other credit enhancements, represents the carrying amount of the Group's and the Company's recognised financial assets as stated in the Historical Financial Information. Such exposure will cause a financial loss to the Group and the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group and the Company.

The carrying amount of the Group's and the Company's financial assets at FVTPL as disclosed in Note 24 best represents their respective maximum exposure to credit risk. The Group and the Company does not hold any collateral over these balances.

The Group has concentration of credit risk as 22%, 55%, 100% and 100% as at December 31, 2020, 2021 and 2022 and March 31, 2023, respectively, of the Group's total accounts receivables from the Group's 1, 2, 2 and 2 largest customers.

Accounts receivables

The Group performs impairment assessment under ECL model on trade balances individually or collectively. Except for debtors with credit-impaired and with significant balance, which are assessed for impairment individually, the remaining accounts receivables are collectively assessed based on shared credit-risk characteristics by reference to debtors' aging to assess the impairment for its customers in relation to its operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. Assessment is performed based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

Loans to investee companies classified as associates measured at FVTPL and loans to independent third parties/related parties

The Group has applied the general approach in IFRS 9 to measure the loss allowance at 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL.

The management assesses the estimated loss rates of loans to investee companies classified as associates measured at FVTPL and loans to independent third parties individually based on the Group's historical credit loss experience of the debtors as well as the fair value of the collateral pledged by the debtors to the loans to investee companies classified as associates measured at FVTPL and loans to independent third parties. Based on the assessment by the management, other than those fully impaired historically, the loss given default is low in view of the estimated realisable amount of the collaterals, if any. In view of this, the Group measures the loss allowance of loans to independent third parties at 12m ECL and recognised RMB599,000, reversed RMB104,000 during the year ended December 31, 2020 and 2021, respectively. No loss allowance was recognised during the year ended December 31, 2022 and three months ended March 31, 2023.

The Company considers the ECL for loans to related parties is insignificant and therefore no loss allowance was recognised.

Bank balances and restricted bank deposits

The credit risks on bank balances and restricted bank deposits are limited, except for Silicon Valley Bank ("SVB") because the counterparties are mainly reputable banks and financial institutions with high credit ratings assigned by international credit-rating agencies. The Group and the Company assesses 12m ECL for bank balances and restricted bank deposits by reference to information relating to average loss rates of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the ECL on bank balances and restricted bank deposits is considered insignificant during the year ended December 31, 2020, 2021 and 2022. During the three months ended March 31, 2023, SVB was shut down by California Department of Financial Protection and Innovation and the Group recognised the loss allowances RMB27,568,000, which are currently exposed to liquidity risk.

Other receivables and dividend receivables

The management of the Group makes periodic individual assessment on the recoverability of other receivables and dividend receivables based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information under ECL model. No loss allowance of other receivable at lifetime ECL was recognised throughout the Track Record Period.

The Group measures the loss allowance of other receivables at 12m ECL and recognised RMB1,501,000, reversed RMB2,378,000 and recognised RMB48,000 during the year ended December 31, 2020, 2021 and 2022. No loss allowance was recognised during the three months ended March 31, 2023.

Amounts due from related parties-non trade nature

For the purpose of impairment assessment of amounts due from related parties, the loss allowance is measured at an amount equals to 12m ECL. In assessing the probability of defaults of amounts due from related parties, the management has taken into account the financial position of the counterparties as well as forward looking information that is available without undue cost or effort. Management considered the ECL provision of amounts due from related parties is insignificant.

In order to minimise credit risk, the Group and the Company has tasked its credit management team to develop and maintain the Group's and the Company's bank balances, accounts receivables, restricted bank deposits, loans to independent third parties and related parties, amounts due from related parties and other receivables credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the credit management team uses other publicly available financial information and the Group's and the Company's own trading records to rate its major customers and other debtors. The Group's and the Company's exposure and the credit ratings of its counterparties are continuously monitored.

The Group's and the Company's internal credit risk grading assessment comprises the following categories:

Category	Description	Other financial assets	Accounts receivables
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12m ECL	Lifetime ECL-not credit- impaired
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECL-not credit- impaired	Lifetime ECL-not credit- impaired
In default	There is evidence indicating the asset is credit- impaired	Lifetime ECL-credit impaired	Lifetime ECL-credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group's and the Company's financial assets which are subject to ECL assessment:

The Group

December 31, 2020

	Notes	External credit ratings	Internal credit ratings	12m or lifetime ECL	Gross carrying amount RMB'000
Accounts receivables					
– Private Equity Investment	25	N/A	Note	Lifetime ECL	25,364
– Yoplait China Business	25	N/A	Note	Lifetime ECL	58,667
– Mengtian Dairy Business	25	N/A	Note	Lifetime ECL	32,435
Amounts due from related parties	26	N/A	Performing	12m ECL	357
Other receivables	26	N/A	In default	Lifetime ECL	9,822
			Performing	12m ECL	22,292
Loans to independent third parties	26	N/A	In default	Lifetime ECL	6,913
		N/A	Performing	12m ECL	166,937
Loans to related parties	26	N/A	In default	Lifetime ECL	47,514
Dividend receivable	26	N/A	Performing	12m ECL	60,874
Bank balances	28	Baa3 to Aaa (Moody's Ratings)	N/A	12m ECL	793,401
					1,224,576

December 31, 2021

	<i>Notes</i>	External credit ratings	Internal credit ratings	12m or Lifetime ECL	Gross carrying amount <i>RMB'000</i>
Accounts receivables					
– Private Equity Investment	25	N/A	Note	Lifetime ECL	24,784
– Yoplait China Business	25	N/A	Note	Lifetime ECL	69,198
Amounts due from related parties	26	N/A	Performing	12m ECL	669
Other receivables	26	N/A	In default	Lifetime ECL	9,822
			Performing	12m ECL	11,047
Loans to independent third parties	26	N/A	In default	12m ECL	6,913
Loans to related parties	26	N/A	In default	12m ECL	47,514
Dividend receivables	26	N/A	Performing	12m ECL	84,736
Restricted bank deposits	28	Baa2	N/A	12m ECL	6,055
		(Moody's Ratings)			
Bank balances	28	Baa3 to Aaa	N/A	12m ECL	1,015,797
		(Moody's Ratings)			
					1,276,535

December 31, 2022

	<i>Notes</i>	External credit ratings	Internal credit ratings	12m or Lifetime ECL	Gross carrying amount <i>RMB'000</i>
Accounts receivables					
– Private Equity Investment	25	N/A	Note	Lifetime ECL	44,030
Amounts due from related parties	26	N/A	Performing	12m ECL	3,307
Other receivables from independent third parties	26	N/A	In default	Lifetime ECL	9,822
	26	N/A	Performing	12m ECL	39,788
Loans to independent third parties	26	N/A	In default	Lifetime ECL	6,913
Loans to related parties	26	N/A	In default	Lifetime ECL	47,514
	26	N/A	Performing	12m ECL	72,603
Dividend receivables	26	N/A	Performing	12m ECL	84,736
Bank balances	28	Baa3 to A1	N/A	12m ECL	613,612
		(Moody's Ratings)			
					922,325

March 31, 2023

	<i>Notes</i>	External credit ratings	Internal credit ratings	12m or Lifetime ECL	Gross carrying amount <i>RMB'000</i>
Accounts receivables					
– Private Equity Investment	25	N/A	Note	Lifetime ECL	49,639
Amounts due from related parties	26	N/A	Performing	12m ECL	3,159
Other receivables from independent third parties	26	N/A	In default	Lifetime ECL	9,822
	26	N/A	Performing	12m ECL	39,825
Loans to independent third parties	26	N/A	In default	Lifetime ECL	6,913
Loans to related parties	26	N/A	In default	Lifetime ECL	47,514
	26	N/A	Performing	12m ECL	72,500
Bank balances	28	Baa3 to Aaa (Moody's Ratings)	N/A	12m ECL	551,388
			In default	Lifetime ECL	27,383
					<u>808,143</u>

The Company

December 31, 2020

	<i>Notes</i>	External credit ratings	Internal credit ratings	12m or Lifetime ECL	Gross carrying amount <i>RMB'000</i>
Amounts due from related parties	26	N/A	Performing	12m ECL	2,912,462
Other receivables from independent third parties	26	N/A	Performing	12m ECL	93
Dividend receivables	26	N/A	Performing	12m ECL	17,138
Bank balances	28	Baa3 to Aaa (Moody's Ratings)	N/A	12m ECL	74,034
					<u>3,003,727</u>

December 31, 2021

	<i>Notes</i>	External credit ratings	Internal credit ratings	12m or Lifetime ECL	Gross carrying amount <i>RMB'000</i>
Amounts due from related parties	26	N/A	Performing	12m ECL	2,653,151
Other receivables from independent third parties	26	N/A	In default	Lifetime ECL	9
Loans to related parties	26	N/A	Performing	12m ECL	29
Dividend receivables	26	N/A	Performing	12m ECL	34,276
Bank balances	28	Baa3 to Aaa (Moody's Ratings)	N/A	12m ECL	19,371
					2,776,936

December 31, 2022

	<i>Notes</i>	External credit ratings	Internal credit ratings	12m or Lifetime ECL	Gross carrying amount <i>RMB'000</i>
Amounts due from related parties	26	N/A	Performing	12m ECL	1,527,090
Other receivables from independent third parties	26	N/A	In default	Lifetime ECL	9
Loans to related parties	26	N/A	Performing	12m ECL	224
Dividend receivables	26	N/A	Performing	12m ECL	34,276
Bank balances	28	Baa3 to A2 (Moody's Ratings)	N/A	12m ECL	203,708
					1,837,910

March 31, 2023

	<i>Notes</i>	External credit ratings	Internal credit ratings	12m or Lifetime ECL	Gross carrying amount <i>RMB'000</i>
Amounts due from related parties	26	N/A	Performing	12m ECL	1,665,990
Other receivables from independent third parties	26	N/A	In default	Lifetime ECL	9
Loans to related parties	26	N/A	Performing	12m ECL	267
Bank balances	28	Baa3 to Aaa (Moody's Ratings)	N/A	12m ECL	94,126
					1,832,892

Note: The accounts receivables for the Private Equity Investment is mainly the management fee due from financial assets at FVTPL and a joint venture of the Group, with the carrying amount of RMB25,364,000, RMB24,784,000, RMB44,030,000 and RMB49,639,000 as at December 31, 2020, 2021 and 2022 and March 31, 2023, respectively. The management of the Group assessed the impairment individually by reference to the fair value of underlying investments held by the fund and concluded that the accounts receivables are recoverable and the risk of impairment is low, no allowances for ECL had been recognised, accordingly.

For accounts receivables from Yoplait China Business and Mengtian Dairy Business, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with credit-impaired, the Group determines the ECL on these items on a collective basis by reference to debtors' aging. Account receivables from Mengtian Dairy with an aggregate gross carrying amount of RMB32,435,000 as at December 31, 2020. The exposure to credit risk for these balances is assessed within lifetime ECL with an average loss rate of approximately 4.91% as at December 31, 2020 and impairment allowance of RMB1,518,000 was provided by the Group as at December 31, 2020, respectively.

Account receivables from Yoplait China with an aggregate gross carrying amount of RMB58,667,000 and RMB69,198,000 as at December 31, 2020 and 2021. The exposure to credit risk for these balances is assessed within lifetime ECL with an average loss rate of approximately 0.03% and 0.82% as at December 31, 2020 and 2021, respectively, and impairment allowance of RMB18,000 and RMB563,000 was provided by the Group as at December 31, 2020 and 2021, respectively.

The following tables show the movement in lifetime ECL that has been recognised for accounts receivables under the simplified approach:

	Lifetime ECL not credit-impaired RMB'000	Total RMB'000
As at January 1, 2020	1,234	1,234
– Impairment losses recognised	1,509	1,509
– Impairment losses reversed	(44)	(44)
– Disposal of Shandong Shijie Husbandry	(1,163)	(1,163)
	<hr/>	<hr/>
As at December 31, 2020	1,536	1,536
– Impairment losses recognised	667	667
– Impairment losses reversed	(2,655)	(2,655)
– Deconsolidation of Mengtian Dairy	1,015	1,015
	<hr/>	<hr/>
As at December 31, 2021	563	563
– Impairment losses recognised	75	75
– Deconsolidation of Yoplait China	(638)	(638)
	<hr/>	<hr/>
As at December 31, 2022 and March 31, 2023	<hr/> <hr/>	<hr/> <hr/>

The following tables show the movement in 12m ECL and lifetime ECL that has been recognised for loans to investee companies classified as associates measured at FVTPL, loans to independent third parties, other receivables and bank balances:

	12m ECL RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at January 1, 2020	1,286	64,249	65,535
– Impairment losses recognised	2,160	–	2,160
– Impairment losses reversed	(60)	–	(60)
– Disposal of Shandong Shijie Husbandry	(324)	–	(324)
As at December 31, 2020	3,062	64,249	67,311
– Impairment losses recognised	124	–	124
– Impairment losses reversed	(2,606)	–	(2,606)
– Deconsolidation of Mengtian Dairy	(495)	–	(495)
As at December 31, 2021	85	64,249	64,334
– Impairment losses recognised	60	–	60
– Impairment losses reversed	(12)	–	(12)
– Deconsolidation of Yoplait China	(25)	–	(25)
As at December 31, 2022	108	64,249	64,357
– Impairment losses recognised	–	27,383	27,383
As at March 31, 2023	108	91,632	91,740

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the directors of the Company, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group

	Weighted average effective interest rate %	On demand or less than- 3 months RMB'000	3 months to 1 year RMB'000	1 – 5 years RMB'000	> 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At December 31, 2020							
Accounts and bills payables	–	100,998	–	–	–	100,998	100,998
Amount due to a director	3.07	104,338	–	–	–	104,338	104,338
Other payables							
– Loans payable to independent third parties	2.86	20,936	42,755	–	–	63,691	62,150
– Others	–	33,396	–	–	–	33,396	33,396
Bank and other borrowings							
– fixed-rate	7.48	58,113	131,408	–	–	189,521	187,142
– floating-rate	5.62	9,831	17,417	–	–	27,248	26,532
Bond payables	6.02	–	157,600	2,025,548	–	2,183,148	1,828,294
Financial liabilities at FVTPL	–	–	–	6,822,495	–	6,822,495	6,822,495
Lease liabilities	7.33	3,216	7,445	12,937	64,592	88,190	34,829
Other non-current liabilities	–	–	–	34	–	34	34
		330,828	356,625	8,861,014	64,592	9,613,059	9,200,208

	Weighted average effective interest rate %	On demand or less than- 3 months RMB'000	3 months to 1 year RMB'000	1 – 5 years RMB'000	> 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At December 31, 2021							
Accounts and bills payables	–	106,730	–	–	–	106,730	106,730
Amounts due to a director	1.89	73,315	–	–	–	73,315	73,315
Other payables							
– Loans payable to related parties	5.12	–	155,120	–	–	155,120	150,000
– Loans payable to independent third parties	1.48	2,619	–	–	–	2,619	2,600
– Others	–	11,511	4,800	–	–	16,311	16,311
Bank and other borrowings							
– fixed-rate	2.83	837	70,391	–	–	71,228	70,000
– floating-rate	1.87	35,424	14,064	–	–	49,488	48,521
Bond payables	5.80	–	1,903,977	–	–	1,903,977	1,830,162
Financial liabilities at FVTPL	–	–	–	8,075,184	–	8,075,184	8,075,184
Lease liabilities	5.85	2,884	3,329	1,191	–	7,404	7,184
		<u>233,320</u>	<u>2,151,681</u>	<u>8,076,375</u>	<u>–</u>	<u>10,461,376</u>	<u>10,380,007</u>

	Weighted average effective interest rate %	On demand or less than- 3 months RMB'000	3 months to 1 year RMB'000	1 – 5 years RMB'000	> 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At December 31, 2022							
Other payables							
– Others	–	18,320	–	–	–	18,320	18,320
Bank and other borrowings							
– fixed-rate	4.82	1,017	86,286	–	–	87,303	85,245
Bond payables	4.85	–	48,449	1,127,093	–	1,175,542	1,001,311
Financial liabilities at FVTPL	–	–	–	8,596,707	–	8,596,707	8,596,707
Lease liabilities	5.45	3,087	4,648	15,294	–	23,029	20,651
		<u>22,424</u>	<u>139,383</u>	<u>9,739,094</u>	<u>–</u>	<u>9,900,901</u>	<u>9,722,234</u>

	Weighted average effective interest rate %	On demand or less than- 3 months RMB'000	3 months to 1 year RMB'000	1 – 5 years RMB'000	> 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At March 31, 2023							
Other payables							
– Others	–	18,241	–	–	–	18,241	18,241
Bank and other borrowings							
– fixed-rate	4.82	70,646	15,241	–	–	85,887	84,860
Bond payables	4.85	2,254	46,361	1,127,093	–	1,175,708	1,017,422
Financial liabilities at FVTPL	–	–	–	8,552,617	–	8,552,617	8,552,617
Lease liabilities	5.51	2,930	2,722	14,291	–	19,943	17,834
		<u>94,071</u>	<u>64,324</u>	<u>9,694,001</u>	<u>–</u>	<u>9,852,396</u>	<u>9,690,974</u>

The Company

	Weighted average effective interest rate %	On demand or less than- 3 months RMB'000	3 months to 1 year RMB'000	1 – 5 years RMB'000	> 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At December 31, 2020							
Bank and other borrowing							
– fixed-rate	8.00	–	108,000	–	–	108,000	100,000
Bond payables	6.28	–	157,600	2,025,548	–	2,183,148	1,828,294
Lease liabilities	5.97	900	2,700	1,800	–	5,400	5,153
		900	268,300	2,027,348	–	2,296,548	1,933,447

	Weighted average effective interest rate %	On demand or less than- 3 months RMB'000	3 months to 1 year RMB'000	1 – 5 years RMB'000	> 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At December 31, 2021							
Other payables							
– Loans payable to related parties	5.12	–	155,120	–	–	155,120	150,000
– Interest on loan payables to related parties	–	–	290	–	–	290	290
Bank and other borrowing							
– fixed-rate	4.79	837	70,391	–	–	71,228	70,000
Bond payables	5.80	–	1,903,977	–	–	1,903,977	1,830,162
Lease liabilities	5.81	1,542	1,542	–	–	3,084	3,032
		2,379	2,131,320	–	–	2,133,699	2,053,484

	Weighted average effective interest rate %	On demand or less than- 3 months RMB'000	3 months to 1 year RMB'000	1 – 5 years RMB'000	> 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At December 31, 2022							
Other payables							
– Others	–	19,234	–	–	–	19,234	19,234
Bank and other borrowing							
– fixed-rate	4.82	1,017	86,286	–	–	87,303	85,245
Bond payables	4.85	–	48,449	1,127,093	–	1,175,542	1,001,311
Lease liabilities	5.06	1,618	1,817	2,279	–	5,714	5,331
		21,869	136,552	1,129,372	–	1,287,793	1,111,121

	Weighted average effective interest rate %	On demand or less than- 3 months RMB'000	3 months to 1 year RMB'000	1 – 5 years RMB'000	> 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At March 31, 2023							
Other payables							
– Others	–	30,110	–	–	–	30,110	30,110
Bank and other borrowing							
– fixed-rate	4.82	70,646	15,241	–	–	85,887	84,860
Bond payables	4.85	2,254	46,361	1,127,093	–	1,175,708	1,017,422
Lease liabilities	5.21	1,618	349	2,130	–	4,097	3,774
		104,628	61,951	1,129,223	–	1,295,802	1,136,166

Fair value measurement

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

This note provides information about how the Group determines fair value of the following financial assets, financial liabilities that are measured at fair value on a recurring basis.

The Group

	Fair value As at December 31,			As at March 31, 2023	Fair value hierarchy	Basis of fair value measurement/valuation technique(s) and key input(s)	Significant unobservable input(s)
	2020	2021	2022				
	RMB'000	RMB'000	RMB'000	RMB'000			
Financial assets at FVTPL							
Listed Equity	1,196,935	499,292	330,034	310,843	Level 1	Quoted closing prices in an active market.	N/A
	–	188,340	–	–	Level 3	Adjusted market price by option price model in relation to the lockup period. (note a)	Liquidity discount.
Unlisted Equity	513,900	142,757	36,824	31,823	Level 2	Recent transaction price.	N/A
	1,406,326	3,351,935	3,681,452	3,681,804	Level 3	Comparable companies analysis valuation. (note b)	Liquidity discount.
	249,406	277,494	344,486	279,293	Level 3	Discounted cash flow-future cash flow are estimated based on forecast earnings, and discounted at a rate that reflects the risk of investments. (note c)	Expected future cash flows.
	137,571	182,916	187,827	256,258	Level 3	The net asset value based on the fair value of the underlying investments. (note i)	The fair value of underlying assets.
Funds	22,640	23,127	23,518	23,622	Level 2	Based on the net asset values of the funds, determined with reference to observable (quoted) prices of underlying investment portfolio and adjustments of related expenses.	N/A
Wealth management products	10,321	5,500	–	85,178	Level 2	Based on the net asset values of the assets, determined with reference to observable (quoted) prices of underlying investment portfolio and adjustments of related expenses.	N/A
Convertible bonds	50,000	–	124,045	–	Level 2	Recent transaction price.	N/A
	1,450,578	737,269	460,106	466,066	Level 3	Comparable companies analysis valuation. (note d)	Liquidity discount.

	Fair value As at December 31,			As at	Fair value hierarchy	Basis of fair value measurement/valuation technique(s) and key input(s)	Significant unobservable input(s)
	2020	2021	2022	March 31, 2023			
	RMB'000	RMB'000	RMB'000	RMB'000			
	20,000	50,000	50,000	174,045	Level 3	Discounted cash flow-future cash flow are estimated based on forecast earnings, and discounted at a rate that reflects the credit risk. (note e)	Expected future cash flows.
Interests in associates measured at fair value	167,325	831,038	701,672	681,025	Level 1	Quoted closing prices in an active market.	N/A
	2,970,547	2,403,908	2,197,347	829,908	Level 2	Recent transaction price.	N/A
	4,027,279	5,480,968	6,909,921	7,211,463	Level 3	Comparable companies analysis valuation. (note f)	Liquidity discount.
	276,500	110,963	204,392	236,840	Level 3	Discounted cash flow-future cash flow are estimated based on forecast earnings, and discounted at a rate that reflects the credit risk. (note g)	Expected future cash flows.
	69,836	72,037	66,270	63,940	Level 3	The net asset value based on the fair value of the underlying investments. (note h)	The fair value of underlying assets.
	-	-	-	776,799	Level 3	Adjusted market price by option price model in relation to the lockup period. (note j)	Liquidity discount.
Financial liabilities at fair value through profit or loss							
- Structured entities	6,822,495	8,075,184	8,596,707	8,552,617	Level 3	Based on the net asset values of the funds, determined with reference to fair value of underlying investment.	The fair value of underlying assets.

Notes:

- (a) A slight increase in the liquidity discount used in isolation would result in a decrease in the fair value measurement of the listed equity under the adjusted market prices by option pricing model, in relation to the lockup period and vice versa. A 5% increase/decrease in the liquidity discount holding all other variables constant would decrease/increase the carrying amount of the shares by RMB192,000 for December 31, 2021.
- (b) A slight increase in the liquidity discount used in isolation would result in a decrease in the fair value measurement of the unlisted equity under the comparable companies analysis valuation, and vice versa. A 5% increase/decrease in the liquidity discount holding all other variables constant would decrease/increase the carrying amount of the shares by RMB30,830,000, RMB29,603,000, RMB29,219,000 and RMB30,827,000 for December 31, 2020, 2021 and 2022 and March 31, 2023 respectively.
- (c) A slight increase in the expected future cash flows used in isolation would result in an increase in the fair value measurement of the unlisted equity under the discounted cash flow-future cash flow, and vice versa. A 5% increase/decrease in the expected future cash flows holding all other variables constant would increase/decrease the carrying amount of the shares by RMB3,634,000, RMB5,038,000, RMB8,388,000 and RMB5,128,000 for December 31, 2020, 2021 and 2022 and March 31, 2023 respectively.

- (d) A slight increase in the liquidity discount used in isolation would result in a decrease in the fair value measurement of the convertible bonds under comparable companies analysis valuation, and vice versa. A 5% increase/decrease in the liquidity discount holding all other variables constant would decrease/increase the carrying amount of the shares by RMB72,529,000, RMB3,074,000, RMB1,703,000 and RMB1,716,000 for December 31, 2020, 2021 and 2022 and March 31, 2023 respectively.
- (e) A slight increase in the expected future cash flows used in isolation would result in an increase in the fair value measurement of the convertible bonds under discounted cash flow-future cash flow, and vice versa. A 5% increase/decrease in the expected future cash flows holding all other variables constant would increase/decrease the carrying amount of the shares by RMB1,000,000, RMB2,500,000, RMB2,500,000 and RMB8,702,000 for December 31, 2020, 2021 and 2022 and March 31, 2023 respectively.
- (f) A slight increase in the liquidity discount used in isolation would result in a decrease in the fair value measurement of the interests in associates measured at fair value under comparable companies analysis valuation, and vice versa. A 5% increase/decrease in the liquidity discount holding all other variables constant would decrease/increase the carrying amount of the shares by RMB196,218,000, RMB54,776,000, RMB78,540,000 and RMB71,363,000 for December 31, 2020, 2021 and 2022 and March 31, 2023 respectively.
- (g) A slight increase in the expected future cash flows used in isolation would result in an increase in the fair value measurement of the interests in associates measured at fair value under discounted cash flow-future cash flow, and vice versa. A 5% increase/decrease in the expected future cash flows holding all other variables constant would increase/decrease the carrying amount of the shares by RMB13,825,000, RMB5,548,000, RMB10,220,000 and RMB11,842,000 for December 31, 2020, 2021 and 2022 and March 31, 2023 respectively.
- (h) A slight increase in the net value of assets used in isolation would result in an increase in the fair value measurement of the interests in associates measured at fair value under net asset value based on the fair value of the underlying investments and vice versa. A 5% increase/decrease in the fair value of the underlying investments holding all other variables constant would increase/decrease the carrying amount of the shares by RMB3,492,000, RMB3,602,000, RMB3,313,000 and RMB3,197,000 for December 31, 2020, 2021 and 2022 and March 31, 2023 respectively.
- (i) A slight increase in the net value of assets used in isolation would result in a decrease in the fair value measurement of the unlisted equity under net asset value based on the fair value of the underlying investments, and vice versa. A 5% increase/decrease in the fair value of the underlying investments holding all other variables constant would increase/decrease the carrying amount of the shares by RMB6,879,000, RMB9,146,000, RMB9,391,000 and RMB12,813,000 for December 31, 2020, 2021 and 2022 and March 31, 2023 respectively.
- (j) A slight increase in the liquidity discount used in isolation would result in a decrease in the fair value measurement of the interests in associates measured at fair value under adjusted market price by option price model in related to lockup period, and vice versa. A 5% increase/decrease in the liquidity discount holding all other variables constant would decrease/increase the carrying amount of the shares by RMB3,856,000 for March 31, 2023.

The Company

	Fair value				Fair value hierarchy	Basis of fair value measurement/valuation technique(s) and key input(s)	Significant unobservable input(s)
	As at December 31,			As at March 31,			
	2020	2021	2022	2023			
	RMB'000	RMB'000	RMB'000	RMB'000			
Financial assets at FVTPL							
– Unlisted Equity	71,120	71,120	71,120	71,120	Level 3	Discounted cash flow-future cash flow are estimated based on forecast earnings, and discounted at a rate that reflects the credit risk.	Expected future cash flows.
Interests in associates measured at fair value	54,943	–	473,776	–	Level 2	Recent transaction price.	N/A
	792,561	850,622	688,416	1,024,870	Level 3	Comparable companies analysis valuation.	Liquidity discount.
	15,891	20,309	21,068	22,387	Level 3	The net asset value based on the fair value of the underlying investments.	The fair value of underlying assets.

Analysis of financial instruments, interests in associates measured at fair value, at the end of each year by level in the fair value hierarchy into which the fair value measurement is categorised as follows:

The Group

	As at December 31, 2020			Total
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Financial assets</u>				
Financial assets at FVTPL				
– Equity investments	1,196,935	513,900	1,793,303	3,504,138
– Convertible bonds	–	50,000	1,470,578	1,520,578
– Funds	–	22,640	–	22,640
– Wealth management products	–	10,321	–	10,321
Interests in associates measured at fair value	167,325	2,970,547	4,373,615	7,511,487
	<u>1,364,260</u>	<u>3,567,408</u>	<u>7,637,496</u>	<u>12,569,164</u>
<u>Financial liabilities</u>				
Financial liabilities at FVTPL				
– Structured entities	–	–	6,822,495	6,822,495
	<u>–</u>	<u>–</u>	<u>6,822,495</u>	<u>6,822,495</u>

	As at December 31, 2021			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
<u>Financial assets</u>				
Financial assets at fair value through profit or loss				
– Equity investments	499,292	142,757	4,000,685	4,642,734
– Convertible bonds	–	–	787,269	787,269
– Funds	–	23,127	–	23,127
– Wealth management products	–	5,500	–	5,500
Interests in associates measured at fair value	831,038	2,403,908	5,663,968	8,898,914
	<u>1,330,330</u>	<u>2,575,292</u>	<u>10,451,922</u>	<u>14,357,544</u>
<u>Financial liabilities</u>				
Financial liabilities at FVTPL				
– Structured entities	–	–	8,075,184	8,075,184
	<u>–</u>	<u>–</u>	<u>8,075,184</u>	<u>8,075,184</u>
	As at December 31, 2022			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
<u>Financial assets</u>				
Financial assets at fair value through profit or loss				
– Equity investments	330,034	36,824	4,213,765	4,580,623
– Convertible bonds	–	124,045	510,106	634,151
– Funds	–	23,518	–	23,518
Interests in associates measured at fair value	701,672	2,197,347	7,180,583	10,079,602
	<u>1,031,706</u>	<u>2,381,734</u>	<u>11,904,454</u>	<u>15,317,894</u>
<u>Financial liabilities</u>				
Financial liabilities at FVTPL				
– Structured entities	–	–	8,596,707	8,596,707
	<u>–</u>	<u>–</u>	<u>8,596,707</u>	<u>8,596,707</u>
	As at March 31, 2023			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
<u>Financial assets</u>				
Financial assets at fair value through profit or loss				
– Equity investments	310,843	31,823	4,217,355	4,560,021
– Convertible bonds	–	–	640,111	640,111
– Funds	–	23,622	–	23,622
– Wealth management products	–	85,178	–	85,178
Interests in associates measured at fair value	681,025	829,908	8,289,042	9,799,975
	<u>991,868</u>	<u>970,531</u>	<u>13,146,508</u>	<u>15,108,907</u>
<u>Financial liabilities</u>				
Financial liabilities at FVTPL				
– Structured entities	–	–	8,552,617	8,552,617
	<u>–</u>	<u>–</u>	<u>8,552,617</u>	<u>8,552,617</u>

Reconciliation of level 3 fair value measurements of financial assets is as below:

	Financial assets <i>RMB'000</i>	Financial liabilities <i>RMB'000</i>
At January 1, 2020	7,022,604	(6,216,350)
Total (losses) gains		
– in profit or loss	(499,446)	(132,073)
– in other comprehensive (expense)/income	(62,675)	36,035
Addition	532,608	(599,207)
Disposals/settlements	(160,400)	89,100
Transfers into level 3 (<i>note i</i>)	2,775,024	–
Transfers out of level 3 (<i>note i</i>)	(1,970,219)	–
	<hr/>	<hr/>
At December 31, 2020	7,637,496	(6,822,495)
Total gains (losses)		
– in profit or loss	1,743,647	(569,915)
– in other comprehensive (expense)/income	(59,189)	167,684
Addition	1,870,463	(1,453,287)
Disposals/settlements	(1,856,048)	602,829
Transfers into level 3 (<i>note ii</i>)	1,323,517	–
Transfers out of level 3 (<i>note ii</i>)	(207,964)	–
	<hr/>	<hr/>
At December 31, 2021	10,451,922	(8,075,184)
Total (losses) gains		
– in profit or loss	(800,741)	358,136
– in other comprehensive income/(expense)	334,933	(168,790)
Addition	325,359	(868,639)
Disposals/settlements	(284,233)	157,770
Transfers into level 3 (<i>note iii</i>)	2,313,093	–
Transfers out of level 3 (<i>note iii</i>)	(435,879)	–
	<hr/>	<hr/>
At December 31, 2022	11,904,454	(8,596,707)
Total (losses) gains		
– in profit or loss	(227,111)	(1,132)
– in other comprehensive (expense)/income	(52,230)	25,694
Addition	–	(2,058)
Disposals/settlements	(3,789)	21,586
Transfers into level 3 (<i>note iv</i>)	1,525,184	–
	<hr/>	<hr/>
At March 31, 2023	<u>13,146,508</u>	<u>(8,552,617)</u>

Notes:

- (i) During the year ended December 31, 2020, the Group transferred its equity investments amounting to RMB2,775,024,000 from level 2 into level 3 as the valuation technique of those investments are changed from recent transactions prices to comparable companies analysis valuation, net value of assets method and discounted cash flow method respectively which include liquidity discount, net value of assets as the unobservable input and expected future cash flows respectively. In addition, the Group has also transferred its equity investments amounting to RMB1,015,331,000 from level 3 to level 1 as the lock-up period of those investments are expired which have quoted closing prices in an active market. The Group has also transferred its equity investments amounting to RMB954,888,000 from level 3 to level 2 as the valuation technique of those investments are changed from comparable companies analysis valuation to recent transaction price.

- (ii) During the year ended December 31, 2021, the Group transferred its equity investments amounting to RMB1,323,517,000 from level 2 into level 3 as the valuation technique of those investments are changed from recent market trading prices to comparable companies analysis valuation and discounted cash flow method which include liquidity discount and expected future cash flows as the unobservable input. In addition, the Group has also transferred its equity investments amounting to RMB126,194,000 and RMB81,770,000, respectively, from level 3 to level 2 and level 1, respectively, as the valuation technique of those investments are changed from comparable companies analysis valuation to recent transaction price and the lock-up period of those investments are expired which have quoted closing prices in an active market.
- (iii) During the year ended December 31, 2022, the Group transferred its equity investments amounting to RMB2,313,093,000 from level 2 into level 3 as the valuation technique of those investments are changed from recent transaction prices to comparable companies analysis valuation, and discounted cash flow method which include liquidity discount and expected future cash flows as the unobservable input. In addition, the Group has also transferred its equity investments amounting to RMB247,539,000 and RMB188,340,000, respectively, from level 3 to level 2 and level 1, respectively, as the valuation technique of those investments are changed from comparable companies analysis valuation and discounted cash flow method to recent transaction price and quoted closing prices in an active market.
- (iv) During the three months ended March 31, 2023, the Group transferred its equity investments amounting to RMB1,525,184,000 from level 2 into level 3 as the valuation technique of those investments are changed from recent market trading prices to comparable companies analysis valuation which include liquidity discount as the unobservable input.

The Company

	As at December 31, 2020			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
<u>Financial assets</u>				
Financial assets at FVTPL				
– Equity investments	–	–	71,120	71,120
Interests in associates measured at fair value	–	54,943	808,452	863,395
	–	54,943	879,572	934,515

	As at December 31, 2021			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
<u>Financial assets</u>				
Financial assets at FVTPL				
– Equity investments	–	–	71,120	71,120
Interests in associates measured at fair value	–	–	870,931	870,931
	–	–	942,051	942,051

	As at December 31, 2022			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
<u>Financial assets</u>				
Financial assets at FVTPL				
– Equity investments	–	–	71,120	71,120
Interests in associates measured at fair value	–	473,776	709,484	1,183,260
	–	473,776	780,604	1,254,380
	As at March 31, 2023			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
<u>Financial assets</u>				
Financial assets at FVTPL				
– Equity investments	–	–	71,120	71,120
Interests in associates measured at fair value	–	–	1,047,257	1,047,257
	–	–	1,118,377	1,118,377

Reconciliation of level 3 fair value measurements of financial assets is as below:

	Financial assets RMB'000
At January 1, 2020	1,027,768
Total losses in profit or loss	(204,628)
Addition	3,000
Transfers into level 3 (<i>note i</i>)	66,914
Transfers out of level 3 (<i>note i</i>)	(13,482)
At December 31, 2020	879,572
Total gains in profit or loss	7,536
Transfers into level 3 (<i>note ii</i>)	54,943
At December 31, 2021	942,051
Total losses in profit or loss	(95,515)
Disposals	(2,232)
Transfers out of level 3 (<i>note iii</i>)	(63,700)
At December 31, 2022	780,604
Total losses in profit or loss	(136,002)
Transfers into level 3 (<i>note ii</i>)	473,775
At March 31, 2023	1,118,377

Notes:

- (i) During the year ended December 31, 2020, the Company transferred its equity investments amounting to RMB66,914,000 from level 2 into level 3 as the valuation technique of those investments are changed from recent market trading prices to comparable companies analysis valuation which include liquidity discount as the unobservable input. In addition, the Company has also transferred its equity investments amounting to RMB13,482,000 from level 3 to level 2 as the valuation technique of those investments are changed from comparable companies analysis valuation to recent transaction price.
- (ii) During the year ended December 31, 2021 and the three months ended March 31, 2023, the Company transferred its equity investments amounting to RMB54,943,000 and RMB473,775,000, respectively, from level 2 into level 3 as the valuation technique of those investments are changed from recent market trading prices to comparable companies analysis valuation which include liquidity discount as the unobservable input.
- (iii) During the year ended December 31, 2022, the Company transferred its equity investments amounting to RMB63,700,000 from level 3 to level 2 as the valuation technique of those investments are changed from comparable companies analysis to recent transaction price.

48A. FAIR VALUE MEASUREMENT OF BIOLOGICAL ASSETS*Fair value of the Group's biological assets that are measured at fair value on a recurring basis*

This note provides information about how the Group determines fair value of the following biological assets that are measured at fair value on a recurring basis.

The Group

	Fair value				As at March 31, 2023	Fair value hierarchy	Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable input(s)	Inter-relationship between significant unobservable inputs and fair value measurements
	As at December 31,		2022	2023					
	2020	2021							
	RMB'000	RMB'000	RMB'000	RMB'000					
Biological assets									
Heifers and calves and bulls	99,653	N/A	N/A	N/A	Level 3	<p>The fair value of 14 months old heifers was determined by reference to the local market selling price (the "Price").</p> <p>The fair values of calves and heifers and calves at age-group less than 14 months were determined by subtracting the estimated feeding costs plus risk compensation adjustment, that would normally required by a raiser under consideration of average culling and death rate, on the Price.</p> <p>Conversely, the fair values of heifers at age group older than 14 months were determined by adding the estimated feeding costs plus risk compensation adjustment that would normally required by a raiser under consideration of average culling and death rate, on the Price.</p>	<p>The local market selling prices of the heifers of 14 months old was RMB23,000 per head as at December 31, 2020. <i>(note a)</i></p> <p>Estimated feeding costs per head plus risk compensation adjustment that would normally be required by a raiser for calves and heifers younger than 14 months old (i.e. from born to 14 months) was ranging from RMB3,171 to RMB10,254 as at December 31, 2020. <i>(note a)</i></p> <p>Estimated feeding costs per head plus risk compensation adjustment that would normally be required by a raiser for heifers older than 14 months old was RMB14,267 to RMB14,052 as at December 31, 2020. <i>(note a)</i></p>	<p>An increase in the local market selling price used would result in a slight percentage increase in the fair value of the heifers and calves, and vice versa.</p> <p>An increase in the estimated feeding costs plus the risk compensation adjustment would result in a slight percentage increase/decrease in the fair value of the heifers and calves older/younger than 14 months old, and vice versa.</p>	

The Group

	Fair value				Fair value hierarchy	Basis of fair value measurement/valuation technique(s) and key input(s)	Significant unobservable input(s)	Inter-relationship between significant unobservable inputs and fair value measurements
	As at December 31,		As at March 31,					
	2020	2021	2022	2023				
	RMB'000	RMB'000	RMB'000	RMB'000				
Biological assets								
Milkable cows	130,156	N/A	N/A	N/A	Level 3	The fair value of milkable cows was determined by using the multi-period excess earnings method, which is based on the discounted future cash flows to be generated by such milkable cows.	<p>The estimated feeding costs per kg of raw milk used in the valuation process was RMB2.25 for the years ended December 31, 2020 respectively, based on the historical average feeding costs per kg of raw milk after taking into consideration of inflation. <i>(note a)</i></p> <p>A milkable cow could have as many as six lactation cycles. Estimated average daily milk yield per head at each lactation cycle ranges from 28.42 kg to 33.5 kg for the years ended December 31, 2020, depending on the number of the lactation cycles and the individual physical condition. <i>(note a)</i></p> <p>The estimated local future market price for raw milk were RMB4.61 for the years ended December 31, 2020. <i>(note b)</i></p> <p>Discount rate for estimated future cash flow used was 13% at December 31, 2020. <i>(note a)</i></p>	<p>An increase in the estimated feed costs per kg of raw milk would result in a slight percentage decrease in the fair value of the milkable cows, and vice versa.</p> <p>An increase in the estimated daily milk yield per head would result in a slight percentage increase in the fair value of the milkable cows, and vice versa.</p> <p>An increase in the estimated average selling price of raw milk would result in a much greater percentage increase in the fair value of the milkable cows, and vice versa.</p> <p>An increase in the estimated discount rate would result in a slight percentage decrease in the fair value of the milkable cows, and vice versa.</p>

Notes:

- (a) In the opinion of the directors of the Company, any reasonable change of these significant unobservable inputs have no material impact to the fair value of the biological assets at end of each reporting period and thus, no sensitivity tests are presented.
- (b) A slight increase in the estimated average selling price of raw milk in isolation would result in a increase in fair value of the milkable cows and vice versa. A 5% increase/decrease in the estimated average selling price of raw milk holding all other variables constant would increase/decrease the fair value of milkable cows by RMB18,555,000 for December 31, 2020.

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES AND STRUCTURED ENTITIES

Details of the principal subsidiaries and structured entities directly and indirectly held by the Company during the Track Record Period and the date of this report are set out below:

Name of subsidiaries	Place of incorporation/ registration/ operation	Paid up issued/ registered capital	Equity interest attributable to owners of the Company					Date of this report	Principal activities
			At December 31, 2020	2021	2022	At March 31, 2023			
Tiantu Capital Management Center (<i>notes i, xviii</i>)	PRC, limited partnership	RMB100,000,000	100%	100%	100%	100%	100%	Investment management	
Tiantu Xing'an (<i>notes i, xvi, xviii</i>)	PRC, limited partnership	RMB1,226,103,800	100%	100%	65.26%	65.26%	65.26%	Equity investment	
Tiantu Asset Management Company Limited (<i>notes i, xvii</i>)	Hong Kong, limited liability company	HKD4,000,000	100%	100%	100%	100%	100%	Investment management	
Tiantu Investments Limited (<i>notes i, xviii</i>)	BVI, limited liability company	USD298	100%	100%	100%	100%	100%	Investment management	
Tiantu Xingpeng (<i>notes iii, xviii</i>)	PRC, limited partnership	RMB2,660,000,000	15.72%	20.68%	20.25%	20.25%	20.25%	Equity investment	
Tiantu China Consumer Fund II, L.P. ("Tiantu China Consumer Fund II") (<i>notes xiii, xviii</i>)	Cayman Islands, limited partnership	USD200,000,000	50%	50%	50%	50%	50%	Equity investment	
Tiantu VC USD Fund I L.P. ("VC US Fund I") (<i>notes vi, xviii</i>)	Cayman Islands, limited partnership	USD138,700,000	21.51%	14.49%	14.42%	14.42%	14.42%	Equity investment	
Tiantu Xinghe Investments (<i>notes i, xviii</i>)	Cayman Islands, limited liability company	USD73	100%	100%	100%	100%	100%	Equity investment	
Mengtian Dairy and its subsidiaries (<i>Note 39(i), note xix</i>)	PRC, limited liability company	RMB555,793,678	66.62%	N/A	N/A	N/A	N/A	Dairy drinks and dairy farming business	
Yoplait China (<i>Note 39(ii), note xix</i>)	PRC, limited liability company	RMB420,531,944	86.96%	53.91%	N/A	N/A	N/A	Manufacturing and sale of yogurt and other dairy products	
Hangzhou Tiantu (<i>notes i, xviii</i>)	PRC, limited liability company	RMB100,000,000	100%	100%	100%	100%	100%	Investment management	
Shenzhen Tiantu Xingyue Investment Management Enterprise (Limited Partnership)* ("Tiantu Xingyue") (深圳天圖興躍投資管理企業(有限合伙)) (<i>notes i, xviii</i>)	PRC, limited partnership	RMB10,000,000	100%	100%	100%	100%	100%	Equity investment	

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Name of subsidiaries	Place of incorporation/ registration/ operation	Paid up issued/ registered capital	Equity interest attributable to owners of the Company				Date of this report	Principal activities
			At December 31, 2020	2021	2022	At March 31, 2023		
Tiantu Xingrui (notes i, xviii)	PRC, limited liability company	RMB308,000	100%	100%	100%	100%	100%	Equity investment
Tianjin Tiantu Xingsheng (notes i, xviii)	PRC, limited partnership	RMB1,000,000	100%	100%	100%	100%	100%	Equity investment
Tianjin Tiantu Xinghua Equity Investment Partnership (Limited Partnership)* (天津天圖興華股權投資合夥企業(有限合夥)) (notes i, xviii)	PRC, limited partnership	RMB397,000,000	100%	100%	100%	100%	100%	Equity investment
Hangzhou Tiantu Xinghang Equity Investment Center (Limited Partnership)* (杭州天圖興杭股權投資中心(有限合夥)) (notes i, xviii)	PRC, limited partnership	RMB284,870,400	100%	100%	100%	100%	100%	Equity investment
Suzhou Tiantu Xingsu Equity Investment Center (Limited Partnership)* (蘇州天圖興蘇股權投資中心(有限合夥)) (notes i, xviii)	PRC, limited partnership	RMB592,000,000	100%	100%	100%	100%	100%	Equity investment
Tiantu Advisory (notes i, xx)	Hong Kong, limited liability company	HKD232,567,000	100%	100%	100%	100%	100%	Investment management
Tiantu Capital Management Company (Cayman) (notes i, xviii)	Cayman Islands, limited liability company	USD20,000	100%	100%	100%	100%	100%	Investment management
Shenzhen Tiantu Xingcheng Investment Management Co., Ltd.* (深圳天圖興誠投資管理有限公司) (notes i, xviii)	PRC, limited liability company	RMB20,000,000	100%	100%	100%	100%	100%	Investment management
Xingzhuo (notes i, xviii)	PRC, limited partnership	RMB29,801,500	100%	100%	100%	100%	100%	Equity investment
Tiantu Investments International Limited* (天圖投資國際有限公司) (notes i, xxi)	Hong Kong, limited liability company	USD50,000,000	100%	100%	100%	100%	100%	Investment management
Tiantu Xingbang (notes i, xviii)	PRC, limited partnership	RMB5,000,000	100%	100%	100%	100%	100%	Equity investment
Shenzhen Tiantu Xingneng Investment Enterprise (Limited partnership)* (深圳天圖興能投資企業(有限合夥)) (notes i, xviii)	PRC, limited partnership	RMB5,000,000	100%	100%	100%	100%	100%	Equity investment

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Name of subsidiaries	Place of incorporation/ registration/ operation	Paid up issued/ registered capital	Equity interest attributable to owners of the Company					Date of this report	Principal activities
			At December 31, 2020	2021	2022	At March 31, 2023			
Shenzhen Tiantu Xingfu Investment Enterprise (Limited partnership)* (深圳天圖興富投資企業(有限合夥)) (notes i, xviii)	PRC, limited partnership	RMB5,000,000	100%	100%	100%	100%	100%	Equity investment	
Shenzhen Tiantu Xingli Investment Enterprise (Limited partnership)* ("Tiantu Xingli") (深圳天圖興立投資企業(有限合夥)) (notes viii, xviii)	PRC, limited partnership	RMB265,187,200	30.57%	19.03%	9.28%	9.28%	9.28%	Equity investment	
Shenzhen Xingqi Investment Enterprise (Limited Partnership)* ("Xingqi Investment") (深圳興啟投資企業(有限合夥)) (notes i, xviii)	PRC, limited partnership	RMB5,000,000	100%	100%	100%	100%	100%	Equity investment	
Shenzhen Xingtu (notes i, xviii)	PRC, limited partnership	RMB5,000,000	100%	100%	100%	100%	100%	Equity investment	
Shenzhen Xingxin Investment Enterprise (Limited partnership)* (深圳興新投資企業(有限合夥)) (note xviii)	PRC, limited partnership	RMB546,139,050	69.14%	70.95%	70.80%	70.80%	70.80%	Equity investment	
Tianfeng Capital Management Co., Ltd.* ("Tianfeng Capital") (天灑資本管理有限公司) (notes xviii, xxii)	PRC, limited liability company	N/A	60%	60%	N/A	N/A	N/A	Equity investment	
Shenzhen Tiantu Xingfei Investment Enterprise (Limited Partnership)* (深圳天圖興飛投資企業(有限合夥)) (note xviii)	PRC, limited partnership	RMB45,000,000	91.15%	91.15%	91.15%	91.15%	91.15%	Equity investment	
Tiantu Xingfu (notes i, xviii)	PRC, limited liability company	RMB100,000,000	100%	100%	100%	100%	100%	Investment management	
Tiantu Hong Kong Investments Limited (notes i, xxi)	Hong Kong, limited liability company	HKD10,000	100%	100%	100%	100%	100%	Investment management	
Tiantu GP Limited Company (notes i, xviii)	Cayman Islands, limited liability company	USD1	100%	100%	100%	100%	100%	Investment management	
Tiantu Xingshuo (note xviii)	PRC, limited liability company	RMB10,000,000	70%	70%	70%	70%	70%	Investment management	

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Name of subsidiaries	Place of incorporation/ registration/ operation	Paid up issued/ registered capital	Equity interest attributable to owners of the Company					Date of this report	Principal activities
			At December 31, 2020	2021	2022	At March 31, 2023			
Shenzhen Tiantu Xingshen Angel Venture Capital Partnership (Limited Partnership)* ("Tiantu Xingshen") (深圳天圖興深天使創業投資合夥企業(有限合夥)) (notes iv, xviii)	PRC, limited partnership	RMB500,000,000	15.40%	15.40%	14.64%	14.64%	14.64%	Equity investment	
Tiantu Xingfei Investments Limited (note xviii)	Cayman Islands, limited liability company	USD4,500	91.15%	91.15%	91.15%	91.15%	91.15%	Equity investment	
Tiantu Xingli Hong Kong Investments Limited ("Tiantu Xingli Hong Kong") (notes x, xxi)	Hong Kong, limited liability company	HKD1	30.57%	19.03%	9.28%	9.28%	9.28%	Equity investment	
Shenzhen Tiantu Xingdao Investment Partnership (Limited Partnership)* (深圳天圖興道投資合夥企業(有限合夥)) (note xviii)	PRC, limited partnership	RMB34,050,000	100%	77.97%	48.79%	48.79%	48.79%	Equity investment	
Shenzhen Xinglu Investment Partnership (Limited Partnership)* (深圳興祿投資合夥企業(有限合夥)) (notes i, xviii)	PRC, limited partnership	RMB5,000,000	100%	100%	100%	100%	100%	Equity investment	
Shenzhen Tiantu Xinghui Investment Partnership (Limited Partnership)* (深圳天圖興慧投資合夥企業(有限合夥)) (notes i, xviii)	PRC, limited partnership	RMB81,113,800	100%	100%	100%	100%	100%	Equity investment	
Shenzhen Xingsi Investment Partnership (Limited Partnership)* (深圳興思投資合夥企業(有限合夥)) (notes i, xviii)	PRC, limited partnership	RMB5,000,000	100%	100%	100%	100%	100%	Equity investment	
Tiantu Xingpeng Hong Kong Investments Limited ("Tiantu Xingpeng HK") (notes xi, xxi)	Hong Kong, limited liability company	USD10,069	15.72%	20.68%	20.25%	20.25%	20.25%	Equity investment	
Tiantu Xingbei Investments Limited Company ("Tiantu Xingbei Investments") (notes xii, xviii)	Cayman Islands, limited liability company	USD3,000	43.77%	34.41%	26.52%	26.52%	26.52%	Equity investment	
Tiantu Xingpeng Investments Limited ("Tiantu Xingpeng Investments") (notes xi, xviii)	Cayman Islands, limited liability company	USD0.001	15.72%	20.68%	20.25%	20.25%	20.25%	Equity investment	
Bei Partners (note xviii)	Cayman Islands, limited liability company	USD30	83.33%	83.3%	83.33%	83.33%	83.33%	Equity investment	

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Name of subsidiaries	Place of incorporation/ registration/ operation	Paid up issued/ registered capital	Equity interest attributable to owners of the Company					Date of this report	Principal activities
			At December 31, 2020	2021	2022	At March 31, 2023			
Shenzhen Xingquan Investment Partnership (Limited Partnership)* (深圳興泉投資合夥企業(有限合夥)) (notes i, xviii)	PRC, limited partnership	RMB27,712,000	100%	100%	100%	100%	100%	Equity investment	
Shenzhen Xingzhao Investment Partnership (Limited Partnership) ("Tiantu Xingzhao")* (深圳興照投資合夥企業(有限合夥)) (notes i, xvi, xviii)	PRC, limited partnership	RMB60,000,000	100%	100%	62.5%	62.5%	62.5%	Equity investment	
Shenzhen Tiantu Xingqiao Investment Partnership (Limited Partnership) ("Tiantu Xingqiao")* (深圳天圖興僑投資合夥企業(有限合夥)) (notes xvi, xviii)	PRC, limited partnership	RMB407,181,835	100%	100%	33.87%	33.87%	33.87%	Equity investment	
Beijing Tiantu Xingbei Investment Center (Limited Partnership)* ("Tiantu Xingbei") (北京天圖興北投資中心(有限合夥)) (notes ii, xix)	PRC, limited partnership	RMB2,776,252,217	19%	19%	9.25%	9.25%	9.25%	Equity investment	
Tiantu Xingchuang (notes xiv, xviii, Note 40)	PRC, limited partnership	RMB202,000,000	100%	46.88%	N/A	N/A	N/A	Equity investment	
Tiantu Xingnan (notes ix, xviii, Note 40)	PRC, limited partnership	RMB850,000,000	31.25%	N/A	N/A	N/A	N/A	Equity investment	
Tiantu China Consumer Fund II Limited (notes i, xx)	Hong Kong, limited liability company	USD0.01	50%	50%	50%	50%	50%	Equity investment	
Tiantu VC I Limited ("Tiantu VC I") (notes vii, xx)	Hong Kong, limited liability company	USD0.01	50%	14.49%	14.42%	14.42%	14.42%	Equity investment	
Tiantu Xinghai Fund L.P. (notes xviii, xxiii)	Cayman Islands, limited partnership	USD30,000,000	N/A	66.67%	66.67%	66.67%	66.67%	Equity investment	
Shenzhen Tiantu Xingbo Investment Partnership (Limited Partnership)* (深圳天圖興博投資合夥企業(有限合夥)) (notes i, xviii, xxiii)	PRC, limited partnership	RMB5,000,000	N/A	100%	100%	100%	100%	Equity investment	

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Name of subsidiaries	Place of incorporation/ registration/ operation	Paid up issued/ registered capital	Equity interest attributable to owners of the Company					Date of this report	Principal activities
			At December 31, 2020	2021	2022	At March 31, 2023			
Shenzhen Xingmai Investment Partnership (Limited Partnership)* (深圳興麥投資合夥企業(有限合夥)) (notes i, xviii, xxiii)	PRC, limited partnership	RMB5,000,000	N/A	100%	100%	100%	100%	Equity investment	
Tiantu Xingyi (notes i, xviii, xxiii)	PRC, limited partnership	RMB5,000,000	N/A	100%	100%	100%	100%	Equity investment	
Shenzhen Xingying Investment Partnership (Limited Partnership)* (深圳興映投資合夥企業(有限合夥)) (notes i, xviii, xxiii)	PRC, limited partnership	RMB150,000,000	N/A	100%	100%	100%	100%	Equity investment	
Hainan Tiantu Xingzhou Venture Capital Partnership (Limited Partnership)* (“Tiantu Xingzhou”) (海南天圖興周創業投資合夥企業(有限合夥)) (notes v, xvii, xxiii)	PRC, limited partnership	RMB1,140,000,000	N/A	25%	7.89%	7.89%	6.67%	Equity investment	
Tiantu Maverick Fund I Limited (notes i, xviii, xxiii)	Cayman Islands, limited liability company	USD1	N/A	100%	100%	100%	100%	Equity investment	
Shanghai Xingzhe Enterprise Management Consulting Partnership (Limited Partnership)* (“Shanghai Xingzhe”) (上海興哲企業管理諮詢合夥企業(有限合夥)) (notes i, xvii, xviii)	PRC, limited partnership	RMB60,000,000	100%	N/A	N/A	N/A	N/A	Equity investment	
Tiantu Interstellar Limited (notes i, xviii, xxii)	Cayman Island, limited liability company	USD840	N/A	N/A	50%	50%	50%	Equity investment	
Tiantu Xinghui (notes i, xviii, xxiii)	PRC, limited partnership	RMB100,000	N/A	N/A	100%	100%	100%	Investment management	
Tiantu Xingtong (notes i, xviii, xxiii)	PRC, limited partnership	RMB1,000,000	N/A	N/A	100%	100%	100%	Investment management	

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Name of subsidiaries	Place of incorporation/ registration/ operation	Paid up issued/ registered capital	Equity interest attributable to owners of the Company					Date of this report	Principal activities
			At December 31, 2020	2021	2022	At March 31, 2023			
Beijing Tiantu Xingzhi Management Consulting Partnership (Limited Partnership)* (“Tiantu Xingzhi”) (北京天圖興知管理諮詢合夥企業(有限合夥)) (notes xv, xviii, xxiii)	PRC, limited partnership	RMB77,000,000	N/A	N/A	7.91%	7.91%	6.68%	Equity investment	
Shenzhen Tiantu Xingjian Consulting Partnership (Limited Partnership)* (“Tiantu Xingjian”) (深圳天圖興簡諮詢合夥企業(有限合夥)) (notes i, xviii, xxiii)	PRC, limited partnership	RMB5,000,000	N/A	N/A	100%	100%	100%	Equity investment	
Shenzhen Tiantu Xingyi Investment Partnership (Limited Partnership)* (“Tiantu Xingyi”) (深圳天圖興易投資合夥企業(有限合夥)) (note xxiii)	PRC, limited partnership	RMB5,000,000	N/A	N/A	N/A	100%	100%	Equity investment	
Shenzhen Tiantu Xingheng Investment Partnership (Limited Partnership)* (“Tiantu Xingheng”) (深圳天圖興恆投資合夥企業(有限合夥)) (note xxiii)	PRC, limited partnership	RMB5,000,000	N/A	N/A	N/A	100%	100%	Equity investment	
Shenzhen Xingyong Investment Partnership (Limited Partnership)* (“Shenzhen Xingyong”) (深圳興永投資合夥企業(有限合夥)) (note xxiii)	PRC, limited partnership	RMB5,000,000	N/A	N/A	N/A	100%	100%	Equity investment	

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities during the Track Record Period.

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Notes:

- (i) The Group's wholly-owned subsidiaries acts as the general partners of these entities and can direct all relevant activities of them or the director of the subsidiary is appointed by the Group. The directors of the Company considered that the Group has control over these limited liability company/limited partnership throughout the Track Record Period.
- (ii) Pursuant to the limited partnership agreement, the Group acts as the general partner, has appointment right on members of investment committee of Tiantu Xingbei and has the veto power to affect their variable returns by sending board of chairman to direct their relevant activities. The management of the Group concluded that the Group can exercise control over the limited partnership and the variable return is substantial enough by just holding 19.00%, 19.00%, 9.25% and 9.25% equity interest respectively during the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023.
- (iii) Pursuant to the limited partnership agreement, the Group acts as the general partner, has appointment right on members of investment committee of Tiantu Xingpeng and has the veto power to affect their variable returns by sending board of chairman to direct their relevant activities. The management of the Group concluded that the Group can exercise control over the limited partnership and the variable return is substantial enough by just holding 15.72%, 20.68%, 20.25% and 20.25% equity interest respectively during the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023.
- (iv) Pursuant to the limited partnership agreement, the Group acts as the general partner, has appointment right on members of investment committee of Tiantu Xingshen and has the power to affect their variable returns by sending investment committee to direct their relevant activities. The management of the Group concluded that the Group can exercise control over the limited partnership and the variable return is substantial enough by just holding 15.40%, 15.40%, 14.64% and 14.64% equity interest respectively during the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023.
- (v) Pursuant to the limited partnership agreement, the Group has appointment right on members of investment committee of Tiantu Xingzhou and has the power to affect their variable returns by sending investment committee to direct their relevant activities. The management of the Group concluded that the Group can exercise control over the limited partnership and the variable return is substantial enough by just holding 25.00%, 7.89% and 7.89% equity interest during the years ended December 31, 2021 and 2022 and three months ended March 31, 2023.
- (vi) Pursuant to the limited partnership agreement, the Group acts as the general partner of VC US Fund I throughout the Track Record Period. The management of the Group concluded that the Group can exercise control over the limited partnership and the variable return is substantial enough by just holding 21.51%, 14.49%, 14.42% and 14.42% equity interest respectively during the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023.
- (vii) Pursuant to the limited partnership agreement, the Group has appointment right on board of directors of Tiantu VC I and has the power to affect their variable returns by sending directors to direct their relevant activities. The management of the Group concluded that the Group can exercise control over the entity and the variable return is substantial enough by just holding 50.00%, 14.49%, 14.42% and 14.42% equity interest respectively during the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023.
- (viii) Pursuant to the limited partnership agreement the Group acts as the general partner over Tiantu Xingli and it has the power to appoint all members of investment committee of Tiantu Xingli and has the power to affect their variable returns by sending investment committee to direct their relevant activities. The management of the Group concluded that the Group can exercise control over the limited partnership and the variable return is substantial enough by just holding 30.57%, 19.03%, 9.28% and 9.28% equity interest respectively during the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023.
- (ix) Pursuant to the limited partnership agreement, the Group acts as the general partner over Tiantu Xingnan and it has the power to appoint three out of five members of investment committee Tiantu Xingnan and has the power to affect their variable returns by sending investment committee to direct their relevant activities. The management of the Group concluded that the Group can exercise control over the limited partnership and the variable return is substantial enough by just holding 31.25% equity interest respectively during the year ended December 31, 2020.

- (x) The Group has the power to appoint the directors of Tiantu Xingli Hong Kong and has the power to affect their variable returns by sending the directors to direct their relevant activities. The management of the Group concluded that the Group can exercise control over the limited partnership and the variable return is substantial enough by just holding 30.57%, 19.03%, 9.28% and 9.28% equity interest respectively during the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023.
- (xi) The Group has the power to appoint the directors of Tiantu Xingpeng HK and Tiantu Xingpeng Investments, respectively and has the power to affect their variable returns by sending the directors to direct their relevant activities. The management of the Group concluded that the Group can exercise control over the limited partnership and the variable return is substantial enough by just holding 15.72%, 20.68%, 20.25% and 20.25% equity interest during the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023.
- (xii) The Group has the power to appoint the directors of Tiantu Xingbei Investments and has the power to affect their variable returns by sending the directors to direct their relevant activities. The management of the Group concluded that the Group can exercise control over the limited partnership and the variable return is substantial enough by just holding 43.77%, 34.41%, 26.52% and 26.52% equity interest during the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023.
- (xiii) Pursuant to the limited partnership agreement, the Group acts as the general partner of Tiantu China Consumer Fund II and it has the power to appoint all members of investment committee of Tiantu China Consumer Fund II and is the only member of investment committee of Tiantu China Consumer Fund II throughout the Track Record Period. The management of the Group concluded that the Group can exercise control over the limited partnership and the variable return is substantial enough by just holding 50% equity interest respectively during the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023.
- (xiv) For the years ended December 31, 2020 and 2021, pursuant to the limited partnership agreement, the Group acts as the general partner of Tiantu Xingchuang and it has the power to appoint all members of investment committee of Tiantu Xingchuang and has the power to affect their variable returns. The management of the Group concluded that the Group can exercise control and affect the variable return of Tiantu Xingchuang.
- (xv) Tiantu Xingzhi was held by Tiantu Xingzhou, which is controlled by the Group through acting as general partner as mentioned in Note 49(v), and Tiantu Xingtong, which is wholly-owned subsidiary of the Group, as to 99% and 1% during the year ended December 31, 2022. Pursuant to the limited partnership agreement, the Group acts as the general partner of Tiantu Xingzhi and has discretion in making decisions about the relevant activities of Tiantu Xingzhi. Other investors do not have substantive right to remove the Group as the general partner. The management of the Group concluded that the Group can exercise control over the limited partnership and the variable return is substantial enough by just holding 7.91% equity interest respectively during the year ended December 31, 2022 and three months ended March 31, 2023.
- (xvi) Pursuant to the limited partnership agreement, the Group acts as the general partner of Tiantu Xingqiao and has discretion in making decisions about the relevant activities of Tiantu Xingqiao. Other investors do not have substantive right to remove the Group as the general partner. The management of the Group concluded that the Group can exercise control over the limited partnership and the variable return is substantial enough by just holding 33.87% equity interest respectively during the year ended December 31, 2022 and three months ended March 31, 2023.

During the year ended December 31, 2022, an independent third-party investor of Tiantu Xing'an injected RMB426,103,800 as paid-in capital of Tiantu Xing'an. Upon the completion of transaction, the shareholding of Tiantu Xing'an was held by the Group was decreased to 65.26%.

During the year ended December 31, 2022, the Group and the independent third party of Tiantu Xingzhao injected RMB6,000,000 and RMB22,500,000, respectively, as paid-in capital of Tiantu Xingzhao. Upon the completion of capital injection, the shareholding of Tiantu Xingzhao, which is 62.5% and 37.5% held by the Group and the non-controlling shareholder, respectively.

- (xvii) The statutory financial statements of these companies are audited by LIU & WONG Certified Public Accountants and Wall CPA Limited as at December 31, 2020, 2021 and 2022 respectively.

- (xviii) No statutory financial statements of these subsidiaries have been prepared since their respective dates of incorporation as they are incorporated in the jurisdiction where there are no statutory audit requirements.
- (xix) The statutory financial statements of these companies or limited partnership are audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP for the years ended December 31, 2020, 2021 and 2022.
- (xx) The statutory financial statements of these companies are audited by KNC & Company as at December 31, 2020 and 2021.
- (xxi) The statutory financial statements of these companies are audited by LIU & WONG Certified Public Accountants as at December 31, 2020 and 2021.
- (xxii) Tianfeng Capital is deregistered during the year ended December 31, 2022.
- During the year ended December 31, 2021, the Group withdrew the original paid-in capital to exit the limited partnership of Shanghai Xingzhe.
- (xxiii) These companies are newly established by the Company in the respective years.
- (xxiv) The statutory financial statements of all subsidiaries for the year ended December 31, 2022 have not been prepared as either not due for issue or there are no requirements for the issue.

50. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

Name of subsidiaries	Incorporation and principal place of business	Proportion of ownership interests allocated and voting rights held by non-controlling interests				Profit and other comprehensive income allocated to non-controlling interest					Accumulated non-controlling interests			
		December 31,		March 31,		December 31,		March 31,			December 31,		March 31,	
		2020	2021	2022	2023	2020	2021	2022	2022	2023	2020	2021	2022	2023
		RMB'000												
Mengtian Dairy	PRC	33.38%	-	-	-	29,569	7,069	-	-	-	218,700	-	-	-
Tiantu Xinghe Investments	Cayman Islands	-	-	-	-	302,870	-	-	-	-	-	-	-	-
Yoplait China	PRC	13.04%	46.09%	-	-	(3,140)	(10,228)	(18,722)	(12,731)	-	36,860	47,649	-	-
Individually immaterial subsidiaries with non-controlling interests						5,673	(7,941)	(5,362)	553	(883)	42,070	35,904	30,562	29,679
						334,972	(11,100)	(24,084)	(12,178)	(883)	297,630	83,553	30,562	29,679

Summarised financial information (representing the financial information of the respective subsidiaries before elimination of intra-group transaction with the Group) in respect of the Group's subsidiaries that has material non-controlling interests is set out below

(a) *Mengtian Dairy*

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Current assets	478,285	N/A	N/A	N/A
Non-current assets*	1,145,519	N/A	N/A	N/A
Current liabilities	(513,130)	N/A	N/A	N/A
Non-current liabilities	(35,024)	N/A	N/A	N/A
Equity attributable to owners of the Company	856,950	N/A	N/A	N/A
Equity attributable to non-controlling interests	218,700	N/A	N/A	N/A

* Included the goodwill arising from the acquisition of Mengtian Dairy of RMB283,440,000 during the years ended December 31, 2020 and from the acquisition of Dongjun Dairy of RMB73,883,000 during 2021. The relevant balance are derecognised after the deconsolidation of Mengtian Dairy completed on December 31, 2021.

	Year ended December 31,			Three months ended March 31,	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Revenue	1,012,672	783,901	N/A	N/A	N/A
Expenses	(910,274)	(762,719)	N/A	N/A	N/A
Profit and total comprehensive income for the year	102,398	21,182	N/A	N/A	N/A
Profit and total comprehensive income attributable to the Company	72,829	14,113	N/A	N/A	N/A
Profit and total comprehensive income attributable to the non-controlling interests	29,569	7,069	N/A	N/A	N/A

	Year ended December 31,			Three months ended	
	2020	2021	2022	March 31,	
	RMB'000	RMB'000	RMB'000	2022	2023
				(unaudited)	
				RMB'000	RMB'000
Net cash flows from operating activities	285,992	139,879	N/A	N/A	N/A
Net cash flows used in investing activities	(80,992)	(81,295)	N/A	N/A	N/A
Net cash flows used in financing activities	(130,172)	(144,768)	N/A	N/A	N/A
Net cash inflow(outflow)	74,828	(86,184)	N/A	N/A	N/A
(b) Tiantu Xinghe Investments					
	As at December 31,			As at March 31,	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Current assets	N/A	N/A	N/A	N/A	N/A
Current liabilities	N/A	N/A	N/A	N/A	N/A
Non-current liabilities	N/A	N/A	N/A	N/A	N/A
Equity attributable to owners of the Company	N/A	N/A	N/A	N/A	N/A
Non-controlling interests	N/A	N/A	N/A	N/A	N/A
	Year ended December 31,			Three months ended	
	2020	2021	2022	March 31,	
	RMB'000	RMB'000	RMB'000	2022	2023
				(unaudited)	
				RMB'000	RMB'000
Revenue-Investment gain or loss, net	1,380,456	N/A	N/A	N/A	N/A
Finance cost*	(24,756)	N/A	N/A	N/A	N/A
Other expenses	(599)	N/A	N/A	N/A	N/A

	Year ended December 31,			Three months ended	
	2020	2021	2022	March 31,	
	RMB'000	RMB'000	RMB'000	2022	2023
				<i>(unaudited)</i>	
Profit and total comprehensive income for the year	1,355,101	N/A	N/A	N/A	N/A
Profit and total comprehensive income attributable to the Company	1,052,231	N/A	N/A	N/A	N/A
Profit and total comprehensive income attributable to the non-controlling interests	302,870	N/A	N/A	N/A	N/A

* Pursuant to limited partnership agreement, the profit and total comprehensive income attributable to non-controlling interest excluded the finance cost incurred by Tiantu Xinghe Investments.

	Year ended December 31,			Three months ended	
	2020	2021	2022	March 31,	
	RMB'000	RMB'000	RMB'000	2022	2023
				<i>(unaudited)</i>	
Net cash flows from operating activities	544,022	N/A	N/A	N/A	N/A
Net cash flows used in financing activities	(568,332)	N/A	N/A	N/A	N/A
Net cash outflow	(24,310)	N/A	N/A	N/A	N/A

(c) *Yoplait China*

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Current assets	87,097	117,234	N/A	N/A
Non-current assets	222,781	211,074	N/A	N/A
Current liabilities	(175,943)	(273,992)	N/A	N/A
Non-current liabilities	(14,990)	(13,787)	N/A	N/A
Equity attributable to owners of the Company	82,085	(7,120)	N/A	N/A
Non-controlling interests	36,860	47,649	N/A	N/A

	Year ended December 31,		Period from	Three
	2020	2021	1/1/2022 to	months
	RMB'000	RMB'000	15/6/2022	ended
			(the date of	March 31,
			deconsolidation)	2022
			RMB'000	RMB'000
				(unaudited)
Revenue	224,185	314,171	132,825	70,963
Expenses	(332,172)	(392,612)	(173,454)	(99,079)
Loss and total comprehensive expense for the year/period	(107,987)	(78,441)	(40,629)	(28,116)
Loss and total comprehensive expense attributable to the Company	(104,847)	(68,213)	(21,907)	(15,385)
Loss and total comprehensive expense attributable to the non-controlling interests	(3,140)	(10,228)	(18,722)	(12,731)
	Year ended December 31,		Period from	Three
	2020	2021	1/1/2022 to	months
	RMB'000	RMB'000	15/6/2022	ended
			(the date of	March 31,
			deconsolidation)	2022
			RMB'000	RMB'000
				(unaudited)
Net cash flows (used in) from operating activities	(94,282)	(12,150)	15,797	(2,169)
Net cash flows used in investing activities	(17,698)	(11,030)	(16,311)	(1,425)
Net cash flows from (used in) financing activities	103,635	46,042	(18,549)	(11,678)
Effect of foreign exchange rate changes	(14)	(7)	–	–
Net cash (outflow) inflow	(8,359)	22,855	(19,063)	(15,272)

51. FINANCIAL INFORMATION OF THE COMPANY

The Company

Investments in subsidiaries

	As at December 31,			As at
	2020	2021	2022	March 31,
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Cost of investments, unlisted	2,564,942	2,792,724	2,784,138	2,784,138

During the years ended December 31, 2020, 2021 and 2022, certain subsidiaries of the Company had reduced their paid-in capital of RMB348,391,000, RMB81,421,000 and RMB1,107,768,000 respectively and injected paid-in capital of RMB27,435,000, RMB309,203,000 and RMB1,099,182,000, respectively which the Company did not lose control over these subsidiaries.

Movements of the Company's reserves

	Capital reserve <i>RMB'000</i>	Statutory reserve <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Total <i>RMB'000</i>
Balance at January 1, 2020	3,719,420	66,614	146,558	3,932,592
Profit for the year	–	–	89,440	89,440
Transfer to statutory reserve	–	8,950	(8,950)	–
Balance at December 31, 2020	3,719,420	75,564	227,048	4,022,032
Loss for the year	–	–	(118,126)	(118,126)
Balance at December 31, 2021	3,719,420	75,564	108,922	3,903,906
Profit for the year	–	–	242,947	242,947
Transfer to statutory reserve	–	24,295	(24,295)	–
Balance at December 31, 2022	3,719,420	99,859	327,574	4,146,853
Loss for the period	–	–	(122,993)	(122,993)
Balance at March 31, 2023	<u>3,719,420</u>	<u>99,859</u>	<u>204,581</u>	<u>4,023,860</u>

52. SUBSEQUENT FINANCIAL INFORMATION

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to March 31, 2023 and up to the date of this report.

53. EVENTS AFTER REPORTING PERIOD

The following event took place subsequent to the end of Track Record Period.

Final dividend in respect of the year ended December 31, 2022

On March 30, 2023, a final dividend in respect of the year ended December 31, 2022 of RMB2 per 10 ordinary share, of approximately RMB103,955,000, has been proposed by the directors of the Company and was approved by the shareholders in the general meeting on April 20, 2023. Such amount was fully settled in June 2023.

The following is the text of a review report set out on page IA-1 to IA-2 received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. The information set out on pages IA-3 to IA-36 is the condensed consolidated financial statements of the Group for the six months ended June 30, 2023, and does not form part of the Accountants' Report from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, as set out in Appendix I, and is included herein for information purpose only.

Deloitte.**德勤****REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE DIRECTORS OF TIAN TU CAPITAL CO., LTD.****TO THE BOARD OF DIRECTORS OF TIAN TU CAPITAL CO., LTD.**

(incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Tian Tu Capital Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages IA-3 to IA-36, which comprise the condensed consolidated statement of financial position as of June 30, 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board ("IASB"). Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu*Certified Public Accountants*

Hong Kong

September 25, 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2023

	NOTES	For the six months ended June 30,	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Continuing operation			
Revenue	3	23,366	20,881
Investment gains or losses, net	4	(226,291)	211,879
Total revenue and investment gains or losses, net		(202,925)	232,760
Staff costs		(27,500)	(29,170)
Depreciation expenses	9	(6,466)	(5,221)
Other operating expense		(14,605)	(20,785)
Finance costs	7	(34,650)	(71,912)
Impairment recognised under expected credit loss model, net of reversal		(28,274)	–
Other income	5	11,226	3,509
Other gains and losses	6	3,967	3,002
Share of results of associates		(12,970)	30,288
Share of results of joint ventures		111,818	(75,650)
(Loss) profit before tax		(200,379)	66,821
Income tax credit (expense)	8	10,740	(153,378)
Loss for the period from continuing operation		(189,639)	(86,557)
Discontinued operation			
Profit for the period from discontinued operation	21	–	480,749
(Loss) profit for the period	9	(189,639)	394,192
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		83,260	120,557
Total comprehensive (expense) income for the period		(106,379)	514,749

		For the six months ended June 30,	
	NOTE	2023	2022
		RMB'000	RMB'000
		(unaudited)	(unaudited)
(Loss) profit for the period attributable to owners of the Company			
– from continuing operation		(194,045)	(79,369)
– from discontinued operation		–	499,471
		<u>(194,045)</u>	<u>420,102</u>
Profit (loss) for the period attributable to non- controlling interests			
– from continuing operation		4,406	(7,188)
– from discontinued operation		–	(18,722)
		<u>4,406</u>	<u>(25,910)</u>
Total comprehensive (expense) income for the period attributable to:			
– Owners of the Company		(111,662)	539,320
– Non-controlling interests		5,283	(24,571)
		<u>(106,379)</u>	<u>514,749</u>
(Loss) earnings per share			
From continuing and discontinued operation (RMB)			
Basic	11	<u>(0.37)</u>	<u>0.81</u>
From continuing operation (RMB)			
Basic	11	<u>(0.37)</u>	<u>(0.15)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	<i>NOTES</i>	At June 30, 2023 <i>RMB'000</i> <i>(unaudited)</i>	At December 31, 2022 <i>RMB'000</i> <i>(audited)</i>
NON-CURRENT ASSETS			
Property, plant and equipment		3,531	2,519
Right-of-use assets		21,042	19,525
Goodwill		56	56
Deferred tax assets	<i>12</i>	14,052	9,071
Interests in associates measured using equity method		539,410	551,880
Interests in associates measured at fair value		9,724,628	10,079,602
Interests in joint ventures		860,101	748,283
Financial assets at fair value through profit or loss (“FVTPL”)	<i>13</i>	4,894,981	4,708,010
Other non-current assets		1,341	999
		<u>16,059,142</u>	<u>16,119,945</u>
CURRENT ASSETS			
Accounts receivables	<i>14</i>	56,985	44,030
Prepayments and other receivables	<i>15</i>	184,404	245,091
Financial assets at FVTPL	<i>13</i>	476,577	530,282
Bank balances and cash	<i>16</i>	462,940	613,612
		<u>1,180,906</u>	<u>1,433,015</u>
CURRENT LIABILITIES			
Other payables and accruals	<i>17</i>	33,564	57,225
Contract liabilities		49,395	62,648
Advances from share transfer transaction		176,730	176,730
Tax payable		22,662	24,794
Bank borrowings	<i>18</i>	84,860	85,245
Bond payables due within one year	<i>19</i>	218,107	20,398
Lease liabilities		9,407	6,821
		<u>594,725</u>	<u>433,861</u>
NET CURRENT ASSETS		<u>586,181</u>	<u>999,154</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,645,323</u>	<u>17,119,099</u>

		At At June 30, 2023 RMB'000 (unaudited)	At December 31, 2022 RMB'000 (audited)
NON-CURRENT LIABILITIES			
Deferred tax liabilities	12	191,251	200,549
Bond payables due over one year	19	784,842	980,913
Financial liabilities at FVTPL	20	8,539,643	8,596,707
Lease liabilities		12,821	13,830
		<u>9,528,557</u>	<u>9,791,999</u>
NET ASSETS		<u><u>7,116,766</u></u>	<u><u>7,327,100</u></u>
CAPITAL AND RESERVES			
Share capital	23	519,773	519,773
Reserves		6,561,148	6,776,765
		<u>7,080,921</u>	<u>7,296,538</u>
Equity attributable to owners of the Company		7,080,921	7,296,538
Non-controlling interests		35,845	30,562
		<u>7,116,766</u>	<u>7,327,100</u>
TOTAL EQUITY		<u><u>7,116,766</u></u>	<u><u>7,327,100</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2023

	Attributable to owners of the Company							Non- controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Other reserves RMB'000	Translation reserves RMB'000	Statutory reserve RMB'000 (note i)	Retained earnings RMB'000	Sub-total RMB'000		
At December 31, 2022 (audited)	519,773	3,550,151	88,336	112,935	121,143	2,904,200	7,296,538	30,562	7,327,100
(Loss) profit for the period	-	-	-	-	-	(194,045)	(194,045)	4,406	(189,639)
Other comprehensive income for the period	-	-	-	82,383	-	-	82,383	877	83,260
Total comprehensive income (expense) for the period	-	-	-	82,383	-	(194,045)	(111,662)	5,283	(106,379)
Dividend recognised as distribution (Note 10)	-	-	-	-	-	(103,955)	(103,955)	-	(103,955)
At June 30, 2023 (unaudited)	519,773	3,550,151	88,336	195,318	121,143	2,606,200	7,080,921	35,845	7,116,766
At January 1, 2022 (audited)	519,773	3,550,151	92,920	(100,542)	95,066	2,370,992	6,528,360	83,553	6,611,913
Profit (loss) for the period	-	-	-	-	-	420,102	420,102	(25,910)	394,192
Other comprehensive income for the period	-	-	-	119,218	-	-	119,218	1,339	120,557
Total comprehensive income (expense) for the period	-	-	-	119,218	-	420,102	539,320	(24,571)	514,749
Capital contribution from non-controlling shareholders of a subsidiary of the Group (note ii)	-	-	-	-	-	-	-	1,500	1,500
Effect arising on deconsolidation of Yoplait China (as defined in Note 1) (note ii)	-	-	-	-	-	-	-	(30,425)	(30,425)
At June 30, 2022 (unaudited)	519,773	3,550,151	92,920	18,676	95,066	2,791,094	7,067,680	30,057	7,097,737

Notes:

- (i) The amount mainly represents statutory reserve fund. According to the relevant laws in the People's Republic of China (the "PRC"), each of the Group's entities established in the PRC is required to allocate at least 10% of its profit after tax as per financial statements prepared in accordance with the relevant PRC accounting standards to statutory reserve fund until the reserve fund reaches 50% of the registered capital of respective entity. The transfer to this fund must be made before the distribution of dividend to the equity owners. The statutory reserve fund can be used to make up previous years' losses, if any. The statutory reserve fund is non-distributable other than upon liquidation.
- (ii) During the six months ended June 30, 2022, an independent third party injected RMB1,500,000 in Yoplait China as paid-in capital. As such, the Group's paid-in equity interests in Yoplait China decreased from 88.24% to 87.85%. Subsequently, as the Group disposed 8.70% of equity interest of Yoplait China, together with certain arrangement between the Group and Yoplait China and the other shareholder on June 15, 2022, the Group's absolute control over Yoplait China has been lost. Yoplait China is presented as discontinued operation as detailed in Note 21. The amount of related non-controlling interests of Yoplait China amounting to RMB30,425,000 has been debited to non-controlling interests.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2023

	For the six months ended June 30,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flows from operating activities		
(Loss) profit before tax from continuing and discontinued operation	(200,379)	666,323
Adjustments for:		
Finance costs	34,650	72,860
Interest income	(4,012)	(3,520)
Dividend and interest from financial assets at FVTPL	(10,816)	(3,938)
Dividend from interests in associates measured at fair value	(17,682)	–
Impairment loss under expected credit loss model, net of reversal		
– Bank balances	28,274	–
– accounts receivables	–	75
– others receivables	–	4
Provision on inventories, net of reversal	–	21
Depreciation of property, plant and equipment	775	13,380
Depreciation of right-of-use assets	5,691	5,595
Amortisation of intangible assets	–	139
Gain on disposal of subsidiaries	–	(639,407)
Share of results of associates	12,970	(30,288)
Share of results of joint ventures	(111,818)	75,650
Realised gains from financial assets at FVTPL	(500)	(39,904)
Realised gains from interests in associates measured at fair value	(63,526)	(2,958)
Unrealised losses from financial assets at FVTPL	117,257	424,222
Unrealised fair value changes in interests in associates measured at fair value	354,038	(647,721)
Unrealised (gains) losses from financial liabilities at FVTPL	(152,480)	58,294

	For the six months ended June 30,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Operating cash flows before movement in working capital	(7,558)	(51,173)
Decrease in inventories	–	1,257
(Increase) decrease in accounts receivables	(11,940)	12,837
Increase in prepayments and other receivables	(1,719)	(39,128)
Decrease (increase) in financial assets at FVTPL	500	(76,786)
Decrease (increase) in interests in associates measured at fair value	67,325	(230,368)
Dividend received	96,082	88,673
Increase in other non-current assets	(342)	(2,032)
Increase in accounts payables	–	19,590
Decrease in other payables and accruals	(15,062)	(1,308)
(Decrease) increase in contract liabilities	(13,253)	43
	<u>114,033</u>	<u>(278,395)</u>
Cash from (used in) operations		
Income taxes paid	(5,671)	(5,149)
	<u>108,362</u>	<u>(283,544)</u>
Net cash from (used in) operating activities		

	NOTES	For the six months ended June 30,	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
INVESTING ACTIVITIES			
Interest received		3,466	10,518
Proceeds from disposal of property, plant and equipment		2	5
Purchase of property, plant and equipment, intangible assets and other non-current assets		(1,777)	(9,930)
Placement of unlisted financial products classified as financial assets at FVTPL		(100,000)	(84,881)
Proceeds from the capital reduction of interest in associates		–	36,000
Capital injection in interest in an associate		(500)	–
Net cash inflow on disposal of other subsidiaries	21, 22	–	24,320
Withdrawal of restricted bank deposits		–	6,055
Withdrawal of unlisted financial products classified as financial assets at FVTPL		–	77,133
Net cash (used in) from investing activities		(98,809)	59,220
FINANCING ACTIVITIES			
Dividend paid		(103,955)	–
Interest paid		(32,497)	(69,554)
Advance from related parties		–	100,000
Cash injection by third-party holders to consolidated structured entities		48,728	103,883
Capital redemption by third-party holders of consolidated structured entities		(25,223)	(44,306)
Capital contribution from non-controlling shareholders		–	1,500
Proceeds from bonds issued		–	497,250
Repayment of bonds		–	(999,600)
New bank and other borrowings raised		70,000	94,362
Repayments of bank and other borrowings		(70,385)	(112,492)
Payments of issue costs		(13,676)	(6,830)
Repayment of lease liabilities		(6,146)	(5,637)
Repayment of loan from independent third parties		–	(1,060)
Net cash used in financing activities		(133,154)	(442,484)
Net decrease in cash and cash equivalents		(123,601)	(666,808)
Cash and cash equivalents at beginning of the period		613,612	1,015,797
Effect of foreign exchange rate changes		1,723	(9,310)
Cash and cash equivalents at end of the period, represented by bank balances and cash		491,734	339,679
Less: Impairment recognised for bank balance		(28,794)	–
		<u>462,940</u>	<u>339,679</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Tian Tu Capital Co., Ltd. (the “Company”) was incorporated and registered in the PRC on January 11, 2010 as a limited liability company. In July 2015, the Company was converted into a joint stock company with limited liability under the Company Laws of the PRC. On November 16, 2015, the Company was listed on the National Equities Exchange and Quotations (the “NEEQ”) (stock code: 833979.NQ).

The Company and its subsidiaries (together, the “Group”) are principally engaged in the provision of private equity investment management services through its own investment in funds, of which are financed with a mix of capital raised from external investors and the Group’s own equity, primarily focusing minority private equity investments specialised in the consumer sector in the PRC (the “Private Equity Investment”).

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”).

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

Historically, the Group deployed buyout investment strategy through acquisition of targets, by certain consolidated structured entities under the Group’s management, engaged in the dairy business in the PRC (the “Buyout Investment Business”). The Buyout Investment Business which had been discontinued during the six months ended June 30, 2022 include liquid milk business (representing mainly the production and sale of yogurt and other milk beverages) conducted by the Group’s subsidiary, Yoplait Dairy Co., Ltd.* (“Yoplait China”) (優諾乳業有限公司), which was acquired by the Group in April 2019 (the “Yoplait China Business”).

On June 10, 2022, the Group has entered into a share purchase agreement with a new independent investor (“New Independent Investor 1”), pursuant to which, the Group agrees to sell and the New Independent Investor 1 agrees to buy 59.98% registered capital of the Group’s 99.97% owned consolidated structured entity, Pingtan Xingxu Investment Limited Partnership* (“Pingtan Xingxu”) (平潭興旭投資合夥企業(有限合夥)), which holds 8.70% equity interest of Yoplait China for a cash consideration of RMB62,610,000. As a result of this share transfer, together with certain arrangement between the Group and Yoplait China and the other shareholders, Yoplait China ceased to be a subsidiary of the Group, while remained as the Group’s associate. Accordingly, the Group’s Yoplait China, which is one of the major lines of business under the Buyout Investment Business, has been discontinued along with this share transfer.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2023 are the same as those followed in the preparation of the historical financial information for the three years ended December 31, 2022 and three months ended March 31, 2023 applicable since January 1, 2023 as contained in Appendix I Accountants’ Report (“Appendix I”) to the Prospectus.

* English name is for the identification purpose only

3. REVENUE AND SEGMENT INFORMATION

During the interim period, the Group derives its revenue from the provision of Private Equity Investment services.

Continuing operation*Disaggregation of revenue from contracts with customers*

	Six months ended June 30,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Private Equity Investment (<i>note</i>)		
fund management service, recognised over time	23,366	20,881
Carried interest, recognised over time	Nil	Nil
	<u> </u>	<u> </u>

Note: The Group derives its revenue from the provision of Private Equity Investment through the management of unconsolidated investment funds specialised in consumer business industries for investment returns.

The Group receives management fees associated with the Private Equity Investment, at a fixed percentage of (i) committed or paid-in capital or committed or paid-in capital less cost of exited investments, during the investment period, and (ii) committed capital less cost of exited investments, or cost of existing investments, after the investment period. The Group usually received prepaid management fee from certain unconsolidated investment funds and such advance payments are recorded as contract liabilities until the services are rendered to the customers.

Carried Interest would be payable to general partner or fund manager. The unrealised income from Carried Interest is allocated to the general partners based on the cumulative fund performance to date, subject to the achievement of minimum return levels to limited partners on an as-if liquidation basis. At the end of each reporting period, the general partners calculate the income from Carried Interest that would be due to the general partners for each fund, pursuant to the fund agreements, as if the fair value of the underlying investments were realised as of such date, irrespective of whether such amounts have been realised.

No income from carried interest for the funds was recognised as revenue during the interim period.

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided and based on the financial information prepared under the generally accepted accounting principles in the PRC (“PRC GAAP”). Along with Yoplait China Business having been discontinued on June 15, 2022, the management of the Group considers that the Group only has one operating and reportable segment under Private Equity Investment as its continuing operations, and therefore, no operating segment information is presented other than the entity-wide disclosures.

All of the Group’s revenue from external customers are derived in the PRC based on the geographical location of the management team of the funds managed for Private Equity Investment. All of the Group’s non-current assets are located in the PRC and all the segments are managed on a nationwide basis because of the similarity of the type or class of the customers and the similarity of the regulatory environment in the whole region, no geographic information by segment is presented.

4. INVESTMENT GAINS OR LOSSES, NET

	Six months ended June 30,	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Continuing operation		
Dividends and interests from		
– financial assets at FVTPL	10,816	3,938
– interests in associates measured at fair value	17,682	–
Realised gains from		
– financial assets at FVTPL	500	39,904
– interests in associates measured at fair value	63,526	2,958
Unrealised (losses) gains from		
– financial assets at FVTPL	(117,257)	(424,348)
– interests in associates measured at fair value	(354,038)	647,721
Unrealised gains (losses) from financial liabilities at FVTPL	152,480	(58,294)
	<u>(226,291)</u>	<u>211,879</u>

5. OTHER INCOME

	Six months ended June 30,	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Continuing operation		
Interest income	4,012	3,509
Advisory services income (note i)	1,214	–
Government grants- related to income (note ii)	6,000	–
	<u>11,226</u>	<u>3,509</u>

Notes:

- (i) The amounts represent the fees received in relation to the consulting services and market updates provided to the investors.
- (ii) The amounts represent subsidies granted by certain local governments for encouraging domestic business development and unconditional subsidies for the purpose of giving financial support to the Group's operations. There are no unfulfilled conditions or contingencies relating to the above subsidies.

6. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Continuing operation		
Foreign exchange gain, net	3,967	3,002
	<u>3,967</u>	<u>3,002</u>

7. FINANCE COSTS

	Six months ended June 30,	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Continuing operation		
Interest on bank borrowings	1,912	1,911
Interest on loan payable to related parties (Note 24)	–	5,268
Interest on loan payable to a director (Note 24)	–	562
Interest on lease liabilities	515	155
Interest on bond payables	32,223	64,016
	<u>34,650</u>	<u>71,912</u>

8. INCOME TAX CREDIT (EXPENSE)

	Six months ended June 30,	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Continuing operation		
PRC Enterprise Income Tax (“EIT”)	(2,303)	(3,783)
(Under) over provision of PRC EIT in prior years	(1,236)	854
Deferred tax credit (charge) (Note 12)	14,279	(150,449)
	<u>10,740</u>	<u>(153,378)</u>

9. (LOSS) PROFIT FOR THE PERIOD

Continuing operation

(Loss) profit for the period has been arrived at after charging:

	Six months ended June 30,	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Depreciation of:		
Property, plant and equipment	775	540
Right-of-use assets	5,691	4,681
Total depreciation	<u>6,466</u>	<u>5,221</u>
Listing expense (note)	nil	nil
Impairment losses recognised on bank balance	28,274	–

Note:

For the six months ended June 30, 2023, the Group incurred listing expenses of RMB4,852,000, which is primarily directly attributable to the issuance of the H shares and will be deducted from equity upon the listing of the H share of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Listing”). There were no significant amount of listing expenses incurred which would need to charge to profit or loss during the reporting period.

10. DIVIDENDS

During the six months ended June 30, 2023, a final dividend in respect of the year ended December 31, 2022 of RMB2 per 10 ordinary share, of approximately RMB103,955,000, has been proposed by the directors of the Company and was approved by the shareholders in the general meeting on April 20, 2023. Such amount was fully settled in June 2023.

11. (LOSS) EARNINGS PER SHARE**For continuing operation**

The calculation of basic (loss) earnings per share from continuing operations attributable to owners of the Company is based on the following data:

	Six months ended June 30,	
	2023	2022
	<i>(unaudited)</i>	<i>(unaudited)</i>
(Loss) earning (RMB'000)		
(Loss) profit for the period attributable to owners of the Company	(194,045)	420,102
Less:		
Profit for the period from discontinued operation	—	499,471
Loss for the purpose of basic loss per share from continuing operation	<u>(194,045)</u>	<u>(79,369)</u>
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<u>519,773</u>	<u>519,773</u>

For discontinued operation

Basic earnings per share for the discontinued operation are RMB0.96 per share for the six months period ended June 30, 2022 (unaudited) based on the profit for the period from the discontinued operation of RMB499,471,000 and the denominators detailed above for basic earnings per share.

No diluted earnings per share for the six months period ended June 30, 2022 and 2023 were presented as there were no potential ordinary shares in issue for the six months ended June 30, 2022 and 2023.

The Group does not have any profit/loss for the period from discontinued operation for the six months ended June 30, 2023 along with the Yoplait China Business having been discontinued on June 15, 2022.

12. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the condensed consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at June 30, 2023 RMB'000 (unaudited)	As at December 31, 2022 RMB'000 (audited)
Deferred tax assets	14,052	9,071
Deferred tax liabilities	(191,251)	(200,549)
	<u>(177,199)</u>	<u>(191,478)</u>

The following are the major deferred tax balances recognised and movements thereon during the reporting period:

	Change in Fair value of investments/ Share of unrealised results from limited partnerships RMB'000	Fair value adjustment arising from business combination RMB'000	Total RMB'000
At January 1, 2022 (audited)	28,655	(7,723)	20,932
(Charge) credit to profit or loss	(220,133)	244	(219,889)
Deemed disposal of Yoplait China (Note 21)	–	7,479	7,479
	<u>(191,478)</u>	<u>–</u>	<u>(191,478)</u>
At December 31, 2022 (audited)	(191,478)	–	(191,478)
Credit to profit or loss	14,279	–	14,279
	<u>(177,199)</u>	<u>–</u>	<u>(177,199)</u>

As at December 31, 2022 and June 30, 2023, the Group has unused tax losses of approximately RMB35,293,000 and RMB37,014,000 respectively, available for offset against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams of these loss-making subsidiaries and it is not probable that taxable profit will be available against which the tax losses can be utilised. The expiry dates of the unrecognised tax losses are disclosed in the following table. Remaining losses may be carried forward indefinitely.

	As at June 30, 2023 RMB'000 (unaudited)	As at December 31, 2022 RMB'000 (audited)
2027	4,716	5,743
2028	1,539	–
	<u>6,255</u>	<u>5,743</u>

There were no other significant unrecognised temporary differences at the end of each reporting period.

13. FINANCIAL ASSETS AT FVTPL

(a) Financial assets designated at FVTPL

	As at June 30, 2023 RMB'000 (unaudited)	As at December 31, 2022 RMB'000 (audited)
<u>Current</u>		
<i>Listed equity investments (note i)</i>		
– Freely tradable*		
– Project A engaged in milk powder industry	116,684	172,169
– Others	159,425	157,865
<i>Unlisted financial products/equity investments (notes i, ii)</i>	200,468	200,248
	<u>476,577</u>	<u>530,282</u>
	As at June 30, 2023 RMB'000 (unaudited)	As at December 31, 2022 RMB'000 (audited)
<u>Non-current</u>		
<i>Unlisted equity investments (note i)</i>	4,234,685	4,073,859
<i>Unlisted convertible bonds/bonds connected with conversion feature (note iii)</i>	660,296	634,151
	<u>4,894,981</u>	<u>4,708,010</u>

* Not subject to investment restriction and can be freely tradable in the public market.

The Group has engaged firms of independent professional valuers to assess the fair values of the financial assets at FVTPL as the end of December 31, 2022 and June 30, 2023, respectively. The independent professional valuers and the management of the Group held meetings periodically to discuss the valuation techniques and changes in market information to ensure the valuation was performed properly. The valuation techniques used in the determination of fair values as well as the key inputs used in the valuation models are disclosed in Note 27.

Notes:

- (i) These investments represent equity investments in listed/unlisted entities and unlisted financial products and subsequent fair value change of these investments are recognised as “investment gains or losses, net” in Note 4.
- (ii) These investments includes (a) the money market funds and bond market funds with unguaranteed rates of return and (b) wealth management products with expected rates of return as stipulated in the relevant subscription agreement.
- (iii) The Group subscribed for a number of convertible bonds. The relevant convertible bonds carried at a fixed coupon and are convertible into the shares of the convertible bond issuers at a pre-determined conversion price in accordance with the relevant agreements, which are measured at fair value. Some of the convertible bonds held by the Group are carried with some conversion restriction.

14. ACCOUNTS RECEIVABLES

	As at June 30, 2023 RMB'000 (unaudited)	As at December 31, 2022 RMB'000 (audited)
Accounts receivables from related parties (<i>Note 24(b)</i>)		
– Private Equity Investment Management	56,985	44,030

The Group has no credit period allowed for the customers of Private Equity Investment over the reporting period.

The following is an aging analysis of accounts receivables for the Private Equity Investment (net of impairment loss allowance) based on invoice dates:

	As at June 30, 2023 RMB'000 (unaudited)	As at December 31, 2022 RMB'000 (audited)
0-180 days	11,940	11,957
181-365 days	11,957	5,000
Over 1 year	33,088	27,073
	56,985	44,030

The accounts receivables for the Private Equity Investment is mainly the management fee due from Tiantu China Consumer Fund I, L.P., which the investment is accounted for as financial assets at FVTPL of the Group, with the carrying amount of RMB27,073,000 and RMB28,088,000 and from Shenzhen Tiantu Dongfeng Medium Small and Micro Enterprises Equity Investment Fund Partnership (Limited Partnership)* (“Tiantu Dongfeng”) (深圳市天圖東峰中小微企業股權投資基金合夥企業(有限合夥)) with the carrying amount of RMB16,957,000 and RMB28,897,000 as at December 31, 2022 and June 30, 2023, respectively. The management of the Group assessed the impairment individually by reference to the fair value of underlying investments held by the fund and concluded that the accounts receivables are recoverable and the risk of impairment is low, no allowances for ECL had been recognised, accordingly.

15. PREPAYMENTS AND OTHER RECEIVABLES

	As at June 30, 2023 RMB'000 (unaudited)	As at December 31, 2022 RMB'000 (audited)
Prepayments to independent third parties	135	189
Deferred issue costs (<i>note iv</i>)	46,314	41,462
Loans to investee companies classified as associates measured at FVTPL (<i>note i, Note 24(c)</i>)	120,560	120,117
Loans to independent third parties (<i>note ii</i>)	6,913	6,913
Dividend receivables (<i>note v</i>)	16,932	84,736
Amounts due from related parties (<i>Note 24(a)</i>)	3,748	3,307
Consideration receivable for deemed disposal of Yoplait China (<i>Note 21</i>)	31,305	31,305
Other receivables (<i>note iii</i>)	19,474	18,305
Value added tax recoverable	3,380	3,114
	248,761	309,448

	As at June 30, 2023 RMB'000 (unaudited)	As at December 31, 2022 RMB'000 (audited)
Less: Allowance for credit losses arising from		
– Loans to investee companies classified as associates measured at FVTPL	(47,514)	(47,514)
– Loans to independent third parties	(6,913)	(6,913)
– Other receivables	(9,930)	(9,930)
	<u>(64,357)</u>	<u>(64,357)</u>
	<u>184,404</u>	<u>245,091</u>

Notes:

- (i) As at December 31, 2022 and June 30, 2023, the Group has outstanding loan receivables due from the Group's investee companies classified as associates measured at fair value of the Group, amounting to RMB47,514,000 in aggregate, which had been defaulted and fully impaired prior to the beginning of the reporting period as these associates are in financial difficulties.

The remaining amount of RMB72,603,000 and RMB73,046,000 as at December 31, 2022 and June 30, 2023 represents loan receivable and interest on loan receivable from Yoplait China.

- (ii) The Group has outstanding loan receivable due from an independent third party arising from Private Equity Investment amounted to RMB6,913,000 which carried fixed interest at 12% per annum. The loan receivable had maturity term of 3 years and was guaranteed by the shares of the borrower. The loan receivable was fully impaired prior to the beginning of the reporting period.
- (iii) As at December 31, 2022 and June 30, 2023, the Group has gross other receivables arising from Private Equity Investment amounted to RMB18,305,000 and RMB19,474,000, respectively. The outstanding balance mainly represents the consideration receivable for disposal of an investment classified as associates measured at fair value of the Group and rental deposits which will be returned upon termination of the lease contract. The amount of RMB9,822,000 had been defaulted and fully impaired prior to the beginning of the reporting period.
- (iv) Deferred issue costs represent the qualifying portion of issue costs incurred up to June 30, 2023, which will be debited to equity of the Group as share issue costs in respect of the issue of new shares upon the initial public offering and listing of the shares of the Company on the Stock Exchange.
- (v) As at December 31, 2022, the Group has outstanding dividend receivable due from Shenzhen Feitiandai Financial Technology Co., Ltd.* (“Shenzhen Feitiandai”) (深圳中興飛貸金融科技有限公司), which is classified as interests in associates measured at fair value, amounted to RMB84,736,000. As at June 30, 2023, the Group has outstanding dividend receivable due from interests in associates measured at fair value amounted to RMB16,932,000.

16. CASH AND CASH EQUIVALENTS

	As at June 30, 2023 RMB'000 (unaudited)	As at December 31, 2022 RMB'000 (audited)
Cash and cash equivalents	491,734	613,612
Less: Impairment recognised for bank balance	(28,794)	–
	<u>462,940</u>	<u>613,612</u>

Cash and cash equivalents include demand deposits and short term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at prevailing market interest rates.

The Group's bank balances and cash that are denominated in currencies other than functional currency of the relevant group entities are set out below:

	As at June 30, 2023 RMB'000 (unaudited)	As at December 31, 2022 RMB'000 (audited)
Analysis bank balance and cash by currency:		
Denominated in US Dollar ("US\$")	7,379	34,883
Denominated in HK\$	8,583	7,944
	<u>8,583</u>	<u>7,944</u>

17. OTHER PAYABLES AND ACCRUALS

	As at June 30, 2023 RMB'000 (unaudited)	As at December 31, 2022 RMB'000 (audited)
Accrued issue cost	7,678	16,502
Dividend payables to an independent third party (note)	6,180	5,955
Sundry payables and accrued	11,855	25,915
Salaries and welfare payables	103	224
Other tax payables	633	1,514
Deposits received	7,115	7,115
	<u>33,564</u>	<u>57,225</u>

Note:

The balance represented the outstanding dividend payables to an independent third party and was unsecured, interest-free and repayable on demand.

18. BANK BORROWINGS

During the current interim period, the Group renewed bank loans amounting to RMB70,000,000 (six months ended June 30, 2022: RMB70,000,000). The loans carry interest at fixed market rates of 4.785% per annum, for the purpose of working capital. This bank borrowing was unsecured and unguaranteed (six months ended June 30, 2022: unsecured and guaranteed).

19. BOND PAYABLES DUE WITHIN/OVER ONE YEAR

	As at June 30, 2023 RMB'000 (unaudited)	As at December 31, 2022 RMB'000 (audited)
Listed corporate bonds	981,806	980,913
Interest accrued	21,143	20,398
	<u>1,002,949</u>	<u>1,001,311</u>
Analysed as:		
Non-current	784,842	980,913
Current (<i>note (i)</i>)	218,107	20,398
	<u>1,002,949</u>	<u>1,001,311</u>
The carrying amounts of the above bond payables		
– within one year	218,107	20,398
– more than one year but within two years	295,208	198,207
– more than two years but within five years	489,634	782,706
	<u>1,002,949</u>	<u>1,001,311</u>

The following table presents an analysis of listed and unlisted corporate bonds issued by the Company, which are known as the 2022 Corporate Bonds approved by the China Securities Regulatory Commission for the issue to the qualified investors in the PRC by installment during 2022, with details as set out below:

Abbreviation	Issued amount RMB'000	Issue date	Maturity date	Coupon rate
22Tiantu01 (<i>note (i) and (iii)</i>)	200,000	May 5, 2022	May 5, 2025	<i>note (i)</i>
22Tiantu02 (<i>note (ii) and (iii)</i>)	300,000	May 5, 2022	May 5, 2027	<i>note (ii)</i>
22Tiantu03 (<i>note (iv)</i>)	500,000	October 19, 2022	October 19, 2025	5% per annum

Notes:

- (i) The coupon rate is 4.27% per annum. Pursuant to the bond offering document, the Company has the right to revise the coupon rate in the end of second anniversary year after the date of issue, and the bondholders are granted with right to request the Company to redeem the outstanding bond in the end of second anniversary year after the date of issue.

- (ii) The coupon rate is 4.99% per annum. Pursuant to the bond offering document, the Company has the right to revise the coupon rate in the end of third anniversary year after the date of issue, and the bondholders are granted with right to request the Company to redeem the outstanding bond in the end of third anniversary year after the date of issue.
- (iii) The 2022 First Corporate Bonds were guaranteed by an independent financial institution who acted as the third-party guarantor. In return, Mr. Wang, his spouse Ms. Li Wen and Shenzhen Tiantu Chuangye Investment Co., Ltd. (“Tiantu Chuangye”)* (深圳市天圖創業投資有限公司) provided counter-guarantees (the “2022 First Bonds Counter-Guarantees”) to that independent financial institution, such counter-guarantees included were secured by (a) 103,954,622 Shares of the Company held by Mr. Wang (the “Share Pledge”); (b) personal guarantees provided by Mr. Wang and his spouse Ms. Li Wen to that independent financial institution; (c) corporate guarantee provided by Tiantu Chuangye; (d) pledge of certain shares held by Tiantu Chuangye in one of its invested companies; (e) mortgages over a piece of real estate property of Tiantu Chuangye and (f) pledge of certain shares of the Group’s interest in the associates measured at fair value and of 100% shareholding of a subsidiary ((b) to (f), collectively, the “Remaining Guarantee and Pledge”). In November 2022, the Group entered into an agreement for the replacement of the Share Pledge by the pledge of 2 real estate properties owned by independent third parties and another 2 properties owned by the employees of the Group.
- (iv) In connection with the issuance of the 2022 Second Corporate Bonds, an independent financial institution provided guarantee for our repayment obligations under the 2022 Second Corporate Bonds. In return, Mr. Wang, his spouse Li Wen and Tiantu Chuangye provided counter-guarantees (the “2022 Second Bonds Counter-Guarantees”) to an independent financial institution, including: (a) 105,215,378 Shares of the Company held by Mr. Wang; (b) personal guarantee provided by Mr. Wang and his spouse Ms. Li Wen; (c) corporate guarantee provided by Tiantu Chuangye and (d) pledge of certain shares of the Group’s interest in associates measured at fair value. In August 2023, the (a) to (c) under the 2022 Second Bonds Counter Guarantees are expected to be released immediately upon the Listing.

20. FINANCIAL LIABILITIES AT FVTPL

	As at June 30, 2023 RMB’000 (unaudited)	As at December 31, 2022 RMB’000 (audited)
Non-current		
Financial liabilities designated at FVTPL		
– Consolidated structured entities	8,539,643	8,596,707

In the condensed consolidated financial statements, financial liabilities arising from the Group’s consolidated structured entities are designated at FVTPL, as the Group has an obligation to pay the consolidated structured entities’ other investors their respective share of the net assets value upon the respective maturity dates of the consolidated structured entities. As the respective maturity dates of the consolidated structured entities are over twelve months from the end of each reporting period, therefore the financial liabilities at FVTPL is classified as non-current liabilities.

21. DISCONTINUED OPERATION OF YOPLAIT CHINA

On January 31, 2022, the Group and other shareholders of Yoplait China entered into a share subscription agreement with a new independent investor (“New Independent Investor 2”), pursuant to which, Yoplait China agrees to issue new shares to the New Independent Investor 2 equivalent to 17.96% equity interest of Yoplait China. During the year ended December 31, 2022, this transaction had not yet completed due to New Independent Investor 2’s non-payment of first installment of the consideration for 17.96% equity interest in Yoplait China.

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On June 10, 2022, the Group has entered into a share purchase agreement with New Independent investor 1, pursuant to which, the Group agrees to sell and the New Independent Investor 1 agrees to buy 59.98% registered capital of Pingtan Xingxu for a cash consideration of RMB62,610,000. Upon completion on June 15, 2022, the Group and the New Independent Investor 1 hold RMB12,000,000 and RMB18,000,000 paid-up capital of Pingtan Xingxu, representing 40% and 60% equity interest of Pingtan Xingxu, respectively. Up to the date of issue of these condensed consolidated financial statements, the Group received RMB31,305,000, being 50% of the consideration, while the remaining amount will be settled within 12 months after the date of signing the share purchase agreement. In June 2023, the Group and the New Independent Investor 1 had agreed to extend the maturity date for 1 year. The Group only has significant influence over Pingtan Xingxu. Accordingly, Pingtan Xingxu became an associate of the Group using equity method since then.

Together with the certain arrangement between the Group and Yoplait China and the other shareholders as described in Note 1, the Group's absolute control over Yoplait China has been lost and the Group's Yoplait China Business, which is one of the major lines of business under the Buyout Investment Business, has been discontinued along with these amendments. The financial performance of Yoplait China Business is therefore presented as a discontinued operation since the beginning of the reporting period.

The analysis of assets and liabilities over which control was lost on the date of deemed disposal of Yoplait China on June 15, 2023 are included in Note 40 of Appendix I.

At the disposal date of Yoplait China, the fair value of Yoplait China was RMB1,200,425,000. Subsequent to the deemed disposal of Yoplait China Business, the Group retained 45.22% equity interests in Yoplait China directly. The fair value of Yoplait China is RMB584,541,000, which included the fair value of Yoplait China amounting to RMB41,740,000 in respect of 8.70% equity interest of Yoplait China held by Pingtan Xingxu. Yoplait China is accounted for as interests in associates measured at fair value.

22. DISPOSAL OF A SUBSIDIARY

The Group acts the general partner of Hainan Tiantu Xingchuang Investment Partnership (Limited Partnership)* (“Tiantu Xingchuang”) (海南天圖興創投資合夥企業(有限合夥)). In April 2022, the Group withdrew the original paid-in capital to exit the limited partnership of Tiantu Xingchuang with net assets of RMB1,200,000 and transferred its 0.625% paid-in capital equity interest to an independent third party, for a consideration of RMB1,200,000. No gain/loss on disposal of Tiantu Xingchuang was recognised. Such amount was fully settled in April 2022.

The analysis of assets and liabilities over which control was lost on the date of disposal of Tiantu Xingchuang are included in Note 40 of Appendix I.

Net cash outflow arising from disposal of Tiantu Xingchuang

	<i>RMB'000</i>
Cash received	1,200
Less: Bank balance and cash disposed of	<u>(3,242)</u>
Net cash outflows	<u><u>(2,042)</u></u>

23. SHARE CAPITAL

All shares issued by the Company are fully paid domestic shares. The par value per share is RMB1. The Company's number of shares issued and their nominal value are as follows:

	Number of shares	Nominal value per share <i>RMB</i>	Share capital <i>RMB</i>
<u>Registered and fully paid</u>			
At January 1, 2022 (audited), June 30, 2022 (unaudited), January 1, 2023 (audited) and June 30, 2023 (unaudited)	<u>519,773,110</u>	<u>1</u>	<u>519,773,110</u>

* English name is for the identification purpose only

	As at June 30, 2023 RMB'000 (unaudited)	As at December 31, 2022 RMB'000 (audited)
Presented as	519,773	519,773

24. RELATED PARTY TRANSACTIONS AND BALANCES

The Group has the following related party balances.

(a) Amounts due from related parties – non-trade nature

Relationship (notes)	As at June 30, 2023 RMB'000 (unaudited)	As at December 31 2022 RMB'000 (audited)	Maximum balance outstanding Six months ended June 30, 2023 RMB'000 (unaudited)
Shenzhen Tiantu Dongfeng Investment Consulting Center (Limited Partnership)* (深圳天圖 東峰投資諮詢中心(有限合夥))	(i) 174	162	174
Tiantu Dongfeng	(i) 217	313	313
Shenzhen Tiantu Xingnan Investment Partnership Enterprise (Limited Partnership)* (深圳天圖 興南投資合夥企業(有限合夥))	(iv) 359	347	359
Chengdu Tiantu Tiantou Dongfeng Equity Investment Fund Center (Limited Partnership)* (成都天圖 天投東風股權投資基金中心(有限 合夥))	(i) –	48	48
Tiantu China Consumer Fund I, L.P.	(ii) 2,977	2,437	2,977
Pingtan Xingxu	(iv) 16	–	16
Putian Tiantu Food and Digital Industry Investment Partnership (Limited partnership)* (莆田天兔 食品與數字產業投資合夥企業(有 限合夥))	(iv) 5	–	5
	<u>3,748</u>	<u>3,307</u>	

These amounts mentioned above are included in “prepayments and other receivables” as set out in Note 15. The amounts are unsecured, unguaranteed and repayable on demand.

As represented by the management of the Group, the outstanding amounts as at June 30, 2023 will not be fully settled prior to the Listing.

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(b) Amounts due from related parties – trade nature

	Relationship (notes)	As at June 30, 2023 RMB'000 (unaudited)	As at December 31, 2022 RMB'000 (audited)
Tiantu China Consumer Fund I, L.P.	(ii)	28,088	27,073
Tiantu Dongfeng	(i)	28,897	16,957
		<u>56,985</u>	<u>44,030</u>

These amounts mentioned are included in “accounts receivables” as set out in Note 14.

(c) Loans to related parties – non-trade nature

	Relationship (notes)	As at June 30, 2023 RMB'000 (unaudited)	As at December 31 2022 RMB'000 (audited)	Maximum balance outstanding Six months ended June 30, 2023 RMB'000 (unaudited)
Jiangsu Zhongying United Data Technology Co., Ltd.* (江蘇眾瀛聯合數據科技有限公司)	(iii)	24,600	24,600	24,600
Beijing Yingli Shengke New Material Technology Co., Ltd.* (北京英力生科新材料技術有限公司)	(iii)	18,114	18,114	18,114
Leader tech (Beijing) Digital Technology Co., Ltd.* (立德高科(北京)數碼科技有限責任公司)	(iii)	4,800	4,800	4,800
Yoplait China	(iii)	<u>73,046</u>	<u>72,603</u>	73,046
		<u>120,560</u>	<u>120,117</u>	
Less: Impairment loss allowance		<u>47,514</u>	<u>47,514</u>	
		<u>73,046</u>	<u>72,603</u>	

These amounts mentioned above are loans to Yoplait China and the Group's other investee companies and are included in “prepayments and other receivables” as set out in Note 15. All loans to the Group's investee companies excluding Yoplait China have been defaulted and fully impaired in the prior year.

As represented by the management of the Group, the outstanding amount of loan to Yoplait China as at June 30, 2023 will not be settled prior to the Listing pursuant to the payment term of the loan contract.

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(d) Advance from a related party – non-trade nature

	Relationship	As at June 30, 2023	As at December 31, 2022
	<i>(note)</i>	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(unaudited)</i>	<i>(audited)</i>
Hangzhou Shangniu Investment Management Partnership (Limited Partnership)* (杭州商牛投資管理合夥企業(有限合夥))	<i>(viii)</i>	176,730	176,730

These amounts mentioned above are included in “advances from share transfer transaction”.

The outstanding balance of the advance from a related party and the Group’s investment in an unlisted entity classified as financial asset at FVTPL, both amounting to RMB176,730,000 as at June 30, 2023 and December 31, 2022 will be derecognised upon the completion of the share transfer, with no material impact to profit or loss or net assets. The share transfer is subject to the approval of a relevant regulatory authority which had not been obtained up to June 30, 2023, and the management of Group expects such approval might not be obtained prior to the Listing.

(e) Contract liabilities from related parties – trade nature

	Relationship	As at June 30, 2023	As at December 31, 2022
	<i>(notes)</i>	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(unaudited)</i>	<i>(audited)</i>
Shenzhen Futian District Tiantu Tangrenshen Innovation Consumption Equity Investment Fund Partnership (Limited Partnership)* (“Tangrenshen”) (深圳福田區天圖唐人神創新消費股權投資基金合夥企業(有限合夥))	<i>(iv)</i>	–	3,675
Tiantu Tiantou	<i>(i)</i>	817	1,845
Tiantu Xingnan	<i>(iv)</i>	48,578	57,128
		<u>49,395</u>	<u>62,648</u>

(f) Lease liabilities – non-trade nature

	Relationship	As at June 30, 2023	As at December 31, 2022
	<i>(note)</i>	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(unaudited)</i>	<i>(audited)</i>
Shenzhen Tiantu Chuangye Investment Co., Ltd.* (“Tiantu Chuangye”) (深圳市天圖創業投資有限公司)	<i>(v)</i>	5,732	2,898

Relevant lease agreement with Tiantu Chuangye expired and was renewed in June 2023 and lease payments will be settled on a monthly basis with commercial terms at prevailing market price. The relevant lease liabilities balance with Tiantu Chuangye will be fully settled in June 2024 pursuant to the renewed lease agreement.

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The balance as at December 31, 2022 and June 30, 2023 are non-trade related. The management is of the opinion that the property leased from Tiantu Chuangye are for daily operation and as represented by the management of the Group, the outstanding amount of lease liabilities as at June 30, 2023 will not be settled in full prior to the Listing and will be settled in full in June 2024 in accordance with the lease term as stipulated in the lease agreement.

(g) Financial liabilities at FVTPL – trade nature

	Relationship	As at June 30,	As at
	<i>(notes)</i>	2023	December 31,
		<i>RMB'000</i>	<i>RMB'000</i>
		<i>(unaudited)</i>	<i>(audited)</i>
Shenzhen iRead Foundation* (深圳市愛閱公益基金會)	<i>(ix)</i>	10,588	11,393
Lucky Resources Limited	<i>(vi)</i>	288,365	283,123
		<u>298,953</u>	<u>294,516</u>

The amounts mentioned above are included in “financial liabilities at FVTPL” as set out in Note 20.

The transactions with related parties during the interim period are listed out below:

	Relationship	Six months ended June 30,	
	<i>(notes)</i>	2023	2022
		<i>RMB'000</i>	<i>RMB'000</i>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Management fees from:			
Tiantu Dongfeng	<i>(i)</i>	11,264	11,321
Tangrenshen	<i>(iv)</i>	3,067	4,643
Tiantu Tiantou	<i>(i)</i>	969	984
Tiantu Xingnan	<i>(iv)</i>	8,066	3,933
		<u>23,366</u>	<u>20,881</u>

	Relationship	Six months ended June 30,	
	<i>(note)</i>	2023	2022
		<i>RMB'000</i>	<i>RMB'000</i>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Loan interest income from:			
Yoplait China	<i>(iii)</i>	1,770	–
		<u>1,770</u>	<u>–</u>

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	Relationship (notes)	Six months ended June 30,	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Loan interest expense to:			
Tiantu Chuangye	(vi)	–	3,518
Mr. Wang	(vii)	–	562
Shenzhen Feitiandai	(iii)	–	1,750
		<u>–</u>	<u>5,830</u>
	Relationship (note)	Six months ended June 30,	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Interest on lease liabilities:			
Tiantu Chuangye	(vi)	39	52
		<u>39</u>	<u>52</u>
	Relationship (notes)	Six months ended June 30,	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Investment gains from:			
<i>Dividends and interests from interests in associates measured at fair value</i>			
Beijing Xichengjinrui Equity Investment Fund Management Co., Ltd.* (北京熙誠金睿股權投資基金管理有限公司)	(iii)	2,250	–
Chengdu White Rabbit Cultural Communication Co., Ltd* (成都白兔有你文化傳播有限公司)	(iii)	750	–
China Securities Credit Investment Co., Ltd. (“China CSCI”)* (中證信用增進股份有限公司)	(iii)	4,800	–
Shenzhen Pagoda Industrial (Group) Corporation Limited (“Pagoda Industrial”)* (深圳百果園實業(集團)股份有限公司)	(iii)	12,132	–
		<u>19,932</u>	<u>–</u>
<i>Realised gains from:</i>			
Tiantu Chuangye	(vi)	–	3,000
		<u>–</u>	<u>3,000</u>
Purchase of raw milk:			
Dezhou Victoria	(iii)	–	43,924
		<u>–</u>	<u>43,924</u>

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Notes:

- (i) Joint ventures measured at equity method of the Group.
- (ii) The Group exercises joint control over the general partner of the entity.
- (iii) Associates measured at fair value of the Group.
- (iv) Associates measured at equity method of the Group.
- (v) An entity controlled by Mr. Wang.
- (vi) A close member of Mr. Wang's family that has significant influence over this entity.
- (vii) A person has control of the Group.
- (viii) A consolidated entity of an associate measured at fair value of the Group.
- (ix) Mr. Wang is a member of the key management personnel of the entity.

25. STRUCTURED ENTITIES**Consolidated structured entities**

The consolidated structured entities of the Group included investment funds of which the Group acted as general partner and have majority interests. The Group considers it has control over such structured entities and those structured entities should be consolidated by the Group. As at December 31, 2022 and June 30, 2023, the scale of the consolidated structured entities with reference to the net asset value, amounting to RMB13,042,835,000 and RMB12,385,460,000, respectively.

(i) Structured entities managed by third party institutions in which the Group holds an interest

The Group holds interests in these structured entities managed by third party institutions through investments in the beneficial rights or plans issued relating to these structured entities. The Group does not consolidate these structured entities. Such structured entities include money market funds, bond funds and financial bonds issued by financial institutions and investments in fund managed by third parties.

The following tables set out an analysis of the gross carrying amounts of interests held by the Group as at December 31, 2022 and June 30, 2023 in the structured entities managed by third party institutions.

	December 31, 2022 (audited)		
	Financial assets at fair value through profit or loss RMB'000	Maximum risk exposure (Note) RMB'000	Type of income
Money market funds	23,518	23,518	Investment gain
Unlisted financial products	25,000	25,000	Investment gain
	<u>48,518</u>	<u>48,518</u>	

	June 30, 2023 (unaudited)		
	Financial assets at fair value through profit or loss RMB'000	Maximum risk exposure (Note) RMB'000	Type of income
Money market funds	23,738	23,738	Investment gain
Wealth management products	80,551	80,551	Investment gain
Unlisted financial products	25,000	25,000	Investment gain
	<u>129,289</u>	<u>129,289</u>	

Note: All of these unconsolidated structured entities are recorded in financial assets at FVTPL. The maximum exposures to loss in the above investments are the carrying amounts of the assets held by the Group at the end of each reporting period.

(ii) Unconsolidated structured entities managed by the Group

The types of unconsolidated structured entities, including certain financial assets at FVTPL and interests in joint ventures/associates, are managed by the Group include funds where it acts as the general partner and has minority interests. The purpose of managing these structured entities is to generate fees from managing assets on behalf of the fund. Interest held by the Group includes fees and carried interest charged by providing management services to these structured entities and net investment gains from structured entities. Financing is sustained through investment from the Group and other investors.

The following tables set out an analysis of the gross carrying amounts of interests held by the Group as at December 31, 2022 (audited) and June 30, 2023 (unaudited) in the unconsolidated structured entities managed by the group.

	December 31, 2022 (audited)	
	Carrying amount RMB'000	Maximum risk exposure RMB'000
Interests in associates measured using equity method	551,880	551,880
Interests in joint ventures	748,283	748,283
	<u>1,300,163</u>	<u>1,300,163</u>

	June 30, 2023 (unaudited)	
	Carrying amount RMB'000	Maximum risk exposure RMB'000
Interests in associates measured using equity method	539,410	539,410
Interests in joint ventures	860,101	860,101
	<u>1,399,511</u>	<u>1,399,511</u>

For the six months ended June 30, 2022 and 2023, the management fee recognised amounting to RMB20,881,000 and RMB23,366,000, respectively.

No carried interest are recognised for the six months ended June 30, 2022 and 2023.

No investment gain is recognised for the six months ended June 30, 2022 and 2023.

For the six months ended June 30, 2022 and 2023, the share of results of associates recognised a gain of RMB30,288,000 and a loss of RMB12,970,000, respectively.

For the six months ended June 30, 2022 and 2023, the share of results of joint ventures recognised amounting to RMB37,412,000 and RMB111,818,000, respectively.

As at December 31, 2022 and June 30, 2023, the amount of assets held by the funds managed by the Group amounting to RMB6,475,057,000 and RMB7,086,110,000, respectively.

26. CAPITAL COMMITMENTS

As at December 31, 2022 and June 30, 2023, the Group had the following capital commitments:

The Group

	As at June 30, 2023 RMB'000 (unaudited)	As at December 31, 2022 RMB'000 (audited)
Capital commitments in respect of		
– Minimum investments to portfolio companies	15,500	36,200

27. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages the third party qualified valuer to perform the valuation of financial assets at FVTPL and financial liabilities. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categories (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

This note provides information about how the Group determines fair value of the following financial assets, financial liabilities that are measured at fair value on a recurring basis.

	Fair value as at		Fair value hierarchy	Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable input(s)
	June 30, 2023 RMB'000 (unaudited)	December 31, 2022 RMB'000 (audited)			
Financial assets at FVTPL					
Listed Equity	276,109	330,034	Level 1	Quoted closing prices in an active market.	N/A
Unlisted Equity	67,863	36,824	Level 2	Recent transaction price.	N/A
	3,725,838	3,681,452	Level 3	Comparable companies analysis valuation. (note a)	Liquidity discount.
	274,742	344,486	Level 3	Discounted cash flow- future cash flow are estimated based on forecast earnings, and discounted at a rate that reflects the risk of investments.(note b)	Expected future cash flows.
	262,421	187,827	Level 3	The net asset value based on the fair value of the underlying investments. (note h)	The fair value of underlying assets.
Funds	23,738	23,518	Level 2	Based on the net asset values of the funds, determined with reference to observable (quoted) prices of underlying investment portfolio and adjustments of related expenses.	N/A
Wealth management products	80,551	–	Level 2	Based on the net asset values of the assets, determined with reference to observable (quoted) prices of underlying investment portfolio and adjustments of related expenses.	N/A

	Fair value as at		Fair value hierarchy	Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable input(s)
	June 30, 2023	December 31, 2022			
	RMB'000 (unaudited)	RMB'000 (audited)			
Convertible bonds	–	124,045	Level 2	Recent transaction price.	N/A
	486,251	460,106	Level 3	Comparable companies analysis valuation. (note c)	Liquidity discount.
	174,045	50,000	Level 3	Discounted cash flow-future cash flow are estimated based on forecast earnings, and discounted at a rate that reflects the credit risk. (note d)	Expected future cash flows.
Interests in associates measured at fair value	463,074	701,672	Level 1	Quoted closing prices in an active market.	N/A
	436,064	2,197,347	Level 2	Recent transaction price.	N/A
	7,831,141	6,909,921	Level 3	Comparable companies analysis valuation. (note e)	Liquidity discount.
	174,101	204,392	Level 3	Discounted cash flow-future cash flow are estimated based on forecast earnings, and discounted at a rate that reflects the credit risk. (note f)	Expected future cash flows.
	63,940	66,270	Level 3	The net asset value based on the fair value of the underlying investments. (note g)	The fair value of underlying assets.
	756,308	–	Level 3	Adjusted market price by option price model in relation to the lockup period. (note i)	Liquidity discount.
Financial liabilities at FVTPL					
Structured entities	8,539,643	8,596,707	Level 3	Based on the net asset values of the funds, determined with reference to fair value of underlying investment.	The fair value of underlying assets.

Notes:

- (a) A slight increase in the liquidity discount used in isolation would result in a decrease in the fair value measurement of the unlisted equity under the comparable companies analysis valuation, and vice versa. A 5% increase/decrease in the liquidity discount holding all other variables constant would decrease/increase the carrying amount of the shares by RMB29,219,000 and RMB30,297,000 for December 31, 2022 and June 30, 2023 respectively.
- (b) A slight increase in the expected future cash flows used in isolation would result in an increase in the fair value measurement of the unlisted equity under the discounted cash flow-future cash flow, and vice versa. A 5% increase/decrease in the expected future cash flows holding all other variables constant would increase/decrease the carrying amount of the shares by RMB8,388,000 and RMB4,901,000 for December 31, 2022 and June 30, 2023 respectively.
- (c) A slight increase in the liquidity discount used in isolation would result in a decrease in the fair value measurement of the convertible bonds under comparable companies analysis valuation, and vice versa. A 5% increase/decrease in the liquidity discount holding all other variables constant would decrease/increase the carrying amount of the bonds by RMB1,703,000 and RMB1,657,000 for December 31, 2022 and June 30, 2023 respectively.
- (d) A slight increase in the expected future cash flows used in isolation would result in an increase in the fair value measurement of the convertible bonds under discounted cash flow-future cash flow, and vice versa. A 5% increase/decrease in the expected future cash flows holding all other variables constant would increase/decrease the carrying amount of the bonds by RMB2,500,000 and RMB8,702,000 for December 31, 2022 and June 30, 2023 respectively.
- (e) A slight increase in the liquidity discount used in isolation would result in a decrease in the fair value measurement of the interests in associates measured at fair value under comparable companies analysis valuation, and vice versa. A 5% increase/decrease in the liquidity discount holding all other variables constant would decrease/increase the carrying amount of the shares by RMB78,540,000 and RMB73,788,000 for December 31, 2022 and June 30, 2023 respectively.
- (f) A slight increase in the expected future cash flows used in isolation would result in an increase in the fair value measurement of the interests in associates measured at fair value under discounted cash flow-future cash flow, and vice versa. A 5% increase/decrease in the expected future cash flows holding all other variables constant would increase/decrease the carrying amount of the shares by RMB10,220,000 and RMB8,705,000 for December 31, 2022 and June 30, 2023 respectively.
- (g) A slight increase in the net value of assets used in isolation would result in an increase in the fair value measurement of the interests in associates measured at fair value under net asset value based on the fair value of the underlying investments and vice versa. A 5% increase/decrease in the fair value of the underlying investments holding all other variables constant would increase/decrease the carrying amount of the shares by RMB3,313,000 and RMB3,197,000 for December 31, 2022 and June 30, 2023 respectively.
- (h) A slight increase in the net value of assets used in isolation would result in an increase in the fair value measurement of the unlisted equity under net asset value based on the fair value of the underlying investments, and vice versa. A 5% increase/decrease in the fair value of the underlying investments holding all other variables constant would increase/decrease the carrying amount of the shares by RMB9,391,000 and RMB13,121,000 for December 31, 2022 and June 30, 2023 respectively.
- (i) A slight increase in the liquidity discount used in isolation would result in a decrease in the fair value measurement of the interests in associates measured at fair value under adjusted market price by option price model in related to lockup period, and vice versa. A 5% increase/decrease in the liquidity discount holding all other variables constant would decrease/increase the carrying amount of the shares by RMB2,662,000 for June 30, 2023.

Reconciliation of level 3 fair value measurements of financial assets is as below:

	Financial assets <i>RMB'000</i>	Financial liabilities <i>RMB'000</i>
At January 1, 2022 (audited)	10,451,922	(8,075,184)
Total (losses) gains		
– in profit or loss	(800,741)	358,136
– in other comprehensive income (expense)	334,933	(168,790)
Addition	325,359	(868,639)
Disposals/settlements	(284,233)	157,770
Transfers into level 3 (<i>note i</i>)	2,313,093	–
Transfers out of level 3 (<i>note i</i>)	(435,879)	–
	<hr/>	<hr/>
At December 31, 2022 (audited)	11,904,454	(8,596,707)
Total (losses) gains		
– in profit or loss	(218,169)	152,480
– in other comprehensive income (expense)	145,675	(71,911)
Addition	–	(48,728)
Disposals/settlements	(11,368)	25,223
Transfers into level 3 (<i>note ii</i>)	2,049,735	–
Transfers out of level 3 (<i>note ii</i>)	(121,540)	–
	<hr/>	<hr/>
At June 30, 2023 (unaudited)	<u>13,748,787</u>	<u>(8,539,643)</u>

Notes:

- (i) During the year ended December 31, 2022, the Group transferred its equity investments amounting to RMB2,313,093,000 from level 2 into level 3 as the valuation technique of those investments are changed from recent transaction prices to comparable companies analysis valuation, and discounted cash flow method which include liquidity discount and expected future cash flows as the unobservable input. In addition, the Group has also transferred its equity investments amounting to RMB247,539,000 and RMB188,340,000, respectively, from level 3 to level 2 and level 1, respectively, as the valuation technique of those investments are changed from comparable companies analysis valuation and discounted cash flow method to recent transaction price and quoted closing prices in an active market.
- (ii) During the six months ended June 30, 2023, the Group transferred its equity investments amounting to RMB2,049,735,000 from level 2 into level 3 as the valuation technique of those investments are changed from recent market trading prices to comparable companies analysis valuation which include liquidity discount as the unobservable input. In addition, the Group has also transferred its equity investments amounting to RMB121,540,000 from level 3 to level 2, as the valuation technique of those investments are changed from comparable companies analysis valuation to recent transaction price.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The information set forth in this Appendix does not form part of the accountants' report on the historical financial information of the Group for each of the three years ended December 31, 2022 and the three months ended March 31, 2023 (the "Track Record Period") (the "Accountants' Report") prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for information only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set forth in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company which has been prepared in accordance with paragraph 4.29 of the Listing Rules is for the purpose of illustrating the effect of the proposed Hong Kong public offering and international offering of the H Share of the Company (the "Global Offering") as if the Global Offering had taken place on March 31, 2023.

This unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Global Offering been completed as at March 31, 2023 or at any further dates. It is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2023 as derived from the Accountants' Report set out in Appendix I to this prospectus and adjusted as described below.

	Consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2023 <i>RMB'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Global Offering <i>RMB'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2023 <i>RMB'000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share as at March 31, 2023 <i>RMB</i> <i>(Note 3)</i>	<i>HK\$</i> <i>(Note 4)</i>
Based on an Offer Price of HK\$5.80 per H Share	7,186,253	817,574	8,003,827	11.55	12.59
Based on an Offer Price of HK\$11.40 Per H Share	7,186,253	1,676,129	8,862,382	12.79	13.94

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

Notes:

1. The consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2023 is arrived at after deducting goodwill attributable to owners of the Company of RMB56,000 from the audited consolidated net assets of RMB7,186,309,000 attributable to owners of the Company as at March 31, 2023 as extracted from the Accountants' Report set out in Appendix I to this prospectus.
2. The estimated net proceeds from the issue of the new shares pursuant to the Global Offering are based on 173,258,000 H Shares at the Offer Price of HK\$5.80 and HK\$11.40 per H Share, being the low-end and high-end of the stated Offer Price Range, after deduction of the estimated underwriting fees and commissions and other related expenses not yet recognised in profit or loss up to March 31, 2023. It does not take into account of any share which may be allotted and issued upon the exercise of the Over-allotment Option or any other issuance or repurchase of shares by the Company.

For the purpose of this unaudited pro forma statement, the estimated net proceeds from the Global Offering are converted from HK\$ into RMB at an exchange rate of RMB0.9171 to HK\$1.00, which was the exchange rate prevailing on September 15, 2023 with reference to the rate published by the People's Bank of China. No representation is made that the HK\$ amounts have been, could have been or may be converted to RMB, or vice versa, at that rate or any other rates or at all.

3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share is arrived at on the basis that 693,031,110 shares were in issue assuming that the Global Offering had been completed on March 31, 2023 and without taking into account of any share which may be allotted and issued upon the exercise of the Over-allotment Option or any other issuance or repurchase of shares by the Company.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share, is converted from RMB into HK\$ at an exchange rate of RMB0.9171 to HK\$1.00, which was the exchange rate prevailing on September 15, 2023 with reference to the rate published by the People's Bank of China. No representation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or any other rates or at all.
5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group as at March 31, 2023 to reflect any trading result or other transaction of the Group entered into subsequent to March 31, 2023. In particular, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as shown on page II-1 have not been adjusted to illustrate the effect of the 2023 Dividend of RMB103,955,000 distributed as disclosed in the paragraph headed "Financial Information – Dividends" in this prospectus. After taking into account the 2023 Dividend as disclosed in the paragraph headed "Financial Information – Dividends", the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company would have been RMB7,899,872,000 and RMB8,758,427,000 and the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share would have been HK\$12.43 and HK\$13.78, respectively, assuming the amounts is converted from RMB into HK\$ at an exchange rate of RMB0.9171 to HK\$1.00, which was the exchange rate prevailing on September 15, 2023 with reference to the rate published by the People's Bank of China. No representation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or any other rates or at all.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

Deloitte.**德勤****INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of Tian Tu Capital Co., Ltd.**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Tian Tu Capital Co., Ltd. (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at March 31, 2023 and the related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated September 25, 2023 (the “Prospectus”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed Global Offering (as defined in the Prospectus) on the Group's financial position as at March 31, 2023 as if the proposed Global Offering had taken place at March 31, 2023. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's historical financial information for each of the three years ended December 31, 2022 and the three months ended March 31, 2023, on which an accountants' report set out in Appendix I to the Prospectus has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at March 31, 2023 would have been as presented.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
September 25, 2023

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective laws and practices, and no predictions are made about changes or adjustments to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account, some of which may be subject to special regulations. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this prospectus, which is subject to change or adjustment and may have retrospective effect.

No issues of PRC or Hong Kong taxation other than income tax, capital appreciation and profit tax, business tax/appreciation tax, stamp duty and estate duty are addressed in this discussion. Prospective investors are urged to consult their financial advisors regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

The PRC Taxation*Taxation on Dividends**Individual Investors*

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was most recently amended on August 31, 2018 and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was most recently amended on December 18, 2018 (hereinafter collectively referred to as the “IIT Law”), dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) issued by NPC on March 16, 2007 and latest amended on December 29, 2018 and the Implementation Provisions for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) issued by the State Council on December 6, 2007, came into effect on January 1, 2008 and amended on April 23, 2019 (hereinafter collectively referred to as the “EIT Law”), the rate of enterprise income tax shall be 25%. A non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if it does

not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise.

The Circular of the State Administration of Taxation on Issues Relating to the Withholding and Remitting of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), which was issued and implemented by the State Administration of Taxation (hereinafter referred to as SAT) on November 6, 2008, further clarified that a PRC-resident enterprise must withhold enterprise income tax at a rate of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (hereinafter referred to as the “the Arrangement”), which was signed on August 21, 2006, the Chinese Government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company unless a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, then such tax shall not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), which came into effect on December 6, 2019, adds a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the State Administration of Taxation on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese corporate income tax imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

*Taxation on Share Transfer**VAT and Local Additional Tax*

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (《關於全面推開營業稅改徵增值稅試點的通知》) (hereinafter referred to as “Circular 36”), which was promulgated by the Ministry of Finance and the State Administration of Taxation on March 23, 2016 and amended on July 11, 2017, December 25, 2017 and March 20, 2019 respectively, entities and individuals engaged in the services sale in the PRC are subject to VAT and “engaged in the services sale in the PRC” means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT, which is also provided in the Notice of Ministry of Finance and State Administration of Taxation on Several Tax Exemption Policies for Business Tax on Sale and Purchase of Financial Commodities by Individuals (《財政部、國家稅務總局關於個人金融商品買賣等營業稅若干免稅政策的通知》) effective on January 1, 2009. According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside China, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in China, the holder may be required to pay the PRC VAT. However, it is still uncertain whether the non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares in practice.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge (hereinafter collectively referred to as “Local Additional Tax”), which shall be usually subject to 12% of the value-added tax, business tax and consumption tax actually paid (if any).

*Income tax**Individual Investors*

According to the IIT Law, gains on the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%. Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the State Administration of Tax on March 30, 1998 and effective from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. The State Administration of Taxation has not expressly stated whether it will continue to exempt tax on income of individuals from transfer of the shares of listed enterprises in the latest amended IIT Law.

However, on December 31, 2009, the Ministry of Finance, SAT and China Securities Regulatory Commission jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》), which came into effect on December 31, 2009, which states that individuals' income from the transfer of listed shares obtained from the public offering of listed companies and transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues Concerning the Levy of Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) jointly issued and implemented by such departments on November 10, 2010). As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-Chinese resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law, a non-resident enterprise is generally subject to corporate income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Partnership Enterprises

According to the Circular of the State Council on Questions Concerning the Collection of Income Tax on Wholly Individually-owned Enterprises and Partnership Enterprises (《國務院關於個人獨資企業和合夥企業徵收所得稅問題的通知》), issued by State Council on June 20, 2000 and came into force from January 1, 2000, the State Council decides to cease the enterprise income taxation of partnership enterprises as of January 1, 2000, and that the individual income tax will be levied on the investors' income derived from manufacturing and operation in the same way as for the income of individual industrial and commercial households derived from manufacturing and operation.

Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on Income Tax Issues Pertaining to Partners of Partnership Enterprises (《財政部、國家稅務總局關於合夥企業合夥人所得稅問題的通知》), released on December 23, 2008 by Ministry of Finance and State Administration of Taxation and came into effect on January 1, 2008, each partner of a partnership enterprise shall be a taxpayer. Where a partner of a partnership enterprise is a natural person, he/she shall pay individual income tax; where a partner is a legal person or any other organization, it shall pay enterprise income tax.

Stamp Duty

Pursuant to the Provisional Regulations of the PRC on Stamp Duty (《中華人民共和國印花稅暫行條例》), which was issued on August 6, 1988 and latest amended on January 8, 2011, and the Implementation Provisions of Provisional Regulations of the PRC on Stamp Duty (《中華人民共和國印花稅暫行條例施行細則》), which came into effect on October 1, 1988 and was amended by Notice of Ministry of Finance and State Administration of Taxation on Revision of the Administrative Measures on Payment of Stamp Duties on a Regular and Consolidated Basis (《財政部、國家稅務總局關於改變印花稅按期匯總繳納管理辦法的通知》) from November 5, 2004, PRC stamp duty only applies to specific taxable document executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

As of the date of this prospectus, no estate duty has been levied in the PRC under the PRC laws.

HONG KONG TAXATION**Taxation on Dividends**

No tax is payable by any person or corporation under the laws of Hong Kong in respect of dividends paid by our Company.

Profits Tax

Hong Kong profits tax will not be payable by any Shareholders (other than Shareholders carrying on a trade, profession or business in Hong Kong and holding the Shares for trading purposes) on any capital gains made on the sale or other disposal of the Shares. Shareholders should take advice from their own professional advisers as to their particular tax position.

Stamp Duty

Hong Kong stamp duty will be charged on the sale and purchase of Shares at the current rate of 0.26% of the consideration for, or (if greater) the value of, the Shares being sold or purchased, whether or not the sale or purchase is on or off the Hong Kong Stock Exchange. The Shareholder selling the Shares and the purchaser will each be liable for one-half of the amount of Hong Kong stamp duty payable upon such transfer. In addition, a fixed duty of HK\$5 is currently payable on any instrument of transfer of Shares.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong, pursuant to which no Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application of a grant of representation in respect of holders of H Shares whose deaths occur on or after February 11, 2006.

TAXATION OF OUR COMPANY IN HONG KONG**Profits Tax**

Our Company will be subject to Hong Kong profits tax in respect of profits arising in or derived from Hong Kong at the current rate of 16.5%. Dividend income derived by our Company from its subsidiaries will be excluded from Hong Kong profits tax.

FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The State Administration of Foreign Exchange (hereinafter referred to as “SAFE”), with the authorization of the People’s Bank of China (hereinafter referred to as “PBOC”), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Regulations on the Control of Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) (the “Foreign Exchange Control Regulations”), which was issued by the State Council on January 29, 1996, implemented on April 1, 1996 and latest amended on August 5, 2008, classifies all international payments and transfers into current items and capital items. Current items are subject to the reasonable examination of the veracity of transaction

documents and the consistency of the transaction documents and the foreign exchange receipts and payments by financial institutions engaging in conversion and sale of foreign currencies and supervision and inspection by the foreign exchange control authorities. For capital items, overseas organizations and overseas individuals making direct investments in China shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange control authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. In the event that international revenues and expenditure occur or may occur a material imbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and control measures on international revenues and expenditure.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on June 20, 1996 and implemented on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital account items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》), which was issued by the PBOC and implemented on July 21, 2005, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

According to the Decisions of the State Council on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) which was promulgated by the State Council on October 23, 2014, it decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of state administration of foreign exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the document and other disclosure documents.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was issued by the SAFE on February 13, 2015, came into effect on June 1, 2015 and partially repealed on December 30, 2019, the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment shall be directly examined and handled by banks. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionizing and Regulating Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) which was promulgated by the SAFE and implemented on June 9, 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjust of the SAFE in due time in accordance with international revenue and expenditure situations.

1. PRC LAWS AND REGULATIONS

The PRC Legal System

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the “Constitution”) which was issued and implemented on December 4, 1982 and latest revised on March 11, 2018, and is made up of written laws, administrative regulations, local regulations, separate rules, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court judgments may be used for judicial reference and guidance but do not constitute legally binding precedents.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (“Legislation Law”), which was issued on March 15, 2000, implemented on July 1, 2000, and latest revised on March 15, 2023, the National People’s Congress of the PRC (the “NPC”) and the Standing Committee of the National People’s Congress (the “Standing Committee of the NPC”) are empowered to exercise the legislative power of the PRC. The NPC has the power to formulate and amend the laws governing civil and criminal matters, state organs and other aspects. The Standing Committee of the NPC is empowered to formulate and amend laws other than those required to be enacted by the NPC, and may supplement and amend the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council that is, the central people’s government of the PRC is the executive body of the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people’s congresses of the provinces, autonomous regions and municipalities and their standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries, commissions, the People’s Bank of China (the “PBOC”), the National Audit Office, and the other organs endowed with administrative functions directly under the State Council may formulate rules and regulations within the permission of their respective departments based on the laws and administrative regulations, decisions and rulings of the State Council.

The people’s congresses of cities divided into districts and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the people’s congresses of the relevant provinces or autonomous regions, provided that such regulations do not contravene the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. People’s congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The people's governments of the provinces, autonomous regions, and municipalities and the cities divided into districts may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions and municipalities.

The Constitution has supreme legal authority, and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the comparatively larger cities within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and also has the power to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The Standing Committee of the NPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution, the power to interpret laws is vested in the Standing Committee of the NPC. According to the Resolution of the Standing Committee of the National People's Congress Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, the Supreme People's Court has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials; interpretation of questions involving the specific application of laws and decrees in the procuratorial work of the procuratorates shall be provided by the Supreme People's Procuratorate; if the interpretations provided by the Supreme People's Court and the Supreme People's Procuratorate are at variance with each other in principle, they shall be submitted to the Standing Committee of the NPC for interpretation or decision. Interpretation of questions involving the specific application of laws and decrees in areas unrelated to judicial and procuratorial work shall be provided by the State Council and competent authorities. In case where the scope of local regulations needs to be further defined or additional stipulations need to be made, the standing committees of the people's congresses

of provinces, autonomous regions and municipalities which have enacted these regulations shall provide the interpretations or make the stipulations. Interpretation of questions involving the specific application of local regulations shall be provided by the competent authorities under the people's governments of provinces, autonomous regions and municipalities.

The PRC Judicial System

Under the Constitution and the Organic Law of the People's Courts of the People's Republic of China (2018 Revision) (《中華人民共和國人民法院組織法(2018修訂)》), as issued on July 5, 1979, implemented on January 1, 1980 and latest revised on October 26, 2018, the PRC judicial system is made up of the Supreme People's Court, the local people's courts at all levels and the special people's courts.

The local people's courts are comprised of the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts are organized into civil, criminal, administrative, supervision and enforcement divisions. The intermediate people's courts are organized into divisions similar to those of the basic people's courts, and are entitled to organize other courts as needed such as the intellectual property division.

The higher-level people's courts supervise the basic and intermediate people's courts. The people's procuratorates also have the right to exercise legal supervision over civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the judicial administration of the people's courts at all levels.

The people's courts apply a two-tier appellate system. A party may appeal against a judgment or order of a local people's court to the people's court at the next higher level. Second judgments or orders given at the next higher level are final. First judgments or orders of the Supreme People's Court are also final. If the Supreme People's Court finds some definite error in a legally effective judgment or ruling of the people's court at any levels or if the people's court at a higher level finds such error in a legally effective judgment or ruling of the people's court at a lower level, it has the authority to review the case itself or to direct the lower-level people's court to conduct a retrial. If the chief judge of a people's court at any level finds, in a legally effective judgment or ruling of such court, some definite error in the determination of facts or application of law, the case can be retried according to the trial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (“Civil Procedure Law”) which was issued and implemented on April 9, 1991 and lately amended by the Standing Committee of the NPC on December 24, 2021 and came into effect on January 1, 2022, sets forth the criteria for instituting a civil action, the jurisdiction of the people’s courts, the procedures to be followed for conducting a civil action, and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law of the PRC. Generally, a civil case is generally heard by a local people’s court in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff’s or the defendant’s place of domicile, the place where the contract is executed or signed or the place where the object of the action is located, provided that the provisions of the Civil Procedure Law regarding the level of jurisdiction and exclusive jurisdiction is not violated.

Generally, a foreign individual, a person without nationality, a foreign enterprise or a foreign organization has the same litigation rights and obligations as a citizen, a legal person or other organizations of the PRC. If a foreign court limits the litigation rights of PRC citizens, a legal person or other organizations, the PRC courts may apply the same limitations to the citizens, legal person or other organizations of that foreign country. A people’s court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC. If any party to a civil action refuses to comply with a judgment or ruling made by a people’s court or an award made by an arbitration panel in the PRC, the other party may apply to the people’s court for the enforcement of the same. The period of applying for such enforcement shall be two years. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

When a party applies to a people’s court for enforcing an effective judgment or ruling by a people’s court against a party who is not located within the territory of the PRC or whose property is not within the PRC, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people’s court according to the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country on the mutual recognition and enforcement of judgments and rulings, or if the judgment or ruling satisfies the court’s examination based on the principle of reciprocity, unless the people’s court considers that the recognition or enforcement of such judgment or ruling will result in the violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons related to the public interests.

The PRC Company Law, the Overseas Listing Trial Measures and the Guidelines for Articles of Association

A joint stock limited company which was incorporated in the PRC and seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations in PRC:

- the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (the “PRC Company Law”), which was promulgated by the Standing Committee of the NPC on December 29, 1993, revised on December 25, 1999, August 28, 2004, October 27, 2005 and December 28, 2013 respectively and the latest revision of which was implemented on October 26, 2018;
- The Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Overseas Listing Trial Measures”) was promulgated by the CSRC on February 17, 2023, which incorporated, directly and indirectly, all overseas offering and listing activities by domestic companies into the regulatory scope, and formulated a negative list to clarify forbidden circumstances when domestic companies launching an offering and listing overseas. The Overseas Listing Trial Measures shifted the method to governing the overseas offering and listing by domestic companies from permission management to filing management, and further stipulated the scope, contents, and procedures of the filing. After the implementation of the Overseas Listing Trial Measures, the holders of domestic shares and H shares (both ordinary shares) are no longer considered as different class shareholders, and the class meeting requirements used to apply to holders of domestic shares and H shares are no longer necessary. Besides, domestic issuers applying for overseas offering and listing shall refer to the “Guidelines for Articles of Association of Listed Companies” issued by the CSRC instead of the Mandatory Provisions for Articles of Association of Companies Listing Overseas (《到境外上市公司章程必備條款》) (the “Mandatory Provisions”) to formulate their articles of association. The Overseas Listing Trial Measures became effective on March 31, 2023, and the Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) (the “Special Provisions”) and the Mandatory Provisions lapsed on the same date.
- The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (“Guidelines for Articles of Association”), which was promulgated and implemented by the CSRC on January 5, 2022, provides detailed guidelines for domestic issuers seeking oversea listing to formulate their articles of association. The articles of association of the Company is formulated in accordance with the Guidelines for Articles of Association, which is in compliance with the requirement of the Overseas Listing Trial Measures, and the Governance Rules for Companies Listed on the National Equities Exchange and Quotations, which complies the PRC

Company Law, the PRC Securities Law and the Measures for the Supervision and Administration of Unlisted Public Companies, and other laws and regulations and relevant provisions. The summary of the articles of association of the Company is set out in the “Appendix V” section in this prospectus.

The following is a summary of the provisions of the PRC Company Law, the PRC Security Law and other PRC laws and regulations applicable to the Company.

General Provisions

A joint stock limited company (“company”) refers to an enterprise legal person incorporated under the PRC Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company shall bear the liabilities for its debts with all its property.

A joint stock limited company must conduct its business in accordance with the laws and administrative regulations, social morality, and business morality. A joint stock limited company may invest in other limited liability companies and joint stock limited companies. The liabilities of the company to such invested enterprises are limited to the amount invested. Unless otherwise provided by laws, a joint stock limited company shall not become the capital contributor that shall bear several and joint liabilities for the debts of the enterprises in which it invests.

Incorporation

A joint stock limited company may be incorporated by promotion or stock floatation.

To establish a joint stock limited company, there shall not be less than 2 but not more than 200 promoters, and at least half of the promoters must have residence within the PRC.

A company incorporated by promotion is one with registered capital entirely subscribed for by the promoters. Where a company is incorporated by stock floatation, the promoters are required to subscribe for a portion of the shares which shall be issued by the company, generally not less than 35% of the total number of the shares of the company, and the remaining shares can be offered to the public or specific objects.

For company established by promotion, the registered capital is the total capital registered under the relevant administration institution and being subscribed for by all the promoters. Shares in the company shall not be offered to other persons unless the share capital subscribed for by the promoters has been paid up. For company established by stock floatation, the registered capital is the amount of its total paid-up capital as registered with the relevant administration institution.

Pursuant to the Securities Law of the People's Republic of China (《中華人民共和國證券法》) (“the Securities Law”) promulgated by the Standing Committee of the NPC on December 29, 1998 and revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019 respectively, to undertake a public offering of corporate bonds, the company's average distributable profits in the last three years shall be sufficient for payment of one-year interest on the corporate bonds. The promoters must convene inaugural company establishment meeting within 30 days after the shares have been fully paid up and must give notice to all subscribers or make a public announcement of the date of the meeting 15 days before the establishment meeting is convened. The establishment meeting may be convened only with the presence of promoters or subscribers representing more than 50% of the total number of shares. The authorities exercised at the establishment meeting include the adoption of articles of association formulated by the promoters, the election of the board of directors and the board of supervisors (the directors and supervisors taken up by staff representatives shall be elected by way of democratic election). Above-mentioned resolutions of the establishment meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the establishment meeting, the board of directors must file a registration application with the company registration authority. A company is established, and has the status of a legal person, after the company has been approved to register and the business license has been issued by the company registration authority.

During the establishment of a company, promoters of the company shall bear joint and several liability for the following matters: (i) the undertaking of all expenses and debts incurred in the incorporation action if the company cannot be incorporated; (ii) the refund of paid capital to the subscribers, together with interest, at bank interest rates for a deposit of the same term if the company cannot be incorporated; and (iii) the compensation of damages suffered by the company as a result of their default in the course of incorporation of the company. Pursuant to the Interim Provisions on the Management of the Issuing and Trading of Stocks (《股票發行與交易管理暫行條例》) (only applicable to share issuance and trading activities and related activities conducted in the PRC) promulgated by the State Council on April 22, 1993, all the promoters or directors of the board and principal underwriters shall sign on the prospectus to guarantee that there is no false, material misleading statements or material omission and guarantee to bear joint liabilities for it.

Share Capital

The promoters of the Company may make capital contributions in cash, or alternatively may make capital contributions with such valuated non-monetary property as physical items, intellectual property rights, and land use rights that may be valued in monetary term and may be transferred in accordance with the law. The non-monetary assets used for contribution shall be valued and verified.

A company may issue registered or bearer shares. However, shares issued to a promoter or a legal person shall be registered shares and shall bear the name of such promoter or legal person. No separate account with a different name may be opened for such shares, nor may such shares be registered in the name of a representative.

Under the PRC Company Law, when the company issues shares in registered form, it shall maintain a register of shareholders, stating the following matters:

- the name and domicile of each shareholder;
- the number of shares held by each shareholder;
- the serial numbers of shares held by each shareholder; and
- the date on which each shareholder acquired the shares.

A company may offer its shares to foreign investors with approval by the securities administration department of the State Council.

The share offering price may be equal to or in excess of nominal value but shall not be less than nominal value.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the PRC Company Law, transfer of shares by shareholders shall be carried out at a legally established stock exchange or in other ways stipulated by the State Council. The transfer of registered shares by a shareholder must be conducted by means of an endorsement or by other means stipulated by Chinese laws or by administrative regulations; the name and address of the transferee should be registered in the shareholders' registers upon transfer. No changes caused by the transfer of registered shares may be made to the shareholders' registers within 20 days prior to a shareholders' general meeting or 5 days prior to the benchmark date set by the company for the purpose of distribution of dividends. But if it is otherwise prescribed in relevant provisions of the laws with respect to the registration of change to the register of shareholders of listed companies, then such relevant provisions shall apply.

Pursuant to the PRC Company Law, Shares held by the promoter(s) of a company shall not be transferred within one year from the date of incorporation of the company. Shares issued by a company prior to the public offer of its shares shall not be transferred within one year from the date of its shares being listed on a stock exchange. Directors, supervisors and senior management of the company shall not transfer over 25% of the total shares they hold in the company each year during their term of office, and shall not transfer any share of the company held by each of them within one year from the listing date, nor within six months after their resignation from their positions with the company.

Increase in Share Capital

According to the PRC Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders' general meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance, and the class and amount of new shares to be issued to existing shareholders. When the company launches a public issuance of new shares with the approval of the securities regulatory authorities of the State Council, the company shall publish a prospectus and financial and accounting reports, and prepare the share subscription form. After the new share issuance has been paid up, the change shall be registered with the company registration authorities and an announcement shall be made.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law:

- The company shall prepare balance sheets and checklists of properties;
- The reduction of registered capital must be considered and approved at the shareholders' general meeting;
- The company shall notice its creditors and publish an announcement of the reduction on newspapers within 30 days once the resolution approving the reduction in capital being passed at the shareholders' general meeting;
- creditors may, within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or to provide respective guarantees; and
- The company must apply to the relevant administrative authorities for registration of the reduction in its registered capital.

Repurchase of Shares

According to the PRC Company Law, a company may not purchase its shares other than for one of the following purposes:

- to reduce the registered capital;
- to merge with another company that holds the company's shares;
- to use shares for employee stock ownership or equity incentives;

- to purchase the company's own shares upon request of its shareholders who vote against the resolution regarding the merger or division of the company in a shareholders' meeting;
- to use shares for converting corporate bonds issued by a listed company;
- to protect the corporate value and the interests of shareholders (applicable to listed companies if necessary).

Repurchase of shares by listed companies are subject to disclosure obligations under the Securities Law.

Shareholders

The articles of association of a company set forth the shareholders' rights and obligations and are binding on all the shareholders. Pursuant to the PRC Company Law, the rights of holders of ordinary shares of a joint stock limited company include:

- the right to receive dividends based on the percentages of the capital that they contributed, and the preemptive right to subscribe to the new capitals based on the same percentages of the old capital they contributed when the company decides to increase the capital;
- the right to attend in person or entrust an agent to attend the shareholders' general meeting and to vote in respect of the amount of shares held;
- the right to review and duplicate the company's bylaw, the minutes of the shareholders' meetings, the resolutions of the board of directors' meetings, the resolutions of the board of supervisor's meetings and the financial reports;
- the right to review the register of the shareholders and the stubs of corporate bonds, to propose or raise questions about the corporate management, and to request to review the accounting books of the company;
- the right to transfer his/her shares in accordance with laws and regulations as well as the articles of association of the company;
- the right to obtain surplus assets of the company upon its termination or liquidation based on the proportion of contribution;
- the right to claim against directors, supervisors or senior managers who abuse their rights and damage the shareholder's interests;

- If the procedure for convening the shareholders' general meeting or the meeting of the board of directors, or the voting form violates laws, administrative regulations or the bylaw of the company, or if the contents of a resolution violate the bylaw of the company, a shareholder may request the people's court to revoke it;
- other rights specified in laws and regulations and the articles of association of the company.

The obligations of shareholders include: abide by the laws, administrative regulations and bylaw of the company; pay the capital in respect of shares subscribed for; be liable for the debt and liabilities of the company to the extent of the amount of capital agreed to be paid in respect of the shares taken up; and any other obligations specified in the bylaw of the company.

Shareholders' General Meetings

The shareholders' general meeting is the organ of authority of the company, which exercises the following powers in accordance with the PRC Company Law:

- to decide on the company's operational guidelines and investment plans;
- to elect and replace the directors and supervisors who are not representatives of the employees and to decide on matters relevant to their salaries and compensations;
- to review and approve reports of the board of directors;
- to review and approve reports of the board of supervisors or the supervisor;
- to review and approve the company's proposed annual financial budgets and final account plans;
- to review and approve proposals for profit distribution plans and for recovery of losses of the company;
- to decide on the increase or reduction of the company's registered capital;
- to decide on the issue of corporate bonds;
- to decide on merger, division, dissolution, liquidation or change the form of the company;
- to amend the bylaw of the company;
- other functions and powers specified in the bylaw.

The shareholders' general meeting must be convened once a year. An extraordinary shareholders' meeting shall be held within two months after the occurrence of any of the following circumstances:

- the number of directors is less than the number provided for in the PRC Company Law or less than two thirds of the number specified in the bylaw of the company;
- the losses of the company which are not made up reach one third of the total paid-up share capital of the company;
- as requested by a shareholder holding, or shareholders holding in aggregate, 10% or more of the shares of the company;
- when deemed necessary by the board of directors;
- as suggested by the board of supervisors;
- other circumstances required by the bylaw.

Shareholders' general meetings shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the deputy chairman. In the event that the deputy chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' general meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Under the PRC Company Law, notice of shareholders' general meeting shall state the time, venue, and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary shareholders' general meetings shall be given to all shareholders 15 days prior to the meeting.

Pursuant to the requirements of the PRC Company Law, a shareholder holding, or shareholders holding in aggregate, more than 3% of the shares of the company may propose interim resolution ten days prior to the general meeting and present it to the board of directors in writing.

Pursuant to the PRC Company Law, shareholders present at the shareholders' general meeting possess one vote for each share they hold. However, the company shall have no vote for any shares of the company. A shareholder may entrust a proxy to attend a shareholders'

general meeting. The proxy shall present a power of attorney issued by the shareholder to the company and shall exercise his voting rights within the authorization scope. Resolutions proposed at the shareholders' general meeting shall be approved by more than half of the voting rights cast by shareholders present (including attend in person or represented by proxies) at the general meeting. Pursuant to the PRC Company Law, resolutions of the shareholders' general meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' general meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting:

(1) amendments to the bylaw; (2) the increase or decrease of registered capital; (3) the merger, division, dissolution, liquidation or change in the form of the company; (4) other matters considered by the shareholders' general meeting that may have a fundamental impact on the company and should be adopted by a special resolution.

Board of Directors

A joint stock limited company shall have a board of directors, which shall consist of 5 to 19 members. Members of the board of directors may include the representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the bylaw, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected.

Under the PRC Company Law, the board of directors exercises the following powers:

- to convene the shareholders' general meetings and report on its work to the shareholders' general meetings;
- to implement the resolutions of the shareholders' general meetings;
- to decide on the company's business plans and investment plans;
- to formulate the company's proposed annual financial budgets and final account plans;
- to formulate proposals for profit distribution and for recovery of losses;
- to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;
- to prepare plans for the merger, division, dissolution or changes in the form of the company;
- to formulate the company's basic management system; and

- other functions and powers as specified in the bylaw.

Under the PRC Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of the meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one third of the directors or the supervisors. The chairman of the board of directors shall convene and preside over such meeting within ten days after receiving such proposal. Meetings of the board of directors could be held only if more than half of the directors are present. If a director is unable to attend a board meeting, he/she may appoint another director by a written proxy specifying the scope of the authorization for another director to attend the meeting on his behalf. Resolutions of the board of directors require the approval of more than half of all directors.

The directors are responsible for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations, the company's bylaw, or resolutions of shareholders' general meeting, and as a result of which the company suffer serious losses, the directors participating in the resolution are liable to make compensation. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objections were recorded in the meeting minutes, such director may be relieved of that liability.

Under the PRC Company Law, the board of directors shall have one chairman and may have a deputy chairman. The chairman and the deputy chairman shall be elected with approval of more than half of all the directors. The chairman shall call and preside over board meetings and examine the implementation of board resolutions. The deputy chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the deputy chairman. In the event that the deputy chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Board of Supervisors

A joint stock limited company shall have a board of supervisors of no fewer than three members. The board of supervisors shall include representatives of the shareholders and an appropriate ratio of the representatives of the company's employees, where the ratio of the employees' representatives shall not be less than one third. Directors and senior management personnel may not concurrently serve as supervisors.

The board of supervisors shall appoint a chairman. The chairman of the board of supervisors is elected with approval of more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the chairman of the board of supervisors is incapable of performing or not performing his duties, the deputy chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the deputy

chairman of the board of supervisors is incapable of performing or not performing his duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the board of supervisors.

Each term of office of a supervisor is three years and he or she may serve consecutive terms if re-elected upon expiry of the term of office. A supervisor shall continue to perform his duties in accordance with the laws, administrative regulations and bylaw until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The board of supervisors shall hold at least one meeting every six months. According to the PRC Company Law, the board of supervisors shall exercise the following functions and powers:

- to check the company's financial affairs;
- to supervise the directors and senior managers in the performance of their duties, and put forward proposals on the removal of any director or senior manager who violates laws, administrative regulations, the bylaw or any resolution of the shareholders' meeting;
- to require any director or senior manager to make corrections if his/her act is detrimental to the interests of the company;
- to propose the convening of interim shareholders' meetings, to convene and preside over the shareholders' meetings when the board of directors fails to perform the duties of convening and presiding over the shareholders' meetings;
- to put forward proposals at shareholders' meetings;
- to initial proceeding against the directors and senior managers upon shareholders' request if a director or senior manager violates the provisions of laws, administrative regulations or the bylaw in the performance of company duties, thereby causing losses to the company; and
- other functions and powers specified in the bylaw.

The supervisors may attend board of directors' meetings as non-voting attendees, and may make enquiries or proposals in respect of such board resolutions. The board of supervisors may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may hire an accounting firm to assist the investigation at the company's expense.

Manager and Senior Management Persons

Under the PRC Company Law, a joint stock limited company may have a manager whom may be appointed or removed by the board of directors. The manager shall report to the board of directors and may exercise the following powers:

- manage the production and business operation of the company and arrange for the implementation of the resolutions of the board of directors;
- arrange for the implementation of the company's annual business plans and investment plans;
- draft the plans for the establishment of the company's internal management organization;
- draft the basic management system of the company;
- formulate the specific rules and regulations of the company;
- recommend the appointment or dismissal of the vice manager(s) and person(s) in charge of financial affairs of the company;
- decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the board of directors; and
- other functions and powers delegated by the board of directors.

It is also specified by the PRC Company Law that where the bylaw have other provisions on the functions and powers of the manager, such provisions shall prevail.

Pursuant to the PRC Company Law, besides the manager, the "senior management persons" includes the manager, vice manager(s), chief financial officers, the secretary of the board of directors of a listed company and other personnel as stipulated in the bylaw.

Qualifications and Duties of Directors, Supervisors and Senior Management Persons

According to the PRC Company Law, a person may not serve as a director, supervisor or senior manager if he or she is:

- a person with no or limited capacity for civil acts;
- a person that was sentenced to criminal punishment for the crime of corruption, bribery, encroachment of property, misappropriation of property or disruption of the order of the socialist market economy, and no more than five years has elapsed since the expiration of the enforcement period; or a person that was deprived of his political rights for committing a crime, and no more than five years has elapsed since the expiration of the enforcement period;

- a former director, factory director, or manager of a company or enterprise liquidated upon bankruptcy, and was personally responsible for the bankruptcy of such company or enterprise, and no more than three years has elapsed since the date of completion of the bankruptcy and liquidation;
- a legal representative of a company or enterprise that had its business license revoked and had been ordered to close down for violation of law, for which such representative bears individual liability, and no more than three years has elapsed since the date on which the business license of the company or enterprise was revoked;
- a person with a comparatively large amount of personal debts due and unsettled.

A director, supervisor and senior manager shall comply with the provisions of relevant laws and regulations, administrative regulations and the bylaw, and perform their duties honestly and protect the interests of the company. The PRC Company Law provides that a director, supervisor and senior manager bear duties to act honestly and diligently for the company. The fiduciary duties of the directors, supervisors, managers and other senior management persons may not cease with the termination of their office. Their confidentiality obligation in relation to the company's business secrets shall remain effective upon termination of their office.

A director, supervisor and senior management who violates the provisions of laws, administrative regulations or the bylaw in the performance of his/her duties shall be liable to indemnify the company for the losses caused to the company.

Finance and Accounting

Under the PRC Company Law, a company shall establish its financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the PRC Company Law, a limited liability company shall deliver its financial report to all shareholders within the term under the bylaw. A joint stock company shall make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual general meeting of shareholders. A company that issue shares to the public must publish its financial and accounting reports.

When a company distributes its after-tax profits for a given year, it shall set aside 10% of profits to its statutory common reserve. A company shall no longer be required to make allocations to its statutory common reserve once the aggregate amount of such reserve exceeds 50% of its registered capital.

If a company's statutory common reserve fund is insufficient to make up its losses of the previous years, such losses shall be made up from the profits for the current year prior to making allocations to the statutory common reserve.

A company may, if so resolved by the Shareholders' General Meeting, make allocations to the discretionary common reserve fund from its after-tax profits after making allocations to the statutory common reserve from the after-tax profits.

A company's after-tax profits remaining after it has made up its losses and made allocations to its common reserve shall be distributed in proportion to the number of shares held by its shareholders, unless the bylaw stipulates that the profits shall not be distributed in proportion to the shareholdings.

The premium received through issuance of shares at prices above par value and other incomes required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

A company's reserve fund shall be used for making up losses, expanding the production and business operation or increasing its capital by means of conversion, but the capital reserve fund shall not be used for making up the company's losses. Where the funds from the statutory common reserve are converted to registered capital, the remaining funds in such reserve shall not be less than 25% of the company's registered capital prior to such conversion.

The company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any individual's accounts.

Appointment and Retirement of Accounting Firms

Pursuant to the PRC Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by the shareholders' general meeting or the board of directors in accordance with provisions of bylaw. The accounting firm should be allowed to make representations when the shareholders' general meeting or board of directors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

Distribution of Profits

According to the PRC Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Dissolution and Liquidation

Under the PRC Company Law, a company shall be dissolved in any of the following events: (1) when the term of business operation set down in a company's bylaw has expired or events of dissolution specified in the company's bylaw have occurred; (2) the shareholders meeting or the shareholders' assembly decides to dissolve a company; (3) a company is dissolved by reason of its merger or split up; (4) a company is subject to the revocation of business license, a closure order or dismissal in accordance with laws; (5) in the event that a company encounters substantial difficulties in its operation and management and its continual existence shall cause a significant loss to the interest of shareholders, and where this cannot be resolved through other means, shareholders who hold more than 10% of the voting rights of all shareholders of a company present a petition to the court for dissolution of the company.

Where a company is to be dissolved in the circumstances described in (1), it may carry on its existence by amending its bylaw. The amendment of the bylaw in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders attending a shareholders' general meeting.

Where a company is to be dissolved in the circumstances described in (1), (2), (4) and (5) above, a liquidation group must be formed within 15 days from the date of dissolution. Such liquidation group shall be composed of directors or persons appointed by the shareholders' general meeting. If no liquidation group is established within the time limit, the company's creditors may request the court to designate relevant persons to form a liquidation group. The people's court should accept such application and form a liquidation group to conduct the liquidation in a timely manner.

The liquidation group shall exercise the following functions during the liquidation process:

- thoroughly examine the company's properties and prepare a balance sheet and asset checklists, respectively;
- notify creditors by mail or public announcement;
- dispose of and liquidate relevant outstanding business of the company;
- pay off outstanding taxes and taxes arising in the course of liquidation;
- claim credits and pay off debts;

- dispose the surplus properties of the company after its debts have been paid off;
- participate in civil lawsuits on behalf of the company.

The liquidation group shall notify the company's creditors within 10 days after its establishment, and issue public notices in newspapers within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall record the declared credits. The liquidation group may not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and asset checklists, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders' meeting, the shareholders' assembly, or the people's court for confirmation. The company's remaining assets after payment of liquidation expenses, employees' wages, social insurance expenses and legal indemnities, outstanding taxes and debt shall be distributed to shareholders according to the proportion of stocks held by them.

During the liquidation, the company continues to exist but may not carry out any business operation that has nothing to do with the liquidation. The company's properties cannot be distributed to any shareholder before they are used for debt payoff as described in the preceding paragraph.

Upon liquidation of the company's properties and the preparation of the balance sheet and asset checklists, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy.

Following such declaration, the liquidation group shall hand over all matters relating to the liquidation to the people's court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the shareholders' meeting, the shareholders' assembly, or the people's court for verification. The report shall also be submitted to the relevant registration authority in order to cancel the company's registration, and a public notice of its termination shall be issued.

Members of the liquidation group are required to discharge their duties honestly and in compliance with the relevant laws. Members of the liquidation group shall be prohibited from abuse of their powers to accept bribes or other unlawful income and from misappropriating the company's properties. A member of the liquidation group is liable to indemnify the company and its creditors in respect of any loss arising from his intentional or gross negligence.

Overseas Listing

Prior to the implementation of the Overseas Listing Trial Measures, a Company used to apply for its overseas listing according to the Special Provisions, which requires that a company shall obtain the approval of the CSRC to list its shares overseas. According to Rule 2(6) of the Guidelines for Supervising the Application Documents and Examination Procedures for the Overseas Stock Issuance and Listing of Joint Stock Companies (《關於股份有限公司境外發行股票和上市申報文件及審核程序的監管指引》), the approval documents for overseas stock issuance and listing by the company granted by CSRC is valid for a period of 12 months.

The Overseas Listing Trial Measures comprehensively improve and reform the existing regulatory regime for overseas offering and listing of shares of PRC domestic companies and fully regulate both direct and indirect overseas offering and listing of shares of PRC domestic companies by adopting a filing-based regulatory regime. According to the Overseas Listing Trial Measures, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. The Overseas Listing Trial Measures also provide that the company must file the application for the overseas initial public listing and offering of shares with the CSRC within three business days after the application has been submitted. The Overseas Listing Trial Measures also require subsequent reports to be filed with the CSRC on material events, such as change of control, or voluntary or forced delisting of the issuer who have completed overseas offerings and listings.

With respect to the PRC domestic companies that have already obtained the approval from the CSRC according to the requirements of Special Provisions but have not completed the overseas public offering and listing, the CSRC issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (關於境內企業境外發行上市備案管理安排的通知) on February 17, 2023, which, among others, clarifies that such domestic companies may proceed with its application within the validity period of the approval, and if the approval expires and the overseas offering and listing has not been completed, it shall file the application with the CSRC in accordance the Overseas Listing Trial Measures.

Loss of Share Certificates

If a registered share certificate is lost, stolen or destroyed, the respective shareholder may apply, in accordance with the relevant provisions set out in the Civil Procedure Law, to a people's court for a declaration that such certificate will no longer be valid. After the people's court declares the invalidity of such certificate, the shareholder may apply to the company for a replacement share certificate.

SECURITIES LAW AND REGULATIONS

The PRC has promulgated a number of regulations that relate to the issue and trading of Securities and information disclosure. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee was the competent authority in

charge of unified macro administration of national securities market; its major responsibilities include coordinating the drafting of securities regulations, researching into and formulating guidelines, policies and rules on securities market, formulating the development plans of securities market and offering plans and advice, directing, coordinating, supervising and inspecting all securities market-related work and administering the CSRC. The CSRC was the regulatory and implementing body of the Securities Committee and responsible for the drafting of regulatory provisions of the securities market, supervising securities companies, regulating the offering and trading of marketable securities and companies that issue shares to the public, and regulating public offering of shares by domestic companies overseas. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Interim Provisions on the Management of the Issuing and Trading of Stocks (《股票發行與交易管理暫行條例》), which was issued on April 22, 1993, stipulates the application and approval procedures for public offerings of equity securities, trading of equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation, penalties and dispute settlement.

The Securities Law took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019, respectively. It was divided into fourteen chapters and 226 articles, which comprehensively regulates activities in the PRC securities market. This law involves, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities.

Article 224 of the Securities Law regulates that domestic enterprises which, directly or indirectly, offer securities or list and trade securities abroad shall comply with the relevant provisions by the State Council. Currently, the issuance and trading of H shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (the "Arbitration Law") was passed by the Standing Committee on August 31, 1994, became effective on September 1, 1995 and was revised on August 27, 2009, and September 1, 2017. It is applicable to contract disputes and other property interest disputes between equal citizens, legal person and other organizations where the parties have entered into a written agreement to refer the matter to arbitral award. The Arbitration Law provides that an arbitration committee may, before the formulation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration provisions in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties entered into arbitration agreement, the court will refuse to handle the proceedings initiated by a party unless the arbitration agreement has lapsed.

Under the Civil Procedure Law and the Arbitration Law, an arbitral award is final and binding on the parties. If a party fails to comply with an arbitral award, the other party to the award may apply to the court for enforcement in accordance with relevant provisions of the Civil Procedure Law. A people's court may withdraw an arbitral award if a party can testify that there is procedural irregularity provided by law or the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award against a party who, or whose property, is not within the PRC, may apply directly to a foreign court with jurisdiction for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or international treaties concluded or acceded to by the PRC.

On 2 December 1986, the Standing Committee of the National People's Congress approved the Decision on Accession of the PRC to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》) (the "New York Convention"), pursuant to which the PRC acceded to the New York Convention. The New York Convention provides that all arbitral awards made in a member country of the Convention shall be recognized and enforced by other member countries of the Convention with exception of certain circumstances that the member country can refuse. Such circumstances include where the enforcement of the arbitral award is against the public policy of the member country. It was declared by the Standing Committee of the National People's Congress simultaneously with the approval of the Convention that (1) the PRC will only recognize and enforce foreign arbitral awards on the principle of reciprocity; and (2) the PRC will only apply the New York Convention in disputes considered under PRC laws to be arising from contractual and non-contractual mercantile legal relations.

Pursuant to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitration Awards between the Mainland and Hong Kong, which was promulgated by the Supreme People's Court on January 24, 2000 and became effective on February 1, 2000, award made by the PRC arbitral authorities recognized under the Arbitration Ordinance of Hong Kong can be enforced in Hong Kong.

Judicial Judgment and its Enforcement

Under the Arrangement of the Supreme People's Court between the Mainland and the HKSAR on Reciprocal Recognition and Enforcement of the Decisions of Civil and Commercial Cases under Consensual Jurisdiction (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) promulgated by the Supreme People's Court on July 3, 2008 and became effective on August 1, 2008, for an enforceable final judgment requiring payment of money made between mainland People's Court and the court of Hong Kong Special Administrative Region in civil and commercial case with written jurisdiction agreement, the parties concerned shall apply to mainland people's court or Hong Kong court for recognition and enforcement based on this arrangement. "Written jurisdiction agreement" in this arrangement refers to a written agreement defining the exclusive jurisdiction

of either the mainland people's court or Hong Kong SAR in order to resolve dispute with particular legal relation occurred or likely to occur by the parties concerned since effective date of this arrangement. Accordingly, the parties concerned may apply to the counterparties' courts to recognize and enforce the final judgment made by the courts in the mainland or Hong Kong that meet conditions.

2. MATERIAL DIFFERENCES BETWEEN CERTAIN ASPECTS OF CORPORATION LAW IN THE PRC AND HONG KONG

The Hong Kong laws applicable to a company incorporated in Hong Kong is based on the Companies Ordinance and the Companies (Winding Up and Miscellaneous Provisions) Ordinance and are supplemented by common law and the rules of equity that are applicable to Hong Kong. As a joint stock limited company established in the PRC, the Company is governed by the PRC Company Law and all other applicable rules and regulations promulgated pursuant to the PRC Company Law.

Set out below is a summary of material differences between Hong Kong law applicable to a company incorporated in Hong Kong and the PRC Company Law applicable to a joint stock limited company incorporated and existing under the PRC Company Law. This summary is, however, not intended to be an exhaustive comparison.

Corporate Existence

Under the Hong Kong law, a company with share capital, shall be incorporated by the Registrar of Companies in Hong Kong by issuing certificate of incorporation and the company will acquire an independent corporate existence. A company may be incorporated as a public company or a private company. Pursuant to the Companies Ordinance, the articles of association of a private company incorporated in Hong Kong shall contain pre-emption provisions. A public company's articles of association do not contain such provisions.

Under the PRC Company Law, a joint stock limited company may be incorporated by promotion or subscription.

Share Capital

Under Hong Kong law, the shares of a Hong Kong company do not have nominal values. With the prior approval (if necessary) of shareholders, directors may procure the company to issue new shares within the maximum number (if any) of shares specified in the articles of association.

The PRC Company Law does not provide the concept of statutory share capital except for registered capital. The registered capital of a joint stock limited company is the total share capital subscribed for by all the promoters registered in the companies registration authority. An increase in the registered capital must be approved by the shareholders attending the shareholders' general meeting and the relevant PRC governmental and regulatory authorities (if applicable).

Hong Kong law does not provide for minimum capital required for companies incorporated in Hong Kong.

Under the PRC Company Law, shareholders may make capital contributions in the form of money or appraised non-monetary assets including real objects, intellectual property and land use right which can be appraised in money and transferred according to laws. Non-monetary assets to be used as capital contributions must be appraised and verified and should not be overvalued or undervalued. There is no such restriction on a Hong Kong company under Hong Kong law.

Restrictions on Transfer of Shares

Under PRC law, a joint stock limited company's domestic shares, which are denominated and subscribed for in Renminbi, in the share capital, generally may only be subscribed for and traded by the State, PRC legal persons, natural persons or other investment institutions permitted by laws and regulations. Overseas listed shares, which are denominated in Renminbi and subscribed for in a currency other than Renminbi, may only be subscribed for, and traded by, investors from Hong Kong, Macau, Taiwan or any country and territory outside the PRC, or qualified domestic institutional investors. If the H shares are eligible securities under the Hong Kong Stock Connect, they may also be subscribed for and traded by PRC investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Under the PRC Company Law, a promoter of a joint stock limited company is not allowed to transfer the shares it holds for a period of one year after the date of establishment of the company. Shares in issue prior to the public offering of the company cannot be transferred within one year from the listing date of the company's shares on a stock exchange. Shares in a joint stock limited company transferred each year by its directors, supervisors and senior management during their term of office shall not exceed 25% of the total shares they held in the company, and the shares they held in the company cannot be transferred within one year from the listing date of the shares, and also cannot be transferred within half a year after such person has left office. The articles of association may set other restrictive requirements on the transfer of the company's shares held by its directors, supervisors and senior management.

Apart from (i) a six-month lock-up period for issuance of additional shares by the company and (ii) a 12-month lock-up period for disposal of shares by controlling shareholders after listing, there are no such restrictions on shareholdings and transfers of shares under Hong Kong law.

Financial Assistance for Acquisition of Shares

The PRC Company Law does not prohibit or restrict a joint stock limited company or its subsidiaries from providing financial assistance for the purpose of an acquisition of its own or its holding company's shares. There are certain restrictions on a company and its subsidiaries on providing such financial assistance under Hong Kong law.

Notice of the Shareholders' General Meeting

Under the PRC Company Law, notices of an annual general meeting and an extraordinary general meeting must be given to shareholders 20 days and 15 days before the meeting, respectively. For a limited liability company incorporated in Hong Kong, the minimum period of notice is 14 days in case of other shareholders' meetings other than annual general meeting and 21 days in the case of an annual general meeting.

Quorum for Shareholders' General Meetings

Under the Companies Ordinance, the quorum for a shareholders' general meeting must be at least two members unless the articles of association of the company otherwise provide. For companies with only one member, one member will be a quorum. The PRC Company Law does not specify any quorum requirement for a shareholders' general meeting.

Voting at Shareholders' General Meetings

Under the PRC Company Law, the passing of any resolution of a shareholders' general meeting requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the shareholders' general meeting in person or by proxy except in cases of resolutions of a shareholders' general meeting on amendments to the articles of association, increase or decrease of registered capital, a company's merger, division or dissolution, or change of corporation form, the resolution requires affirmative votes of shareholders representing more than two-thirds of the voting rights represented by the shareholders who attend the shareholders' general meeting in person or by proxy.

Under the Companies Ordinance, (i) an ordinary resolution may be passed by a simple majority of affirmative votes of the shareholders who attend the shareholders' general meeting in person or by proxy, and (ii) a special resolution may be passed by no less than three fourths of affirmative votes of the shareholders who attend the shareholders' general meeting in person or by proxy.

Variation of Class Rights

The PRC Company Law makes no specific provision relating to variation of class rights. However, the PRC Company Law states that the State Council can separately promulgate requirements relating to other classes of shares.

Under the Companies Ordinance, no rights attached to any class of shares can be varied except (i) with the approval of a special resolution of the holders of the relevant class at a separate meeting, (ii) with the consent in writing of the holders representing three fourths of the nominal value of the issued shares in the class, (iii) with the consent of the Hong Kong company or (iv) if there are provisions in the articles of association relating to the variation of those rights, then in accordance with those provisions.

Directors

The PRC Company Law, unlike Hong Kong law, does not contain any requirements relating to the declaration of directors' interests in material contracts, restrictions on directors' rights to carry out major disposals or companies providing certain benefits, or prohibitions against compensation for loss of office without shareholders' approval. In addition, the PRC Company Law restricts the directors of a listed company who have interests or associations in the enterprises involved in the resolution of the board meetings from voting on the said resolution. All the above provisions have been incorporated in the articles of association, which are summarized in Appendix V.

Supervisors

Under the PRC Company Law, a joint stock limited company's board of directors and general manager are subject to the supervision and inspection of the board of supervisors. There is no mandatory requirement for the establishment of a board of supervisors for a company incorporated in Hong Kong.

Derivative Action by Minority Shareholders

Under Hong Kong law, in the event that the directors control more than half of the votes at the shareholders' general meeting, thus effectively preventing the company from suing the directors in breach of fiduciary duty in its own name, minority shareholders may bring a derivative action on behalf of all shareholders against the directors in breach of fiduciary duty owed to the company.

Pursuant to the PRC Company Law, in the event that the directors and senior management violate laws, administrative regulations or the articles of association in performance of duties to the company, thereby causing losses to the company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the board of supervisors to initiate proceedings in the people's court. If the supervisors are involved in the aforesaid circumstance, the above said shareholders may send written request to the board of directors to initiate proceedings in the people's court. Upon receipt of such written request from the shareholders, if the board of supervisors or the board of directors refuses to initiate such proceedings, or has not initiated proceedings within 30 days upon receipt of the request, or if under urgent situations, failure of initiating immediate proceedings may cause irremediable damages to the interests of the company, the above said shareholders shall, for the benefit of the company's interests, have the right to initiate proceedings directly to the people's court in their own name.

Protection of Minorities

Under Hong Kong law, a shareholder who complains that the affairs of a company incorporated in Hong Kong are conducted in a manner unfairly prejudicial to his/her interests may petition to the court to either wind up the company or make an appropriate order

regulating the affairs of the company. In addition, on the application of a specified number of members, the Financial Secretary of Hong Kong may appoint inspectors who are given extensive statutory powers to investigate the affairs of a company incorporated in Hong Kong.

The PRC Company Law stipulates that if a company which encounters substantial operational or management difficulties, and its continuance will cause significant losses to shareholders' interests and cannot be resolved through other channels, shareholders of the company who hold more than 10% of the voting rights of all shareholders may apply to a people's court for the dissolution of the company.

Financial Disclosure

Under the PRC Company Law, a company is required to make available at the Office Location of company for inspection by shareholders its financial accounting report 20 days before its annual general meeting. In addition, a company of which the shares are publicly issued must publish its financial report in accordance with the PRC Company Law. A company shall prepare its financial accounting report at the end of each fiscal year, which reports shall be audited by certified public accountants according to the laws.

The Companies Ordinance requires a company incorporated in Hong Kong to send to every shareholder a copy of its balance sheet, auditors' report and directors' report, which are to be presented before the company's annual general meeting, not less than 21 days before such meeting.

A company is required under the PRC law to prepare its financial statements in accordance with the PRC GAAP.

Information on Directors and Shareholders

The PRC Company Law gives shareholders the right to inspect the company's articles of association, minutes of the general meetings and financial accounting reports. Under the articles of association, shareholders have the right to inspect and copy (at reasonable charges) certain information on shareholders and directors which is similar to the shareholders' rights of Hong Kong companies under Hong Kong laws.

Dividends and Receiving Agent

Under the PRC Company Law and Hong Kong laws, dividends once declared will become debts payable to shareholders. The limitation period for debt recovery action under Hong Kong laws is six years, while under the PRC laws this limitation period is three years.

Corporate Reorganisation

Corporate reorganisations involving a company incorporated in Hong Kong may be effected in a number of ways, such as a transfer of the whole or part of the business or property of the company to another company in the course of being wound up voluntarily pursuant to section 237 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or a compromise or arrangement between the company and its creditors or between the company and its members pursuant to section 673 of the Companies Ordinance which requires the sanction of the court. Under PRC laws, merger, division, dissolution, liquidation or change the form of a company has to be approved in the shareholders' general meeting.

Mandatory Deductions

Under the PRC Company Law, a company shall withdraw 10% of the annual after-tax profits as the statutory reserve fund of a company. When the statutory reserve fund of a company reaches at or above 50% of the registered capital of a company accumulatively, no further allocation to this statutory reserve fund will be required. Upon resolution by the shareholders' general meeting, the Company may, after withdrawing the statutory reserve fund from the after-tax profits, withdraw any statutory reserve fund from the after-tax profits. There are no similar provisions under Hong Kong laws.

Corporate Remedies

Under the PRC Company Law, if a director, supervisor or manager in carrying out his duties infringes any law, administrative regulation or the Articles of Association of a company, which results in damage to the company, that director, supervisor or manager shall be liable for compensation. In addition, the company's remedies are similar to those available under Hong Kong laws (including rescission of the relevant contract and recovery of profits from a director, supervisor or senior management personnel), in line with the Listing Rules.

Fiduciary Duty

In Hong Kong, directors owe fiduciary duties to the company, including the duty not to act in conflict with the company's interests. According to China Company Law, directors, supervisors and senior managers have the obligations of loyalty and diligence to the company. They shall not take advantage of their position to seek business opportunities that should have been available to the company for themselves or others, or operate similar businesses to the company they serve for themselves or for others without the consent of the shareholders' general meeting.

Closure of Register of Shareholders

The Companies Ordinance requires that the register of shareholders of a company must not generally be closed for the registration of transfers of shares for more than 30 days (extendable to 60 days under certain circumstances) in a year, whereas, as required by the PRC Company Law, change of the register of shareholders arising from share transfer shall not be registered within 20 days before convening of a shareholders' general meeting or within five days prior to the base date on which the company decides to distribute dividends.

This appendix contains the summary of the principal provisions of the Articles of Association which shall take effect on the date of the H-Shares being listed on the Hong Kong Stock Exchange. The Articles of Association of the Company has been approved by the Company's board of directors and is to be duly reviewed and approved by the shareholder general meeting before the Listing Date. The main purpose of this appendix is to provide an overview of the Company's Articles of Association for potential investors, so it may not contain all the information that is important to potential investors.

To safeguard the legitimate rights and interests of Tian Tu Capital Co., Ltd. (hereinafter referred to as the "Company"), its shareholders and creditors and to regulate the organization and conducts of the Company, the Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (《中華人民共和國公司法》) (hereinafter referred to as the "Company Law"), the Measures for the Supervision and Administration of Unlisted Public Companies (《非上市公眾公司監督管理辦法》), the Governance Rules for Companies Listed on the National Equities Exchange and Quotations (《全國中小企業股份轉讓系統掛牌公司治理規則》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》) (hereinafter referred to as "Securities Law"), the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (hereinafter referred to as "Guidelines for Articles of Association"), the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (hereinafter referred to as the "Overseas Listing Trial Measures"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as "Listing Rules") and other laws, regulations and relevant provisions.

SHARES

1 Issuance of Shares

The shares of the Company shall take the form of stock. The Company's share certificates shall be in registered form.

The share issued by the Company shall have a par value of RMB one (1) for each share.

The Renminbi referred to in the preceding paragraph is the lawful currency of the People's Republic of China.

The Company's shares listed on NEEQ are centrally deposited at China Securities Depository and Clearing Corporation Limited. The H shares issued by the Company are mainly deposited at entrusted finance company under Hong Kong Securities Clearing Company Limited.

Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to domestic investors and foreign investors.

2 Increase, Decrease and Repurchase of Shares

Based on its operating and development needs, the Company may, pursuant to the laws and regulations and with the approval by resolution at the shareholders' general meeting, increase its registered capital in the following ways:

- (I) Public issuance of shares;
- (II) Non-public issuance of shares;
- (III) Distribute bonus shares to existing shareholders;
- (IV) Convert capital reserves into share capital;
- (V) Any other means approved by the laws, administrative regulations and CSRC or filed with CSRC.

After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Articles and the listing rules of the place where the Company's shares are listed, it shall be made in accordance with the procedures set out in the relevant state laws, administrative regulations, department rules and the listing rules of the place where the Company's shares are listed.

The Company may reduce its registered capital. The reduction in the registered capital shall be made in accordance with the procedures set out in Company Law, other applicable regulations and the Articles. The Company's registered capital after capital reduction shall not be less than the minimum amounts prescribed by law.

The Company may, in accordance with the provisions set out in the laws, administrative regulations, listing rules of the place where the Company's shares are listed, departmental rules and the Articles, purchase its shares under the following circumstances:

- (I) Cancellation of its shares for the purpose of reducing its registered capital;
- (II) Merger with another company which holds the shares of the Company;
- (III) Use of the shares for employee stock ownership plan or equity incentive;
- (IV) Request to the Company to acquire the shares from shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company;
- (V) Conversion of shares into the convertible corporate bonds issued by the Company;

- (VI) Being necessary for the Company to maintain its value and the equity of shareholders;
- (VII) Any other circumstances permitted by the laws, administrative regulations, and regulatory rules of the place where the Company's shares are listed.

Except under the above circumstances, the Company shall not engage in trading of its own shares.

Subject to compliance with laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed and the Articles, and with the approval (if necessary) of the relevant state authorities, the purchase of the Company's shares may be carried out in one of the following ways:

- (I) Making a pro rata general offer of repurchase to all its shareholders;
- (II) Repurchasing through public trading on a stock exchange;
- (III) Repurchasing shares by an off-market agreement outside a stock exchange;
- (IV) Other circumstances permitted by the laws, administrative regulations and relevant state authorities.

3 Transfer of Shares

Unless otherwise provided by the laws and administrative regulations, the security regulatory authorities in the place where the Company's shares are listed and Listing Rules, fully-paid shares of the Company shall be freely transferable and shall also be free from all liens. Transfer of H shares listed in Hong Kong requires registration with the Company's share registrar in Hong Kong.

All H shares, fully paid up and listed in Hong Kong, shall be freely transferable in accordance with the provisions in this Articles of Association; except, and in the following cases, the Board may refuse to recognize any instrument of transfer without reason:

- (I) Instruments of transfer and other documents relating to or affecting the title to any shares shall be registered and the fee shall be payable to the Company in the amount prescribed in the Listing Rules, provided that such fee shall not exceed the maximum fee prescribed in the Listing Rules from time to time;
- (II) The instrument of transfer relates only to H shares listed in Hong Kong;
- (III) Stamp duty payable on the instrument of transfer has been paid;

- (IV) the relevant share certificates and such evidence as reasonably required by the Board to show that the transferor has the right to transfer such shares shall be provided;
- (V) if the shares are to be transferred to joint holders, the number of such joint holders shall not exceed four (4);
- (VI) the relevant shares are free of any lien in favor of the Company.

If the Board of Directors reasonably believes that any H Share of the Company held or beneficially owned by any person at any time will or may cause the Company and/or its shares being subject to the Investment Company Act of 1940, as amended (hereinafter referred to as the “U.S. Investment Company Act”) to register or acquire qualification (including but not limited to, because the shareholder is not a “qualified purchaser” as defined in Section 2(a)(51) of the U.S. Investment Company Act or its rules), the Board of Directors may declare the shareholder to be a “non-qualified holder”, and unless the relevant shareholder satisfies the Board of Directors that he or she is not a non-qualified holder, the Board of Directors may, subject to applicable laws and regulations and the listing rules of the place where the Company’s shares are listed, notify the shareholder and request him to transfer the shares held by him/her to another person who is not a non-qualified holder within thirty (30) days after receiving the notice, and provide the Board of Directors with evidence of the creditability of the transfer within thirty (30) days.

After the transfer, the number of shareholders of the Company shall meet the relevant requirements of laws and regulations. All H shares of the Company shall be transferred by way of written transfer instrument either generally or in an ordinary form, or any other form acceptable to the Board of Directors (including the standard transfer format or form of transfer as prescribed from time to time by the Hong Kong Stock Exchange). A written transfer document may be signed by hand or (where the transferor or transferee is a corporation) by the company’s seal. In the event that the transferor or transferee is a recognized clearing house (“Recognized Clearing House”) as defined in relevant regulations be effective from time to time under the laws of Hong Kong or its agent, a written transfer document may be signed by hand or in a machine-printed form. All instruments of transfer shall be kept at the legal address of the Company or at such address as the Board may from time to time designate.

4 Share Certificates and Register of Shareholders

Share certificates of the Company shall be in registered form.

China Securities Depository and Clearing Co., Ltd. is the registrar and depository of share certificates held by shareholders of domestic unlisted shares of the Company, the data recorded in the securities book-keeping system of China Securities Depository and Clearing Co., Ltd. shall prevail in determining the particulars of the register of shareholders of domestic unlisted shares and the number of shares held by such shareholders. The certificates of H shares of the Company are retained under the safe custody of an entrusted nominee company of the Hong Kong Securities Clearing Company Ltd. and such shares may also be held in the personal names of Shareholders.

In addition to those provided in Company Law, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange where the shares of the Company are listed.

The Company may issue overseas-listed shares in the form of foreign depository receipts or other derivative means of shares in accordance with the laws and the practice of registration and depository of securities in the place where the shares of the Company are listed.

The Company shall establish a register of shareholders and keep it in the Company. The register of shareholders shall be the sufficient evidence for the shareholders' shareholding in the Company, unless there is evidence to the contrary. A shareholder shall enjoy rights and have obligations according to the class of shares held by that shareholder. Shareholders holding the same class of shares shall be entitled to equal rights and have equal obligations. The branch register of shareholders in Hong Kong shall be available for inspection by shareholders, but the Company may be allowed to close the register on terms equivalent to section 632 of the Companies Ordinance.

SHAREHOLDERS AND GENERAL MEETINGS

5 Shareholders

All classes of shareholders of the Company shall have equal rights in any distribution in the form of dividend or any other form.

The Company shall protect shareholders' rights in accordance with the law, pay attention to the protecting the lawful rights and interests of minority shareholders, and shall not deprive of or restrict shareholders' lawful right.

The shareholders of the Company shall be entitled to the following rights:

- (I) to receive dividends and other benefit distributions in proportion to the number of shares they held;
- (II) to require, convene, chair, attend or appoint a proxy to attend a shareholders' general meeting and exercise the corresponding voting rights in accordance with the laws;
- (III) to supervise and manage the business operations of the Company, and to put forward suggestions or raise enquiries;
- (IV) to transfer, bestow or pledge shares held by them in accordance with the laws, administrative regulations, departmental rules, regulatory documents, the listing rules of the place where the Company's shares are listed and the provisions of Articles of Association;

- (V) to inspect the Articles of Association, registers of shareholders, record of company bonds, the minutes of shareholders' general meetings, resolutions of the Board meetings, resolutions of the meetings of the Supervisory Committee and the financial accounting reports;
- (VI) In the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held;
- (VII) With respect to shareholders who voted against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them;
- (VIII) Any other rights stipulated in the laws, administrative regulations, departmental rules, normative documents, listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.

If any resolution of the general meetings or the Board violates the laws and administrative regulations, the shareholders have the right to request the people's court to invalidate the resolution.

If the convening procedure and voting method of the general meetings or the Board meetings violate laws, administrative regulations or the Articles of Association, or the contents of a resolution run counter to the Articles of Association, the shareholders have the right to request the people's court to revoke the resolution within sixty(60) days from the date of the resolution.

If any director or senior management violates the provisions of laws, administrative regulations or the Articles of Association in fulfilling their duties, thereby incurring any loss to the Company, the shareholder(s) severally or jointly holding 1% or more shares of the Company for more than 180 consecutive days shall have the right to submit a written request to the Supervisory Committee to institute legal proceedings to the people's court; if the Supervisory Committee violates the laws, administrative regulations or the Articles of Association in fulfilling its duties, thereby incurring any loss to the Company, the aforementioned shareholders shall have the right to request the Board in writing to institute legal proceedings to the people's court.

Upon receipt of shareholders' written request as stipulated in the preceding paragraph, if the Supervisory Committee or the Board of Directors refuses to file a lawsuit or fails to file a lawsuit within thirty (30) days from receipt of such request, or in the event of emergency where the interest of the Company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders as stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in their own name for the interest of the Company.

If others infringe upon the legitimate rights and interests of the Company and cause losses to the Company, the shareholders specified in the first paragraph of this Article may file a lawsuit with the people's court according to the provisions of the preceding two paragraphs.

The shareholders of the Company shall undertake the following obligations:

- (I) To abide by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (II) To pay subscription monies according to the number of shares subscribed and the method of subscription;
- (III) Not to withdraw their fund contribution, except as provided in laws and regulations;
- (IV) Not to abuse shareholders' rights to harm the interests of the Company or other shareholders; and not to abuse the Company's position as an independent legal person and the limited liability of shareholders to harm the interests of any creditor of the Company; Shareholders of the Company who abuse their shareholder's rights and thereby cause loss on the Company or other shareholders shall be liable for indemnity according to the law; where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly liable for the debts owed by the Company;
- (V) To undertake other obligations stipulated in the laws, administrative regulations, departmental rules, normative documents, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

6 General Provisions of Shareholders' General Meetings

The shareholders' general meeting is the supreme body exercising authority of the Company and shall exercise its functions and powers within the scope specified by the Companies Law and the Articles of Association of the Company. The shareholders' general meeting shall exercise the following functions and powers in accordance with the law:

- (I) To determine the business policies and investment plans of the Company;
- (II) To elect and replace directors and supervisors who are not staff representatives and to determine matters relating to the remuneration of the directors and supervisors;

- (III) To consider and approve the reports of the Board of Directors;
- (IV) To consider and approve the reports of the Supervisory Committee;
- (V) To consider and approve the Company's annual financial budgets and final accounts;
- (VI) To consider and approve the Company's profit distribution plan and plan for recovery of losses;
- (VII) To make resolutions on increase or reduction of the Company's registered capital;
- (VIII) To make resolutions on the issuance of corporate bonds or other securities and listing programs;
- (IX) To make resolutions on the merger, demerger, dissolution, liquidation or change of corporate form of the Company;
- (X) To amend the Articles of Association;
- (XI) To make resolutions on the hiring and dismissal of the Company's accounting firm;
- (XII) To consider and approve the external guarantee stipulated in Article 48;
- (XIII) To consider and approve the related (connected) transactions stipulated in Article 49;
- (XIV) To consider and approve the changes in the use of proceeds;
- (XV) To consider and approve the matters in relation to purchase or sale of major assets by the Company with the amount exceeding thirty percent (30%) of the Company's latest audited total assets within one year;
- (XVI) To consider the foreign investment, rent or leased assets, asset purchase, asset disposal, asset mortgage or pledge, foreign loan and other transactions of a single project with the amount exceeding thirty percent (30%) of the Company's latest audited net assets within one year;
- (XVII) To consider the external entrusted wealth management with the amount exceeding twenty percent (20%) of the Company's latest audited net assets;

(XVIII) To consider matters of financial support (referring to the act of providing funds or entrusting loans externally with or without compensation, the same below) that fall under any of the following circumstances:

- (1) The latest asset-liability ratio of the funded object exceeds seventy percent (70%);
- (2) The amount of financial assistance provided for a single time or the accumulated amount of financial assistance provided within 12 consecutive months exceeds ten percent (10%) of the Company's latest audited net assets;

(XIX) To consider equity incentive schemes;

(XX) To consider other matters which, in accordance with the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed or the Articles of Association, shall be approved by the general meetings.

The legal functions and powers of the general meetings shall not be delegated through authorization to the Board or any other institution or individual.

A general meeting shall either be an annual general meeting or an extraordinary general meeting. The Company shall convene the extraordinary general meeting and annual general meeting in strict accordance with laws and regulations, departmental rules, business rules, regulatory rules of the jurisdiction where the Company's shares are listed and the Company's Articles of Association, so as to ensure that shareholders can exercise their rights according to the law. Annual general meetings shall be held once every year and within 6 months from the close of the preceding accounting year.

Under any of the following circumstances, the Company shall convene an extraordinary general meeting within two (2) months from the date of occurrence:

- (I) When the number of directors is less than the minimum number stipulated in Company Law or two-thirds of the number specified in the Articles of Association;
- (II) When the unrecovered losses of the Company amount to one third of the total amount of its paid-in share capital;
- (III) Where any shareholder holding more than ten percent (10%) of the Company's shares individually or collectively makes a request, the number of shares held by the shareholder shall be calculated on the basis of the Company's shares held by the shareholder on the date of making the written request;
- (IV) When deemed necessary by the Board of Directors;
- (V) When proposed by the Supervisory Committee;
- (VI) When proposed by two or more of independent non-executive directors;

- (VII) Any other circumstances stipulated in the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.

If the general meeting cannot be held within the aforesaid period, the Company shall promptly disclose the reasons by public announcement.

7 Convening of Shareholders' General Meetings

The shareholders' general meeting shall be convened by the Board in accordance with the law and presided over by the chairman of the Board. If the chairman is unable or fails to perform his duties, a director who has been jointly elected by more than half of the directors shall convene and preside over the meeting.

For a general meeting convened by the Supervisory Committee or shareholders on its/their own initiative, the Board of Directors and its secretary shall provide cooperation and fulfill the obligation of information disclosure in a timely manner. The Board of Directors shall provide the register of members. The register of members obtained by the convener shall not be used for other purposes other than convening of the general meeting.

8 Proposals and Notices of Shareholders' General Meetings

The content of proposals shall fall within the functions and powers of the general meeting, have clear subject for discussion and specific matters to be resolved and comply with relevant requirements of the laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association. The proposal shall be submitted in writing or delivered to the convener.

On a One-Vote per Share Basis, where the Company convenes a general meeting, the Board of Directors, the Supervisory Committee and the shareholders individually or jointly holding more than three percent (3%) or more of the Company's shares shall have the right to put forward proposals to the Company.

9 Holding of Shareholders' General Meetings

The Company's Board and other conveners shall take necessary measures to ensure the normal order of the shareholders' general meeting.

All shareholders or their proxies registered on the equity registration date shall have the right to attend the shareholders' general meeting and exercise their voting rights in accordance with relevant laws, regulations, and the Articles of Association.

The shareholders may attend shareholders' general meetings in person and appoint their proxies to attend and vote on their behalf. The shareholders have the right to speak and vote on the shareholders' general meeting, unless individual shareholder is required by the Listing Rules to waive his/her voting right for such particular matter.

Shareholders shall entrust their proxies by written instruments, which shall be made under the hand of the appointer or his agent entrusted in writing. Where the appointer is a legal person, the instrument shall be made under the seal of a legal person or under the hand of its director or officially authorized agent.

The general meeting shall have minutes, which shall be recorded by the secretary to the Board of Directors. The minutes of the general meeting shall contain the following information:

- (I) the date, venue and agenda of the meeting, and the name of the convener;
- (II) the name of the presider of the meeting, and the names of the attending directors, supervisors, members of executive committee and senior management personnel;
- (III) the number of shareholders and their proxies attending the meeting, the total number of voting shares held by them and the proportion of these shares to the total number of shares of the Company;
- (IV) the consideration process of each proposal, summaries of the speeches and the voting results;
- (V) details of the inquiries or recommendations of the shareholders, and the corresponding responses or explanations;
- (VI) the names of the counter and the scrutineer;
- (VII) other contents that should be recorded in the minutes as provided in the Articles of Association.

The convener shall ensure that the contents of the minutes are true, accurate and complete. The directors, supervisors and the secretary to the Board attending the meeting, the convener or representative thereof, and the presider of the meeting shall sign the minutes of the meeting. The minutes of meeting shall be kept for a term of not less than ten (10) years together with the book of signatures of the shareholders attending the meeting, the power of attorney of the attending proxies, the valid information on voting by internet and other methods.

10 Voting and Resolutions of Shareholders' General Meetings

Resolutions of shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.

Ordinary resolutions of the shareholders' general meeting shall be passed by more than half of the voting rights held by the shareholders (including proxies) present at the meeting.

Special resolutions of the shareholders' general meeting shall be passed by more than two-thirds (2/3) of the voting rights held by the shareholders (including proxies) present at the meeting.

The following matters shall be approved by ordinary resolutions at a shareholders' general meeting:

- (I) Work reports of the Board of Directors and the Supervisory Committee;
- (II) Plans for profit distribution and recovery of losses formulated by the Board of Directors;
- (III) Election and replacement of directors and supervisors who are not staff representatives and decision on matters relating to the remuneration of the directors and supervisors;
- (IV) The Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;
- (V) Annual report of the Company;
- (VI) Engagement and dismissal of the Company's accounting firm and the remuneration of the accounting firm engaged;
- (VII) Deliberation and approval of the guarantees stipulated in Article 48 of the Articles of Association and related party (connected) transactions stipulated in Article 49;
- (VIII) Deliberation of a single transaction of the Company such as external investment, entrusted loan, asset lease (including lease-in and lease-out), asset acquisition, asset disposal, mortgage or pledge of assets and external borrowing, involving an amount exceeding thirty percent (30%) of the Company's latest audited net assets within one year;
- (IX) Deliberation of entrusted financial management that exceeds twenty percent (20%) of the Company's latest audited net assets;
- (X) Issuance of bonds or other securities;

- (XI) Decision on the Company's business policies and investment plans;
- (XII) Examination and approval of changes in the use of proceeds;
- (XIII) Any matters other than those required to be approved by special resolution by the laws, administrative regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association.

The following matters shall be approved by special resolutions at a shareholders' general meeting:

- (I) Increase or reduction of the registered capital;
- (II) Demerger, merger, dissolution and liquidation (including voluntary winding-up) of the Company or changes of corporate form;
- (III) Amendment to the Articles of Association;
- (IV) Purchase or disposal of material assets or provision of guarantee by the Company within a year with the transaction amount exceeding thirty percent (30%) of the Company's latest audited total assets;
- (V) Equity incentive plan;
- (VI) Repurchase of shares by the Company;
- (VII) Any other matters prescribed by the laws, administrative regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association, and other matters that are confirmed by ordinary resolution at a shareholders' general meeting as having a material impact on the Company and are required to be approved by a special resolution.

Resolutions in respect of the election of directors or supervisors at a general meeting may be passed by way of cumulative voting.

The cumulative voting system means that when directors or supervisors are being elected at a shareholders' general meeting, each share has as many voting rights as the candidates for directors or supervisors, and the shareholders' voting rights may be used in a concentrated manner.

Except for the cumulative voting system, the general meeting of shareholders shall vote on all proposals one by one. If there are different proposals on the same matter, the voting shall be carried out in the order in which the proposals were submitted. Except for the suspension of the general meeting of shareholders or the inability to make resolutions due to special reasons such as force majeure, the general meeting of shareholders shall not shelve or refrain from voting on proposals.

BOARD OF DIRECTORS**11 Directors**

A director of the Company shall be a natural person. Any person involved in any of the following circumstances shall not serve as director of the Company:

- (I) a person without or with limited capacity for civil conduct;
- (II) a person who has been sentenced to any criminal penalty for corruption, bribery, infringement of property, misappropriation of property or disrupting the economic order of the socialist market, where less than five (5) years have elapsed since the completion of the enforcement of the penalty, or who has been deprived of his/her political rights due to criminal offense, where less than five (5) years have elapsed since the completion of the enforcement of the penalty;
- (III) a person who is a former director, factory manager or manager of a bankrupt and liquidated company or enterprise whereby such person is personally liable for the bankruptcy of such company or enterprise, and where less than three (3) years have elapsed since the date of completion of the bankruptcy and liquidation of such company or enterprise;
- (IV) a person who is a former legal representative of a company or enterprise, whose business license was revoked or which was ordered to close down due to violation of law and who is personally liable for such violation, where less than three (3) years have elapsed since the date of the revocation of business license of such company or enterprise;
- (V) a person who has a relatively large amount of debts which have become overdue;
- (VI) a person who is banned from entering the securities market or deemed inappropriate to take the post of director by China Securities Regulatory Commission, where the term of punishment or judgement has not yet expired;
- (VII) a person who is deemed inappropriate to serve as director of the Company and subject to disciplinary punishment by National Equities Exchange and Quotations Co., Ltd. or stock exchange(s), where the term of disciplinary punishment has not yet expired;
- (VIII) any other circumstances as provided by the laws, administrative regulations, department rules, the China Securities Regulatory Commission, the National Equities Exchange and Quotations Co., Ltd., the securities regulatory authorities of the place where the Company's shares are listed and the stock exchange.

Where the election, appointment of directors violates the provisions of this Article, the election, appointment or engagement shall be invalid. Where directors fall under the circumstances referred to in this Article during his/her tenure, the Company shall terminate his/her appointment.

Directors shall be elected or replaced at the shareholders' general meetings for a term of three (3) years. Upon maturity of the term of office, a director shall be eligible for re-election and re-appointment. Directors shall not be removed from their positions without reason by the shareholders' general meeting before the term of office expires, unless otherwise provided by relevant laws, regulations, the Articles of Association and the listing rules of the stock exchange where the Company's shares are listed.

Directors shall comply with laws, administrative regulations and the Articles of Association and undertake the following fiduciary obligations to the Company:

- (I) not to exploit his position to accept bribes or to obtain other illegal income, and not to encroach upon the Company's assets;
- (II) not to misappropriate the funds of the Company;
- (III) not to deposit the assets or funds of the Company into an account opened in their own names or the name of another individual;
- (IV) not to violate the provisions of the Articles of Association by lending the Company's funds to others or using Company's assets to provide guarantee to others without the consent of the shareholders' general meeting or the consent of the Board;
- (V) not to enter into a contract or transaction with the Company, if violating the provisions of the Articles of Association or without the consent of the shareholders' general meeting;
- (VI) without the consent of the shareholders' general meeting, not to take advantage of their positions to capture business opportunities which should have taken by the Company for themselves or others to engage in the same type of businesses as the Company's on their own or for others;
- (VII) not to take commissions from transactions with the Company;
- (VIII) not to disclose the secrets of the Company without authorization;
- (IX) not to take advantage of their relationship with the Company as related parties to compromise the interests of the Company;
- (X) any other fiduciary obligations stipulated in the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

Any gain arising from the breach of this Article by directors shall belong to the Company. Such directors shall be liable for compensation for any loss of the Company arising therefrom.

Directors shall comply with laws, administrative regulations, the regulatory rules of the stock exchange where the Company's shares are listed and the Articles of Association and shall undertake the following diligent obligations to the Company:

- (I) to exercise the rights vested by the Company prudently, seriously and diligently to ensure that the commercial activities of the Company comply with laws and administrative regulations and the requirements under various economic policies of the PRC and the commercial activities shall not go beyond the business scope stipulated in the business license;
- (II) to treat all shareholders equally;
- (III) to understand the status of the Company's business operation and management in a timely manner;
- (IV) to sign written confirmations of the regular reports issued by the Company and to ensure the information disclosed by the Company is true, accurate and complete;
- (V) to truthfully provide information and materials to the Supervisory Committee and not to hinder the Supervisory Committee or the supervisors from exercising their powers;
- (VI) any other obligations of diligence stipulated in the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

12 Board of Directors

The Company shall have a Board of Directors, which is responsible to the shareholders' general meeting.

The Board of Directors shall consist of nine directors, including at least one third independent directors, and the total number of independent directors shall not be less than three. At least one independent director shall have appropriate professional qualifications in line with regulatory requirements or be equipped with appropriate accounting or relevant financial management expertise. The Board of Directors of the Company shall be a chairman who is elected by the Board of Directors.

The Board of Directors shall exercise the following functions and powers:

- (I) To convene the shareholders' general meeting and report on its work to the shareholders' general meeting;
- (II) To implement the resolutions adopted at shareholders' general meetings;
- (III) To decide on the Company's business plans and investment plans;
- (IV) To formulate the Company's annual financial budgets and accounts;
- (V) To formulate the Company's profit distribution plan and loss makeup plan;
- (VI) To formulate proposals for increases or reductions of the Company's registered capital, the issuance of bonds or other securities and listings, as well as the listing of the Company;
- (VII) To formulate plans for major acquisitions of the Company, the buy-back of shares of the Company, or merger, division, dissolution and change of the form of the Company;
- (VIII) To determine such matters as the Company's external investment, purchase or sale of assets, asset pledge, external guarantee, entrusting wealth management, connected transaction and external financing within the scope authorized by the shareholders' general meeting;
- (IX) To decide on the establishment of the Company's internal management structure;
- (X) To appoint or dismiss the general manager of the Company, the members of executive committee, deputy general manager, chief risk officer, finance controller and the secretary to the Board of Directors, and determine their remunerations and rewards and punishments;
- (XI) To formulate the Company's basic management system;
- (XII) To formulate proposals for amendment to the Articles of Association;
- (XIII) To manage the disclosure matters of company information as the company responsible for information disclosure, and disclose regular and ad hoc reports in accordance with the law;
- (XIV) To propose to the general meeting of shareholders to hire or replace the accounting firm conducting audit of the Company;

- (XV) To consider the work reports of the executive committee and the general manager, and review related work;
- (XVI) To discuss and evaluate whether the corporate governance mechanism provides appropriate protection and equal rights to all shareholders, and whether the corporate governance structure is reasonable and effective;
- (XVII) To review and consider transactions that are subject to decision-making by the board of directors in accordance with the Listing Rules;
- (XVIII) To exercise other functions and powers as stipulated in the laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed or the Articles of Association.

The chairman of the board of directors shall be elected and removed by more than half of all the directors.

The chairman of the board of directors shall exercise the following functions and powers:

- (I) to preside over the shareholders' general meetings and convene and preside over meetings of the board of directors;
- (II) to supervise and inspect the implementation of resolutions of the board of directors;
- (III) to sign documents of the board of directors and other documents that shall be signed by the legal representative of the Company;
- (IV) to exercise the functions and powers of a legal representative;
- (V) to nominate candidates for the general manager and the secretary to the board of directors of the Company;
- (VI) to exercise special disposal right over the matters of the Company in compliance with laws and for the benefit of the Company, and report it to the Board and the shareholders' general meeting afterwards in the event of any emergency due to force majeure, such as extraordinary natural disaster;
- (VII) to exercise any other powers conferred by the Board, the laws, administrative regulations or the regulatory rules of the place where the Company's shares are listed.

A director or any of his or her close associates (as defined in the Listing Rules) who is related to the enterprise to which the resolution of the board meeting relates shall not exercise voting rights in respect of such resolution, nor shall he or she exercise voting rights on behalf of other directors. Such board meeting may be held in the presence of a majority of unrelated directors, and resolutions made at the board meeting shall be passed by a majority of unrelated directors. If the number of unrelated directors present at the board meeting is less than three (3), the matter shall be submitted to the general meeting of shareholders for consideration.

13 Special Committees of the Board of Directors

The Board of Directors of the Company must establish an audit committee, a nominating committee, a remuneration committee and other special committees as required. The special committee shall be accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals shall be submitted to the Board of Directors for consideration and approval.

EXECUTIVE COMMITTEE, GENERAL MANAGER AND OTHER SENIOR MANAGEMENT OFFICERS**14 Executive Committee, General Manager and Other Senior Management Officers**

The Company shall have one (1) general manager who shall be nominated by the chairman of the board of directors and appointed or dismissed by the board of directors. The general manager shall be present at the meetings of the board of directors.

The Company shall have deputy general manager, chief financial officer, chief risk officer and secretary to the board of directors, and the deputy general manager shall be nominated by the general manager and appointed or dismissed by the board of directors.

The general manager, deputy general manager, chief financial officer, chief risk officer and secretary to the board of directors are senior management of the Company.

The circumstances specified in Article 103 of this Articles of Association in which a person may not serve as a director shall apply to members of the executive committee and senior management.

The provisions of Article 105 of this Articles of Association regarding the duty of loyalty of directors and items (IV) to (VI) of Article 106 on the duty of diligence shall apply to members of the executive committee and senior management.

The term of office of the general manager shall be three (3) years, and he/she shall be eligible to offer themselves for re-appointment.

The general manager shall be accountable to the board of directors and assist the executive committee to exercise the following functions and powers:

- (I) to be in charge of the production and operation management of the Company, organize the implementation of resolutions of the Board of Directors, and report his/her work to the Board of Directors;
- (II) to organize the implementation of the annual business plans and investment schemes of the Company;

- (III) to formulate the scheme on the setup of the internal management organization of the Company;
- (IV) to formulate the fundamental management systems of the Company;
- (V) to formulate the specific rules of the Company;
- (VI) to propose the appointment or dismissal of the deputy manager, chief financial officer and chief risk officer of the Company by the Board of Directors;
- (VII) to appoint or dismiss the management personnel other than those who shall be appointed or dismissed by the board of directors;
- (VIII) to exercise other functions and powers conferred by the Articles of Association and the Board of Directors.

Director of the Executive Committee shall be responsible for taking charge of the daily operation of the Company, and the general manager assists the director of the Executive Committee in carrying out his/her work. The Executive Committee shall be accountable to the Board of Directors and exercise the following functions and powers:

- (I) to be in charge of the operation and management of the Company, organize the implementation of the Board resolutions and report to the Board of Directors;
- (II) to organize the implementation of the Company's annual business plans and investment plans;
- (III) to draft plans for establishment of the Company's the internal management structure;
- (IV) to formulate the Company's basic management system;
- (V) to formulate the basic rules and regulations of the Company;
- (VI) to employ or dismiss the other personnel other than those required to be employed or dismissed by the Board of Directors;
- (VII) other functions and powers conferred by the Articles of Association or the Board of Directors.

The Company shall have a secretary to the Board of Directors, who shall be held by a natural person with requisite professional knowledge and experience, and shall be nominated by the chairman of the Board of Directors and appointed or dismissed by the Board of Directors. A director or other senior management officers of the Company may hold the office of the secretary to the Board of Directors concurrently.

SUPERVISORY COMMITTEE**15 Supervisors**

The circumstances in which a person shall not be appointed as a director provided by the Articles 103 shall be applicable to the supervisors.

Each term of office of a supervisor is three (3) years. Upon maturity of the term of office, a supervisor shall be eligible for re-election and re-appointment.

The supervisor shall ensure the truthfulness, accuracy and completeness of the disclosure of information of the Company.

16 Supervisory Committee

The Company shall have a Supervisory Committee, consisting of three (3) supervisors, including one (1) employee representative supervisor. The employee representative supervisor shall be elected and replaced by the employees of the Company at the employee representatives' meeting, employees' meeting or in other forms. Shareholder representative supervisors shall be elected and replaced by the shareholders' general meeting.

The Supervisory Committee shall have one (1) chairman. The chairman of the Supervisory Committee shall be elected more than half of all supervisors.

The chairman of the Supervisory Committee shall convene and preside over the meetings of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his duties, a supervisor who has been elected by more than half of the supervisors shall convene and preside over the meeting of the Supervisory Committee.

The Supervisory Committee shall be accountable to the shareholders' general meeting and exercise the following functions and powers:

- (I) To inspect the financial affairs of the Company;
- (II) To supervise the performance of duties of the directors, members of the executive committee and senior management officers, and propose dismissal of directors, members of the executive committee and senior management officers who violate the laws, administrative regulations, the Articles of Association or resolutions of shareholders' general meetings;
- (III) When the conducts of the directors, members of the executive committee and senior management officers damaged the Company's interest, to require directors and senior management officers to make rectification;

- (IV) To propose the convening of an extraordinary general meeting, and convene and preside over the shareholders' general meeting when the Board fails to perform such duties specified under the Company Law;
- (V) To submit proposals to the shareholders' general meeting;
- (VI) To initiate legal proceedings against the Company's director, members of the executive committee and senior management officers in accordance with Article 151 of the Company Law;
- (VII) To conduct investigations if there are any unusual circumstances in the Company's operations; and if necessary, to engage an accounting firm, law firm or other professionals to assist in their work at the expenses of the Company;
- (VIII) To examine the regular reports of the Company prepared by the Board and produce written opinions thereon;
- (IX) Any other functions and powers granted by the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.

OBLIGATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OFFICERS OF THE COMPANY

17 Obligations of Directors, Supervisors and Senior Management Officers of the Company

Directors shall comply with laws, administrative regulations and the Articles of Association and undertake the following fiduciary obligations to the Company:

- (I) not to exploit his/her position to accept bribes or to obtain other illegal income, and not to encroach upon the Company's assets;
- (II) not to misappropriate the funds of the Company;
- (III) not to deposit the assets or funds of the Company into an account opened in their own names or the name of another individual;
- (IV) not to violate the provisions of the Articles of Association by lending the Company's funds to others or using the Company's assets to provide guarantee to others without the consent of the shareholders' general meeting or the consent of the Board;
- (V) not to enter into a contract or transaction with the Company, if violating the provisions of the Articles of Association or without the consent of the shareholders' general meeting;

- (VI) without the consent of the shareholders' general meeting, not to take advantage of their positions to capture business opportunities which should have been taken by the Company for themselves or others to engage in the same type of businesses as the Company's on their own or for others;
- (VII) not to take commissions from transactions with the Company;
- (VIII) not to disclose the secrets of the Company without authorization;
- (IX) not to take advantage of their relationship with the Company as related parties to compromise the interests of the Company;
- (X) any other fiduciary obligations stipulated in the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

Any gain arising from the breach of this Article by directors shall belong to the Company. Such directors shall be liable for compensation for any loss of the Company arising therefrom.

Directors shall comply with laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association and shall undertake the following diligent obligations to the Company:

- (I) to exercise the rights vested by the Company prudently, seriously and diligently to ensure that the commercial activities of the Company comply with laws and administrative regulations and the requirements under various economic policies of the PRC and the commercial activities shall not go beyond the business scope stipulated in the business license;
- (II) to treat all shareholders equally;
- (III) to understand the status of the Company's business operation and management in a timely manner;
- (IV) to sign written confirmations of the regular reports issued by the Company and to ensure the information disclosed by the Company is true, accurate and complete;
- (V) to truthfully provide information and materials to the Supervisory Committee and not to hinder the Supervisory Committee or the supervisors from exercising their powers;
- (VI) any other obligations of diligence stipulated in the laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed and the Articles of Association.

The provisions of the duty of loyalty of directors and items (IV) to (VI) of the above provision on the duty of diligence shall apply to members of the executive committee and senior management.

18 Borrowing Power

The controlling shareholders, actual controllers, directors, supervisors, members of the Executive Committee and senior management shall not take advantage of their related party relationships to compromise the interests the Company and shall be liable for compensation for any loss of the Company arising therefrom.

The Company shall prevent shareholders and related (connected) parties from directly or indirectly occupying the Company's capital and resources in various ways, and shall not directly or indirectly provide capital to shareholders and related (connected) parties for use in the following ways:

- (I) to lend capital of the Company to shareholders and related (connected) parties for use whether at a consideration or at nil consideration.
- (II) to extend entrusted loans to shareholders and related (connected) parties through banks or non-bank financial institutions.
- (III) to entrust shareholders and related (connected) parties to conduct investment activities.
- (IV) to issue a bill of acceptance without real transaction background for shareholders and related (connected) parties.
- (V) to pay off liability for shareholders and related (connected) parties.
- (VI) to occupy the Company's capital and resources in other ways.

Related party relationships refer to the relationship between the controlling shareholder, de facto controller, directors, supervisors and senior management of the Company and the enterprises under their direct or indirect control, and any other relationships that may lead to the transfer of interest of the Company.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

19 Financial Accounting System

The Company shall establish its financial and accounting systems in accordance with the law, administrative regulations and the provisions stipulated by the relevant authorities of the People's Republic of China. If the securities regulatory authorities in the place where the Company's shares are listed have other regulations, such regulations shall prevail.

20 Profit Distribution

In distributing the profit after tax of the current year, the Company shall allocate ten percent (10%) of its profit into its statutory reserve fund. When the aggregate amount of the statutory reserve fund of the Company is more than fifty percent (50%) of its registered capital, further appropriations are not required.

The reserve fund of the Company can be applied for making up for losses of the Company, expanding the Company's operation or increasing the capital of the Company, but the capital reserve fund shall not be applied for making up for losses of the Company.

Where the statutory reserve fund is converted into capital, the balance of the reserve fund shall not fall below twenty-five percent (25%) of the Company's registered capital prior to such conversion.

Any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to receive a dividend subsequently declared on the amount paid up in advance.

The Company has the right to sell, by means considered appropriate by the Board of Directors, the shares of a holder of overseas listed shares who is untraceable, subject to the following conditions:

- (I) Dividends are distributed for at least three (3) times in respect of the relevant shares during twelve (12) years and the dividends were not claimed during such period; and
- (II) Upon expiry of the twelve (12) years, the Company gives a notice of its intention to sell the shares by way of an announcement published in one or more newspapers in the place where the Company's shares are listed and notifies the stock exchange in the place where such shares are listed.

21 Appointment of Accounting Firm

The Company shall engage an accounting firm which complied with the provisions of the Securities Law in securities-related business to audit the financial statements, verify net assets and provide other related consultation services. The accounting firm shall serve a term of one year and may be re-appointed.

NOTICE**22 Notice**

Notices of the Company may be delivered through the following means:

- (I) By hand;

- (II) By fax;
- (III) By post;
- (IV) By e-mail;
- (V) By announcement;
- (VI) By telephone;
- (VII) By way of publishing information on websites designated by the Company and the stock exchange of the place where the Company's shares are listed, subject to the laws, administrative regulations, departmental rules and regulations, regulatory rules of the place where the Company's shares are listed, normative documents and the Articles of Association of the Company;
- (VIII) By any other means as approved by the relevant securities regulatory authorities of the place where the Company's shares are listed or as specified in the Articles of Association.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

23 Merger, Division, Capital Increase and Capital Reduction

The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

Merger by absorption means the absorption by one company of other company or companies in which case the absorbed company or companies shall be dissolved. Merger by new establishment means the merger of two or more companies to form a new company, in which case all parties to the merger shall be dissolved.

24 Dissolution and Liquidation

In any of the following circumstances, the Company shall be dissolved:

- (I) where the business term specified in the Articles of Association expires or other cause for dissolution specified in the Articles of Association occurs;
- (II) where the shareholders' general meeting has adopted a resolution for dissolution;
- (III) where dissolution is required due to merger or division of the Company;

- (IV) where the business license of the Company is revoked, or the Company is ordered to close down or cancelled in accordance with the laws; and
- (V) where the Company runs deep into difficulties in operation and management, its continuous existence may cause material losses to shareholders' interests, and such difficulties cannot be solved in other ways, the shareholders holding ten percent (10%) or more of total voting rights of the Company may request the people's court to dissolve the Company.

INVESTOR RELATIONSHIP MANAGEMENT

25 Investor Relationship Management

The communication between the Company and investors in investor relations work mainly includes:

- (I) The Company's development strategy, including the Company's development direction, development planning, competition strategy and business policy, etc.;
- (II) Statutory information disclosures and their descriptions, including periodic reports and temporary announcements, etc.;
- (III) Information about the business management which may be disclosed by the Company according to the law, including the status of production and operation, financial status, research and development of new products or technologies, results of operations, dividend distribution, etc.;
- (IV) Significant matters that can be disclosed by the Company according to law, including information on significant investments of the Company and changes thereof, asset restructuring, acquisitions and mergers, external cooperation, external guarantees, significant contracts, connected (related) transactions, significant litigation or arbitration, changes in management, and changes in major shareholders;
- (V) Corporate culture building;
- (VI) Other relevant information of the Company.

Channels of communication between the Company and investors include but are not limited to:

Annual report, announcement, shareholders' general meeting, analysis and explanation meeting, one-on-one communication, website, advertisement, media interview and report, materials by mail, site visit, telephone consultation, etc. The Company shall communicate with investors in a timely, in-depth and extensive manner by as many means as possible, and shall highlight the use of Internet to increase the efficiency of and reduce the cost of communication.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION**26 Amendments to the Articles of Association**

The Company shall amend the Articles of Association under any of the following situations:

- (I) There is a discrepancy between the provisions of the Articles of Association and those of the laws and administrative regulations after amendments to the Company Law or relevant laws and administrative regulations;
- (II) There are changes in the situation of the Company resulting in inconsistency in relation to that mentioned in the Articles of Association;
- (III) The shareholders' general meeting resolves to amend the Articles of Association.

If the amendments upon the resolutions of shareholders' general meeting are subject to approval by the competent authorities, such amendments shall be submitted to such competent authorities for approval; if company registration is necessary for the amendments, such registration shall be carried out in compliance with the relevant laws.

SUPPLEMENTARY PROVISIONS**27 Supplementary Provisions**

Any matters not covered herein shall be handled in light of the actual situation of the Company according to the laws, administrative regulations and relevant regulations of the securities regulatory authorities of the place where the Company's shares are listed. In the event of any conflict between the Articles of Association and the provisions of laws, administrative regulations, other relevant regulatory documents and the listing rules of the stock exchange where the Company's shares are listed (promulgated from time to time), the provisions of the laws, administrative regulations, other relevant regulatory documents and the listing rules of the stock exchange where the Company's shares are listed shall prevail. The Articles of Association shall be executed in Chinese. Where the articles of association in any other language or version disagree with the Articles of Association, the Chinese version of Articles of Association latest approved and registered by the company registration authority shall prevail.

FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation of Our Company**

Our Company was established as a limited liability company in the PRC on January 11, 2010 and was converted into a joint stock company with limited liability on July 22, 2015 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company was RMB519,773,110.

Our Company has established a place of business in Hong Kong at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong and has registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on April 25, 2022. Ms. Kwan Sau In and Ms. Chan Sze Ting have been appointed as our authorized representatives for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

2. Changes in Share Capital of Our Company

As of the Latest Practicable Date, there has been no alteration in our share capital within two years immediately preceding the date of this prospectus.

3. Changes in the Share Capital of Our Major Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 49 to the Accountants' Report as set out in Appendix I to this Prospectus.

On August 18, 2022, the registered capital of Tiantu Xingbei reduced from RMB2,868,486,500 to RMB2,776,252,217.81.

On October 26, 2022, the registered capital of Tiantu Xing'an increased from RMB100,000,000 to RMB800,000,000. On January 18, 2023, the registered capital of Tiantu Xing'an increased from RMB800,000,000 to RMB1,226,103,800.

On November 19, 2021, the registered capital of Tiantu Xingpeng reduced from RMB5,000,000,000 to RMB2,660,000,000.

On June 8, 2022, the registered capital of Tiantu Xingzhou increased from RMB1,000,000,000 to RMB1,110,000,000. On November 1, 2022, the registered capital of Tiantu Xingzhou increased from RMB1,110,000,000 to RMB1,140,000,000. On August 7, 2023, the registered capital of Tiantu Xingzhou increased from RMB1,140,000,000 to RMB1,500,000,000.

On December 13, 2021, the capital commitment of Tiantu VC USD Fund I L.P. increased from US\$138,000,000 to US\$138,700,000.

Save as disclosed in the paragraph headed “3. Changes in the Share Capital of Our Major Subsidiaries” in this appendix, there has been no alteration in the share capital of our major subsidiaries within two years immediately preceding the date of this prospectus.

4. Resolutions of the Shareholders

Pursuant to the general meetings of our Shareholders held on April 22, 2022 and April 20, 2023, the following resolutions, among others, were passed by our Shareholders:

- (a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange;
- (b) subject to the completion of the Global Offering, the adoption of the Articles of Association which shall become effective on the Listing Date, and the authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and
- (c) authorization of our Board to handle all relevant matters relating to, among other things, the issue and listing of the H Shares.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

1. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

- (a) an underwriting agreement dated December 29, 2021 entered into between our Company (as issuer) and Zheshang Securities Co., Ltd. (浙商證券股份有限公司) (as lead underwriter) in relation to the non-public offering of corporate bonds to professional investors by our Company in 2021;
- (b) an underwriting agreement dated August 4, 2022 entered into between our Company (as issuer) and Zheshang Securities Co., Ltd. (浙商證券股份有限公司) (as lead underwriter) in relation to the non-public offering of corporate bonds to professional investors by our Company in 2022;

- (c) a cornerstone investment agreement dated September 7, 2023 entered into among our Company, Qingdao Haiming City Development Co., Ltd. (青島海明城市發展有限公司), Huatai Financial Holdings (Hong Kong) Limited (華泰金融控股(香港)有限公司) and BOCI Asia Limited (中銀國際亞洲有限公司), pursuant to which Qingdao Haiming City Development Co., Ltd. (青島海明城市發展有限公司) has agreed to subscribe for Offer Shares at the Offer Price in the amount of Hong Kong dollar equivalent to US\$15,000,000;
- (d) a cornerstone investment agreement dated September 7, 2023 entered into among our Company, Qingdao Hainuo Investment Development Co., Ltd. (青島海諾投資發展有限公司), Huatai Financial Holdings (Hong Kong) Limited (華泰金融控股(香港)有限公司) and BOCI Asia Limited (中銀國際亞洲有限公司), pursuant to which Qingdao Hainuo Investment Development Co., Ltd. (青島海諾投資發展有限公司) has agreed to subscribe for Offer Shares at the Offer Price in the amount of Hong Kong dollar equivalent to US\$15,000,000;
- (e) a cornerstone investment agreement dated September 18, 2023 entered into among our Company, Shenzhen Futian Guiding Fund Investment Co., Ltd. (深圳市福田引導基金投資有限公司), Huatai Financial Holdings (Hong Kong) Limited (華泰金融控股(香港)有限公司) and BOCI Asia Limited (中銀國際亞洲有限公司) pursuant to which Shenzhen Futian Guiding Fund Investment Co., Ltd. (深圳市福田引導基金投資有限公司) has agreed to subscribe for Offer Shares at the Offer Price in the amount of Hong Kong dollar equivalent to RMB260,000,000;
- (f) a cornerstone investment agreement dated September 20, 2023 entered into among our Company, Qingdao Economic Technology Development Zone Financial Investment Group Co., Ltd. (青島經濟技術開發區金融投資集團有限公司), Huatai Financial Holdings (Hong Kong) Limited (華泰金融控股(香港)有限公司) and BOCI Asia Limited (中銀國際亞洲有限公司), pursuant to which Qingdao Economic Technology Development Zone Financial Investment Group Co., Ltd. (青島經濟技術開發區金融投資集團有限公司) has agreed to subscribe for Offer Shares at the Offer Price in the amount of Hong Kong dollar equivalent to US\$12,500,000; and
- (g) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks in the PRC or Hong Kong, which we considered to be material to our business:

No.	Owner	Registration No.	Place of Registration	Trademark	Class	Validity Period
1	Company	29103084	PRC	天图	36	December 28, 2018 to December 27, 2028
2	Company	22887205	PRC	天图资本	36	February 28, 2018 to February 27, 2028
3	Company	20416456	PRC	天图	10	August 14, 2017 to August 13, 2027
4	Company	20416495	PRC	天图	26	August 14, 2017 to August 13, 2027
5	Company	20416374	PRC	天图	12	October 21, 2017 to October 20, 2027
6	Company	20416429	PRC	天图	15	August 14, 2017 to August 13, 2027
7	Company	20416144	PRC	天图	8	August 14, 2017 to August 13, 2027
8	Company	20416536	PRC	天图	18	October 21, 2017 to October 20, 2027
9	Company	20014988	PRC	天图	17	October 14, 2017 to October 13, 2027
10	Company	20015385	PRC	天图	22	July 7, 2017 to July 6, 2027
11	Company	20016099	PRC	天图	28	July 7, 2017 to July 6, 2027
12	Company	20007336	PRC	天图	14	July 28, 2017 to July 27, 2027

No.	Owner	Registration No.	Place of Registration	Trademark	Class	Validity Period
13	Company	13953158	PRC	天图投资	36	March 7, 2015 to March 6, 2025
14	Company	8743136	PRC	天图	36	November 14, 2011 to November 13, 2031
15	Tiantu Capital Management Center	22044912	PRC	磨刀会	35	January 14, 2018 to January 13, 2028
16	Tiantu Capital Management Center	22045149	PRC	磨刀会	36	January 14, 2018 to January 13, 2028
17	Tiantu Capital Management Center	22045141	PRC	磨刀会	41	January 14, 2018 to January 13, 2028
18	Company	305838896	Hong Kong	天图投资 TiantuCapital.com 	36	December 22, 2021 to December 21, 2031
19	Company	305838896	Hong Kong	 天图投资 TiantuCapital.com (a series of marks)	36	December 22, 2021 to December 21, 2031
20	Company	305838887	Hong Kong	TiantuCapital  天图投资 — 专注消费品投资 —	36	December 22, 2021 to December 21, 2031

Domain Names

As of the Latest Practicable Date, we have registered the following domain names which we consider to be material to our business:

No.	Owner	Domain Name	Registration Date	Expiry date
1.	Company	tiantu.com.cn	January 3, 2002	January 1, 2027
2.	Company	tiantucapital.com	November 6, 2015	November 6, 2025

FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

Save for Mr. Wang, Mr. Feng Weidong, Ms. Zou Yunli, Mr. Li Xiaoyi, Mr. Tang Zhimin and Mr. Di Zhe as disclosed below, immediately following completion of the Global Offering (without taking into account the H Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option), so far as our Directors are aware, none of our Directors, Supervisors and chief executive has any interest or short positions in our Shares, underlying Shares or debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Name	Position	Nature of Interest	Number and class of Shares held	Approximate percentage of shareholding in the relevant class of Shares after the Global Offering ⁽¹⁾	Approximate percentage of shareholding in the total share capital of our Company after the Global Offering ⁽¹⁾
Mr. Wang Yonghua (王永華)	Executive Director; chairman of the Board; chairman of the Executive Committee; managing partner of Tiantu Capital Management Center	Beneficial owner	209,748,220 Unlisted Shares	40.3538%	30.2653%
		Interest of controlled corporation ⁽²⁾	17,500,000 Unlisted Shares	3.3669%	2.5251%

Name	Position	Nature of Interest	Number and class of Shares held	Approximate percentage of shareholding in the relevant class of Shares after the Global Offering ⁽¹⁾	Approximate percentage of shareholding in the total share capital of our Company after the Global Offering ⁽¹⁾
Mr. Feng Weidong (馮衛東)	Executive Director; general manager; chief financial officer; vice chairman of the Executive Committee; managing partner of Tiantu Capital Management Center	Beneficial owner	7,000,000 Unlisted Shares	1.3467%	1.0101%
Ms. Zou Yunli (鄒雲麗)	Executive Director; member of the Executive Committee; managing partner and general manager of the private equity department of Tiantu Capital Management Center	Beneficial owner	3,500,000 Unlisted Shares	0.6734%	0.5050%
		Interest of spouse ⁽³⁾	264,000 Unlisted Shares	0.0508%	0.0381%
Mr. Li Xiaoyi (李小毅)	Executive Director; chief risk control officer; member of the Executive Committee; managing partner of Tiantu Capital Management Center	Beneficial owner	3,500,000 Unlisted Shares	0.6734%	0.5050%
		Interest of spouse ⁽⁴⁾	14,400 Unlisted Shares	0.0028%	0.0021%

Name	Position	Nature of Interest	Number and class of Shares held	Approximate percentage of shareholding in the relevant class of Shares after the Global Offering ⁽¹⁾	Approximate percentage of shareholding in the total share capital of our Company after the Global Offering ⁽¹⁾
Mr. Tang Zhimin (湯志敏)	Chairman of the Supervisory Committee; Supervisor	Beneficial owner	1,600 Unlisted Shares	0.0003%	0.0002%
Mr. Di Zhe (狄喆)	Employee representative Supervisor	Beneficial owner	7,300 Unlisted Shares	0.0014%	0.0011%

Notes:

- (1) The calculation is based on the total number of 519,773,110 Unlisted Shares in issue and 173,258,000 H Shares (assuming the Over-allotment Option is not exercised) in issue upon Listing.
- (2) Mr. Wang is the sole executive partner of Tiantu Xingzhi and Tiantu Xinghe, each of which held 8,750,000 Unlisted Shares in our Company, respectively. As such, Mr. Wang is deemed to be interested in the Shares held by Tiantu Xingzhi and Tiantu Xinghe in our Company under the SFO.
- (3) Mr. Li Anxin (李安新) is the spouse of Ms. Zou Yunli. Mr. Li Anxin held 264,000 Unlisted Shares. Under the SFO, Ms. Zou Yunli is deemed to be interested in the 264,000 Unlisted Shares held by Mr. Li Anxin.
- (4) Ms. Hu Wenhua (胡文華) is the spouse of Mr. Li Xiaoyi. Ms. Hu Wenhua held 14,400 Unlisted Shares. Under the SFO, Mr. Li Xiaoyi is deemed to be interested in the 14,400 Unlisted Shares held by Ms. Hu Wenhua.

2. Substantial Shareholders

For the information on the persons who will, immediately following the completion of the Global Offering, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, see “Substantial Shareholders” in this prospectus.

Save as set out above, our Directors are not aware of any other person (other than our Directors, Supervisors or chief executive) will, immediately following completion of the Global Offering, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

3. Service Contracts

We have entered into a contract with each of our Directors and Supervisors in respect of, among other things, compliance with relevant laws and regulations and the Articles of Association.

Each of our Directors and Supervisors has entered into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term of three years commencing from the date of appointment; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval.

Save as disclosed in the preceding two paragraphs, none of our Directors and Supervisors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

4. Remuneration of Directors and Supervisors

Save as disclosed in the section headed "Directors, Supervisors and Senior Management" and "Appendix I – Accountants' Report – Notes to The Historical Financial Information – 13. Directors', Supervisors', Chief Executive's and Employees' Emoluments" for the financial years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023, none of our Directors or Supervisors received other remunerations or benefits in kind from us.

5. Disclaimers

- (a) none of our Directors, Supervisors or any of the parties listed in "5. Qualifications of Experts" of this Appendix is:
 - (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Company; or
 - (ii) materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;
- (b) save as in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties listed in "5. Qualifications of Experts" of this Appendix:
 - (i) is interested legally or beneficially in any shares in any member of our Group; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;

- (c) save as disclosed in the section headed “Substantial Shareholders” in this prospectus, none of our Directors or Supervisors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO; and
- (d) so far as is known to our Directors, save as disclosed in the section headed “Business – Major Customers and Suppliers – Our Customers” in this prospectus, none of our Directors or Supervisors or their respective close associates (as defined under the Listing Rules) or Shareholders who owns more than 5% of the issued shares of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or any of our subsidiaries under the laws of the PRC.

2. Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration or claim of material importance, and, so far as we are aware, no litigation, arbitration or claim of material importance is pending or threatened against any member of our Group, which would have a material adverse effect on our financial condition or results of operations, taken as a whole.

3. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Hong Kong Stock Exchange for the listing of, and permission to deal in, our H Shares. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors’ fees payable by us in respect of the Joint Sponsors’ services to act as sponsors to our Company in connection with the Global Offering are US\$687,500.

4. Preliminary expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

5. Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions and/or advice in this prospectus are as follows:

Name	Qualifications
Huatai Financial Holdings (Hong Kong) Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) of the regulated activities as defined under the SFO
BOCI Asia Limited	A corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Deloitte Touche Tohmatsu	Certified public accountants, and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Grandall Law Firm (Shanghai)	Legal advisors as to PRC laws
China Insights Industry Consultancy Limited	Independent industry consultant
Carey Olsen Hong Kong LLP	Legal advisors as to Cayman Islands and BVI laws

6. Consents

Each of the experts as referred to in the paragraph headed “5. Qualifications of Experts” of this Appendix has given and has not withdrawn its respective written consents to the issue of this prospectus with the inclusion of certificates, letters, opinions or reports and the references to its name included herein in the form and context in which it respectively included.

7. Taxation of Holders of H Shares

(1) Hong Kong

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further details in relation to taxation, see “Appendix III – Taxation and Foreign Exchange” to this prospectus.

(2) Consultation with professional advisers

Potential investors in the Global Offering are urged to consult their professional tax advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our H Shares (or exercising rights attached to them). None of our Company, our Directors, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our H Shares.

8. No Material Adverse Change

Our Directors confirm that, as of the date of this prospectus, save as disclosed under “Recent Developments and No Material Adverse Change” in the section headed “Summary” in this prospectus, there has been no material adverse change in the financial or trading position of our Company since March 31, 2023 (being the date to which the latest audited consolidated financial statements of our Company were prepared).

9. Promoters

The promoters of our Company are eight Shareholders of our Company as of July 22, 2015 before our conversion into a joint stock company with limited liability. Within the two years preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the Global Offering and the related transactions described in this prospectus.

10. Restrictions on Repurchase

For details, see “Appendix IV – Summary of Principal Legal and Regulatory Provisions” and “Appendix V – Summary of Articles of Association” to this prospectus.

11. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Bilingual Prospectus

The English and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

13. Miscellaneous

- (a) within the two years preceding the date of this prospectus, (i) our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any Shares of our Company;
- (b) no Share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) our Company has no outstanding convertible debt securities or debentures;
- (e) there is no arrangement under which future dividends are waived or agreed to be waived;
- (f) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;
- (g) save as disclosed in the section headed “History, Development and Corporate Structure” in this prospectus, none of our equity securities is listed or dealt with on any other stock exchange; and
- (h) our Company is a joint stock limited company and is subject to the PRC Company Law.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

- (i) a copy of the **GREEN** Application Form;
- (ii) a copy of each of the material contracts referred to in the paragraph headed “Appendix VI – Statutory and General Information – Further Information about the Business of our Company – 1. Summary of Material Contracts” in this prospectus; and
- (iii) the written consents referred to in the paragraph headed “Appendix VI – Statutory and General Information – Other information – 6. Consents” in this prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of our Company at www.tiantucapital.com and on the website of the Stock Exchange at www.hkexnews.com up to and including the date which is 14 days from the date of this prospectus:

- (a) the Articles of Association;
- (b) the accountants’ report prepared by Deloitte, the text of which is set out in Appendix I to this prospectus;
- (c) the audited consolidated financial statements of our Group for the years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023;
- (d) the report prepared by Deloitte on review of condensed consolidated financial statements of our Group for the six months ended June 30, 2023, the text of which is set out in Appendix IA to this prospectus;
- (e) the report prepared by Deloitte on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this prospectus;
- (f) the industry report issued by CIC referred to in the section headed “Industry Overview” in this prospectus;
- (g) the PRC legal opinions issued by Grandall Law Firm (Shanghai), our PRC Legal Advisor, in respect of, among other things, the general matters and property interests of our Group under the PRC laws;

- (h) the Cayman and BVI legal opinions issued by Carey Olsen Hong Kong LLP, our legal advisor as to Cayman Islands and BVI laws, in respect of, among other things, the general matters of our subsidiaries incorporated in Cayman Islands and BVI under the Cayman Islands and BVI laws;
- (i) the material contracts referred to in the paragraph headed “Appendix VI – Statutory and General Information – Further Information about the Business of our Company – 1. Summary of Material Contracts” in this prospectus;
- (j) the service contracts referred to in the paragraph headed “Appendix VI – Statutory and General Information – Further Information about Our Directors, Supervisors and Substantial Shareholders – 3. Service Contracts” in this prospectus;
- (k) the written consents referred to in the paragraph headed “Appendix VI – Statutory and General Information – Other Information – 6. Consents” in this prospectus; and
- (l) the PRC Company Law and Overseas Listing Trial Measures together with unofficial English translations thereof.

TiantuCapital  天图投资

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