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TiantuCapital  天图投资

—— 专注消费品投资 ——

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)

(Stock Code: 1973)

**DISCLOSEABLE TRANSACTION —
INVESTMENT IN SHANGHAI YUEKUN**

THE INVESTMENT AGREEMENT

The Company announces that on November 20, 2023 (after trading hours), Shenzhen Xingyi, Shanghai Yuekun and Aifenlei entered into the Investment Agreement, pursuant to which Shenzhen Xingyi conditionally agreed to invest the RMB equivalent of the principal amount of US\$35,625,000 to Shanghai Yuekun. Shenzhen Xingyi may elect to convert its investment into an investment in Aifenlei in accordance with the terms of the Investment Agreement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) in respect of the Investment exceed 5% but all the percentage ratios are less than 25%, the entering into of the Investment Agreement constitutes a discloseable transaction and is subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

The grant of Warrants would be treated as a transaction and classified by reference to the percentage ratios pursuant to Rules 14.04(1)(b) and 14.73 of the Listing Rules.

The exercise of the Warrants is at the discretion of Shenzhen Xingyi. According to Rule 14.75(1) of the Listing Rules, on the grant of the Warrants, only the premium will be taken into consideration for the purpose of transaction classification. As no premium is payable for the grant of the Warrants to the Company, such grant will not constitute a notifiable transaction of the Company.

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Principal terms of the Investment Agreement

Set out below are the principal terms of the Investment Agreement:

Date:	November 20, 2023 (after trading hours)
Parties:	Shenzhen Xingyi (as the investor) Shanghai Yuekun (as the target company) Aifenlei (as the offshore affiliate of Shanghai Yuekun)
Aggregate investment amount:	RMB equivalent of US\$35,625,000
Subject matter:	Shenzhen Xingyi will invest in approximately 8.32% of Shanghai Yuekun's equity interest by way of allotment and issuance of new shares of Shanghai Yuekun at a pre-money valuation of US\$392,700,000 (assuming that no other investment will be made in Shanghai Yuekun prior to completion of the Investment) of Aifenlei.
Investment by installments:	The parties agreed Shenzhen Xingyi shall pay the RMB equivalent of US\$35,625,000 pursuant to the Investment Agreement, and completion of the Investment shall be effected in two phases: <i>First phase</i> For the RMB equivalent of US\$30,000,000 paid to Shanghai Yuekun and Aifenlei undertake to complete the requisite approval procedures as soon as possible.

Second phase

Upon completion of the first phase of the Investment and the satisfaction of other closing conditions, the parties agree to proceed with the second phase of the Investment, whereby Shanghai Yuekun and Aifenlei undertake to complete the requisite approval procedures in relation to the remaining RMB equivalent of US\$5,625,000 to Shanghai Yuekun of the Investment as soon as possible.

In the event that the second phase of the Investment cannot be completed within 5 years of Shenzhen Xingyi's payment of the consideration for the Investment, Shenzhen Xingyi may unilaterally unwind the second phase of the Investment, and request for a refund of the consideration paid under the second phase of the Investment along with payment of a simple interest of 1% per annum for such portion of the amount paid to Shanghai Yuekun.

Upon payment of such consideration from each instalment and entering into relevant customary transaction documents including a shareholders' agreement, Shenzhen Xingyi shall enjoy shareholders rights in Shanghai Yuekun and Aifenlei, and Shanghai Yuekun shall, within a reasonable period, effect the requisite corporate changes registration and filing.

Warrants:

Aifenlei shall also issue a warrant in favor of Shenzhen Xingyi entitling Shenzhen Xingyi to a specified number of new shares in Aifenlei based on the consideration paid (and at the agreed pre-money valuation) in each instalment of the Investment (collectively, the "**Warrants**").

Investment rights:

Upon entering into the customary transaction documents including the shareholders' agreement, Shenzhen Xingyi be able to nominate one board observer to AiFenLei and enjoy the same rights as other investors of the latest round of financing. Such rights include rights customary granted to financing investors including but not limited to pre-emptive, information, tag-along, drag-along anti-dilution, redemption rights and other protective covenants.

Shenzhen Xingyi may also, at any time prior to completion of the Investment, designate and transfer its rights and obligations relating to the Investment Agreement to another fund established by affiliates of Shenzhen Xingyi.

Use of proceeds: Shanghai Yuekun and Aifenlei has undertaken to Shenzhen Xingyi that the amount invested pursuant to the Investment shall be used for the research and development, business development, marketing, operating expenses and any other uses as set out in their group of companies' budget and business plans, and shall not deviate from such use of proceeds without Shenzhen Xingyi's consent.

Termination: The Investment Agreement may be terminated at the earlier of: (a) all parties to the Investment Agreement agreeing to terminate in writing; (b) completion of both the first and second phase of the Investment; or (c) completion of the first phase of Investment and funds pertaining to the second phase of the Investment having been returned to Shenzhen Xingyi in accordance with the terms of the Investment Agreement.

INFORMATION OF THE PARTIES

The Company

The Company is a joint stock company incorporated in the PRC with limited liability and is listed on the Main Board of the Stock Exchange. The Company is a leading private equity investor and fund manager who manages capital for institutional investors, high-net-worth individuals and make investments through its funds under management and directly with its own capital.

Shenzhen Xingyi is a limited partnership incorporated in the PRC and an indirect wholly-owned subsidiary of the Company. It is primarily engaged in equity investments, its general partner is Hangzhou Tiantu Capital Management Co., Ltd.* (杭州天圖資本管理有限公司), which is a direct wholly-owned subsidiary of the Company.

AiFenLei and Shanghai Yuekun

Shanghai Yuekun operates an intelligent recycling system that has been deployed in major cities around the PRC which serves local residents in recycling waste and constructing a sustainable and high-tech green ecosystem.

Mr. Chen Xuefeng, a founder, chairman of the board and chief executive officer of ATRenew, is the nominee shareholder of Shanghai Yuekun. The financials and results of operations of Shanghai Yuekun are consolidated into AiFenLei, an investment holding company, through a set of contractual arrangements.

ATRenew directly and indirectly holds approximately 41% equity interests of AiFenLei and is its largest shareholder as at the date of this announcement.

The unaudited financial information of Shanghai Yuekun prepared in accordance with PRC GAAP for the two years ended December 31, 2021 and 2022 are as follows:

	For the year ended	
	31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Loss before tax	323,674	180,379
Loss after tax	323,694	180,380

The agreed pre-money valuation of Shanghai Yuekun and AiFenLei is US\$392,700,000.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, AiFenLei, Shanghai Yuekun and the ultimate beneficial owner(s) of each of them (as appropriate) are Independent Third Parties.

SOURCE OF FUNDING FOR THE INVESTMENT

The Company intends to finance the Investments by its internal financial resources, including the proceeds from the global offering and listing of its H Shares in October 2023 allocated for the expansion of the Company's private equity fund management business by providing capital for the Investment.

REASONS FOR AND BENEFITS OF THE INVESTMENT

The Company is principally engaged as a private equity investor and fund manager. The Investment represented a good opportunity for the Company to invest in AiFenLei and Shanghai Yuekun. It will enable the Company to lock-in investment and allocation in AiFenLei by making an equity investment into its onshore affiliated operating entity Shanghai Yuekun.

AiFenLei is a consumer-focused business and is an investment target falling within the Company's industry and sector coverage as a private equity investor and fund manager. The terms of the Investment (including the pre-money valuation of Shanghai Yuekun and AiFenLei) have been determined by Shenzhen Xingyi and Shanghai Yuekun on an arm's length basis with reference to, among other things, the historical financial performance of Shanghai Yuekun, the expected growth potential of the operations and recent market conditions.

The Directors are therefore of the view that the terms of the Investment Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) in respect of the Investment exceed 5% but all the percentage ratios are less than 25%, the entering into of the Investment Agreement constitutes a discloseable transaction and is subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

The grant of Warrants would be treated as a transaction and classified by reference to the percentage ratios pursuant to Rules 14.04(1)(b) and 14.73 of the Listing Rules.

The exercise of the Warrants is at the discretion of Shenzhen Xingyi. According to Rule 14.75(1) of the Listing Rules, on the grant of the Warrants, only the premium will be taken into consideration for the purpose of transaction classification. As no premium is payable for the grant of the Warrants to the Company, such grant will not constitute a notifiable transaction of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“AiFenLei”	AiFenLei Global Co., Ltd., a company incorporated in the Cayman Islands with limited liability and the financials and results of operations of Shanghai Yuekun are consolidated into it, which controls Shanghai Yuekun through a set of contractual arrangements
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“ATRenew”	ATRenew Inc., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the New York Stock Exchange (NYSE stock code: RERE), being the largest shareholder of AiFenLei directly and indirectly holding approximately 41% of the equity interests of AiFenLei as at the date of this announcement
“Board”	the board of Directors
“Company”	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, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1973)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	Director(s) of the Company

“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and are listed on the Main Board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who is/are independent of the Company and connected persons of the Company
“Investment”	the proposed investment in the RMB equivalent sum of US\$35,625,000 to be made by Shenzhen Xingyi in Shanghai Yuekun pursuant to the Investment Agreement
“Investment Agreement”	the investment agreement entered into amongst Shenzhen Xingyi, Shanghai Yuekun and Aifenlei on November 20, 2023 in connection with the Investment
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“PRC GAAP”	the PRC generally accepted accounting principles
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Yuekun”	Shanghai Yuekun Environmental Protection Technology Co., Ltd.* (上海悦鯤環保科技有限公司), a company established in the PRC with limited liability, its financials and results of operations are consolidated into AiFenLei, which controls Shanghai Yuekun through a set of contractual arrangements
“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Shares
“Shenzhen Xingyi”	Shenzhen Tiantu Xingyi Investment Partnership (Limited Partnership)* (深圳天圖興宜投資合夥企業(有限合夥)), a limited partnership incorporated in the PRC and an indirect wholly-owned subsidiary of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United State dollars, the lawful currency of the United States of America
“Warrants”	the warrants proposed to be issued by AifenLei to Shenzhen Xingyi in each instalment of the Investment as described in the section headed “Principal terms of the Investment Agreement” of this announcement
“%”	per cent.

By order of the Board
Tian Tu Capital Co., Ltd.
(深圳市天圖投資管理股份有限公司)
Mr. Wang Yonghua
Chairman and Executive Director

Shenzhen, the PRC
November 20, 2023

As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Yonghua, Mr. Feng Weidong, Ms. Zou Yunli and Mr. Li Xiaoyi as executive directors; Mr. Li Lan and Mr. Dai Yongbo as non-executive directors; and Mr. Liu Pingchun, Mr. Diao Yang and Mr. Tsai Lieh (alias. Tsai Leo) as independent non-executive directors.

* *The English translation of the Chinese names in this announcement is included for reference only.*