TiantuCapital 天图投资

专注消费品投资 1973.HK

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

ANNUAL REPORT

2023

CORPORATE PROFILE

Tian Tu Capital Co., Ltd. (Stock Exchange Stock Code: 01973) 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.

As of December 31, 2023, our total assets under management ("**AUM**") amounted to RMB24.4 billion, of which our funds contributed approximately RMB19.2 billion and direct investments contributed approximately RMB5.2 billion. We managed 13 RMB-denominated funds and three USD-denominated funds as of December 31, 2023.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Yonghua *(Chairman of the Board)*
Mr. Feng Weidong
Ms. Zou Yunli
Mr. Li Xiaoyi

Non-executive Directors

Mr. Li Lan
Mr. Dai Yongbo

Independent Non-executive Directors

Mr. Liu Pingchun
Mr. Diao Yang
Mr. Tsai Lieh

AUDIT COMMITTEE

Mr. Tsai Lieh *(Chairman)*
Mr. Dai Yongbo
Mr. Diao Yang

REMUNERATION COMMITTEE

Mr. Liu Pingchun *(Chairman)*
Mr. Wang Yonghua
Mr. Diao Yang

NOMINATION COMMITTEE

Mr. Wang Yonghua *(Chairman)*
Mr. Liu Pingchun
Mr. Tsai Lieh

JOINT COMPANY SECRETARIES

Ms. Wang Fengxiang
Ms. Kwan Sau In *(ACG, HKACG)*

AUTHORIZED REPRESENTATIVES

Mr. Wang Yonghua
Ms. Kwan Sau In *(ACG, HKACG)*

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
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Hong Kong

H SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

HONG KONG LEGAL ADVISER

O'Melveny & Myers

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

AUDITOR

Deloitte Touche Tohmatsu

Certificated Public Accountants
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway
Hong Kong

COMPLIANCE ADVISER

Opus Capital Limited

18/F, Fung House
19–20 Connaught Road Central
Central
Hong Kong

PRINCIPAL BANKS

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

Industrial Bank Co., Ltd. Bao'an Sub-branch

North Block, Shangdu Park
Yu'an No.1 Street
Bao'an District
Shenzhen
PRC

STOCK CODE

1973

COMPANY'S WEBSITE

www.tiantucapital.com

LISTING DATE

October 6, 2023

2023 HIGHLIGHTS

SEEKING OPTIMAL RETURNS FOR OUR INVESTORS THROUGH OUR PROFESSIONAL INSIGHTS AND INDUSTRY RESOURCES

Total AUM

RMB**24.4** billion
Total AUM

16.5%
2015–2023 Compound annual growth rate

Our Portfolio

189
Existing portfolio companies under management

65
Fully exited or partially exited companies

Our Funds under Management

13
RMB-denominated Funds

3
USD-denominated Funds

11.3%
Average internal rate of return

Fundraising

RMB**1.16** billion
New capital raised through our funds in 2023

RMB**11.9**billion
Total committed capital of our funds from external fund investors

114
External fund investors

Investments and Exits

RMB**464.4** million
Invested capital in 2023

RMB**432.6** million
Realized return from exits and dividends in 2023

January

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 Hong Kong Stock Exchange under the stock code 2411.HK

April

The fundraising of Tiantu Xingzhou was completed, representing total committed capital of RMB1.5 billion

Changsha Wenjian was established

June

Putian Tiantu was established

July

Nanchong Linjiang was established

August

The 12th "Consumer Brand Camp (also known as '磨刀會' in Chinese)" was held, and founders of more than 50 major consumer brands gathered in Qingdao to attend the forum on the theme of re-branding and the growth journey

September

Tiantu Yayi was established

October

Tian Tu Capital successfully landed on the Hong Kong Stock Exchange under the stock code 1973.HK

November

Portfolio company Guoquan Food (Shanghai) Co., Ltd. (鍋圈食品(上海)股份有限公司) was listed on the Hong Kong Stock Exchange under the stock code 2517.HK

December

Tiantu Xingqin was established

CHAIRMAN'S STATEMENT

Mr. Wang Yonghua

Chairman

Last year is undoubtedly a key milestone in Tiantu's growth and development over the past two decades. Passing through a bumpy road, we successfully completed our offshore IPO and raised approximately HK$1.126 billion. With our successful Listing on the Main Board of the Hong Kong Stock Exchange on October 6, 2023, we became the first Chinese private equity firm listed on an overseas stock exchange. During the process, we have received wide recognition and support from professional investors, and our corporate governance and brand influence have been further enhanced. This boosts our confidence in Tiantu's future.

2023 PERFORMANCE REVIEW

We have been faced with unprecedented challenges in the macro environment in 2023. A few black swan and gray rhino events triggered by a combination of factors, such as geopolitical conflicts, monetary policy changes by major nations, as well as adjustments to China's economic growth prospects, have had a huge impact on the domestic and global capital markets, causing severe turmoil in the financial system. As a result, various asset classes have been hit with significant price volatility. The sustained downturn in the secondary markets in A-Share and Hong Kong also poses significant challenges to the private equity industry in China, evidenced by a continuous and significant decline in the volume of investment and financing in China's private equity market. On the forefront of the market, we are surrounded with these chilling effects. As our investment portfolios are valued mark-to-market, the fair value of our portfolios for the current period has experienced a significant downward adjustment when compared to the previous period, resulted in unrealized investment losses and a net loss of approximately RMB870 million for the year 2023.

However, our faith in the industry's prospects for a longer term has not been suppressed amid macro headwinds, and we are committed to standing firmly with our investors and entrepreneurial partners to confront the challenges ahead together.

In 2023, we launched five new RMB-denominated funds, one focusing on the biotech field, the remaining four focusing on the consumer sector. In addition, we raised new capital of RMB1.16 billion through our funds. In terms of investment, we have allocated more resources to projects in the biotech industry and the ones with strong tech innovations and paid extra attention to the investees' capabilities of self-sustainable growth. Throughout the year, we invested in nine portfolio companies through our managed funds and direct investment, and achieved effective investment exit of approximately RMB400 million, reflecting our goals for steady expansion.

FUTURE OUTLOOK

We have passed an unprecedented test from the market in 2023. In the meantime, we have achieved key development milestones. The turbulent market environment also served as a wake-up call for our growth strategy and corporate governance, emphasizing the importance of robust institutional infrastructure, innovative investment products and effective risk management systems for the long-term development of our Company. This is an invaluable lesson.

Our belief has never changed that capital has consistently been an important catalyst for growth in every wave of new and emerging brands and ideologies. Therefore, despite the uncertain macro landscape in both domestic and international markets in 2024, we are fully committed to continuously exploring and seeking to invest in corporates and entrepreneurs that carry the spirit of the time. Leveraging Tiantu's brand strength, listing status, capital resources, and first-class talents, we will not only maximize efforts in fund raising, due diligence and investment, post-investment management, and exit, but also actively unlock additional investment themes to optimize returns for our investors. In the new year, the rebuilding of confidence among market participants and consumers in China will be a key factor for the market recovery, towards which we maintain prudent and optimistic, and we will adapt to the new scenarios and continue our strategic growth.

ACKNOWLEDGEMENT

The successful Listing on the Main Board of the Hong Kong Stock Exchange is both a key milestone and the beginning of a new journey for us. I would like to express my heartfelt gratitude to our investors, shareholders, portfolio companies and business partners who have supported us and accompanied us along our growth. I would also like to express my special thanks to all the employees of our Company, whose talents, culture and dedication are the fundamental driving force for the sustainable development of our Company.

Yours faithfully,
Mr. Wang Yonghua
Chairman

BUSINESS REVIEW

The Company is 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.

In accordance with applicable accounting standards, the mark-to-market valuation of the shares in each of our listed portfolio companies closely aligns with the shares value as of the balance sheet date for each Reporting Period, and the valuation of our unlisted portfolio companies is generally determined by reference to the prevailing market value of comparable listed companies. As a result, the financial performance of our private equity investments during a given period is significantly affected by soft market sentiment and strong headwinds in the stock market, regardless of the fundamentals of our portfolio companies.

Our financial results experienced fluctuations in 2023 primarily due to the continued downturn in the capital markets, which resulted in a decrease in the fair value of our investment portfolio, which in turn caused us to incur a book loss. The secondary stock markets suffered significant volatility in 2023, with the Hang Seng Index declined by nearly 14%, and the Wind Consumption Broad Category Index declined by more than 12% year to date. The continued underperformance of the secondary market of the A-shares and Hong Kong listed stocks in 2023 also adversely impacted the private equity market. The overall size of investment and financing in China's domestic private equity market continued to decline sharply in 2023, led some of our portfolio companies to slow down their pace of growth. The market volatility was caused by a variety of internal and external factors, such as geopolitical tensions, demographic changes, monetary policies, and sluggish economic growth. We expect that the market volatility is all cyclical and will not be permanent. Some recent events have also confirmed our thoughts, and the market is expected to turn quickly on the back of any stimulus. The 2024 China's Government Work Report has set a 2024 GDP growth target at around 5% as well as a series of goals and measures to boost China's economy and the capital markets, including enhancing the intrinsic stability of the capital markets, promoting stable growth in consumption, and fostering the development of new types of consumption. It is noted that many of our portfolio companies are growing strongly, despite a challenging macroeconomic backdrop, with approximately 30% of our portfolio companies realized more than 30% year-on-year revenue growth during the first three quarters of 2023. Therefore, we remain optimistic on the long-term valuation growth of our portfolio companies.

Our fund management and direct investment business continues to grow steadily notwithstanding a loss for the year primarily arising from decrease in the fair value of our investment portfolio (which in turn was due to the mark-to-market valuation techniques).

As at December 31, 2023, our total AUM amounted to RMB24.4 billion, of which our funds contributed approximately RMB19.2 billion and direct investments contributed approximately RMB5.2 billion. As of December 31, 2023, there were 13 RMB-denominated funds and three USD-denominated funds under our management. We launched five new RMB-denominated funds in 2023, including Tiantu Yayi, a fund focused on the biotech industry, and four other funds focused on the consumer sector. These funds are financed with a mix of capital raised from external investors and our own capital. Our fund investors consist primarily of institutional investors including renowned multinational corporations and financial institutions, government-guiding fund, and high-net-worth individuals. As of December 31, 2023, external capital represented 81.3% of the total committed capital of our managed funds, while we contributed the remaining 18.7% with our own capital in the capacity as a general partner or as a limited partner. In 2023, we raised new capital of approximately RMB1.16 billion, received additional paid-in capital of approximately RMB0.52 billion, and onboarded additional 16 external fund investors as our limited partners. Specifically, we received additional capital contribution of RMB360.0 million for Tiantu Xingzhou in June 2023, bringing the total committed capital of Tiantu Xingzhou to RMB1,500.0 million. As of December 31, 2023, the average internal rate of return of our funds was 11.3%.

The following table sets forth the key operating data of our funds as of December 31, 2023：

	Number of Funds	AUM[(1)] RMB billion	Committed capital[(2)] RMB billion	Contribution of our own capital to total committed capital[(3)] RMB billion	Paid-in capital RMB billion	Contribution of our own capital to total paid-in capital RMB billion	Initial investment year
Consolidated Funds	**8**	**10.6**	**10.4**	**2.1**	**9.0**	**1.7**	**–**
– RMB-denominated funds	6	7.7	8.0	1.3	6.8	1.0	2015–2021
– USD-denominated funds	2	2.9	2.4	0.8	2.2	0.8	2018–2020
Unconsolidated Funds	**8**	**8.6**	**4.3**	**0.7**	**4.2**	**0.7**	**–**
– RMB-denominated funds	7	6.6	3.5	0.6	3.4	0.6	2017–2023
– USD-denominated funds	1	2.0	0.8	0.1	0.8	0.1	2014
Overall	**16**	**19.2**	**14.7**	**2.8**	**13.2**	**2.4**	**–**

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.

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 December 31, 2023:

Our portfolio	**Investment cost**	**Fair value change**[1]	**MOM**[2]
	RMB million	RMB million	
Top 5% of all selected portfolio companies average[3]	**131.5**	**891.3**	**7.8**
Top 10% of all selected portfolio companies average[3]	**132.8**	**509.8**	**4.8**
Top 20% of all selected portfolio companies average[3]	**121.3**	**291.5**	**3.4**
All selected portfolio companies average[3]	**70.5**	**43.8**	**1.6**

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.

As at December 31, 2023, we had interest in 189 existing portfolio companies under our funds or direct investments. As of the same date, our investments in 65 portfolio companies had been fully or partially exited. In 2023, we invested in nine portfolio companies with a total capital of RMB464.4 million, approximately 45.1% of which was invested in the consumer goods sector, such as service robotics, consumer healthcare, and environmental protection technology, and approximately 54.9% in the consumer service sector with a focus on environmental protection and recycling.

The following table sets out selected investments made through our funds or through our direct investments:

Portfolio company	Description of the portfolio company	Year of initial investment
China Feihe (中國飛鶴) (6186.HK)	A large-scale and highly recognized Chinese brand infant milk formula company	2019 prior to its IPO
Guoquan (鍋圈) (2517.HK)	A leading and a rapidly growing home meal products brand in China	2021 at series C financing round
Nayuki (奈雪的茶) (2150.HK)	A leading premium modern teahouse chain brand in China serving freshly-made tea drinks	2017 at the earliest financing round
Pagoda (百果園) (2411.HK)	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
ATRenew (萬物新生) (RERE.N)	The largest pre-owned consumer electronics transactions and services platform in China	2015 at series C financing round
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
CYYS (茶顏悅色)	A well-known teahouse brand in China with the theme of Chinese style	2018 at series A financing round
Kuaikan (快看漫畫)	An online and mobile platform for comic artwork targeting young readers in China	2016 at series C financing round
WonderLab	A fast-growing brand offering meal replacement powder, probiotics, vitamins and dietary supplements	2019 at angel round
Saturnbird Coffee (三頓半咖啡)	A coffee brand that focuses on specialty coffee	2019 at series A financing round
Bama Tea (八馬茶業)	A well-known national chain brand covering all categories of teas	2012 as the earliest institutional investor

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 (寶寶饞了), FlashEx (閃送), 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).

In 2023, our funds under management and direct investments realized approximately RMB432.6 million in capital from exits primarily through IPO, equity transfer, share repurchase and dividend payout.

FUTURE OUTLOOK

In 2024, the macro environment in China continues to be characterized by both strategic opportunities as well as risks and challenges, with favorable conditions outweighing unfavorable factors. We believe after continuous adjustments of macroeconomic policies, risks have been effectively identified, and it is foreseeable that China's economic recovery is likely to pick up amid the implementation of a series of stabilization and growth-driven measures by the Chinese government. We will continue to capture the investment and exit opportunities prudently, nurture ongoing business growth, and be fully committed to striving for investment opportunities while optimizing our returns.

The private equity industry underwent certain changes in 2023, such as the increased participation of local government-guiding fund and the tightening of the pace of domestic IPOs. Hence we have been regularly exploring and adjusting our investment and fundraising strategies. Looking ahead to 2024, we will:

- Seek investment and fundraising opportunities for integration with local industrial strengths
- Navigate with market-oriented investment strategies that do not rely on IPO exits
- Continue to strengthen our leading position in investments in China's consumer industry and expand into other selected areas of investments such as biotechnology

FINANCIAL REVIEW

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
Continuing operation		
Revenue	**44,614**	45,983
Investment gains or losses, net	**(813,704)**	377,234
Total revenue and investment gains or losses, net	**(769,090)**	423,217
Staff costs	**(61,156)**	(61,364)
Depreciation expenses	**(13,385)**	(11,599)
Other operating expense	**(70,740)**	(50,621)
Finance costs	**(69,564)**	(118,674)
Impairment recognized under expected credit loss model, net	**(28,314)**	(44)
Other income	**20,030**	8,415
Other gains and losses	**13,361**	(621)
Share of results of associates	**(21,321)**	8,439
Share of results of joint ventures	**40,297**	(37,667)
(Loss) profit before tax	**(959,882)**	159,481
Income tax credit (expense)	**84,195**	(107,317)
(Loss) profit for the year from continuing operation	**(875,687)**	52,164
Discontinued operation		
Profit for the year from discontinued operation	**–**	480,749
(Loss) profit for the year	**(875,687)**	532,913

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at December 31,	
	2023	2022
	RMB'000	RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	**3,221**	2,519
Right-of-use assets	**18,139**	19,525
Goodwill	**56**	56
Deferred tax assets	**14,379**	9,071
Interests in associates measured using equity method	**529,237**	551,880
Interests in associates measured at fair value	**8,853,019**	10,079,602
Interests in joint ventures	**825,969**	748,283
Financial assets at fair value through profit or loss ("FVTPL")	**4,230,208**	4,708,010
Deposit for the acquisition of equity interest in an unlisted investment	**359,178**	—
Other non-current assets	**2,717**	999
	14,836,123	16,119,945
CURRENT ASSETS		
Accounts receivables	**29,148**	44,030
Prepayments and other receivables	**124,481**	245,091
Financial assets at FVTPL	**616,959**	530,282
Bank balances and cash	**1,117,230**	613,612
	1,887,818	1,433,015
CURRENT LIABILITIES		
Other payables and accruals	**41,310**	57,225
Contract liabilities	**42,539**	62,648
Advances from share transfer transaction	**176,730**	176,730
Tax payable	**19,125**	24,794
Bank borrowings	**70,000**	85,245
Bond payables due within one year	**218,950**	20,398
Lease liabilities	**8,733**	6,821
	577,387	433,861
NET CURRENT ASSETS	**1,310,431**	999,154
TOTAL ASSETS LESS CURRENT LIABILITIES	**16,146,554**	17,119,099

	As at December 31,	
	2023	2022
	RMB'000	RMB'000
NON-CURRENT LIABILITIES		
Deferred tax liabilities	119,087	200,549
Bond payables due over one year	786,977	980,913
Financial liabilities at FVTPL	7,903,134	8,596,707
Lease liabilities	11,516	13,830
	8,820,714	9,791,999
NET ASSETS	7,325,840	7,327,100
CAPITAL AND RESERVES		
Share capital	693,031	519,773
Reserves	6,608,747	6,776,765
Equity attributable to owners of the Company	7,301,778	7,296,538
Non-controlling interests	24,062	30,562
TOTAL EQUITY	7,325,840	7,327,100

REVENUE

We generate revenue 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.

Our revenue remained relatively stable, slightly decreased from RMB46.0 million in 2022 to RMB44.6 million in 2023.

INVESTMENT GAINS OR LOSSES, NET

Our net investment gains or losses consist of (i) dividends and interests from financial assets at 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.

Our net investment gains or losses changed from a gain of RMB377.2 million in 2022 to a loss of RMB813.7 million in 2023. The decrease was primarily attributable to unrealized changes in fair value of financial assets.

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 gain of RMB423.2 million in 2022 to a loss of RMB769.1 million in 2023.

DEPRECIATION EXPENSES

Our depreciation expenses represent depreciation charges for property, plant and equipment and leases.

Our depreciation expenses increased from RMB11.6 million in 2022 to RMB13.4 million in 2023. The increase was primarily attributable to an increase in the depreciation of our lease premises.

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.

Our other operating expenses increased from RMB50.6 million in 2022 to RMB70.7 million in 2023. The increase was primarily attributable to an increase in third-party contracting expenses as we incurred more investment management-related advisory expenses in 2023.

FINANCE COSTS

Our finance costs primarily consist of (i) interest on bond payables, representing interest arising from our bonds issued in 2022; (ii) interest on bank borrowings; and (iii) interest on lease liabilities.

Our finance costs significantly decreased from RMB118.7 million in 2022 to RMB69.6 million in 2023. The decrease was primarily attributable to a decrease of RMB36.5 million in the interest on bond payables since the bond payables decrease from RMB1.8 billion to RMB1.0 billion in 2022.

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.

Our other income increased from RMB8.4 million in 2022 to RMB20.0 million in 2023. The increase was primarily attributable to (i) an increase of RMB5.5 million in government grants from local governments; and (ii) an increase of RMB4.6 million in interest income.

SHARE OF RESULTS OF ASSOCIATE AND JOINT VENTURES

Our share of results of associates and joint ventures changed from losses of RMB29.2 million in 2022 to gains of RMB19.0 million in 2023, primarily reflecting the 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 CREDIT/(EXPENSE)

We recorded income tax credit of RMB84.2 million in 2023 and income tax expense of RMB107.3 million in 2022. The change was primarily attributable to reduced deferred tax liabilities caused by the decrease in the fair value of our financial assets in 2023.

PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATION

As a result of the above, our loss for the period from continuing operation in 2023 was approximately RMB875.7 million, compared to the profit for the period from continuing operations in 2022 of RMB52.2 million.

DISCONTINUED OPERATIONS

Our profit for the year from discontinued operations decreased from RMB480.7 million in 2022 to nil in 2023. The decrease was primarily attributable to the deconsolidation of Yoplait China as of June 15, 2022. Yoplait China then became our associate measured at fair value.

PROFIT/(LOSS) FOR THE YEAR

Our loss in 2023 was approximately RMB875.7 million, compared to the profit of RMB532.9 million in 2022.

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 RMB551.9 million and RMB529.2 million as of December 31, 2022 and 2023, respectively. The decrease in 2023 was primarily due to the decrease in the shares of results of Tiantu Xingnan, which was in line with its financial performance.

Interests in Joint Ventures Measured Using Equity Method

As of December 31, 2022 and 2023, we recorded interests in joint ventures of RMB748.3 million and RMB826.0 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.

Interests in Associates Measured at Fair Value

As of December 31, 2022 and 2023, we recorded interests in associates measured at fair value of RMB10,079.6 million and RMB8,853.0 million, respectively, of which RMB701.7 million and RMB259.0 million were our listed equity investments, respectively. The decrease in 2023 was primarily due to (i) our partial exits from specific investments and (ii) the value depreciation of certain investments as of December 31, 2023.

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.

Our current financial assets at FVTPL increased from RMB530.3 million as of December 31, 2022 to RMB617.0 million as of December 31, 2023, mainly attributable to the successful listing of Guoquan Food (Shanghai) Co., Ltd. (鍋圈食品(上海)股份有限公司) on the Hong Kong Stock Exchange in 2023.

Our non-current financial assets at FVTPL decreased from RMB4,708.0 million as of December 31, 2022 to RMB4,230.2 million as of December 31, 2023, primarily due to a decline in fair value of certain portfolio companies and our exits from certain investments.

ACCOUNTS RECEIVABLES

Our accounts receivables mainly represent the amount of fund management fees due from certain funds under our management.

Our accounts receivables decreased from RMB44.0 million as of December 31, 2022 to RMB29.1 million as of December 31, 2023, primarily due to the subsequent settlement of the 2022 management fee of Tiantu Dongfeng in 2023.

PREPAYMENTS AND OTHER RECEIVABLES

As of December 31, 2023, our prepayments and other receivables mainly represent (i) a loan to Yoplait China; and (ii) consideration receivable for deemed disposal of Yoplait China. (iii) deposit for the acquisition of equity interest in the unlisted investment.

Our current prepayments and other receivables decreased from RMB245.1 million as of December 31, 2022 to RMB124.5 million as of December 31, 2023, primarily because we received dividend of RMB84.7 million from our portfolio companies in January 2023, and the deferred issue costs in relation to the Global Offering had been capitalized in October 2023.

Our non-current prepayments and other receivables mainly represent deposit for the acquisition of equity interest in the unlisted investment, increased from nil as of December 31, 2022 to RMB359.2 million as of December 31, 2023. The amount will transfer to Financial assets at FVTPL after the transaction fulfilled the established conditions.

LIQUIDITY AND FINANCIAL RESOURCES

During the Reporting Period, we have sufficient working capital to meet our requirement for business operation. Our cash and cash equivalents increased from RMB613.6 million as of December 31, 2022 to RMB1,117.2 million as of December 31, 2023. The increase was primarily attributable to the net proceeds from the Global Offering and project exits.

DEFERRED TAX LIABILITIES

Our Deferred tax liabilities amounted to RMB200.5 million and RMB119.1 million as of December 31, 2022 and 2023, respectively. The decrease was attributable to a decline in fair value of the portfolio companies.

INDEBTEDNESS

Our indebtedness mainly included amounts due to bond payables, bank borrowings, advances from share transfer transaction — non-trade and lease liabilities.

Our indebtedness decreased from RMB1,283.9 million as of December 31, 2022 to RMB1,272.9 million as of December 31, 2023. The decrease was primarily attributable to the repayment of bank borrowings of RMB15.2 million.

Bank and Other Borrowings

Our bank borrowings were primarily used to supplement our working capital.

Our bank borrowings amounted to RMB85.2 million and RMB70.0 million as of December 31, 2022 and 2023, respectively. The decrease was attributable to the repayment of bank borrowings of 15.2 million. As of December 31, 2023, the bank borrowings amounted to RMB70.0 million with a fixed interest rate of 4.785% per annum, which is due for repayment within one year.

Bond Payables Due Within/Over One Year

Our bond payables due within or over one year represented 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 2022.

As of December 31, 2022 and 2023, we had bond payables of RMB1,001.3 million, and RMB1,005.9 million, respectively.

22Tiantu01 (principal RMB200.0 million) was issued in May 2022. 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.

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 RMB176.7 million and RMB176.7 million as of December 31, 2022 and 2023, respectively.

Lease liabilities

Our lease liabilities amounted to RMB20.7 million and RMB20.2 million as of December 31, 2022 and 2023, respectively.

GEARING RATIO

The gearing ratio is total liabilities divided by total asset at the end of year and multiplied by 100%. As of December 31, 2023, the gearing ratio of the Group was 56.20% (as of December 31, 2022: 58.26%).

PLEDGE OF ASSETS

As of December 31, 2023, the Group's issued bond payables had been secured by the pledge of interests in associates measured at fair value, the carrying amount of which was RMB2,089.0 million.

CONTINGENT LIABILITIES

As of December 31, 2023, we did not have any material contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSALS

On November 20, 2023, the Group entered into an investment agreement with Shanghai Yuekun Environmental Protection Technology Co., Ltd.* (上海悦鯤環保科技有限公司, "**Shanghai Yuekun**") and AiFenLei Global Co., Ltd. ("**AiFenLei**") pursuant to which it conditionally agreed to invest an amount equivalent to US$35,625,000 in Shanghai Yuekun, the onshore operating company of AiFenLei, an intelligent recycling system operation in the PRC. The Group acquired approximately 8.32% of equity interest in Shanghai Yuekun as well as a right to convert the interest into an equivalent interest in the offshore holding company AiFenLei in accordance with the investment agreement.

The Group subsequently committed RMB216.0 million as both a general partner and limited partner to establish Tiantu Xingqin, a fund established in emerging industries with a focus in the consumer section, and specifically to the interest of Shanghai Yuekun and AiFenLei agreed to be acquired by the Group pursuant to the investment agreement dated November 20, 2023. The interest will be wholly or partly transferred by the initial investor to Tiantu Xingqin and the Group will continue to participate in the investment and operate Tiantu Xingqin in accordance with their respective terms and conditions.

For further details on the acquisition and fund formation, please refer to the Company's announcement dated November 20, 2023, December 8, 2023 and December 12, 2023.

FOREIGN EXCHANGE EXPOSURE

We mainly operate in mainland China and are exposed to foreign exchange risk arising from currency exposures with respect to U.S. dollars. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities. We do not hedge against any fluctuation in foreign currency.

SIGNIFICANT INVESTMENT

Given the nature of the Group's business, the Group regularly invests into consumer-focused portfolio companies and joint ventures based on the Group's assessment of the businesses and prospect of such portfolio companies. As at December 31, 2023, our financial assets primarily consist of equity interest in portfolio companies owned by our Group through funds under management and/or direct investments.

As of December 31, 2023, significant investments of the Company are set forth below:

Entity A

The Group acquired an equity interest of Entity A, a finance company, for approximately RMB1,834.1 million. As of December 31, 2023, the Group held approximately 40% equity interests of Entity A with a fair value of approximately RMB1,408.8 million (representing approximately 8.4% of the Group's total assets). During the Reporting Period, the Group recorded an unrealized loss on fair value changes of approximately RMB229.0 million related to its interest in Entity A. The Group did not record realized profit or loss from the investment of Entity A during the Reporting Period.

Entity B

The Group acquired an equity interest of Entity B, a social media company, for approximately RMB361.2 million. As of December 31, 2023, the Group held less than 5% equity interests of Entity B, with a fair value of approximately RMB1,129.9 million (representing approximately 6.8% of the Group's total assets). During the Reporting Period, the Group recorded an unrealized loss on fair value changes of approximately RMB53.7 million related to its interest in Entity B. The Group did not record realized profit or loss from the investment of Entity B during the Reporting Period.

Entity C

The Group acquired an equity interest of Entity C, a technology company, for approximately RMB90.4 million. As of December 31, 2023, the Group held approximately 40% equity interests of Entity C, with a fair value of approximately 888.9 million (representing approximately 5.3% of the Group's total assets). During the Reporting Period, the Group recorded an unrealized loss on fair value changes of approximately RMB326.5 million in interest in Entity C. The Group did not record realized profit or loss from the investment of Entity C during the Reporting Period.

Entity D

The Group acquired an equity interest of Entity D, a food retail company, for approximately RMB341.8 million. As of December 31, 2023, the Group held less than 10% equity interests of Entity D, with a fair value of approximately RMB842.1 million (representing approximately 5.0% of the Group's total assets). During the Reporting Period, the Group recorded an unrealized gain on of fair value changes of approximately RMB47.3 million in interest in Entity D. The Group received dividends of RMB11.7 million during the Reporting Period.

Significant investments are reviewed and monitored on a regular basis, covering various aspects of the investee companies such as industry risks, corporate strategy, changes in business model, operational and financial conditions, and liquidity risks. Meanwhile, we seek to add value to the companies we invest in by offering value-added support following our investments. 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 may consider to exit in a timely manner through IPO, equity transfer or buyback to achieve optimal returns.

Save as disclosed above, the Group did not hold any significant investments during the Reporting Period.

FUTURE PLANS FOR SIGNIFICANT INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Prospectus and this annual report, the Group currently does not have other plans for significant investments or capital assets investments.

EMPLOYEES AND REMUNERATION

As of December 31, 2023, the Group had a total of 87 employees. The total remuneration cost for 2023 was RMB61.2 million, as compared to RMB61.4 million for 2022, which remained relatively stable.

The remuneration package of our employees includes salaries, allowances, performance-based bonus and retirement benefit scheme contributions. The Group formulates employee remuneration plans based on the overall market remuneration situation, industry practices and the Group's remuneration strategy. We also offer training to our existing staff on professional skills to optimize our talent pool, such as investment strategy discussion.

DIRECTORS

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.

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 2023 China Investors (2023投資界投資人100強), Securities Times 2023 Venture Capital Golden Eagle Awards Investor (證券時報2023創投金鷹獎年度投資人), 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. Feng Weidong (馮衛東), aged 52, 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.

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 China Venture Midas List and Top 20 Best New Consumer Investors in China from 2021 to 2023 (投中2021–2023年度中國最佳創業投資人100強及中國最佳新消費產業投資人20強), Top 50 Influential VC Investors in China by China Venture Capital Research Institute in 2021 (中國風險投資研究院2021年度中國影響力VC投資家50強), 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

Ms. Zou Yunli (鄒雲麗), aged 51, 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 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 2022 Forbes China Best Female Venture Capitalists Top 20 (福布斯中國2022年中國女性創投人20強), 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.

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.

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 an 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 42, 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 (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.

Independent Non-executive Directors

Mr. Liu Pingchun (劉平春), aged 69, was appointed as an independent non-executive Director in April 2022. He is primarily responsible for providing independent advice and judgement to the Board.

Mr. Liu was 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) from May 2020 to December 2023. He was 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) from August 2017 to February 2024. 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 50, was appointed as an independent non-executive Director in April 2022. 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. He was appointed as an independent non-executive director of Huitongda Network Co., Ltd. (匯通達網路股份有限公司), a company listed on the Stock Exchange (stock code: 009878) since November 2023.

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.

Mr. Tsai Lieh (蔡洌) (alias. Tsai Leo), aged 43, was appointed as an independent non-executive Director in April 2022. 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.

SUPERVISORS

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. Li Kanglin (李康林), aged 44, 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.

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.

SENIOR 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 "— Directors — Executive Directors" of this section for his biographical details.

Mr. Feng Weidong (馮衛東), aged 52, 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 "— Directors — Executive Directors" of this section for his biographical details.

Ms. Zou Yunli (鄒雲麗), aged 51, 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 "— Directors — Executive Directors" of this section 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 "— Directors — Executive Directors" of this section for his biographical details.

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.

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).

The Board is pleased to present the corporate governance report for the Company for the year ended December 31, 2023.

COMPANY'S CULTURE

The Board believes that corporate culture underpins the long-term business, economic success and sustainable growth of the Group. A strong culture enables the Company to deliver long-term sustainable performance and fulfil its role as a responsible corporate citizen. The Company is committed to developing a positive and progressive culture that is built on its Purpose, Vision and Mission.

During 2023, the Company continued to strengthen its cultural framework by focusing on the following:

- Vision: Inspire consumers' life through investment
- Mission: To become the investor of choice for Chinese consumer companies
- Values: Integrity, fairness, embracing change, creativity, and self-driven

The Company is committed to identifying and investing in outstanding companies with enduring value, providing value-added services as in-depth investors, realizing great companies, and ultimately creating optimal returns for investors.

The Board sets and promotes corporate culture and expects and requires all employees to reinforce. All of our new employees are required to attend orientation and training programs so that they may better understand our corporate culture, structure and policies, learn relevant laws and regulations, and raise their quality awareness. In addition, from time to time, the Company will invite external experts to provide training to our management personnel to improve their relevant knowledge and management skills.

The Board considers that the corporate culture and the purpose, values and strategy of the Group are aligned.

More information about the Company's vision, mission and values is set out in the section of the "Management Discussion and Analysis — Business Review", "Corporate Governance Report" of this annual report and "Environmental, Social and Governance Report" published on the same day with this report.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions as set out in the CG Code as its own code to govern its corporate governance practices.

Since the H Shares were listed on the Main Board of the Stock Exchange on October 6, 2023, the CG Code were not applicable to the Company before the Listing Date. To the best knowledge of the Directors, the Company had complied with all code provisions set out in the CG Code since the Listing Date and up to the date of this annual report.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code and has also formulated the Securities Transaction Code for Directors, Supervisors and Senior Management which is stricter than Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors, Supervisors and senior management who, because of his/her office or employment, is likely to possess inside information in relation to Company or its securities.

Having made specific enquiries of all the Directors and Supervisors, they have confirmed that they have complied with the Model Code and Securities Transaction Code for Directors, Supervisors and Senior Management since the Listing Date and up to the date of this annual report. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group since the Listing Date and up to the date of this annual report.

BOARD OF DIRECTORS

As of the date of this annual report, the Board comprises four executive Directors, two non-executive Directors, and three independent non-executive Directors.

Executive Directors

Mr. Wang Yonghua *(Chairman of the Board)*
Mr. Feng Weidong
Ms. Zou Yunli
Mr. Li Xiaoyi

Non-executive Directors

Mr. Li Lan
Mr. Dai Yongbo

Independent Non-executive Directors

Mr. Liu Pingchun
Mr. Diao Yang
Mr. Tsai Lieh (alias. Tsai Leo)

The biographical details of the current Directors are set out in the section of "Directors, Supervisors and Senior Management" of this annual report. To the best knowledge of the Directors, there is no any relationship (including, financial, business, family or other material/relevant relationship(s)) between the Board members.

RESPONSIBILITIES OF THE DIRECTORS

The Board is responsible for, and has general powers for, the management and conduct of our business. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference. All Board committees are provided with sufficient resources to perform their duties.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

BOARD INDEPENDENCE

The Company recognizes that Board independence is key to good corporate governance. The Company has in place effective mechanisms that underpin an independent Board and that independent views. The current composition of the Board, comprising more than one third of the independent non-executive Directors. The remuneration of independent non-executive Directors are subject to a regular review to maintain competitiveness and commensurate with their responsibilities and workload. The independence of each independent non-executive Director is assessed upon his appointment and annually.

Directors are requested to declare their direct or indirect interests, if any, in proposals or transactions to be considered by the Board at the Board meetings and abstain from voting, where appropriate. External independent professional advice is available to all Directors, including independent non-executive Directors, whenever deemed necessary. The independent non-executive Directors have consistently demonstrated strong commitment and the ability to devote sufficient time to discharge their responsibilities at the Board.

Pursuant to the Board's independence assessment mechanism, the Board conducts an annual review of its independence. The Company has also established channels through formal and informal means whereby independent non-executive Directors can express their views in an open manner, and in a confidential manner, should circumstances requires. From the Listing date to December 31, 2023, the Board reviewed the implementation and effectiveness of the Board's independence assessment mechanism and found the results satisfactory.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

The Board at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise and the appointment of independent non-executive Directors representing at least one-third of the Board. Among the three independent non-executive Directors, Mr. Tsai Lieh has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S LIABILITY INSURANCE AND INDEMNITY

The Company has arranged appropriate liability insurance to indemnify the Directors, Supervisors and senior management of the Company for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

Every newly appointed Director should receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

During the Reporting Period, all Directors, namely Mr. Wang Yonghua, Mr. Feng Weidong, Ms. Zou Yunli, Mr. Li Xiaoyi, Mr. Li Lan, Mr. Dai Yongbo, Mr. Liu Pingchun, Mr. Liu Pingchun, Mr. Diao Yang and Mr. Tsai Lieh were regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. All Directors have been updated with the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefing and professional development to Directors will be arranged whenever necessary. All Directors are encouraged to attend relevant training courses at the Company's expenses and required to submit a signed training records to the Company on an annual basis.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors, non-executive Directors and independent non-executive Directors of the Company has entered into a contract with the Company which contains provisions in relation to, among other things, compliance of relevant laws and regulations, observance of the Articles of Association and provisions on arbitration.

None of the Directors has or is proposed to have entered into any service contract with any member of the Group (excluding agreements expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation).

All the Directors are subject to retirement by rotation and re-election at an annual general meeting of the Company. In accordance with the Articles of Association, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a casual vacancy shall submit himself/herself for election by Shareholders at the first general meeting of the Company after appointment and any new Director appointed as an addition to the Board shall submit himself/herself for re-election by the Shareholders at the next following annual general meeting of the Company after appointment. The procedures and process of appointment, re-election and removal of directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring and make recommendations to the Board on the appointment, re-election and succession planning of Directors, in particular the chairman of the Board and the chief executive officer of the Company.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

BOARD COMMITTEES

The Board delegates certain responsibilities to various Board committees. In accordance with the relevant PRC laws and regulations, the Articles and the Listing Rules, we have established an Audit Committee, a Remuneration Committee, and a Nomination Committee, for overseeing particular aspects of the Company's affairs. Each of these committees is established with defined written terms of reference. The terms of reference of each of these committees are available on the websites of the Company and the Stock Exchange.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The Audit Committee consists of Mr. Tsai Lieh, Mr. Dai Yongbo and Mr. Diao Yang, with Mr. Tsai Lieh being the chairperson of the committee.

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.

Due to the fact that the Company was listed on October 6, 2023, the Audit Committee held one meeting from the Listing Date to the year ended December 31, 2023, and the work performed by the Audit Committee is to appoint Deloitte Touche Tohmatsu as the international auditor of the Company in accordance with the Articles of Association of the Company.

The attendance records of each committee members are set out below:

	Attendance/Number of Committee Meetings
Mr. Tsai Lieh *(Chairman)*	1/1
Mr. Dai Yongbo	1/1
Mr. Diao Yang	1/1

REMUNERATION COMMITTEE

The Company has established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The remuneration committee consists of Mr. Liu Pingchun, Mr. Wang Yonghua and Mr. Diao Yang with Mr. Liu Pingchun being the chairperson of the committee.

The primary duties of the remuneration committee include, but not limited to, the following:

- advising our 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;
- conducting extensive search and providing to the Board suitable candidates for Directors, general managers and other members of the senior management;
- 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.

Details of the remuneration payable to each Director, Supervisor, and the five highest paid individuals for the Reporting Period are set out in note 13 to the consolidated financial statements. The remuneration of the Directors was determined with reference to their time commitment and responsibilities.

Due to the fact that the Company was listed on October 6, 2023, no Remuneration Committee meeting was held from the Listing Date to the year ended December 31, 2023.

NOMINATION COMMITTEE

Our Company has established a Nomination Committee with written terms of reference in compliance with Rule 3.27 of the Listing Rules and paragraph B.3 of the CG Code. The nomination committee consists of Mr. Wang Yonghua, Mr. Tsai Lieh and Mr. Liu Pingchun, with Mr. Wang Yonghua being the chairperson of the committee.

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.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Nomination Policy that are necessary to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendation to the Board.

Due to the fact that the Company was listed on October 6, 2023, no Nomination Committee meeting was held from the Listing Date to the year ended December 31, 2023.

NOMINATION POLICY

The Company has adopted a director nomination policy (the "**Director Nomination Policy**") in accordance with the CG Code. The Director Nomination Policy sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

The Nomination Committee shall identify, consider and recommend to the Board appropriate candidates to serve as Directors and to make recommendations to the Shareholders. The ultimate responsibility for selection and appointment of Directors rests with the entire Board.

The Nomination Committee will recommend to the Board for the nomination, appointment of new Directors in accordance with the following procedures and process: (a) the Nomination Committee shall first review and assess factors relating to the diversity of the Board, including but not limited to professional experience, skill, knowledge and length of service, gender, age, cultural and education background, and give consideration to the candidate's willingness to devote adequate time to the Board and independence of each independent non-executive directors based on the requirements of the Listing Rules as amended from time to time; and (b) the Nomination Committee shall then nominate suitable candidates to the Board based on the then-current and anticipated future leadership needs of the Company, with a view to achieving a sustainable and balanced development of the Company.

For the re-election of Directors at the general meeting, the Nomination Committee shall review the overall contribution and service to the Company of the retiring Directors, including its attendance at Board meetings, Board committee meetings and general meetings (if applicable), and his/her level of participation and performance on the Board. The Nominating Committee shall require the nominee to submit updated biographical information and the consent to be re-elected as a Director; and should review and determine whether retiring Directors still meet the criteria for Director selection.

The Nominating Committee shall then make recommendations to the Board on the re-election of Directors. The Nomination Committee shall also monitor and review the implementation of the nomination policy, as appropriate from time to time, and will report to the Board annually.

BOARD DIVERSITY POLICY

Pursuant to Rule 13.92 of the Listing Rules, the Nomination Committee (or the Board) shall have a policy concerning diversity of board members, and shall disclose the policy on diversity or a summary of the policy in the corporate governance report.

The Board seek to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. 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, our nomination committee will consider a range of diversity perspectives with reference to our 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. Furthermore, our nomination committee is responsible for reviewing the diversity of our 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 Board Diversity Policy remains effective. The board diversity policy will be reviewed by the Nomination Committee annually.

Our Directors have various academic backgrounds, skills, knowledge and experience with professional backgrounds in mathematics, investment management, media, Internet, architecture, biology, economics, law, finance and auditing, etc. A number of directors of the Company have been engaged in investment and financial management for many years and have rich risk management experience, and can provide scientific and professional advice to the Board of Directors for decision-making from different aspects.

As at the date of this annual report, our Board consists of eight male members and one female member with three Director of age 41 to 50 years old, five Directors of age 51 to 60 years old and one Director of age 61 to 70 years old. Our Company has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operation.

The Board targets to maintain at least the current level of female representation and will continue to take steps to promote gender diversity at the Board of our Company. Going forward, we will strive to achieve gender balance of the Board through certain measures to be implemented by our nomination committee in accordance with our board diversity policy. To further ensure gender diversity of our Board in a long run, our Group will also identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be reviewed by our nomination committee periodically in order to develop a pipeline of potential successors to our Board to promote gender diversity of our Board.

WORKFORCE DIVERSITY

The gender ratio of male to female in the workforce (including senior management) for Reporting Period is 45:55. The total gender diversity of the Group is balanced and satisfied the requirement of employee gender diversity. The Group will continue to maintain the gender diversity in workforce. For further details of gender ratio and initiatives taken to improve gender diversity together with the relevant data, please refer to the disclosure in the "Environmental, Social and Governance Report" which is to be published on the same day with this report.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code.

The Board had reviewed:

- the Company's policies and practices on corporate governance, compliance with legal and regulatory requirements;
- code of conduct and compliance manual (if any) applicable to employees and Directors;
- the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
- training and continuous professional development of Directors and senior management relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

BOARD MEETINGS, COMMITTEE MEETINGS

The H Shares of the Company became listed on the Main Board of the Stock Exchange on October 6, 2023. The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Both the Nomination Committee and the Remuneration Committee shall meet at least once every year; and the Audit Committee shall meet at least twice a year. Notices of not less than fourteen days are given for all regular Board meetings and notices of no less than three days are given for all extraordinary Board and committee meetings to provide all Directors or committee members with an opportunity to attend and include matters in the agenda for a regular meeting. The agenda and accompanying board papers are dispatched to the Directors or committee members at least three days before the intended date of the meeting to ensure that they have sufficient time to review the papers and be adequately prepared for the meeting. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairperson of the board or the committee members prior to the meeting.

Minutes of meetings are kept by the joint company Secretaries with copies circulated to relevant Board or Board committee for comments and records. Minutes of the Board meetings and committee meetings are recorded in sufficient detail the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Board or committee members and dissenting views expressed. Draft minutes of each Board meeting and committee meeting are sent to the relevant board or committee members for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by Directors.

Code provision C.2.7 of the CG Code stipulates that the chairperson should at least annually hold meeting with the independent non-executive Directors without the presence of other Directors. Due to the fact that the Company was listed on October 6, 2023, there had not been any meeting held by the chairman with the independent non-executive Directors without the presence of other Directors from the Listing Date to the year ended December 31, 2023.

The chairman intends to hold at least one meeting per year with the independent non-executive Directors without the presence of other Directors.

Due to the fact that the Company was listed on October 6, 2023, the Company convened one Board meeting and had not convened any general meeting from the Listing Date to the year ended December 31, 2023. The table below sets forth the details of the attendance at the Board meeting:

	Attendance/Number of Board Meetings
Mr. Wang Yonghua	1/1
Mr. Feng Weidong	1/1
Ms. Zou Yunli	1/1
Mr. Li Xiaoyi	1/1
Mr. Li Lan	1/1
Mr. Dai Yongbo	1/1
Mr. Liu Pingchun	1/1
Mr. Diao Yang	1/1
Mr. Tsai Lieh	1/1

RISK MANAGEMENT AND INTERNAL CONTROL

As of the end of the reporting period, the Company established appropriate and effective risk management and internal control systems in compliance with the paragraph D.2 of the Corporate Governance Code. The Board has established and implemented a comprehensive risk management mechanism, clarifies requirements for business process control, authorization control, financing control, property separation, prevention of conflicts of interest, investment control, custody control, outsourcing control, information system control, and accounting system control, etc. Our risk management and internal control systems also 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. Meanwhile, the Board is committed to supervising and evaluating the effectiveness of the risk management and internal control systems to ensure that the system is continuously adjusted and improved as the Company's business development and the external environment changes.

The management of the Company, under the supervision of the Board, has implemented and maintained appropriate and effective risk management and internal control systems. However, the risk management and internal control systems can only provide reasonable but not absolute assurance against material misstatements or losses. The key features of the risk management and internal control systems are described in the following sections:

Risk Management System

The Company has adopted a risk management system to manage risks related to its business and operation. The system includes the following measures and stages:

- The Company has established a multi-level risk control system with the Board bearing the ultimate responsibility for risk management. The Board has the ultimate responsibility 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. Executive Committee, as a regular management body, 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. 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.

- The Company uses a process consisting of five steps: risk identification, risk assessment, risk analysis, risk control, and risk reporting to identify, assess and manage significant risks. The Company integrates the risk management system into all aspects of business operations: during the investor solicitation stage, we conduct due diligence and appropriateness assessments on investors, while paying attention to preserving the records of fund investors; before making investments, we manage risks related to investment decisions and project reviews through strict approval procedures and project due diligence; and we establish a series of systems to regulate investment execution and post-investment management to control risks related to post-investment management.

For the major risks faced by the Company, please refer to the section of "Report of Directors — Principal Risks and Uncertainties" of this annual report.

Internal Control System

The Company has established an internal control system which enables to prevent and control the risks, and improve the Company's risk management level. The components of the internal control system framework are set out below:

- Monitoring environment: a set of standards, procedures and frameworks have been implemented to provide a foundation for the company's internal monitoring.
- Risk assessment: the Comprehensive Risk Management System has been developed, which standardizes the risk management organizational system, risk control process, risk identification and assessment, and the full process risk management of private equity investment business. According to the process and risk characteristics of equity investment business, the Company has incorporated risk control work into the Company's risk control system and established corresponding constraint mechanisms.
- Key internal control activities: investor solicitation, investment execution, post-investment management, equity exit, connected transactions.
- Information and communication: communication mechanisms have been established within and outside the organization. Meanwhile, control processes for information system development and maintenance, access and changes, information approval authority, document storage and custody, etc., have been established to ensure the safe and stable operation of the information system.
- Monitoring: the Internal Audit System and Process has been formulated, and the risk control management department has been set up as the internal audit department to determine the existence and effective operation of each component of the internal monitoring system.

To monitor the ongoing implementation of our internal control, we have adopted the following measures:

- the establishment of an Audit Committee responsible for overseeing our financial records, internal control procedures and risk management systems.
- 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.
- the appointment of Opus Capital Limited as our compliance adviser 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.

Based on the internal monitoring review conducted for the year ended 31 December 2023, no material internal monitoring deficiencies were identified.

Internal Audit Function

Our Company has formulated the Terms of Reference of the Audit Committee of the Board of Directors, and an Audit Committee has been set up under the Board, which is responsible for overseeing our financial records, internal control procedures and risk management systems. At the same time, the risk management department has been established as the internal audit department to assist the Audit Committee in handling the daily internal audit practices, and directly report to the Audit Committee on the progress, quality, and execution of internal audit work.

Effectiveness of Risk Management and Internal Control Systems

The Board is responsible for overseeing the implementation and management of the Company's risk management and internal control systems and ensuring that the effectiveness of such systems is reviewed annually. The review covered all significant controls of the Group, including financial, operational and compliance controls. The Board has considered certain aspects in the review, including but not limited to

(i) changes in the nature and extent of significant risks (including Environmental, Social and Governance risks) since the last annual review, and the Company's ability to respond to changes in its business and the external environment;

(ii) the management monitors the scope and effectiveness of the risks (including Environmental, Social and Governance risks) and internal control systems on an ongoing basis;

(iii) the extent and frequency of communication of monitoring results to the Board (or its committees), which helps the Board to assess the control and effectiveness of risk management of the issuer;

(iv) significant control failures or weaknesses identified during the period, and the extent to which such failures or weaknesses have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the issuer's financial performance or condition;

(v) the effectiveness of the Company's procedures for financial reporting and compliance with the requirements of the Stock Exchange Listing Rules;

(vi) the adequacy of resources, qualifications and experience of staff, training programmes and budget in respect of the accounting, internal audit and financial reporting function of the issuer and the Environmental, Social and Governance performance and reporting of the Company.

Through its review and the review by its independent audit department and the Audit Committee, the Board concluded that the risk management and internal control systems are effective and adequate. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board also considers that the resources, staff qualifications and experience of the relevant staffs are adequate and the training programmes and budget provided are adequate. Having conducted the review, the Board was of the view that the risk management and internal control systems of the Company were adequate and effective during the Reporting Period.

Anti-corruption

Our Company pursues a zero-tolerance attitude towards bribery, corruption, and extortion. We have established an anti-corruption mechanism in the Company, compiled Employee Professional Behavior Guidelines and Anti-Fraud, Anti-Money Laundering, Anti-Bribery and Anti-Corruption Systems and other internal policies, clearly defining red line behaviors such as fraud, bribery, and corruption. Meanwhile, we have formulated internal control plans of anti-fraud and anti-corruption. The Board also promotes education to our employees through the construction of an internal integrity culture and business ethics training, and provided up to 92 hours of anti-corruption training to Directors and employees in 2023.

Whistle-blowing Policies

We have put in place a whistle-blowing channel where employees and other relevant parties can file complaint or report violation acts.

DISSEMINATION OF INSIDE INFORMATION

The Group regulates the handling and dissemination of inside information according to internal procedures and policy so as to ensure inside information remains confidential until the disclosure and publication of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

The Board is responsible for approving the policy on disclosure of inside information which aims at providing guiding principles, practices and procedures to assist employees and officers of the Group in (i) relaying inside information to the Board to enable it to make timely decisions on disclosure, if necessary; and (ii) communicating with the Group's stakeholders, in ways which are in compliance with the SFO and the Listing Rules.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the Reporting Period.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

AUDITOR'S REMUNERATION

The Company appointed Deloitte Touche Tohmatsu, Certified Public Accountants and Registered Public Interest Entity Auditor as the auditors under the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange for the Reporting Period. A statement by Deloitte Touche Tohmatsu about their reporting responsibilities for the financial statements is included in the Independent Auditors' Report of this annual report.

Details of the fees paid or payable to the Company's auditors, in respect of the audit and non-audit services for the Reporting Period are set out in the table below:

Services rendered for the Company	RMB'000
Audit and audit related services including IPO audit services:	9,625
Non-audit services:	
— Compliance service	30
Total	9,655

COMPANY SECRETARIES AND PRIMARY CONTACT OF THE COMPANY

The Company engaged Ms. Kwan Sau In, the manager of Corporate Services of Tricor Services Limited (a company secretarial service provider), as a joint company secretary of the Company. The primary corporate contact of the Company is Ms. Wang Fengxiang, the securities affairs representative and another joint company secretary of the Company.

In compliance with Rule 3.29 of the Listing Rules, each of Ms. Kwan Sau In and Ms. Wang Fengxiang, undertook not less than 15 hours of relevant professional training to update their skills and knowledge during the Reporting Period.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution will be proposed by the chairman of that meeting for each substantially separate issue at Shareholder meetings, including nomination and election of individual directors. All resolutions put forward at Shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each Shareholder meeting in accordance with the Listing Rules.

Procedures for Shareholders to convene an extraordinary general meeting

Pursuant of the Article 57 of the Articles of Association, any shareholder individually or jointly holding more than ten percent (10%) of the shares of the Company shall be entitled to request the Board of Directors to convene an extraordinary general meeting and such proposal shall be made by way of written request. The Board of Directors shall, in accordance with laws, administrative regulations, regulatory rules of the place where the shares of Company are listed and the Articles of Association, provide written feedback within ten (10) days after receipt of such request to agree or disagree with the convening of the extraordinary general meeting.

If the Board of Directors agrees to convene an extraordinary general meeting, a notice to convene such meeting shall be issued within five (5) days after the resolution to convene an extraordinary general meeting is adopted by the Board of Directors. Any changes to the original request in the notice require the consent of relevant shareholder(s). If the laws, regulations, rules and the relevant rules of the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

If the Board of Directors does not agree to convene an extraordinary general meeting or fails to provide written feedback within ten (10) days after receipt of such request, the proposing shareholders shall be entitled to propose to the supervisory committee to convene an extraordinary general meeting by way of written request.

If the supervisory committee agrees to convene an extraordinary general meeting, a notice to convene such meeting shall be issued within five (5) days upon receipt of such request. Any changes to the original proposal in the notice require the consent of relevant shareholder(s).

Where the supervisory committee fails to issue a notice of the shareholders' general meeting within the prescribed time limit, it shall be deemed that the supervisory committee will not convene and preside over the shareholders' general meeting, and the shareholders individually or jointly holding ten percent (10%) or more of the Company's shares for ninety (90) consecutive days or more may convene and preside over the meeting by themselves.

Where the shareholders convene a shareholders' general meeting because the Board of Directors fails to convene the meeting pursuant to the aforesaid provisions, all reasonable expenses incurred shall be borne by the Company and deducted from the monies payable by the Company to the defaulting directors.

Procedures for putting forward proposals at general meeting

Pursuant of the Article 62 of the Articles of Association, the shareholders individually or jointly holding three percent (3%) or more of the Company's shares may put forward an interim proposal and submit it in writing to the convener ten (10) days before the date of shareholders' general meeting. If the proposal complies with the provisions of Article 61 of the Articles of Association, the convener shall issue a supplementary notice of the shareholders' general meeting and submit the interim proposal to the shareholders' general meeting for consideration within two (2) days after receipt of the aforesaid proposal.

Inquiries to the Board

Shareholders and investors may send written enquiries or requests to the Company as follows:

Address: 23/F-2, Tower 1, Building B, Intelligence Plaza, 4068 Qiaoxiang Road, Nanshan District, Shenzhen, the PRC

Email: ir@tiantucapital.com

Telephone: (086) 0755-36909866

Fax: (086) 0755-36909834

Enquiries will be dealt with in a timely and informative manner.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business performance and strategies. The Company recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The Company adopted the shareholders communication policy (the "**Shareholders Communication Policy**"), which set out the framework the Company has put in place to promote effective communication with shareholders so as to enable them to engage actively with the Company and exercise their rights as shareholders in an informed manner. The shareholders communication policy will be reviewed on a regular basis by the Board.

The Company also has a website at http://www.tiantucapital.com with a dedicated "Investor Relations" section containing corporate communications documents, Listings documents, announcements, reports, company information and other documents published by the Company on the website of the Hong Kong Stock Exchange for public inspection. The Company's website serves as a platform for communication with shareholders and investors.

Shareholders and investors may also write to the Company's principal place of business and headquarters in the PRC at 23/F-2, Tower 1, Building B, Intelligence Plaza, 4068 Qiaoxiang Road, Nanshan District, Shenzhen or email to ir@tiantucapital.com for enquiries. Such enquiries will be fully responded to as soon as possible.

The Board regularly reviews the Shareholders' Communication Policy on an annual basis to ensure its effectiveness. After reviewing the various measures, the Board is of the view that the Shareholders' Communication Policy for the year ended December 31, 2023 has been properly implemented and effective.

The Company has established a range of communication channels between itself and its Shareholders, investors and other stakeholders. These include (i) the publication of interim and annual reports and/or dispatching circulars, notices, and other announcements; (ii) the annual general meeting or extraordinary general meeting providing a forum for Shareholders to raise comments and exchanging views with the Board; (iii) updated and key information of the Group available on the Company's website and the Stock Exchange's website; (iv) the Company's website offering communication channel between the Company and its stakeholders; (v) the Company's share registrar in Hong Kong serving the Shareholders in respect of all share registration matters; and (vi) convening investor meeting and/or analyst briefings, which led by our executive Directors and investor relations team with existing and potential investors.

After reviewing the various measures, the Board is of the view that the Shareholders' Communication Policy for the year ended December 31, 2023 has been properly implemented and effective.

DIVIDEND POLICY

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.

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.

CHANGES IN CONSTITUTIONAL DOCUMENTS

The Articles of Association has been amended and restated with effect from the Listing Date, and are available on the respective websites of the Stock Exchange and the Company.

To reflect such changes in the registered share capital and the share capital structure of the Company upon completion of the Global Offering, the Company further amended the Articles of Association. For details, please refer to the Company's announcement dated November 1, 2023.

Save as disclosed above, there is no other change in constitutional documents of the Company after Listing.

The board of directors is pleased to submit this report together with the audited financial statements of the Group for the Reporting Period.

BOARD OF DIRECTORS

The Board currently comprises four executive Directors, two non-executive Directors, and three independent non-executive Directors.

The Directors, from the Listing Date and up to the date of this annual report were:

Executive Directors

Mr. Wang Yonghua *(Chairman of the Board)*
Mr. Feng Weidong
Ms. Zou Yunli
Mr. Li Xiaoyi

Non-executive Directors

Mr. Li Lan
Mr. Dai Yongbo

Independent Non-executive Directors

Mr. Liu Pingchun
Mr. Diao Yang
Mr. Tsai Lieh (alias. Tsai Leo)

The biographical details of the current Directors are set out in the section of "Directors, Supervisors and Senior Management" of this annual report.

The Company has received written confirmation from all independent non-executive Directors regarding their independence as required under Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors to be independent.

GENERAL INFORMATION

The 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. The Company's Shares were listed on the Main Board of the Stock Exchange on October 6, 2023.

PRINCIPAL ACTIVITIES

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. The activities of the Company's subsidiaries are set out in note 43 to the consolidated financial statements.

An analysis of the Company's revenue and operating profit for the year by principal activities is set out in the section of "Management Discussion and Analysis" in this annual report.

BUSINESS REVIEW

A fair review of the business of the Group as required under Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), comprising a discussion and analysis of the Group's performance during the year, a description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year, and an indication of likely future development in the business of the Group are provided in the section of "Chairman's Statement", "Management Discussion and Analysis" and "Report of the Directors" of this annual report. All such discussions form part of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors understand that the Group's financial condition, operating results, business and prospects may be affected by a number of risks and uncertainties. The principal risks and uncertainties include (i) risks of economic cycles, market fluctuations, and policy changes, (ii) management risks such as business expansion management and talent management, (iii) risks of significant fluctuations in performance caused by accounting policies, etc. For example, since the Company measures assets formed by investments at fair value, this accounting method makes the Company's performance greatly affected by market fluctuations. The implementation of this accounting policy, in a bear market or bull market situation in the capital market, will increase the retracement or increase in the value of the Company's assets, and will also lead to an increase in the changes in the Company's current statement book profits and losses. There are problems due to large fluctuations in the capital market. The risk of underestimating or overestimating the current value of the Company's assets and the Company's current book profits and losses. However, the Company's investment portfolio is long-term, and long-term returns mainly depend on the quality of the assets themselves. Therefore, this risk of underestimation or overestimation does not have a fundamental impact on the Company's long-term value, nor does it affect the intrinsic valuation of the funds managed by the Company.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company is committed to operating its business in compliance with applicable environmental protection laws and regulations and has implemented relevant environmental protection measures in compliance with the required standards under applicable PRC laws and regulations.

Further details of the Company's environmental policies and performance are disclosed in the "Environmental, Social and Governance Report" which is to be published on the same day with this report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended December 31, 2023, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

EMPLOYEES AND REMUNERATION POLICIES

A review of the employees and remuneration policies of the Group for the Reporting Period are set out in the section of "Management Discussion and Analysis" of this annual report.

RETIREMENT BENEFITS SCHEME

All employees of the Group's Hong Kong subsidiaries are required to participate in the Mandatory Provident Fund in Hong Kong. The employees of the subsidiaries in the PRC are members of the state-sponsored retirement pension scheme organized by the relevant local government authorities in the PRC. The subsidiaries are required to contribute, based on a certain percentage of the payroll costs of the employees, to the retirement benefit scheme and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions.

The only obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the scheme. There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

MAJOR SUPPLIERS AND CUSTOMERS

For the year ended December 31, 2023, we did not have regular or major suppliers due to our business nature.

For the year ended December 31, 2023, the revenue contributed by the Group's largest customer accounted for approximately 49.9% of the Group's total revenue for the same year, while the total revenue contributed by its top five customers accounted for approximately 99.0% of the Group's total revenue for the same year. Among them, Tangrenshen is one of the top five customers. 26.3% of Tangrenshen's equity is held by Shenzhen Futian Guiding Fund Investment Co., Ltd. (深圳市福田引導基金投資有限公司), which is one of our shareholders, holding 5.38% of the total share capital.

Save as disclosed above, the Directors, their close associates or any Shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) do not have any interest in any of the abovementioned major customers.

BIOGRAPHIES OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The biographical details of the Directors, Supervisors and senior management of the Company during the Reporting Period are set out in the section of "Directors, Supervisors and Senior Management" of this annual report.

CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

With effective from December 12, 2023 and February 5, 2024, Mr. Liu Pingchun ceased to be an independent director of Yang Guang Co., Ltd. and Shenzhen Grandland Group Co., Ltd, respectively.

With effective from November 14, 2023, Mr. Diao Yang has served as an independent non-executive director of Huitongda Network Co., Ltd.

Save as disclosed in this annual report, the Directors and Supervisors confirm that there is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules as at the date of this annual report.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

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.

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).

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the year ended December 31, 2023 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and the Supervisors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate; and none of the Directors and the Supervisors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

REMUNERATION OF THE DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' Supervisors', senior management's emoluments and emoluments of the five highest paid individuals in the Group are set out in note 13 to the consolidated financial statements.

In accordance with code provision E.1.5 of the CG Code, the remuneration range of the Group's senior management during the reporting period are set out in the table below:

Remuneration Range (RMB)	Number of senior management
From RMB500,000 to RMB1,000,000	3
From RMB1,000,000 to RMB1,500,000	1
From RMB1,500,000 to RMB2,000,000	–
From RMB2,000,000 to RMB2,500,000	–
From RMB2,500,000 to RMB3,000,000	–
From RMB3,000,000 to RMB3,500,000	1
Total	5

For the year ended December 31, 2023, no emoluments were paid by the Group to any Director, Supervisors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived or agreed to waive any emoluments for the year ended December 31, 2023.

INTERESTS OF THE DIRECTORS, SUPERVISORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACT OF SIGNIFICANCE

The Directors have confirmed that other than business of the Group, none of the Directors, Supervisors and entities connected with the Directors or Supervisors had a material interest, directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACT OF SIGNIFICANCE

No contract of significance was entered into between the Company or any of its subsidiaries and the Controlling Shareholders or any of their subsidiaries, and no contract of significance for the provision of services to the Company or any of its subsidiaries by Controlling Shareholders or any of their subsidiaries was entered into during the Reporting Period.

DIRECTORS INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

MANAGEMENT CONTRACTS

No contract, concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended December 31, 2023.

DEED OF NON-COMPETITION

The deed of non-competition dated September 20, 2023 was entered into by each of the Controlling Shareholders in favor of the Company, as further described under the section headed "Relationship with our Controlling Shareholders — Deed of Non-competition" in the Prospectus.

The Company has received an annual declaration in writing from each Controlling Shareholders confirming that it had complied with the non-competition undertakings provided to the Company under the deed of non-competition. The independent non-executive Directors reviewed the status of compliance and enforcement of the deed of non-competition and confirmed that all the undertakings thereunder have been complied with for the year ended December 31, 2023.

RELATIONS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The success of the Group relies on the support of important relations such as employees, suppliers and customers. The Company maintains a good relationship with its employees, customers, suppliers and investors in order to ensure our business continues to develop.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

During the year ended December 31, 2023, the Group has conducted the following one-off connected transaction prior to the Listing Date:

On June 8, 2023, our Company entered into a lease agreement (the "**Lease Agreement**") with Tiantu Chuangye. Under this agreement, we committed to leasing Floor 24–25, Tower B, Intelligence Plaza, located at 4068 Qiaoxiang Road, Nanshan District, Shenzhen, Guangdong province, the PRC. This space, with a gross floor area of 2,953.82 square meters, is intended for our office and business uses. Tiantu Chuangye, owned by our Controlling Shareholder, Mr. Wang, and his spouse Ms. Li Wen (李文), holds equity interests of 23% and 77% respectively. Therefore, Tiantu Chuangye is considered an associate of Mr. Wang and a connected person of our Company.

The Lease Agreement is effective from July 1, 2023, to June 30, 2024, with a monthly rental of RMB513,964.68. In accordance with the applicable financial reporting standards and the guidance issued by the Stock Exchange, the Lease Agreement is treated as a one-off transaction and has been recognized as acquisitions of right-of-use assets. It does not constitute a continuing connected transaction under Chapter 14A of the Listing Rules. For more details about the Lease Agreement, please refer to the Prospectus.

Continuing Connected Transactions

The Group has entered into and/or recorded the following continuing connected transactions during the Reporting Period:

Xingbei Partnership Agreement

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**"). 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.

The annual caps of management fees payable by Tiantu Xingbei to Tiantu Capital Management Center under the Xingbei Partnership Agreement for the year ended December 31, 2023 is nil. We have applied for and the Stock Exchange has granted a waiver from strict compliance with Rule 14A.53 of the Listing Rules for carried interest payable under Xingbei Partnership Agreement to be subject to an annual cap expressed in monetary terms.

For the year ended December 31, 2023, no management fee were payable under the Xingbei Partnership Agreement and no carried interest was payable to the Group pursuant to the Xingbei Partnership Agreement.

Distribution of Management Fees and Carried Interest of Tiantu China Consumer Fund I, L.P.

In accommodation of certain change of general partner in Tiantu China Consumer Fund I, L.P. ("**Fund I**") to Tiantu Executive Partnership, L.P. ("**Tiantu Executive**"), An associate of a connected person of the Company. Tiantu GP I Limited ("**Tiantu GP I**") and Tiantu Executive entered into a limited partnership agreement of Tiantu Executive dated January 1, 2020. 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 Company Limited ("**Tiantu Advisory**") (a wholly-owned subsidiary of the Company).

The annual caps of the arrangement for the year ended December 31, 2023 is US$0.1 million. For the year ended December 31, 2023, nil was distributed pursuant to the prevailing agreement.

Confirmation of Independent Non-executive Directors

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors of the Company have reviewed the relevant arrangement and confirmed that the relevant agreements have been entered into:

a) in the ordinary and usual course of business of the Group;

b) either on normal commercial terms or, if there were not sufficient comparable transactions to judge whether they were on normal commercial terms, on terms no less favorable to the Group than terms available to or from (as appropriate) independent third parties; and

c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

Confirmation of Auditor

For the continuing connected transaction as described above, i) there was no distribution was made by Tiantu Executive to Tiantu Advisory, ii) no management fee charged and carried interest paid from Tiantu Xingbei to Tiantu Capital Management Center during the year ended December 31, 2023 and iii) the Company is not required to establish and announce an annual cap in respect of such continuing connected transaction in connection with the Xingbei Partnership Agreement for the year ended December 31, 2023, and accordingly, Deloitte Touche Tohmatsu, the auditor of the Company have not performed the procedures described in the Main Board Listing Rule 14A.56(2) and (4) with respect to such continuing connected transactions in connection with the Service Agreement for the year ended December 31, 2023. Deloitte Touche Tohmatsu's conclusion in relation the matters below is not modified in respect of this matter.

For the purpose of Rule 14A.56 of the Listing Rules, Deloitte Touche Tohmatsu, the auditor of the Company, has provided a letter to the Board, confirming that nothing has come to their attention that causes them to believe that the continuing connected transactions abovementioned:

a) have not been approved by the Board;

b) are not in accordance with the pricing policies of the Company;

c) have not been entered into in accordance with the relevant agreements governing the transactions; and

d) have exceeded the applicable annual caps.

RELATED PARTY TRANSACTIONS

The related party transactions mentioned in note 38 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions of the Company as defined in Chapter 14A of the Listing Rules except for those related party transactions between the Group and their connected persons as disclosed above which constituted connected transaction or continuing connected transactions, and the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

Save as disclosed in this annual report, there were no connected transactions or continuing connected transactions which are required to be disclosed by the Company during the year ended 31 December 2023 in accordance with the disclosure requirements under Chapter 14A of the Listing Rules.

DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As of December 31, 2023, the interests and short positions of the Directors, Supervisors or chief executive of our Company in any of the Shares, underlying Shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO), which have been notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of SFO (including any interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name	Capacity/Nature of Interest	Number and class of Shares held	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of Shareholding in the total share capital of the Company
Mr. Wang Yonghua (王永華)	Beneficial owner	209,748,220 Unlisted Shares	40.35%	30.27%
	Interest of controlled corporation[1]	18,180,485 Unlisted Shares	3.50%	2.62%
Mr. Feng Weidong (馮衛東) ("**Mr. Feng**")	Beneficial owner	7,000,000 Unlisted Shares	1.35%	1.01%
Ms. Zou Yunli (鄒雲麗) ("**Ms. Zou**")	Beneficial owner	3,500,000 Unlisted Shares	0.67%	0.51%
	Interest of spouse[2]	264,000 Unlisted Shares	0.05%	0.04%
Mr. Li Xiaoyi (李小毅) ("**Mr. Li**")	Beneficial owner	3,500,000 Unlisted Shares	0.67%	0.51%
	Interest of spouse[3]	14,400 Unlisted Shares	0.00%	0.00%
Mr. Tang Zhimin (湯志敏) ("**Mr. Tang**")	Beneficial owner	1,600 Unlisted Shares	0.00%	0.00%
Mr. Di Zhe (狄喆) ("**Mr. Di**")	Beneficial owner	7,300 Unlisted Shares	0.00%	0.00%

Notes:

1. Mr. Wang is the sole executive partner of Shenzhen Tiantu Xingzhi Investment Enterprise (Limited Partnership) (深圳天圖興智投資企業(有限合夥), "**Tiantu Xingzhi**") and Shenzhen Tiantu Xinghe Investment Enterprise (Limited Partnership) (深圳天圖興和投資企業(有限合夥), "**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. Tiantu Chuangye holds 680,485 Unlisted Shares in our Company. Mr. Wang, and his spouse Ms. Li Wen (李文), holds 23% and 77% equity interests of Tiantu Chuangye respectively.

2. Mr. Li Anxin (李安新) is the spouse of Ms. Zou. Mr. Li Anxin held 264,000 Unlisted Shares. Under the SFO, Ms. Zou is deemed to be interested in the 264,000 Unlisted Shares held by Mr. Li Anxin.

3. Ms. Hu Wenhua (胡文華) is the spouse of Mr. Li. Ms. Hu Wenhua held 14,400 Unlisted Shares. Under the SFO, Mr. Li is deemed to be interested in the 14,400 Unlisted Shares held by Ms. Hu Wenhua.

Save as disclosed above, as at December 31, 2023, none of the Directors, Supervisors and chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As of December 31, 2023, so far as the Directors are aware, the following persons (other than the Directors, Supervisors or chief executive of the Company) had or were deemed or taken to have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares or underlying Shares of the Company

Name	Capacity/Nature of Interest	Number and class of Shares held	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in the total share capital of the Company
Tiantu Xingzhi[1]	Beneficial owner	8,750,000 Unlisted Shares	1.68%	1.26%
	Interest held jointly with other person	227,248,220 Unlisted Shares	43.72%	32.79%
Tiantu Xinghe[1]	Beneficial owner	8,750,000 Unlisted Shares	1.68%	1.26%
	Interest held jointly with other person	227,248,220 Unlisted Shares	43.72%	32.79%
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), "**Paladin**")[2]	Beneficial owner	78,264,498 Unlisted Shares	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) ("**Shunde Rongyue**")[2]	Interest in controlled corporations	78,264,498 Unlisted shares	15.06%	11.29%
Guangzhou Yingrui Capital Management Co., Ltd. (廣州市盈睿資本管理有限公司) ("**Yingrui Capital**")[2]	Interest in controlled corporations	78,264,498 Unlisted shares	15.06%	11.29%
Li Yiming[2]	Interest in controlled corporations	78,264,498 Unlisted shares	15.06%	11.29%
Shenzhen Futian Guiding Fund Investment Co., Ltd. (深圳市福田引導基金投資有限公司)	Beneficial owner	37,260,000 H Shares	21.51%	5.38%
Great Wall Fund Management Co., Ltd. (長城基金管理有限公司)	Trustee	37,260,000 H Shares	21.51%	5.38%
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)[3]	Beneficial owner	15,000,000 H Shares	8.66%	2.16%
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)[3]	Interest in controlled corporations	15,000,000 H shares	8.66%	2.16%

Name	Capacity/Nature of Interest	Number and class of Shares held	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in the total share capital of the Company
Qingdao Hainuo Investment Development Co., Ltd. (青島海諾投資發展有限公司)	Beneficial owner	11,300,000 H Shares	6.52%	1.63%
Qingdao Haiming City Development Co., Ltd. (青島海明城市發展有限公司)	Beneficial owner	11,000,000 H Shares	6.35%	1.59%
Sunshine Life Insurance Co., Ltd. (陽光人壽保險股份有限公司)[4]	Beneficial owner	12,050,000 H Shares	6.95%	1.74%
ATRenew Inc.	Beneficial owner	12,020,800 H Shares	6.94%	1.73%
Liberty Yard Limited[5]	Beneficial owner	11,528,000 H Shares	6.65%	1.66%
Wen Liyuan[5]	Interest in controlled corporations	11,528,000 H shares	6.65%	1.66%
Marvel Horizon Limited[6]	Beneficial owner	10,710,000 H Shares	6.18%	1.55%
Cao Minghui[6]	Interest in controlled corporations	10,710,000 H shares	6.18%	1.55%

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. 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 and it is managed by its executive partner, Yingrui Capital. Paladin was held as to approximately 0.245% by Yingrui Capital, as to approximately 69.9% by 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.

3. 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) is controlled 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).

4. Sunshine Life Insurance Co., Ltd. (陽光人壽保險股份有限公司) is controlled by Sunshine Insurance Group Company Limited (陽光保險集團股份有限公司), a company listed on the Main Board of the Stock Exchange with the stock code 6963.

5. Liberty Yard Limited is controlled by Wen Liyuan (文利元).

6. Marvel Horizon Limited is controlled by Cao Minghui (曹明慧).

Save as disclosed above, as at December 31, 2023, no person (other than the Directors, Supervisor and chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified the Company or the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

MATERIAL LITIGATION

Saved as disclosed in the Prospectus, the Company was not involved in any litigation, arbitration or claim of material importance, during the year ended December 31, 2023. The Directors are also not aware of any litigation, arbitration or claim of material importance that are pending or threatened against the Group which would have a material adverse effect on our financial condition or results of operations, taken as a whole, during the year ended December 31, 2023.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save as disclosed in the section of "Reports of Directors — Use of Proceeds from Listing" in this annual report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the Reporting Period.

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company for the year ended December 31, 2023 and details of the Shares issued during the year ended December 31, 2023 are set out in note 37 to the financial statements.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans, other loans and corporate bonds of the Group as at December 31, 2023 are set out in notes 29 and note 30 respectively to the consolidated financial statements.

During 2023, the Company did not issue bonds, and the status of existing bonds is as follows:

Name of bonds	Issue amount RMB'000	Balance of bonds RMB'000	Interest Starting Date	Maturity
22 Tiantu 01	200,000	200,000	2022/05/05	2+1 years
22 Tiantu 02	300,000	300,000	2022/05/05	3+2 years
22 Tiantu 03	500,000	500,000	2022/10/19	3 years

LOAN AND GUARANTEE

As of December 31, 2023, we have not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, Supervisors and senior management of the Company, the Controlling Shareholders of the Company or their respective connected persons.

CONVERTIBLE BONDS

The Group did not issue any convertible bonds during the year ended December 31, 2023.

DIVIDENDS

On March 30, 2023, the Directors of the Company have proposed a final dividend of RMB2 for every 10 ordinary Shares for the year ended December 31, 2022, which is approximately RMB103,955,000, which is approved by Shareholders at the general meeting of Shareholders on April 20, 2023. The amount has been fully settled in June 2023. The Board of Directors has decided not to declare a final dividend for the year ended December 31, 2023.

PERMITTED INDEMNITY

The Company has purchased appropriate liability insurance for its Directors, Supervisors and senior management, and such permitted indemnity provision for the benefit of Directors, Supervisors and senior management still in force and continued to be in force for the year ended December 31, 2023. Apart from this, the Company had no other valid permitted indemnity provisions during the Reporting Period and at the time of approval as at the date of this annual report.

RESERVES

Details of movements in the reserves of the Company during the year ended December 31, 2023 are set out in the note 44 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

The distributable reserves of the Company as at December 31, 2023 were RMB37.6 million (2022: RMB327.6 million).

CHARITABLE DONATIONS

During the Reporting Period, the Group made RMB0.5 million charitable or other donations.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 16 to the consolidated financial statements.

USE OF PROCEEDS FROM LISTING

On October 6, 2023, the H Shares of the Company was successfully listed on the Stock Exchange. The net proceeds received by the Group from the Global Offering after deducting underwriting fee and relevant expenses amounted to approximately HK$1,008.5 million (equivalent to RMB925.4 million). The Company intends to apply such net proceeds in accordance with the purposes as set out in the Prospectus.

The table below sets out the planned applications of the net proceeds from the Global Offering and intended usage of the proceeds:

	Approximate % of total net proceeds	Net proceeds from the Listing available (RMB million)	Actual net amount utilized for the year ended December 31, 2023 (RMB million)	Unused net proceeds up to December 31, 2023 (RMB million)	Expected timeline for utilizing proceeds[1]
Private equity fund management business	65%	601.5	271.9	329.6	Before December 31, 2025
Direct investment business	25%	231.4	116.3	115.1	Before December 31, 2025
General corporate purposes	10%	92.5	1.4	91.1	Before December 31, 2024
Total	100%	925.4	389.6	535.8	

Note:

(1) The Company intends to use the remaining net proceeds in the coming years in accordance with the purpose set out in the Prospectus, the Company will continue to evaluate the Group's business objectives and will change or modify the plans against the changing market conditions to suit the business growth of the Group. We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

The net proceeds have been and will be used in a manner consistent with that disclosed in the prospectus; as at December 31, 2023, the Group has accrued approximately RMB389.6 million of the proceeds and the net proceeds which has not been applied to the above purposes has been deposited into short-term demand deposits with licensed banks and financial institutions as defined under the Securities and Futures Ordinance or the applicable laws in relevant jurisdiction for non-Hong Kong based deposits.

PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries are set out in note 43 to the consolidated financial statements.

EVENTS AFTER REPORTING PERIOD

Extraordinary General Meeting

On January 19, 2024, the Company held the first extraordinary general meeting of 2024, pursuant to which Deloitte Touche Tohmatsu was appointed as the international auditor of the Company in accordance with the Articles of Association of the Company. For further details of the appointment, please refer to the Company's announcement dated January 19, 2024.

Settlement with Hangzhou Enniu

During the year ended December 31, 2023, Hangzhou Enniu Network Technology Co., Ltd.* ("**Hangzhou Enniu**") (杭州恩牛網路技術有限公司), 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. 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.

On March 1, 2024, the Group and Hangzhou Enniu entered into a conditional settlement agreement upon which the Group agreed with Hangzhou Enniu to waive and reduce the consideration related the equity transfer in an unlisted entity from RMB176,730,000 to approximately RMB101,730,000 as final conclusion to the arbitration proceeding brought by Hangzhou Enniu. The settlement agreement is conditional upon satisfaction of the conditions precedent. As at December 31, 2023, the management has assessed the financial impact of this equity investment and recognized the fair value of the unlisted entity as RMB101,730,000.

2023 Board Meeting

On March 28, 2024, the Company held the 2023 Board meeting, and in accordance with the Company's Articles of Association, it reviewed and approved the continued provision of a loan of RMB72.5 million to the portfolio company Yoplait China. For more details, please refer to the Company's overseas regulatory announcement dated March 28, 2024.

Save as disclosed above, there is no material subsequent event undertaken by the Company or by the Group after the Reporting Period and up to the date of this report.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from May 20, 2024 to May 23, 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's H share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on May 17, 2024.

CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out in the section of "Corporate Governance Report" of this annual report.

* English name is for identification purpose only.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available and within the knowledge of the Directors, the Company maintained the prescribed public float as required under the Listing Rules as of the date of this annual report.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the relevant laws of the People's Republic of China that would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

AUDIT COMMITTEE

The Audit Committee has reviewed together with the management and external auditors the accounting principles and policies adopted by the Company, the audited consolidated financial statements for the Reporting Period, and discussed internal control, risk management and financial reporting matters.

AUDITORS

The financial statements have been audited by Deloitte Touche Tohmatsu who will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. There has been no change in auditor of the Group since the Listing Date.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

All references above to other sections, reports or notes in this report form part of this annual report.

On behalf of the Board
Tian Tu Capital Co., Ltd.
Mr. Wang Yonghua
Chairman

Shenzhen, PRC, March 28, 2024

SUPERVISORY COMMITTEE

The Supervisory Committee currently comprises three Supervisors, from the Listing Date and up to the date of this annual report were:

Mr. Tang Zhimin *(Chairman of the Supervisory Committee)*
Mr. Li Kanglin
Mr. Di Zhe

The biographical details of the current Supervisors are set out in the section of "Directors, Supervisors and Senior Management" of this annual report.

WORKS OF THE SUPERVISORY COMMITTEE DURING THE REPORTING PERIOD

During the Reporting Period, the Supervisory Committee of the Company held two meetings in accordance with relevant rules:

(1) On March 30, 2023, the Supervisory Committee of the Company held an on-site meeting and reviewed and approved (i) the 2022 Work Report of the Supervisory Committee; (ii) the "2022 Annual Report"; (iii) the "2022 Annual Report Summary"; (iv) 2022 financial final report; (v) 2022 profit distribution plan; (vi) Proposal on the expected daily related transactions of the Company in 2023; (vii) Special report on fund occupation in 2022; (viii) Regarding renewal of employment Proposal on Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) as the Company's audit service provider in 2023 and other matters; (ix) Proposal on amending the draft of "Rules of Procedure of the Supervisory Committee of Shenzhen Tiantu Investment Management Co., Ltd".

(2) On August 29, 2023, the Supervisory Committee of the Company held a correspondence meeting to consider and approve the Company's 2023 Semi-Annual Report.

During the Reporting Period, the attendance of Supervisors at meetings of the Supervisory Committee is as follows:

Name	Attended in person	Attended by proxy	Absent
Mr. Tang Zhimin	2	0	N/A
Mr. Li Kanglin	2	0	N/A
Mr. Di Zhe	2	0	N/A

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

The related-party transactions (including continuing connected transactions) entered into by the Group during the Reporting Period were found in compliance with relevant laws and regulations, and in conformity to the provisions of relevant agreements on connected transactions. They were fair and reasonable to the Group and its shareholders, and did not harm the interests of the Company and its Shareholders.

2024 OUTLOOK

In 2024, members of the Supervisory Committee will continue to perform their duties diligently and mainly focus on the following aspects:

(1) Enhance learning to improve the professional competence of Supervisors in performing their duties.

(2) Supervise the Company's standardized operations and promote the construction and effective operation of the internal control system.

(3) Supervise the diligence and responsibilities of the Company's Directors and senior management to prevent behaviors that harm the Company's interests.

(4) Review the Company's finances, regularly review financial reports, and supervise the Company's financial operations.

On behalf of the Supervisors Committee
Tian Tu Capital Co., Ltd.
Mr. Tang Zhimin
Chairman

Shenzhen, PRC, March 28, 2024

Deloitte. 德勤

TO THE SHAREHOLDERS OF TIAN TU CAPITAL CO., LTD
深圳市天圖投資管理股份有限公司
(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Tian Tu Capital Co., Ltd (the "**Company**") and its subsidiaries (collectively referred to as the "Group") set out on pages 71 to 182, which comprise the consolidated statement of financial position of the Group as at December 31, 2023 and 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 of the Group for the year ended December 31, 2023 and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("**ISAs**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS *(continued)*

Key audit matters	How our audit addressed the key audit matters
Fair value of level 3 financial assets	
As at December 31, 2023, the carrying amount of the Group's financial assets measured at fair value of which the fair value measurement is classified as level 3 amounted to RMB12,535,994,000. Among the level 3 financial assets are unlisted equity investments, unlisted convertible bonds/bonds connected with conversion feature and unlisted interests in associates measured at fair value, listed equity investment with lockup period and listed associates measured at fair value with investments in listed equity investment with lockup period. Details of their fair value measurement are included in note 42 to the consolidated financial statements. The valuation of these financial assets is based on a combination of valuation techniques and key unobservable inputs. Estimates of unobservable inputs that need to be developed can involve significant management's and external valuation specialist's judgement. We identified assessing the fair value of level 3 financial assets as a key audit matter because of the degree of complexity involved in valuing these financial assets and the significant degree of judgement exercised by management and external valuation specialist in determining the valuation techniques and inputs used.	Our audit procedures in relation to assessing the fair value of level 3 financial assets included the following: • Evaluating the design and implementation of management's key control over the valuation process of Level 3 financial assets; • Performing independent valuations of Level 3 financial assets, on a sample basis, and comparing these results with the Group's valuations, as appropriate, comparing the valuation model with our knowledge of current and emerging practice; • Engaging our internal valuation specialists and selecting financial assets measured at Level 3 on a sample basis to perform the following procedures: — Reviewing and challenging the appropriateness of valuation model and key inputs used by the management and external valuation specialists for its level 3 financial assets; — Evaluating the appropriateness of the unobservable and observable inputs used by the management, which are significant, for measuring the fair value of Level 3 financial assets; • Assessing the disclosure in the consolidated financial statements in relation to the fair value of level 3 financial assets with reference to the requirements of the prevailing accounting standards.

KEY AUDIT MATTERS *(continued)*

Key audit matters	How our audit addressed the key audit matters
Consolidation of structured entities managed by the Group	
The Group acquires or retains an ownership interest in, or act as a general partner or fund manager of, structured entities. Structured entities are generally created to achieve narrow and well-defined objectives with restrictions around their ongoing activities. As at December 31, 2023, the aggregated net assets of consolidated and unconsolidated structured entities, were amounted to RMB11,512,313,000 and RMB6,684,214,000, respectively. Details of the structured entities are included in note 39 to the consolidated financial statements. In determining whether a structured entity should be consolidated by the Group, management is required to assess both qualitative and quantitative factors, including but not limited to the voting rights and the extent of control and the scope of the decision-making authority held by the Group, other investors' removal rights to the Group acting as the general partner or fund manager, the power that the Group is able to exercise over the structured entity which creates Group's exposures to variable returns from its involvement in the structured entity and its ability to affect those returns through its power over the structured entity. We identified the consolidation of structured entities managed by the Group as a key audit matter as it involves significant management judgement in determining whether these entities should be consolidated and the impact of consolidating these structured entities could be significant.	Our audit procedures in relation to assessing the consolidation of structured entities managed by the Group included the following: • Evaluating the design and implementation of management's key control in determining the consolidation scope as set out in IFRS 10 in respect of the Group's interests in structured entities; • Examining the related investment contracts and other related service agreements of structured entities to understand the purpose of the establishment of the structured entities and the involvement the Group with the structured entities and assessing management's judgement over the Group's ability to exercise power over structured entities in accordance with IFRS 10; • Reviewing management's analysis of the structured entities, including qualitative analysis and calculations of the magnitude and variability associated with the Group's economic interests in the structured entities and assessing management's judgement over the Group's ability to exercise its power to influence its own returns from the structured entities; and • Reviewing the disclosures to the consolidated financial statements in relation to structured entities whether have been properly made with reference to the requirements of the prevailing accounting standards.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Tse Ming Fai.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

March, 28, 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

	NOTES	2023 RMB'000	2022 RMB'000
Continuing operation			
Revenue	5	44,614	45,983
Investment gains or losses, net	6	(813,704)	377,234
Total revenue and investment gains or losses, net		(769,090)	423,217
Staff costs	12	(61,156)	(61,364)
Depreciation expenses	12	(13,385)	(11,599)
Other operating expense		(70,740)	(50,621)
Finance costs	10	(69,564)	(118,674)
Impairment recognized under expected credit loss model, net	9	(28,314)	(44)
Other income	7	20,030	8,415
Other gains and losses	8	13,361	(621)
Share of results of associates		(21,321)	8,439
Share of results of joint ventures		40,297	(37,667)
(Loss) profit before tax		(959,882)	159,481
Income tax credit (expense)	11	84,195	(107,317)
(Loss) profit for the year from continuing operation		(875,687)	52,164
Discontinued operation			
Profit for the year from discontinued operation	33	–	480,749
(Loss) profit for the year	12	(875,687)	532,913
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		36,106	215,765
Total comprehensive (expense) income for the year		(839,581)	748,678

	NOTES	2023 RMB'000	2022 RMB'000
(Loss) profit for the year attributable to owners of the Company			
— from continuing operation		**(872,962)**	59,814
— from discontinued operation		**–**	499,471
		(872,962)	559,285
Loss for the year attributable to non-controlling interests			
— from continuing operation		**(2,725)**	(7,650)
— from discontinued operation		**–**	(18,722)
		(2,725)	(26,372)
Total comprehensive (expense) income for the year attributable to:			
— Owners of the Company		**(837,063)**	772,762
— Non-controlling interests		**(2,518)**	(24,084)
		(839,581)	748,678
(Loss) earnings per share			
From continuing and discontinued operation			
Basic (RMB)	15	**(1.56)**	1.08
From continuing operation			
Basic (RMB)	15	**(1.56)**	0.12

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	NOTES	2023 RMB'000	2022 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	16	3,221	2,519
Right-of-use assets	17	18,139	19,525
Goodwill		56	56
Deferred tax assets	18	14,379	9,071
Interests in associates measured using equity method	19	529,237	551,880
Interests in associates measured at fair value	20	8,853,019	10,079,602
Interests in joint ventures	21	825,969	748,283
Financial assets at fair value through profit or loss ("FVTPL")	22	4,230,208	4,708,010
Deposit for the acquisition of equity interest in an unlisted investment	24	359,178	—
Other non-current assets		2,717	999
		14,836,123	16,119,945
CURRENT ASSETS			
Accounts receivables	23	29,148	44,030
Prepayments and other receivables	24	124,481	245,091
Financial assets at FVTPL	22	616,959	530,282
Bank balances and cash	25	1,117,230	613,612
		1,887,818	1,433,015
CURRENT LIABILITIES			
Other payables and accruals	26	41,310	57,225
Contract liabilities	27	42,539	62,648
Advances from share transfer transaction	28	176,730	176,730
Tax payable		19,125	24,794
Bank borrowings	29	70,000	85,245
Bond payables due within one year	30	218,950	20,398
Lease liabilities	32	8,733	6,821
		577,387	433,861
NET CURRENT ASSETS		1,310,431	999,154
TOTAL ASSETS LESS CURRENT LIABILITIES		16,146,554	17,119,099

	NOTES	2023 RMB'000	2022 RMB'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities	18	119,087	200,549
Bond payables due over one year	30	786,977	980,913
Financial liabilities at FVTPL	31	7,903,134	8,596,707
Lease liabilities	32	11,516	13,830
		8,820,714	9,791,999
NET ASSETS		7,325,840	7,327,100
CAPITAL AND RESERVES			
Share capital	37	693,031	519,773
Reserves		6,608,747	6,776,765
Equity attributable to owners of the Company		7,301,778	7,296,538
Non-controlling interests	44	24,062	30,562
TOTAL EQUITY		7,325,840	7,327,100

The consolidated financial statements on pages 71 to 182 were approved and authorized for issue by the board of directors on March, 28, 2024 and are signed on its behalf by:

Wang Yonghua
DIRECTOR

Feng Weidong
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

	Attributable to owners of the Company								
	Share capital RMB'000	Capital reserve RMB'000 (note i)	Other reserves RMB'000	Translation reserves RMB'000	Statutory reserve RMB'000 (note ii)	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	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	–	–	–	–	–	559,285	559,285	(26,372)	532,913
Other comprehensive income for the year	–	–	–	213,477	–	–	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 ii)	–	–	–	–	–	–	–	1,500	1,500
Capital contribution from limited partnership of a consolidated fund of the Group (note iii)	–	–	(4,584)	–	–	–	(4,584)	–	(4,584)
Effect arising on deconsolidation of Yoplait China (as defined in note 1) (note ii)	–	–	–	–	–	–	–	(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 year	–	–	–	–	–	(872,962)	(872,962)	(2,725)	(875,687)
Other comprehensive income for the year	–	–	–	35,899	–	–	35,899	207	36,106
Total comprehensive income (expense) for the year	–	–	–	35,899	–	(872,962)	(837,063)	(2,518)	(839,581)
Appropriation to statutory reserves	–	–	–	–	524	(524)	–	–	–
Capital redemption by non-controlling shareholders (note iv)	–	–	–	–	–	–	–	(3,982)	(3,982)
Dividend recognized as distribution (note 14)	–	–	–	–	–	(103,955)	(103,955)	–	(103,955)
Issue of shares upon listing (Note 37)	173,258	860,156	–	–	–	–	1,033,414	–	1,033,414
Cost of issuing new shares (Note 37)	–	(87,156)	–	–	–	–	(87,156)	–	(87,156)
At December 31, 2023	693,031	4,323,151	88,336	148,834	121,667	1,926,759	7,301,778	24,062	7,325,840

Notes:

(i) The amount includes the share premium amounting to RMB773,000,000 arising from Listing since October 6, 2023.

(ii) 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.

(iii) During the year ended December 31, 2022, an independent third party injected RMB1,500,000 in Yoplait China Co., Ltd.* ("**Yoplait China**") (優諾乳業有限公司) 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 33. The amount of related non-controlling interests of Yoplait China amounting to RMB30,425,000 has been debited to non-controlling interests.

(iv) 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 Shenzhen Tiantu Xingiqao Investment Partnership (Limited Partnership)* ("**Tiantu Xingqiao**") (深圳市天圖興橋投資合夥企業(有限合夥)) 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 31.

(v) During the year ended December 31, 2023, the Group and other shareholders of Bei Partners Holdings Limited withdrew paid-in capital of Bei Partners. Upon the completion of capital injection, the shareholding of Bei Partners, which is 83.33% and 16.67% held by the Group and the non-controlling shareholder, respectively, remined unchanged.

* English name is for the identification purpose only.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 RMB'000	2022 RMB'000
Cash flows from operating activities		
(Loss) profit before tax from continuing and discontinued operation	**(959,882)**	758,983
Adjustments for:		
Finance costs	**69,564**	119,622
Interest income	**(11,527)**	(6,965)
Dividend and interest from financial assets at FVTPL	**(12,240)**	(11,867)
Dividends from interests in associates measured at fair value	**(19,549)**	(94,442)
Impairment loss under expected credit loss model, net of reversal		
— Bank balances	**27,988**	—
— Accounts receivables	**—**	75
— Others receivables	**326**	48
Provision on inventories, net of reversal	**—**	21
Depreciation of property, plant and equipment	**1,611**	13,970
Depreciation of right-of-use assets	**11,774**	11,383
Amortization of intangible assets	**—**	139
Gain on disposal of subsidiaries	**—**	(639,407)
Loss on disposal of property, plant and equipment	**18**	—
Share of results of associates	**21,321**	(8,439)
Share of results of joint ventures	**(40,297)**	37,667
Realized loss (gains) from financial assets at FVTPL	**65,272**	(45,710)
Realized gains from interests in associates measured at fair value	**75,164**	(70,666)
Unrealized losses from financial assets at FVTPL	**471,268**	267,122
Unrealized fair value changes in interests in associates measured at fair value	**1,098,355**	(63,535)
Unrealized gains from financial liabilities at FVTPL	**(864,566)**	(358,136)
Operating cash flows before movement in working capital	**(65,400)**	(90,137)
Dividend received	**116,095**	106,309
Decrease in inventories	**—**	1,257
Decrease in accounts receivables	**15,341**	681
Increase in prepayments and other receivables	**(355,867)**	(35,386)
Decrease (increase) in financial assets at FVTPL	**34,904**	(24,927)
Decrease (increase) in interests in associates measured at fair value	**39,425**	(186,142)
Increase in other non-current assets	**(1,718)**	(2,850)
Increase in accounts payables	**—**	19,590
(Decrease) increase in other payables and accruals	**(11,154)**	15,709
Decrease in contract liabilities	**(20,109)**	(12,863)
Cash used in operations	**(248,483)**	(208,759)
Income taxes paid	**(8,244)**	(5,965)
Net cash used in operating activities	**(256,727)**	(214,724)

	NOTES	2023 RMB'000	2022 RMB'000
INVESTING ACTIVITIES			
Interest received		3,877	13,963
Purchase of property, plant and equipment		(2,335)	(10,954)
Capital injection to associates		(5,500)	—
Proceeds from the capital reduction of interest in associates		6,822	56,209
Capital injection to joint ventures		(39,400)	—
Proceeds from the capital reduction of interests in a joint venture		2,011	121,781
Withdrawal of unlisted financial products classified as financial assets at FVTPL		—	77,132
Placement of unlisted financial products classified as financial assets at FVTPL		(100,000)	(85,054)
Withdrawal of restricted bank deposits		—	6,055
Net cash inflow on disposal of other subsidiaries	33, 34	—	24,320
Proceeds from disposal of property, plant and equipment		9	5
Net cash (used in) from investing activities		(134,516)	203,457

	NOTE	2023 RMB'000	2022 RMB'000
FINANCING ACTIVITIES			
Interest paid		(64,506)	(144,870)
Dividends paid		(103,955)	—
Capital contribution from non-controlling shareholders		—	1,500
Capital redemption from non-controlling shareholders		(3,982)	—
Cash injection by third-party holders to consolidated structured entities		232,004	862,855
Capital redemption by third-party holders of consolidated structured entities		(92,474)	(44,307)
New bank and other borrowings raised		70,000	109,607
Repayments of bank and other borrowings		(85,245)	(112,492)
Proceeds from bonds issued		—	995,160
Repayment of bonds		—	(1,799,600)
Advance from related parties		—	100,000
Repayment of loan from related parties		—	(250,000)
Repayment of loan from a director		—	(76,440)
Repayment of loan from independent third parties		—	(2,600)
Proceeds from issue of shares		1,007,815	—
Payments of issue costs		(34,070)	(23,301)
Repayment of lease liabilities		(11,911)	(10,785)
Net cash from (used in) financing activities		913,676	(395,273)
Net increase (decrease) in cash and cash equivalents		522,433	(406,540)
Cash and cash equivalents at beginning of the year		613,612	1,015,797
Effect of foreign exchange rate changes		9,409	4,355
Cash and cash equivalents at end of the year, represented by bank balances and cash		1,145,454	613,612
Less: Impairment recognized for bank balance		(28,224)	—
		1,117,230	613,612

1. CORPORATE INFORMATION AND BASIS OF PREPARATION OF 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) and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Listing**") since October 6, 2023"). 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, the 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% and 43.85% equity interests of the Company as at December 31, 2023 and 2022. He is also the chairman of the executive committee and chairman of the Company.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the same as the functional currency of the company.

The Company and its subsidiaries (together, 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 specialized in the consumer sector in the PRC (the "**Private Equity Investment**").

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 year ended December 31, 2022 included dairy business, representing the liquid milk business (representing mainly the production and sale of yogurt and other milk beverages) conducted by the Group's subsidiary, 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* (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 has been discontinued along with this share transfer. The financial performance of Yoplait China is therefore presented as a discontinued operation.

* English name is for the identification purpose only.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The Group has consistently applied all the amendments to IFRSs issued by the International Accounting Standards Board (the "**IASB**"), that are effective for the Group's accounting period beginning on January 1, 2023.

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 these amendments to IFRSs will have no material impact on the Group's consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the 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 consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Basis of consolidation (continued)

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 year are included in the consolidated statement 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Basis of consolidation (continued)

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 recognized 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 derecognized. A gain or loss is recognized 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 recognized 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.

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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

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.

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 consolidated financial statements 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 recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize 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 recognizing its share of further losses. Additional losses are recognized 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 recognized 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 recognized 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 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Investments in associates and joint ventures (continued)

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 recognized 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 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, 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 recognized in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Changes in the Group's interests in associates and joint ventures

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 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.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Note 5 and 27.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

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 recognized 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets *(continued)*

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 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 statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognizes 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.
- 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 statement of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

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 recognized 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 recognized in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, 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 recognized in other comprehensive income and accumulated in equity under the heading of translation reserve.

Government grants

Government grants are not recognized 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 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 recognized 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 recognized in profit or loss in the period in which they are incurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. 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 recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 utilized. Such deferred tax assets and liabilities are not recognized 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 recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized 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 recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize 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 realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Taxation (continued)

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 recognized 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 *Income Taxes* requirements to the lease liabilities and the related assets separately. The Group recognized a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

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 recognized in profit or loss.

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.

Depreciation is recognized 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 derecognized 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 recognized in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Impairment on property, plant and equipment and right-of-use assets, other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets 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 and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of cash-generating unit ("**CGU**") to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

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 CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) 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 CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. 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 CGUs. 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 CGUs. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) 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 recognized for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Short-term and other long-term employee benefits

Employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense.

A liability is recognized 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.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized 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 recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized 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 amortized cost as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized 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 recognized by applying the effective interest rate to the amortized 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 recognized 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets *(continued)*

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized 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 recognized in profit or loss. The net gain or loss recognized 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 realized profit or loss is recognized in the consolidated statement 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 unrealized profit or loss is recognized 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 unrealized gains (losses) will be reversed and re-presented as realized gains (losses) in the year upon exit of that respective investment.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including accounts receivables, amount due from related parties, other receivables, dividend receivables, loans to the independent third parties, loans to related parties 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 *(continued)*

The Group always recognizes 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 recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 *(continued)*

(i) Significant increase in credit risk *(continued)*

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 aforegoing, 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 *(continued)*

(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 recognized in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 *(continued)*

(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 amortized cost of the financial asset.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 *(continued)*

(v) Measurement and recognition of ECL *(continued)*

The Group recognizes 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, loans to an independent third party and loans to related parties and bank balances, where the corresponding adjustment is recognized through a loss allowance account.

Derecognition of financial assets

The Group derecognizes 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 amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized 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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortized 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 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 recognized 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at amortized cost

Financial liabilities including other payables, bank and other borrowings and bond payables are subsequently measured at amortized cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes 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 derecognized and the consideration paid and payable is recognized in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS 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 judgements, 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 recognized 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 judgements 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 recognized in the consolidated financial statements.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Critical judgements in applying accounting policies *(continued)*

Judgements 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 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 judgement on whether a structured entity is under the Group's control and shall be consolidated. Such judgement 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.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Critical judgements in applying accounting policies *(continued)*

Consolidation of structured entities (continued)

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.

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 and liabilities 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 authorized 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 42.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Key sources of estimation uncertainty *(continued)*

Recognition of deferred taxation

Deferred tax is recognized 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 recognized 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 recognized in profit or loss would be adjusted as well.

As at December 31, 2023, the carrying amount of deferred tax assets amounting to RMB14,379,000 (2022:RMB9,071,000) and deferred tax liabilities amounting to RMB119,087,000 (2022:RMB200,549,000), respectively.

5. REVENUE AND SEGMENT INFORMATION

During the reporting period, the Group derives its revenue from the provision of Private Equity Investment fund management services.

Continuing operation

Disaggregation of revenue from contracts with customers

	2023 **RMB'000**	2022 RMB'000
Private Equity Investment fund management service, recognized overtime (note i)	**44,614**	45,983
Carried interest, recognized overtime (note ii)	**Nil**	Nil

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Continuing operation *(continued)*

Disaggregation of revenue from contracts with customers (continued)

Notes:

(i) 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 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 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.

The Group derives its revenue from the provision of Private Equity Investment through the management of unconsolidated investment funds specialized in consumer business industries for investment returns.

(ii) 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 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 the fund life based on the most likely amount.

No income from carried interest for the funds was recognized as revenue during the current and prior year, 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 capital or committed or 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 unrealized 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 realized as of such date, irrespective of whether such amounts have been realized.

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Continuing operation *(continued)*

Transaction price allocated to the remaining performance obligation for contracts with customers (continued)

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, 2023 and 2022 in respect of management fees as at December 31, 2023 and 2022 and the expected timing of recognizing revenue.

	2023 RMB'000	2022 RMB'000
Within one year	5,755	–
More than one year but not more than two years	5,755	–
More than two years	7,252	–
Total	18,762	–

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 PRC GAAP. Along with the 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 operation, and therefore, no operating segment information is presented other than the entity-wide disclosures.

Geographic information

Most 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. Most 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.

5. REVENUE AND SEGMENT INFORMATION *(continued)*

Continuing operation *(continued)*

Information about major customers

Revenue from the Group's unconsolidated investment funds during the reporting period contributing over 10% of the Group's total revenue are as follows:

	2023 RMB'000	2022 RMB'000
Shenzhen Tiantu Dongfeng Small and Medium-Sized 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))	**22,279**	22,601
Shenzhen Futian District Tiantu Tangrenshen Innovative 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))	**N/A#**	9,333
Shenzhen Tiantu Xingnan Investment Partnership Enterprise (Limited Partnership)* (**"Tiantu Xingnan"**) (深圳天圖興南投資合夥企業(有限合夥)) (note)	**15,944**	12,066

The Group carried out transactions with this customer but the amount of the transaction was less than 10% of revenue for respective year.

* English name is for the identification purpose only.

6. INVESTMENT GAINS OR LOSSES, NET

	2023 RMB'000	2022 RMB'000
Continuing operation		
Dividends and interests from		
— financial assets at FVTPL	**12,240**	11,867
— interests in associates measured at fair value	**19,549**	94,442
Realized (losses) gains from		
— financial assets at FVTPL	**(65,272)**	45,710
— interests in associates measured at fair value	**(75,164)**	70,666
Unrealized (losses) gains from		
— financial assets at FVTPL	**(471,268)**	(267,122)
— interests in associates measured at fair value	**(1,098,355)**	63,535
Unrealized gains from financial liabilities at FVTPL	**864,566**	358,136
	(813,704)	377,234

7. OTHER INCOME

	2023 RMB'000	2022 RMB'000
Continuing operation		
Interest income	11,527	6,955
Advisory services income	2,503	985
Government grants — related to income (note)	6,000	475
	20,030	8,415

Note: 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

	2023 RMB'000	2022 RMB'000
Continuing operation		
Foreign exchange gain (loss), net	13,379	(643)
Others	(18)	22
	13,361	(621)

9. IMPAIRMENT RECOGNIZED UNDER ECL MODEL, NET

	2023 RMB'000	2022 RMB'000
Continuing operation		
Other receivables	(326)	(44)
Bank balance	(27,988)	—
	(28,314)	(44)

Details of impairment assessment are set out in Note 42.

10. FINANCE COSTS

	2023 RMB'000	2022 RMB'000
Continuing operation		
Interest on bank borrowings	3,995	3,622
Interest on loan payable to related parties	–	11,902
Interest on loan payable to a director	–	1,486
Interest on lease liabilities	1,121	746
Interest on bond payables	64,448	100,918
	69,564	118,674

11. INCOME TAX CREDIT (EXPENSE)

	2023 RMB'000	2022 RMB'000
PRC Enterprise Income Tax ("**EIT**")	(1,353)	(6,865)
(Under) over provision of PRC EIT in prior years	(1,222)	685
Deferred tax credit (charge) (Note 18)	86,770	(101,137)
	84,195	(107,317)

The Group's subsidiaries incorporated in Cayman Islands and British Virgin Islands are exempted company and are not subject to Cayman Islands and British Virgin Islands taxation.

No provision of Hong Kong Profit Tax was made in the consolidated financial statements as the Group had no assessable profit subject to Hong Kong Profit Tax during the reporting 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 reporting period.

The structured entities included in the consolidated financial statements 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 consolidated financial statements, 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, 2023 and 2022.

11. INCOME TAX CREDIT (EXPENSE) *(continued)*

The income tax credit (expense) for the year can be reconciled to the (loss) profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2023	2022
	RMB'000	RMB'000
Continuing operation		
(Loss) profit before tax	**(959,882)**	159,481
Income tax credit (expense) calculated at 25%	**239,971**	(39,870)
Effect of additional tax deduction	**–**	1,375
Effect of share of results of associates	**(5,330)**	2,110
Effect of share of results of joint ventures	**10,074**	(9,417)
Effect of expenses that are not deductible	**(385)**	(228)
Effect of income that are not taxable (note)	**1,204**	9,319
Effect of different tax rates and other adjustments of taxable temporary differences of subsidiaries	**(139,022)**	(86,002)
Effect of tax losses not recognized	**(21,577)**	(2,013)
Utilization of tax losses previously not recognized	**76**	16,724
(Under) over provision in respect of prior years	**(1,222)**	685
Others	**406**	–
Income tax credit (expense) for the year	**84,195**	(107,317)

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 FOR THE YEAR

Continuing operation

Profit for the year has been arrived at after charging:

	2023 RMB'000	2022 RMB'000
Depreciation of:		
Property, plant and equipment	**1,611**	1,130
Right-of-use assets	**11,774**	10,469
Total depreciation	**13,385**	11,599
Auditor's remuneration	**3,325**	1,996
Listing expense (note i)	**nil**	nil
Directors' and supervisors' remuneration (Note 13):	**8,318**	8,482
Other staff costs:		
— Salaries and allowances	**40,586**	42,980
— Performance-based bonus	**4,827**	4,086
— Retirement benefit scheme contributions	**7,425**	5,816
	52,838	52,882
Total staff costs	**61,156**	61,364

Note:

(i) For the year ended December 31, 2022, the Group incurred listing expenses of RMB41,462,000, which are primarily directly attributable to the issuance of the H shares and will be deducted from equity upon the Listing. There were no significant amount of listing expense incurred which would need to charge to profit or loss during the reporting period.

13. DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

During the reporting 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, 2023:

	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
Executive directors						
Mr. Wang	January 11, 2010	–	757	61	34	852
Mr. Feng Weidong (馮衛東) (**"Mr. Feng"**)	July 15, 2015	–	728	54	46	828
Ms. Zou Yunli (鄒雲麗) (**"Ms. Zou"**)	July 15, 2015	–	728	54	46	828
Mr. Li Xiaoyi (李小毅) (**"Mr. Li X."**)	July 15, 2015	–	945	72	43	1,060
		–	3,158	241	169	3,568
Independent non-executive directors						
Mr. Liu Pingchun (劉平春) (**"Mr. Liu"**)	April 7, 2022 (note)	68	–	–	–	68
Mr. Diao Yang (刁揚) (**"Mr. Diao"**)	April 7, 2022 (note)	68	–	–	–	68
Mr. Tsai Leih (蔡冽) (**"Mr. Tsai"**)	April 7, 2022 (note)	68	–	–	–	68
		204	–	–	–	204
Non-executive directors						
Mr. Li Lan (黎瀾) (**"Mr. Li L."**)	December 28, 2016	145	–	–	–	145
Mr. Dai Yongbo (代永波) (**"Mr. Dai"**)	May 20, 2020	145	–	–	–	145
		290	–	–	–	290
Supervisors						
Mr. Tang Zhimin (湯志敏) (**"Mr. Tang"**)	May 17, 2019	–	768	56	46	870
Mr. Li Kanglin (李康林) (**"Mr. Li K."**)	May 17, 2019	–	2,140	172	68	2,380
Mr. Di Zhe (狄喆) (**"Mr. Di"**)	July 12, 2021	–	892	68	46	1,006
		–	3,800	296	160	4,256
		494	6,958	537	329	8,318

13. DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS *(continued)*

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
Executive directors						
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
Independent non-executive directors						
Mr. Liu	April 7, 2022	–	–	–	–	–
Mr. Diao	April 7, 2022	–	–	–	–	–
Mr. Tsai	April 7, 2022	–	–	–	–	–
		–	–	–	–	–
Non-executive directors						
Mr. Li L.	December 28, 2016	125	–	–	–	125
Mr. Dai	May 20, 2020	125	–	–	–	125
		250	–	–	–	250
Supervisors						
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

Notes: The term of appointment of these directors would commence with effect from October 6, 2023.

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 reporting period.

The non-executive directors' and supervisors' emoluments shown above were for their services as directors and supervisors of the Company during the reporting period.

13. DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS *(continued)*

During the reporting 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 1 supervisor of the Company whose emoluments are set out above for the reporting period. The emoluments of the remaining 4 employees for both years, respectively, were as follows:

	2023 **RMB'000**	2022 RMB'000
Salaries	**9,117**	10,340
Performance-based bonus	**1,038**	1,040
Retirement benefit scheme contributions	**245**	204
	10,400	11,584

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$**"):

	2023	2022
HK$1,000,001 to HK$1,500,000	**2**	–
HK$1,500,001 to HK$2,000,000	**–**	1
HK$2,000,001 to HK$2,500,000	**–**	1
HK$2,500,001 to HK$3,000,000	**2**	1
HK$3,000,001 to HK$3,500,000	**1**	2

During the reporting 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

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 board of directors has decided not to declare a final dividend for the year ended December 31, 2023.

15. (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:

	For the year ended December 31,	
	2023	2022
(Loss) earnings (RMB'000)		
(Loss) profit for the year attributable to owners of the Company	**(872,962)**	559,285
Less:		
Profit for the year from discontinued operation	**–**	(499,471)
(Loss) earning for the purpose of basic earnings per share from continuing operation	**(872,962)**	59,814
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**561,070**	519,773

For discontinued operations

Basic earnings per share for the discontinued operation is RMB0.96 per share for the year ended December 31, 2022, based on the profit for the year attributable to the owners of the Company from discontinued operation of RMB499,471,000 and the denominators detailed above for basic earnings per share.

No diluted earnings per share for the years ended December 31, 2023 and 2022 were presented as there were no potential ordinary shares in issue for the years ended December 31, 2023 and 2022.

The Group does not have any profit/loss for the year from discontinued operation the year ended December 31, 2023 along with the Yoplait China Business having been discontinued on June 15, 2022.

16. PROPERTY, PLANT AND EQUIPMENT

	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, 2022	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 33)	(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	–	–	–	409	1,926	–	2,335
Disposals	–	–	–	(484)	–	–	(484)
Exchange alignments	–	–	13	–	–	–	13
At December 31, 2023	–	–	1,330	4,436	8,344	–	14,110

	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, 2022	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 33)	(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	–	–	88	240	1,283	–	1,611
Eliminated on disposals	–	–	–	(457)	–	–	(457)
Exchange alignments	–	–	8	–	–	–	8
At December 31, 2023	–	–	1,095	3,542	6,252	–	10,889
CARRYING VALUES							
At December 31, 2022	–	–	318	752	1,449	–	2,519
At December 31, 2023	–	–	235	894	2,092	–	3,221

16. PROPERTY, PLANT AND EQUIPMENT *(continued)*

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

17. RIGHT-OF-USE ASSETS

	Leasehold Land in PRC RMB'000	Office properties RMB'000	Staff quarters RMB'000	Total RMB'000
Carrying value				
At January 1, 2022	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 33)	(14,878)	(104)	(100)	(15,082)
At December 31, 2022	**–**	**19,525**	**–**	**19,525**
Additions (including adjustments arising from lease modification)	**–**	**10,388**	**–**	**10,388**
Depreciation charge	**–**	**(11,774)**	**–**	**(11,774)**
At December 31, 2023	**–**	**18,139**	**–**	**18,139**

	For the year ended December 31, 2023 RMB'000	2022 RMB'000
Expenses relating to short-term leases	**452**	201
Total cash outflow for leases	**12,367**	10,986

For the year 2023, the Group leases office properties for its operations. Lease contracts are entered into for fixed term of 1 to 5 years for the year ended December 31, 2023, (2022:1 to 5 years). 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.

17. RIGHT-OF-USE ASSETS *(continued)*

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 regularly entered into short-term leases for office properties and staff quarters. As at December 31, 2023 and 2022, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Restrictions or covenants on leases

In addition, lease liabilities of RMB20,249,000 (2022:RMB20,651,000) are recognized with related right-of-use assets of RMB18,139,000 (2022:RMB19,525,000) as at December 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.

18. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the 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:

	2023 RMB'000	2022 RMB'000
Deferred tax assets	14,379	9,071
Deferred tax liabilities	(119,087)	(200,549)
	(104,708)	(191,478)

18. DEFERRED TAX ASSETS/LIABILITIES *(continued)*

The following are the major deferred tax balances recognized and movements thereon during the reporting period:

	Changes in fair value of investments/ share of unrealized results from limited partnerships	Fair value adjustment arising from business combination	Right of use assets	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2022	28,655	(7,723)	(956)	956	20,932
(Charge) credit to profit or loss	(220,133)	244	(3,981)	3,981	(219,889)
Deemed disposal of Yoplait China (Note 33)	–	7,479	51	(51)	7,479
At December 31, 2022	**(191,478)**	**–**	**(4,886)**	**4,886**	**(191,478)**
Credit (charge) to profit or loss	**86,364**	**–**	**1,632**	**(1,226)**	**86,770**
At December 31, 2023	**(105,114)**	**–**	**(3,254)**	**3,660**	**(104,708)**

As at December 31, 2023, the Group has unused tax losses of approximately RMB123,809,000 (2022: RMB35,293,000) available for offset against future profits. No deferred tax asset has been recognized 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 utilized. The expiry dates of the unrecognized tax losses are disclosed in the following table. Remaining losses may be carried forward indefinitely.

	2023	2022
	RMB'000	RMB'000
2027	**4,968**	5,743
2028	**84,970**	–
	89,938	5,743

There were no other significant unrecognized temporary differences at the end of each reporting period.

19. INTERESTS IN ASSOCIATES MEASURED USING EQUITY METHOD

	2023 RMB'000	2022 RMB'000
Cost of investments, unlisted	507,941	509,263
Share of post-acquisition profits and other comprehensive income, net of dividends received	21,296	42,617
	529,237	551,880

Details of the Group's associates measured using equity method during the reporting period are as follows:

Name of associates	Place of operation and principal place of operation	Proportion of ownership interest held by the Group As at December 31, 2023	2022	Proportion of voting right held by the Group As at December 31, 2023	2022	Principal activities
Tangrenshen (note i)	The PRC	14.17%	14.17%	14.17%	14.17%	Equity investment
Tiantu Xingnan (note ii)	The PRC	40%	40%	40%	40%	Equity investment
Pingtan Xingxu (note iii)	The PRC	40%	40%	40%	40%	Equity investment
Putian Tiantu Food and Digital Industry Investment Partnership (Limited Partnership)* ("**Putian Tiantu**") (莆田天兔食品與數字產業投資合夥企業(有限合夥)) (note iv)	The PRC	1%	NA	1%	NA	Equity investment
Guangzhou Tiantu Yayi Venture Capital Partnership (Limited Partnership)*(Tiantu Yayi) (廣州天圖雅億創業投資合夥企業(有限合夥)) (note v)	The PRC	5%	NA	5%	NA	Equity investment
Shenzhen Tiantu Food and Digital Industry Private Equity Investment Partnership (Limited Partnership)* ("**Shenzhen Tiantu Food and Digital**") (深圳天兔食品與數字產業專項私募服權投資基金合夥企業(有限合夥))	The PRC	(note vi)	NA	(note vi)	NA	Equity investment

* English name is for the identification purpose only.

19. INTERESTS IN ASSOCIATES MEASURED USING EQUITY METHOD *(continued)*

Notes:

(i) Pursuant to the supplementary limited partnership agreement, the numbers of appointment of investment committee of Tangrenshen are 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, 2023, the Group and other shareholders withdrew RMB1,247,000 and RMB7,553,000 (2022:RMB20,209,000 and RMB122,211,000) of the paid-in capital of Tangrenshen. Upon the completion of capital reduction, the shareholding of Tangrenshen was held by the Group and other shareholders remained changed to 14.17% and 85.83% respectively.

(ii) On December 31 2021, 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, 2023, the Group and other shareholders withdrew the paid-in capital of Tiantu Xingnan in the amount of RMB5,575,000 and RMB8,468,000 (2022: 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 33.

(iv) During the year ended December 31, 2023, the Group and other investors, collectively established Putian Tiantu, which was owned as to 1% and 99% by the Group and other investors, respectively. The Group and other investors paid their respective shareholdings paid-in capital of Putian Tiantu amounted to RMB500,000 and RMB49,500,000, respectively. Pursuant to the limited partnership agreement, the Group acts as the general partner, has appointment right on all members of investment committee of Putian Tiantu and has the power to affect their variable returns to direct their relevant activities. However, the variability of aggregate economic interest is insignificant.

(v) During the year ended December 31, 2023, the Group and other investors, collectively established Tiantu Yayi, which was owned as to 5% and 95% by the Group and an investor, respectively. The Group and an investor paid their respective shareholdings paid-in capital of Tiantu Yayi amounted to RMB5,000,000 and RMB95,000,000, respectively. Pursuant to the limited partnership agreement, the Company has the right to appoint three out of five members of the investment committee of Tiantu Yayi and all investment resolutions need to be passed and to be confirmed by more than half of members of the investment committee. However, one of the investors has the veto power to affect their variable returns to direct their relevant activities.

(vi) During the year ended December 31, 2023, the Group and other investors, collectively established Shenzhen Tiantu Food and Digital, which was owned as to 1.28% and 98.72% by the Group and other investors, respectively. As at December 31, 2023, the amount related to respective shareholdings paid-in capital of Shenzhen Tiantu Food and Digital of RMB1,000,000 are not yet settled.

Summarized financial information of a material associate

Summarized financial information in respect of a material associate is set out below. The summarized financial information below represents amounts shown in its financial statements prepared in accordance with IFRSs.

19. INTERESTS IN ASSOCIATES MEASURED USING EQUITY METHOD *(continued)*

Summarized financial information of a material associate *(continued)*

Summarized financial information of Tiantu Xingnan

	As at December 31,	
	2023	2022
	RMB'000	RMB'000
Current assets	**91,722**	57,423
Non-current assets	**944,379**	1,052,462
Current liabilities	**(572)**	(482)

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
(Loss) profit and total comprehensive (expense) income for the year	**(59,831)**	26,431

Reconciliation at the above summarized financial information to the carrying amount of the interest in Tiantu Xingnan recognized in the consolidated financial statements:

	As at December 31,	
	2023	2022
	RMB'000	RMB'000
Net assets of Tiantu Xingnan	**1,035,529**	1,109,403
Proportion of the Group's ownership interest in Tiantu Xingnan	**40%**	40%
Carrying amount of the Group's interest in Tiantu Xingnan	**414,254**	443,761

19. INTERESTS IN ASSOCIATES MEASURED USING EQUITY METHOD *(continued)*

Aggregate information of associates measured by equity method that is not individually material

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
The Group's share of gain (loss) and total comprehensive income (expenses) from continuing operation	**2,611**	(2,133)

	As at December 31,	
	2023	2022
	RMB'000	RMB'000
Aggregate carrying amount of the Group's interests in the associate	**114,983**	108,119

20. INTERESTS IN ASSOCIATES MEASURED AT FAIR VALUE

	2023	2022
	RMB'000	RMB'000
Deemed cost of investments	**8,764,223**	9,096,906
Fair value change in investments (note)	**68,005**	870,127
Exchange adjustments	**20,791**	112,569
	8,853,019	10,079,602
Analysed as:		
Listed equity investments		
— freely tradable without lock up period	**258,961**	701,672
— with lock up period	**842,051**	—
Unlisted equity investments	**7,752,007**	9,377,930
	8,853,019	10,079,602

Note: The changes in fair value of funds of each period were recorded in "investment gains or losses, net" in Note 6.

20. INTERESTS IN ASSOCIATES MEASURED AT FAIR VALUE *(continued)*

Details of the Group's material associates measured at fair value during the reporting period are as follows:

Name of associates	Place of operation and principal place of operation	Proportion of ownership interest held by the Group As at December 31, 2023	2022	Proportion of voting right held by the Group As at December 31, 2023	2022	Principal activities
Company A^ (notes i, ii)	PRC	**42.37%**	42.37%	**42.37%**	42.37%	Internet-based financing
Company B^ (notes i, ii)	PRC	**40.51%**	40.51%	**40.51%**	40.51%	Digital enterprise solution services

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 recognized as "interests in associates measured at fair value".

(ii) These are unlisted investments.

^ The fair values of these associates are determined by a firm of independent professional valuers not connected to the Group.

Summarized financial information of the material associates

Summarized financial information in respect of the Group's material associates measured at fair value as above is set out below. The summarized financial information of Company A and B represents amounts shown in their financial statements prepared in accordance with PRC GAAP for the years ended December 31, 2023 and 2022.

Summarized financial information of Company A and its subsidiaries

	2023 RMB'000	2022 RMB'000
Current assets	**889,039**	1,203,678
Non-current assets	**403,547**	354,678
Current liabilities	**(56,969)**	(301,926)
Non-current liabilities	**(244,083)**	(164,459)

20. INTERESTS IN ASSOCIATES MEASURED AT FAIR VALUE *(continued)*

Summarized financial information of the material associates *(continued)*

Summarized financial information of Company A and its subsidiaries (continued)

	2023 RMB'000	2022 RMB'000
Revenue	229,823	478,354
Loss and total comprehensive expense for the year	(100,120)	(23,252)

Summarized financial information of Company B and its subsidiaries

	2023 RMB'000	2022 RMB'000
Current assets	193,693	242,204
Non-current assets	42,103	34,845
Current liabilities	(5,720)	(14,439)
Non-current liabilities	(4,996)	(2,900)

	2023 RMB'000	2022 RMB'000
Revenue	43,657	63,724
Loss and total comprehensive expense for the year	(37,862)	(7,292)

21. INTERESTS IN JOINT VENTURES

	2023 RMB'000	2022 RMB'000
Cost of investments, unlisted	269,532	232,143
Share of post-acquisition profits and other comprehensive income, net of dividends received	556,437	516,140
	825,969	748,283

21. INTERESTS IN JOINT VENTURES *(continued)*

Details of the Group's joint ventures during the reporting period are as follows:

Name of associates	Place of operation and principal place of operation	Proportion of ownership interest held by the Group As at December 31, 2023	2022	Proportion of voting right held by the Group As at December 31, 2023	2022	Principal activities
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公司) (note i)	The PRC	**5%**	5%	**5%**	5%	Equity investment
Shenzhen Xingshun Investment Partnership (Limited Partnership)* (“**Shenzhen Xingshun**”) 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%	Equity investment
Tiantu Dongfeng (note iii)	The PRC	**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(有限合夥)) (note iv)	The PRC	**39.80%**	39.80%	**39.80%**	39.80%	Equity investment
Nanchong Linjiang New District Tiantu Science and Technology Industry Fund Partnership (Limited Partnership)* (“**Nanchong Linjiang**”) 南充臨江新區天圖科創產業基金合夥企業(有限合夥) (note vi)	The PRC	**14.29%**	–	**14.29%**	–	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. During the year ended December 31, 2023, the Group and other shareholders withdrew RMB2,011,000 and RMB38,209,000 of the paid-in capital of Tiantu Tiantou. Upon the completion of capital reduction, the shareholding of Tiantu Tiantou was held by the Group and other shareholders remained changed to 5% and 95% respectively.

(ii) 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. During the year ended December 31, 2023, the Group injected the paid-in capital of Shenzhen Xingshun in the amount of RMB14,400,000. Upon the completion of capital injection, the shareholding of Shenzhen Xingshun held by the Group and other investors remained unchanged.

(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.

21. INTERESTS IN JOINT VENTURES *(continued)*

Notes: *(continued)*

(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.

(v) In August 2022, the Group resolved to exit its investment in Tiantu Maverick Limited ("**Tiantu Maverick**") and Tiantu Maverick agreed to repurchase the Group's 50% equity 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 recognized 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.

(vi) During the year ended December 31, 2023, the Group and an investor, collectively established Nanchong Linjiang, which was owned as to 14.29% and 85.71% by the Group and an investor, respectively. The Group and an investor paid their respective shareholdings paid-in capital of Nanchong Linjiang amounted to RMB25,000,000 and RMB150,000,000, respectively. Pursuant to the limited partnership agreement, the Group has the right to appoint three out of five members of the investment committee of Nanchong Linjiang 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, 2023, the Group's shareholding in the company is less than 50% of its issued shares and the Group has joint control of it.

Summarized financial information of a material joint venture

Summarized financial information in respect of the Group's material joint venture is set out below. The summarized 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 consolidated financial statements.

Summarized financial information of Shenzhen Tiantu Dongfeng

	2023 **RMB'000**	2022 RMB'000
Current assets	**6**	10
Non-current assets	**1,764,612**	1,649,852
Current liabilities	**(199)**	(182)

21. INTERESTS IN JOINT VENTURES *(continued)*

Summarized financial information of a material joint venture *(continued)*

Summarized financial information of Shenzhen Tiantu Dongfeng (continued)

	2023 RMB'000	2022 RMB'000
Profit and total comprehensive income for the year	114,739	45,214

Reconciliation of the above summarized financial information to the carrying amount of interests in Shenzhen Tiantu Dongfeng.

	2023 RMB'000	2022 RMB'000
Net assets of Shenzhen Tiantu Dongfeng	1,764,419	1,649,680
Proportion of the Group's ownership interest in Shenzhen Tiantu Dongfeng	39.80%	39.80%
Carrying amount of the Group's interest in Shenzhen Tiantu Dongfeng	702,239	656,573

Aggregate information of joint ventures that are not individually material

	2023 RMB'000	2022 RMB'000
The Group's share of loss after tax and total comprehensive expense	(5,369)	(55,661)

	2023 RMB'000	2022 RMB'000
Aggregate carrying amount of the Group's interests in joint ventures	123,731	91,710

22. FINANCIAL ASSETS AT FVTPL

(a) Financial assets designated at FVTPL

	2023 RMB'000	2022 RMB'000
Current		
Listed equity investments (note i)		
— Freely tradable*		
— Project A engaged in milk powder industry	108,108	172,169
— Others	108,244	157,865
— Non tradable within lock up period#	274,929	—
Unlisted financial products/equity investments (notes i, ii)	125,678	200,248
	616,959	530,282
Non-current		
Unlisted equity investments (note i)	3,715,711	4,073,859
Unlisted convertible bonds/bonds connected with conversion feature (note iii)	514,497	634,151
	4,230,208	4,708,010

* 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 at December 31, 2023 and 2022, 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 42.

Notes:

(i) These investments represent equity investments in listed/unlisted entities and unlisted financial products and subsequent fair value change of these investments are recognized 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.

23. ACCOUNTS RECEIVABLES

	2023 RMB'000	2022 RMB'000
Accounts receivables from related parties (Note38)		
— Private Equity Investment Management	**29,148**	44,030

As at January 1, 2022, accounts receivables from contracts with customers, net of allowance for credit losses, amounting to RMB93,419,000.

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 at the end of each reporting period:

	2023 RMB'000	2022 RMB'000
Within 1 year	**1,616**	16,957
Over 3 year	**27,532**	27,073
	29,148	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 RMB27,532,000 as at December 31,2023, (2022: RMB27,073,000) and from Tiantu Dongfeng with the carrying amount of RMB1,616,000 as at December 31, 2023 (2022: RMB16,957,000). 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 recognized, accordingly.

Details of impairment assessment of accounts and other receivables are set out in Note 42.

24. PREPAYMENTS AND OTHER RECEIVABLES

	2023 RMB'000	2022 RMB'000
Prepayments to independent third parties	147	189
Deposits for the acquisition of equity interests of an unlisted investment (note iv)	359,178	—
Deferred issue costs	—	41,462
Loans to investee companies classified as associates measured at FVTPL (note i, Note 38)	120,127	120,117
Loans to independent third parties (note ii)	6,913	6,913
Dividend receivables (note iii)	—	84,736
Amounts due from related parties (Note 38)	3,597	3,307
Consideration receivable for deemed disposal of Yoplait China (Note 33)	31,305	31,305
Other receivables	18,858	18,305
Value added tax recoverable	8,217	3,114
	548,342	309,448
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	(10,256)	(9,930)
	(64,683)	(64,357)
	483,659	245,091
Analysed as		
Non-current	359,178	—
Current	124,481	245,091
	483,659	245,091

Notes:

(i) As at December 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 (2022: 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 RMB72,613,000 (2022: RMB72,603,000) as at December 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 33.

24. PREPAYMENTS AND OTHER RECEIVABLES *(continued)*

Notes: *(continued)*

(ii) As at December 31, 2023, the Group has outstanding loan receivable due from an independent third party arising from Private Equity Investment amounted to RMB6,913,000 (2022: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, the Group has outstanding dividend receivable due from Shenzhen Qingtong Technology Co., Ltd.* ("**Shenzhen Qingtong**") (深圳青瞳科技有限公司), which is classified as interests in associates measured at fair value, amounted to RMB84,736,000. Such amounts are fully settled during current year.

(iv) During the year ended December 31, 2023, the Group entered into an equity transfer agreement pursuant to which the Group will acquire certain equity interest of unlisted companies by direct investment at a consideration of RMB359,178,000. As at December 31, 2023, the Group paid such amount in full as non-current as prepayments, the acquisition is expected to complete more than 1 year.

25. CASH AND CASH EQUIVALENTS

	2023 RMB'000	2022 RMB'000
Cash and cash equivalents	**1,145,454**	613,612
Less: Impairment recognized for bank balance	**(28,224)**	—
	1,117,230	613,612

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 bank balances and cash that are denominated in currencies other than functional currency of the relevant group entities are set out below:

	2023 RMB'000	2022 RMB'000
Analysis bank balance and cash by currency:		
Denominated in US Dollar ("**US$**")	**24,761**	34,883
Denominated in HK$	**55,236**	7,944

Details of impairment assessment of bank balances of the Group are set out in note 42.

26. OTHER PAYABLES AND ACCRUALS

	2023 RMB'000	2022 RMB'000
Accrued issue cost	–	16,502
Dividend payables to an independent third party (note)	6,056	5,955
Sundry payables and accrued	25,620	25,915
Other payables to a related party	698	–
Salaries and welfare payables	529	224
Other tax payables	1,292	1,514
Deposits received	7,115	7,115
	41,310	57,225

Note: The balance represented the outstanding dividend payable to an independent third party and was unsecured, interest-free and repayable on demand.

27. CONTRACT LIABILITIES

	2023 RMB'000	2022 RMB'000
Amounts received in advance in respect of:		
— Private Equity Investment	42,539	62,648

Contract liabilities that were expected to be settled within the Group's normal operating cycle are classified as current liabilities. As at January 1, 2022, contract liabilities for Buyout Investment business, representing only the amounts received in advance, and Private Equity Investment business amounting to RMB2,334,000 and RMB75,510,000, respectively.

During the years ended December 31, 2023, there were no revenue (2022: nil) recognized that related to performance obligations that were satisfied in prior year. During the year ended December 31, 2023, the amount of revenue recognized that was included in the contract liability balance, representing only the amounts received in advance, at the beginning of the year from Buyout Investment Business amounting to nil (2022: RMB2,334,000) and from Private Equity Investment amounting to RMB7,219,000 (2022: RMB23,800,000), respectively.

As at December 31, 2023, contract liabilities from related parties amounting to RMB42,539,000 (2022: RMB62,648,000).

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.

27. CONTRACT LIABILITIES *(continued)*

Prior to the year ended December 31, 2022, 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, 2023 and 2022.

28. ADVANCES FROM SHARE TRANSFER TRANSACTION

	2023 RMB'000	2022 RMB'000
Receipts from equity transfer (Note 38(e))	**176,730**	176,730

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**") (杭州商牛投資管理合夥企業(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 38(e). 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". The event after the reporting period related to this transaction is set out as details in Note 45.

29. BANK BORROWINGS

	2023 RMB'000	2022 RMB'000
— Unsecured and guaranteed (note ii)	**—**	70,000
— Unsecured and unguaranteed (note i)	**70,000**	15,245
	70,000	85,245

All borrowings are due within one year, which are based on scheduled repayment dates set out in the loan agreements, and are under current liabilities.

Notes:

(i) At December 31, 2023, the Group drawn down RMB70,000,000 (2022: RMB15,245,000) which the bank borrowing is unsecured, unguaranteed and carried at fixed market rates of 4.785% per annum (2022: at fixed market rates of 5%), for the purpose of working capital.

(ii) At December 31, 2022, the Group drawn down RMB70,000,000 which the bank borrowing unsecured and was guaranteed by Mr. Wang and carried at fixed market rates of 4.785% per annum for the purpose of working capital. Such personal guarantee was released when the Group renewed such loan in May 2023.

* English name is for the identification purpose only.

30. BOND PAYABLES DUE WITHIN/OVER ONE YEAR

	2023 RMB'000	2022 RMB'000
Corporate bonds	985,529	980,913
Interest accrued	20,398	20,398
	1,005,927	1,001,311
Analysed as:		
Non-current	786,977	980,913
Current	218,950	20,398
	1,005,927	1,001,311
The carrying amounts of the above bond payables		
— Within one year	218,950	20,398
— More than one year but within two years	786,977	198,207
— More than two years but within five years	—	782,706
	1,005,927	1,001,311

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:

Abbreviations	**Issued amount** RMB'000	**Issue date**	**Maturity date**	**Coupon rate**
22Tiantu01 (note (i) and (iii))	200,000	May 5, 2022	May 5, 2025	note (i)
22Tiantu02 (note (ii) and (iii))	300,000	May 5, 2022	May 5, 2027	note (ii)
22Tiantu03 (note (iv))	500,000	October 19, 2022	October 19, 2025	5% per Annum

30. BOND PAYABLES DUE WITHIN/OVER ONE YEAR *(continued)*

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 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 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.

(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 the associates measured at fair value. As at December 31, 2023, the (a) to (c) under the 2022 Second Bonds Counter Guarantees have been released.

31. FINANCIAL LIABILITIES AT FVTPL

	2023 RMB'000	2022 RMB'000
Financial liabilities designated at FVTPL		
— Consolidated structured entities	**7,903,134**	8,596,707

Upon maturity of the fund, the management has assessed that, as supported by the legal advice from the PRC council, the Group would have no immediate obligation to pay to other investors in respect of their respective share of the net assets value in such fund. Instead, the Group is required to settle only after the liquidation of such fund has been completed, depending on the status and timing when those portfolio companies held by such fund could be successfully exited. As at December 31, 2023, one of the Group's managed funds, namely Tiantu Xingpeng, is in the exit period, and the fund life of which will be maturing on December 29, 2024 (i.e., within twelve months after the end of the reporting period), total asset value of Tiantu Xingpeng and the respective other investors' interests in such fund, which was accounted for as financial liabilities at FVTPL, were amounted to RMB2,531,124,000 and RMB1,980,060,000, respectively. The management of the Group assessed that the liquidation of Tiantu Xingpeng would last more than twelve months after the end of the reporting period, and therefore, the related financial liabilities at FVTPL was classified as non-current liabilities, accordingly.

32. LEASE LIABILITIES

	2023 RMB'000	2022 RMB'000
Lease liabilities payable:		
Within one year	**8,733**	6,821
Within a period of more than one year but not exceeding two years	**4,953**	3,430
Within a period of more than two years but not exceeding five years	**6,563**	10,400
Total	**20,249**	20,651
Less: Amounts due for settlement within 12 months shown under current liabilities	**(8,733)**	(6,821)
Amounts due for settlement after 12 months shown under non-current liabilities	**11,516**	13,830

The incremental borrowing rates applied to lease liabilities range from 4.53% to 5.97% (2022: 4.64% to 5.97%) for the years ended December 31, 2023.

All lease obligations are denominated in the functional currencies of the relevant group entities.

33. DISCONTINUED OPERATION OF YOPLAIT CHINA

The profit for the year from the discontinued Yoplait China Business included in the Group's consolidated statement of profit or loss and other comprehensive income, which are consistently presented as discontinued operation for the reporting period, is set out below.

	2022 RMB'000
Loss of Yoplait China Business for the year	(39,661)
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)
	480,749
	480,749

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. 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, 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 year ended December 31, 2022.

33. DISCONTINUED OPERATION OF YOPLAIT CHINA *(continued)*

The results of the discontinued Yoplait China included in the Group's consolidated statement 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 reporting period are set out below.

	Period from 1/1/2022 to 15/6/2022 (the date of deconsolidation) RMB'000
Revenue (note)	131,832
Investment gains or losses, net	126
Total revenue and investment gains or losses, net	131,958
Changes in inventories of finished goods	23
Raw materials and consumables used	(74,347)
Staff costs	(34,865)
Depreciation and amortization expenses	(13,893)
Other operating expenses	(48,456)
Finance costs	(948)
Impairment losses under expected credit loss model, net of reversal	(79)
Other income	747
Other gains and losses	(45)
Loss before tax	(39,905)
Income tax expense	244
Loss for the year	(39,661)

Note: The Group sells 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 has been transferred, being at the point the customer received the goods and accepted the quality.

33. DISCONTINUED OPERATION OF YOPLAIT CHINA *(continued)*

Analysis of assets and liabilities over which control was lost on the date of deemed disposal of Yoplait China on June 15, 2022:

	RMB'000
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)
Net assets disposed of	38,169
Net assets disposed of attributable to owners of the Company	7,744
Net assets disposed of attributable to non-controlling interests	30,425
Net assets disposed of	38,169

Gain on deemed disposal:

	RMB'000
Fair value of the Group's retained interests recognized as interests in an associate measured at fair value and using equity method (note ii)	584,541
Consideration (note i)	62,610
Less: Net assets disposed of attributable to owners of the Company (note ii)	(7,744)
Deferred tax on remeasurement of retained interest in Yoplait China at fair value	(118,997)
Gain on deemed disposal of Yoplait China	520,410

33. DISCONTINUED OPERATION OF YOPLAIT CHINA *(continued)*

Gain on deemed disposal: *(continued)*

Notes:

(i) The Group has received RMB31,305,000, being 50% of the consideration, while the remaining amount will be settled with 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.

(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

	RMB'000
Cash received	31,305
Less: Bank balance and cash disposed of	(4,943)
Net cash inflows	26,362

Loss for the year from discontinued operation of Yoplait China Business includes the following:

	Period from 1/1/2022 to 15/6/2022 (the date of deconsolidation) RMB'000
Depreciation of:	
Property, plant and equipment	12,840
Right-of-use assets	914
Amortization of intangible assets	139
Total depreciation and amortization	13,893
Auditor's remuneration:	165
Staff costs:	
— Salaries and allowances	29,092
— Performance-based bonus	1,387
— Retirement benefit scheme contributions	4,386
Total staff costs	34,865

33. DISCONTINUED OPERATION OF YOPLAIT CHINA *(continued)*

Net cash inflows arising from disposal *(continued)*

The cash flows contributed by the discontinued Yoplait China Business to the Group during the reporting period are as follows:

	Period from 1/1/2022 to 15/6/2022 (the date of deconsolidation) RMB'000
Net cash flows from operating activities	15,797
Net cash flows used in investing activities	(16,311)
Net cash flows used in financing activities	(18,549)
Net cash outflows	(19,063)

Note: The Group sells 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 has been transferred, being at the point the customer received the goods and accepted the quality.

34. DISPOSAL AND DECONSOLIDATION OF THE SUBSIDIARIES

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.

34. DISPOSAL AND DECONSOLIDATION OF THE SUBSIDIARIES *(continued)*

Disposal of a subsidiary for the year ended December 31, 2022

Analysis of assets and liabilities over which controls were lost at the date of disposal of Tiantu Xingchuang:

	RMB'000
Bank balances and cash	3,242
Prepayments and other receivables	5,250
Financial assets at FVTPL	105,000
Other payables and accruals	(29)
Financial liabilities at FVTPL	(112,263)
Net assets disposed of	1,200

Gain on disposal of subsidiary

	RMB'000
Consideration received	1,200
Net assets disposed of	(1,200)
Gain on disposal	–

Net cash outflow arising from disposal

	RMB'000
Cash received	1,200
Less: Bank balance and cash disposed of	(3,242)
Net cash outflows	(2,042)

35. 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:

	2023 RMB'000	2022 RMB'000
Interests in associates measured at fair value	**2,089,120**	2,457,459

Note: The counter-guarantees mentioned in Note 30 were secured by the 100% shareholding of a subsidiary. As at December 31, 2023, the net asset value of such subsidiary is amounted to RMB168,034,000 (2022: RMB182,506,000).

36. 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	Prepayment for listing expenses, deferred issue costs and accrued issue costs	Dividends Payables	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
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)	5,452	10,262,302
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
Unrealized gain	–	–	(358,136)	–	–	–	–	–	–	–	–	(358,136)
Additions of leases	–	–	–	23,696	–	–	–	–	–	–	–	23,696
Deconsolidation of Yoplait China (Note 33)	(30,392)	–	–	(207)	–	–	–	–	–	–	–	(30,599)
Capital contribution of Tiantu Xingbei	–	–	4,584	–	–	–	–	–	–	–	–	4,584
Disposal of Tiantu Xingchuang (Note 34)	–	–	(112,263)	–	–	–	–	–	–	–	–	(112,263)
Effect of exchange rate change	–	–	168,790	–	3,183	–	–	–	–	–	503	172,476
At December 31, 2022	85,245	1,001,311	8,596,707	20,651	–	–	–	–	–	(24,960)	5,955	9,684,909
Cash changes:												
Financing cash flows	(19,240)	(59,832)	139,530	(11,911)	–	–	–	–	–	(34,070)	(103,955)	(89,478)
Non-cash changes:												
Interest expenses	3,995	64,448	–	1,121	–	–	–	–	–	–	–	69,564
Unrealized losses	–	–	(864,566)	–	–	–	–	–	–	–	–	(864,566)
Capitalized issued cost	–	–	–	–	–	–	–	–	–	61,558	–	61,558
Addition of lease	–	–	–	10,388	–	–	–	–	–	–	–	10,388
Transfer to financial liabilities	–	–	–	–	–	–	–	–	–	–	–	–
Dividends declared	–	–	–	–	–	–	–	–	–	–	103,955	103,955
Effect of exchange rate change	–	–	31,463	–	–	–	–	–	–	–	101	31,564
At December 31, 2023	70,000	1,005,927	7,903,134	20,249	–	–	–	–	–	2,528	6,056	9,007,894

37. SHARE CAPITAL

All shares issued by the Company are fully paid 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
Registered and fully paid			
At January 1, 2022 and December 31, 2022 and January 1, 2023	519,773,110	1	519,773,110
Increase (note)	173,258,000	1	173,258,000
At December 31, 2023	693,031,110		693,031,110

	2023 RMB'000	2022 RMB'000
Presented as	693,031	519,773

On October 6, 2023, the Company is listed on the Main Board of the Stock Exchange of Hong Kong Limited. Based on the offer price of HK$6.50 per share, the net proceeds with 173,258,000 shares offered from the Global Offering received by the Company, after deduction of the underwriting commission and relevant expenses by the Company in connection with the Global Offering were HK$1,031,197,000 (equivalent to RMB946,258,000).

38. RELATED PARTY TRANSACTIONS AND BALANCES

The Group during the reporting period has the following related party balances.

(a) Amounts due from related parties — non-trade nature

	Relationship	December 31, 2023	December 31, 2022	January 1, 2022	Maximum balance outstanding	
					2023	2022
	(notes)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Shenzhen Tiantu Dongfeng	(i)	194	162	152	194	162
Tiantu Dongfeng	(i)	442	313	217	442	561
Tiantu Xingnan	(iv)	451	347	300	451	347
Mengtian Dairy	(iii)	–	–	6,998	–	6,998
Tiantu Tiantou	(i)	–	48	–	85	132
Tiantu China Consumer Fund I, L.P.	(ii)	2,493	2,437	–	2,493	2,437
Pingtan Xingxu	(iv)	16	–	–	16	–
Shenzhen Tiantu	(iv)	1	–	–	2	–
		3,597	3,307	7,667		

The amount mentioned above is included in "prepayments and other receivables" as set out in Note 24. The amounts are unsecured, unguaranteed and repayable on demand.

(b) Amounts due from related parties — trade nature

	Relationship	2023	2022
	(notes)	RMB'000	RMB'000
Tiantu China Consumer Fund I, L.P.	(ii)	27,532	27,073
Tiantu Dongfeng	(i)	1,616	16,957
		29,148	44,030

These amounts mentioned are included in "accounts receivables" as set out in Note 23.

38. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(c) Loans to related parties — non-trade nature

	Relationship (note)	December 31, 2023 RMB'000	December 31, 2022 RMB'000	January 1,2022 RMB'000	Maximum balance outstanding 2023 RMB'000	Maximum balance outstanding 2022 RMB'000
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	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
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
Yoplait China	(iii)	72,613	72,603	—	72,613	72,603
		120,127	120,117	47,514		
Less: Impairment loss allowance		(47,514)	(47,514)	(47,514)		
		72,613	72,603	—		

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 24. All loans to the Group's investee companies excluding Yoplait China have been defaulted and fully impaired prior to the beginning of the reporting period.

* English name is for the identification purpose only

(d) Amounts due to related parties — non-trade nature

	Relationship (note)	2023 RMB'000	2022 RMB'000
Shenzhen Xingshun	(i)	698	—

The amount mentioned above is included in "other payables and accruals" as set out in Note 26.

38. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(e) Advance from a related party — non-trade nature

	Relationship (note)	2023 RMB'000	2022 RMB'000
Hangzhou Shangniu	(viii)	176,730	176,730

These amounts mentioned above are included in "advances from share transfer transaction" as set out in Note 28.

(f) Contract liabilities from related parties — trade nature

	Relationship (notes)	2023 RMB'000	2022 RMB'000
Tangrenshen	(iv)	—	3,675
Tiantu Tiantou	(i)	807	1,845
Tiantu Yayi	(iv)	1,504	—
Tiantu Xingnan	(iv)	40,228	57,128
		42,539	62,648

These amounts mentioned above are included in "contract liabilities" as set out in Note 27.

(g) Lease liabilities — non-trade nature

	Relationship (note)	2023 RMB'000	2022 RMB'000
Tiantu Chuangye	(v)	2,899	2,898

The amounts mentioned above are included in "lease liabilities" as set out in Note 32.

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.

38. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(h) Financial liabilities at FVTPL — trade nature

	Relationship (notes)	2023 RMB'000	2022 RMB'000
Shenzhen iRead Foundation* (深圳市愛閱公益基金會)	(ix)	8,323	8,323
Lucky Resources Limited	(vi)	252,138	250,396
		260,461	258,719

The amounts mentioned above are included in "financial liabilities at FVTPL" as set out in Note 31.

The transactions with related parties during the reporting period are listed out below:

	Relationship (notes)	2023 RMB'000	2022 RMB'000
Management fees from:			
Tiantu Dongfeng	(i)	22,279	22,601
Tangrenshen	(iv)	3,067	9,333
Tiantu Tiantou	(i)	1,952	1,983
Tiantu Xingnan	(iv)	15,944	12,066
Putian Tiantu	(iv)	905	—
Tiantu Yayi	(iv)	467	—
		44,614	45,983

* English name for the identification purpose only.

	Relationship (note)	2023 RMB'000	2022 RMB'000
Loan interest income from:			
Yoplait China	(iii)	3,560	1,790

38. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(h) Financial liabilities at FVTPL — trade nature *(continued)*

	Relationship (notes)	**2023** **RMB'000**	2022 RMB'000
Loan interest expense to:			
Tiantu Chuangye	(v)	–	5,243
Mr. Wang	(vii)	–	1,486
Shenzhen Qingtong (note)	(iii)	–	6,659
		–	13,388

Note: In April 2022, the Group raised a loan of RMB100,000,000 from Shenzhen Qingtong, 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.

	Relationship (note)	**2023** **RMB'000**	2022 RMB'000
Interest on lease liabilities:			
Tiantu Chuangye	(v)	143	158

38. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(h) Financial liabilities at FVTPL — trade nature *(continued)*

	Relationship (note)	2023 RMB'000	2022 RMB'000
Investment gains from:			
Dividends and interests from interests in associates measured at fair value			
Shenzhen Qingtong	(iii)	–	84,736
Zhou Hei Ya International Holdings Company Limited (周黑鴨國際控股有限公司)	(iii)	–	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 CSCI") (中證信用增進股份有限公司)	(iii)	4,800	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	–
Shenzhen Pagoda Industrial (Group) Corporation Limited*("Pagoda Industrial") (深圳百果園實業(集團)股份有限公司)	(iii)	11,749	–
		19,549	94,442
Purchase of raw milk:			
Dezhou Victoria	(iii)	N/A	43,924

* English name for the identification purpose only.

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.

39. 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, 2023, the scale of the consolidated structured entities with reference to the net asset value, amounting to RMB11,512,313,000 (2022: RMB13,042,835,000).

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, 2023 and 2022 in the structured entities managed by third party institutions.

	December 31, 2023		
	Financial assets at fair value through profit or loss RMB'000	Maximum risk exposure (Note) RMB'000	Type of income
Money market funds	23,948	23,948	Investment gain
Unlisted financial products	25,000	25,000	Investment gain
Wealth management products	80,994	80,994	Investment gain
	129,942	129,942	

	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
	48,518	48,518	

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.

39. STRUCTURED ENTITIES *(continued)*

Unconsolidated structured entities *(continued)*

(ii) Unconsolidated structured entities managed by the Group

The types of unconsolidated structured entities, including 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, 2023 and 2022 in the unconsolidated structured entities managed by the group.

	December 31, 2023	
	Carrying amount RMB'000	**Maximum risk exposure RMB'000**
Interests in associates measured using equity method	**529,237**	**529,237**
Interests in joint ventures	**825,969**	**825,969**
	1,355,206	**1,355,206**

	December 31, 2022	
	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
	1,300,163	1,300,163

The management fee recognized amounting to RMB44,614,000 (2022: RMB45,983,000) for the year ended December 31, 2023.

No carried interest are recognized for the years ended December 31, 2023 and 2022.

No investment gain is recognized for the years ended December 31, 2023 and 2022.

The share of results of associates recognized amounting to loss of RMB21,321,000 (2022: gain of RMB8,439,000) for the year ended December 31, 2023

The share of results of joint ventures recognized amounting to gain of RMB40,297,000 (2022: loss of RMB1,311,000) for the year ended December 31, 2023.

39. STRUCTURED ENTITIES *(continued)*

Unconsolidated structured entities *(continued)*

(ii) Unconsolidated structured entities managed by the Group (continued)

The net assets held by the funds managed by the Group amounting to RMB6,684,214,000 (2022: RMB6,475,057,000) for the year ended December 31, 2023.

40. CAPITAL COMMITMENTS

	2023 RMB'000	2022 RMB'000
Capital commitments in respect of		
— Minimum investments to portfolio companies	43,918	36,200

41. 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 reporting period.

The capital structure of the Group consists of net debt, which includes bank borrowings, bond payables due within/over one year, amounts due to related parties — trade/non-trade nature and lease liabilities disclosed in notes 29, 30, 38 and 32, 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.

42. FINANCIAL RISK MANAGEMENT

Categories of financial instruments

	2023 RMB'000	2022 RMB'000
Financial assets		
Amortized cost	1,621,673	857,968
FVTPL	4,847,167	5,238,292
Interests in associates measured at fair value	8,853,019	10,079,602
	15,321,859	16,175,862
Financial liabilities		
Amortized cost	1,097,575	1,104,876
FVTPL	7,903,134	8,596,707
Lease liabilities	20,249	20,651
	9,020,958	9,722,234

Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, interests in associates measured at fair value, bank balances and cash, accounts receivables, loans to independent third parties and related parties, amounts due from related parties, other receivables, deposits for the acquisition of equity interests of an unlisted investment, bank borrowings, lease liabilities, 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.

42. FINANCIAL RISK MANAGEMENT *(continued)*

Financial risk management objectives and policies *(continued)*

Market risk

(i) Currency risk

Certain bank balances and cash are denominated in foreign currencies of the respective group entities which are exposed to foreign currency risk.

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:

	Assets		Liabilities	
	2023 **RMB'000**	2022 RMB'000	**2023** **RMB'000**	2022 RMB'000
HK$	**55,236**	7,944	**–**	–

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 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:

	2023 **RMB'000**	2022 RMB'000
Foreign currency		
HK$	**4,143**	596

42. FINANCIAL RISK MANAGEMENT *(continued)*

Financial risk management objectives and policies *(continued)*

Market risk (continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to loans to a related party, amounts due from related parties, fixed-rate bank borrowings, and bonds payables in Notes 24, 29 and 30, 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, and floating-rate bank borrowings in Notes 22, 25 and 29.

The Group'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, loan to a related party, floating-rate bank balance 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 post-tax profit for the year/period would increase/(decrease) by the following magnitude:

	The Group	
	2023	2022
	RMB'000	RMB'000
Increase/(decrease) in profit for the year	**7,647**	1,028

42. FINANCIAL RISK MANAGEMENT *(continued)*

Financial risk management objectives and policies *(continued)*

Market risk (continued)

(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 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 post-tax profit for the year would (decrease) increase by the following magnitude:

	The Group	
	2023	2022
	RMB'000	RMB'000
Increase in profit for the year	**43,298**	50,233

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of each reporting period, the Group'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 recognized financial assets as stated in the consolidated financial statements. Such exposure will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group.

The carrying amount of the Group's financial assets at FVTPL as disclosed in Note 24 best represents their respective maximum exposure to credit risk. The Group does not hold any collateral over these balances.

The Group has concentration of credit risk as both 100% as at December 31, 2023 and 2022, respectively, of the Group's total accounts receivables from the Group's 2 largest customers.

42. FINANCIAL RISK MANAGEMENT *(continued)*

Credit risk and impairment assessment *(continued)*

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

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 recognizes 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 realizable amount of the collaterals, if any. No loss allowance was recognized during the year ended December 31, 2023 (2022: nil).

Bank balances

The credit risks on bank balances 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 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 is considered insignificant during the year ended December 31, 2022. During the year ended December 31, 2023, SVB was shut down by California Department of Financial Protection and Innovation and the Group recognized the loss allowances RMB28,224,000, which are currently exposed to liquidity risk.

Other receivables, dividend receivables and deposits for the acquisition of equity interest of an unlisted investment

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 recognized throughout the reporting period.

42. FINANCIAL RISK MANAGEMENT *(continued)*

Credit risk and impairment assessment *(continued)*

Other receivables, dividend receivables and deposits for the acquisition of equity interest of an unlisted investment (continued)

The Group measures the loss allowance of other receivables at 12m ECL and recognized RMB326,000 during the year ended December 31, 2023 (2022: RMB48,000).

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 minimize credit risk, the Group has tasked its credit management team to develop and maintain the Group's bank balances, accounts receivables, loans to independent third parties, amounts due from related parties and other receivables credit risk grading to categorize 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 own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group'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

42. FINANCIAL RISK MANAGEMENT *(continued)*

Credit risk and impairment assessment *(continued)*

Amounts due from related parties — non-trade nature (continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

December 31, 2023

	Notes	External credit ratings	Internal credit ratings	12m or lifetime ECL	Gross carrying amount RMB'000
Accounts receivables — Private Equity Investment	23	N/A	Note	Lifetime ECL	29,148
Amounts due from related parties	24	N/A	Performing	12m ECL	3,597
Other receivables from independent third parties	24	N/A	In default	Lifetime ECL	9,822
	24	N/A	Performing	12m ECL	40,341
Deposits for the acquisition of equity interests of an unlisted investment	24	N/A	Performing	12m ECL	359,178
Loans to an independent third party	24	N/A	In default	Lifetime ECL	6,913
Loans to related parties	24	N/A	In default	Lifetime ECL	47,514
	24	N/A	Performing	12m ECL	72,613
Bank balances	25	Baa2 to Aa2 (Moody's Ratings)	N/A	12m ECL	1,117,207
		N/A	In default	Lifetime ECL	28,224
					1,714,557

42. FINANCIAL RISK MANAGEMENT *(continued)*

Credit risk and impairment assessment *(continued)*

Amounts due from related parties — non-trade nature (continued)

December 31, 2022

	Notes	External credit ratings	Internal credit ratings	12m or lifetime ECL	Gross carrying amount RMB'000
Accounts receivables					
— Private Equity Investment	23	N/A	Note	Lifetime ECL	44,030
Amounts due from related parties	24	N/A	Performing	12m ECL	3,307
Other receivables from independent third parties	24	N/A	In default	Lifetime ECL	9,822
	24	N/A	Performing	12m ECL	39,788
Loans to an independent third party	24	N/A	In default	Lifetime ECL	6,913
Loans to related parties	24	N/A	In default	Lifetime ECL	47,514
	24	N/A	Performing	12m ECL	72,603
Dividend receivables	24	N/A	Performing	12m ECL	84,736
Bank balances	25	Baa3 to A1 (Moody's Ratings)	N/A	12m ECL	613,612
					922,325

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 RMB29,148,000 (2022: RMB44,030,000) as at December 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 recognized, accordingly.

For accounts receivables from Yoplait China 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.

42. FINANCIAL RISK MANAGEMENT *(continued)*

Credit risk and impairment assessment *(continued)*

Amounts due from related parties — non-trade nature (continued)

The following tables show the movement in lifetime ECL that has been recognized for accounts receivables under the simplified approach:

	Lifetime ECL not credit-impaired RMB'000	**Total** RMB'000
As at January 1, 2022	563	563
— Impairment losses recognized	75	75
— Deconsolidation of Yoplait China	(638)	(638)
As at December 31, 2022 and December 31, 2023	—	—

The following tables show the movement in 12m ECL and lifetime ECL that has been recognized 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, 2022	85	64,249	64,334
— Impairment losses recognized	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 recognized	**342**	**28,224**	**28,566**
— Impairment losses reversed	**(16)**	**—**	**(16)**
As at December 31, 2023	**434**	**92,473**	**92,907**

42. FINANCIAL RISK MANAGEMENT *(continued)*

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.

	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	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At December 31, 2023						
Other payables						
— Others	—	21,648	—	—	21,648	21,648
Bank borrowings						
— fixed-rate	4.79	847	70,605	—	71,452	70,000
Bond payables	4.85	—	248,582	869,910	1,118,492	1,005,927
Financial liabilities at FVTPL	—	—	—	7,903,134	7,903,134	7,903,134
Lease liabilities	5.51	3,101	6,465	12,308	21,874	20,249
		25,596	325,652	8,785,352	9,136,600	9,020,958

	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	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 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
		22,424	139,383	9,739,094	9,900,901	9,722,234

42. FINANCIAL RISK MANAGEMENT *(continued)*

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.

	Fair value 2023 RMB'000	Fair value 2022 RMB'000	Fair value hierarchy	Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable input(s)
Financial assets at FVTPL Listed Equity	216,352	330,034	Level 1	Quoted closing prices in an active market.	N/A
	274,929	–	Level 3	Adjusted market price by option price model in relation to the lockup period. (note a)	Liquidity discount.
Unlisted Equity	88,591	36,824	Level 2	Recent transaction price.	N/A
	3,231,720	3,681,452	Level 3	Comparable companies analysis valuation. (note b)	Liquidity discount.
	239,255	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 c)	Expected future cash flows.
	176,881	187,827	Level 3	The net asset value based on the fair value of the underlying investments. (note i)	The fair value of underlying assets.
Funds	23,948	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

42. FINANCIAL RISK MANAGEMENT *(continued)*

Fair value measurement *(continued)*

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

	Fair value 2023 RMB'000	Fair value 2022 RMB'000	Fair value hierarchy	Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable input(s)
Wealth management products	**80,994**	–	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	**–**	124,045	Level 2	Recent transaction price	N/A
	340,452	460,106	Level 3	Comparable companies analysis valuation. (note d)	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 e)	Expected future cash flows.
Interests in associates measured at fair value	**258,961**	701,672	Level 1	Quoted closing prices in an active market.	N/A
	495,346	2,197,347	Level 2	Recent transaction price	N/A
	6,963,243	6,909,921	Level 3	Comparable companies analysis valuation. (note f)	Liquidity discount.
	240,792	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 g)	Expected future cash flows.
	52,626	66,270	Level 3	The net asset value based on the fair value of the underlying investments. (note h)	The fair value of underlying assets.
	842,051	–	Level 3	Adjusted market price by option price model in relation to the lockup period. (note j)	Liquidity discount.

42. FINANCIAL RISK MANAGEMENT *(continued)*

Fair value measurement *(continued)*

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

	Fair value 2023 RMB'000	Fair value 2022 RMB'000	Fair value hierarchy	Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable input(s)
Financial liabilities at fair value through profit or loss — Structured entities	**7,903,134**	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 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 RMB997,000 for December 31, 2023.

(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 of the shares by RMB24,044,000 for December 31, 2023 (2022: RMB29,219,000).

(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 RMB6,599,000 for December 31, 2023 (2022: RMB8,388,000).

(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 RMB1,039,000 for December 31, 2023 (2022: RMB1,703,000).

(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 RMB8,702,000 for December 31, 2023 (2022: RMB2,500,000).

(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 RMB71,281,000 for December 31, 2023 (2022: RMB78,540,000).

(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 RMB9,628,000 for December 31, 2023 (2022: RMB10,220,000).

42. FINANCIAL RISK MANAGEMENT *(continued)*

Fair value measurement *(continued)*

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Notes: *(continued)*

(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 RMB2,631,000 for December 31, 2023 (2022: RMB3,313,000).

(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 RMB8,844,000 for December 31, 2023 (2022: RMB9,391,000).

(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 RMB555,000 for December 31, 2023.

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 categorized as follows:

	As at December 31, 2023			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial assets at fair value through profit or loss				
— Equity investments	216,352	88,591	3,922,785	4,227,728
— Convertible bonds	–	–	514,497	514,497
— Funds	–	23,948	–	23,948
— Wealth management products	–	80,994	–	80,994
Interests in associates measured at fair value	258,961	495,346	8,098,712	8,853,019
	475,313	688,879	12,535,994	13,700,186
Financial liabilities				
Financial liabilities at FVTPL				
— Structured entities	–	–	7,903,134	7,903,134

42. FINANCIAL RISK MANAGEMENT *(continued)*

Fair value measurement *(continued)*

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

	As at December 31, 2022			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
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
	1,031,706	2,381,734	11,904,454	15,317,894
Financial liabilities				
Financial liabilities at FVTPL				
— Structured entities	—	—	8,596,707	8,596,707

42. FINANCIAL RISK MANAGEMENT *(continued)*

Fair value measurement *(continued)*

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Reconciliation of level 3 fair value measurements of financial assets is as below:

	Financial assets RMB'000	**Financial liabilities** RMB'000
At January 1, 2022	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 (note i)	2,313,093	—
Transfers out of level 3 (note i)	(435,879)	—
At December 31, 2022	**11,904,454**	**(8,596,707)**
Total (losses) gains		
— in profit or loss	**(1,129,195)**	**864,566**
— in other comprehensive (expense)/income	**63,024**	**(31,463)**
Addition	**—**	**(232,004)**
Disposals/settlements	**(285,876)**	**92,474**
Transfers into level 3 (note ii)	**2,105,127**	**—**
Transfers out of level 3 (note ii)	**(121,540)**	**—**
At December 31, 2023	**12,535,994**	**(7,903,134)**

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 year ended December 31, 2023, the Group transferred its equity investments amounting to RMB2,105,127,000 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 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 and discounted cash flow method to recent transaction price.

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES AND STRUCTURED ENTITIES

Details of the principal subsidiaries and structured entities directly and indirectly held by the Company during the reporting period 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		Principal activities
			2023	2022	
Tiantu Capital Management Center* (深圳天圖資本管理中心(有限合夥)) (note i)	PRC, limited partnership	RMB100,000,000	**100%**	100%	Investment management
Tiantu Xing'an Investment Enterprise (Limited Partnership)* (深圳天圖興安投資企業(有限合夥)) (notes i, xiv, and xiv)	PRC, limited partnership	RMB1,226,103,800	**65.26%**	65.26%	Equity investment
Tiantu Asset Management Company Limited (note i)	Hong Kong, limited liability company	HKD4,000,000	**100%**	100%	Investment management
Tiantu Investments Limited (note i)	BVI, limited liability company	USD298	**100%**	100%	Investment management
Shenzhen Tiantu Xingpeng Consumption Industry Equity Investment 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)) (note iii)	PRC, limited partnership	RMB2,660,000,000	**20.25%**	20.25%	Equity investment
Tiantu China Consumer Fund II, L.P. ("**Tiantu China Consumer Fund II**") (note xii)	Cayman Islands, limited partnership	USD200,000,000	**50%**	50%	Equity investment
Tiantu VC USD Fund I L.P. ("**VC US Fund I**") (note vi)	Cayman Islands, limited partnership	USD138,700,000	**14.42%**	14.42%	Equity investment
Tiantu Xinghe Investment Enterprise (Limited Partnership)* ("**Tiantu Xinghe**") (深圳天圖興和投資企業(有限合夥)) (note i)	Cayman Islands, limited liability company	USD73	**100%**	100%	Equity investment
Hangzhou Tiantu Capital Management Co., Ltd.* ("**Hangzhou Tiantu**") (杭州天圖資本管理有限公司) (note i)	PRC, limited liability company	RMB100,000,000	**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(有限合夥)) (note i)	PRC, limited partnership	RMB10,000,000	**100%**	100%	Equity investment
Shenzhen Tiantu Xingrui Venture Capital Co., Ltd.* ("**Tiantu Xingrui**") (深圳天圖興瑞創業投資有限公司) (note i)	PRC, limited liability company	RMB308,000	**100%**	100%	Equity investment

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES AND STRUCTURED ENTITIES *(continued)*

Name of subsidiaries	Place of incorporation/ registration/operation	Paid up issued/ registered capital	Equity interest attributable to owners of the Company 2023	2022	Principal activities
Tianjin Tiantu Xingsheng Angel Venture Capital Partnership (Limited Partnership)* (天津天圖興盛股權投資基金合夥企業(有限合夥)) (note i)	PRC, limited partnership	RMB1,000,000	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)) (note i)	PRC, limited partnership	RMB391,500,000	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)) (note i)	PRC, limited partnership	RMB284,870,400	100%	100%	Equity investment
Changsha Tiantu Xingsu Equity Investment Center (Limited Partnership)* (長沙天圖興蘇股權投資中心(有限合夥)) (note i)	PRC, limited partnership	RMB592,000,000	100%	100%	Equity investment
Tiantu Advisory Company Limited* (天圖諮詢有限公司) (note i)	Hong Kong, limited liability company	HKD232,567,000	100%	100%	Investment management
Tiantu Capital Management Company (Cayman) (note i)	Cayman Islands, limited liability company	USD20,000	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) (note i)	PRC, limited liability company	RMB20,000,000	100%	100%	Investment management
Shenzhen Tiantu Xingzhuo Investment Enterprise (Limited partnership)* (深圳天圖興卓投資企業(有限合夥)) (note i)	PRC, limited partnership	RMB29,801,500	100%	100%	Equity investment
Tiantu Investments International Limited* (天圖投資國際有限公司) (note i)	Hong Kong, limited liability company	USD50,000,000	100%	100%	Investment management
Shenzhen Tiantu Xingbang Investment Enterprise (Limited partnership)* (深圳天圖興邦投資企業(有限合夥)) (note i)	PRC, limited partnership	RMB5,000,000	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)) (note i)	PRC, limited partnership	RMB5,000,000	100%	100%	Equity investment
Shenzhen Tiantu Xingfu Investment Enterprise (Limited partnership)* (深圳天圖興富投資企業(有限合夥)) (note i)	PRC, limited partnership	RMB5,000,000	100%	100%	Equity investment

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES AND STRUCTURED ENTITIES *(continued)*

Name of subsidiaries	Place of incorporation/ registration/operation	Paid up issued/ registered capital	Equity interest attributable to owners of the Company 2023	2022	Principal activities
Shenzhen Tiantu Xingli Investment Enterprise (Limited partnership)* ("**Tiantu Xingli**") (深圳天圖興立投資企業(有限合夥)) (note viii)	PRC, limited partnership	RMB265,187,200	**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)) (note i)	PRC, limited partnership	RMB5,000,000	**100%**	100%	Equity investment
Shenzhen Xingtu Investment Enterprise (Limited Partnership)* (深圳興途投資企業(有限合夥)) (note i)	PRC, limited partnership	RMB5,000,000	**100%**	100%	Equity investment
Shenzhen Xingxin Investment Enterprise (Limited partnership)* (深圳興新投資企業(有限合夥))	PRC, limited partnership	RMB546,139,050	**70.80%**	70.80%	Equity investment
Shenzhen Tiantu Xingfei Investment Enterprise (Limited Partnership)* (深圳天圖興飛投資企業(有限合夥))	PRC, limited partnership	RMB45,000,000	**91.15%**	91.15%	Equity investment
Shenzhen Tiantu Xingfu Investment Management Co., Ltd.* (深圳天圖興福股權投資管理有限公司) (note i)	PRC, limited liability company	RMB100,000,000	**100%**	100%	Investment management
Tiantu Hong Kong Investments Limited (note i)	Hong Kong, limited liability company	HKD10,000	**100%**	100%	Investment management
Tiantu GP Limited Company (note i)	Cayman Islands, limited liability Company	USD1	**100%**	100%	Investment management
Tiantu Xingshuo Equity Investment Management Co., Ltd.* (深圳天圖興碩股權投資管理有限公司)	PRC, limited liability company	RMB10,000,000	**70%**	70%	Investment management
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)) (note iv)	PRC, limited partnership	RMB500,000,000	**14.64%**	14.64%	Equity investment
Tiantu Xingfei Investments Limited	Cayman Islands, limited liability company	USD4,500	**91.15%**	91.15%	Equity investment
Tiantu Xingli Hong Kong Investments Limited ("**Tiantu Xingli Hong Kong**") (note ix)	Hong Kong, limited liability company	HKD1	**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))	PRC, limited partnership	RMB34,050,000	**48.79%**	48.79%	Equity investment

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES AND STRUCTURED ENTITIES *(continued)*

Name of subsidiaries	Place of incorporation/ registration/operation	Paid up issued/ registered capital	Equity interest attributable to owners of the Company 2023	2022	Principal activities
Shenzhen Xinglu Investment Partnership (Limited Partnership)* (深圳興祿投資合夥企業(有限合夥)) (note i)	PRC, limited partnership	RMB5,000,000	**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)) (note i)	PRC, limited partnership	RMB81,113,800	**100%**	100%	Equity investment
Shenzhen Xingsi Investment Partnership (Limited Partnership)* (深圳興思投資合夥企業(有限合夥)) (note i)	PRC, limited partnership	RMB5,000,000	**100%**	100%	Equity investment
Tiantu Xingpeng Hong Kong Investments Limited ("**Tiantu Xingpeng HK**") (note x)	Hong Kong, limited liability company	USD10,069	**20.25%**	20.25%	Equity investment
Tiantu Xingbei Investments Limited Company ("**Tiantu Xingbei Investments**") (note xi)	Cayman Islands, limited liability company	USD3,000	**26.52%**	26.52%	Equity investment
Tiantu Xingpeng Investments Limited ("**Tiantu Xingpeng Investments**") (note x)	Cayman Islands, limited liability company	USD0.001	**20.25%**	20.25%	Equity investment
Bei Partners	Cayman Islands, limited liability company	USD26.5	**83.33%**	83.33%	Equity investment
Shenzhen Xingquan Investment Partnership (Limited Partnership)* (深圳興泉投資合夥企業(有限合夥)) (note i)	PRC, limited partnership	RMB27,712,000	**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)) (note i)	PRC, limited partnership	RMB60,000,000	**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)) (note xiv)	PRC, limited partnership	RMB407,181,835	**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)) (note ii)	PRC, limited partnership	RMB2,776,252,218	**9.25%**	9.25%	Equity investment
Tiantu China Consumer Fund II Limited (note xii)	Hong Kong, limited liability company	USD0.01	**50%**	50%	Equity investment
Tiantu VC I Limited ("**Tiantu VC I**") (note vii)	Hong Kong, limited liability company	USD0.01	**14.42%**	14.42%	Equity investment

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES AND STRUCTURED ENTITIES *(continued)*

Name of subsidiaries	Place of incorporation/ registration/operation	Paid up issued/ registered capital	Equity interest attributable to owners of the Company 2023	Equity interest attributable to owners of the Company 2022	Principal activities
Tiantu Xinghai Fund L.P.	Cayman Islands, limited partnership	USD30,000,000	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)) (note i)	PRC, limited partnership	RMB5,000,000	100%	100%	Equity investment
Shenzhen Xingmai Investment Partnership (Limited Partnership)* (深圳興麥投資合夥企業(有限合夥)) (note i)	PRC, limited partnership	RMB5,000,000	100%	100%	Equity investment
Shenzhen Tiantu Xingyi Investment Partnership (Limited Partnership)* (深圳天圖興宜投資合夥企業(有限合夥)) (note i)	PRC, limited partnership	RMB5,000,000	100%	100%	Equity investment
Shenzhen Xingying Investment Partnership (Limited Partnership)* (深圳興映投資合夥企業(有限合夥)) (note i)	PRC, limited partnership	RMB150,000,000	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)) (note v)	PRC, limited partnership	RMB1,500,000,000	6.67%	7.89%	Equity investment
Tiantu Maverick Fund I Limited (note i)	Cayman Islands, limited liability company	USD1	100%	100%	Equity investment
Tiantu Interstellar Limited (note i)	Cayman Island, limited liability company	USD840	50%	50%	Equity investment
Beijing Tiantu Xinghui Management Consulting Partnership (Limited Partnership)* (北京天圖興滙管理諮詢合夥企業(有限合夥)) (note i)	PRC, limited partnership	RMB100,000	100%	100%	Investment management
Shenzhen 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)) (note i)	PRC, limited partnership	RMB1,000,000	100%	100%	Investment management

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES AND STRUCTURED ENTITIES *(continued)*

Name of subsidiaries	Place of incorporation/ registration/operation	Paid up issued/ registered capital	Equity interest attributable to owners of the Company 2023	2022	Principal activities
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)) (note xiii)	PRC, limited partnership	RMB77,000,000	6.68%	7.91%	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)) (note i)	PRC, limited partnership	RMB5,000,000	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))	PRC, limited partnership	RMB50,000,000	40%	N/A	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))	PRC, limited partnership	RMB5,000,000	100%	N/A	Equity investment
Shenzhen Xingyong Investment Partnership (Limited Partnership) ("**Shenzhen Xingyong**")* (深圳興永投資合夥企業(有限合夥))	PRC, limited partnership	RMB5,000,000	100%	N/A	Equity investment
Shenzhen Tiantu Xingjun Investment Partnership (Limited Partnership) ("**Tiantu Xingjun**")* (深圳興珺投資合夥企業(有限合夥))	PRC, limited partnership	RMB5,000,000	100%	N/A	Equity investment
Changsha Tiantu Steady Growth Phase I Venture Capital Partnership (Limited Partnership)* (長沙天圖穩健成長一期創業投資合夥企業(有限合夥))	PRC, limited partnership	RMB60,000,000	63.13%	N/A	Equity investment

* English name is for identification purpose only.

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 reporting period.

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES AND STRUCTURED ENTITIES *(continued)*

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 reporting 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 9.25% equity interest respectively during the year ended December 31, 2023 (2022: 9.25%).

(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 20.25% equity interest respectively during the year ended December 31, 2023 (2022: 20.25%).

(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 14.64% equity interest respectively during the year ended December 31, 2023 (2022: 14.64%).

(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 6.67% equity interest during the year ended December 31, 2023 (2022: 7.89%).

(vi) Pursuant to the limited partnership agreement, the Group acts as the general partner of VC US Fund I throughout the reporting 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 14.42% equity interest during the year ended December 31, 2023 (2022: 14.42%).

(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 14.42% equity interest during the year ended December 31, 2023 (2022: 14.42%).

(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 9.28% equity interest during the year ended December 31, 2023 (2022: 9.28%).

(ix) 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 9.28% equity interest during the year ended December 31, 2023 (2022: 9.28%).

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES AND STRUCTURED ENTITIES *(continued)*

Notes: *(continued)*

(x) 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 20.25% equity interest and during the year ended December 31, 2023 (2022: 20.25%).

(xi) 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 26.52% equity interest during the year ended December 31, 2023 (2022: 26.52%).

(xii) 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 reporting 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 during the year ended December 31, 2023 (2022: 50%).

(xiii) Tiantu Xingzhi was held by Tiantu Xingzhou, which is controlled by the Group through acting as general partner as mentioned in Note 44 (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 6.68% equity interest during the year ended December 31, 2023 (2022: 7.91%).

(xiv) 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 during the year ended December 31, 2023 (2022: 33.87%).

44. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2023 RMB'000	2022 RMB'000
NON-CURRENT ASSETS		
Property and equipment	1,608	1,233
Right-of-use assets	4,612	5,103
Investments in subsidiaries	2,575,589	2,784,138
Interests in joint ventures	41,374	18,848
Interests in associates measured at fair value	980,699	1,183,260
Other receivables	996,670	996,670
Other non-current assets	179	256
	4,600,731	4,989,508
CURRENT ASSETS		
Prepayments and other receivables	5,905	76,952
Amount due from subsidiaries	1,209,868	530,420
Loans to a related party	72,613	72,603
Financial assets at FVTPL	40,938	71,120
Bank balances and cash	586,489	203,708
	1,915,813	954,803
CURRENT LIABILITIES		
Other payables and accruals	5,668	17,601
Advances from share transfer transaction	71,120	71,120
Amount due to subsidiaries	3,856	19,234
Tax payable	18,979	18,980
Bank and other borrowings	70,000	85,245
Bond payables due within one year	218,950	20,398
Lease liabilities	3,409	3,270
	391,982	235,848
NET CURRENT ASSETS	1,523,831	718,955
TOTAL ASSETS LESS CURRENT LIABILITIES	6,124,562	5,708,463

44. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(continued)*

	2023 RMB'000	2022 RMB'000
NON-CURRENT LIABILITIES		
Deferred tax liabilities	13,091	58,863
Bond payables due over one year	786,977	980,913
Lease liabilities	1,550	2,061
	801,618	1,041,837
NET ASSETS	5,322,944	4,666,626
CAPITAL AND RESERVES		
Share capital	693,031	519,773
Reserves	4,629,913	4,146,853
TOTAL EQUITY	5,322,944	4,666,626

Movements of the Company's reserves

	Capital reserve RMB'000	Statutory reserve RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at January 1, 2022	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 year	—	—	(185,985)	(185,985)
Dividend recognized as distribution (note 14)	—	—	(103,955)	(103,955)
Issue of shares upon listing (Note 37)	860,156	—	—	860,156
Cost of issuing new shares	(87,156)	—	—	(87,156)
Balance at December 31, 2023	4,492,420	99,859	37,634	4,629,913

45. EVENT AFTER REPORTING PERIOD

The following event took place subsequent to the end of reporting period.

Further to the details in Note 28, during the year ended December 31, 2023, Hangzhou Enniu Network Technology Co., Ltd* ("**Hangzhou Enniu**") ("杭州恩牛網路技術有限公司"), which is a holding company of Hangzhou Shangniu, 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. 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.

On March 1, 2024, the Group and Hangzhou Enniu entered into a conditional settlement agreement upon which the Group agree with Hangzhou Enniu to waive and reduce the consideration related the equity transfer in an unlisted entity from RMB176,730,000 to approximately RMB101,730,000 as final conclusion to the arbitration proceeding brought by Hangzhou Enniu. The settlement agreement is conditional upon satisfaction of the conditions precedent. As at December 31, 2023, the management has assessed the financial impact of this equity investment and recognized the fair value of the unlisted entity as RMB101,730,000.

* English name is for identification purpose only.

	Year ended December 31,			
	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**44,614**	45,983	34,823	38,602
Investment gains or losses, net	**−813,704**	377,234	460,408	1,156,557
(Loss) profit for the year	**−875,687**	532,913	719,823	1,057,889
— from continuing operation	**−875,687**	52,164	649,355	1,057,724
— from discontinued operation	**—**	480,749	70,468	165
(Loss) profit for the year attributable to owners of the Company	**−872,962**	559,285	730,133	720,999
— from continuing operation	**−872,962**	59,814	656,506	747,261
— from discontinued operation	**—**	499,471	73,627	−26,262
(Loss) earnings per share from continuing and discontinued operation — basic (RMB)	**(1.56)**	1.08	1.40	1.39
(Loss) earnings per share from continuing operation — basic (RMB)	**(1.56)**	0.12	1.26	1.44

	As of December 31,			
	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	**16,723,941**	17,552,960	17,339,091	15,755,907
Total liabilities	**9,398,101**	10,225,860	10,727,178	9,697,457
Total equity	**7,325,840**	7,327,100	6,611,913	6,058,450
Equity attributable to owners of the Company	**7,301,778**	7,296,538	6,528,360	5,760,820

DEFINITIONS

In this annual report, the following expressions shall have the meanings set out below, unless the context otherwise requires:

"AGM"	the forthcoming annual general meeting of the Company to be held on May 23, 2024
"AMAC"	Asset Management Association of China (中國證券投資基金業協會)
"Articles of Association"	the articles of association of the Company currently in force
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of Directors of the Company
"Changsha Wenjian"	Changsha Tiantu Wenjian Growth Phase I Venture Capital Partnership (Limited Partnership) (長沙天圖穩健成長一期創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on April 27, 2023
"Company Laws of the PRC"	the Company Law of the People's Republic of China (中華人民共和國公司法)
"CG Code" or "Corporate Governance Code"	the "Corporate Governance Code" set out in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which, for the purpose of this annual report and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"Company", "our Company" or "Tian Tu Capital"	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 established in the PRC on January 11, 2010
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Wang, Tiantu Xingzhi Investment Enterprise (Limited Partnership) (深圳天圖興智投資企業(有限合夥), and Shenzhen Tiantu Xinghe Investment Enterprise (Limited Partnership) (深圳天圖興和投資企業(有限合夥)
"Director(s)"	the director(s) of the Company or any one of them
"Executive Committee"	the executive committee of the Company which is a regular management body of the Company
"Global Offering"	the Hong Kong Public Offering and the International Offering, details of which are set forth in the Prospectus
"Group", "our Group", "our", "we", or "us"	the Company and its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"H Share(s)"	shares in the share capital of the Company with nominal value of RMB1.00 each, which are subscribed and traded in Hong Kong dollars and are listed on the Stock Exchange

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"IPO"	the initial public offering of the H Shares on the Main Board of the Stock Exchange on October 6, 2023
"Listing"	listing of the H Shares on the Main Board of the Stock Exchange
"Listing Date"	October 6, 2023, on which the H Shares were listed and from which dealings therein were permitted to take place on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange (as amended, supplemented or otherwise modified from time to time)
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of our Company
"Nanchong Linjiang"	Nanchong Linjiang New Area Tiantu Science and Technology Innovation industry Fund Partnership (Limited Partnership) (南充臨江新區天圖科創產業基金合夥企業(有限合夥)), a limited partnership established in the PRC on July 26, 2023.
"Putian Tiantu"	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)), a limited partnership established in the PRC on June 7, 2023
"Prospectus"	the prospectus of the Company dated September 25, 2023
"R&D"	Research and development
"Reporting Period"	the year ended December 31, 2023
"Remuneration Committee"	the remuneration committee of our Company
"RMB"	Renminbi, the lawful currency of the PRC
"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)"	share(s) in the share capital of our Company with a nominal value of RMB1.00 each, including Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	member(s) of our Supervisory Committee

"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
"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
"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
"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
"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)), a limited partnership established in the PRC on September 14, 2021
"Tiantu Xingqin"	Guangzhou Tiantu Yayi Venture Capital Partnership (Limited Partnership) Qiandao Tiantu Xingqin Venture Capital Fund Partnership (Limited Partnership) (青島天圖興琴創業投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on December 20, 2023
"Tiantu Yayi"	Guangzhou Tiantu Yayi Venture Capital Partnership (Limited Partnership) (廣州天圖雅億創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on September 18, 2023
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"United States dollars" or "US dollars" or "US$"	United States dollars, the lawful currency of the United States
"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 the National Equities Exchange and Quotations)
"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
"%"	per cent