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POP MART

POP MART INTERNATIONAL GROUP LIMITED

泡泡瑪特國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9992)

**CONNECTED TRANSACTION
PARTICIPATION IN AN INVESTMENT FUND**

INTRODUCTION

The Board is pleased to announce that on 2 June 2021, Beijing Pop Mart (an indirect wholly-owned subsidiary of the Company) as one of the limited partners entered into the Partnership Agreement with other limited partners and Zhoushan Fengqiao Lixin (as the General Partner) in respect of participation in an investment fund, pursuant to which, the capital contribution by Beijing Pop Mart amounted to RMB50.00 million, representing approximately 10.3125% of the total capital contribution to the Fund.

PRINCIPAL TERMS OF THE PARTNERSHIP AGREEMENT

- Date:** 2 June 2021
- Name of the Fund:** Shanghai Fengqiao Qinghong Asset Management Partnership (Limited Partnership) (上海蜂巧晴虹資產管理合夥企業(有限合夥)), a limited partnership company incorporated in the PRC.
- Parties:**
- (1) Zhoushan Fengqiao Lixin (as the General Partner);
 - (2) Zhoushan Baotaiying (as a limited partner);
 - (3) Nanping Jinze (as a limited partner);
 - (4) Zhejiang Zhongying (as a limited partner); and
 - (5) Beijing Pop Mart (as a limited partner).

Size of the Fund and capital contribution by each of the partners:

The total capital contribution to the Fund amounted to RMB484.848484 million.

As at the date of this announcement, the capital contribution to the Fund by each of the parties is as follows:

- (1) The capital contribution by Zhoushan Fengqiao Lixin amounted to RMB4.848484 million, representing approximately 1.0000% of the total capital contribution to the Fund;
- (2) The capital contribution by Zhoushan Baotaiying amounted to RMB300.00 million, representing approximately 61.8750% of the total capital contribution to the Fund;
- (3) The capital contribution by Nanping Jinze amounted to RMB80.00 million, representing approximately 16.5000% of the total capital contribution to the Fund;
- (4) The capital contribution by Zhejiang Zhongying amounted to RMB50.00 million, representing approximately 10.3125% of the total capital contribution to the Fund; and
- (5) The capital contribution by Beijing Pop Mart amounted to RMB50.00 million, representing approximately 10.3125% of the total capital contribution to the Fund.

The capital contribution set out above was determined after arm's length negotiations among the parties with reference to their respective interests in the Fund as well as the investment objectives of the Fund. The Company intends to fund its capital contribution from the existing internal resources of the Group.

First closing and subsequent closing:

The date of the first closing of the Fund (the "**First Closing Date**") is the date when the paid-in capital of the partnership reaches 40% of the total capital contribution of the partnership or the first closing date specified in the written notice issued by the Executive Partner to all limited partners at the independent decision of the Executive Partner to announce completion of the first closing of the partnership. The 12-month period following the First Closing Date is the subsequent subscription period (the "**Subsequent Subscription Period**"), but after considering the target size of the Fund and the approval and decision-making progress of potential investors, the above period may be extended subject to the proposal of the General Partner and half or above of agreement.

From the First Closing Date to the expiry of the Subsequent Subscription Period, the General Partner may independently decide to accept new limited partners to subscribe for the Fund or to accept existing limited partners to increase the capital contribution for subscription of the Fund, and accordingly increase the total capital contribution of the Fund.

- Capital contribution:** The capital contribution of each partner shall be paid in installments in accordance with the requirements of the capital contribution notice of the General Partner. The General Partner shall issue a written capital contribution notice to each limited partner when requiring a limited partner to contribute capital each time.
- Duration of the Fund:** The duration of the Fund is 7 years from the First Closing Date, and the investment period (the “**Investment Period**”) is within 3 years from the First Closing Date. However, the Investment Period may be extended by one year subject to the proposal of the General Partner and half or above of agreement. The remaining duration of the Fund after the expiry of the Investment Period is the exit period (the “**Exit Period**”).
- Fund manager and management fee:** The Fund will engage Shanghai Fengqiao Investment Management Co. Ltd., the manager designated by the General Partner, to provide the Fund with the services in terms of investment management, administrative management and daily operation management etc.
- During the Investment Period, the annual management fee shall be 2% of the capital contribution of each limited partner. During the Exit Period, the annual management fee shall be 2% of each limited partner’s share of investment costs in unrealized projects of the partnership with its paid-in capital on the date when the management fee is paid in the corresponding payment year.
- Distribution of returns of the Fund:** The distributable cash of the Fund shall be distributed according to the proportion of investment equity or paid-in capital of each partner in the relevant project when the distributable cash is obtained, among which, the part calculated according to the distribution proportion of the General Partner shall be distributed to the General Partner, and the part calculated by the limited partners according to their respective distribution proportions shall be further distributed in the following order:
- (1) Return of capital contribution: to be distributed to the limited partner until the total cumulative amount of distribution is equal to the cumulative paid-in capital contribution of the limited partner in the partnership;
 - (2) Priority return: to be distributed to the limited partner until the priority return is realized at a rate of return of 8%/year (simple interest) from the day after the actual payment of the capital contribution towards the fund-raising account to the date of recovery of corresponding capital contribution by the limited partner for each period’s capital contribution stated in the above item (1);
 - (3) Catch-up: to be distributed to the General Partner until the catch-up amount obtained in accordance with this item (3) is equal to the priority return obtained by the limited partner/80%*20%;

- (4) 20/80 sharing: 80% is distributed to the limited partner and 20% is distributed to the General Partner until the amount of distributable cash calculated by the limited partner according to its distribution proportion (for the avoidance of doubt, including the part paid as a share of return to the General Partner stated in the above item (3) and this item (4)) is equal to 5 times the amount of the cumulative paid-in capital of the limited partner in the partnership;
- (5) 30/70 sharing: 70% is distributed to the limited partner and 30% is distributed to the General Partner.

Fund management:

The General Partner has been authorized to manage and execute affairs of the Fund, including but not limited to deciding to execute the Fund's investment and other businesses, employing professionals, intermediaries and advisory agencies to provide services to the Fund, and signing, delivering and executing documents on behalf of the Fund.

The Fund establishes an advisory committee, which is composed of three representatives nominated respectively by each of the three limited partners with the highest amount of capital contribution for the Fund. When determining the capital contribution of the limited partners and their respective rights to nominate representatives of the advisory committee, two or more limited partners who are related parties to each other shall be regarded as one limited partner to calculate the capital contribution as a whole. The advisory committee considers and makes resolutions on conflicts of interest of the General Partner or temporarily specific investment matters.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION

The Fund's primary objective is to make equity investments or other investments in compliance with laws and regulations and in other manners permitted by the Partnership Agreement (including but not limited to bridge investments and convertible bond investments etc.) on companies in the fields of consumer brands, supply chain, new channels, consumer technology, TMT, etc. The Board considers that participating in investment of the Fund creates an opportunity for the Group to connect with various invested companies to explore potential cooperation opportunities leading to synergy. In addition, as a limited partner of the Fund, the Group is able to gain long-term financial returns from its investment in the Fund.

The Directors (including the independent non-executive Directors) have confirmed that the terms of the Partnership Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its shareholders as a whole.

GENERAL

Information of the Fund

Shanghai Fengqiao Qinghong Asset Management Partnership (Limited Partnership) (上海蜂巧晴虹資產管理合夥企業(有限合夥)) is a limited partnership enterprise incorporated in the PRC. It is engaged in asset management, investment consultancy and management (except for projects that are subject to approval in accordance with the relevant laws, business operation shall be conducted independently with the business license(s) in accordance with the laws). The partnership has satisfied the filing requirements for a private equity fund in accordance with applicable laws.

Information of the Manager

Shanghai Fengqiao Investment Management Co. Ltd., the manager of the Fund, is a limited liability company incorporated in the PRC. It is principally engaged in the management of private equity funds and has been registered with the Asset Management Association of China as a private equity fund manager (registration number: P1068937). Shanghai Fengqiao Investment is owned as to 83% by Mr. Tu, 15% by Ms. Chang Xin and 2% by Mr. Wu Xiao. As at the date of this announcement, Mr. Tu is a non-executive Director of the Company and thus a connected person of the Company, and he also controls over 30% of interests in Shanghai Fengqiao Investment. Therefore, Shanghai Fengqiao Investment is deemed to be an associate of Mr. Tu and a connected person of the Company.

The General Partner and Its Ultimate Beneficial Owners

Zhoushan Fengqiao Lixin Enterprise Management Partnership (Limited Partnership), the General Partner of the Fund, is a limited partnership enterprise incorporated in the PRC. It is engaged in corporate management consultancy and equity investment (except for projects that are subject to approval in accordance with the relevant laws, business operation shall be conducted independently with the business license(s) in accordance with the laws). Zhoushan Fengqiao Lixin is held as to 99% by Mr. Tu and 1% by Shanghai Fengqiao Investment, and is a connected person of the Company. For further information about Shanghai Fengqiao Investment, please refer to above section headed "Information of the Manager".

Zhoushan Baotaiying, Nanping Jinze, Zhejiang Zhongying and Their Respective Ultimate Beneficial Owners

Zhoushan Baotaiying Equity Investment Partnership (Limited Partnership), the limited partner of the Fund, is a limited partnership enterprise incorporated in the PRC. It is principally engaged in equity investment. Zhoushan Baotaiying is directly owned as to 50% by Ms. Yu Jing as its general partner and 50% by Ms. Shan Lianxia as its limited partner.

Nanping Jinze Equity Investment Partnership (Limited Partnership), the limited partner of the Fund, is a limited partnership enterprise incorporated in the PRC. It is principally engaged in non-securities equity investment and consultancy services related to equity investment. Nanping Jinze is directly owned as to 89% by Mr. Cai Xiaodong, 10% by Guizhou Kaixian Erhao Enterprise Management Partnership (Limited Partnership) (貴州鎧賢貳號企業管理合夥企業(有限合夥)) and 1% by Guangzhou Zexian Asset Management Co., Ltd. (廣州澤賢資產管理有限公司). Guizhou Kaixian Erhao Enterprise Management Partnership (Limited Partnership) is a limited partnership incorporated in the PRC, which is directly owned as to 99% by Mr. Cai Xiaodong and 1% by Ms. Li Na. Guangzhou Zexian Asset Management Co., Ltd. is a limited liability company incorporated in the PRC, which is directly owned as to 100% by Ms. Li Na.

Zhejiang Zhongying Equity Investment Fund Management Co., Ltd., the limited partner of the Fund, is a limited liability company incorporated in the PRC. It is engaged in industrial investment, private equity investment management, investment management, investment consultancy (excluding securities and futures) (without the approval of financial and other regulatory authorities, it shall not engage in the public financing deposits, financing guarantees or manage client's assets and other financial services) and business information consultancy, and is a wholly-owned subsidiary of Zhejiang Zhongying Holding Group Co., Ltd. (浙江中赢控股集团有限公司). Zhejiang Zhongying Holding Group Co., Ltd. is a limited liability company incorporated in the PRC, which is owned as to 70% by Mr. Wu Zhongfu and 30% by Ms. Yang Guifang.

To the best knowledge, information and belief of the Directors (including the independent non-executive Directors) after having made all reasonable enquiries, Zhoushan Baotaiying, Nanping Jinze, Zhejiang Zhongying and their respective ultimate beneficial owners are Independent Third Parties.

Information of the Company and Beijing Pop Mart

The Company is one of the largest and fastest-growing pop toy companies in China in recent years as well as a pioneer and key promoter of pop toy culture in China, and IP is at the core of our business. We have established an integrated platform covering the entire industry chain of pop toys, including artists development, IP operation, consumer access and pop toy culture promotion.

Beijing Pop Mart, an indirect wholly-owned subsidiary of the Company, is a limited liability company established in the PRC. It is principally engaged in the design and sales of pop toys.

LISTING RULES IMPLICATIONS

Mr. Tu is a connected person of the Company under Chapter 14A of the Listing Rules, and he also controls over 30% of interests in Zhoushan Fengqiao Lixin. Therefore, Zhoushan Fengqiao Lixin is deemed to be an associate of Mr. Tu. Under Chapter 14A of the Listing Rules, the transaction contemplated under the Partnership Agreement constitutes a connected transaction of the Company. As the applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) exceeds 0.1% but is less than 5%, it is subject to the reporting and announcement requirements but exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Tu has abstained from voting on the resolution of the Board in respect of the approval of the Partnership Agreement. Save as disclosed above, no other Directors have material interests in the aforesaid agreement, or are required to abstain from voting on the relevant resolution of the Board.

DEFINITIONS

“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Beijing Pop Mart”	Beijing Pop Mart Cultural & Creative Co., Ltd. (北京泡泡瑪特文化創意有限公司), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of our Company
“Board”	the board of directors of our Company

“Company”	Pop Mart International Group Limited (泡泡瑪特國際集團有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on May 9, 2019, the shares of which were initially listed on the main board of the Stock Exchange on December 11, 2020 (stock code: 9992)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of our Company
“Fund”	Shanghai Fengqiao Qinghong Asset Management Partnership (Limited Partnership) (上海蜂巧晴虹資產管理合夥企業(有限合夥)), a limited partnership enterprise incorporated under the laws of the PRC on August 28, 2015, which has not carried out any business operations as at the date of this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	the third party(ies) that is (are) independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholder of the Company, its subsidiaries and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tu”	Mr. Tu Zheng, a non-executive Director of the Company
“Nanping Jinze”	Nanping Jinze Equity Investment Partnership (Limited Partnership) (南平金澤股權投資合夥企業(有限合夥)), a limited partnership enterprise incorporated in the PRC as the limited partner of the Fund
“Partnership Agreement”	the Limited Partnership Agreement for Shanghai Fengqiao Qinghong Asset Management Partnership (Limited Partnership) (上海蜂巧晴虹資產管理合夥企業(有限合夥))
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of China
“Shanghai Fengqiao Investment”	Shanghai Fengqiao Investment Management Co. Ltd. (上海蜂巧投資管理有限公司), a limited liability company incorporated in the PRC as the manager of the Fund
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Zhejiang Zhongying”	Zhejiang Zhongying Equity Investment Fund Management Co., Ltd. (浙江中贏股權投資基金管理有限公司), a limited liability company incorporated in the PRC as the limited partner of the Fund
“Zhoushan Baotaiying”	Zhoushan Baotaiying Equity Investment Partnership (Limited Partnership) (舟山保泰盈股權投資合夥企業(有限合夥)), a limited partnership enterprise incorporated in the PRC as the limited partner of the Fund
“Zhoushan Fengqiao Lixin”, “General Partner” or “Executive Partner”	Zhoushan Fengqiao Lixin Enterprise Management Partnership (Limited Partnership) (舟山蜂巧禮信企業管理合夥企業(有限合夥)), a limited partnership enterprise incorporated in the PRC as the general partner of the Fund

By order of the Board
POP MART INTERNATIONAL GROUP LIMITED
Wang Ning
*Executive Director, Chairman of the Board and
Chief Executive Officer*

Hong Kong, 2 June 2021

As at the date of this announcement, the executive Directors are Mr. Wang Ning, Ms. Yang Tao, Ms. Liu Ran and Mr. Si De, the non-executive Directors are Mr. Tu Zheng and Mr. He Yu, and the independent non-executive Directors are Mr. Zhang Jianjun, Mr. Wu Liansheng and Mr. Ngan King Leung Gary.