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ZERO2IPO HOLDINGS INC.

清科創業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1945)

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF INTEREST IN A FUND**

THE PARTNERSHIP INTEREST TRANSFER AGREEMENT

The Board announces that on December 1, 2023, Zero2IPO Ventures (a consolidated affiliated entity of the Company) entered into Partnership Interest Transfer Agreements with each of the Transferors, respectively, pursuant to which Zero2IPO Ventures conditionally agreed to purchase, and the Transferors conditionally agreed to sell, approximately 14.72% of the partnership interests in the Fund in aggregate at a total consideration of RMB28.3 million.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Partnership Interest Transfer Agreements are more than 5% but all are less than 25%, the Partnership Interest Transfer constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

As at the date of this announcement, the General Partner and a Limited Partner (namely, Beijing Zero2IPO Investment), holding 2.45% and 31.29% of the partnership interests in the Fund, respectively, are wholly owned by Zero2IPO Group, which is in turn owned as to 54.93% by Mr. NI Zhengdong, who is an executive Director, chief executive officer and a controlling shareholder of the Company. Therefore, the Partnership Interest Transfer constitutes a connected transaction of the Company in accordance with Rule 14A.28 of the Listing Rules. Accordingly, the Partnership Interest Transfer is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On December 1, 2023, Zero2IPO Ventures (a consolidated affiliated entity of the Company) entered into Partnership Interest Transfer Agreements with each of the Transferors, respectively, pursuant to which Zero2IPO Ventures conditionally agreed to purchase, and the Transferors conditionally agreed to sell approximately 14.72% of the partnership interests in the Fund in aggregate at a total consideration of RMB28.3 million.

PARTNERSHIP INTEREST TRANSFER AGREEMENTS

The principal terms of the Partnership Interest Transfer Agreements are as follows:

Date: December 1, 2023

Parties:

- (i) Zero2IPO Ventures (as the transferee); and
- (ii) Transferors (including Fuzhou Kehulian, Ms. YANG Zhen, Ms. CHEN Hongying, Mr. YANG Qianchu and Mr. ZHANG Can, each being a Limited Partner in the Fund) (as the transferors)

Subject matter

Pursuant to the Partnership Interest Transfer Agreements, Zero2IPO Ventures conditionally agreed to purchase, and the Transferors, namely Fuzhou Kehulian, Ms. YANG Zhen, Ms. CHEN Hongying, Mr. YANG Qianchu and Mr. ZHANG Can conditionally agreed to sell approximately 2.45%, 5.52%, 3.07%, 1.84% and 1.84% of the partnership interests in the Fund, free and clear of any and all encumbrances, at the consideration of approximately RMB4.7 million, RMB10.5 million, RMB6.2 million, RMB3.5 million and RMB3.5 million, respectively.

Basis of consideration

The consideration was determined after arm's length negotiations between Zero2IPO Ventures and each of the Transferors, taking into account: (i) the valuation of the entire net assets of the Fund as of June 30, 2023 performed by an independent valuer engaged by the Company using asset-based approach, and (ii) the factors set out in the section headed "Reasons for and Benefits of the Partnership Interest Transfer" in this announcement.

The value of the Transferred Interests as of June 30, 2023 was RMB33.9 million, calculated based on the valuation amount of the entire net assets of the Fund of RMB257.1 million as of June 30, 2023 and the proportion of the Transferred Interests in the entire partnership interests of the Fund, taking into account the distribution term of the Fund. The difference between the value of the Transferred Interests and the consideration of approximately RMB28.3 million is a result of the arm-length commercial negotiations between Zero2IPO Ventures and each of the Transferors with reference to, among others, (i) the financial position of the Group, and (ii) the existing interest transfer discount in respect of the Partnership Interest Transfer in line with market practice.

Payment of consideration

The consideration shall be paid by Zero2IPO Ventures to each of the Transferors in cash in the following installments:

- (i) 90% of the consideration shall be paid upon the effectiveness of the respective Partnership Interest Transfer Agreement and after the respective Transferor's provision of the relevant documents required for the update of business registration of the Fund; and
- (ii) 10% of the consideration shall be paid upon the completion of the update of business registration of the Fund.

Conditions to the Closing

The obligations of the closing, are subject to the fulfilment of each the following conditions on or before the closing:

- (i) the respective Partnership Interest Transfer Agreement shall have been duly executed;
- (ii) the General Partner shall have agreed that Zero2IPO Ventures will join the Fund as a limited partner with respect to the Transferred Interests; and
- (iii) Zero2IPO Ventures shall have obtained all necessary approvals and consents, and fulfilled the requirements of the Stock Exchange in relation to the Partnership Interest Transfer Agreements and the transactions contemplated thereunder.

Upon closing, Zero2IPO Ventures will hold 14.72% of the partnership interests in the Fund as a Limited Partner.

Any profit, loss or risks attributable to or arising from the Transferred Interests during the period from June 30, 2023 (being the reference date of the valuation) to the date of the completion of the Partnership Interest Transfer should be enjoyed or borne by Zero2IPO Ventures.

INFORMATION ON THE PARTIES

Information on the Company and the Group

The Company is an exempted company incorporated in the Cayman Islands with limited liability. The Group principally engages in data, marketing, investment banking and training services to participants in the equity investment industry through its integrated service platform.

Information on the Fund

Overview

The Fund is a venture capital investment fund established under the laws of the PRC as a limited partnership on March 10, 2015 with its focus on investment in early-stage enterprises in high-growth industries. As of October 31, 2023, the Fund had invested in 26 companies, covering e-commerce, online games, AI technology, consumer, healthcare and education industries, and had exited from the investment in ten out of such 26 companies.

Partners of the Fund

The General Partner is a limited partnership established under the laws of the PRC and primarily engages in investment management. The General Partner is wholly owned by Zero2IPO Group.

Zero2IPO Group is an investment management company in China, which has extensive experience in the field of venture capital investment, management of fund of funds and sector investment. Zero2IPO Group is controlled by Mr. NI Zhengdong. As of the date of this announcement, Mr. NI Zhengdong beneficially owned approximately 54.93% of the equity interests in Zero2IPO Group.

To the best of the knowledge, information and belief and having made all reasonable enquiries by the Directors, save as disclosed above, as of the date of this announcement, each of the Limited Partners (except for (i) Beijing Zero2IPO Investment which is wholly owned by Zero2IPO Group, and (ii) Beijing Jiahao Weiye Investment Center (Limited Partnership) (北京嘉豪偉業投資中心(有限合夥)) which is an associate of Mr. KUNG Hung Ka, a non-executive Director) is a third party independent of the Company and its connected persons.

Term of the Fund

The term of the Fund is ten years, commencing from its business license issuance date, i.e., March 10, 2015. Within the term of the Fund, the investment period is three years commencing from its business license issuance date and the exit period is from the end of the investment period to the expiration of the term of the Fund.

Management

The General Partner shall act as the executive partner and manager of the Fund. All powers pertaining to the investment management, administrative management, daily operation management, controls and decision-making of the Fund are exclusively vested in the General Partner.

During the term of the Fund, the General Partner shall be entitled to receive the following management fee from the Fund:

- (i) initial management fee: 2% per annum of the subscribed capital contributions of the Limited Partners, calculated from the establishment date of the Fund, based on the actual number of days remaining in the First Calendar Year; and
- (ii) annual management fee: commencing on the second calendar year after the First Calendar Year, 2% per annum of the subscribed capital contributions of all Partners during Fund investment period and 2% per annum of the paid-up capital contributions on the investments that have not been exited during Fund exit period. If there is an extended period, no management fee shall be charged during the extended period.

Distribution

The available investment proceeds are agreed to be distributed in the following order of priority:

- (i) first, to the Limited Partners and the General Partner until the Limited Partners and the General Partner have received accumulative distributions equal to 100% of their accumulative paid-up capital contributions;
- (ii) second, 80% of the balance will be distributed to the Limited Partners and the General Partner on a pro rata basis of their respective paid-up capital contributions, and 20% of the balance will be distributed to the General Partner.

Transfer restriction

Each of the Limited Partners shall not transfer its interests in the Fund without the prior written consent of the General Partner.

Liabilities of the Partners

The General Partner shall have unlimited liability for all the debts and obligations of the Fund. The Limited Partners shall not be liable beyond the extent of their subscribed capital contributions for all the debts and obligations of the Fund.

Financial information of the Fund

Set out below is the summary of key financial information of the Fund for the years ended December 31, 2021 and 2022, prepared in accordance with the generally accepted accounting principles in the PRC:

	For the year ended December 31, 2022 (RMB'000) (audited)	For the year ended December 31, 2021 (RMB'000) (audited)
Revenue	(12,504)	17,948
Net profit/(loss) before tax	(12,981)	15,327
Net profit/(loss)	(12,981)	15,327

The audited net assets of the Fund as of December 31, 2022 were approximately RMB740.0 million.

Information on Zero2IPO Ventures

Zero2IPO Ventures is a limited liability company established under the laws of the PRC, being a consolidated affiliated entity of the Company, the financial results of which have been consolidated and accounted for as if it were a subsidiary of the Company. Zero2IPO Ventures primarily engages in online businesses under the data services, marketing services and investment banking services.

Information on the Transferors

Fuzhou Kehulian principally engaged in software and information technology as well as business consulting services. Fuzhou Kehulian is owned as to 30.00% by Ms. FENG Hongying, 15.00% by Ms. LIN Yunqin, 15.00% by Ms. WANG Liying, 15.00% by Mr. CAI Aiping, 8.25% by Mr. CHEN Lianjin, 7.50% by Mr. HU Shunqiang, 5.00% by Ms. CHEN Huimin, 2.50% by Mr. SUN Wenzhen and 1.75% by Ms. ZHENG Yan, each being an individual and a third party independent of the Company and its connected persons.

Each of Ms. YANG Zhen, Ms. CHEN Hongying, Mr. YANG Qianchu and Mr. ZHANG Can is an individual investor and is a third party independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE PARTNERSHIP INTEREST TRANSFER

The Group offers a broad range of online or offline services for all participants and stakeholders in the equity investment industry. One of the Group's strategies is to pursue strategic investments in order to solidify its industry leadership.

Leveraging its reputation, professional insights and experienced investment team, Zero2IPO Group invests in companies across a range of sectors and at different growth stages, and primarily focuses on investment opportunities in China's technology, consumer, healthcare and education industries. Zero2IPO Group has extensive experience in the field of venture capital investment, management of fund of funds and sector investment. The investment objective of Zero2IPO Group is to generate capital appreciation through equity and equity-related investment of companies across various industries in the Greater China regions.

Taking into account the investment management capabilities and experience of Zero2IPO Group and the Company's business and strategies, participation in investment in the Fund would help broaden and diversify the Group's customer base, and seek potential business opportunities from the investment portfolio of the Fund in line with the Group's strategies. In addition, the investment in the Fund would also provide the Group with possible strong financial returns.

Having considered the above factors, Mr. NI Zhengdong, Ms. FU Xinghua, Ms. ZHANG Yanyan and Mr. KUNG Hung Ka, who although are in support of the entering into the Partnership Interest Transfer Agreements but abstained from voting on the relevant board resolution because each of them holds certain positions and equity interests in Zero2IPO Group, are of the view that the Partnership Interest Transfer Agreements and the transactions contemplated thereunder are carried out on normal commercial terms, and that the terms of the Partnership Interest Transfer Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The independent non-executive Directors will provide their view in the circular for the EGM after considering the advice from the Independent Financial Adviser.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Partnership Interest Transfer Agreements are more than 5% but all are less than 25%, the Partnership Interest Transfer constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

As at the date of this announcement, the General Partner and a Limited Partner (namely, Beijing Zero2IPO Investment), holding 2.45% and 31.29% of the partnership interests in the Fund, respectively, are wholly owned by Zero2IPO Group, which is in turn owned as to 54.93% by Mr. NI Zhengdong, who is an executive Director, chief executive officer and a controlling shareholder of the Company. Therefore, the Partnership Interest Transfer constitutes a connected transaction of the Company in accordance with Rule 14A.28 of the Listing Rules. Accordingly, the Partnership Interest Transfer is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. YE Daqing, Mr. ZHANG Min and Ms. YU Bin, has been formed to consider, and to advise the Independent Shareholders, among other things, whether the Partnership Interest Transfer is in the ordinary and usual course of business of the Company, fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole. Gram Capital Limited has been appointed as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders on the terms of the Partnership Interest Transfer Agreement and the transactions contemplated thereunder.

The EGM will be convened and held to consider and, if thought fit, pass the ordinary resolution to approve, among other matters, the Partnership Interest Transfer Agreements and the transactions contemplated thereunder.

A circular containing, among other things, (i) further information on the Partnership Interest Transfer, (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the Partnership Interest Transfer Agreements and the transactions contemplated thereunder, (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and (iv) a notice of the EGM, is expected to be despatched to the Shareholders within 15 business days after the date of this announcement.

DEFINITIONS

In this announcement, unless otherwise defined, the following terms shall have the following meanings:

“Beijing Zero2IPO Investment”	Beijing Zero2IPO Investment Management Ltd. (北京清科投資管理有限公司), a limited liability company established under the laws of the PRC on April 30, 2009, being a Limited Partner and a wholly-owned subsidiary of Zero2IPO Group
“Board”	the board of Directors
“Company”	Zero2IPO Holdings Inc. (清科創業控股有限公司*), formerly known as Zero2ipo Holdings, an exempted company incorporated under the laws of Cayman Islands with limited liability on August 1, 2019, the Shares of which are listed on the main board of the Stock Exchange
“consolidated affiliated entity(ies)”	the entities, the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of the Company by virtue of the contractual arrangements of the Company
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Partnership Interest Transfer Agreements and the transactions contemplated thereunder
“First Calendar Year”	the calendar year in which the Fund was established

“Fund”	Beijing Zero2IPO Zhida Investment Management Center (Limited Partnership) (北京清科致達投資管理中心(有限合夥)), a limited partnership established under the laws of the PRC on March 10, 2015
“Fuzhou Kehulian”	Fuzhou Development Zone Kehulian Information Technology Co., Ltd. (福州開發區科互聯信息科技有限公司), a limited liability company established under the laws of the PRC on October 15, 2014
“General Partner”	Beijing Zero2IPO Venture Capital Management Center (Limited Partnership) (北京清科創業投資管理中心(有限合夥)), a limited partnership established under the laws of the PRC on June 16, 2009
“Group”	the Company, its subsidiaries and consolidated affiliated entities from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely Mr. YE Daqing, Mr. ZHANG Min and Ms. YU Bin, which has been formed to advise the Independent Shareholders on the Partnership Interest Transfer Agreements and the transactions contemplated thereunder
“Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Partnership Interest Transfer

“Independent Shareholders”	Shareholders who have no material interest in, and are not required to abstain from voting at the EGM to approve, the Partnership Interest Transfer Agreements and the transactions contemplated thereunder
“Limited Partner(s)”	the limited partners of the Fund
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Partnership Interest Transfer”	the proposed transfer of the Transferred Interests pursuant to the terms and conditions of the Partnership Interest Transfer Agreements
“Partnership Interest Transfer Agreement(s)”	the partnership interest transfer agreement(s) dated December 1, 2023 entered into between Zero2IPO Ventures and each of the Transferors in relation to the Partnership Interest Transfer
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement only, Hong Kong, Macau and Taiwan area
“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)”	ordinary share(s) of par value US\$0.0001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transferors”	Fuzhou Kehulian, Ms. YANG Zhen, Ms. CHEN Hongying, Mr. YANG Qianchu, and Mr. ZHANG Can
“Transferred Interests”	approximately 14.72% of the partnership interests in the Fund to be transferred from the Transferors to Zero2IPO Ventures
“Zero2IPO Group”	Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司), formerly known as Zero2IPO Finance Management and Consulting (Beijing) Co., Ltd. (清科財務管理諮詢(北京)有限公司), a limited liability company established under the laws of the PRC on November 22, 2005
“Zero2IPO Ventures”	Beijing Zero2IPO Venture Information Consulting Co., Ltd. (北京清科創業信息諮詢有限公司), a limited liability company established under the laws of the PRC on September 10, 2013, a consolidated affiliated entity of the Company, the financial results of which have been consolidated and accounted for as if it were a subsidiary of the Company
“%”	per cent

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Zero2IPO Holdings Inc.
NI Zhengdong
Chairman and Chief Executive Officer

Beijing, the PRC, December 1, 2023

As at the date of this announcement, the Board of Directors of the Company comprises Mr. NI Zhengdong, Ms. FU Xinghua and Ms. ZHANG Yanyan as executive Directors, Mr. KUNG Hung Ka as non-executive Director, and Mr. YE Daqing, Mr. ZHANG Min and Ms. YU Bin as independent non-executive Directors.

* *For identification purposes only*