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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Zero2IPO Holdings Inc., you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**



A notice convening the extraordinary general meeting of Zero2IPO Holdings Inc. to be held at 10th Floor, Air China Century Building, No.1 Building, No. 40 Xiaoyun Road, Chaoyang District, Beijing, the PRC on Tuesday, February 27, 2024 at 2 p.m. is set out on pages 74 to 75 of this circular. A form of proxy for use at the extraordinary general meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.zero2ipo.cn), respectively. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting or any adjournment thereof if they so wish.

January 26, 2024

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Articles of Association”	the articles of association of the Company, conditionally adopted on May 18, 2022 and as amended from time to time
“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*), a company incorporated in the Cayman Islands on August 1, 2019 as an exempted company with limited liability, whose Shares 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” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at 10th Floor, Air China Century Building, No.1 Building, No. 40 Xiaoyun Road, Chaoyang District, Beijing, the PRC on Tuesday, February 27, 2024 at 2 p.m. or any adjournment thereof, the notice of which is set out on pages 74 to 75 of this circular
“First Calendar Year”	the calendar year in which the Fund was established

* *For identification purpose only*

DEFINITIONS

“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 and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely, Mr. YE Daqing, Mr. ZHANG Min and Ms. YU Bin, established to advise the Independent Shareholders on the Partnership Interest Transfer Agreements and the transactions contemplated thereunder
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, 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

DEFINITIONS

“Independent Shareholders”	the Shareholders who are not required under the Listing Rules to abstain from voting at the EGM to approve the Partnership Interest Transfer Agreements and the transactions contemplated thereunder
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	January 18, 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Limited Partner(s)”	the limited partners of the Fund
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region
“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

DEFINITIONS

“Share(s)”	ordinary share(s) of par value of US\$0.0001 each in the capital of the Company
“Shareholder(s)”	the 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
“Valuation Benchmark Date”	June 30, 2023
“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

LETTER FROM THE BOARD



ZERO2IPO HOLDINGS INC.

清科創業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1945)

Executive Directors:

Mr. NI Zhengdong (*Chairman*)
Ms. FU Xinghua
Ms. ZHANG Yanyan

Registered office:

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Non-executive Director:

Mr. KUNG Hung Ka

Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

Independent non-executive Directors:

Mr. YE Daqing
Mr. ZHANG Min
Ms. YU Bin

January 26, 2024

To the Shareholders

Dear Sir or Madam,

**DISCLOSABLE AND CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF INTEREST IN A FUND
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of Zero2IPO Holdings Inc. (the “**Company**”) dated December 1, 2023 (the “**Announcement**”) in relation to, among others, the Partnership Interest Transfer Agreements and the transactions contemplated thereunder.

* *For identification purpose only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of the Partnership Interest Transfer, (ii) the 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) the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders, (iv) other information as required under the Listing Rules, and (v) the notice of the EGM to the Shareholders on convening the EGM.

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" below.

LETTER FROM THE BOARD

The value of the Transferred Interests as of June 30, 2023 was approximately RMB33.9 million, calculated based on the valuation amount of the entire net assets of the Fund of approximately 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. Details of the calculation are set out below:

	Calculation	Approximate <i>(RMB'000,000)</i>
(A) The valuation amount of the entire net assets of the Fund as of June 30, 2023		257.1
(B) Total accumulative paid-up capital contributions by the Limited Partners and the General Partner		163
(C) Total accumulative distributions received by the Limited Partners and the General Partner under the distribution term of the Fund		39.3
(D) Total distributions to be received by the Limited Partners and the General Partner under the distribution term of the Fund	(B) – (C) = (D)	123.7
(E) Excess balance available for distribution under the distribution term of the Fund	(A) – (D) = (E)	133.4
(F) 20% of excess balance to be distributed to the General Partner as the General Partner entitlement under the distribution term of the Fund	20% x (E) = (F)	26.7
(G) The valuation amount of the entire net assets of the Fund as of June 30, 2023 deducted by the 20% General Partner entitlement	(A) – (F) = (G)	230.4
(H) The value of the Transferred Interests as of June 30, 2023	14.72% x (G) = (H)	33.9

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.

Details of the Valuation

The valuation in relation to the entire net assets of the Fund as of the Valuation Benchmark Date (i.e., June 30, 2023) has been carried out by Vocation (Beijing) International Assets Appraisal Co., Ltd (沃克森(北京)國際資產評估有限公司), an independent valuer.

The Fund as a whole is valued by using the asset-based approach, under which each asset and liability of the Fund was separately valued with appropriate method.

LETTER FROM THE BOARD

The reason for adopting the asset-based approach is that each asset and liability item in the balance sheet of the Fund on the Valuation Benchmark Date can be identified and separately valued with appropriate method. However, since there are currently insufficient comparable companies among the A-share listed companies that are only used as investment management companies and in the same industry as the Fund, the market approach is not applicable; in addition, as the income of the Fund primarily derives from the investment income generated from the investment projects of the Fund which is currently during its divestment period, the future investment management scale and investment income of the projects cannot be accurately forecasted, and therefore the income approach is also not applicable.

Please refer to “Appendix I – Summary of Valuation Report” to this circular for details.

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.

LETTER FROM THE BOARD

Any profit, loss or risks attributable to or arising from the Transferred Interests during the period from the Valuation Benchmark Date to the date of the completion of the Partnership Interest Transfer should be enjoyed or borne by Zero2IPO Ventures.

ACCOUNTING TREATMENT OF INTEREST IN THE FUND UPON COMPLETION OF THE PARTNERSHIP INTEREST TRANSFER

The Company will classify its interest in the Fund as financial asset measured subsequently at fair value through profit or loss. At initial recognition, the Company will measure the financial asset as its fair value. Subsequent changes in the fair value of this investment will be recognised in other gains/(losses) in the consolidated statement of comprehensive income.

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 divested from the investment in ten out of such 26 companies. The details of the remaining 16 investee companies as at the Valuation Benchmark Date (i.e., June 30, 2023) are as follows:

No.	Name of the investee companies	Business industry	Expected timing of the divestment	Book value of investee companies as at the Valuation Benchmark Date <i>(RMB'000)</i> <i>(unaudited)</i>	Appraised value of investee companies as at the Valuation Benchmark Date <i>(RMB'000)</i> <i>(unaudited)</i>	Percentage of shareholding held by the Fund as at the Valuation Benchmark Date
1.	Guizhou Zhiqun Network Technology Co., Ltd. (貴州指趣網絡科技有限公司)	Information Transmission, Software, and Information Technology Services	2028	18,543	11,222	5.2980%

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No.	Name of the investee companies	Business industry	Expected timing of the divestment	Book value of investee companies as at the Valuation Benchmark Date <i>(RMB'000)</i> <i>(unaudited)</i>	Appraised value of investee companies as at the Valuation Benchmark Date <i>(RMB'000)</i> <i>(unaudited)</i>	Percentage of shareholding held by the Fund as at the Valuation Benchmark Date
2.	Beijing Anqu Technology Co., Ltd. (北京安趣科技股份有限公司)	Information Transmission, Software, and Information Technology Services	2026	5,600	914	4.6600%
3.	Beijing Maluntai E-Commerce Co., Ltd. (北京麥輪泰電子商務股份有限公司)	Wholesale and Retail Trade	2028	-	-	5.0900%
4.	Huai (Beijing) Technology Co., Ltd. (互愛(北京)科技股份有限公司)	Information Transmission, Software, and Information Technology Services	2026	10,000	7,231	0.8338%
5.	Beijing Yitian Generation Trading Co., Ltd. (北京奕天世代商貿有限公司)	Wholesale and Retail Trade	2025	71,391	15,772	5.9070%
6.	Hangzhou Chuanxin Network Technology Co., Ltd. (杭州市傳信網絡科技有限公司)	Information Transmission, Software, and Information Technology Services	2027	2,000	4	1.9753%
7.	Wuhan Benchu Ziwu Information Technology Co., Ltd. (武漢本初子午信息科技有限公司)	Wholesale and Retail Trade	2027	254,981	82,715	2.7865%
8.	Donghua Guangpu Big Data Technology Co., Ltd. (東華光普大數據技術有限公司)	Information Transmission, Software, and Information Technology Services	2028	-	723	2.9400%
9.	Beijing Weiwo World Entertainment Technology Co., Ltd. (北京威沃世界娛樂科技有限公司)	Information Transmission, Software, and Information Technology Services	2028	1,000	251	4.7500%

LETTER FROM THE BOARD

No.	Name of the investee companies	Business industry	Expected timing of the divestment	Book value of investee companies as at the Valuation Benchmark Date <i>(RMB'000)</i> <i>(unaudited)</i>	Appraised value of investee companies as at the Valuation Benchmark Date <i>(RMB'000)</i> <i>(unaudited)</i>	Percentage of shareholding held by the Fund as at the Valuation Benchmark Date
10.	Beijing Grandomics Biotechnology Co., Ltd. (北京希望組生物科技股份有限公司)	Medical Health	2025	25,946	30,014	3.5329%
11.	Beijing Shenxing Technology Co., Ltd. (北京深醒科技有限公司)	Information Transmission, Software, and Information Technology Services	2025	–	306	0.8995%
12.	Beijing Fengqu Internet Information Service Co., Ltd. (北京峰趣互聯網信息服務有限公司)	Information Transmission, Software, and Information Technology Services	2024	1,421	17	0.3800%
13.	Suzhou Chengmei Biotechnology Co., Ltd. (蘇州承美生物科技股份有限公司)	Scientific Research and Technical Services	2025	–	300	3.2258%
14.	Hangzhou Daxidi Technology Co., Ltd. (杭州大希地科技股份有限公司)	Manufacturing – Preprocessing of Food	2026	174,984	102,400	4.3746%
15.	Beijing Kedu Technology Development Co., Ltd. (北京棵朵科技發展有限公司)	Wholesale and Retail Trade	2024	–	–	7.1300%
16.	Shenzhen SKT Education Technology Co., Ltd. (深圳市思珂特教育科技有限公司)	Education Industry	2024	5,000	4,783	2.9412%

LETTER FROM THE BOARD

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 Latest Practicable Date, Mr. NI Zhengdong beneficially owned approximately 54.93% of the equity interests in Zero2IPO Group.

The table below sets out the shareholding structure of the Fund before and after the Partnership Interest Transfer:

No.	Name of partners of the Fund	% of partnership interests prior to the Partnership Interest Transfer	% of partnership interests after to the Partnership Interest Transfer
1.	General Partner	2.45%	2.45%
2.	Beijing Zero2IPO Investment	31.29%	31.29%
3.	Beijing Jiahao Weiye Investment Center (Limited Partnership) ⁽¹⁾ (北京嘉豪偉業投資中心(有限合夥))	12.27%	12.27%
4.	Beijing Donghua Chengxin Investment Management Center (Limited Partnership) ⁽²⁾ (北京東華誠信投資管理中心(有限合夥))	6.13%	6.13%
5.	YANG Zhen	5.52%	–
6.	Anhui Wantong Technology Co., Ltd. (安徽皖通科技股份有限公司)	3.07%	3.07%
7.	Beijing Qidi Rixin Technology Co., Ltd. (北京啟迪日新科技有限公司)	3.07%	3.07%
8.	CHEN Hongying	3.07%	–
9.	Shanghai Huafu Investment Co., Ltd. (上海華服投資有限公司)	3.07%	3.07%
10.	Tibet Gongbujiangda County Jiusheng Investment Co., Ltd. (西藏工布江達縣九盛投資有限責任公司)	3.07%	3.07%
11.	YANG Min	3.07%	3.07%
12.	YUAN Runbing	3.07%	3.07%
13.	Fuzhou Kehulian	2.45%	–
14.	LIAO Sulan	1.84%	1.84%

LETTER FROM THE BOARD

No.	Name of partners of the Fund	% of partnership interests prior to the Partnership Interest Transfer	% of partnership interests after to the Partnership Interest Transfer
15.	LUO Kaizhong	1.84%	1.84%
16.	SHANG Huazhong	1.84%	1.84%
17.	WANG Ziyi	1.84%	1.84%
18.	YAN Yan	1.84%	1.84%
19.	YANG Qianchu	1.84%	–
20.	YANG Xianlian	1.84%	1.84%
21.	ZHANG Can	1.84%	–
22.	ZHANG Dijia	1.84%	1.84%
23.	ZHANG Huizhu	1.84%	1.84%
24.	Zero2IPO Ventures	–	14.72%
	Total	100.00%	100.00%

Notes:

- (1) As of the Latest Practicable Date, Beijing Jiahao Weiye Investment Center (Limited Partnership) is a close associate of Mr. KUNG Hung Ka.
- (2) As of the Latest Practicable Date, XUE Xiangdong, one of our shareholders, owned approximately 40.00% of the partnership interests in Beijing Donghua Chengxin Investment Management Center (Limited Partnership) as a limited partner.

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 the Latest Practicable Date, 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) 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 (which was previously extended from seven years to 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 divestment period is from the end of the investment period to the expiration of the term of the Fund. After the ten-year term of the Fund expires, the term of the Fund is expected to be further extended with the unanimous consent of all partners of the Fund.

LETTER FROM THE BOARD

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 divestment period. If there is an extended period, no management fee shall be charged during such 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; and
- (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.

LETTER FROM THE BOARD

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 and the six months ended June 30, 2023, prepared in accordance with the generally accepted accounting principles in the PRC:

	For the six months ended June 30, 2023 (RMB'000) (unaudited)	For the year ended December 31, 2022 (RMB'000) (audited)	For the year ended December 31, 2021 (RMB'000) (audited)
Revenue	(166,268)	(12,504)	17,948
Net profit/(loss) before tax	(168,741)	(12,981)	15,327
Net profit/(loss)	(168,741)	(12,981)	15,327

The net assets of the Fund as of December 31, 2022 and as of June 30, 2023 were approximately RMB740.0 million and RMB571.3 million, respectively.

The fund is a private equity fund, and mainly focuses on equity investment in primary market. The fair value changes of its portfolio investment are presented as part of the Fund's revenue in accordance with the generally accepted accounting principles in the PRC. The negative revenue of the Fund for the year ended December 31, 2022 and the six months ended June 30, 2023 was primarily due to the decrease in the fair value of its portfolio investment as a result of the overall economic downturn.

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.

LETTER FROM THE BOARD

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. Some of the notable private equity investments made by Zero2IPO Group include:

- Shanghai Henlius Biotech Inc. ("**Henlius**") is a leading biopharmaceutical company in China with the vision to offer high-quality, affordable and innovative biologic medicines for patients worldwide. Henlius has built an integrated biopharmaceutical platform with core capabilities of high-efficiency and innovation embedded throughout the whole product life cycle. Zero2IPO Group invested in Henlius in May 2016. Henlius became listed on the Stock Exchange (stock code: 02696) since September 2019. Zero2IPO Group has successfully divested from Henlius after Henlius's listing.
- iDreamSky Technology Holdings Ltd. ("**iDreamSky**") is a digital entertainment platform with a leading position in game publishing market in China. Zero2IPO Group invested in iDreamSky through its wholly-owned subsidiary in May 2016. iDreamSky became listed on the Stock Exchange (stock code: 01119) since December 2018. Zero2IPO Group has successfully divested from iDreamSky after iDreamSky's listing.
- Goodwill E-Health Info Co., Ltd. ("**Goodwill**") is one of the earliest companies engaged in the research and development and industrialization of medical information software in China. In December 2011, through its wholly-owned subsidiary, Zero2IPO Group invested in Goodwill, which became listed on the Shanghai Stock Exchange (stock code: 688246) since December 2021. Zero2IPO Group has successfully divested from Goodwill after Goodwill's listing.
- Shandong Intco Recycling Resources Co., Ltd. ("**Shandong Intco**") is a global leader in Polystyrene plastic recycling with a global renewable plastic recycling network. In May 2007, through its wholly-owned subsidiary, Zero2IPO Group invested in Shandong Intco, which became listed on the Shanghai Stock Exchange (stock code: 688087) since July 2021. Zero2IPO Group has successfully divested from Shandong Intco after Shandong Intco's listing.

LETTER FROM THE BOARD

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. Despite the adverse impact of the changing economic conditions on the financial performance of the Fund, our investment costs in the Fund remained below both book value and appraised value of the Fund as of June 30, 2023.

Furthermore, the businesses of the investee companies, especially the following companies, are expected to have market potentials and demand in the future, which will enhance the financial performance of the Fund: (a) Wuhan Benchu Ziwu Information Technology Co., Ltd., which is an e-commerce platform that integrates drug procurement, warehousing, sales, and logistics distribution, is considering further equity financing plans along with the growth of demand for pharmaceuticals in the whole society and the development of pharmaceutical distribution industry; (b) Hangzhou Daxidi Technology Co., Ltd., which is an innovative enterprise with new retail brands as its core business and mainly providing imported high-end semi-finished food ingredients, is considering further equity financing plans along with the growing emphasis on healthy diet among the middle-class population; (c) Beijing Grandomics Biotechnology Co., Ltd., which is a world-renowned long-read sequencing service provider, is considering further equity financing plans when the economic conditions improve; and (d) Beijing Yitian Generation Trading Co., Ltd., which is dedicated to developing fragrance products, is experiencing performance growth in its well-known brand, Scent Library (氣味圖書館) as a result of strategic marketing channel planning and brand positioning adjustments.

As of the date of this circular, apart from the Partnership Interest Transfer, the Group has not considered to acquire additional partnership interests from other partners of the Fund or invest in any other entity engaged in the business similar to the Fund, but remains open to investment opportunities that provide possible strong financial returns with relatively low risk and conducive to the business layout of the Group.

Having considered the above factors, the Board (other than 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) is 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.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

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 of the Latest Practicable Date, 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.

As at the Latest Practicable Date, (i) Mr. NI Zhengdong, the chief executive officer, the chairman of the Board, an executive Director and a controlling shareholder of the Company, is also the chairman of the board of Zero2IPO Group, which is owned as to 54.93% by Mr. NI Zhengdong, (ii) Ms. FU Xinghua, an executive Director, is also a partner of Zero2IPO Group and held 0.48% of the equity interests in Zero2IPO Group, (iii) Ms. ZHANG Yanyan, an executive Director, is also a partner of Zero2IPO Group and held 0.57% of the equity interests in Zero2IPO Group, (iv) Mr. KUNG Hung Ka, a non-executive Director, is also a director of Zero2IPO Group and held 4.38% of the equity interests in Zero2IPO Group. Accordingly, each of Mr. NI Zhengdong, Ms. FU Xinghua, Ms. ZHANG Yanyan and Mr. KUNG Hung Ka is considered to have a material interest in the Partnership Interest Transfer and has abstained from voting on the relevant resolution of the Board approving the Partnership Interest Transfer.

To the best of the knowledge, information and belief of the Directors, save for (i) Mr. NI Zhengdong, Ms. FU Xinghua, Ms. ZHANG Yanyan and Mr. KUNG Hung Ka and their respective associates in view of their interests demonstrated above, (ii) WD Group Limited, Linju Investment Limited and DHC Asset management Limited, which are wholly owned by YANG Min, YUAN Runbing and XUE Xiangdong, respectively, and held 334,335 Shares, 876,535 Shares and 767,000 Shares, representing 0.11%, 0.29% and 0.25% of the equity interests of the Company as of the Latest Practicable Date, as each of YANG Min, YUAN Runbing and XUE Xiangdong also holds limited partnership interests in the Fund, respectively, no other Shareholder is required to abstain from voting on the resolution to approve, among other things, the Partnership Interest Transfer at the EGM. Please refer to “ – Information on the Parties – Partners of the Fund” to this circular for details of the interests held by the aforementioned individuals in the Fund, except for the interest held through our Group or Zero2IPO Group.

Pursuant to the Listing Rules, the resolution to be proposed at the EGM will be taken by way of poll and an announcement will be made after the EGM on the results of the EGM.

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEES

Independent Board Committee, comprising Mr. YE Daqing, Mr. ZHANG Min and Ms. YU Bin, all being independent non-executive Directors, has been formed to advise the Independent Shareholders as to (i) whether the Partnership Interest Transfer is on normal commercial terms and conducted in the Company's ordinary and usual course of business, whether its terms are fair and reasonable so far as the Independent Shareholders are concerned, and whether it is in the interests of the Company and the Shareholders as a whole, and (ii) how the Independent Shareholders should vote in respect of the resolution to approve the Partnership Interest Transfer.

INDEPENDENT FINANCIAL ADVISER

Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Partnership Interest Transfer Agreements and the transactions contemplated thereunder.

RECOMMENDATION

In view of the reasons for and benefits of the Partnership Interest Transfer as set out in the paragraphs headed "Reasons for and Benefits of the Partnership Interest Transfer" above, the Directors consider that although the Partnership Interest Transfer Agreements and the transactions contemplated thereunder are not in the ordinary and usual course of the business of the Company, it is carried out on normal commercial terms, and the terms of the Partnership Interest Transfer Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Partnership Interest Transfer.

Your attention is drawn to (i) the letter from the Independent Board Committee included in this circular, which contains its recommendation to the Independent Shareholders as to the Partnership Interest Transfer Agreements and the transactions contemplated thereunder, and (ii) the letter from Gram Capital included in this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Partnership Interest Transfer Agreements and the transactions contemplated thereunder and the reasons considered by it in arriving at its opinion.

GENERAL INFORMATION

Your attention is drawn to the additional information contained in Appendix II to this circular.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Extraordinary General Meeting, the register of members of the Company will be closed from Thursday, February 22, 2024 to Tuesday, February 27, 2024, both days inclusive, during which period, no share transfers can be registered. In order to qualify for attending and voting at the Extraordinary General Meeting, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Wednesday, February 21, 2024.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Set out on pages 74 to 75 of this circular is the notice of Extraordinary General Meeting at which, inter alia, an ordinary resolution will be proposed to the Shareholders to consider and approve the Partnership Interest Transfer Agreements and the transactions contemplated thereunder.

FORM OF PROXY

A form of proxy is enclosed with this circular for use at the Extraordinary General Meeting. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zero2ipo.cn), respectively. Whether or not you intend to be present at the Extraordinary General Meeting, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude the Shareholders from attending and voting at the Extraordinary General Meeting or any adjournment thereof if they so wish.

LETTER FROM THE BOARD

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules and Article 13.5 of the Articles of Association, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorized representative shall have one vote for each Share registered in his name in the register of members of the Company. A Shareholder entitled to more than one vote needs not use all his votes or cast all the votes he uses in the same way.

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



ZERO2IPO HOLDINGS INC.

清科創業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1945)

January 26, 2024

To the Independent Shareholders

Dear Sir or Madam,

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

We refer to the circular dated January 26, 2024 (the “**Circular**”) issued by Zero2IPO Holdings Inc. (the “**Company**”), of which this letter forms a part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed by the Board as an independent board committee of the Company to advise the Independent Shareholders in connection with the Partnership Interest Transfer Agreements and the transactions contemplated thereunder.

Gram Capital has been appointed to advise us and the Independent Shareholders as to (i) whether the Partnership Interest Transfer is on normal commercial terms and conducted in the Group’s ordinary and usual course of business, whether its terms are fair and reasonable so far as the Independent Shareholders are concerned, and whether such terms are in the interests of the Company and the Shareholders as a whole, and (ii) how to vote on the resolution regarding the Partnership Interest Transfer. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out on pages 20 to 36 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendices to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Partnership Interest Transfer Agreements and the transactions contemplated thereunder and the advice of Gram Capital, although the Partnership Interest Transfer Agreements and the transactions contemplated thereunder are not in the ordinary and usual course of the business of the Company, we are of the opinion that it is carried out on normal commercial terms, and the terms of the Partnership Interest Transfer Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Partnership Interest Transfer.

Yours faithfully,

The Independent Board Committee of

Zero2IPO Holdings Inc.

Mr. YE Daqing

Mr. ZHANG Min

Ms. YU Bin

Independent Non-executive Directors

* *For identification purpose only*

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in respect of the Partnership Interest Transfer for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

26 January 2024

*To: The Independent Board Committee and the Independent Shareholders
of Zero2IPO Holdings Inc.*

Dear Sir/Madam,

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

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Partnership Interest Transfer, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 26 January 2024 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, on 1 December 2023, Zero2IPO Ventures (a consolidated affiliated entity of the Company) entered into a Partnership Interest Transfer Agreement 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 (i.e. the Transferred Interests) at a total consideration of approximately RMB28.3 million (the “**Total Consideration**”).

LETTER FROM GRAM CAPITAL

With reference to the Board Letter, the Partnership Interest Transfer constitutes a discloseable and connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The Independent Board Committee comprising Mr. YE Daqing, Mr. ZHANG Min and Ms. YU Bin, being all of the independent non-executive Directors, has been formed to advise the Independent Shareholders on (i) whether the terms of the Partnership Interest Transfer are on normal commercial terms and are fair and reasonable; (ii) whether the Partnership Interest Transfer is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of the business of the Company; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Partnership Interest Transfer at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of (i) any relationships or interests between Gram Capital and the Company; or (ii) any services provided by Gram Capital to the Company, during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Partnership Interest Transfer. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

LETTER FROM GRAM CAPITAL

We have not made any independent evaluation or appraisal of the Transferred Interests, and we have not been furnished with any such evaluation or appraisal, save as and except for the asset valuation report on the net assets of the Fund (the “**Valuation Report**”), a summary of which is set out in Appendix I to the Circular, as prepared by Vocation (Beijing) International Assets Appraisal Co., Ltd, an independent valuer (the “**Valuer**”). Since we are not experts in valuation of companies and assets, we have relied solely upon the Valuation Report for the valuation of the net assets of the Fund (the “**Valuation**”).

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Zero2IPO Group, the Transferors or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Partnership Interest Transfer. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

LETTER FROM GRAM CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Partnership Interest Transfer, we have taken into consideration the following principal factors and reasons:

A. BACKGROUND AND REASONS FOR THE PARTNERSHIP INTEREST TRANSFER

Information on the Group

With reference to the Board Letter, the Group principally engages in data, marketing, investment banking and training services to participants in the equity investment industry through its integrated service platform.

Set out below are the Group's consolidated financial information for the two years ended 31 December 2022 as extracted from the Company's annual report for the year ended 31 December 2022 (the "2022 Annual Report"):

	For the year ended 31 December 2022 <i>(audited)</i> <i>RMB'000</i>	For the year ended 31 December 2021 <i>(audited)</i> <i>RMB'000</i>	Change %
Revenue	220,632	207,893	6.13
– Data services	62,250	55,301	12.57
– Marketing services	74,259	83,363	(10.92)
– Investment banking services	51,967	28,081	85.06
– Training services	32,156	41,148	(21.85)
Gross profit	96,988	99,121	(2.15)
Profit attributable to owners of the Company	20,353	11,467	77.49

LETTER FROM GRAM CAPITAL

As depicted from the above table, the Group’s revenue was approximately RMB220.63 million for the year ended 31 December 2022 (“**FY2022**”), represented an increase of approximately 6.13% as compared to that for the year ended 31 December 2021 (“**FY2021**”). With reference to the 2022 Annual Report, such increase in revenue was mainly attributable to (i) increase in revenue generated from data services driven by the Group’s efforts to expand its PEDATA MAX (an upgraded version of the Group’s data base – PEdata Database) and customized report services; (ii) increase in revenue generated from investment banking services primarily led by growth of (a) the Group’s comprehensive portfolio of services to local government agencies; and (b) the Group’s securities sponsorship and underwriting services in Hong Kong. The Group’s gross profit for FY2022 decreased by approximately 2.15% as compared to that for FY2021. In addition, profit attributable to owners of the Company was approximately RMB20.35 million for FY2022, represented a significant increase of approximately 77.49% as compared to that for FY2021. With reference to the 2022 Annual Report, such increase was mainly due to (i) increase in operating income and net finance income; and (ii) decrease in income tax expense.

Set out below are the Group’s consolidated financial information for the six months ended 30 June 2023 (with comparative figures) as extracted from the Company’s interim report for the six months ended 30 June 2023 (the “**2023 Interim Report**”):

	For the six months ended 30 June 2023	For the six months ended 30 June 2022	Change
	<i>(unaudited)</i>	<i>(unaudited)</i>	
	<i>RMB’000</i>	<i>RMB’000</i>	<i>%</i>
Revenue	85,778	54,516	57.34
– Data services	28,849	26,478	8.95
– Marketing services	27,884	13,400	108.09
– Investment banking services	5,111	6,464	(20.93)
– Training services	23,934	8,174	192.81
Gross profit	17,228	8,658	98.98
Loss attributable to owners of the Company	(9,456)	(24,386)	(61.22)

LETTER FROM GRAM CAPITAL

As illustrated in the above table, the Group's revenue was approximately RMB85.78 million for the six months ended 30 June 2023 ("1H2023"), represented a substantial increase of approximately 57.34% as compared to that for the six months ended 30 June 2022 ("1H2022"). With reference to the 2023 Interim Report, such increase was mainly due to resumption of the Group's marketing services and training services along with alleviation of the COVID-19 impact since December 2022 in the PRC. The Group's gross profit also increased by approximately 98.98% for 1H2023 as compared to that for 1H2022. With reference to the 2023 Interim Report, such increase was mainly due to gross margin of the Group's marketing services and training services is returning to normal levels as a result of resumption of such businesses since the end of 2022. In addition, loss attributable to owners of the Company was approximately RMB9.46 million for 1H2023, represented a significant decrease of approximately 61.22% as compared to that for 1H2022. With reference to the 2023 Interim Report, such decrease was mainly due to (i) aforementioned increases in the Group's revenue and gross profit; and (ii) increase in net finance income.

With reference to the 2023 Interim Report, the Group will remain firmly committed to the Group's original aspiration and mission, closely follow national development strategies and resolutely pursue prosperity for serving all links of the equity investment sector with stronger support to sustainable and high-quality development of the PRC's equity investment market. The Group will improve themselves further to offer better services and build more efficient platforms for entrepreneurs and investors, with an aim to promote virtuous interaction of innovation, entrepreneurship and investment. Meanwhile, the Group will fulfill their social responsibilities faithfully to facilitate healthy development of the equity investment sector and make contributions to prosperity and progress of the society.

Information on Zero2IPO Ventures

With reference to the Board Letter, Zero2IPO Ventures (being the Transferee of the Partnership Interest Transfer) 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.

LETTER FROM GRAM CAPITAL

Information on the Transferors

With reference to the Board Letter:

- (a) the Transferors include: (i) Fuzhou Kehulian; (ii) Ms. YANG Zhen; (iii) Ms. CHEN Hongying; (iv) Mr. YANG Qianchu; and (v) Mr. ZHANG Can;

- (b) 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, 7.5% 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;

- (c) 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.

Information on the Fund

Overview

With reference to the Board Letter, the Fund is a venture capital investment fund established under the laws of the PRC as a limited partnership on 10 March 2015 with its focus on investment in early-stage enterprises in high-growth industries. As of 31 October 2023, the Fund had invested in 26 companies, covering e-commerce, online games, artificial intelligent technology, consumer, healthcare and education industries, and had divested from the investment in ten out of such 26 companies (details of the remaining 16 investee companies are set out under the section headed “Information on the Fund” of the Board Letter).

LETTER FROM GRAM CAPITAL

Partners of the Fund

With reference to the Board Letter:

- (i) 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.

Upon our request, the Company provided profiles of seven core members of the General Partners' investment team. Based on the information provided by the Company, the aforesaid core members have (a) diverse academic backgrounds, including master's and doctoral degrees in various fields; (b) diverse working experience in listed companies, international accounting firm, fund management and investment banking; and (c) extensive investment experience in various sectors (e.g. medical and health, information technology, innovative technology, intelligent manufacturing, new consumption, education, semi-conductor, etc.).

- (ii) Zero2IPO Group is an investment management company in the PRC, 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. Mr. NI Zhengdong is an executive Director, chief executive officer and a controlling shareholder of the Company.

Based on the Zero2IPO Group's website and as confirmed by the Directors, Zero2IPO Group (through its subsidiaries/associates) manages assets with total scale exceeding RMB30 billion and completed investments in over 200 enterprises and more than 100 subsidiary funds. Zero2IPO Group focuses on sectors such as medical and health, information technology, intelligent manufacturing, new consumption, innovative technologies, etc.

- (iii) To the best of the knowledge, information and belief and having made all reasonable enquiries by the Directors, as at the Latest Practicable Date, each of the Limited Partners (except for (a) Beijing Zero2IPO Investment which is wholly owned by Zero2IPO Group, and (b) Beijing Jiahao Weiye Investment Center (Limited Partnership) 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

With reference to the Board Letter, the term of the Fund is ten years (which was previously extended from seven years to ten years), commencing from its business license issuance date, i.e., 10 March 2015. Within the term of the Fund, the investment period is three years commencing from its business license issuance date, and the divestment period is from the end of the investment period to the expiration of the term of the Fund. After the ten-year term of the Fund expires, the term of the Fund is expected to be further extended with the unanimous consent of all partners of the Fund.

Management

With reference to the Board Letter, 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.

LETTER FROM GRAM CAPITAL

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 divestment period. If there is an extended period, no management fee shall be charged during the extended period.

As confirmed by the Directors, the extended period commenced from 10 March 2022 and no management fee has been charged since then.

Distribution

With reference to the Board Letter, the available investment proceeds are agreed to be distributed in the following order of priority (the “**Distribution Terms**”):

- (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 its accumulative paid-up capital contributions (the “**Distribution Term I**”); and
- (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 (the “**Distribution Term II**”).

Transfer restriction

With reference to the Board Letter, 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

With reference to the Board Letter, the General Partner shall have unlimited liability for all the debts and obligations of the Fund. The Limited Partner shall not be liable beyond the extent of their subscribed capital contributions for all the debts and obligations of the Fund.

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Financial information of the Fund

Set out below is the summary of key financial information of the Fund for the two years ended 31 December 2022 and the six months ended 30 June 2023, prepared in accordance with the generally accepted accounting principles in the PRC as extracted from the Board Letter:

	For the six months ended 30 June 2023	For the year ended 31 December 2022	For the year ended 31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)	(audited)
Revenue	(166,268)	(12,504)	17,948
Net profit/(loss)	(168,741)	(12,981)	15,327

With reference to the Board Letter, the net assets of the Fund was approximately RMB740.0 million as at 31 December 2022 and approximately RMB571.3 million as at 30 June 2023. The Fund is a private equity fund, and mainly focuses on equity investment in primary market. The fair value changes of the Fund's portfolio investment are presented as part of the Fund's revenue in accordance with the generally accepted accounting principles in the PRC. The Fund's negative revenue for the FY2022 and 1H2023 was primarily due to decrease in fair value of the Fund's portfolio investment as a result of overall economic downturn.

Reasons for and benefits of the Partnership Interest Transfer

With reference to the Board Letter, 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 the PRC'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.

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We noted from the 2023 Interim Report that the Group had financial assets measured at fair value through profit or loss (both non-current and current) of approximately RMB146 million as at 31 December 2022 and approximately RMB197 million as at 30 June 2023. As advised by the Directors, such financial assets measured at fair value through profit or loss were recorded as a result of the Company investment activities.

With reference to the Valuation Report:

- (i) The Valuation of approximately RMB257.1 million as at 30 June 2023, which was approximately RMB314.2 million less than the net assets of the Fund of approximately RMB571.3 million as at 30 June 2023.
- (ii) The reason for the aforesaid difference between the Valuation and the net assets of the Fund as at 30 June 2023 is that the accounting of the book value of financial assets held for trading is based on the historical investment cost or the latest financing valuation of investment projects under management, which fails to fully and promptly reflect the impact of external economic conditions and changes in business operations from the investment date or the latest financing date to 30 June 2023, resulting in the valuation depreciation of financial assets held for trading. Detailed reasons for difference between the book value and appraised value of investment projects under management are set out in Appendix I to the Circular.

Despite the aforesaid difference between the Valuation and the net assets of the Fund as at 30 June 2023, the Total Consideration (which is Zero2IPO Ventures' investment cost in the Fund in substance) is less than "14.72% of the net assets of the Fund as at 30 June 2023" and the value of the Implied Value (as defined below). In other words, Zero2IPO Ventures is making an investment in the Fund at discount.

With reference to the Board Letter, the businesses of the Fund's investee companies are expected to have market potentials and demand in the future, which will enhance the financial performance of the Fund.

Having considered the above and the investment management capabilities and experience of Zero2IPO Group/the General Partner as elaborated under the sub-section headed "Partners of the Fund" above, we consider that although the Partnership Interest Transfer is not conducted in the ordinary and usual course of business the Company, it is in the interest of the Company and the Shareholders as a whole.

B. PRINCIPAL TERMS OF THE PARTNERSHIP INTEREST TRANSFER

Summarised below are the principal terms for the Partnership Interest Transfer as contemplated under the Partnership Interest Transfer Agreements, details of which are set out under the section headed PARTNERSHIP INTEREST TRANSFER AGREEMENTS of the Board Letter.

Date

1 December 2023

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Parties

Zero2IPO Ventures (as the transferee) and the Transferors

Subject matter

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.

Consideration

The Total Consideration is approximately RMB28.3 million.

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.

With reference to the Board Letter, the Total Consideration was determined after arm's length negotiations between Zero2IPO Ventures and each of the Transferors, taking into account: (i) the Valuation of approximately RMB257.1 million as at 30 June 2023; and (ii) the factors set out in the section headed "Reasons for and Benefits of the Partnership Interest Transfer" of the Board Letter.

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With reference to the Board Letter and as confirmed by the Directors, the value of the Transferred Interests was approximately RMB33.9 million as at 30 June 2023 (the “**Implied Value**”), calculated based on the Valuation of approximately RMB257.1 million as at 30 June 2023, the proportion of the Transferred Interests in the entire equity interests of the Fund, and the Distribution Terms. For our due diligence purpose, we obtained the above calculation as summarised below:

	Calculation	Approximate RMB 'million
(A) The Valuation		257.1
(B) Total accumulative paid-up capital contributions by the Limited Partners and the General Partner		163
(C) Total accumulative distributions received by the Limited Partners and the General Partner under Distribution Term I		39.3
(D) Total distributions to be received by the Limited Partners and the General Partner under Distribution Term I	(B) – (C) = (D)	123.7
(E) Excess balance available for distribution under Distribution Term II	(A) – (D) = (E)	133.4
(F) 20% of excess balance to be distributed to the General Partner (the “ 20% General Partner Entitlement ”)	20% x (E) = (F)	26.7
(G) The Valuation deducted by the 20% General Partner Entitlement	(A) – (F) = (G)	230.4
 (H) The Implied Value	 14.72% x (G) = (H)	 33.9

The Total Consideration of approximately RMB28.3 million represents a discount of approximately 16.60% to the Implied Value of approximately RMB33.9 million.

The Valuation Report

To assess the fairness and reasonableness of the Consideration, we obtained the Valuation Report prepared by the Valuer, a summary of which is set out in Appendix I to the Circular.

For our due diligence purpose, we reviewed and enquired into (i) the terms of engagement of the Valuer; (ii) the Valuer’s qualification in relation to the preparation of the Valuation Report; and (iii) the steps and due diligence measures taken by the Valuer for preparing the Valuation Report. From the mandate letter and other relevant information provided by the Valuer and based on our interview with them, we were satisfied with the terms of engagement of the Valuer as well as their qualification for preparation of the Valuation Report. The Valuer also confirmed that they are independent to the Group, Zero2IPO Group and the Transferors.

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The Valuation Report was prepared by the Valuer and concluded by adopting asset-based approach. As confirmed by the Valuer, the Valuer has considered the three generally accepted business enterprise appraisal approaches to value, namely, income approach, market approach and asset-based approach. With reference to the Valuation Report:

- (i) Given that the income of the Fund primarily derives from the investment income generated from the investment projects of the Fund which is currently during its divestment period, the future investment and income situation of the projects cannot be accurately forecasted, and the Valuer may not make accurate and reasonable forecasts regarding the future investment management scale and investment income of project. Therefore, the income approach was not adopted for the Valuation.
- (ii) The market approach was not adopted for the Valuation as there were not enough comparable PRC-listed companies operating in the same industry as the Fund, and there were rare transaction cases in the industry and relevant disclosure was quite inadequate.
- (iii) The asset-based approach was adopted for the Valuation because the assets and liabilities entrusted to be valued can be inspected onsite and adequate information can be provided for valuation of such assets and liabilities. In conclusion, the Valuer selected the asset-based approach for the Valuation.

Given the above, we consider the adoption of asset-based approach to be reasonable.

We further reviewed and enquired into the Valuer on the methodologies adopted and the basis and assumptions adopted in the Valuation Report in order for us to understand the Valuation Report.

Under the Valuation Report, the Valuation was conducted through the valuation of (i) monetary funds; (ii) financial assets held for trading; and (iii) liabilities of the Fund (being all of the assets and liabilities of the Fund as at 30 June 2023). We understood the followings from the Valuation Report:

- (i) Monetary funds: For monetary funds denominated in RMB, the appraised value is determined by their verified book value.
- (ii) Financial assets held for trading: Financial assets held for trading included in the scope of valuation are enterprise investment projects under management, totaling 16 items, all of which are equity projects. Among them, one project is listed on the National Equities Exchange and Quotations of the PRC, and other 15 projects are equity investments. The Valuer collected relevant legal documents, understood the investment situation and sampled certain certificates for verification. On the basis of verifying the investment cost, investment relationship and investment ratio, in accordance with the collection of information on

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investment projects under management, and taking into account the purpose of the valuation, the appraisal target and other relevant conditions, the specific methods are divided into the following five categories:

- For equity investment projects with executed repurchase agreements and repurchase clauses had been triggered, after analysing their current operating conditions, the Valuer considered that the operation of such projects was relatively difficult and the founders did not have a clear business plan. At the same time, share repurchase may be affected by factors, making it difficult to execute the share repurchase. Therefore, the valuation of these projects was determined based on the “net assets multiplying shareholding percentage”.
- For equity investment projects with operating businesses which were undergoing a transition phase and did not have clear business expectations, and where repurchase clauses were not triggered or entered into, the valuation of these projects was determined based on the “net assets multiplying shareholding percentage”.
- For equity investment projects which had good operating conditions and meet the requirements for adopting market approach through the analysis of relevant financial data and business conditions, the valuation of these projects was determined using the market approach.
- For equity investment projects with recent financing prices, and the latest financing prices were determined to be fair after analysis, the valuation of these projects was determined based on the latest financing prices.
- For equity investment projects with stagnant operating businesses, no financial statements prepared, and no repurchase clause/repurchase clause not triggered, the valuation of these projects was determined as zero.

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- (iii) Liabilities: Liabilities primarily include other payables. The Valuer audited and verified the appraised entity's liabilities, and determine the appraised value of its liabilities based on the actual liabilities amount that the appraised entity needs to assume on the Valuation Benchmark Date.

We also obtained detailed explanation of the Valuation Report from the Valuer and further understood their workings in arriving the Valuation.

During our discussion with the Valuer, we did not identify any major factor which caused us to doubt the fairness and reasonableness of the methodology, principal bases, assumptions and parameters adopted for the Valuation Report.

Having considered (i) our independent work performed on the Valuation Report; and (ii) that the Total Consideration represents a discount of approximately 16.60% to the Implied Value, we are of the view that the Total Consideration is fair and reasonable.

Conditions to the closing

With reference to the Board Letter, 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 approximately 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 30 June 2023 (being the Valuation Benchmark Date) to the date of the completion of the Partnership Interest Transfer should be enjoyed or borne by Zero2IPO Ventures.

Taking into account the above principal terms of the Partnership Interest Transfer, we consider that the terms of the Partnership Interest Transfer are fair and reasonable.

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RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Partnership Interest Transfer are on normal commercial terms and are fair and reasonable; and (ii) although the Partnership Interest Transfer is not conducted in the ordinary and usual course of the business of the Company, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Partnership Interest Transfer and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
David Kwan
Director

Note: Mr. David Kwan is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 15 years of experience in investment banking industry.

The following is the summary of the asset valuation report prepared for the purpose of incorporation in this circular received from Vocation (Beijing) International Assets Appraisal Co., Ltd, an independent valuer, in connection with its opinion on valuation of the entire net assets of the Fund as of June 30, 2023.

VALUATION METHODS AND VALUATION APPROACHES ADOPTED BY THE VALUERS AND THE REASONS FOR THEIR SELECTION

Basis of Selecting Valuation Method

Article 16 of the Basic Standards for Asset Valuation stipulates that the valuation methods of determining asset value include three basic approaches, namely the market approach, the income approach, and the cost approach, as well as their derivatives. Asset valuation professionals shall analyze the suitability of the three basic approaches based on the purpose of valuation, the appraisal target, the type of value, the collected information, etc., so as to ensure selection of appropriate valuation methods in accordance with laws.

Article 17 of the Practice Guidelines for Asset Valuation – Enterprise Value stipulates that when evaluating enterprise value, the suitability of the three basic asset valuation approaches, namely the income approach, the market approach and the cost approach (asset-based approach), shall be analyzed based on the purpose of valuation, the appraisal target, the type of value, the collected information, etc., so as to ensure selection of appropriate valuation methods.

Article 18 of the Practice Guidelines for Asset Valuation – Enterprise Value stipulates that if different valuation methods are suitable for the evaluation of enterprise value, asset valuation professionals shall adopt two or more valuation methods for their valuation.

Suitability of Valuation Methods***Income approach***

The income approach refers to the approach in which the expected income shall be capitalized or discounted so as to determine the value of the appraisal target. The asset valuation professionals shall fully assess suitability of the income approach based on the historical operations of the evaluated entity, predictability of future income, and adequacy of collected information.

The income approach primarily consists of discounted dividend method and discounted cash flow method.

The discounted dividend method refers to the method in which the appraisal target's value is determined by discounting expected dividends, which is usually applied to evaluate value of non-controlling equity interests. Discounted cash flow method generally consists of the discounted enterprise free cash flow model and the discounted equity free cash flow model. The asset valuation professionals shall select appropriate discounted cash flow model based on the evaluated entity's sectors, operational modes, capital structure and development trends.

Market approach

The market approach refers to the approach in which the appraisal target shall be compared with comparable listed companies or transactions so as to determine the value of the appraisal target. The asset valuation professionals shall fully assess suitability of the market approach based on adequacy and reliability of the operational and financial data collected on comparable companies, as well as the number of comparable companies able to be collected.

The market approach primarily consists of the method of comparing with comparable listed companies and the method of comparing with comparable transactions.

The method of comparing with comparable listed companies refers to the method in which operational and financial data of comparable listed companies are collected and analyzed, and the value ratios are calculated to determine the value of the appraisal target based on comparative analysis of the listed company and the evaluated entity. The method of comparing with comparable transactions refers to the method in which information on trade, acquisition and merger cases of comparable companies are collected and analyzed, and the value ratios are calculated to determine the value of the appraisal target based on comparative analysis of the transactions and the evaluated entity.

Asset-based approach

Asset-based approach refers to the approach in which, based on the balance sheet of the evaluated entity on the Valuation Benchmark Date, the value of identifiable assets and liabilities on and off the balance sheet shall be evaluated so as to determine the value of the appraisal target. Suitability of the asset-based approach shall be reassessed if the appraisal target carries assets or liabilities that are difficult to identify and evaluate, and can exert material impact upon the appraisal target's value.

Reasons for Selection of Valuation Method

Suitability of income approach

Given that the income of the Fund primarily derives from the investment income generated from the investment projects of the Fund which is currently during its divestment period, the future investment and income situation of the projects cannot be accurately forecasted, and the valuer may not make accurate and reasonable forecasts regarding the future investment management scale and investment income of the project. Therefore, the income approach was not adopted for the valuation in this valuation.

Suitability of market approach

The market approach was not adopted in this project as there are not enough comparable China-listed companies operating in the same industry as the Fund, and there are rare transaction cases in the industry and relevant disclosure is quite inadequate.

Suitability of asset-based approach

The asset-based approach was adopted in this valuation because the assets and liabilities entrusted to be valued can be inspected onsite and adequate information can be provided for valuation of such assets and liabilities.

In conclusion, the valuer selected the asset-based approach for the valuation.

WORK SCOPE OF AND ANY RESTRICTIONS ON THE VALUERS AND REASONS FOR RELEVANT RESTRICTIONS

A valuation of the market value of the entire shareholders' equity interests of the Fund involved in the economic behavior of proposed acquisition of partial equity in the Fund by Zero2IPO Venture as at June 30, 2023 was conducted by adopting the appropriate valuation method and carrying out necessary valuation procedures in accordance with the laws, administrative regulations and asset valuation standards and adhering to the principles of independence, objectivity and impartiality. The valuer and the valuation process are not subject to any relevant restrictions in the valuation.

The major scope of work is as follows:

1. Guide the client, the appraised entity and other relevant parties to conduct asset stocktaking and prepare detailed information on the appraisal target and scope of valuation;
2. Select an appropriate method to conduct investigations through enquiry, verification, monitoring, investigation, inspection and other methods based on the specific circumstances of the appraisal target, understand the current status of the appraisal target and pay attention to the legal ownership of the appraisal target; adopt sampling or other methods to investigate matters not suitable for investigation item by item according to their degree of significance;
3. The valuer investigates the operating business of the enterprise and the income status of the appraised entity mainly by collecting and analyzing the current operating conditions of the enterprise and interviewing the management;
4. The valuer inspects and verifies the data used in the asset valuation activity through appropriate methods;

5. Analyze the suitability of the three basic approaches of asset valuation, namely, market approach, the income approach and the asset-based approach based on the purpose of valuation, the appraisal target, the type of value, the collected information, etc. so as to ensure selection of appropriate valuation method;
6. Select the corresponding formula and parameters for analysis, calculation and judgement to form reasonable valuation conclusion based on the valuation approach adopted;
7. The valuer prepares the preliminary asset valuation report pursuant to laws, administrative regulations and requirements of the asset valuation standards after the assessment, estimation and formulation of the preliminary valuation conclusion;
8. Conduct internal review on the preliminary asset valuation report in accordance with the internal quality control system of the asset valuation agency;
9. Without prejudice to the independent judgement on the conclusion of valuation, communicate to the client or other relevant parties as agreed by the client regarding the relevant contents of the valuation report, conduct an independent analysis of the communications, and determine whether to make adjustments to the asset valuation report; and
10. Issue and deliver the formal asset valuation report to the client after the asset valuation agency and its valuer complete the aforementioned valuation procedures.

NATURE AND SOURCE OF THE INFORMATION RELIED UPON

In carrying out this asset valuation, the valuer have complied with the laws and regulations of the state, local government and the relevant authorities and have referred to the documents as set out below:

Basis of Laws and Regulations

1. The Asset Valuation Law of the People's Republic of China (中華人民共和國資產評估法)(adopted at the 21st meeting of the Standing Committee of the 12th National People's Congress on July 2, 2016);
2. The Company Law of the People's Republic of China (中華人民共和國公司法)(adopted at the 6th meeting of the Standing Committee of the 13th National People's Congress on October 26, 2018);
3. The Civil Code of the People's Republic of China (中華人民共和國民法典)(adopted at the 3rd meeting of the 13th National People's Congress on May 28, 2020);

4. Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法) (revised for the second time of the Decision to Amend Four Laws Including the Electric Power Law of the People's Republic of China at the 7th Meeting of the Standing Committee of the 13th National People's Congress on December 29, 2018);
5. The Measures for Financial Supervision and Administration of the Asset Appraisal Sector (資產評估行業財政監督管理辦法)(published in Order No. 86 of the Ministry of Finance on April 21, 2017, and amended in accordance with the Decision of the Ministry of Finance on the Amendment of Two Departmental Rules including the Measures for the Practice Licensing and Supervision and Administration of Accounting Firms (Order No. 97 of the Ministry of Finance) on January 2, 2019);
6. The Notice of Opinions on Further Strengthening Financial and Accounting Supervision (關於進一步加強財會監督工作的意見的通知)(Zhong Ban Fa [2023] No. 4);
7. The Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (關於深化增值稅改革有關政策的公告)(Announcement No. 39 of 2019 of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs);
8. The Notice of the Ministry of Finance and the State Administration of Taxation on the Adjustment to Value-Added Tax Rates (財政部稅務總局關於調整增值稅稅率的通知)(Cai Shui [2018] No. 32); and
9. Other laws and regulations related to asset valuation.

Basis of Standards

1. The Basic Standards for Asset Valuation (資產評估基本準則)(Cai Zi [2017] No. 43 on August 23, 2017);
2. The Code of Ethics for Asset Valuation (資產評估職業道德準則)(Zhong Ping Xie [2017] No. 30);
3. The Practice Standards for Asset Valuation – Asset Valuation Procedures (資產評估執業準則—資產評估程序)(Zhong Ping Xie [2018] No. 36);
4. The Practice Standards for Asset Valuation – Asset Valuation Report (資產評估執業準則—資產評估報告)(Zhong Ping Xie [2018] No. 35);
5. The Practice Standards for Asset Valuation – Asset Valuation Engagement Contract (資產評估執業準則—資產評估委託合同)(Zhong Ping Xie [2017] No. 33);
6. The Practice Standards for Asset Valuation – Asset Valuation Files (資產評估執業準則—資產評估檔案)(Zhong Ping Xie [2018] No. 37);
7. The Practice Standards for Asset Valuation – Enterprise Value (資產評估執業準則—企業價值)(Zhong Ping Xie [2018] No. 38);
8. Asset Valuation Expert Guidance No. 8 – Verification and Validation in Asset Valuation (《資產評估專家指引第8號—資產評估中的核查驗證》)(Zhong Ping Xie [2019] No. 39);
9. Accounting Standard for Business Enterprises 39 – Fair Value Measurement (企業會計準則第39號—公允價值計量)(Cai Zi [2014] No. 6);
10. The Guidelines for Quality Control of Business of Asset Valuer (資產評估機構業務質量控制指南)(Zhong Ping Xie [2017] No. 46);
11. The Guiding Opinions on Types of Value under Asset Valuation (資產評估價值類型指導意見)(Zhong Ping Xie [2017] No. 47); and
12. The Guiding Opinions on Legal Ownership of Asset Valuation Target (資產評估對象法律權屬指導意見)(Zhong Ping Xie [2017] No. 48).

Basis of Ownership

1. Shareholding certificate or capital contribution certificate on the Valuation Benchmark Date; and
2. Other relevant credentials for property rights.

Basis of Pricing***Information provided by the enterprise***

- (1) The Valuation Benchmark Date and the financial statements and audit reports for previous years provided by the enterprise;
- (2) Assets list and declaration forms for assets appraisal provided by the enterprise;
- (3) Investment agreement and investment decision report provided by the enterprise; and
- (4) Shareholding certificate or capital contribution certificate on the Valuation Benchmark Date.

Information issued by relevant departments of the state

- (1) The Manual of Common Data and Parameters Used in Asset Valuation.

Information collected by the asset valuation agency

- (1) iFind information financial database;
- (2) Information recorded during the on-site inspection by the valuer;
- (3) Information related to the valuation collected by the valuer; and
- (4) Other information related to this asset valuation.

KEY INPUT PARAMETER VALUES AND ASSUMPTIONS, AND HOW TO DETERMINE AND CONVERT INTO APPRAISED VALUES

In the appraisal process, the appraisal assumptions the valuer relies on and uses are the basic premise of the asset valuation, and the valuer also draws the attention of the users of the valuation report to the content of the appraisal assumptions in order to correctly understand and use the valuation conclusions.

Basic Assumptions***Transaction assumption***

The transaction assumption assumes that the appraised entity and the assets and liabilities within the scope of appraisal are already in the process of transaction, which valuation conducted by the valuer is based on a simulated market in accordance with the conditions of transaction. Transaction assumption is the most fundamental assumption in conducting the valuation of assets.

Open-market assumption

The open-market assumption assumes that both parties to the transaction of assets traded or proposed to be traded in the market are of equal status and have opportunities and time to get adequate market information so as to make rational judgments on the function, usage and trading price of the assets. The open-market assumption is based on the fact that the assets can be traded openly in the market.

Continuous use of assets assumption

The continuous use of assets assumption refers to that the appraisal method, parameters and basis should be determined according to the current use, mode of use, scale, frequency, environment and other conditions of the assets to be appraised, or on the basis of changes.

General Assumptions

1. After the Valuation Benchmark Date, the political, economic, social and other macro environments of the appraised entity and its business environment will not change significantly;
2. Except for the laws and regulations that have been promulgated by the government on the Valuation Benchmark Date and have not yet been implemented and affect the operation of the appraised entity, it is assumed that there will be no significant changes in the laws and regulations related to the operation of the appraised entity;
3. Changes in exchange rate, interest rate, tax, inflation and other factors involved in the operation of the appraised entity after the Valuation Benchmark Date will not have a significant impact on its operating conditions in the income period;
4. There will be no force majeure or unforeseeable events that will affect the operation of the appraised entity after the Valuation Benchmark Date;
5. The business of the appraised entity conforms to various national laws and regulations and is not illegal;
6. The operators of the appraised entity are responsible and the management is able to assume their responsibilities, the main management and technical personnel of the appraised entity will not have any significant changes that affect their business changes based on the status on the Valuation Benchmark Date in the future earnings period, the management team will develop steadily, and the management system will not have any significant changes that affect their business;
7. The materials provided by the client and the appraised entity are true, complete and reliable, and there are no other defects or contingencies that may affect the valuation conclusion that should have been provided but have not been provided, and that the evaluation professionals have performed the necessary evaluation procedures but are still unable to know; and
8. There will be no litigation, mortgage, guarantee and other matters that will have a significant impact on the business performance of the appraised entity.

Specific Assumptions

1. This valuation does not take into account the impact of the external equity investment projects on the value of the appraised entity after the Valuation Benchmark Date.

Based on the requirements of the asset valuation, the valuer determined that these conditions of assumptions were established on the Valuation Benchmark Date. When the valuation assumptions changed significantly after the Valuation Benchmark Date, the valuer shall not be responsible for deriving different valuation conclusions due to changes in the valuation assumptions.

Conversion of Key Input Parameter Values and Appraised Values

1. Monetary funds

For monetary funds denominated in RMB, the appraised value is determined by the verified book value.

2. Financial assets held for trading

Financial assets held for trading included in the scope of valuation are enterprise investment projects under management, totaling 16 items, all of which are equity projects. Among them, one project has been listed on the National Equities Exchange and Quotations, and other 15 projects are equity investment. The valuation professionals have collected relevant legal documents, understood the investment situation and sampled certain certificates for verification. On the basis of verifying the investment cost, investment relationship and investment ratio, in accordance with the collection of information on investment projects under management, and taking into account the purpose of the valuation, the appraisal target and other relevant conditions, the specific methods are divided into the following five categories:

- (a) For certain equity investment projects in the financial assets held for trading involved in the appraisal target, repurchase agreements were entered into and the repurchase clauses had been triggered. After analysing their current operating conditions, it was considered that the operation of such projects under management was relatively difficult and the founders thereof did not yet have a clear business plan. At the same time, the share repurchase will be affected by factors such as shareholding ratio and the operation of the investment projects under management, making it difficult to realise the share repurchase. Therefore, the valuation of these projects under management was determined by multiplying net assets by shareholding percentage. (“**Method A**”)

- (b) For certain equity investment projects in the financial assets held for trading involved in the appraisal target, of which the operating businesses were undergoing a transition phase and did not have clear business plan, and where the repurchase clauses were not triggered or entered into, the valuation of these projects under management was determined based on the “net assets multiplying shareholding percentage”. (“**Method B**”)
- (c) For certain equity investment projects in the financial assets held for trading involved in the appraisal target, which had good operating conditions and meet the requirements for adopting the market approach through the analysis of relevant financial data and business conditions, the valuation of these projects under management was determined using the market approach. (“**Method C**”)
- (d) For certain equity investment projects in the financial assets held for trading involved in the appraisal target, where there had been recent financing prices, and the latest financing prices were determined to be fair after analysis, the valuation of these projects under management was determined based on the latest financing prices. (“**Method D**”)
- (e) For certain equity investment projects in the financial assets held for trading involved in the appraisal target, of which the operating businesses were stagnant and there were no financial statements being prepared, and where the repurchase clauses were not triggered or entered into, the valuation of these projects under management was determined as zero. (“**Method E**”)

The method selected and reason for selection for each of the 16 investee companies are set out below:

No.	Name of the investee companies	Methodology	Reason for method selection
1.	Guizhou Zhiqu Network Technology Co., Ltd.(貴州指趣網絡科技有限公司)	Method C	After communicating with the fund manager, the above equity investment projects are currently in good operating conditions and meet the requirements for adopting the market approach through the analysis of relevant financial data and business conditions, therefore, the valuation of the above projects under management is determined using the market approach.

No.	Name of the investee companies	Methodology	Reason for method selection
2.	Beijing Anqu Technology Co., Ltd.(北京安趣科技股份有限公司)	Method B	After communicating with the fund manager, due to the impact of the national macro-environment, the operating businesses of the enterprise are undergoing a transition phase and have no clear business expectations. At the same time, no repurchase agreement has been triggered or entered into, therefore, the valuation of the project under management is determined based on the net assets * shareholding percentage.
3.	Beijing Maluntai E-Commerce Co., Ltd. (北京麥輪泰電子商務股份有限公司)	Method E	After interviewing the fund manager, it was noticed that the company is a vertical e-commerce platform primarily engaged in the sales and installation services of tire products. Due to difficulties encountered in monetizing the business model of the automotive aftermarket, as at the Valuation Benchmark Date, there is no business operation and the financial statements have not been prepared. Based on the principle of prudence, the valuation is zero.

No.	Name of the investee companies	Methodology	Reason for method selection
4.	Huai (Beijing) Technology Co., Ltd.(互愛(北京)科技股份有限公司)	Method C	After communicating with the fund manager, the above equity investment projects are currently in good operating conditions and meet the requirements for adopting the market approach through the analysis of relevant financial data and business conditions, therefore, the valuation of the above projects under management is determined using the market approach.
5.	Beijing Yitian Generation Trading Co., Ltd.(北京奕天世代商貿有限公司)	Method C	After communicating with the fund manager, the above equity investment projects are currently in good operating conditions and meet the requirements for adopting the market approach through the analysis of relevant financial data and business conditions, therefore, the valuation of the above projects under management are determined using the market approach.
6.	Hangzhou Chuanxin Network Technology Co., Ltd.(杭州市傳信網絡科技有限公司)	Method B	After communicating with the fund manager, due to the impact of the national macro-environment, the operating businesses of the enterprise are undergoing a transition phase and have no clear business expectations. At the same time, no repurchase agreement has been triggered or entered into, therefore, the valuation of the project under management is determined based on the net assets * shareholding percentage.

No.	Name of the investee companies	Methodology	Reason for method selection
7.	Wuhan Benchu Ziwu Information Technology Co., Ltd.(武漢本初子午信息科技有限公司)	Method C	After communicating with the fund manager, the above equity investment projects are currently in good operating conditions and meet the requirements for adopting the market approach through the analysis of relevant financial data and business conditions, therefore, the valuation of the above projects under management are determined using the market approach.
8.	Donghua Guangpu Big Data Technology Co., Ltd.(東華光普大數據技術有限公司)	Method A	After communicating with the fund manager, due to the impact of the national macro-environment, the operation of such equity project is currently in a relatively difficult condition, the founders are seeking new entrepreneurial directions, and there is no clear business expectations. At the same time, the equity repurchase is difficult to realize due to the small shareholding ratio of the Fund and the operation of the investment projects under management. Therefore, the valuation of the project under management is determined based on the net assets * shareholding percentage.

No.	Name of the investee companies	Methodology	Reason for method selection
9.	Beijing Weiwo World Entertainment Technology Co., Ltd. (北京威沃世界娛樂科技有限公司)	Method B	After communicating with the fund manager, due to the impact of the national macro-environment, the operating businesses of the enterprise are undergoing a transition phase and have no clear business expectations. At the same time, no repurchase agreement has been triggered or entered into, therefore, the valuation of the project under management is determined based on the net assets * shareholding percentage.
10.	Beijing Grandomics Biotechnology Co., Ltd. (北京希望組生物科技有限公司)	Method D	After communicating with the fund manager, as at the Valuation Benchmark Date, the project under investment had completed the C round financing and entered into the Investment Agreement involved in the company. Therefore, the valuation of the project under management is determined on the basis of analyzing the fair value of the latest financing price.

No.	Name of the investee companies	Methodology	Reason for method selection
11.	Beijing Shenxing Technology Co., Ltd. (北京深醒科技有限公司)	Method A	After communicating with the fund manager, due to the impact of the national macro-environment, the operation of such equity project is currently in a relatively difficult condition, the founders are seeking new entrepreneurial directions, and there is no clear business expectations. At the same time, the equity repurchase is difficult to realize due to the small shareholding ratio of the Fund and the operation of the investment projects under management. Therefore, the valuation of the project under management is determined based on the net assets * shareholding percentage.
12.	Beijing Fengqu Internet Information Service Co., Ltd. (北京峰趣互聯網信息服務有限公司)	Method B	After communicating with the fund manager, due to the impact of the national macro-environment, the operating businesses of the enterprise are undergoing a transition phase and have no clear business expectations. At the same time, no repurchase agreement has been triggered or entered into, therefore, the valuation of the project under management is determined based on the net assets * shareholding percentage.

No.	Name of the investee companies	Methodology	Reason for method selection
13.	Suzhou Chengmei Biotechnology Co., Ltd. (蘇州承美生物科技股份有限公司)	Method A	After communicating with the fund manager, due to the impact of the national macro-environment, the operation of such equity project is currently in a relatively difficult condition, the founders are seeking new entrepreneurial directions, and there is no clear business expectations. At the same time, the equity repurchase is difficult to realize due to the small shareholding ratio of the Fund and the operation of the investment projects under management. Therefore, the valuation of the project under management is determined based on the net assets * shareholding percentage.
14.	Hangzhou Daxidi Technology Co., Ltd. (杭州大希地科技股份有限公司)	Method C	After communicating with the fund manager, the above equity investment projects are currently in good operating conditions and meet the requirements for adopting the market approach through the analysis of relevant financial data and business conditions, therefore, the valuation of the above projects under management is determined using the market approach.

No.	Name of the investee companies	Methodology	Reason for method selection
15.	Beijing Keduo Technology Development Co., Ltd. (北京棵朵科技發展有限公司)	Method A	After communicating with the fund manager, due to the impact of the national macro-environment, the operation of such equity project is currently in a relatively difficult condition, the founders are seeking new entrepreneurial directions, and there are no clear business expectations. As at the Valuation Benchmark Date, there is no business operation and the financial statements have not been prepared. At the same time, the equity repurchase is difficult to realize due to the small shareholding ratio of the Fund and the operation of the investment projects under management. Therefore, the valuation of the project under management is determined based on the net assets * shareholding percentage.

No.	Name of the investee companies	Methodology	Reason for method selection
16.	Shenzhen SKT Education Technology Co., Ltd. (深圳市思珂特教育科技有限公司)	Method C	After communicating with the fund manager, the above equity investment projects are currently in good operating conditions and meet the requirements for adopting the market approach through the analysis of relevant financial data and business conditions, therefore, the valuation of the above projects under management is determined using the market approach.

3. Liabilities

Liabilities primarily include other payables. The valuer shall audit and verify the appraised entity's liabilities, and determine the appraised value of its liabilities based on the actual liabilities amount that the appraised entity needs to assume on the Valuation Benchmark Date.

APPRAISED VALUES OF THE TRANSACTION TARGET AND MAIN REASONS FOR REACHING THE CONCLUSION

Based on the principles of independence, fairness and objectivity, and on the premise of operating as a going concern, the valuation results are as follows through necessary asset valuation procedures with asset-based approach:

As of the Valuation Benchmark Date, i.e., June 30, 2023, the book value of total assets of the Fund that are within the scope of the valuation amounted to RMB571.3 million, and such assets' appraised value was RMB257.1 million, representing an increase of RMB-314.2 million and an appreciation rate of -55.0%. The book value of liabilities amounted to RMB10,000, with an appraised value of RMB10,000, representing no appreciation or depreciation. The book value of the shareholders' equity interests amounted to RMB571.3 million, and the total equity value was RMB257.1 million if present operations are maintained, representing an increase of RMB-314.2 million and an appreciation rate of -55.0%. The valuation results of each asset and liability type are as follows:

Item	Book value <i>(RMB'000)</i>	Appraised value <i>(RMB'000)</i>	Increase or decrease	Appreciation rate <i>(%)</i>
Monetary funds	442	442		
Financial assets held for trading	570,865	256,652	(314,213)	(55.0)
Total assets	571,308	257,095	(314,213)	(55.0)
Total liabilities	10	10		
Shareholders' equity interests	571,298	257,085	(314,213)	(55.0)

The reason for depreciation is that the accounting of the book value of financial assets held for trading is based on the historical investment cost or the latest financing valuation of investment projects under management, which fails to fully and promptly reflect the impact of external economic conditions and changes in business operations from the investment date or the latest financing date to the Valuation Benchmark Date, resulting in the valuation depreciation of financial assets held for trading.

The details of the book value, appraised value and reasons for depreciation of the 16 investee companies are set out below:

No.	Name of the investee companies	Book value of investee companies as at the Valuation	Appraised value of investee companies as at the Valuation	Reasons for difference between the book value and appraised value of investee companies
		Benchmark Date <i>(RMB'000)</i> <i>(unaudited)</i>	Benchmark Date <i>(RMB'000)</i> <i>(unaudited)</i>	
1.	Guizhou Zhiqun Network Technology Co., Ltd. (貴州指趣網絡科技有限公司)	18,543	11,222	The book value of the company is recognized based on the 2016 financing price. Due to the relatively long interval between the time point of the previous round of investment and the Valuation Benchmark Date and the impact of the COVID-19 pandemic and the cessation of release of game copyright number during the period, the enterprise's operating condition is on a downward trend. The company is principally engaged in mobile game account trading and operation of game recharge platform. According to financial data of listed companies disclosed by IFind, a rough calculation of the industry's P/S multiple for comparable companies in 2015 is an average of about 58 and a median of about 19. The average P/S multiple on the Valuation Benchmark Date is about 11, with a median of about 8. Based on the analysis above, it is evident that the enterprise's business performance has been declining year by year, and industry profitability and revenue indicators have also shown a downward trend. Therefore, the valuation impairment calculated by the company's comparative method has been adopted.

No.	Name of the investee companies	Book value of investee companies as at the Valuation Benchmark Date <i>(RMB'000)</i> <i>(unaudited)</i>	Appraised value of investee companies as at the Valuation Benchmark Date <i>(RMB'000)</i> <i>(unaudited)</i>	Reasons for difference between the book value and appraised value of investee companies
2.	Beijing Anqu Technology Co., Ltd. (北京安趣科技股份有限公司)	5,600	914	The book value of the company is recognized based on the 2015 financing price. Due to the relatively long interval between the time point of the previous round of investment and the Valuation Benchmark Date, the company is principally engaged in operation and research and development of games, and affected by the national macro-environment, the operation in the historical year is relatively poor and the book value of net asset is relatively low as at the Valuation Benchmark Date, which results in the impairment of the valuation.
3.	Beijing Maluntai E-Commerce Co., Ltd. (北京麥輪泰電子商務股份有限公司)	–	–	After interviewing the fund manager, it was noticed that the company is a vertical e-commerce platform primarily engaged in the provision of services of the sales and installation of tire products. Due to the difficulties encountered in the phase of monetizing the business model of the automotive aftermarket, as at the Valuation Benchmark Date, the company had had no business operation and no financial statements of it had been prepared. The investment cost for the project was RMB10 million and the possibility of recovery of such amount is small. Based on the principle of prudence, the valuation is zero and thus no appreciation and depreciation in the valuation.

No.	Name of the investee companies	Book value of investee companies as at the Valuation Benchmark Date (RMB'000) (unaudited)	Appraised value of investee companies as at the Valuation Benchmark Date (RMB'000) (unaudited)	Reasons for difference between the book value and appraised value of investee companies
4.	Huai (Beijing) Technology Co., Ltd. (互愛(北京)科技股份 有限公司)	10,000	7,231	<p>The book value of the company is recognized based on the 2015 financing price. Due to the relatively long interval between the time point of the previous round of investment and the Valuation Benchmark Date and the impact of the COVID-19 pandemic and the cessation of release of game copyright number during the period, the enterprise's operating condition is on a downward trend. The company is principally engaged in research and development, operation and services of online games. According to financial data of listed companies disclosed by IFind, a rough calculation of the industry's P/S multiple for comparable companies in 2015 is an average of about 58 and a median of about 19. The average P/S multiple on the Valuation Benchmark Date is about 11, with a median of about 8. Based on the analysis above, it is evident that the enterprise's business performance has been declining year by year, and industry profitability and revenue indicators have also shown a downward trend. Therefore, the valuation impairment calculated by the company's comparative method has been adopted.</p>

No.	Name of the investee companies	Book value of investee companies as at the Valuation Benchmark Date <i>(RMB'000)</i> <i>(unaudited)</i>	Appraised value of investee companies as at the Valuation Benchmark Date <i>(RMB'000)</i> <i>(unaudited)</i>	Reasons for difference between the book value and appraised value of investee companies
5.	Beijing Yitian Generation Trading Co., Ltd.(北京奕天世代商貿有限公司)	71,391	15,772	The book value of the company is recognized based on the financing price in May 2021. The revenues and profits of the project in progress have been declining in recent years. The company is primarily engaged in e-commerce sales of perfume and other products. According to P/S ratio (TTM) of e-commerce services industry of 2.51 disclosed by IFind, a rough calculation of the industry's P/S multiple for comparable companies in 2021 is an average of about 4.57 and a median of about 3.56. Based on the analysis above, it is evident that the enterprise's business performance has been declining year by year, and industry profitability and revenue indicators have also shown a downward trend. Therefore, the valuation impairment calculated by the company's comparative method has been adopted.
6.	Hangzhou Chuanxin Network Technology Co., Ltd.(杭州市傳信網絡科技有限公司)	2,000	4	The book value of the company is recognized based on the 2016 financing price. Due to the relatively difficult operation of such equity project, the book value of net asset is relatively low as at the Valuation Benchmark Date, which results in the impairment of the valuation.

No.	Name of the investee companies	Book value of investee companies as at the Valuation Benchmark Date (RMB'000) (unaudited)	Appraised value of investee companies as at the Valuation Benchmark Date (RMB'000) (unaudited)	Reasons for difference between the book value and appraised value of investee companies
7.	Wuhan Benchu Ziwu Information Technology Co., Ltd. (武漢本初子午信息科技有限公司)	254,981	82,715	The book value of the company is recognized based on the financing price in January 2021. The revenues of the project in progress have been declining in recent years, and profits remain in loss-making position despite certain improvement. In the project under investment for pharmaceutical distribution industry, according to financial data of comparable companies in the pharmaceutical distribution industry disclosed by IFind, a rough calculation of the industry's P/S multiple for comparable companies in 2020 is an average of about 1.9 and a median of about 0.36. The average P/S multiple in 2022 is 0.99, with a median of 0.48. Based on the analysis above, it is evident that the enterprise's revenue has been declining year by year, and industry profitability and revenue indicators have also shown a downward trend. Therefore, the valuation impairment calculated by the company's comparative method has been adopted.

No.	Name of the investee companies	Book value of investee companies as at the Valuation Benchmark Date (RMB'000) (unaudited)	Appraised value of investee companies as at the Valuation Benchmark Date (RMB'000) (unaudited)	Reasons for difference between the book value and appraised value of investee companies
8.	Donghua Guangpu Big Data Technology Co., Ltd.(東華光普大數據技術有限公司)	–	723	Currently, the fund manager has provided for losses in full for the project in progress, therefore, the book value is zero. However, the book value of the net assets of the project in progress as at the Valuation Benchmark Date was positive, and there was a certain possibility of recovery of the investment cost. Out of the principle of prudence, the appraised value was determined on the basis of the net assets and the percentage of shareholding as at the Valuation Benchmark Date, which led to an increase in the valuation.
9.	Beijing Weiwo World Entertainment Technology Co., Ltd. (北京威沃世界娛樂科技有限公司)	1,000	251	The book value of the company is recognized based on the 2016 financing price. Due to the relatively difficult operation of such equity project, the book value of net asset is relatively low as at the Valuation Benchmark Date, which results in the impairment of the valuation.

No.	Name of the investee companies	Book value of investee companies as at the Valuation Benchmark Date (RMB'000) (unaudited)	Appraised value of investee companies as at the Valuation Benchmark Date (RMB'000) (unaudited)	Reasons for difference between the book value and appraised value of investee companies
10.	Beijing Grandomics Biotechnology Co., Ltd.(北京希望組生物科技有限公司)	25,946	30,014	The book value of Beijing Grandomics Biotechnology Co., Ltd. was determined based on the pricing of financing in 2016. The main reason for the increase in the valuation was a better operating conditions of the project in progress in recent years and a new round of financing taking place within the past one year immediately prior to the Valuation Benchmark Date. With reference to the conditions for judgement of the fairness of the latest financing price mentioned in the Guidelines for the Valuation of Unlisted Equity Investments of Private Investment Funds (for Trial Implementation), the price of the latest financing was fair as verified. An increase in the appraised price occurred as a result of the higher price of the latest financing as compared to the latest valuation of Beijing Grandomics Biotechnology Co., Ltd..
11.	Beijing Shenxing Technology Co., Ltd. (北京深醒科技有限公司)	-	306	Currently, the fund manager has provided for losses in full for the project in progress, therefore, the book value is zero. However, the book value of the net assets of the project in progress as at the Valuation Benchmark Date was positive, and there was a certain possibility of recovery of the investment cost. Out of the principle of prudence, the appraised value was determined on the basis of the net assets and the percentage of shareholding as at the Valuation Benchmark Date, which led to an increase in the valuation.

No.	Name of the investee companies	Book value of investee companies as at the Valuation Benchmark Date (RMB'000) (unaudited)	Appraised value of investee companies as at the Valuation Benchmark Date (RMB'000) (unaudited)	Reasons for difference between the book value and appraised value of investee companies
12.	Beijing Fengqu Internet Information Service Co., Ltd.(北京峰趣互聯網信息服務有限公司)	1,421	17	The book value of the company is recognized based on the 2017 financing price. Due to the relatively difficult operation of such equity project, the book value of net asset is relatively low as at the Valuation Benchmark Date, which results in the impairment of the valuation.
13.	Suzhou Chengmei Biotechnology Co., Ltd.(蘇州承美生物科技股份有限公司)	-	300	Currently, the fund manager has provided for losses in full for the project in progress, therefore, the book value is zero. However, the book value of the net assets of the project in progress as at the Valuation Benchmark Date was positive, and there was a certain possibility of recovery of the investment cost. Out of the principle of prudence, the appraised value was determined on the basis of the net assets and the percentage of shareholding as at the Valuation Benchmark Date, which led to an increase in the valuation.

No.	Name of the investee companies	Book value of investee companies as at the Valuation Benchmark Date <i>(RMB'000)</i> <i>(unaudited)</i>	Appraised value of investee companies as at the Valuation Benchmark Date <i>(RMB'000)</i> <i>(unaudited)</i>	Reasons for difference between the book value and appraised value of investee companies
14.	Hangzhou Daxidi Technology Co., Ltd. (杭州大希地科技股份 有限公司)	174,984	102,400	The book value of the company is recognized based on the financing price in October 2020. The revenues and profits of the project in progress have been on a positive trend in recent years. The project under investment is mainly involved in the business of prefabricated meat semi-finished products, and PE (TTM) of processed food industry disclosed by IFind is 26.22. Based on the analysis above, it is evident that industry profitability indicators show worse-than-expected performance despite the operation of the enterprise is getting better each year. Therefore, the valuation impairment calculated by the company's comparative method has been adopted.
15.	Beijing Keduo Technology Development Co., Ltd. (北京棵朵科技發展有 限公司)	–	–	Currently, the fund manager has provided for losses in full for the project in progress, therefore, the book value is zero. Considering that as at the Valuation Benchmark Date, the project in progress had had no business operation and no financial statements of it had been prepared, based on the principle of prudence, the valuation was zero, and thus no appreciation and depreciation in the valuation.

No.	Name of the investee companies	Book value of investee companies as at the Valuation Benchmark Date	Appraised value of investee companies as at the Valuation Benchmark Date	Reasons for difference between the book value and appraised value of investee companies
		(RMB'000) (unaudited)	(RMB'000) (unaudited)	
16.	Shenzhen SKT Education Technology Co., Ltd. (深圳市思珂特教育科技有限公司)	5,000	4,783	The book value of the company is recognized based on the 2018 financing price. The company is principally engaged in the business of quality education. The revenues and profits of the project in progress have been relatively stable in recent years. P/S ratio (TTM) of education services (Cheung Kong) disclosed by IFind is 3.65. Based on the analysis above, it is evident that industry revenue indicators show worse-than-expected performance despite the operation of the enterprise is relatively stable. Therefore, the valuation impairment calculated by the company's comparative method has been adopted.

VALIDITY DATE OF VALUATION

The valuation conclusions will remain valid for one year, from the Valuation Benchmark Date (i.e., June 30, 2023) to June 29, 2024. Save for the occurrence of events specified in the report, the valuation conclusions shall remain valid subsequent to the Valuation Benchmark Date and within the validity period when an economic behavior occurs, so long as there is no material change in the environment for corporate development affecting the operating conditions.

IDENTITIES, QUALIFICATIONS AND INDEPENDENCE OF VALUER

Li Fengshan and Pei Mingming, the primary personnel of the valuer involved in this asset valuation project, are deputy director of business department and director of business department of the valuer, respectively, and registered members of China Appraisal Society who possess sufficient qualifications and experience in valuing similar projects in the PRC. Li Fengshan and Pei Mingming confirmed that they are not interested, either presently or expectedly, in the appraisal target contained in this asset valuation report, not interested, either presently or expectedly, in relevant parties concerned, and not biased against relevant parties concerned.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in the shares, underlying shares or debentures of the Company

As at the Latest Practicable Date, the interests and short positions of each of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be and were entered in the register required to be kept by the Company referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") were as follows:

(i) Long positions in the Shares of the Company

Name of Director	Capacity/nature of interest	Number of Shares	Approximate percentage of shareholding
Mr. NI Zhengdong ⁽¹⁾	Interest in controlled corporation	147,120,808	48.04%
Ms. ZHANG Yanyan ⁽²⁾	Interest in controlled corporation	185,913	0.06%
Ms. FU Xinghua ⁽³⁾	Interest in controlled corporation	64,500	0.02%
Mr. KUNG Hung Ka ⁽⁴⁾	Interest in controlled corporation	11,459,169	3.74%

Notes:

- (1) Mr. NI Zhengdong is deemed to be interested in the entire interests held by (i) JQ Brothers Ltd., which is wholly-owned by Mr. NI Zhengdong, and (ii) Hangzhou Sanren Yanxing Capital L.P. (杭州三仁焱興投資合夥企業(有限合夥)) (“**Hangzhou Sanren**”), a limited partnership established in the PRC and the general partner of which is owned as to 40.0% by Mr. Ni. Hangzhou Sanren was interested in 3,055,778 Shares as of the Latest Practicable Date.
- (2) Ms. ZHANG Yanyan is deemed to be interested in the entire Shares held by MRJ Holdings Limited, which is wholly-owned by Ms. ZHANG Yanyan.
- (3) Ms. FU Xinghua is deemed to be interested in the entire Shares held by HCSHanghe Holdings Limited, which is wholly-owned by Ms. FU Xinghua.
- (4) Mr. KUNG Hung Ka is deemed to be interested in the entire Shares held by Wealth Strategy Holding Limited, which is wholly-owned by Mr. KUNG Hung Ka.

(ii) Long positions in the Shares in associated corporations of the Company

Name	Capacity/nature of interest	Name of Associated Corporation	Approximate Percentage of Interest
Mr. NI Zhengdong ⁽¹⁾	Interest in controlled corporation	Zero2IPO Venture Information Consulting Co., Ltd.	100%

Note:

- (1) As of the Latest Practicable Date, Mr. NI Zhengdong owns approximately 54.93% of the equity interests in Zero2IPO Group, which is the registered shareholder of 100% equity interests in Zero2IPO Venture.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares or the underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be and were entered in the register required to be kept by the Company referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, none of the Directors is a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Interests and short positions of the substantial shareholders in the Shares and underlying Shares of our Company

So far as is known to the Directors and chief executive of the Company, as at the Latest Practicable Date, the following persons (other than Directors and chief executives of the Company) had, or were deemed or taken to have an interest or short position in the Shares and underlying Shares of the Company, which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial Shareholders	Capacity/nature of interest	Number of Shares held	Approximate percentage of Shareholding
JQ Brothers Ltd.	Beneficial owner ⁽¹⁾	144,065,030	47.04%

Note:

- (1) These Shares are directly held by JQ Brothers Ltd., which is wholly-owned by Mr. NI Zhengdong.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and chief executives of the Company) who had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares of the Company which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

3. DIRECTORS' INTERESTS**(a) Interests in contract or arrangement**

Save as the contractual arrangements disclosed in the section headed "Contractual Arrangements" in the prospectus of the Company dated December 16, 2020, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

(b) Interests in assets

None of the Directors had any direct or indirect interests in any assets which had been, since December 31, 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

(c) Interests in competing business

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates (as defined in the Listing Rules) had an interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was a controlling shareholder of the Company).

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which is not expiring or determinable by the Company or any of its subsidiaries within one year without payment of compensation (other than statutory compensation).

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since December 31, 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

6. EXPERT'S QUALIFICATION AND CONSENT

The following are the qualifications of the experts who have provided their opinions or advice, which are contained in this circular.

Name	Qualification
Gram Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO
Vocation (Beijing) International Assets Appraisal Co., Ltd	Independent and qualified PRC appraiser

The above experts have given and have not withdrawn their written consents to the issue of this circular with the inclusion herein of their statements and/or references to their names in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above experts were not beneficially interested in the share capital of any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group nor did they have any interest, either direct or indirect, in any assets which had been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since December 31, 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

The letter from Gram Capital is given by Gram Capital as at the date of this circular for incorporation herein.

7. DOCUMENTS ON DISPLAY

The Partnership Interest Transfer Agreements will be available on display on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.zero2ipo.cn) for a period of not less than 14 days from the date of this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



ZERO2IPO HOLDINGS INC.

清科創業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1945)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “EGM”) of Zero2IPO Holdings Inc. (the “Company”) will be held at 10th Floor, Air China Century Building, No.1 Building, No. 40 Xiaoyun Road, Chaoyang District, Beijing, the PRC on Tuesday, February 27, 2024 at 2 p.m. for the following purposes:

ORDINARY RESOLUTION

To consider and, if thought fit, pass with or without amendments, the following resolution, each being inter-conditional with each other, as an ordinary resolution of the Company:

1. “**THAT**

- (a) the execution of the Partnership Interest Transfer Agreements (as defined and described in the circular dated January 26, 2024 (the “Circular”)) be and are hereby confirmed, ratified and approved and the transactions contemplated thereunder be and are hereby approved; and
- (b) any one of the directors of the Company be and is hereby authorized to do all such acts as he/she may consider necessary, desirable or expedient for the purpose of giving effect to, or in connection with the implementation and completion of the Partnership Interest Transfer Agreements and the transactions contemplated thereunder.”

By order of the Board
Zero2IPO Holdings Inc.
NI Zhengdong

Chairman and Chief Executive Officer

Beijing, the PRC, January 26, 2024

Registered office:
PO Box 309, Uglan House
Grand Cayman, KY1-1104
Cayman Islands

Principal place of business in Hong Kong:
40th Floor, Dah Sing Financial Centre
No. 248 Queen’s Road East
Wanchai, Hong Kong

* *For identification purpose only*

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (i) Any shareholder entitled to attend and vote at the EGM is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
- (ii) In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, shall be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person if he is subsequently able to be present.
- (iii) A form of proxy must be signed by you or your attorney duly authorized in writing or, in the case of a corporation, must be either executed under seal or under the hand of an officer or attorney duly authorized to sign the same.
- (iv) In the case of joint holders of any shares, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.
- (v) On a poll, every shareholder present at the EGM shall be entitled to one vote for every fully paid-up share of which he is the holder. The result of such poll shall be deemed to be the resolution of the EGM at which the poll was so required or demanded.
- (vi) For determining the entitlement to attend and vote at the EGM, the transfer books and register of members of the Company will be closed from Thursday, February 22, 2024 to Tuesday, February 27, 2024, both days inclusive, during which period no share transfers can be registered. In order to qualify for attending and voting at the EGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, February 21, 2024.

As at the date of this notice, 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.