

TiantuCapital  天图投资

—— 专注消费品投资 1973.HK ——

深圳市天圖投資管理股份有限公司
TIAN TU CAPITAL CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 1973

INTERIM
REPORT 2024



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

Mr. Li Lan
Mr. Dai Yongbo

Independent Non-executive Directors

Mr. Wang Shilin (*appointed on May 23, 2024*)
Mr. Diao Yang
Mr. Tsai Lieh
Mr. Lau Pingchun (*resigned on May 23, 2024*)

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

Mr. Wang Shilin (*Chairman*) (*appointed on May 23, 2024*)
Mr. Lau Pingchun (*Chairman*) (*resigned on May 23, 2024*)
Mr. Wang Yonghua
Mr. Diao Yang

NOMINATION COMMITTEE

Mr. Wang Yonghua (*Chairman*)
Mr. Wang Shilin (*appointed on May 23, 2024*)
Mr. Tsai Lieh
Mr. Lau Pingchun (*resigned on May 23, 2024*)

JOINT COMPANY SECRETARIES

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

AUTHORIZED REPRESENTATIVES

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

REGISTERED OFFICE

Unit 05, 43/F
Shenzhen Metro Real Estate Building
Shennan Avenue
Tian'an Community, Shatou Street
Futian District, Shenzhen
PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

23/F-2/3, Building B, Intelligence Plaza
4068 Qiaoxiang Road
Nanshan District, Shenzhen
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place
348 Kwun Tong Road
Kowloon
Hong Kong

H SHARE REGISTRAR

Tricor Investor Services Limited

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

HONG KONG LEGAL ADVISER

O'Melveny & Myers

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

AUDITOR

Deloitte Touche Tohmatsu

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

COMPLIANCE ADVISER

Opus Capital Limited

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

PRINCIPAL BANKS

China CITIC Bank Corporation Limited Shenzhen Houhai Sub-branch

1/F., China Southern Railway H.O Building
No. 3333 Houhai Central Road
Nanshan District
Shenzhen
PRC

Industrial Bank Co., Ltd. Shenzhen Xixiang Sub-branch

1/F, Sentosa Junyuan
Xinhu Road
Bao'an District
Shenzhen
PRC

STOCK CODE

1973

COMPANY'S WEBSITE

www.tiantucapital.com

LISTING DATE

October 6, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Company is a leading private equity investor and fund manager specializing in the consumer sector in China. We manage capital for institutional investors and high-net-worth individuals, and make investments through our funds under management and directly using our own capital.

As of June 30, 2024, our total AUM amounted to RMB21.1 billion, with our funds contributing approximately RMB16.2 billion and direct investments contributing approximately RMB4.9 billion. As of June 30, 2024, there were 13 RMB-denominated funds and three USD-denominated funds under our management. Our fund investors primarily consist of institutional investors, including renowned multinational corporations and financial institutions, government-guiding funds, and high-net-worth individuals. As of June 30, 2024, the capital contributed by our external fund investors represented 81.3% of the total committed capital of our managed funds, while we contributed the remaining 18.7% with our own capital in the capacity as a general partner or as a limited partner. In the first half of 2024, we received additional paid-in capital of approximately RMB43.2 million. As of June 30, 2024, the average internal rate of return of our funds was 8.1%.

The following table sets forth the key operating data of our funds as of June 30, 2024 :

	Number of Funds	AUM ⁽¹⁾ RMB billion	Committed capital ⁽²⁾ RMB billion	Contribution of our own capital to total committed capital ⁽³⁾ RMB billion	Paid-in capital RMB billion	Contribution of our own capital to total paid-in capital RMB billion	Initial investment year
Consolidated Funds	8	9.4	10.4	2.1	9.1	1.8	—
— RMB-denominated funds	6	6.8	8.0	1.3	6.8	1.0	2015–2021
— USD-denominated funds	2	2.6	2.4	0.9	2.3	0.8	2018–2020
Unconsolidated Funds	8	6.9	4.4	0.7	4.2	0.6	—
— RMB-denominated funds	7	5.9	3.5	0.6	3.4	0.6	2017–2024
— USD-denominated funds	1	1.0	0.8	0.1	0.8	0.1	2014
Overall	16	16.2	14.8	2.8	13.3	2.4	—

Notes:

- (1) Represents the assets managed under our funds, including the net asset value of assets managed by the fund manager or general partner, which is in fair value, and the capital that the fund's limited partners committed and the fund manager or general partner is entitled to call. The assets managed under our funds do not include the capital distributed to fund investors.
- (2) Represents the total committed capital managed under our funds in terms of cost.
- (3) Represents contribution of our own capital to the total committed capital of our managed funds in terms of cost.

The following table sets forth a summary of the portfolio companies managed by our funds, including consolidated and unconsolidated funds but excluding the funds that have made investments for less than one year, sorted by fair value change since our investments as of June 30, 2024:

Our portfolio	Investment cost RMB million	Fair value change⁽¹⁾ RMB million	MOM⁽²⁾
Top 5% of all selected portfolio companies average ⁽³⁾	91.1	655.6	8.2
Top 10% of all selected portfolio companies average ⁽³⁾	92.8	392.9	5.2
Top 20% of all selected portfolio companies average ⁽³⁾	95.7	233.9	3.4
All selected portfolio companies average ⁽³⁾	70.5	27.5	1.4

Notes:

- (1) Represents the difference between fair value and investment cost.
- (2) MOM is calculated as average fair value divided by average remaining investment cost, which does not take into account realized portion of investments.
- (3) Represents a simple average for a selected group of portfolio companies, subject to rounding adjustments.

As at June 30, 2024, we held equity interests in 187 existing portfolio companies through our funds or direct investments. As of the same date, our investments in 73 portfolio companies had been fully or partially exited. In the first half of 2024, we made minority investments in seven early-stage private companies with a total capital of RMB105.0 million. Those investments span a wide range of vertical markets including beauty and wellbeing, food and beverage, ESG-driven technology as well as biotechnology, evidencing our unwavering commitment to China's consumer companies and brands.

In addition to the selective deal sourcing and investment activities, we continue to review and monitor our existing investments, and foster our portfolio companies' growth by deploying our top-tier resources, providing continued financing support and adding value. Concurrently, we have been actively seeking exit opportunities in selected projects to deliver investment return to our investors. In the first half of 2024, our funds under management and direct investments realized investment returns of approximately RMB1,077.5 million, primarily through IPO exits, equity transfer, share repurchase and dividend payout.

OUTLOOK FOR THE SECOND HALF OF 2024

While the market has been expecting a catalyst in the wake of interest rate cuts in the second half of 2024, the operating environment for the private equity investments in China remains challenging in the face of policy uncertainties and geopolitical tensions. Concerns over the economic prospects and the associated impact on consumer sentiment continue to weigh on the business growth and financial performance of consumer companies, particularly in the discretionary consumer sector, among which includes our portfolios.

In view of challenges from both capital markets and corporate fundamentals, we are committed to navigating industry downturns by exploring different kinds of financial instruments, structures and approaches, such as convertible debts and mezzanine capital, that are less dependent on IPOs as the primary monetization option to enhance our operational agility and improve returns. We have also been seeking strategic partnership opportunities with corporate venture capital in response to the surge in industry integrations and M&A activities in the consumer sector. In addition to our long-standing commitment in incubating Chinese consumer companies and brands, we have been expanding our horizon into other selected areas of investments that are directly related to the evolving lifestyles, including but not limited to biotechnology and next-generation information technology.

The Company's primary goal in the near term is to continue growing its business by driving operational excellence, generating cash flows and maintaining robust risk management and governance. Looking ahead to the second half of 2024, we will closely monitor the market conditions and take a prudent approach in business operations and capital management. Despite the macro backdrop, our confidence in the Company's resilience and prospects remains steadfast.

FINANCIAL REVIEW

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the six months ended June 30,	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue	21,479	23,366
Investment gains or losses, net	(619,607)	(226,291)
Total revenue and investment gains or losses, net	(598,128)	(202,925)
Other income	8,237	11,226
Other gains and losses	(634)	3,967
Staff costs	(27,262)	(27,500)
Depreciation expenses	(6,098)	(6,466)
Other operating expenses	(28,774)	(14,605)
Finance costs	(34,157)	(34,650)
Impairment recognized under expected credit loss model, net of reversal	1	(28,274)
Share of results of associates	(31,447)	(12,970)
Share of results of joint ventures	(121,743)	111,818
Loss before tax	(840,005)	(200,379)
Income tax credit	97,788	10,740
Loss for the period	(742,217)	(189,639)

Condensed Consolidated Statements of Financial Position

	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
NON-CURRENT ASSETS		
Property, plant and equipment	2,611	3,221
Right-of-use assets	17,588	18,139
Goodwill	56	56
Deferred tax assets	22,544	14,379
Interests in associates measured using equity method	581,790	529,237
Interests in associates measured at fair value	7,920,453	8,853,019
Interests in joint ventures	704,186	825,969
Financial assets at fair value through profit or loss ("FVTPL")	3,606,946	4,230,208
Other long-term receivables	380,208	359,178
Other non-current assets	2,086	2,717
	<u>13,238,468</u>	<u>14,836,123</u>
CURRENT ASSETS		
Accounts receivables	137	29,148
Prepayments and other receivables	138,430	124,481
Financial assets at FVTPL	368,196	616,959
Cash and cash equivalent	1,023,471	1,117,230
	<u>1,530,234</u>	<u>1,887,818</u>
CURRENT LIABILITIES		
Other payables and accruals	52,137	41,310
Contract liabilities	33,900	42,539
Advances from share transfer transaction	—	176,730
Tax payable	29,743	19,125
Bank borrowings	—	70,000
Bond payables due within one year	513,972	218,950
Lease liabilities	11,066	8,733
	<u>640,818</u>	<u>577,387</u>
NET CURRENT ASSETS	<u>889,416</u>	<u>1,310,431</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>14,127,884</u>	<u>16,146,554</u>

	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
NON-CURRENT LIABILITIES		
Deferred tax liabilities	18,464	119,087
Bond payables due over one year	493,593	786,977
Financial liabilities at FVTPL	7,011,363	7,903,134
Lease liabilities	8,561	11,516
	<u>7,531,981</u>	<u>8,820,714</u>
NET ASSETS	<u><u>6,595,903</u></u>	<u><u>7,325,840</u></u>
CAPITAL AND RESERVES		
Share capital	693,031	693,031
Reserves	5,880,435	6,608,747
	<u>6,573,466</u>	<u>7,301,778</u>
Equity attributable to owners of the Company	6,573,466	7,301,778
Non-controlling interests	22,437	24,062
	<u>6,595,903</u>	<u>7,325,840</u>
TOTAL EQUITY	<u><u>6,595,903</u></u>	<u><u>7,325,840</u></u>

REVENUE

We generate revenue from our private equity investment business in the form of fund management fees and carried interest charged to the funds under our management. Fund management fees are charged periodically from our funds based on a predetermined fixed percentage, generally 2% of (i) committed capital during the investment period; and (ii) committed or paid-in capital minus the cost of exited investments after the investment period. Cost of exited investments refers to the initial investment amount of projects that we have already exited. Carried interest is charged as a percentage, generally 20%, of the realized gain when the gain exceeds certain hurdle rates achieved by the funds under our management upon the exit of investments. Carried interest will become payable to us and are recognized as revenue when distribution by a fund to its limited partners exceeds all their paid-in capital plus certain hurdle return rates.

Our revenue remained relatively stable, slightly decreased from RMB23.4 million for the six months ended June 30, 2023 to RMB21.5 million for the six months ended June 30, 2024.

INVESTMENT GAINS OR LOSSES, NET

Our net investment gains or losses consist of (i) dividends and interests from financial assets at FVTPL and interests in associates measured at fair value, representing the dividends and interests received from our portfolio companies; (ii) realized gains or losses from financial assets at FVTPL and interests in associates measured at fair value, primarily representing investment gains or losses from our investments upon exit; (iii) unrealized losses from financial assets at FVTPL and interests in associates measured at fair value, representing the appreciation or depreciation of our interests in portfolio companies that are not yet realized; and (iv) unrealized gains from financial liabilities at FVTPL, representing the share of the fair value gain arising from our consolidated structure entities to other limited partners according to their respective interests in such entities.

Our net investment gains or losses changed from a loss of RMB226.3 million for the six months ended June 30, 2023 to a loss of RMB619.6 million for the six months ended June 30, 2024. The increase of loss was primarily attributable to unrealized changes in fair value of financial assets.

TOTAL REVENUE AND INVESTMENT GAINS OR LOSSES, NET

Based on the reasons aforesaid, our total revenue and net investment gains or losses changed from a loss of RMB202.9 million for the six months ended June 30, 2023 to a loss of RMB598.1 million for the six months ended June 30, 2024.

DEPRECIATION EXPENSES

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

Our depreciation expenses remained relatively stable, slightly decreased from RMB6.5 million for the six months ended June 30, 2023 to RMB6.1 million for the six months ended June 30, 2024.

OTHER OPERATING EXPENSES

Our other operating expenses primarily consist of (i) third-party contracting expenses, representing financial advisory expenses and audit and capital verification fees we paid in the ordinary course of our business; and (ii) office and travel expenses.

Our other operating expenses increased from RMB14.6 million for the six months ended June 30, 2023 to RMB28.8 million for the six months ended June 30, 2024. The increase was primarily attributable to an increase in third-party contracting expenses as more investment management-related advisory expenses were incurred for the six months ended June 30, 2024.

FINANCE COSTS

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

Our finance costs remained relatively stable, slightly decreased from RMB34.7 million for the six months ended June 30, 2023 to RMB34.2 million for the six months ended June 30, 2024. The decrease was primarily attributable to the repayment of bank borrowings of RMB70.0 million.

OTHER INCOME

Our other income primarily consists of (i) interest income, mainly reflecting the interest we received from our funds in escrow accounts at banks; (ii) advisory services income, representing the fees received in relation to the consulting services and market updates provided to the investors; and (iii) government grants, representing subsidies received from the local governments mainly for the purpose of encouraging domestic business development or providing financial support to our business operations.

Our other income decreased from RMB11.2 million for the six months ended June 30, 2023 to RMB8.2 million for the six months ended June 30, 2024. The decrease was primarily attributable to a decrease of RMB6.0 million in government grants from local governments; partially offset by an increase of RMB2.8 million in interest income.

SHARE OF RESULTS OF ASSOCIATE AND JOINT VENTURES

Our share of results of associates and joint ventures changed from gains of RMB98.8 million for the six months ended June 30, 2023 to losses of RMB153.2 million for the six months ended June 30, 2024, primarily reflecting the increased investment loss from our unconsolidated funds under our management, mainly Tiantu Dongfeng, which was in line with the financial performance of those funds.

INCOME TAX CREDIT

We recorded income tax credit of RMB10.7 million for the six months ended June 30, 2023 and income tax credit of RMB97.8 million for the six months ended June 30, 2024. The change was primarily attributable to reduced deferred tax liabilities caused by the decrease in the fair value of our financial assets in the Reporting Period.

LOSS FOR THE PERIOD

Based on the reasons aforesaid, our loss for the six months ended June 30, 2023 was approximately RMB189.6 million, compared to the loss of RMB742.2 million for the six months ended June 30, 2024.

INTERESTS IN ASSOCIATES AND JOINT VENTURES

Our interests in associates and joint ventures measured using equity method represent our equity interests in the unconsolidated investment entities over which we have significant influence or joint control, mostly unconsolidated funds under our management. Our interests in associates measured at fair value represent our equity interests in the portfolio companies held by consolidated investment entities over which we have significant influence or to which we appoint directors.

Interests in Associates Measured Using Equity Method

We recorded interests in associates measured using equity method of RMB529.2 million as of December 31, 2023 and RMB581.8 million as of June 30, 2024. The increase was primarily due to the incorporation of new associates.

Interests in Joint Ventures Measured Using Equity Method

We recorded interests in joint ventures of RMB826.0 million as of December 31, 2023 and RMB704.2 million as of June 30, 2024. The decrease were mainly caused by the decrease in the share of results of Tiantu Dongfeng, which was an unconsolidated fund classified as our joint venture.

Interests in Associates Measured at Fair Value

We recorded interests in associates measured at fair value of RMB8,853.0 million as of December 31, 2023 and RMB7,920.5 million as of June 30, 2024. The decrease was primarily due to (i) our partial exits from specific investments and (ii) the value depreciation of our interests in certain portfolio companies as of June 30, 2024.

FINANCIAL ASSETS AT FVTPL

Our financial assets at FVTPL primarily represent the investment by our funds in various methods, such as equity investments, convertible bonds and debt instrument investments.

Our current financial assets at FVTPL decreased from RMB617.0 million as of December 31, 2023 to RMB368.2 million as of June 30, 2024, mainly attributable to a decline in fair value of certain listed portfolio companies and our exits from certain investments.

Our non-current financial assets at FVTPL decreased from RMB4,230.2 million as of December 31, 2023 to RMB3,606.9 million as of June 30, 2024, primarily due to a decline in fair value of certain portfolio companies and our exits from certain investments.

ACCOUNTS RECEIVABLES

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

Our accounts receivables decreased from RMB29.1 million as of December 31, 2023 to RMB0.1 million as of June 30, 2024, primarily due to the subsequent settlement of the management fee of Tiantu China Consumer Fund I, L.P.

PREPAYMENTS AND OTHER RECEIVABLES

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

Our current prepayments and other receivables increased from RMB124.5 million as of December 31, 2023 to RMB138.4 million as of June 30, 2024, primarily because we record dividend receivables of RMB6.6 million as of June 30, 2024.

Our non-current prepayments and other receivables mainly represent deposit for the acquisition of equity interest in the unlisted investment, increased from RMB359.2 million as of December 31, 2023 to RMB380.2 million as of June 30, 2024. The amount will transfer to Financial assets at FVTPL after the transaction fulfilled the established conditions.

LIQUIDITY AND FINANCIAL RESOURCES

During the Reporting Period, we have sufficient working capital to meet our requirement for business operation. Our cash and cash equivalents decreased from RMB1,117.2 million as of December 31, 2023 to RMB1,023.5 million as of June 30, 2024. The decrease was primarily attributable to the repayments of bank borrowings of RMB70.0 million.

DEFERRED TAX LIABILITIES

Our Deferred tax liabilities decreased from RMB119.1 million as of December 31, 2023 to RMB18.5 million as of June 30, 2024. The decrease was attributable to a decline in fair value of the portfolio companies.

INDEBTEDNESS

Our indebtedness mainly included amounts due to bond payables, bank borrowings, advances from share transfer transaction — non-trade and lease liabilities. Our indebtedness decreased from RMB1,272.9 million as of December 31, 2023 to RMB1,027.2 million as of June 30, 2024. The decrease was primarily attributable to the settlement of advances from share transfer transaction of RMB176.7 million and repayment of bank borrowings of RMB70.0 million.

Bank and Other Borrowings

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

Our bank borrowings decreased from RMB70.0 million as of December 31, 2023 to RMB0.0 as of June 30, 2024. The decrease was attributable to the repayment of bank borrowings of RMB70.0 million.

Bond Payables Due Within/Over One Year

Our bond payables due within or over one year represented the 2022 First Corporate Bonds (22Tiantu01 and 22Tiantu02) and the 2022 Second Corporate Bonds (22Tiantu03) issued by us, which were approved by the China Securities Regulatory Commission for the issue to qualified investors in the PRC by installment in 2022.

As of December 31, 2023 and June 30, 2024, we had bond payables of RMB1,005.9 million, and RMB1,007.6 million, respectively.

22Tiantu02 (principal RMB300.0 million) was issued in May 2022. The bondholders are granted with right to request the Company to redeem the outstanding bond in the end of third anniversary year after the date of issue.

22Tiantu01 (principal RMB200.0 million) was issued in May 2022 and will mature in the end of third anniversary year after the date of issue.

Advances from share transfer transaction — non-trade

Our advances from share transfer transaction mainly represent the consideration for equity transfers received from share transfer transactions. Our advances from share transfer transaction decreased from RMB176.7 million as of December 31, 2023 to RMB0.0 million as of June 30, 2024, as the transaction was settled.

Lease liabilities

Our lease liabilities decreased from RMB20.2 million as of December 31, 2023 to RMB19.6 million as of June 30, 2024.

GEARING RATIO

The gearing ratio is total liabilities divided by total asset at the end of year and multiplied by 100%. As of June 30, 2024, the gearing ratio of the Group was 55.34% (as of December 31, 2023: 56.20%).

PLEDGE OF ASSETS

As of June 30, 2024, the Group's issued bond payables had been secured by the pledge of interests in associates measured at fair value, the carrying amount of which was RMB1,839.1 million.

CONTINGENT LIABILITIES

As at June 30, 2024, the Group did not have any material contingent liabilities.

FOREIGN EXCHANGE EXPOSURE

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

FINANCIAL INSTRUMENTS

As at June 30, 2024, the Group did not enter into foreign forward contracts. As at June 30, 2024, the Group did not have any other outstanding hedge contracts or financial derivative instruments.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group has no material acquisitions or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

SIGNIFICANT INVESTMENT

Given the nature of the Group's business, the Group regularly invests into consumer-focused portfolio companies and joint ventures based on the Group's assessment of the businesses and prospect of such portfolio companies. As at June 30, 2024, our financial assets primarily consist of equity interest in portfolio companies owned by our Group through funds under management and/or direct investments.

As of June 30, 2024, significant investments of the Company are set forth below:

Entity A

The Group acquired an equity interest of Entity A, a finance company, for approximately RMB1,564.4 million. As of June 30, 2024, the Group held approximately 40% equity interests of Entity A with a fair value of approximately RMB1,101.3 million (representing approximately 7.5% of the Group's total assets). During the Reporting Period, the Group recorded an unrealized loss on fair value changes of approximately RMB37.8 million and a realized loss of approximately RMB206.2 million from the investment of Entity A.

Entity B

The Group acquired an equity interest of Entity B, a social media company, for approximately RMB327.2 million. As of June 30, 2024, the Group held less than 5% equity interests of Entity B, with a fair value of approximately RMB1,005.3 million (representing approximately 6.8% of the Group's total assets). During the Reporting Period, the Group recorded an unrealized loss on fair value changes of approximately RMB95.1 million and a realized profit of approximately RMB70.4 million from the investment of Entity B.

Entity C

The Group acquired an equity interest of Entity C, a technology company, for approximately RMB90.4 million. As of June 30, 2024, the Group held approximately 40% equity interests of Entity C, with a fair value of approximately 844.4 million (representing approximately 5.7% of the Group's total assets). During the Reporting Period, the Group recorded an unrealized loss on fair value changes of approximately RMB44.4 million in interest in Entity C. The Group did not record realized profit or loss from the investment of Entity C during the Reporting Period.

Significant investments are reviewed and monitored on a regular basis, covering various aspects of the investee companies such as industry risks, corporate strategy, changes in business model, operational and financial conditions, and liquidity risks. Meanwhile, we seek to add value to the companies we invest in by offering value-added support following our investments. Our value-added support includes, but is not limited to, leveraging our sector expertise to provide value-enhancing insights, consultation and guidance on the corporate management, corporate strategy, M&A, refinancing and resource integration. We may consider to exit in a timely manner through IPO, equity transfer or buyback to achieve optimal returns.

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Prospectus and subsequent announcements of the Company, the Group currently does not have other plans for material investments or capital assets investments.

EMPLOYEES REMUNERATION AND RELATIONS

As of June 30, 2024, the Group had a total of 85 employees. The total remuneration cost for the six months ended June 30, 2024 was RMB27.3 million, as compared to RMB27.5 million for the six months ended June 30, 2023, which remained relatively stable.

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

On June 28, 2024, the Shareholders approved the adoption of the 2024 H Share Incentive Scheme to recognize and acknowledge contributions to the Group, motivate participants and attract suitable talents to the Group. Please refer to the announcements of the Company dated June 13, 2024 and June 28, 2024 as well as the circular of the Company dated June 13, 2024 for further details of the 2024 H Share Incentive Scheme.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As of June 30, 2024, the interests and short positions of the Directors, Supervisors and chief executive of our Company in any of the Shares, underlying Shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO), which have been notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of SFO (including any interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

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

Notes:

- 1a. According to the announcement of Company dated May 28, 2024, Mr. Wang entered into a share charge agreement with China Securities Credit Financing Guarantee Co., Ltd. (“China SFG”) on the date (the “Share Charge Agreement”), charging 1,838,887 Unlisted Shares, in favour of China SFG as security in favor of China SFG’s guarantee obligations in relation to the 2022 Second Corporate Bonds.
- 1b. Mr. Wang is the sole executive partner of Shenzhen Tiantu Xingzhi Investment Enterprise (Limited Partnership) (深圳天圖興智投資企業(有限合夥), “Tiantu Xingzhi”) and Shenzhen Tiantu Xinghe Investment Enterprise (Limited Partnership) (深圳天圖興和投資企業(有限合夥), “Tiantu Xinghe”), each of which held 8,750,000 Unlisted Shares in our Company, respectively. As such, Mr. Wang is deemed to be interested in the Shares held by Tiantu Xingzhi and Tiantu Xinghe in our Company under the SFO. Tiantu Chuangye Investment Co., Ltd. (深圳市天圖創業投資有限公司, “Tiantu Chuangye”) holds 680,485 Unlisted Shares in our Company. Mr. Wang, and his spouse Ms. Li Wen (李文), holds 1% and 99% equity interests of Tiantu Chuangye respectively.
2. Mr. Li Anxin (李安新) is the spouse of Ms. Zou. Mr. Li Anxin held 264,000 Unlisted Shares. Under the SFO, Ms. Zou is deemed to be interested in the 264,000 Unlisted Shares held by Mr. Li Anxin.
3. Ms. Hu Wenhua (胡文華) is the spouse of Mr. Li. Ms. Hu Wenhua held 14,400 Unlisted Shares. Under the SFO, Mr. Li is deemed to be interested in the 14,400 Unlisted Shares held by Ms. Hu Wenhua.

Save as disclosed above, as at June 30, 2024, none of the Directors, Supervisors and chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As of June 30, 2024, so far as the Directors are aware, the following persons (other than the Directors, Supervisors or chief executive of the Company) had or were deemed or taken to have interests and/or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares or underlying Shares of the Company

Name	Capacity/Nature of Interest	Number and class of Shares held	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in the total share capital of the Company
Tiantu Xingzhi ¹	Beneficial owner	8,750,000 Unlisted Shares	1.68%	1.26%
	Interest held jointly with other person	227,248,220 Unlisted Shares	43.72%	32.79%
Tiantu Xinghe ¹	Beneficial owner	8,750,000 Unlisted Shares	1.68%	1.26%
	Interest held jointly with other person	227,248,220 Unlisted Shares	43.72%	32.79%
Shenzhen Paladin No. 9 Capital Management Partnership (Limited Partnership) (深圳市帕拉丁九號資本管理合夥企業(有限合夥), "Paladin") ²	Beneficial owner	78,264,498 Unlisted Shares	15.06%	11.29%
Foshan Shunde District Rongyue Enterprise Management Co., Ltd. (佛山市順德區榮躍企業管理有限公司) ("Shunde Rongyue") ²	Interest in controlled corporations	78,264,498 Unlisted shares	15.06%	11.29%
Guangzhou Yingrui Capital Management Co., Ltd. (廣州市盈睿資本管理有限公司) ("Yingrui Capital") ²	Interest in controlled corporations	78,264,498 Unlisted shares	15.06%	11.29%
Li Yiming ²	Interest in controlled corporations	78,264,498 Unlisted shares	15.06%	11.29%
Shenzhen Futian Guiding Fund Investment Co., Ltd. (深圳市福田引導基金投資有限公司)	Beneficial owner	37,260,000 H Shares	21.51%	5.38%
Great Wall Fund Management Co., Ltd. (長城基金管理有限公司)	Trustee	37,260,000 H Shares	21.51%	5.38%
Qingdao Economic Technology Development Zone Financial Investment Group Co., Ltd. (青島經濟技術開發區金融投資集團有限公司) ³	Beneficial owner	15,000,000 H Shares	8.66%	2.16%
Qingdao Economic Technology Development Zone Investment Holding Group Co., Ltd. (青島經濟技術開發區投資控股集團有限公司) ³	Interest in controlled corporations	15,000,000 H shares	8.66%	2.16%

Name	Capacity/Nature of Interest	Number and class of Shares held	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in the total share capital of the Company
Sunshine Life Insurance Co., Ltd. (陽光人壽保險股份有限公司) ⁴	Beneficial owner	12,050,000 H Shares	6.95%	1.74%
ATRenew Inc.	Beneficial owner	12,020,800 H Shares	6.94%	1.73%
Liberty Yard Limited ⁵	Beneficial owner	11,528,000 H Shares	6.65%	1.66%
Wen Liyuan ⁵	Interest in controlled corporations	11,528,000 H shares	6.65%	1.66%
Marvel Horizon Limited ⁶	Beneficial owner	10,710,000 H Shares	6.18%	1.55%
Cao Minghui ⁶	Interest in controlled corporations	10,710,000 H shares	6.18%	1.55%

Notes:

- Each of Tiantu Xingzhi and Tiantu Xinghe is a limited partnership established in the PRC. Each of Tiantu Xingzhi and Tiantu Xinghe is an employee shareholding platform and held 8,750,000 Unlisted Shares in our Company, respectively. Mr. Wang is the sole executive partner of each of Tiantu Xingzhi and Tiantu Xinghe. As such, Mr. Wang is deemed to be interested in the equity interest held by Tiantu Xingzhi and Tiantu Xinghe in our Company under the SFO.
- Paladin is a limited partnership established in the PRC and it is managed by its executive partner, Yingrui Capital. Paladin was held as to approximately 0.245% by Yingrui Capital, as to approximately 69.9% by Shunde Rongyue as a limited partner and as to approximately 29.855% by certain other limited partners. Yingrui Capital was owned as to 70% by Mr. Li Yiming (黎溢銘). As such, Yingrui Capital and Mr. Li Yiming are deemed to be interested in the equity interest held by Paladin in our Company under the SFO.
- Qingdao Economic Technology Development Zone Financial Investment Group Co., Ltd. (青島經濟技術開發區金融投資集團有限公司) is wholly-owned by Qingdao Economic Technology Development Zone Investment Holding Group Co., Ltd. (青島經濟技術開發區投資控股集團有限公司).
- 99.99% of the equity interest in Sunshine Life Insurance Co., Ltd. (陽光人壽保險股份有限公司) is controlled by Sunshine Insurance Group Company Limited (陽光保險集團股份有限公司), a company listed on the Main Board of the Stock Exchange with the stock code 6963.
- Liberty Yard Limited is wholly-owned by Wen Liyuan (文利元).
- Marvel Horizon Limited is wholly-owned by Cao Minghui (曹明慧).

Save as disclosed above, as at June 30, 2024, no person (other than the Directors, Supervisor and chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified the Company or the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE SCHEMES

Saved as the 2024 H Share Incentive Scheme disclosed below, neither the Company nor its subsidiaries had implemented any share scheme during the Reporting Period.

SHARE INCENTIVE SCHEME

The 2024 H Share Incentive Scheme

The Shareholders have adopted the 2024 H Share Incentive Scheme by a special resolution on June 28, 2024. The following is a summary of the principal terms of the 2024 H Share Incentive Scheme. Please refer to the Company's announcements and the circular dated June 13, 2024 for further information.

(a) Purpose of the Share Incentive Scheme

The purposes of the 2024 H Share Incentive Scheme are to (1) to recognize and acknowledge the contributions which the Eligible Participants have made or may make to the Group; (2) to provide the Eligible Participants with incentives in order to motivate and retain them for the ongoing operation and development of the Group; and (3) to attract suitable personnel for further development of the Group.

(b) Participants

The Eligible Participants of the Scheme include any employee of the Company and any of its Subsidiaries (including persons who are granted Awards under the Scheme as an inducement to enter into employment contracts with the respective company of the Group as well as connected person of the Group).

(c) Awards

Subject to and in accordance with the scheme rules of the 2024 H Share Incentive Scheme, the Listing Rules, the Articles, the PRC Company Law and any other applicable laws, the Board or its authorized delegates shall be entitled, at any time on any business day during the period of the 2024 H Share Incentive Scheme (after considering recommendations and proposals from the remuneration committee of the Company in accordance with its terms of reference), to grant an award out of the pool of available H Shares to any eligible participant qualifying under the 2024 H Share Incentive Scheme. Grant of an award shall be made to eligible participant by an award letter specifying particulars of the grantee, the number of awarded shares, vesting schedule and conditions, procedures for acceptance of the awards and other particulars of the grant.

(d) Term

Unless otherwise terminated by the Board, the 2024 H Share Incentive Scheme shall be valid and effective for a period of ten (10) years commencing from June 28, 2024, after which period no further Awards may be granted, but the scheme rules shall remain in full force and effect in all other respects to the extent necessary to give effect to any awards made during the term. The remaining life of the scheme is approximately 9.5 years.

(e) Vesting

Subject to the satisfaction of the vesting conditions applicable to the vesting of awarded Shares to relevant grantee, the awarded Shares held by the Trustee on behalf of relevant grantee(s) pursuant to the provision hereof shall vest in such grantee in accordance with the applicable vesting schedule as set out in the award letter, and the Trustee shall cause the awarded Shares to be transferred to such grantee in accordance with the scheme rules. The awards granted under the 2024 H Share Incentive Scheme shall be held for not less than twelve (12) months before being vested on the eligible participant unless under the specific circumstances set out in the rules of such Scheme.

If a participant fails to fulfil the vesting conditions applicable to the relevant award(s), the relevant award made to such grantee shall automatically lapse forthwith, the award(s) may also lapse upon the occurrence of a partial lapse event or total lapse event (each as detailed in the scheme rule) and in each instance, the relevant awarded Shares shall not vest on the relevant vesting date but the relevant awarded Shares shall become returned to the pool of the 2024 H Share Incentive Scheme.

(f) Limitations

The Board or its delegates shall not grant any award, make any payment to the Trustee administering the 2024 H Share Incentive Schemes pursuant to the terms of the scheme or give instructions to the Trustee to purchase or sell or transfer H Shares and the Trustee shall not purchase or sell or transfer H Shares where dealings in H Shares by the Directors are prohibited under the Model Code or any code or requirement of the Listing Rules, the Articles, the PRC Company Law, the Companies Ordinance, the SFO and any other applicable laws or where any requisite approval from any governmental or regulatory authority has not been obtained from time to time.

(g) General and Maximum Limits

The maximum number of awarded Share(s) that can be awarded under the 2024 H Share Incentive Schemes throughout the duration of the Scheme shall not exceed 17,325,800 H Shares, representing approximately 10% and 2.5% of the Company's H Shares and total issued share capital as of the date of this report, respectively (the "**Scheme Mandate Limit**"). Awards lapsed in accordance with the terms hereof shall not be counted for the purposes of calculating the Scheme Mandate Limit. As of January 1, 2024 and June 30, 2024, the total number of Shares available to be awarded under the 2024 H Share Incentive Scheme is zero Shares and 17,325,800 Shares, respectively, no Shares may be awarded as of January 1, 2024 as the 2024 H Share Incentive Scheme has not been adopted at the relevant time. Awards under the 2024 H Share Incentive Scheme shall be granted in accordance with the applicable Listing Rules.

The 2024 H Share Incentive Scheme is administered by the Board or any other person or committee as the Board may delegate. A professional trustee (the "**Trustee**") has been appointed by the Company for the purpose of administering the trust underlying the 2024 H Share Incentive Scheme, and may purchase a certain number of existing H Shares through on-market or off-market transactions in accordance with the instructions of the Company. No new H Shares may be allotted and issued pursuant to the 2024 H Share Incentive Scheme. Neither the Selected Participant nor the Trustee may exercise any voting rights attached to any H Shares held by the Trustee under the trust (including any Award Shares that have not yet vested).

No awards has been granted under the 2024 H Share Incentive Scheme during the Reporting Period.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On October 6, 2023, the H Shares of the Company was successfully listed on the Stock Exchange. The net proceeds received by the Group from the Global Offering after deducting underwriting fee and relevant expenses, amounted to approximately RMB950.7 million. As of June 30, 2024, approximately RMB354.6 million of the net proceeds remains unutilized. The Company intends to apply these unutilized net proceeds in accordance with the revised use of net proceeds as set out in the circular of the Company dated July 10, 2024 which was approved by the Shareholders at the EGM on July 26, 2024. The table below sets out the planned applications of the net proceeds from the Global Offering:

	Net proceeds from the Listing available (RMB million)	Actual net amount utilized as of June 30, 2024 (RMB million)	Unused net proceeds as of June 30, 2024 (RMB million)	Expected timeline for utilizing proceeds
Private equity fund management business				
Provide capital to fund management business	593.2	256.5	336.7	By the end of 2025
Invest in talent to support expansion of fund management business	14.3	9.6	4.7	By the end of 2024
Invest in external professional support for fund management business	33.2	29.3	3.9	By the end of 2025
Direct investment business				
Direct investment	118.8	115.7	3.1	By the end of 2025
Facilitate repayment of indebtedness and optimize capital structure	95.1	92.5	2.6	By the end of 2024
Invest in post-investment support and direct investment capabilities	1.0	—	1.0	By the end of 2025
General corporate purposes	95.1	92.5	2.6	By the end of 2024
Total	<u>950.7</u>	<u>596.1</u>	<u>354.6</u>	

As at the date of this report, the unutilized net proceeds has been deposited in bank accounts maintained by the Company.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company, or the laws of the PRC, which would oblige the Company to offer new shares of the Company on a pro-rata basis to its existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, as defined under the Listing Rules) during the six months ended June 30, 2024.

As of June 30, 2024, there were no treasury shares held by the Company or any of its subsidiaries.

INTERIM DIVIDEND

The Board does not propose any interim dividend for the six months ended June 30, 2024.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after the six months ended June 30, 2024 and up to the date of this interim report.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

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

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has complied with all the code provisions set forth in the Corporate Governance Code contained in Part 2 of Appendix C1 of the Listing Rules.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The Audit Committee comprises three members, namely, Mr. Tsai Lieh (alias. Tsai Leo), Mr. Diao Yang and Mr. Dai Yongbo. Mr. Tsai Lieh and Mr. Diao Yang are independent non-executive Directors and Mr. Dai Yongbo is a non-executive Director. Mr. Tsai Lieh is the chairman of the Audit Committee, who possesses suitable professional qualifications.

The Audit Committee has reviewed the Company's unaudited interim results for the Reporting Period and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also discussed the risk management, internal control and financial reporting matters.

INDEPENDENT REVIEW OF INTERIM FINANCIAL REPORT

The independent auditors of the Company, namely Deloitte Touche Tohmatsu, have carried out a review of the interim financial information in accordance with the International Standard on Review Engagement 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the International Auditing and Assurance Standards Board.

CHANGES IN THE BOARD AND THE DIRECTORS' INFORMATION

Changes in the Board and the information of Directors since the date of 2023 annual report of the Company are as follows:

On May 23, 2024, Mr. Lau Pingchun resigned as an independent non-executive Director, chairman of the Remuneration Committee and member of the Nomination Committee; Mr. Wang Shilin was appointed as an independent non-executive Director, chairman of the Remuneration Committee and member of the Nomination Committee of the Company and his biographies has been set forth in the Company's circular dated April 30, 2024. The Shareholders also approved an annual remuneration of HK\$300,000 for each of the non-executive Directors and independent non-executive Directors for the year ending December 31, 2024 during the Company's annual general meeting on May 23, 2024.

Save as disclosed above, there was no change in the Board and the information of Directors since the date of 2023 annual report of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

On May 28, 2024, Mr. Wang entered into a share charge agreement with China Securities Credit Financing Guarantee charging 1,838,887 Unlisted Shares, in favour of China SFG as security in favor of China SFG's guarantee obligations in relation to the 2022 Second Corporate Bonds. Additional details of the share charge is set out in the Company's announcement dated May 28, 2024.

Save as disclosed above, as at the date of this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF TIAN TU CAPITAL CO., LTD.

深圳市天圖投資管理股份有限公司

(incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Tian Tu Capital Co., Ltd. (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 24 to 60, which comprise the condensed consolidated statement of financial position as of June 30, 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that these condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

August 30, 2024

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2024

	NOTES	For the six months ended June 30,	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue	3	21,479	23,366
Investment gains or losses, net	4	(619,607)	(226,291)
Total revenue and investment gains or losses, net		(598,128)	(202,925)
Other income	5	8,237	11,226
Other gains and losses	6	(634)	3,967
Staff costs		(27,262)	(27,500)
Depreciation expenses	9	(6,098)	(6,466)
Other operating expenses		(28,774)	(14,605)
Finance costs	7	(34,157)	(34,650)
Impairment recognized under expected credit loss model, net of reversal	9	1	(28,274)
Share of results of associates		(31,447)	(12,970)
Share of results of joint ventures		(121,743)	111,818
Loss before tax		(840,005)	(200,379)
Income tax credit	8	97,788	10,740
Loss for the period		(742,217)	(189,639)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		12,280	83,260
Total comprehensive expense for the period		(729,937)	(106,379)
(Loss) profit for the period attributable to:			
– Owners of the Company		(740,511)	(194,045)
– Non-controlling interests		(1,706)	4,406
		(742,217)	(189,639)
Total comprehensive (expense) income for the period attributable to:			
– Owners of the Company		(728,312)	(111,662)
– Non-controlling interests		(1,625)	5,283
		(729,937)	(106,379)
Loss per share			
Basic (RMB)	11	(1.07)	(0.37)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	NOTES	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		2,611	3,221
Right-of-use assets		17,588	18,139
Goodwill		56	56
Deferred tax assets	12	22,544	14,379
Interests in associates measured using equity method	13	581,790	529,237
Interests in associates measured at fair value		7,920,453	8,853,019
Interests in joint ventures	14	704,186	825,969
Financial assets at fair value through profit or loss ("FVTPL")	15	3,606,946	4,230,208
Other long-term receivables	17	380,208	359,178
Other non-current assets		2,086	2,717
		<u>13,238,468</u>	<u>14,836,123</u>
CURRENT ASSETS			
Accounts receivables	16	137	29,148
Prepayments and other receivables	17	138,430	124,481
Financial assets at FVTPL	15	368,196	616,959
Cash and cash equivalent	18	1,023,471	1,117,230
		<u>1,530,234</u>	<u>1,887,818</u>
CURRENT LIABILITIES			
Other payables and accruals	19	52,137	41,310
Contract liabilities		33,900	42,539
Advances from share transfer transaction		—	176,730
Tax payable		29,743	19,125
Bank borrowings	20	—	70,000
Bond payables due within one year	21	513,972	218,950
Lease liabilities		11,066	8,733
		<u>640,818</u>	<u>577,387</u>
NET CURRENT ASSETS		<u>889,416</u>	<u>1,310,431</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,127,884</u>	<u>16,146,554</u>

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	NOTES	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
NON-CURRENT LIABILITIES			
Deferred tax liabilities	12	18,464	119,087
Bond payables due over one year	21	493,593	786,977
Financial liabilities at FVTPL	22	7,011,363	7,903,134
Lease liabilities		8,561	11,516
		<u>7,531,981</u>	<u>8,820,714</u>
NET ASSETS		<u>6,595,903</u>	<u>7,325,840</u>
CAPITAL AND RESERVES			
Share capital	23	693,031	693,031
Reserves		<u>5,880,435</u>	<u>6,608,747</u>
Equity attributable to owners of the Company		<u>6,573,466</u>	<u>7,301,778</u>
Non-controlling interests		<u>22,437</u>	<u>24,062</u>
TOTAL EQUITY		<u>6,595,903</u>	<u>7,325,840</u>

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2024

	Attributable to owners of the Company						Sub-total	Non-controlling interests	Total
	Share capital	Capital reserve	Other reserves	Translation reserves	Statutory reserve	Retained earnings			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (note)	RMB'000	RMB'000	RMB'000	
At December 31, 2023 (audited)	693,031	4,323,151	88,336	148,834	121,667	1,926,759	7,301,778	24,062	7,325,840
Loss for the period	—	—	—	—	—	(740,511)	(740,511)	(1,706)	(742,217)
Other comprehensive income for the period	—	—	—	12,199	—	—	12,199	81	12,280
Total comprehensive income (expense) for the period	—	—	—	12,199	—	(740,511)	(728,312)	(1,625)	(729,937)
At June 30, 2024 (unaudited)	693,031	4,323,151	88,336	161,033	121,667	1,186,248	6,573,466	22,437	6,595,903
At January 1, 2023 (audited)	519,773	3,550,151	88,336	112,935	121,143	2,904,200	7,296,538	30,562	7,327,100
(Loss) profit for the period	—	—	—	—	—	(194,045)	(194,045)	4,406	(189,639)
Other comprehensive income for the period	—	—	—	82,383	—	—	82,383	877	83,260
Total comprehensive income (expense) for the period	—	—	—	82,383	—	(194,045)	(111,662)	5,283	(106,379)
Dividend recognized as distribution (Note 10)	—	—	—	—	—	(103,955)	(103,955)	—	(103,955)
At June 30, 2023 (unaudited)	519,773	3,550,151	88,336	195,318	121,143	2,606,200	7,080,921	35,845	7,116,766

Note: The amount mainly represents statutory reserve fund. According to the relevant laws in the People's Republic of China (the "PRC"), each of the Group's entities established in the PRC is required to allocate at least 10% of its profit after tax as per financial statements prepared in accordance with the relevant PRC accounting standards to statutory reserve fund until the reserve fund reaches 50% of the registered capital of respective entity. The transfer to this fund must be made before the distribution of dividend to the equity owners. The statutory reserve fund can be used to make up previous years' losses, if any. The statutory reserve fund is non-distributable other than upon liquidation.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2024

	For the six months ended June 30,	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Cash flows from operating activities		
Loss before tax	(840,005)	(200,379)
Adjustments for:		
Finance costs	34,157	34,650
Interest income	(6,832)	(4,012)
Dividend and interest from financial assets at FVTPL	(10,791)	(10,816)
Dividend from interests in associates measured at fair value	(11,447)	(17,682)
Impairment loss under expected credit loss model, net of reversal	(1)	28,274
Depreciation of property, plant and equipment	665	775
Depreciation of right-of-use assets	5,433	5,691
Share of results of associates	31,447	12,970
Share of results of joint ventures	121,743	(111,818)
Realized losses (gains) from financial assets at FVTPL	204,185	(500)
Realized losses (gains) from interests in associates measured at fair value	197,576	(63,526)
Unrealized losses from financial assets at FVTPL	77,606	117,257
Unrealized fair value changes in interests in associates measured at fair value	903,649	354,038
Unrealized gains from financial liabilities at FVTPL	(741,171)	(152,480)
Gains on termination and modification of lease agreements	(19)	—
Operating cash flows before movement in working capital	(33,805)	(7,558)
Interest received	5,061	—
Dividend received	15,473	96,082
Decrease (increase) in accounts receivables	29,182	(11,940)
Increase in prepayments and other receivables	(28,320)	(1,719)
Decrease in financial assets at FVTPL	175,153	500
Decrease in interests in associates measured at fair value	91,868	67,325
Decrease (increase) in other non-current assets	882	(342)
Decrease in other payables and accruals	(15,300)	(15,062)
Decrease in contract liabilities	(8,639)	(13,253)
Cash from operations	231,555	114,033
Income taxes paid	(382)	(5,671)
Net cash from operating activities	231,173	108,362

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2024

	For the six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
INVESTING ACTIVITIES		
Interest received	1,990	3,466
Proceeds from disposal of property, plant and equipment	4	2
Purchase of property, plant and equipment	(310)	(1,777)
Proceeds from the capital reduction of interest in a joint venture	40	—
Placement of unlisted financial products classified as financial assets at FVTPL	—	(100,000)
Capital injection in interest in an associate	(84,000)	(500)
	<u>(82,276)</u>	<u>(98,809)</u>
Net cash used in investing activities		
FINANCING ACTIVITIES		
Dividend paid	—	(103,955)
Interest paid	(32,480)	(32,497)
Cash injection by third-party holders to consolidated structured entities	31,918	48,728
Capital redemption by third-party holders of consolidated structured entities	(166,942)	(25,223)
New bank and other borrowings raised	—	70,000
Repayments of bank and other borrowings	(70,000)	(70,385)
Payments of issue costs	—	(13,676)
Proceeds from bonds issued	30,000	—
Repayment of bonds	(30,000)	—
Repayment of lease liabilities	(5,949)	(6,146)
	<u>(243,453)</u>	<u>(133,154)</u>
Net cash used in financing activities		
Net decrease in cash and cash equivalents	(94,556)	(123,601)
Cash and cash equivalents at beginning of the period	1,145,454	613,612
Effect of foreign exchange rate changes	973	1,723
	<u>1,051,871</u>	<u>491,734</u>
Cash and cash equivalents at end of the period, represented by bank balances and cash		
Less: Impairment recognized for bank balance	(28,400)	(28,794)
	<u><u>1,023,471</u></u>	<u><u>462,940</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2024

1. CORPORATE INFORMATION AND BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Tian Tu Capital Co., Ltd. (the “**Company**”) was incorporated and registered in the PRC on January 11, 2010 as a limited liability company. In July 2015, the Company was converted into a joint stock company with limited liability under the Company Laws of the PRC. On November 16, 2015, the Company was listed on the National Equities Exchange and Quotations (stock code: 833979.NQ) and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since October 6, 2023.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the provision of private equity investment management services through its own investment in funds, of which are financed with a mix of capital raised from external investors and the Group’s own equity, primarily focusing minority private equity investments specialized in the consumer sector in the PRC (“**Private Equity Investment**”).

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“**IASB**”) as well as the applicable disclosure of requirements of the Rules Governing the Listing of Securities or the Stock Exchange.

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional/change in accounting policies resulting from application of amendments to International Financial Reporting Standards (“**IFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended December 31, 2023.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatory effective for the Group’s annual period beginning on January 1, 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of all these amendments to IFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

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

Disaggregation of revenue from contracts with customers

	Six months ended June 30,	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Private Equity Investment fund management service, recognized overtime	21,479	23,366
Carried interest, recognized overtime	Nil	Nil

Information reported to the executive directors of the Company, being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided and based on the financial information prepared under the generally accepted accounting principles in the PRC (“**PRC GAAP**”). The management of the Group considers that the Group only has one operating and reportable segment under Private Equity Investment as its continuing operations, and therefore, no operating segment information is presented other than the entity-wide disclosures.

Most of the Group’s revenue from external customers are derived in the PRC based on the geographical location of the management team of the funds managed for Private Equity Investment. Most of the Group’s non-current assets are located in the PRC and all the segments are managed on a nationwide basis because of the similarity of the type or class of the customers and the similarity of the regulatory environment in the whole region, no geographic information by segment is presented.

4. INVESTMENT GAINS OR LOSSES, NET

	Six months ended June 30,	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Dividends and interests from		
– financial assets at FVTPL	10,791	10,816
– interests in associates measured at fair value	11,447	17,682
Realized (losses) gains from		
– financial assets at FVTPL	(204,185)	500
– interests in associates measured at fair value	(197,576)	63,526
Unrealized losses from		
– financial assets at FVTPL	(77,606)	(117,257)
– interests in associates measured at fair value	(903,649)	(354,038)
Unrealized gains from financial liabilities at FVTPL	741,171	152,480
	<u>(619,607)</u>	<u>(226,291)</u>

5. OTHER INCOME

	Six months ended June 30,	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Interest income	6,832	4,012
Advisory services income	1,141	1,214
Government grants- related to income	–	6,000
Others	264	–
	<u>8,237</u>	<u>11,226</u>

6. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Foreign exchange (loss) gain, net	(347)	3,967
Others	(287)	–
	<u>(634)</u>	<u>3,967</u>

7. FINANCE COSTS

	Six months ended June 30,	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Interest on bank borrowings	1,470	1,912
Interest on lease liabilities	464	515
Interest on bond payables	32,223	32,223
	<u>34,157</u>	<u>34,650</u>

8. INCOME TAX CREDIT

	Six months ended June 30,	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
PRC Enterprise Income Tax (“EIT”)	(449)	(2,303)
Under provision of PRC EIT in prior years	1	(1,236)
Withholding tax on capital gains	(10,552)	—
Deferred tax credit (Note 12)	108,788	14,279
	<u>97,788</u>	<u>10,740</u>

9. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging (crediting):

	Six months ended June 30,	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Depreciation of:		
Property, plant and equipment	665	775
Right-of-use assets	5,433	5,691
Total depreciation	<u>6,098</u>	<u>6,466</u>
Impairment recognized under expected credit loss model, net of reversal	<u>(1)</u>	<u>28,274</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2024

10. DIVIDENDS

During the six months ended June 30, 2023, a final dividend in respect of the year ended December 31, 2022 of RMB2 per 10 ordinary share, of approximately RMB103,955,000, has been proposed by the directors of the Company and was approved by the shareholders in the general meeting on April 20, 2023. Such amount was fully settled in June 2023. No dividends were declared or proposed during the six months ended June 30, 2024.

11. LOSS PER SHARE

The calculation of loss per share attributable to owners of the Company is based on the following data:

	Six months ended June 30,	
	2024 (unaudited)	2023 (unaudited)
Loss (RMB'000)		
Loss for the period attributable to owners of the Company for the purpose of basis loss per share	<u>(740,511)</u>	<u>(194,045)</u>
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>693,031</u>	<u>519,773</u>

No diluted loss per share for the six months period ended June 30, 2024 and 2023 were presented as there were no potential ordinary shares in issue for the six months ended June 30, 2024 and 2023.

12. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the condensed consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Deferred tax assets	22,544	14,379
Deferred tax liabilities	<u>(18,464)</u>	<u>(119,087)</u>
	<u>4,080</u>	<u>(104,708)</u>

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

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

	Change in Fair value of Investments/ share of unrealized results from limited partnerships	Right of use assets	Lease liability	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023 (audited)	(191,478)	(4,886)	4,886	(191,478)
Credit (charge) to profit or loss	<u>86,364</u>	<u>1,632</u>	<u>(1,226)</u>	<u>86,770</u>
At December 31, 2023 (audited)	(105,114)	(3,254)	3,660	(104,708)
Credit (charge) to profit or loss	<u>108,798</u>	<u>(328)</u>	<u>318</u>	<u>108,788</u>
At June 30, 2024 (unaudited)	<u><u>3,684</u></u>	<u><u>(3,582)</u></u>	<u><u>3,978</u></u>	<u><u>4,080</u></u>

As at June 30, 2024, the Group has unused tax losses of approximately RMB226,258,000 (December 31, 2023: RMB123,809,000), available for offset against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams of these loss-making subsidiaries and it is not probable that taxable profit will be available against which the tax losses can be utilized. The expiry dates of the unrecognized tax losses are disclosed in the following table. Remaining losses may be carried forward indefinitely.

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
2027	4,304	4,968
2028	84,555	84,970
2029	<u>101,430</u>	<u>—</u>
	<u><u>190,289</u></u>	<u><u>89,938</u></u>

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

13. INTERESTS IN ASSOCIATES MEASURED USING EQUITY METHOD

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Cost of investments, unlisted	591,941	507,941
Share of post-acquisition profits and other comprehensive income, net of dividends received	(10,151)	21,296
	581,790	529,237

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

Name of associates	Place of operation and principal place of operation	Proportion of ownership interest held by the Group		Proportion of voting right held by the Group		At date Principal activities
		As at June 30, 2024	As at December 31, 2023	As at June 30, 2024	As at December 31, 2023	
Shenzhen Futian District Tiantu Tangrenshen Innovative Consumption Equity Investment Fund Partnership (Limited Partnership)* ("Tangrenshen") (深圳福田區天圖唐人神創新消費股權投資基金合夥企業(有限合夥))	The PRC	14.17%	14.17%	14.17%	14.17%	Equity investment
Shenzhen Tiantu Xingnan Investment Partnership Enterprise (Limited Partnership)* ("Tiantu Xingnan") (深圳天圖興南投資合夥企業(有限合夥))	The PRC	40.00%	40.00%	40.00%	40.00%	Equity investment
Pingtian Xingxu Investment Limited Partnership* ("Pingtan Xingxu") (平潭興旭投資合夥企業(有限合夥))	The PRC	40.00%	40.00%	40.00%	40.00%	Equity investment
Putian Tiantu Food and Digital Industry Investment Partnership (Limited Partnership)* ("Putian Tiantu") (莆田天兔食品與數字產業投資合夥企業(有限合夥))	The PRC	1.00%	1.00%	1.00%	1.00%	Equity investment
Guangzhou Tiantu Yayi Venture Capital Partnership (Limited Partnership)* (Tiantu Yayi) (廣州天圖雅億創業投資合夥企業(有限合夥))	The PRC	5.00%	5.00%	5.00%	5.00%	Equity investment
Qingdao Xinglv Partnership (Limited Partnership)* ("Qingdao Xinglv") (青島興綠投資合夥企業(有限合夥)) (note i)	The PRC	40.00%	N/A	40.00%	N/A	Equity investment
Shenzhen Tiantu Food and Digital Industry Private Equity Investment Partnership (Limited Partnership)* ("Shenzhen Tiantu Food and Digital") (深圳天兔食品與數字產業專項私募基金合夥企業(有限合夥))	The PRC	(note ii)	(note ii)	(note ii)	(note ii)	Equity investment

* English name is for the identification purpose only.

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

Notes:

- (i) During the current interim period, the Group and other investors, collectively established Qingdao Xinglv, which was owned as to 40% and 60% by the Group and an investor, respectively. The Group and the investor agreed to inject their respective shareholdings registered capital of Qingdao Xinglv amounted to RMB84,000,000 and RMB126,000,000, respectively. Pursuant to the limited partnership agreement, the Group acts as the limited partner and all investment resolutions need to be passed and to be confirmed by more than half of voting rights represented by the shareholders.
- (ii) During the year ended December 31, 2023, the Group and other investors, collectively established Shenzhen Tiantu Food and Digital, which was owned as to 1.28% and 98.72% by the Group and other investors, respectively. As at June 30, 2024, the Group's amount related to shareholdings paid-in capital of Shenzhen Tiantu Food and Digital of RMB1,000,000 are not yet settled.

14. INTERESTS IN JOINT VENTURES

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Cost of investments, unlisted	269,492	269,532
Share of post-acquisition profits and other comprehensive income, net of dividends received	434,694	556,437
	<u>704,186</u>	<u>825,969</u>

14. INTERESTS IN JOINT VENTURES *(continued)*

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

Name of associates	Place of operation and principal place of operation	Proportion of ownership interest held by the Group		Proportion of voting right held by the Group		At date Principal activities
		As at June 30, 2024	As at December 31, 2023	As at June 30, 2024	As at December 31, 2023	
Chengdu Tiantu Tiantou Dongfeng equity Investment Fund Center (Limited Partnership)* ("Tiantu Tiantou") (成都天圖天投東風股權投資基金中心有限公司)	The PRC	5.00%	5.00%	5.00%	5.00%	Equity investment
Shenzhen Xingshun Investment Partnership (Limited Partnership)* ("Shenzhen Xingshun") (深圳興順投資合夥企業(有限合夥))	The PRC	33.45%	42.86%	33.45%	42.86%	Equity investment
Tiantu Dongfeng Medium Small and Micro Enterprises Equity Investment Fund Partnership (Limited Partnership)* ("Tiantu Dongfeng") (深圳市天圖東峰中小微企業股權投資基金合夥企業(有限合夥))	The PRC	0.83%	0.83%	0.83%	0.83%	Equity investment
Shenzhen Tiantu Dongfeng Investment Consulting Center (Limited Partnership)* ("Shenzhen Tiantu Dongfeng") (深圳天圖東峰投資諮詢中心(有限合夥))	The PRC	39.80%	39.80%	39.80%	39.80%	Equity investment
Nanchong Linjiang New District Tiantu Science and Technology Industry Fund Partnership (Limited Partnership)* ("Nanchong Linjiang") (南充臨江新區天圖科創產業基金合夥企業(有限合夥))	The PRC	14.29%	14.29%	14.29%	14.29%	Equity investment

* English name is for the identification purpose only

15. FINANCIAL ASSETS AT FVTPL

(a) Financial assets designated at FVTPL

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Current		
<i>Listed equity investments (note i)</i>		
— Freely tradable*		
— Project A engaged in milk powder industry	92,050	108,108
— Others	121,616	108,244
— Non tradable within lock up period [#]	154,530	274,929
<i>Unlisted financial products/equity investments (notes i, ii)</i>	—	125,678
	<u>368,196</u>	<u>616,959</u>
Non-current		
<i>Unlisted equity investments (note i)</i>	3,403,213	3,715,711
<i>Unlisted convertible bonds/bonds connected with conversion feature (note iii)</i>	203,733	514,497
	<u>3,606,946</u>	<u>4,230,208</u>

* Not subject to investment restriction and can be freely tradable in the public market.

[#] These investments were classified as current, because the lock up period will be expired and will become freely tradable in the public market within 12 months after the end of the reporting period.

Notes:

- (i) These investments represent equity investments in listed/unlisted entities and unlisted financial products and subsequent fair value change of these investments are recognized as “investment gains or losses, net” in Note 4.
- (ii) These investments includes (a) the money market funds and bond market funds with unguaranteed rates of return and (b) wealth management products with expected rates of return as stipulated in the relevant subscription agreement.
- (iii) The Group subscribed for a number of convertible bonds. The relevant convertible bonds carried at a fixed coupon and are convertible into the shares of the convertible bond issuers at a pre-determined conversion price in accordance with the relevant agreements, which are measured at fair value. Some of the convertible bonds held by the Group are carried with some conversion restriction.

16. ACCOUNTS RECEIVABLES

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Accounts receivables from related parties (Note 25(b))	<u>137</u>	<u>29,148</u>

The Group has no credit period allowed for the customers of Private Equity Investment over the reporting period.

The following is an aging analysis of accounts receivables for the Private Equity Investment (net of impairment loss allowance) based on invoice dates:

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Within 1 year	137	1,616
Over 3 years	<u>—</u>	<u>27,532</u>
	<u>137</u>	<u>29,148</u>

The management of the Group assessed the impairment individually by reference to the fair value of underlying investments held by the fund and concluded that the accounts receivables are recoverable and the risk of impairment is low, no allowances for ECL had been recognized, accordingly.

17. PREPAYMENTS AND OTHER RECEIVABLES

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Prepayments to independent third parties	4,549	147
Deposits for the acquisition of equity interests of the unlisted investments (note iii)	349,178	359,178
Loans to investee companies classified as associates measured at FVTPL (note i, Note 25(c))	120,014	120,127
Loans to independent third parties (note ii)	6,913	6,913
Dividend receivables	6,647	—
Amounts due from related parties (Note 25(a))	1,225	3,597
Consideration receivable for deemed disposal of Yoplait Dairy Co., Ltd.* (“Yoplait China”) (優諾乳業有限公司) (note iv)	31,305	31,305
Other receivables	55,030	18,858
Value added tax recoverable	8,459	8,217
	583,320	548,342
Less: Allowance for credit losses arising from		
— Loans to investee companies classified as associates measured at FVTPL	(47,514)	(47,514)
— Loans to independent third parties	(6,913)	(6,913)
— Other receivables	(10,255)	(10,256)
	(64,682)	(64,683)
	518,638	483,659
Analysed as		
Non-current	380,208	359,178
Current	138,430	124,481
	518,638	483,659

* English name is for identification purpose only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2024

17. PREPAYMENTS AND OTHER RECEIVABLES *(continued)*

Notes:

- (i) As at June 30, 2024, the Group has outstanding loan receivables due from the Group's investee companies classified as associates measured at fair value of the Group, amounting to RMB47,514,000 (December 31, 2023: RMB47,514,000) in aggregate, which had been defaulted and fully impaired prior to the beginning of the reporting period as these associates are in financial difficulties.

The remaining amount of RMB72,500,000 (December 31, 2023: RMB72,613,000) as at June 30, 2024 represents loan receivable and interest on loan receivable from Yoplait China.

- (ii) As at June 30, 2024, the Group has outstanding loan receivable due from an independent third party arising from Private Equity Investment amounted to RMB6,913,000 (December 31, 2023: RMB6,913,000) which carried fixed interest at 12% per annum. The loan receivable had maturity term of 3 years and was guaranteed by the shares of the borrower. The loan receivable was fully impaired prior to the beginning of the reporting period.
- (iii) During the year ended December 31, 2023, Shenzhen Tiantu Xingyi Investment Partnership (Limited Partnership)* ("Shenzhen Xingyi") (深圳天圖興宜投資合夥企業(有限合夥)), which is an indirect wholly-owned subsidiary of the Company, entered into several equity investment agreement pursuant to which Shenzhen Xingyi acquired certain equity interest of unlisted companies at a consideration of RMB359,178,000. During the current interim period, the Group received the refund from one of the target companies in the amount of RMB10,000,000 in order to designate and transfer its rights and obligations relating to the equity transfer agreement to another fund established by affiliates of Shenzhen Xingyi. As at June 30, 2024, the Group paid such amount in full as prepayments and classified as non-current assets, since the acquisition is expected to complete in more than 1 year after the period end.
- (iv) Further to the details of discontinued operation of Yoplait China as set in the Note 33 of the Group's 2023 IFRS annual report, the Group and the New Independent Investor 1 had agreed to extend the maturity date for 1 year which would be maturing in December 2025.

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18. CASH AND CASH EQUIVALENT

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Cash and cash equivalents	1,051,871	1,145,454
Less: Impairment recognized for bank balance	<u>(28,400)</u>	<u>(28,224)</u>
	<u>1,023,471</u>	<u>1,117,230</u>

Cash and cash equivalents include demand deposits and short-term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at prevailing market interest rates.

18. CASH AND CASH EQUIVALENT *(continued)*

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

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Analysis bank balance and cash by currency:		
Denominated in US Dollar	184,633	24,761
Denominated in HK\$	<u>49,335</u>	<u>55,236</u>

19. OTHER PAYABLES AND ACCRUALS

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Distribution payables related to a consolidated fund in exit period to independent third parties (Note 22)	26,281	—
Dividend payables to an independent third party (note)	6,094	6,056
Deposits received	6,913	7,115
Other payables to a related party (Note 25 (d))	—	698
Salaries and welfare payables	441	529
Other tax payables	445	1,292
Sundry payables and accruals	<u>11,963</u>	<u>25,620</u>
	<u>52,137</u>	<u>41,310</u>

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

20. BANK BORROWINGS

During the six months ended June 30, 2023, the Group drawn down RMB70,000,000 which the bank borrowing is unsecured, unguaranteed and carried at fixed market rates of 4.785% per annum, for the purpose of working capital. Such amount had been fully settled during the current interim period.

21. BOND PAYABLES DUE WITHIN/OVER ONE YEAR

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Corporate bonds	986,422	985,529
Interest accrued	21,143	20,398
	<u>1,007,565</u>	<u>1,005,927</u>
Analysed as:		
Non-current	493,593	786,977
Current	513,972	218,950
	<u>1,007,565</u>	<u>1,005,927</u>
The carrying amounts of the above bond payables		
— Within one year	513,972	218,950
— More than one year but within two years	493,593	786,977
	<u>1,007,565</u>	<u>1,005,927</u>

The following table presents an analysis of listed and unlisted corporate bonds issued by the Company, which are known as the 2022 Corporate Bonds approved by the China Securities Regulatory Commission for the issue to the qualified investors in the PRC by installment during 2022, with details as set out below:

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

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

Notes:

- (i) The coupon rate is 4.27% per annum, while subsequently on May 5, 2024, the Company exercised its rights as included in the bond offering document to revise the coupon rate to 3.5% per annum.
- (ii) The coupon rate is 4.99% per annum. Pursuant to the bond offering document, the Company has the right to revise the coupon rate in the end of third anniversary year after the date of issue, and the bondholders are granted with right to request the Company to redeem the outstanding bond in the end of third anniversary year after the date of issue.
- (iii) As at June 30, 2024, the 2022 First Corporate Bonds were guaranteed by an independent financial institution who acted as the third-party guarantee. In return, Mr. Wang, his spouse Ms. Li Wen and Shenzhen Tiantu Chuangye Investment Co., Ltd. (“**Tiantu Chuangye**”)* (深圳市天圖創業投資有限公司) provided counter-guarantees (the “**2022 First Bonds Counter-Guarantees**”) to that independent financial institution, such counter-guarantees included were secured by (a) pledge of 3 real estate properties owned by independent third parties and one property owned by the employee of the Group; (b) personal guarantees provided by Mr. Wang and his spouse Ms. Li Wen to that independent financial institution; (c) corporate guarantee provided by Tiantu Chuangye; (d) pledge of certain shares held by Tiantu Chuangye in one of its invested companies; (e) mortgages over a piece of real estate property of Tiantu Chuangye and (f) pledge of certain shares of the Group’s interest in the associates measured at fair value and of 100% shareholding of a subsidiary.
- (iv) In connection with the issuance of the 2022 Second Corporate Bonds, an independent financial institution provided guarantee for our repayment obligations under the 2022 Second Corporate Bonds. In return, Mr. Wang, his spouse Li Wen and Tiantu Chuangye provided counter-guarantees (the “**2022 Second Bonds Counter-Guarantees**”) to an independent financial institution, including: (a) 105,215,378 Shares of the Company held by Mr. Wang; (b) personal guarantee provided by Mr. Wang and his spouse Ms. Li Wen; (c) corporate guarantee provided by Tiantu Chuangye and (d) pledge of certain shares of the Group’s interest in associates measured at fair value. The (a) to (c) under the 2022 Second Bonds Counter Guarantees have been released on listing date. In May 2024, a total of 1,838,887 unlisted shares of the Company held by Mr. Wang have been pledged to a financial institution as counter-guarantee.

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22. FINANCIAL LIABILITIES AT FVTPL

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Financial liabilities designated at FVTPL — Consolidated structured entities	<u>7,011,363</u>	<u>7,903,134</u>

Upon maturity of the fund, the management has assessed that, as supported by the legal advice from the PRC council, the Group would have no immediate obligation to pay to other investors in respect of their respective share of the net assets value in such fund. Instead, the Group is required to settle only after the liquidation of such fund has been completed, depending on the status and timing when those portfolio companies held by such fund could be successfully exited.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2024

22. FINANCIAL LIABILITIES AT FVTPL *(continued)*

One of the Group's managed funds, namely Shenzhen Tiantu Xingpeng Consumption Industry Equity Investment Fund Partnership (Limited Partnership)* ("Tiantu Xingpeng") (深圳天圖興鵬大消費產業股權投資基金合夥企業(有限合夥)), is in the exit period, and the fund life of which will be maturing on December 29, 2024 (i.e., within twelve months after the end of the reporting period), total asset value of Tiantu Xingpeng and the respective other investors' interests in such fund, which was accounted for as financial liabilities at FVTPL, were amounted to RMB2,343,001,000 and RMB1,797,193,000 (December 31, 2023: RMB2,531,124,000 and RMB1,980,060,000), respectively as at June 30, 2024.

Meanwhile, as at June 30, 2024, another Group's managed funds, namely Beijing Tiantu Xingbei Investment Center (Limited Partnership)* ("Tiantu Xingbei") (北京天圖興北投資中心(有限合夥)), is in the exit period, and the fund life of which will be maturing on June 26, 2025 (i.e., within twelve months after the end of the reporting period), total asset value of Tiantu Xingbei and the respective other investors' interests in such fund, which was accounted for as financial liabilities at FVTPL, were amounted to RMB1,953,849,000 and RMB1,524,342,000, respectively.

The management of the Group assessed that the liquidation of Tiantu Xingpeng and Tiantu Xingbei would last more than twelve months after the end of the reporting period, and therefore, the related financial liabilities at FVTPL was classified as non-current liabilities, accordingly.

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23. SHARE CAPITAL

All shares issued by the Company are fully paid shares. The par value per share is RMB1. The Company's number of shares issued and their nominal value are as follows:

	Number of shares	Nominal value per share RMB	Share capital RMB
Registered and fully paid			
At January 1, 2023 (audited) and June 30, 2023 (unaudited)	519,773,110	1	519,773,110
At January 1, 2024 (audited) and June 30, 2024 (unaudited)	693,031,110	1	693,031,110
		As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Presented as		693,031	693,031

24. SHARE-BASED PAYMENT TRANSACTIONS

On June 28, 2024, the directors of the Company resolved to adopt and approved the 2024 H share incentive scheme (the “**Scheme**”) for the purpose of granting H Shares in the share capital of the Company, which are listed on the Main Board of the Stock Exchange (“**Awarded Shares**”) permitted by the Scheme to incentivise, retain and reward the eligible participants, including any employee of the Company and any of its subsidiaries.

The Scheme shall be valid and effective for a period of ten years commencing on June 28, 2024. Awarded Shares granted must be taken up within the period specified in the letter containing the offer of the grant of the options. The total number of shares in respect of Awarded Shares may be granted under the Scheme is not permitted to exceed 10% of the H shares of the Company in issue as at the date on which the Scheme is approved by the Shareholders at the June 28, 2028 (which, assuming no further changes to the issued share capital of the Company between the date of the circular dated on June 13, 2024 and extraordinary general meeting on the June 28, 2024, shall be 17,325,800 H Shares).

During the current interim period, no Awarded Share was granted to its employee of the Company and any of its subsidiaries.

25. RELATED PARTY TRANSACTIONS AND BALANCES

The Group has the following related party balances.

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

		As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)	Maximum balance outstanding Six months ended June 30, 2024 RMB'000 (unaudited)
Relationship (notes)				
Shenzhen Tiantu Dongfeng	(i)	194	194	194
Tiantu Dongfeng	(i)	442	442	442
Tiantu Xingnan	(iv)	572	451	572
Tiantu China Consumer Fund I, L.P.	(ii)	—	2,493	2,493
Pingtian Xingxu	(iv)	16	16	16
Shenzhen Tiantu Food and Digital	(iv)	1	1	1
		<u>1,225</u>	<u>3,597</u>	

These amounts mentioned above are included in “prepayments and other receivables” as set out in Note 17. The amounts are unsecured, unguaranteed and repayable on demand.

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

(b) Amounts due from related parties — trade nature

	Relationship (notes)	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Tiantu Tiantou	(i)	137	—
Tiantu China Consumer Fund I, L.P.	(ii)	—	27,532
Tiantu Dongfeng	(i)	—	1,616
		<u>137</u>	<u>29,148</u>

These amounts mentioned are included in “accounts receivables” as set out in Note 16.

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

	Relationship (note)	As at June 30, 2024 RMB'000 (unaudited)	As at December 31 2023 RMB'000 (audited)	Maximum balance outstanding Six months ended June 30, 2024 RMB'000 (unaudited)
Jiangsu Zhongying United Data Technology Co., Ltd.* (江蘇眾瀛 聯合數據科技有限公司)	(iii)	24,600	24,600	24,600
Beijing Yingli Shengke New Material Technology Co., Ltd.* (北京英力生科新材料技術有限 公司)	(iii)	18,114	18,114	18,114
Leader tech (Beijing) Digital Technology Co., Ltd.* (立德高科 (北京)數碼科技有限責任公司)	(iii)	4,800	4,800	4,800
Yoplait China	(iii)	<u>72,500</u>	<u>72,613</u>	<u>72,613</u>
		<u>120,014</u>	<u>120,127</u>	
Less: Impairment loss allowance		<u>(47,514)</u>	<u>(47,514)</u>	
		<u>72,500</u>	<u>72,613</u>	

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25. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)***(c) Loans to related parties – non-trade nature** *(continued)*

These amounts mentioned above are loans to Yoplait China and the Group's other investee companies and are included in "prepayments and other receivables" as set out in Note 17. All loans to the Group's investee companies excluding Yoplait China have been defaulted and fully impaired prior to the beginning of reporting period.

(d) Amounts due to a related party – non-trade nature

	Relationship (note)	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Shenzhen Xingshun	(i)	—	698

The amount mentioned above is included in "other payables and accruals" as set out in Note 19.

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

	Relationship (note)	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Hangzhou Shangniu Investment Management Partnership (Limited Partnership)* (杭州商牛投資管理合夥企業(有限合夥))	(vii)	—	176,730

Further to the details of advances from share transfer transaction as set in the Note 28 of the Group's 2023 IFRS annual report, the Group and Hangzhou Enniu Network Technology Co., Ltd.* ("**Hangzhou Enniu**") (杭州恩牛網路技術有限公司) entered into a conditional settlement agreement upon which the Group agree with Hangzhou Enniu to waive and reduce the consideration related the equity transfer in an unlisted entity from RMB176,730,000 to approximately RMB101,730,000 as final conclusion to the arbitration proceeding brought by Hangzhou Enniu. The conditions precedent mentioned in settlement agreement was satisfied and the arbitration proceedings with Hangzhou Arbitration Commission was withdrawn during the current interim period.

The amount mentioned above is included in "advances from share transfer transaction".

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

(f) Contract liabilities from related parties – trade nature

	Relationship (notes)	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Tiantu Xingnan	(iv)	31,854	40,228
Tiantu Dongfeng	(i)	1,470	—
Tiantu Yayi	(iv)	510	1,504
Putian Tiantu	(iv)	66	—
Tiantu Tiantou	(i)	—	807
		<u>33,900</u>	<u>42,539</u>

(g) Lease liabilities – non-trade nature

	Relationship (note)	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Tiantu Chuangye	(v)	<u>5,732</u>	<u>2,899</u>

Relevant lease agreement with Tiantu Chuangye expired and was renewed in June 2024 and lease payments will be settled on a monthly basis with commercial terms at prevailing market price. The relevant lease liabilities balance with Tiantu Chuangye will be fully settled in June 2025 pursuant to the renewed lease agreement.

(h) Financial liabilities at FVTPL – trade nature

	Relationship (notes)	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Shenzhen iRead Foundation* (深圳市愛閱公益基金會)	(viii)	6,275	8,323
Lucky Resources Limited	(vi)	<u>222,438</u>	<u>250,396</u>
		<u>228,713</u>	<u>258,719</u>

These amounts mentioned above are included in “financial liabilities at FVTPL” as set out in Note 22.

* English name is for the identification purpose only

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

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

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

	Relationship (notes)	Six months ended June 30,	
		2024 RMB'000 (unaudited)	2023 RMB'000 (audited)
Management fees from:			
Tiantu Dongfeng	(i)	10,878	11,264
Tiantu Xingnan	(iv)	7,899	8,066
Tiantu Yayi	(iv)	938	—
Tiantu Tiantou	(i)	890	969
Putian Tiantu	(iv)	874	—
Tangrenshen	(iv)	—	3,067
		<u>21,479</u>	<u>23,366</u>

	Relationship (note)	Six months ended June 30,	
		2024 RMB'000 (unaudited)	2023 RMB'000 (audited)
Loan interest income from:			
Yoplait China	(iii)	<u>1,770</u>	<u>1,770</u>

	Relationship (note)	Six months ended June 30,	
		2024 RMB'000 (unaudited)	2023 RMB'000 (audited)
Interest on lease liabilities:			
Tiantu Chuangye	(vi)	<u>38</u>	<u>39</u>

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

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

	Relationship (note)	Six months ended June 30,	
		2024 RMB'000 (unaudited)	2023 RMB'000 (audited)
Investment gains from:			
<i>Dividends and interests from interests in associates measured at fair value</i>			
Beijing Xichengjinrui Equity Investment Fund Management Co., Ltd.* (北京熙誠金睿股權投資基金管理有限公司)	(iii)	—	2,250
Chengdu White Rabbit Cultural Communication Co., Ltd* (成都白兔有你文化傳播有限公司)	(iii)	—	750
China Securities Credit Investment Co., Ltd. (“China CSCI”)* (中證信用增進股份有限公司)	(iii)	4,800	4,800
Shenzhen Pagoda Industrial (Group) Corporation Limited (“Pagoda Industrial”)* (深圳百果園實業(集團)股份有限公司)	(iii)	6,647	12,132
Shenzhen Leqi Co.,Ltd.* (深圳市樂其網絡科技有限公司)	(iii)	1,114	—
		<u>12,561</u>	<u>19,932</u>

* English name is for the identification purpose only

Notes:

- (i) Joint ventures measured at equity method of the Group.
- (ii) The Group exercises joint control over the general partner of the entity.
- (iii) Associates measured at fair value of the Group.
- (iv) Associates measured at equity method of the Group.
- (v) An entity controlled by Mr. Wang.
- (vi) A close member of Mr. Wang’s family that has significant influence over this entity.
- (vii) A consolidated entity of an associate measured at fair value of the Group.
- (viii) Mr. Wang is a member of the key management personnel of the entity.

26. STRUCTURED ENTITIES

Consolidated structured entities

The consolidated structured entities of the Group included investment funds of which the Group acted as general partner and have majority interests. The Group considers it has control over such structured entities and those structured entities should be consolidated by the Group. As at June 30, 2024, the scale of the consolidated structured entities with reference to the net asset value, amounting to RMB9,762,085,000 (December 31, 2023: RMB11,512,313,000).

Unconsolidated structured entities

(i) *Structured entities managed by third party institutions in which the Group holds interests*

The Group holds interests in these structured entities managed by third party institutions through investments in the beneficial rights or plans issued relating to these structured entities. The Group does not consolidate these structured entities. Such structured entities include money market funds, bond funds and financial bonds issued by financial institutions and investments in fund managed by third parties.

The following tables set out an analysis of the gross carrying amounts of interests held by the Group as at June 30, 2024 (unaudited) and December 31, 2023 (audited) in the structured entities managed by third party institutions.

	June 30, 2024 (unaudited)		
	Financial assets at fair value through profit or loss RMB'000	Maximum risk exposure (Note) RMB'000	Type of income
Unlisted equity investments	86,414	86,414	Investment gain
Wealth management products	48,776	48,776	Investment gain
	<u>135,190</u>	<u>135,190</u>	

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

Note: All of these unconsolidated structured entities are recorded in financial assets at FVTPL. The maximum exposures to loss in the above investments are the carrying amounts of the assets held by the Group at the end of each reporting period.

26. STRUCTURED ENTITIES *(continued)*

Unconsolidated structured entities *(continued)*

(ii) Unconsolidated structured entities managed by the Group

The types of unconsolidated structured entities, including interests in joint ventures/associates, are managed by the Group include funds where it acts as the general partner and has minority interests. The purpose of managing these structured entities is to generate fees from managing assets on behalf of the fund. Interest held by the Group includes fees and carried interest charged by providing management services to these structured entities and net investment gains from structured entities. Financing is sustained through investment from the Group and other investors.

The following tables set out an analysis of the gross carrying amounts of interests held by the Group as at June 30, 2024 (unaudited) and December 31, 2023 (audited) in the unconsolidated structured entities managed by the group.

	June 30, 2024 (unaudited)	
	Carrying amount RMB'000	Maximum risk exposure RMB'000
Interests in associates measured using equity method	581,790	581,790
Interests in joint ventures	704,186	704,186
	<u>1,285,976</u>	<u>1,285,976</u>
	December 31, 2023 (audited)	
	Carrying amount RMB'000	Maximum risk exposure RMB'000
Interests in associates measured using equity method	529,237	529,237
Interests in joint ventures	825,969	825,969
	<u>1,355,206</u>	<u>1,355,206</u>

For the six months ended June 30, 2024, the management fee recognized amounting to RMB21,479,000 (six months ended June 30, 2023: RMB23,366,000).

No carried interest are recognized for the six months ended June 30, 2024 and 2023.

No investment gain are recognized for the six months ended June 30, 2024 and 2023.

For the six months ended June 30, 2024, the share of results of associates recognized a loss of RMB31,447,000 (six months ended June 30, 2023: a loss of RMB12,970,000).

26. STRUCTURED ENTITIES *(continued)***Unconsolidated structured entities** *(continued)***(ii) Unconsolidated structured entities managed by the Group** *(continued)*

For the six months ended June 30, 2024, the share of results of joint ventures recognized a loss of RMB121,743,000 (six months ended June 30, 2023: a gain of RMB111,818,000).

As at June 30, 2024, the net assets held by the funds managed by the Group amounting to RMB5,974,853,000 (December 31, 2023: RMB6,684,214,000).

27. CAPITAL COMMITMENTS

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Capital commitments in respect of		
— Minimum investments to portfolio companies	<u>7,500</u>	<u>43,918</u>

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS**Fair value measurements and valuation processes**

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third-party qualified valuation experts to perform the valuation of financial assets at FVTPL and financial liabilities. The valuation team of the Group works closely with the qualified external valuation experts to establish the appropriate valuation techniques and inputs to the model.

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(continued)*

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

This note provides information about how the Group determines fair value of the following financial assets, financial liabilities that are measured at fair value on a recurring basis.

	Fair value as at		Fair value hierarchy	Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable input(s)
	June 30, 2024 RMB'000 (unaudited)	December 31, 2023 RMB'000 (audited)			
Financial assets at FVTPL					
Listed Equity	213,666	216,352	Level 1	Quoted closing prices in an active market	N/A
	154,530	274,929	Level 3	Adjusted market price by option price model in relation to the lock up period (note a)	Liquidity discount.
Unlisted Equity	99,485	88,591	Level 2	Recent transaction price	N/A
	3,033,759	3,231,720	Level 3	Comparable companies analysis valuation (note b)	Liquidity discount.
	134,779	239,255	Level 3	Discounted cash flow-future cash flow are estimated based on forecast earnings, and discounted at a rate that reflects the risk of investments (note c)	Expected future cash flows.
	86,414	176,881	Level 3	The net asset value based on the fair value of the underlying investments (note i)	The fair value of underlying assets.
Funds	—	23,948	Level 2	Based on the net asset values of the funds, determined with reference to observable (quoted) prices of underlying investment portfolio and adjustments of related expenses	N/A

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(continued)*

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

	Fair value as at			Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable input(s)
	June 30, 2024 RMB'000 (unaudited)	December 31, 2023 RMB'000 (audited)	Fair value hierarchy		
Wealth management products	48,776	80,994	Level 2	Based on the net asset values of the assets, determined with reference to observable (quoted) prices of underlying investment portfolio and adjustments of related expenses	N/A
Convertible bonds	45,070	—	Level 2	Recent transaction price	N/A
	158,663	340,452	Level 3	Comparable companies analysis valuation (note d)	Liquidity discount.
	—	174,045	Level 3	Discounted cash flow-future cash flow are estimated based on forecast earnings, and discounted at a rate that reflects the credit risk (note e)	Expected future cash flows.
Interests in associates measured at fair value	543,226	258,961	Level 1	Quoted closing prices in an active market	N/A
	609,284	495,346	Level 2	Recent transaction price	N/A
	6,572,253	6,963,243	Level 3	Comparable companies analysis valuation (note f)	Liquidity discount.
	151,088	240,792	Level 3	Discounted cash flow-future cash flow are estimated based on forecast earnings, and discounted at a rate that reflects the credit risk (note g)	Expected future cash flows.
	44,602	52,626	Level 3	The net asset value based on the fair value of the underlying investments (note h)	The fair value of underlying assets.
	—	842,051	Level 3	Adjusted market price by option price model in relation to the lockup period (note j)	Liquidity discount.

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(continued)*

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

	Fair value as at		Fair value hierarchy	Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable input(s)
	June 30, 2024 RMB'000 (unaudited)	December 31, 2023 RMB'000 (audited)			
Financial liabilities at FVTPL					
– Structured entities	7,011,363	7,903,134	Level 3	Based on the net asset values of the funds, determined with reference to fair value of underlying investment	The fair value of underlying assets.

Notes:

- (a) A slight increase in the liquidity discount used in isolation would result in a decrease in the fair value measurement of the listed equity under the adjusted market prices by option pricing model, in relation to the lockup period and vice versa. A 5% increase/decrease in the liquidity discount holding all other variables constant would decrease/increase the carrying amount of the shares by RMB500,000 for June 30, 2024 (December 31, 2023: RMB997,000).
- (b) A slight increase in the liquidity discount used in isolation would result in a decrease in the fair value measurement of the unlisted equity under the comparable companies analysis valuation, and vice versa. A 5% increase/decrease in the liquidity discount holding all other variables constant would decrease/increase the carrying amount of the shares by RMB20,641,000 for June 30, 2024 (December 31, 2023: RMB24,044,000).
- (c) A slight increase in the expected future cash flows used in isolation would result in an increase in the fair value measurement of the unlisted equity under the discounted cash flow-future cash flow, and vice versa. A 5% increase/decrease in the expected future cash flows holding all other variables constant would increase/decrease the carrying amount of the shares by RMB6,460,000 for June 30, 2024 (December 31, 2023: RMB6,599,000).
- (d) A slight increase in the liquidity discount used in isolation would result in a decrease in the fair value measurement of the convertible bonds under comparable companies analysis valuation, and vice versa. A 5% increase/decrease in the liquidity discount holding all other variables constant would decrease/increase the carrying amount of the bonds by RMB2,866,000 for June 30, 2024 (December 31, 2023: RMB1,039,000).
- (e) A slight increase in the expected future cash flows used in isolation would result in an increase in the fair value measurement of the convertible bonds under discounted cash flow-future cash flow, and vice versa. A 5% increase/decrease in the expected future cash flows holding all other variables constant would increase/decrease the carrying amount of the bonds by RMB8,702,000 for December 31, 2023.
- (f) A slight increase in the liquidity discount used in isolation would result in a decrease in the fair value measurement of the interests in associates measured at fair value under comparable companies analysis valuation, and vice versa. A 5% increase/decrease in the liquidity discount holding all other variables constant would decrease/increase the carrying amount of the shares by RMB63,905,000 for June 30, 2024 (December 31, 2023: RMB71,281,000).

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(continued)***Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis** *(continued)*

Notes: *(continued)*

- (g) A slight increase in the expected future cash flows used in isolation would result in an increase in the fair value measurement of the interests in associates measured at fair value under discounted cash flow-future cash flow, and vice versa. A 5% increase/decrease in the expected future cash flows holding all other variables constant would increase/decrease the carrying amount of the shares by RMB7,554,000 for June 30, 2024 (December 31, 2023: RMB9,628,000).
- (h) A slight increase in the net value of assets used in isolation would result in an increase in the fair value measurement of the interests in associates measured at fair value under net asset value based on the fair value of the underlying investments and vice versa. A 5% increase/decrease in the fair value of the underlying investments holding all other variables constant would increase/decrease the carrying amount of the shares by RMB2,230,000 for June 30, 2024 (December 31, 2023: RMB2,631,000).
- (i) A slight increase in the net value of assets used in isolation would result in an increase in the fair value measurement of the unlisted equity under net asset value based on the fair value of the underlying investments, and vice versa. A 5% increase/decrease in the fair value of the underlying investments holding all other variables constant would increase/decrease the carrying amount of the shares by RMB4,321,000 for June 30, 2024 (December 31, 2023: RMB8,844,000).
- (j) A slight increase in the liquidity discount used in isolation would result in a decrease in the fair value measurement of the interests in associates measured at fair value under adjusted market price by option price model in related to lockup period, and vice versa. A 5% increase/decrease in the liquidity discount holding all other variables constant would decrease/increase the carrying amount of the shares by RMB555,000 for December 31, 2023.

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(continued)*

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

	Financial assets RMB'000	Financial liabilities RMB'000
At January 1, 2023 (audited)	11,904,454	(8,596,707)
Total (losses) gains		
— in profit or loss	(1,129,195)	864,566
— in other comprehensive income/(expense)	63,024	(31,463)
Addition	—	(232,004)
Disposals/settlements	(285,876)	92,474
Transfers into level 3 (note i)	2,105,127	—
Transfers out of level 3 (note i)	(121,540)	—
At December 31, 2023 (audited)	12,535,994	(7,903,134)
Total (losses) gains		
— in profit or loss	(732,800)	741,171
— in other comprehensive income (expense)	21,172	(10,829)
Addition	2,918	(31,918)
Disposals/settlements	(615,251)	193,347
Transfers into level 3 (note ii)	87,542	—
Transfers out of level 3 (note ii)	(963,487)	—
At June 30, 2024 (unaudited)	10,336,088	(7,011,363)

Notes:

- (i) During the year ended December 31, 2023, the Group transferred its equity investments amounting to RMB2,105,127,000 from level 2 into level 3 as the valuation technique of those investments are changed from recent market trading prices to comparable companies analysis valuation and discounted cash flow method which include liquidity discount as the unobservable input. In addition, the Group has also transferred its equity investments amounting to RMB121,540,000 from level 3 to level 2, as the valuation technique of those investments are changed from comparable companies analysis valuation and discounted cash flow method to recent transaction price.
- (ii) During the six months ended June 30, 2024, the Group transferred its equity investments amounting to RMB87,542,000 from level 2 into level 3 as the valuation technique of those investments are changed from recent market trading prices to comparable companies analysis valuation which include liquidity discount as the unobservable input. In addition, the Group has also transferred its equity investments amounting to RMB121,436,000 and RMB842,051,000, from level 3 to level 2 and level 1, respectively, as the valuation technique of those investments are changed from comparable companies analysis valuation to recent transaction price and quoted closing prices in active market.

DEFINITIONS

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings.

“2024 H Share Incentive Scheme”	the 2024 H Share Incentive Scheme adopted by the Company on June 28, 2024
“Audit Committee”	the audit committee of the Board
“AUM”	total assets under management
“Board of Directors” or “Board”	the board of Directors of the Company
“Company Laws of the PRC”	the Company Law of the People’s Republic of China (中華人民共和國公司法)
“Corporate Governance Code”	the “Corporate Governance Code” set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, which, for the purpose of this report and for geographical reference only, excludes Hong Kong, Macau and Taiwan
“Company”, “our Company”	Tian Tu Capital Co., Ltd. (深圳市天圖投資管理股份有限公司), a joint stock company with limited liability established in the PRC on January 11, 2010
“Director(s)”	the director(s) of the Company or any one of them
“ESG”	Environmental, social and governance
“FVTPL”	fair value through profit or loss
“Global Offering” or “IPO”	the Hong Kong Public Offering and the International Offering, details of which are set forth in the Prospectus
“Group”, “our Group”, “our”, “we”, or “us”	the Company and its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
“H Share(s)”	shares in the share capital of the Company with nominal value of RMB1.00 each, which are subscribed and traded in Hong Kong dollars and are listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

DEFINITIONS

“Listing”	listing of the H Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“M&A”	Mergers and Acquisitions
“Model Code”	the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix C3 to the Listing Rules
“MOM”	Multiple of money
“Prospectus”	the prospectus of the Company dated September 25, 2023
“Reporting Period”	the six-month period ended June 30, 2024
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Share(s)”	share(s) in the share capital of our Company with a nominal value of RMB1.00 each, including Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	member(s) of our Supervisory Committee
“Tiantu Dongfeng”	Shenzhen Tiantu Dongfeng Medium Small and Micro Enterprises Equity Investment Fund Partnership (Limited Partnership) (深圳市天圖東峰中小微企業股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on July 25, 2017
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“Unlisted Shares”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which is/are not listed or traded on any stock exchange (other than NEEQ)
“U.S. dollars” or “USD”	United States dollars, the lawful currency of the United States
“%”	per cent