华兴资本

CHINA RENAISSANCE HOLDINGS LIMITED
華興資本控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1911)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

HIGHLIGHTS

The board (the "**Board**") of directors (the "**Directors**") of China Renaissance Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the audited consolidated annual results of the Group for the year ended December 31, 2018 (the "**Reporting Period**"). These annual results have been reviewed by the Company's audit committee.

The consolidated financial statements are presented in the United States Dollars ("**US$**"), unless otherwise stated, which is also the functional currency of the Company.

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

	For the Year Ended December 31	
	2018	2017
	US$'000	*US$'000*
Total revenue	**210,863**	139,414
Total revenue and net investment gains or losses	**220,361**	139,139
Total operating expenses	**(180,172)**	(145,572)
Operating profit(loss)	**40,189**	(6,433)
Loss before income tax	**(234,229)**	(15,918)
Income tax expense	**(14,721)**	2,412
Loss for the year	**(248,950)**	(13,506)
(Loss)profit for the year attributable to owners of the Company	**(244,112)**	32

To supplement our financial information presented in accordance with International Financial Reporting Standards ("**IFRS**"), we also use adjusted net profit attributable to owners of the Company as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by adjusting for potential impacts of items and our management considers these non-IFRS measures to be indicative of our operating performance. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. Our presentation of adjusted net profit attributable to owners of the Company may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as analytical tools, and you should not consider them in isolation from, or as substitutes for, analysis of, our results of operations as reported under IFRS.

	For the Year Ended December 31	
	2018	2017
	US$'000	*US$'000*
(Loss)profit for the year attributable to owners of the Company	**(244,112)**	32
Add:		
Share-based compensation expenses	**11,562**	8,203
Interest expense for convertible notes	**2,395**	—
Change in fair value of call option	**(14,100)**	—
Change in fair value of convertible notes	**—**	504
Change in fair value of convertible redeemable preferred shares	**292,345**	25,730
Subtotal before adjustments relating to carried interest	**48,090**	34,469
Add:		
Unrealized net carried interest [(1)]	**19,211**	23,634
Adjusted net profit attributable to owners of the Company (unaudited)	**67,301**	58,103

Note:

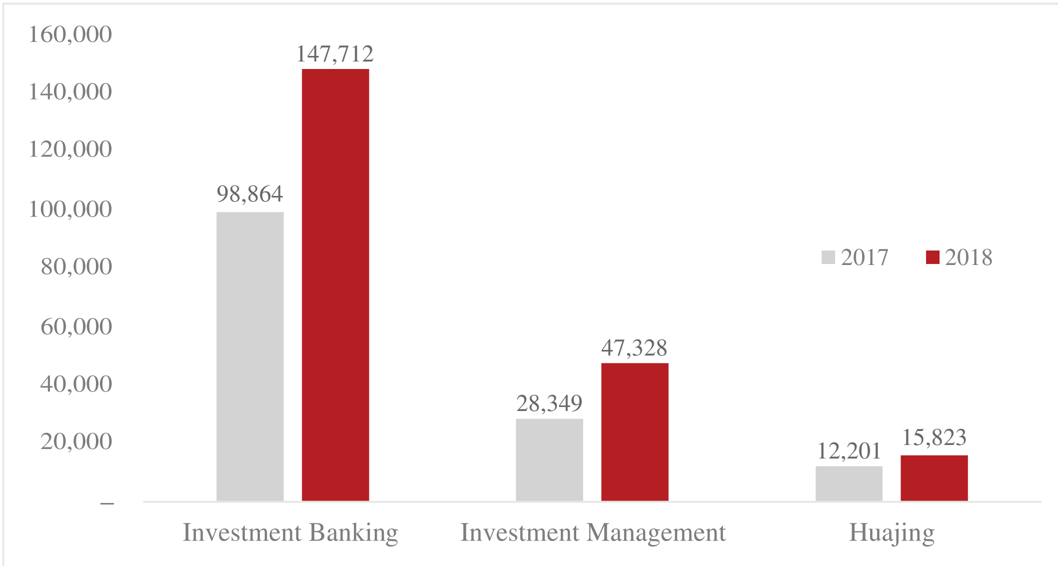
(1) The unrealized net carried interest is calculated by subtracting our carried interest to management team and other parties from our unrealized income from carried interest as follows.

	For the Year Ended December 31	
	2018	2017
	US$'000	*US$'000*
Unrealized income from carried interest	**67,851**	73,036
Carried interest to management team and other parties	**(48,640)**	(49,402)
Unrealized net carried interest	**19,211**	23,634

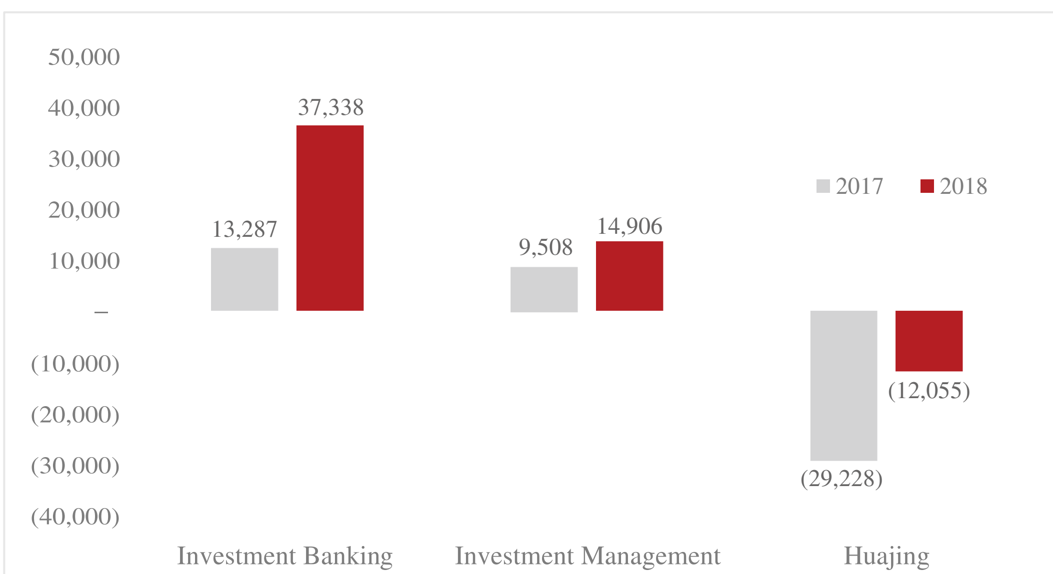
The unrealized income from carried interest is based on the underlying fair value change of the respective funds under our investment management business. The unrealized income from carried interest is allocated to us based on the cumulative fund performance to date, subject to the achievement of minimum return levels to limited partners. At the end of each reporting period, we calculate the unrealized income from carried interest that would be due to us for each fund, pursuant to the relevant fund agreements, as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As the fair value of underlying investments varies among reporting periods, it is necessary to make adjustments to amounts presented as unrealized income from carried interest. Such adjustments may, in certain circumstances, reverse the unrealized income from carried interest reported in the prior period due to fluctuations in the value of the underlying investments.

Segment Performance

Revenue by Segment (US$'000)



Operating Profit(loss) by Segment (US$'000)



MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is the leading investment banking and investment management firm dedicated to China's new economy businesses, which are transforming traditional industries through entrepreneurship, technological advancement, and innovative business models. The Group has built its business specifically to discover best-in-class entrepreneurs and businesses and provide them with advisory and capital markets services and investment through all phases of their development. The Group's network of entrepreneurs and investors, developed over the last 13 years, plays a critical role in supporting investment capital flows into leading new economy businesses and structuring industry-shaping transactions.

Business Outlook

1. Events during the Reporting Period

The Company was successfully listed on the Stock Exchange on September 27, 2018 (the "**Listing Date**").

On October 26, 2018, the Company announced its intention to repurchase ordinary shares of the Company (the "**Shares**") using up to 400,000,000 Hong Kong Dollars ("**HK$**") in funds. This was because the Board considered that the then trading price of the Shares did not reflect their intrinsic value and business prospects as perceived by investors and that it presented a good opportunity for the Company to repurchase Shares.

2. Events after the Reporting Period

On January 31, 2019, in order to meet investor requests and to allow the continued expansion of its investment management business, the registered capital was increased in Quanyuan, new contractual arrangements were entered into in relation to Quanyuan, and there were adjustments in the registered capital and limited partnership interest in Quanyuan, Hongzhi, Lingyun and Xinshou (each as defined in the Company's announcement dated January 31, 2019). For further details, please refer to the Company's announcement dated January 31, 2019.

3. Future Development

We strive to be the leading financial services platform to China's new economy entrepreneurs, connecting best-in-class businesses with diversified sources of global capital. We intend to execute the following strategies to achieve this goal.

(1) broadening our new economy sector coverage — we plan to broaden our sector coverage to mimic the growth of the new economy;

(2) continuing to develop our offerings — we seek to remain ahead of the evolving and increasingly complex needs of our entrepreneurs and our investors by providing services to our clients of investment banking, investment management and wealth management;

(3) expanding internationally — we plan to extend our international footprint to ensure we can continue to stay ahead of our clients' global ambitions, both within investment banking and investment management;

(4) enabling our people — we will improve the effectiveness of our people, particularly around platform and data capabilities; and

(5) investing in talent — we plan to continue to invest in financial entrepreneurs to enhance our leadership position and expand our influence across the new economy.

Financial Review

1. Total revenue and net investment gains or losses

The following table sets forth a breakdown of revenue and net investment gains or losses by type for the year indicated.

	For the year ended December 31			
	2018	2017	**Change**	**% of change**
	US$'000	*US$'000*	*US$'000*	
Transaction and advisory fees	**152,431**	106,770	45,661	42.8%
Management fees	**47,328**	28,349	18,979	66.9%
Interest income	**11,104**	4,295	6,809	158.5%
Total Revenue	**210,863**	139,414	71,449	51.2%
Net investment gains or losses	**9,498**	(275)	9,773	N.M.
Total revenue and net investment gains or losses	**220,361**	139,139	81,222	58.4%

Total revenue was US$210.9 million for the year ended December 31, 2018, which increased by 51.2%, from US$139.4 million for the year ended December 31, 2017.

- Transaction and advisory fees were US$152.4 million, increased by 42.8% from the prior year.

- Management fees were increased to US$47.3 million, increased by 66.9% from the prior year.

- Interest income was US$11.1 million, increased by 158.5% from the prior year.

The net investment gains or losses was contributed by cash management investment of China Renaissance Securities (China) Co., Ltd. (the "**Huajing Securities**"). The gain was US$9.5 million for the year ended December 31, 2018 and the loss was US$0.3 million for the year ended December 31, 2017.

Total revenue and net investment gains or losses was US$220.4 million for the year ended December 31, 2018, which increased by 58.4%, from US$139.1 million for the year ended December 31, 2017.

Segment Revenue

For the investment banking segment, total revenue was US$147.7 million, an increase of 49.4% from the prior year. This increase was primarily due to (i) an increase in private placement advisory fees resulting from a strong transaction backlog formed in 2017 and an increase in M&A advisory revenue, (ii) an increase in equity underwriting services resulting from the increase of IPOs by new economy companies, and (iii) an increase in equity sales, trading, and brokerage fees.

For the investment management segment, management fee was US$47.3 million, an increase of 66.9% from the prior year. This increase was primarily in connection with the first closing of Huaxing Growth Capital RMB Fund III and the closing of Huaxing Healthcare Capital RMB Fund I. The committed capital and AUM of our private equity funds were US$3.2 billion and US$4.1 billion, representing an increase of 19.1% and of 26.0% from the prior year, respectively.

For the Huajing segment, segment revenue was US$15.8 million, an increase of 29.7% from the prior year. This increase was primarily due to the increase in interest income generated from bank deposit, term-deposit and investment-grade financial bonds.

2. Operating Expenses

Total operating expenses increased by 23.8% from US$145.6 million for the year ended December 31, 2017 to US$180.2 million for the year ended December 31, 2018.

Compensation and benefit expenses increased by 29.4% from US$101.4 million for the year ended December 31, 2017 to US$131.2 million for the year ended December 31, 2018. Among compensation and benefit expenses, share-based compensation increased by 40.9% from US$8.2 million for the year ended December 31, 2017 to US$11.6 million for the year ended December 31, 2018.

Other operating expenses increased by 10.8% from US$44.2 million for the year ended December 31, 2017 to US$49.0 million for the year ended December 31, 2018.

Segment Operating Expenses

For the investment banking segment, segment operating expenses increased by 29.0% from US$85.6 million for the year ended December 31, 2017 to US$110.4 million for the year ended December 31, 2018, which was primarily attributed to the increase in compensation and benefit expenses from US$62.0 million for the year ended December 31, 2017 to US$85.8 million for the year ended December 31, 2018. The increase was in turn resulted from the strengthening of our equity research, sales and trading capabilities, and expansion of the sector coverage of our advisory services. Among compensation and benefit expenses, the share-based compensation for this segment increased by 41.7% from US$7.9 million for the year ended December 31, 2017 to US$11.2 million for the year ended December 31, 2018.

For the investment management segment, segment operating expenses increased by 72.1% from US$18.8 million for the year ended December 31, 2017 to US$32.4 million for the year ended December 31, 2018. This increase was primarily due to (i) an increase in our compensation and benefit expenses, and (ii) professional services fees in connection with our fundraising activities.

For the Huajing segment, segment operating expenses decreased by 9.2% from US$41.1 million for the year ended December 31, 2017 to US$37.4 million for the year ended December 31, 2018. This decrease was primarily due to decrease in compensation and benefit and other operating expenses attributable to our effective cost management.

3. Operating Profit (Loss)

As a result of the foregoing, we recorded an operating profit of US$40.2 million for the year ended December 31, 2018, compared to an operating loss of US$6.4 million for the year ended December 31, 2017.

4. Other Income, Gains or Losses

Other gains were US$0.8 million for the years ended December 31, 2018 and 2017. Other gains mainly come from interest income from bank deposit and loans to related parties and third parties. Please refer to the notes to the consolidated financial statements for further details of the loans to third parties.

5. Interest Expense

Interest expense increased significantly from US$1.4 million for the year ended December 31, 2017 to US$11.4 million for the year ended December 31, 2018. This increase in interest expense was primarily due to bank borrowings utilized in November 2017 and convertible notes issued in May 2018.

6. Impairment Losses on Assets

Impairment losses on assets decreased from US$1.0 million for the year ended December 31, 2017 to US$0.6 million for the year ended December 31, 2018.

7. Investment Income

The following table sets forth a breakdown of investment income by the nature of investments for the year indicated.

	For the Year Ended December 31	
	2018	2017
	US$'000	*US$'000*
Investments in our own private equity funds in our capacity as a general partner	**4,821**	4,025
Investments in our own private equity funds in our capacity as a limited partner	**(1,883)**	1,959
Investments in third-party private equity funds in our capacity as a limited partner	**14,811**	3,744
Investments in the form of preferred shares of other companies	**1,283**	6,191
Passive equity holdings in non-associate companies	**95**	—
Hedge asset related to an interest rate cap	**946**	79
Cash management investments	**3,793**	2,184
Others	**560**	—
Total investment income	**24,426**	**18,182**

Investment income increased by 34.3% from US$18.2 million for the year ended December 31, 2017 to US$24.4 million for the year ended December 31, 2018, which was primarily due to appreciation in the value of portfolio companies managed by the third-party private equity funds in which we have invested in the capacity as a limited partner.

8. Share of Results of Associates

Share of results of associates increased from share of profit of US$0.1 million for the year ended December 31, 2017 to US$0.3 million for the year ended December 31, 2018.

9. Change in Fair Value of Call Option

The Special Administrative Measures for Access of Foreign Investment (Negative List) (2018 Edition) was promulgated on June 28, 2018 and became effective on July 28, 2018, pursuant to which the limit of ownership percentage by foreign investors in a securities company increased from 49% to 51%. Our call option to acquire the non-controlling interests in Huajing Securities thus became substantially exercisable and is mandatorily measured at fair value through profit or loss as a derivative in accordance with IFRS. For the year ended December 31, 2018, we recorded a gain of US$14.1 million under the change in fair value of call option.

10. Change in Fair Value of Convertible Notes

The fair value gain of convertible notes was nil for the year ended December 31, 2018, as compared to a fair value loss of US$0.5 million for the year ended December 31, 2017. This change was primarily due to the conversion of our 2016 Convertible Notes in April 2017.

11. Change in Fair Value of Convertible Redeemable Preferred Shares

For the year ended December 31, 2018, the fair value of convertible redeemable preferred shares was a loss of $292.3 million, compared to a fair value loss of US$25.7 million for the year ended December 31, 2017. This change was primarily due to the significant increase in valuation of the Company as a result of Listing.

12. Loss before Tax

As a result of the foregoing, in particular the significant increase in the fair value loss of our convertible redeemable preferred shares and the impact of our continuing expenditure to expand Huajing Securities, we had losses before tax of US$15.9 million and US$234.2 million for the year ended December 31, 2017 and 2018, respectively.

13. Income Tax Expense

Income tax expense was US$14.7 million for the year ended December 31, 2018, compared to income tax benefit of US$2.4 million for the year ended December 31, 2017. This was primarily due to improved operating results of our investment banking and investment management businesses, partially offset by increased losses within Huajing Securities.

14. Loss for the Year and Loss for the Year Attributable to Owners of the Company

As a result of the foregoing, loss for the year increased significantly from US$13.5 million for the year ended December 31, 2017 to US$249.0 million for the year ended December 31, 2018, and loss for the year attributable to owners of the Company was US$244.1 million for the year ended December 31, 2018, compared to a profit for the year attributable to owners of the Company of US$0.03 million for the year ended December 31, 2017.

15. Adjusted Net Profit Attributable to Owners of the Company

As a result of the foregoing, adjusted net profit attributable to owners of the Company without unrealized net carried interest increased from US$34.5 million for the year ended December 31, 2017 to US$48.1 million for the year ended December 31, 2018. Unrealized net carried interest, calculated as unrealized income from carried interest subtracting carried interest to management team and other parties, decreased from US$23.6 million for the year ended December 31, 2017 to US$19.2 million for the year ended December 31, 2018. Adjusted net profit attributable to owners of the Company with unrealized net carried interest increased from US$58.1 million for the year ended December 31, 2017 to US$67.3 million for the year ended December 31, 2018.

16. Pledge of Assets

As of December 31, 2018, no assets of the Group were pledged.

17. Gearing Ratio

As of December 31, 2018, the gearing ratio of the Group, which is calculated as total liabilities (excluding convertible redeemable preferred shares and convertible notes) divided by total assets, was 12.6%, compared with 32.4% as of December 31, 2017.

18. Contingent Liabilities

As of December 31, 2018, we did not have any material contingent liabilities.

19. Foreign Exchange Exposure

The transactions of the Company are denominated and settled in its functional currency, the United States dollar. The Group's subsidiaries primarily operate in the PRC and Hong Kong and are exposed to foreign exchange risk for currencies such as Renminbi, US dollars, and Hong Kong dollars.

As of December 31, 2018, we did not hedge or consider it necessary to use financial instruments for hedging purposes.

20. Employee and Remuneration Policy

As of December 31, 2018, we had 556 full-time employees, including over 82% advisory and investment professionals.

The following table sets forth the number of our employees by function as of December 31, 2018.

Function	**Number of employees**	**Percentage**
Investment Banking	241	43%
Investment Management	55	10%
Huajing Securities	158	29%
Group Middle and Back Office	102	18%
Total	**556**	**100%**

The following table sets forth the number of our employees by geographic region as of December 31, 2018.

Geographic region	**Number of employees**	**Percentage**
Beijing, China	321	58%
Shanghai, China	127	23%
Other cities in China	8	1%
Hong Kong	78	14%
United States	22	4%
Total	**556**	**100%**

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our retention strategy, we offer employees performance-based cash bonuses and other incentives in addition to base salaries. As of December 31, 2018, 67 grantees held options granted under the employee share option plan which remained outstanding. The total remuneration expenses, including share-based compensation expense, for the year ended December 31, 2018 were US$131.2 million, representing an increase of 29.4% as compared to the year ended December 31, 2017.

FINAL DIVIDEND

The following table sets forth our dividend declarations for the year indicated.

	For the Year Ended December 31	
	2018	2017
	US$'000	*US$'000*
Dividends to ordinary shareholders of the Company	**15,413**	4,150

The Company has adopted a dividend policy (the "**Dividend Policy**"). Pursuant to the Dividend Policy, a dividend may only be declared and paid out of the profits and reserves of the Company lawfully available for distribution (including share premium), and may not be declared and paid out if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. The Board has absolute discretion on whether to pay a dividend and alternatively, holders of the Company's Shares (the "**Shareholders**") may by ordinary resolution declare dividends but no dividend may be declared in excess of the amount recommended by the Board. In addition, the Company does not currently have a fixed dividend payout ratio. Even if the Board decides to pay dividends, the form, frequency and amount of dividends will depend on, among other things, (a) current and future operations, and future business prospects, (b) the Company's liquidity position, cash flows, general financial condition capital adequacy ratio and capital requirements, and (c) the availability of dividends received from subsidiaries and associates in light of statutory and regulatory restrictions on the payment of dividends.

The Board does not recommend the distribution of a final dividend for the year ended December 31, 2018.

CLOSURE OF THE REGISTER OF MEMBERS

The annual general meeting is scheduled to be held on May 28, 2019 (the "**AGM**"). A notice convening the AGM will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules (as defined below) in due course.

The register of members of the Company will be closed from May 23, 2019 to May 28, 2019, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on May 22, 2019.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company was incorporated in the Cayman Islands on July 13, 2011 with limited liability, and the shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on September 27, 2018.

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

1. Compliance with the Code on Corporate Governance Practices

For the year ended December 31, 2018, the Company has complied with all applicable code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") except for the following deviations:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Bao Fan is the Chairman and Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in Mr. Bao Fan has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. Furthermore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of Chairman and Chief Executive Officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Code provision A.5.2 of the CG Code stipulates that nomination committee meetings should be held at least annually. As the Company was only listed on September 27, 2018, no nomination committee meeting was held during the period from September 27, 2018 to December 31, 2018.

Code provision C.3.3 of the CG Code stipulates that audit committee meetings should be held at least twice a year. As the Company was only listed on September 27, 2018, no audit committee meeting was held during the period from September 27, 2018 to December 31, 2018.

Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended December 31, 2018.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

2. Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the year ended December 31, 2018.

To demonstrate commitment and long-term confidence in the Company, each member of the executive committee of the Company has agreed not to transfer any of their beneficially owned Shares until the end of the first 18 months from the Listing, save to their (i) immediate family members of the transferors or any trust entities in connection with family trust arrangements of the transferors, and (ii) entities wholly owned by the transferors.

3. Scope of Work of the Company's Auditors

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2018 as set out in the annual results announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu (the "**Auditors**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by International Auditing and Assurance Standards Board and consequently no assurance has been expressed by the Auditor on the annual results announcement.

4. Audit Committee

The Company has established an audit committee with written terms of reference in accordance with the Listing Rules. The audit committee comprises three independent non-executive Directors, namely, Ms. Yao Jue, Mr. Ye Junying and Mr. Zhao Yue. Ms. Yao Jue is the chairman of the audit committee.

The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended December 31, 2018 and has met with the Auditors. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

5. Other Board Committees

In addition to the audit committee, the Company has also established a nomination committee, a remuneration committee, an executive committee and an operation committee.

6. Changes to Directors' and Senior Management's Information

The changes in information of Directors and Senior Management required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below.

Mr. Neil Nanpeng Shen ceased to act as independent non-executive director of Momo Inc. (Nasdaq Ticker: MOMO) since December 2018.

Ms. Yao Jue was appointed to act as an independent director of CooTek (Cayman) Inc. (NYSE Ticker: CTK) since September 2018.

Mr. Jiang Shan ceased to act as Co-Chief Financial Officer of the Company on March 1, 2019.

Mr. Cui Qiang was appointed to act as Co-Chief Financial Officer of the Company on March 1, 2019.

Mr. Xiang Wei was appointed as Chief Operating Officer of the Company on December 31, 2018.

7. Purchase, Sale or Redemption of the Company's Listed Securities

During the year ended December 31, 2018, the Company repurchased 4,680,800 shares on the Stock Exchange for an aggregate consideration of approximately HK$92.6 million including expenses. The repurchased shares were subsequently cancelled. The repurchase was effected because the Board considered that the then trading price of the Shares did not reflect their intrinsic value and business prospects as perceived by investors and that it presented a good opportunity for the Company to repurchase Shares.

Details of the shares repurchased are as follows:

Month of repurchase	No. of shares repurchased	Highest price paid per share *(HK$)*	Lowest price paid per share *(HK$)*	Aggregate Consideration *(HK$'000)*
October	1,095,100	15.92	14.80	16,902
November	3,357,000	23.65	15.86	71,038
December	228,700	21.75	19.28	4,614
Total	4,680,800			92,554

Save as disclosed above, neither the Company nor any member of the Group purchased, sold or redeemed any of the Company's shares since listing on the Stock Exchange (September 27, 2018) during the year ended December 31, 2018.

8. Material Litigation

The Company was not involved in any material litigation or arbitration during the year ended December 31, 2018. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group since the Listing Date and up to December 31, 2018.

9. Use of Proceeds from Global Offering

On September 27, 2018, the shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the global offering were approximately HK$2,517.6 million after deducting underwriting commissions and other expenses paid and payable by us in the Global Offering. There was no change in the intended use of net proceeds as previously disclosed in the prospectus dated September 14, 2018.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

	Notes	**Year ended December 31, 2018** *US$'000*	2017 *US$'000* (restated)
Revenue			
Transaction and advisory fees		**152,431**	106,770
Management fees		**47,328**	28,349
Interest income		**11,104**	4,295
Total revenue	4	**210,863**	139,414
Net investment gains or losses	5	**9,498**	(275)
Total revenue and net investment gains or losses		**220,361**	139,139
Compensation and benefit expenses		**(131,203)**	(101,366)
Other operating expenses	6	**(48,969)**	(44,206)
Total operating expenses		**(180,172)**	(145,572)
Operating profit (loss)		**40,189**	(6,433)
Other income, gains or losses		**837**	808
Interest expense		**(11,430)**	(1,399)
Impairment losses on assets	7	**(632)**	(967)
Investment income		**24,426**	18,182
Share of results of associates		**336**	125
Change in fair value of call option	12	**14,100**	—
Change in fair value of convertible notes		**—**	(504)
Change in fair value of convertible redeemable preferred shares	18	**(292,345)**	(25,730)
Listing expenses		**(9,710)**	—
Loss before tax		**(234,229)**	(15,918)
Income tax expense	8	**(14,721)**	2,412
Loss for the year		**(248,950)**	(13,506)

	Notes	Year ended December 31, **2018** *US$'000*	2017 *US$'000*
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(24,737)**	12,875
Fair value loss on:			
— available-for-sale financial assets		**—**	(164)
Fair value gain, net of expected credit losses on:			
— financial assets at fair value through other comprehensive income		**454**	—
Other comprehensive (expense) income for the year		**(24,283)**	12,711
Total comprehensive expense for the year		**(273,233)**	(795)
(Loss) profit for the year attributable to:			
— Owners of the Company		**(244,112)**	32
— Non-controlling interests		**(4,838)**	(13,538)
		(248,950)	(13,506)
Total comprehensive (expense) income for the year attributable to:			
— Owners of the Company		**(258,156)**	8,650
— Non-controlling interests		**(15,077)**	(9,445)
		(273,233)	(795)
(LOSS) EARNINGS PER SHARE			
Basic	9	**US$(0.78)**	US$0.00
Diluted	9	**US$(0.78)**	US$0.00

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2018

	Notes	As at December 31, **2018** *US$'000*	2017 *US$'000*
Non-current assets			
Furniture and equipment		**7,672**	10,104
Intangible assets		**4,443**	4,403
Deferred tax assets		**15,507**	14,336
Investments in associates	11	**77,101**	43,532
Available-for-sale financial assets		**—**	36,596
Financial assets at fair value through profit or loss	12	**93,107**	53,024
Financial assets at fair value through other comprehensive income	13	**51,833**	—
Loans to third parties	14	**13,497**	5,050
		263,160	167,045
Current assets			
Accounts and other receivables	15	**93,926**	52,225
Loans to third parties	14	**3,855**	—
Loans to related parties		**197**	2,219
Amounts due from related parties		**5,199**	4,979
Financial assets at fair value through profit or loss	12	**345,397**	65,111
Term deposits		**289,747**	7,363
Cash and cash equivalents		**64,458**	442,969
		802,779	574,866
TOTAL ASSETS		**1,065,939**	741,911
Current liabilities			
Accounts and other payables	16	**117,682**	76,845
Amounts due to related parties		**—**	15
Contract liabilities		**4,150**	3,324
Income tax payables		**8,652**	5,159
		130,484	85,343
Net current assets		**672,295**	489,523
TOTAL ASSETS LESS CURRENT LIABILITIES		**935,455**	656,568

		As at December 31,	
	Notes	**2018**	2017
		US$'000	*US$'000*
Non-current liabilities			
Bank borrowing	17	**—**	150,000
Accounts and other payables	16	**—**	367
Contract liabilities		**2,743**	3,865
Deferred tax liabilities		**1,115**	650
Convertible redeemable preferred shares	18	**—**	262,651
		3,858	417,533
NET ASSETS		**931,597**	239,035
Capital and reserves			
Share capital	19	**14**	6
Reserves		**724,552**	15,273
Equity attributable to owners of the Company		**724,566**	15,279
Non-controlling interests		**207,031**	223,756
		931,597	239,035

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

1. GENERAL

China Renaissance Holdings Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on July 13, 2011 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its ultimate controlling party is Mr. Bao Fan, who is also the Chairman and an Executive Director of the Company. The address of the registered office and principal place of business of the Company will be disclosed in the corporate information section to the annual report.

The shares of the Company have been listed on the Stock Exchange with effect from September 27, 2018.

The principal activities of the Company and its subsidiaries (the "**Group**") are the provision of investment banking and investment management services.

The consolidated financial statements are presented in the United States Dollars ("**US$**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 IFRS 9 Financial Instruments and the related amendments

In the current year, the Group has applied IFRS 9 Financial Instruments, Amendments to IFRS 9 Prepayment Features with Negative Compensation and the related consequential amendments to other IFRSs. IFRS 9 introduced new requirements for (1) the classification and measurement of financial assets and financial liabilities, and (2) expected credit losses ("**ECL**") for financial assets.

The Group has applied IFRS 9 in accordance with the transition provision set out in IFRS 9. i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that had not been derecognized as at January 1, 2018 (the date of initial application) and has not applied the requirements to instruments that had already been derecognized as at January 1, 2018. The difference between carrying amounts as at December 31, 2017 and the carrying amounts as at January 1, 2018 are recognized in the opening accumulated losses and other components of equity, without restating the comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under International Accounting Standards ("**IAS**") 39 "Financial Instruments: Recognition and Measurement".

Summary of effects arising from initial application of IFRS 9

The table below illustrates the classification and measurement of financial assets and financial liabilities and other items subject to ECL under IFRS 9 and IAS 39 at the date of initial application, January 1, 2018.

	Notes	**Available-for-sale ("AFS")**	**Financial assets designated at fair value through profit or loss ("FVTPL")**	**Financial assets at FVTPL required by IAS 39/ IFRS 9**	**Financial assets at fair value through other comprehensive income ("FVTOCI")**	**Amortized cost (previously classified as loans and receivables)**	**Financial liabilities at amortized cost**	**Financial liabilities at FVTPL**	**Other reserves**	**Accumulated losses**
		US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Closing balance at December 31, 2017 — IAS 39		36,596	116,781	1,354	–	508,286	173,450	267,925	(18,358)	12,546
Effect arising from initial application of IFRS 9										
Reclassification										
From AFS	(a)	(36,596)	–	4,279	32,317	–	–	–	–	–
From designated at FVTPL	(b)	–	(116,781)	116,781	–	–	–	–	–	–
Remeasurement										
Impairment under ECL model	(c)	–	–	–	–	(486)	–	–	(12)	498
From cost less impairment to fair value		–	–	1,937	–	–	–	–	–	(1,937)
Opening balance at January 1, 2018		–	–	124,351	32,317	507,800	173,450	267,925	(18,370)	11,107

(a) Available-for-sale ("**AFS**") financial assets

From AFS financial assets to FVTPL

At the date of initial application of IFRS 9, the Group's equity investments of US$4,279,000 were reclassified from AFS financial assets to financial assets at FVTPL. The fair value gains of US$1,937,000 relating to these equity investments previously carried at cost less impairment were adjusted to financial assets at FVTPL and accumulated losses as at January 1, 2018.

From AFS debt investments to FVTOCI

Listed financial bonds with a fair value of US$32,317,000 were reclassified from AFS financial assets to debt instruments at FVTOCI, as these investments were held within a business model whose objective is achieved by both collecting contractual cash flows and selling of these assets and the contractual cash flows of these investments are solely payments of principal and interest on the principal amount outstanding. Related fair value losses of US$170,000 continued to be accumulated in the investment revaluation reserve as at January 1, 2018.

(b) Financial assets at FVTPL and/or designated at FVTPL

At the date of initial application, the Group no longer applied designation as measured at FVTPL for the cash management products, unlisted investment funds at fair value and investments in the preferred shares of unlisted companies which were managed and their performance was evaluated on a fair value basis, as these financial assets are required to be measured at FVTPL under IFRS 9. As a result, the fair value of these investments of US$116,781,000 were reclassified from financial assets designated at FVTPL to financial assets at FVTPL.

(c) Impairment under ECL model

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all accounts receivables and amounts due from related parties of trade nature. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

ECL for other financial assets at amortized cost mainly comprise other receivables, loans to third parties and related parties, and are measured on a 12-month ECL ("**12m ECL**") basis and there had been no significant increase in credit risk since initial recognition.

All of the Group's debt instruments at FVTOCI are listed financial bonds that are graded in the top credit rating among rating agencies. Therefore, these investment are considered to be low credit risk investments and the loss allowance is measured on 12m ECL basis.

As at January 1, 2018, additional credit loss allowance of US$486,000 has been recognized, against accumulated losses. The additional loss allowance is charged against the respective asset, except for the debt instruments which are measured at FVTOCI, the loss allowance of US$12,000 for which is recognized against the other reserves.

All loss allowances for financial assets including accounts and other receivables, other financial assets at amortized cost and debt instruments at FVTOCI as at December 31, 2017 reconciled to the opening loss allowances as at January 1, 2018 are as follows:

	Accounts and other receivables	**Other financial assets at amortized cost**	**Debt instruments at FVTOCI**
	US$'000	*US$'000*	*US$'000*
At December 31, 2017			
— IAS 39	—	—	—
Reclassification	—	—	—
Amounts remeasured through opening accumulated losses	(249)	(237)	—
Amounts remeasured through opening other reserves	—	—	(12)
At January 1, 2018			
— IFRS 9	(249)	(237)	(12)

2.2 Impacts on opening consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the Group's accounting policies stated above, the opening consolidated statement of financial position had to be restated. The following table shows the adjustments recognized for each of the line items affected. Line items that were not affected by the changes have not been included.

	December 31, 2017 (Audited) *US$'000*	IFRS 9 Adjustments *US$'000*	January 1, 2018 (Restated) *US$'000*
Non-current assets			
Loans to third parties	5,050	(101)	4,949
AFS financial assets	36,596	(36,596)	—
Financial assets at fair value through profit or loss	53,024	6,216	59,240
Financial assets at fair value through other comprehensive income	—	32,317	32,317
Current assets			
Accounts and other receivables	52,225	(249)	51,976
Loans to related parties	2,219	(44)	2,175
Amounts due from related parties	4,979	(92)	4,887
Net Current Assets	489,523	(385)	489,138
Total Assets less Current Liabilities	656,568	1,451	658,019
Capital and reserves			
Reserves	15,273	1,451	16,724

3. SEGMENT INFORMATION

The Group's reportable segments under IFRS 8 are as follows:

(i) investment banking is a segment of the Group's operations whereby the Group provides early-stage and mid-late stage financial advisory, M&A advisory inside and outside the People's Republic of China (for the purposes of this announcement, except where the context requires otherwise, excluding Hong Kong (as defined below), the Macao Special Administrative Region and Taiwan) (the "**China**" or "**PRC**"), equity underwriting, sales, trading, and brokerage, and research in the Hong Kong Special Administrative Region ("**Hong Kong**") and the United States of America (the "**USA**");

(ii) investment management is a segment of the Group's operations whereby the Group provides fund and asset management for individual and institutional clients.

(iii) Huajing comprises the Group's recently established investment banking and asset management businesses in the PRC, which overlap with the other two segments in nature but are otherwise separately operated and focuses on regulated securities market in the PRC and has an independent risk control framework.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Year ended December 31, 2018				
	Investment banking	Investment management	Huajing	Consolidation adjustments and reconciling items	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Revenue					
Transaction and advisory fees	147,712	—	4,719	—	152,431
Management fees	—	47,328	—	—	47,328
Interest income	—	—	11,104	—	11,104
Income from carried interest *(note)*	—	67,851	—	(67,851)	—
Total revenue	147,712	115,179	15,823	(67,851)	210,863
Net investment gains	—	—	9,498	—	9,498
Total revenue and net investment gains	147,712	115,179	25,321	(67,851)	220,361
Compensation and benefit expenses	(85,772)	(18,575)	(26,856)	—	(131,203)
Carried interest to management team and other parties *(note)*	—	(48,640)	—	48,640	—
Other operating expenses	(24,602)	(13,847)	(10,520)	—	(48,969)
Operating profit (loss)	37,338	34,117	(12,055)	(19,211)	40,189
Other income, gains or losses					837
Interest expense					(11,430)
Impairment losses on assets					(632)
Investment income					24,426
Share of results of associates					336
Change in fair value of call option					14,100
Change in fair value of convertible redeemable preferred shares					(292,345)
Listing expense					(9,710)
Loss before tax					(234,229)
Income tax expense					(14,721)
Loss for the year					(248,950)

	Year ended December 31, 2017 (restated)				
	Investment banking	**Investment management**	**Huajing**	**Consolidation adjustments and reconciling items**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Revenue					
Transaction and advisory fees	98,864	—	7,906	—	106,770
Management fees	—	28,349	—	—	28,349
Interest income	—	—	4,295	—	4,295
Income from carried interest *(note)*	—	73,036	—	(73,036)	—
Total revenue	98,864	101,385	12,201	(73,036)	139,414
Net investment losses	—	—	(275)	—	(275)
Total revenue and net investment losses	98,864	101,385	11,926	(73,036)	139,139
Compensation and benefit expenses	(61,989)	(9,785)	(29,592)	—	(101,366)
Carried interest to management team and other parties *(note)*	—	(49,402)	—	49,402	—
Other operating expenses	(23,588)	(9,056)	(11,562)	—	(44,206)
Operating profit (loss)	13,287	33,142	(29,228)	(23,634)	(6,433)
Other income, gains or losses					808
Interest expense					(1,399)
Impairment losses on assets					(967)
Investment income					18,182
Share of results of associates					125
Change in fair value of convertible notes					(504)
Change in fair value of convertible redeemable preferred shares					(25,730)
Loss before tax					(15,918)
Income tax expense					2,412
Loss for the year					(13,506)

Note:

The segment results of investment management also include the unrealized income from carried interest calculated below on an as-if liquidation basis in the segment information as it is a key measure of value creation, a benchmark of the Group's performance and a major factor in the Group's decision making of resource deployment. The revenue adjustments represent the unrealized income from carried interest, which are based on the underlying fair value change of the respective funds managed by the Group. The associated expense adjustments represent the proportion of unrealized carried interest that would be payable to fund management teams and other third parties. The accumulated unrealized income from carried interest is allocated to the general partners based on the cumulative fund performance to date, subject to the achievement of minimum return levels to limited partners on an as-if liquidation basis.

At the end of each reporting period, the general partners calculate the income from carried interest that would be due to the general partners for each fund, pursuant to the fund agreements, as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As the fair value of underlying investments vary among reporting periods, it is necessary to make adjustments to amounts presented as income from carried interest to reflect either (a) positive performance in the period resulting in an increase in the carried interest allocated to the general partners or (b) negative performance in the period that would cause the amounts due to the general partners to be less than the amounts previously presented as revenue, resulting in a negative adjustment to the carried interest allocated to the general partners.

The proportion of carried interest recognized that is allocated to fund management teams and other parties (and only payable as a proportion of any carried interest received) is included, on a basis consistent with such income from carried interest, as an expense in the investment management segment. However, in the consolidated financial statements of the Group, the income from carried interest will not be recognized as revenue until (a) it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur, or (b) the uncertainty associated with the variable consideration is subsequently resolved. All allocations of carried interest as an expense are recognized only when the amounts that will be eventually paid out can be reliably measured, which is generally at the later stage of the applicable commitment period when the amounts are contractually payable, or "crystallized".

The timing and receipt of carried interest from the investment funds are unpredictable and will contribute to the volatility of cash flows. Carried interest payments from investments depend on the funds' performance and opportunities for realizing gains, which may be limited. It takes a substantial period of time to identify attractive investment opportunities, to raise all the funds needed to make an investment and then to realize the cash value (or other proceeds) of an investment through a sale, public offering or other exit. To the extent an investment is not profitable, no carried interest will be received from the funds with respect to that investment. Even if an investment proves to be profitable, it may be several years before any profits can be realized in cash. The Group cannot predict when, or if, any realization of investments will occur. The timing and amount of carried interest may also vary with the life cycle of the private equity funds.

Segment profit or loss represents the results of each segment without allocation of corporate items including other income, gains or losses, interest expense, investment income, share of results of associates, impairment losses on assets, change in fair value of convertible notes, change in fair value of convertible redeemable preferred shares, listing expenses and income tax expense. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

Information of segment assets and liabilities that are available for reportable and operating segments are not provided to the CODM for their review. Therefore, no analysis of the Group's assets and liabilities by reportable and operating segments is presented.

Geographical information

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the mainland China and Hong Kong. The geographical information of the total revenues and non-current assets is as follows:

	Revenue		Non-current assets *(note)*	
	Year ended December 31,		At December 31,	
	2018	2017	**2018**	2017
	US$'000	*US$'000*	***US$'000***	*US$'000*
Mainland China	**150,030**	114,043	**87,963**	56,843
Hong Kong	**55,336**	22,547	**844**	697
USA	**5,497**	2,824	**409**	499
	210,863	139,414	**89,216**	58,039

Note: Non-current assets excluded the deferred tax assets and the financial instruments.

Information about major customers

Customers that contribute over 10% of the total revenue of the Group are as follows:

		Year ended December 31,	
		2018	2017
		US$'000	*US$'000*
Customer A	Investment banking	**33,702**	*
Customer B	Investment management	*****	15,193

Note:

* Revenue from these major customers were less than 10% in the relevant year presented.

4. REVENUE

The Group derives its revenue from transaction and advisory fees arising from its investment banking business at a point in time, management fees arising from its private equity management business over time and interest income arising from its financing and investment business, which is mainly carried out by Huajing Securities.

The Group receives management fees associated with the management services for the funds that it manages, at a fixed percentage of the commitment under management. The transaction price allocated to the performance obligations in relation to the management fee that were unsatisfied as at December 31, 2018 and 2017 will be recognized as revenue on a straight-line basis over the subscription period as follows:

	As at December 31,	
	2018	2017
	US$'000	*US$'000*
Within one year	**3,224**	3,324
More than one year but not more than two years	**1,422**	3,308
More than two years but not more than three years	**891**	557
More than three years	**430**	—
	5,967	7,189

The transaction price allocated to the performance obligations in relation to transaction and advisory fees that were unaccomplished amounted to US$926,000 as at December 31, 2018 (nil as at December 31, 2017), and the performance obligations are part of contracts that have an original expected duration of one year or less.

5. NET INVESTMENT GAINS OR LOSSES

	Year ended December 31,	
	2018	2017
	US$'000	*US$'000*
Realized and unrealized gains/(losses) from		
— financial assets at FVTPL	**7,923**	(275)
— financial assets at FVTOCI	**(95)**	—
— financial liabilities at FVTPL	**261**	—
Dividend income from		
— financial assets at FVTPL	**1,409**	—
	9,498	(275)

Net investment gains or losses arise from Huajing Securities, a subsidiary of the Group, that engaged in securities investment business.

6. OTHER OPERATING EXPENSES

	Year ended December 31,	
	2018	2017
	US$'000	*US$'000*
Professional service fees	**13,050**	12,372
Project related and business development expenses	**12,274**	9,972
Operating lease charges	**6,317**	7,166
Office expenses	**4,137**	3,630
Technology expenses	**4,326**	4,087
Depreciation and amortization	**4,791**	3,779
Auditor's remuneration	**758**	302
Others	**3,316**	2,898
	48,969	44,206

7. IMPAIRMENT LOSSES ON ASSETS

	Year ended December 31, 2018 US$'000	2017 US$'000
Available-for-sale financial assets	**—**	949
Accounts and other receivables	**451**	18
Loans to third parties	**252**	—
Loans to related parties	**(40)**	—
Amounts due from related parties	**(27)**	—
Financial assets at FVTOCI	**(4)**	—
	632	967

8. INCOME TAX EXPENSE

	Year ended December 31, 2018 US$'000	2017 US$'000
Current tax:		
PRC	**12,064**	4,893
Hong Kong	**4,293**	485
USA	**—**	672
	16,357	6,050
Deferred tax:		
Current year	**(1,636)**	(8,462)
Total income tax expense	**14,721**	(2,412)

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

	Year ended December 31,	
	2018	2017
	US$'000	*US$'000*
Loss before taxation	**(234,229)**	(15,918)
Income tax expense calculated at 25%	**(58,557)**	(3,980)
Effect of expenses that are not deductible	**1,031**	1,222)
Effect of share of results of associates	**(84)**	(31)
Effect of income that are not taxable	**(1,179)**	(1,684)
Effect of tax losses not recognized	**1,914**	2,500
Effect of different tax rates of subsidiaries or entities in other jurisdictions	**71,596**	(439)
Income tax expense	**14,721**	(2,412)

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to the owners of the Company is based on the following data:

	Year ended December 31,	
	2018	2017
	US$'000	*US$'000*
(Loss) Earnings:		
(Loss) profits for the purpose of calculating basic and diluted (loss) earnings per share	**(244,112)**	32
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share	**314,747,027**	240,000,000
Effect of dilutive potential ordinary shares:		
Share options of the Group	**—**	30,234,414
Weighted average number of ordinary shares for the purpose of calculating diluted (loss) earnings per share	**314,747,027**	270,234,414
Basic (loss) earnings per share (US$)	**(0.78)**	0.00
Diluted (loss) earnings per share (US$)	**(0.78)**	0.00

The calculation of basic (loss) earnings per share was based on the (loss) profit for the year attributable to the owners of the Company.

The weighted average number of shares for the purpose of basic and diluted (loss) earnings per share for the years ended December 31, 2018 and 2017 is calculated based on the assumption that the Share Subdivision as disclosed in note 19 have been adjusted retrospectively.

For the year ended December 31, 2017, the share options granted by the Company have potential dilutive effect on the earnings per share. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options granted by the Company. No adjustment is made to earnings.

The computation of diluted earnings per share for the year ended December 31, 2018 has not considered the effect of the share options given that the effect is anti-dilutive.

The computation of diluted earnings per share for the year ended December 31, 2018 has not considered the effect of the over-allotment option given that the effect is anti-dilutive.

The computation of diluted earnings per share for the years ended December 31, 2018 and 2017 has not considered the effect of the convertible redeemable preferred shares and convertible notes given that the effect is anti-dilutive.

10. DIVIDENDS

	Year ended December 31,	
	2018	2017
	US$'000	*US$'000*
Dividends to the shareholders of the Company	**15,413**	4,150

A cash dividend of US$4,150,000 for the year of 2016 was approved at the annual general meeting held on March 3, 2017. The above dividend had been recognized as distribution by the Company during the year ended December 31, 2017.

A cash dividend of US$3,599,000 for the year of 2017 was approved at the annual general meeting held on March 17, 2018. The above dividend had been recognized as distribution by the Company during the year ended December 31, 2018.

A special dividend of US$10,870,000 was approved at shareholders' meeting held on May 30, 2018. Based on the special dividend arrangement, the Company transferred several overseas investments with fair value amounting to US$10,870,000 to its shareholders as a dividend distribution during the year ended December 31, 2018. Such distribution was a major non-cash transaction during the year ended December 31, 2018.

In addition, a special cash dividend of US$944,000 was approved at shareholders' meeting held on May 30, 2018. The Company declared and paid cash dividend to its shareholders during the year ended December 31, 2018 for its shareholders to purchase several domestic investments held by the Group with fair value amounting to US$944,000 in total. The transfer of abovementioned investments held by the Group has been completed by December 31, 2018 and corresponding receivables amounting to US$772,000 from these shareholders were recognized.

11. INVESTMENTS IN ASSOCIATES

	As at December 31,	
	2018	2017
	US$'000	*US$'000*
Investments in unlisted companies *(a)*	**2,938**	4,972
Investments in funds *(b)*	**74,163**	38,560
	77,101	43,532

(a) Investments in unlisted companies

	As at December 31,	
	2018	2017
	US$'000	*US$'000*
Cost of unlisted investments in associates	**2,031**	5,101
Share of post-acquisition profit or loss and other comprehensive income	**907**	(129)
	2,938	4,972

(b) Investments in funds

The Group invested in associates that are investment funds it manages and measured at fair value, the Group elected to measure investments in these associates at fair value. Details of such investment funds are summarized as follows:

	As at December 31,	
	2018	2017
	US$'000	*US$'000*
Cost of investments in funds	**60,793**	24,251
Fair value change in funds	**14,065**	13,908
Exchange adjustments	**(695)**	401
	74,163	38,560

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Derivative

	At December 31, 2017 *US$'000*
Non-current	
Interest rate cap *(Note i, viii)*	1,354
	1,354

(b) Financial assets designated at FVTPL

	At December 31, 2017 *US$'000*
Current	
Unlisted cash management products *(Note ii, viii)*	65,111
	65,111

	At December 31, 2017 *US$'000*
Non-current	
Unlisted investment funds at fair value *(Note iii, viii)*	36,962
Unlisted debt security investments *(Note iv, viii)*	14,708
	51,670

(c) Investments mandatorily measured at fair value through profit or loss

	At December 31, 2018
	US$'000
Current	
Unlisted cash management products *(Note ii, viii)*	317,988
Money market funds *(Note v)*	27,399
Listed financial bonds *(Note vi)*	10
	345,397

	At December 31, 2018
	US$'000
Non-current	
Unlisted investment funds at fair value *(Note iii, viii)*	45,881
Unlisted debt security investments *(Note iv, viii)*	25,344
Unlisted equity investments *(Note vii)*	6,912
Warrant arising from investment in Sumscope *(Note ix)*	570
Restricted shares arising from investment in Sumscope *(Note ix)*	300
Call option for obtaining non-controlling interests *(Note x)*	14,100
	93,107

Note i: As disclosed in note 17, the Group entered into a borrowing agreement on October 23, 2017, with a variable interest rate based on London Interbank Offered Rate ("**LIBOR**") plus 6%. In order to hedge its exposure to the related interest rate risk, the Group entered into an interest rate cap agreement. The total consideration of the interest rate cap was US$1,275,000 and the fair value as at December 31, 2017 was US$1,354,000, with the change in fair value recorded in the investment income in the consolidated statement of profit or loss and other comprehensive income. The borrowing was repaid on September 28, 2018, accordingly the Group disposed of the interest rate cap at a consideration of US$2,300,000 on October 9, 2018, with a gain of US$946,000 recognized in the investment income in the consolidated statement of profit or loss and other comprehensive income.

Note ii: The Group purchased cash management products and managed and evaluated the performance of them on a fair value basis, in accordance with the Group's risk management and investment strategy, and thus designated at FVTPL as at December 31, 2017.

Note iii: The fair values of the unlisted investment funds are based on the net asset values of the investment funds reported to the limited partners by the general partners at the end of the reporting period. The Group managed and evaluated the performance of these investments on a fair value basis, in accordance with the Group's risk management and investment strategy, and thus designated at FVTPL as at December 31, 2017. The fair value changes are recorded in the investment income in the consolidated statement of profit or loss and other comprehensive income.

Note iv: Debt security investments represent investments in the preferred shares of unlisted companies. The Group managed and evaluated the performance of these investments on a fair value basis, in accordance with the Group's risk management and investment strategy, and thus designated them at FVTPL. The fair value changes are recorded in the investment income in the consolidated statement of profit or loss and other comprehensive income.

Note v: The Group invested in money market funds through its consolidated assets management products. As these money market funds held by the Group were managed within a business model whose objective is to sell these investments and the contractual terms do not give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding, they were subsequently measured at FVTPL.

Note vi: The Group invested in financial bonds through its consolidated assets management products. These financial bonds bear fixed interest rates ranging from 3% to 7% and can be traded in the public bonds market at any time and settled at the prevailing market prices. As these financial bonds held by the Group were managed within a business model whose objective is to sell the debt instruments, they were subsequently measured at FVTPL.

Note vii: Upon the adoption of IFRS 9 "Financial Instruments" on January 1, 2018, the equity investments recorded as "available-for-sale financial assets" that were measured at cost less impairment before January 1, 2018 were subsequently mandatorily measured at FVTPL. The accumulated impact as at January 1, 2018 was recorded as an adjustment to the accumulated loss as at January 1, 2018, and subsequent fair value change of the investments are recorded in the investment income in the consolidated statement of profit or loss and other comprehensive income.

Note viii: Upon the adoption of IFRS 9 "Financial Instruments" on January 1, 2018, these investments were mandatorily measured at FVTPL.

Note ix: On May 22, 2018, the Group entered into a series of agreements to (i) subscribe for preferred shares in Sumscope Inc. for an aggregate consideration of approximately US$10 million, (ii) subscribe for a warrant to acquire additional preferred shares in Sumscope Inc. for up to a total investment amount of US$14 million, and (iii) subscribe for restricted ordinary shares, which shall be vested in accordance with a vesting schedule of four years, twenty-five percent of which shall vest annually in equal instalments over four years as of the execution of the agreements. On the same date, the Group entered into a series of agreements to dispose of its 30% equity interest in Shanghai Fan Run Technology Co., Ltd ("**SHFR**") in exchange for equity interest in Sumscope Inc. The investments in preferred shares, warrant and restricted shares are measured at fair value, and changes in fair value are recognized in profit or loss. The investment in preferred shares are included in the "unlisted debt security investments" at FVTPL.

Note x: The Group holds a call option to obtain any non-controlling interests from the non-controlling shareholders of a subsidiary of the Group, Huajing Securities, at the book value of the non-controlling interests exercisable at any time after its establishment. This call option is mandatorily measured at FVTPL as a derivative, however it was not substantially exercisable in prior years as governed by laws and regulations and hence the fair value was insignificant Pursuant to the Special Administrative Measures for Access of Foreign Investment (Negative List) (2018 Edition), which was promulgated on June 28, 2018, the ownership percentage cap for foreign investors in a securities company was raised from 49% to 51%, part of the call option becomes substantially exercisable as at December 31, 2018. The fair value as at December 31, 2018 amounted to US$14,100,000 (nil as at December 31, 2017), with the change in fair value recorded in the consolidated statement of profit or loss and other comprehensive income. The call option is not traded in an active market and the respective fair value is determined by using valuation technique. The fair values has been determined in accordance with Black Scholes model based on fair value of underlying net assets value of Huajing Securities by reference to the recent transaction price.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	At December 31, 2018
	US$'000
Current	
Listed financial bonds	51,833

The total cost of the financial bonds as of December 31, 2018 was US$49,998,000 and the fair value as of December 31, 2018 was US$51,833,000 and with changes in fair value recorded in the other comprehensive expense in the consolidated statement of profit or loss and other comprehensive income. The expected credit loss of financial bonds amounting to US$8,400 as of December 31, 2018 was recognized in other reserves.

14. LOANS TO THIRD PARTIES

	As at December 31,	
	2018	2017
	US$'000	*US$'000*
Current		
Shenzhen Qianhai Dadao Financial Service Co., Ltd. ("**QD**") *(note a)*	**2,962**	—
Tianjin Airuijie Enterprise Management Partnership (Limited Partnership) ("**ARJ**") *(note b)*	**971**	—
Less: Impairment loss allowance	**(78)**	—
	3,855	—
Non-current		
Ningbo Free Trade Zone YingWeiLi Management LP ("**YWL**") *(note c)*	**4,813**	5,050
Winsor Holdings LLC ("**WH**") *(note d)*	**4,435**	—
Beijing Yuanjing Mingde Management Advisory Co., Ltd. ("**YJMD**") *(note e)*	**4,524**	—
Less: Impairment loss allowance	**(275)**	—
	13,497	5,050

Notes:

a. In October 2018, the Group entered into a loan agreement with QD, a third party. A loan amounting to RMB20,000,000, approximately US$2,914,000 as at December 31, 2018, at an interest rate of 13% per annum was made to QD. The loan was guaranteed by one director of QD and secured by a pledge over the shares of QD. The loan will be repaid on the first anniversary of the loan withdrawal date unless otherwise agreed by the Group and QD.

b. In July 2018, the Group entered into an agreement with ARJ, a third party. A loan amounting to RMB6,500,000 (approximately US$948,000) as at December 31, 2018 at an interest rate of 6% per annum was made to ARJ in July 2018. The loan was unsecured and will be repaid no later than July 2019.

c. In December 2017, the Group entered into a loan agreement with YWL, a third party. A loan amounting to RMB33,000,000, approximately US$4,808,000 as at December 31, 2018 (December 31, 2017: approximately US$5,050,000) at an interest rate of 8% per annum was made to YWL. The loan was guaranteed by both a third party company and the controlling person of YWL. The loan was secured by a pledge over the shares of such third party company. The loan will be repaid on the third anniversary of the loan origination unless otherwise agreed by the Group and YWL.

d. In January 2018, the Group entered into an agreement with WH, a third party. Pursuant to the agreement, a loan amounting to US$3,983,000 at the interest rate of 12% per annum was made to WH. The repayment of the loan was guaranteed by an individual and the loan will be repaid on the third anniversary of the loan origination unless otherwise agreed by the Group and WH.

e. In May 2018, the Group entered into a loan agreement with YJMD, a third party. A loan amounting to RMB30,991,000, approximately US$4,515,000 as at December 31, 2018, at an interest rate of 6% per annum was made to YJMD. The loan will be repaid on the third anniversary of the loan origination.

15. ACCOUNTS AND OTHER RECEIVABLES

	As at December 31,	
	2018	2017
	US$'000	*US$'000*
Accounts receivables		
— Accounts receivable *(Note i)*	**43,011**	24,252
— Open trade receivable *(Note ii)*	**14,492**	12,035
Advance to suppliers	**3,060**	3,844
Other receivables		
— Refundable deposits	**23,115**	4,095
— Rental and other deposits	**3,154**	3,058
— Interest receivables	**—**	1,886
— Value-added tax recoverable	**1,537**	2,675
— Others *(Note iii)*	**6,151**	380
Subtotal	**94,520**	52,225
Less: Impairment loss allowance	**(594)**	—
Total	**93,926**	52,225

Note i: The Group allows an average credit period of 180 days for its customers. The following is an aging analysis of accounts receivables based on invoice dates at the end of the reporting periods:

Aging of accounts receivable (net of impairment loss allowance)

	As at December 31,	
	2018	2017
	US$'000	*US$'000*
0–30 days	**15,354**	15,872
31–60 days	**95**	611
61–90 days	**22,934**	1,684
91–180 days	**2,598**	3,319
181–360 days	**213**	—
>1 year	**1,406**	2,766
	42,600	24,252

The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimize credit risk. Overdue balances are reviewed regularly by senior management. The management considered the recoverability of accounts receivable that are neither past due nor impaired is beyond doubt. During the year ended December 31, 2017, receivables of US$18,000 were impaired and written-off. The expected credit losses for accounts receivable as of December 31, 2018 amounting to US$411,000 were impaired, including US$362,000 recorded in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2018, US$155,000 recorded as an adjustment to the accumulated loss as at January 1, 2018, and US$106,000 written-off during the year ended December 31, 2018.

Aging of accounts receivable which are past due but not impaired

	As at December 31, 2017
	US$'000
Days overdue	
0–30 days	—
31–60 days	—
61–90 days	—
91–180 days	—
181–360 days	2,766
>1 year	—
	2,766

Note ii: Open trade receivable arose from the Group's brokerage business in respect of securities trading. As the Group currently does not have an enforceable right to offset these receivables with corresponding payables to counterparties, the two balances are presented separately.

Note iii: An aggregated amount of US$5,873,000 relating to advance to a third party for its investment capital in a fund as at December 31, 2018, and was repaid by the third party in January 2019.

16. ACCOUNTS AND OTHER PAYABLES

	As at December 31,	
	2018	2017
	US$'000	*US$'000*
Salaries, bonus and other benefit payables	**65,258**	49,477
Open trade payable	**14,492**	12,035
Payables to interest holders of consolidated structured entities	**26,937**	5,274
Other payables	**4,520**	4,469
Interest payables	**—**	1,397
Consultancy fee payables	**2,604**	1,460
Other tax payables	**2,195**	1,663
Accrued expenses	**561**	1,437
Accrued listing expenses and issue costs	**1,115**	—
	117,682	77,212
Less: non-current portion	**—**	(367)
	117,682	76,845

17. BANK BORROWING

	As at December 31,	
	2018	2017
	US$'000	*US$'000*
Secured bank borrowing at floating rate	**—**	150,000

The amount due is based on scheduled repayment date set out in the borrowing agreement. As at December 31, 2017, bank borrowings did not contain any repayment on demand clause.

On October 23, 2017, the Group entered into a borrowing agreement with ICBCI Investment Management for total facilities of US$200,000,000 (the "**ICBCI Loan**"). The Group utilized loan of US$150,000,000 on November 17, 2017 ("**First Utilization Date**"). The term of the borrowing is three years with a floating interest rate based on LIBOR plus 6%. The Group had the option to extend the final repayment date by 12 months after the third and fourth anniversary of the First Utilization Date, respectively.

Pursuant to the borrowing agreement, upon the completion of an Initial Public Offering ("**IPO**") at any time on or before the final repayment date of the ICBCI Loan, the facilities will be canceled and all outstanding borrowings, together with accrued interest thereon and all other amounts outstanding, shall become due and payable within ten business days after the listing date under the IPO. Upon the completion of the Company's IPO, all outstanding borrowings, together with accrued interest were repaid on September 28, 2018.

18. CONVERTIBLE REDEEMABLE PREFERRED SHARES

On November 4, 2011, the Company and two third party investors CW Renaissance Limited ("**CW**") and TBP Greenhouse Holdings Co., Ltd. ("**TBP**") (collectively, the "**Series A Investors**") entered into a purchase agreement whereby the Company issued in aggregate 15,000,000 Series A preferred shares ("**Series A Preferred Shares**") for gross proceeds of US$30,000,000.

On August 10, 2015, the Company and four third party investors-Bamboo Prime, L.P. ("**Bamboo**"), Greenhouse CR Holdings II Co., Ltd. ("**Greenhouse**"), JenCap CR ("**JenCap**") and Smart Group Global Limited ("**Smart Group**") (collectively, the "**Series B Investors**") entered into a purchase agreement whereby the Company issued in aggregate 16,304,348 Series B preferred shares ("**Series B Preferred Shares**") for gross proceeds of US$100,000,000. The Series B Preferred Share subscription agreement, also signed by holders of Series A Preferred Shares, modified the dividend payment and redemption rights policy of Series A Preferred Shares. On Series B Preferred Shares issuance date, the dividend right of Series A Preferred Shares was removed, the interest rate of Series A Preferred Shares was modified from 6% to 8% per annum and the redemption date of Series A Preferred Shares was extended to the redemption date of Series B Preferred Shares.

On May 16, 2016, Bamboo distributed 6,521,739 Series B Preferred Shares to Bamboo Green Ltd. and 4,891,305 Series B Preferred Shares to Gopher China Harvest Fund LP upon Bamboo's dissolution.

On April 26, 2017, the Company and CW further entered into a purchase agreement whereby the Company issued 1,527,271 Series B Preferred Shares for gross proceeds of US$10,000,000. In addition, the convertible notes issued in 2016 were fully converted into 3,260,868 Series B Preferred Shares.

Conversion terms

The investors of Series A Preferred Shares and Series B Preferred Shares have the right to convert all or any portion of their holdings into ordinary shares of the Company at any time after the date of issuance of the convertible redeemable preferred shares. In addition, upon the earlier of immediately prior to the closing of a qualified initial public offering on a recognized stock exchange, or election in writing by the holders of the majority of the then outstanding Series A Preferred Shares and the holders of the majority of the then outstanding Series B Preferred Shares, each voting as a single class on an as-converted basis, all outstanding convertible redeemable preferred shares shall automatically be converted into ordinary shares, at the then effective conversion price.

The initial conversion price was US$2.00 for Series A Preferred Shares and US$6.13 for Series B Preferred Shares representing an initial conversion ratio of 1 for 1. The conversion price will be adjusted in the event the Company issues any additional ordinary shares at less than the conversion price. The conversion price of convertible redeemable preferred shares will also be proportionally adjusted in the event of share dividends, subdivisions, combinations or consolidations of ordinary shares. After the Share Subdivision (as defined below) on August 10, 2018 (Note 19), the conversion price was adjusted as US$0.5 and US$1.5325 per share, respectively.

Excluding the equity component, the entire Series A Preferred Shares and Series B Preferred Shares are designated as a financial liability at FVTPL on initial recognition, and measured at fair value with changes in fair value recognized in the consolidated statement of profit or loss and other comprehensive income. The fair value of the liability component was calculated using market interest rate for an equivalent non-convertible loan. As the interest rate of the instrument was above the market interest rate for an equivalent non-convertible loan, no residual amount is included in equity.

Upon the completion of the Company's IPO on September 27, 2018, the Series A Preferred Shares and Series B Preferred Shares were automatically converted into 60,000,000 and 84,369,948 ordinary shares at the conversion price of US$0.5 and US$1.5325 per share adjusted after the Share Subdivision, respectively.

The movement of the convertible redeemable preferred shares is set out below:

	US$'000
At January 1, 2017	203,817
Issuance of Series B Preferred Shares	10,000
Conversion of convertible notes into Series B Preferred Shares	23,104
Changes in fair value	25,730
At December 31, 2017	262,651
Changes in fair value up to September 27, 2018	292,345
Conversion of Series A Preferred Shares into ordinary shares	(230,655)
Conversion of Series B Preferred Shares into ordinary shares	(324,341)
At December 31, 2018	—

The Group used share offering price of HK$31.80 and discount for lack of marketability ("**DLOM**") of 5.11% to determine the fair value of the convertible redeemable preferred shares as at September 27, 2018, as the shareholders cannot dispose of any of the shares they owned at any time during the lock-up period of six months from the September 27, 2018.

The management considered that fair value changes in the convertible redeemable preferred shares that are attributable to changes of the Company's credit risk of these liabilities are not significant.

19. SHARE CAPITAL

As of January 1, 2017 and December 31, 2017, the authorized share capital of the Company was US$50,000 made up of 500,000,000 shares, consisting of 455,000,000 ordinary shares, 20,000,000 Series A Preferred Shares, and 25,000,000 Series B Preferred Shares.

On August 10, 2018, the Company conducted a share subdivision pursuant to which each authorized issued and unissued share with a par value of US$0.0001 in the Company was subdivided into 4 shares with a par value of US$0.000025 each (the "**Share Subdivision**"), such that immediately following the Share Subdivision, the authorized share capital of the Company was US$50,000 made up of 2,000,000,000 shares divided into (a) 1,820,000,000 ordinary shares with a par value of US$0.000025 each, (b) 80,000,000 Series A Preferred Shares with a par value of US$0.000025 each and (c) 100,000,000 Series B Preferred Shares with a par value of US$0.000025 each.

On September 27, 2018, the Company listed its shares on the Stock Exchange and issued 85,008,000 ordinary shares at the offer price of HK$31.80 per share. The net proceeds from IPO were approximately HK$2,607.4 million (equivalent to approximately US$332,373,000), after deducting all capitalized listing related expense. Out of the net proceeds from IPO, US$332,371,000 was credited to the Company's share premium account.

Details of the movement of share capital of the Company are as follows:

	Number of shares	Nominal value per share *US$*	Share capital *US$*
Authorized			
At January 1, 2017 and December 31, 2017	500,000,000	0.0001	50,000
Share Subdivision	1,500,000,000		—
At December 31, 2018	2,000,000,000	0.000025	50,000
Issued			
At January 1, 2017 and December 31, 2017	60,000,000	0.0001	6,000
Shares issued to the Trusts	10,000,000	0.0001	1,000
Exercise of share options before the Share Subdivision	3,819,500	0.0001	382
Subtotal	73,819,500	0.0001	7,382
Share Subdivision	221,458,500		—
After Share Subdivision	295,278,000	0.000025	7,382
Issuance of ordinary shares	85,008,000	0.000025	2,125
Conversion of convertible notes into ordinary shares	23,783,664	0.000025	595
Conversion of Series A Preferred Shares into ordinary shares	60,000,000	0.000025	1,500
Conversion of Series B Preferred Shares into ordinary shares	84,369,948	0.000025	2,109
Shares repurchased and cancelled *(note)*	(4,576,200)	0.000025	(114)
At December 31, 2018	543,863,412	0.000025	13,597

	As at December 31, **2018** *US$'000*	2017 *US$'000*
Presented as	**14**	6

The Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchases	No. of ordinary shares	Price paid per share Highest	Price paid per share Lowest	Aggregate consideration paid (including expenses)
		US$ Equivalent	*US$ Equivalent*	*US$'000*
October 2018	1,095,100	2.03	1.89	2,154
November 2018	3,357,000	3.02	2.03	9,083
December 2018	228,700	2.78	2.46	610
	4,680,800			11,847

During the period from October 26, 2018 to December 31, 2018, 4,680,800 ordinary shares of the Company were repurchased at an aggregate cost of HK$92,554,000 (equivalent to approximately US$11,847,000). As of December 31, 2018, out of 4,680,800 ordinary shares repurchased, 4,576,200 shares were cancelled during the year ended December 31, 2018 while the remaining 104,600 ordinary shares were cancelled in January 2019.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.huaxing.com. The annual report of the Group for the year ended December 31, 2018 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders in due course.

By order of the Board
China Renaissance Holdings Limited
Bao Fan
Chairman and Executive Director

Hong Kong, March 19, 2019

As at the date of this announcement, the Board comprises Mr. Bao Fan as Chairman and Executive Director, Mr. Xie Yi Jing and Mr. Du Yongbo as Executive Directors, Mr. Neil Nanpeng Shen, Mr. Li Shujun and Mr. Li Eric Xun as Non-executive Directors, and Ms. Yao Jue, Mr. Ye Junying and Mr. Zhao Yue as Independent Non-executive Directors.