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上海瑞威資產管理股份有限公司

**Shanghai Realway Capital Assets Management Co., Ltd.**

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

**(Stock Code: 1835)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Shanghai Realway Capital Assets Management Co., Ltd. (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”), together with the comparative figures for the six months ended 30 June 2023, as follows.

### **HIGHLIGHTS**

- The Group recognised revenue of approximately RMB14.4 million for the six months ended 30 June 2024, representing an increase of approximately 42.2% as compared to the revenue of approximately RMB10.1 million recognised for the corresponding period last year.
- For the six months ended 30 June 2024, the Group recognised loss for the period of approximately RMB3.3 million, representing a decrease of approximately 88.9% as compared to the corresponding period last year, and the loss for the period attributable to owners of the parent was approximately RMB3.1 million, representing a decrease of approximately 89.4% as compared to the corresponding period last year.
- For the six months ended 30 June 2024, loss per share attributable to ordinary equity holders of the parent was approximately RMB2.05 cents.
- The Board does not recommend the payment of interim dividend for the six months ended 30 June 2024.

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

		<b>For the six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b>RMB'000</b>	<b>RMB'000</b>
	<i>Notes</i>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>REVENUE</b>	<b>5</b>	<b>14,411</b>	<b>10,136</b>
Other income and gains	5	523	617
Administrative expenses		(16,093)	(17,967)
Impairment losses reversed on trade receivables	9	2,312	733
Impairment losses reversed on other receivables		1	–
Decrease in fair value of investments in associates or joint ventures at fair value through profit or loss	10	(1,457)	(4,050)
Increase in fair value of financial assets at fair value through profit or loss		–	173
Other expenses		(6)	(24,001)
Finance costs		(1,245)	(401)
Share of profits/(losses) of:			
Joint ventures		–	(254)
An associate		(1,751)	5,293
<b>LOSS BEFORE TAX</b>		<b>(3,305)</b>	<b>(29,721)</b>
Income tax (expense)/credit	6	16	(7)
<b>LOSS FOR THE PERIOD</b>		<b>(3,289)</b>	<b>(29,728)</b>
Attributable to:			
Owners of the parent		(3,142)	(29,550)
Non-controlling interests		(147)	(178)
		<b>(3,289)</b>	<b>(29,728)</b>

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

*For the six months ended 30 June 2024*

		<b>For the six months ended</b>	
		<b>30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<i>Notes</i>		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted			
— For loss for the period ( <i>RMB cents</i> )	7	<u>(2.05)</u>	<u>(19.27)</u>
<b>LOSS FOR THE PERIOD</b>		<u><b>(3,289)</b></u>	<u><b>(29,728)</b></u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences:			
Exchange differences on translation of foreign operations		<u>9</u>	<u>47</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax		<u>9</u>	<u>47</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<u><b>9</b></u>	<u><b>47</b></u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX</b>		<u><b>(3,280)</b></u>	<u><b>(29,681)</b></u>
Attributable to:			
Owners of the parent		<u>(3,133)</u>	<u>(29,503)</u>
Non-controlling interests		<u>(147)</u>	<u>(178)</u>
		<u><b>(3,280)</b></u>	<u><b>(29,681)</b></u>

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION**

30 June 2024

		<b>30 June 2024</b>	31 December 2023
		<b>RMB'000</b>	<b>RMB'000</b>
	<i>Notes</i>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>618</b>	856
Investment properties		<b>42,200</b>	42,200
Right-of-use assets		<b>5,282</b>	6,294
Other intangible assets		<b>2,915</b>	308
Investments in an associate		<b>3,887</b>	5,638
Investments in associates or joint ventures at fair value through profit or loss (“IAFV”)	10	<b>36,078</b>	36,199
Deferred tax assets		<b>3,181</b>	2,900
Total non-current assets		<b>94,161</b>	94,395
<b>CURRENT ASSETS</b>			
Trade receivables	9	<b>71,325</b>	64,937
Prepayments, other receivables and other assets		<b>6,048</b>	25,365
Investments in associates or joint ventures at fair value through profit or loss (“IAFV”)	10	<b>97,374</b>	99,795
Financial assets at fair value through profit or loss		<b>14,359</b>	37,048
Cash and bank balances		<b>25,365</b>	12,610
Total current assets		<b>214,471</b>	239,755
<b>CURRENT LIABILITIES</b>			
Other payables and accruals	11	<b>33,274</b>	54,472
Advances from customer		<b>254</b>	–
Lease liabilities		<b>2,005</b>	2,175
Total current liabilities		<b>35,533</b>	56,647
<b>NET CURRENT ASSETS</b>		<b>178,938</b>	183,108
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>273,099</b>	277,503

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (CONTINUED)**

*30 June 2024*

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	<b>RMB'000</b>
<i>Notes</i>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	<b>539</b>	275
Lease liabilities	<b>3,270</b>	4,193
	<hr/>	<hr/>
Total non-current liabilities	<b>3,809</b>	4,468
	<hr/>	<hr/>
<b>NET ASSETS</b>	<b>269,290</b>	273,035
	<hr/>	<hr/>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	<b>153,340</b>	153,340
Reserves	<b>116,447</b>	119,587
	<hr/>	<hr/>
	<b>269,787</b>	272,927
	<hr/>	<hr/>
<b>Non-controlling interests</b>	<b>(497)</b>	108
	<hr/>	<hr/>
<b>TOTAL EQUITY</b>	<b>269,290</b>	273,035
	<hr/>	<hr/>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*As at 30 June 2024*

## 1. CORPORATE AND GROUP INFORMATION

The interim condensed consolidated financial information of Shanghai Realway Capital Assets Management Co., Ltd. and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 23 August 2024.

Shanghai Realway Capital Assets Management Co., Ltd. is a limited liability company established in the People’s Republic of China (the “**PRC**”). The registered office of the Company is located at Room 26G-3, No. 828–838 (even number) Zhang Yang Road, Pilot Free Trade Zone, Shanghai, PRC.

The Group was involved in the following principal activities:

- funds management
- financial consulting services to the fund demanding parties
- property lease

In the opinion of the Directors, the holding company and the ultimate holding company of the Company is Shanghai Weimian Investments Partnership (Limited Partnership), which is established in the PRC.

## 2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the Reporting Period.

The interim condensed consolidated financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2023.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following new and revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

#### 4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business, which include management fee and consulting income, by project for the purpose of making decisions about resource allocation and performance assessment. As all projects have similar economic characteristics and the nature of management services and consulting services, the nature of the aforementioned business processes, the type or class of fund for the aforementioned business and the methods used to distribute the properties or to provide the services are similar for all projects, thus all projects have been aggregated as one reportable operating segment.

##### Geographical information

No geographical information is presented as the Group's revenue from the external funds is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

##### Information about major customers

Revenue from major customers contributing to 10% or more of the Group's revenue for the six months ended 30 June 2024 is set out below:

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Customer A	<b>2,241</b>	3,428
Customer B	<b>NA</b>	1,264
Customer C	<b>3,855</b>	NA
Customer D	<b>1,460</b>	NA

#### 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<i>Revenue from contracts with customers</i>	<b>13,829</b>	10,136
<i>Revenue from other sources</i>		
Property lease income	<b>582</b>	—
Total	<b>14,411</b>	10,136



## 5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

### Revenue from contracts with customers

Disaggregated revenue information

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Type of services</b>		
Rendering of funds management services	9,528	5,758
Rendering of consulting services	4,301	4,378
	<hr/>	<hr/>
Total	13,829	10,136
	<hr/>	<hr/>
<b>Timing of revenue recognition</b>		
Services transferred over time	13,829	10,136
	<hr/>	<hr/>

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Other income</b>		
Interest income	18	29
Others	244	9
	<hr/>	<hr/>
	262	38
<b>Gains</b>		
Government grants	57	579
Investment income	204	–
	<hr/>	<hr/>
Total gains	261	579
	<hr/>	<hr/>
Total other income and gains	523	617
	<hr/>	<hr/>

## 6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. The Group's subsidiary incorporated in Hong Kong was not liable for income tax as it did not have any assessable profits currently arising in Hong Kong during the Reporting Period. Subsidiaries of the Group operating in Mainland China were subject to PRC corporate income tax rate at a rate of 25% for the period, except that small-scale enterprises with minimal profits were qualified to apply income tax rate of 5%.

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current income tax charge for the Reporting Period —		
Mainland China	—	7
Deferred tax	<u>(16)</u>	<u>—</u>
Total tax charge/(credit) for the Reporting Period	<u><b>(16)</b></u>	<u><b>7</b></u>

## 7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares during the interim period.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2023 and 30 June 2024.

The calculations of basic loss per share are based on:

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Loss</b>		
Loss attributable to ordinary equity holders of the parent,		
used in the basic loss per share calculation	<u><b>(3,142)</b></u>	<u><b>(29,550)</b></u>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during		
the interim period used in the basic loss per share calculation	<u><b>153,340,000</b></u>	<u><b>153,340,000</b></u>

## 8. DIVIDENDS

No dividends have been proposed by the Directors for the Reporting Period (2023: Nil).

## 9. TRADE RECEIVABLES

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Trade receivables	<b>88,752</b>	84,676
Impairment	<b>(17,427)</b>	(19,739)
	<b><u>71,325</u></b>	<b><u>64,937</u></b>

The Group's contractual terms with its funds are mainly on credit. Trade receivables are settled based on the progress payment schedule stipulated in the contracts. The Group seeks to maintain strict control over its outstanding receivables and has a credit control team to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to customers with credit risk, there is no significant concentration of credit risk but a general credit risk inherent in the Group's outstanding balance of trade receivables based on the management's best estimation at the reporting date. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 30 June 2024, the Group's trade receivables included amounts due from a joint venture and associates of RMB216,000 (31 December 2023:RMB304,000) and RMB29,540,000 (31 December 2023:RMB27,443,000), respectively, which are repayable on credit terms similar to those offered to the major customers of the Group.

An aging analysis of the trade receivables as at the end of the Reporting Period, based on the invoice date and net of loss allowance, is as follows:

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Within 1 year	<b>18,649</b>	9,041
1 to 2 years	<b>8,728</b>	8,638
Over 2 years	<b>43,948</b>	47,258
Total	<b><u>71,325</u></b>	<b><u>64,937</u></b>

## 9. TRADE RECEIVABLES (CONTINUED)

The movements in the loss allowance for impairment of trade receivables for the six months ended 30 June 2024 are as follows:

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
At beginning of the period/year	<b>19,739</b>	33,306
Impairment losses	<b>2,290</b>	3,899
Amount reversed	<b>(4,602)</b>	(10,605)
Amount written off as uncollectible	<b>–</b>	(6,861)
	<hr/>	<hr/>
At end of the period/year	<b>17,427</b>	19,739
	<hr/>	<hr/>

## 10. INVESTMENTS IN ASSOCIATES OR JOINT VENTURES AT FAIR VALUE THROUGH PROFIT OR LOSS (“IAFV”)

	<b>30 June 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Unlisted investments in associates or joint ventures, at fair value	<b>133,452</b>	135,994
	<hr/>	<hr/>

The Group, as investment fund manager, measured the above investments in associates or joint ventures at fair value through profit or loss in accordance with IFRS 9 at 30 June 2024.

The movements in investments in associates or joint ventures at fair value through profit or loss for the six months ended 30 June 2024 are as follows:

	<b>Cost RMB'000</b>	<b>Increase/ (decrease) in fair value of IAFV RMB'000</b>	<b>Total RMB'000</b>
At 1 January 2023	255,432	(43,273)	212,159
Movements	–	1,771	1,771
Derecognition and/or realisation	<u>(77,936)</u>	<u>–</u>	<u>(77,936)</u>
At 31 December 2023	<u>177,496</u>	<u>(41,502)</u>	<u>135,994</u>
Comprising:			
Current portion	128,496	(28,701)	99,795
Non-current portion	<u>49,000</u>	<u>(12,801)</u>	<u>36,199</u>

**10. INVESTMENTS IN ASSOCIATES OR JOINT VENTURES AT FAIR VALUE THROUGH PROFIT OR LOSS (“IAFV”) (CONTINUED)**

	<b>Cost</b>	<b>Increase/ (decrease) in fair value of IAFV</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
At 1 January 2024	177,496	(41,502)	135,994
Movements	–	(1,457)	(1,457)
Derecognition and/or realisation	(1,085)	–	(1,085)
	<u>176,411</u>	<u>(42,959)</u>	<u>133,452</u>
At 30 June 2024			
Comprising:			
Current portion	127,411	(30,037)	97,374
Non-current portion	49,000	(12,922)	36,078
	<u>127,411</u>	<u>(30,037)</u>	<u>97,374</u>
	<u>49,000</u>	<u>(12,922)</u>	<u>36,078</u>

**11. OTHER PAYABLES AND ACCRUALS**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Payroll and welfare payable	1,681	2,206
Taxes and surcharges	465	783
Accruals	1,427	2,062
Due to related parties*	23,631	12,996
Payables in connection with acquisition	–	21,285
Interest-bearing borrowings**	5,842	14,902
Others	228	238
	<u>33,274</u>	<u>54,472</u>

\* Due to related parties are unsecured, non-interest-bearing and repayable on demand, except for an amount due to a related party of RMB21,122,000 as at 30 June 2024, of which the principal amount of RMB20,000,000 (2023: RMB9,745,000) bears interest at fixed interest rates of 5.0% per annum and has been paid off in August 2024. The fair values of other payables at 30 June 2024 approximated to their corresponding carrying amounts.

\*\* Interest bearing borrowings bear interest at 10.0%–11.3% per annum from an individual of RMB5,842,000, of which the principal amount is RMB5,700,000, the principal amount and interest have been paid off in August 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

As an asset management company in the PRC, the Group is mainly engaged in fund management specialising in real estate and distressed asset, investment advisory business, wealth management business in relation to the sales of funds and assets allocation, and real estate leasing business.

#### Fund management business

The Group manages two broad types of funds, namely (i) fund(s) structured and managed for the purpose of directly investing in a specific real estate investment project and distressed asset project (“**Project Fund(s)**”); and (ii) flexible funds structured and managed, or co-managed, by the Group which may invest in designated types of funds under the Group’s portfolio assets instead of making direct investment into investment projects and are permitted to invest in multiple investment projects indirectly through a number of funds at the same time (“**FOF(s)**”). The Group’s managed funds invest in three main categories of portfolio assets, namely commercial real estate projects, distressed assets projects, and urbanisation and redevelopment projects.

During the first half of 2024, clear signs of recovery in property investment industry in China had yet to be seen and the market continued to slow down. During the Reporting Period, the Group maintained its prudent and steady investment strategy for its fund management business. Instead of establishing of new funds for project investment, the Group continued to focus on enhancing the quality and efficiency of its existing projects while exiting some. For project operation and asset disposal, the Group enjoyed flexibility in its operation during the Reporting Period by actively liaising with financial institutions for various financing means to lower the finance costs of its projects. With keen insights into market changes, the Group also timely adjusted its operation and marketing strategies of its projects, facilitating the transformation and upgrading of its projects to revitalise as well as dispose of its existing assets. For certain projects with default risks, with an aim to fully safeguard the interests of the fund investors, the Group, as the fund manager, actively took mitigation measures by filing arbitration or litigation claims with courts or relevant authorities on behalf of its funds.

As at 30 June 2024, the Group’s managed funds invested in 14 commercial real estate, urbanisation and redevelopment, distressed asset projects located in Shanghai, Zhejiang, Jiangsu, Sichuan, Shenzhen, Henan and other provinces and cities of the PRC with assets under management (“**AUM**”) of approximately RMB2,071.6 million. During the Reporting Period, three funds under the management of the Group made liquidation distributions to the fund unit holders by way of monetary and non-monetary distributions.

Set out below is a breakdown of the AUM by type of fund as at the date indicated<sup>(Note 1)</sup>:

	As at 30 June 2024 AUM RMB million	As at 31 December 2023 AUM RMB million
Project Funds	1,617.4	1,795.6
FOFs	566.9	569.6
Less: FOFs investments in Project Funds	<u>(112.7)</u>	<u>(181.6)</u>
<b>Total</b>	<b><u>2,071.6</u></b>	<b><u>2,183.6</u></b>

Set out below is a breakdown of fund AUM by portfolio asset type as at the date indicated<sup>(Note 2)</sup>:

	As at 30 June 2024			As at 31 December 2023		
	Number of projects	AUM RMB million	Proportion %	Number of projects	AUM RMB million	Proportion %
Commercial real estate projects	6	1,301.2	62.8%	6	1,301.4	59.6%
Urbanisation and redevelopment projects	5	612.7	29.6%	5	621.0	28.4%
Distressed assets projects	<u>3</u>	<u>157.7</u>	<u>7.6%</u>	<u>3</u>	<u>261.2</u>	<u>12.0%</u>
<b>Total</b>	<b><u>14</u></b>	<b><u>2,071.6</u></b>	<b><u>100.0%</u></b>	<b><u>14</u></b>	<b><u>2,183.6</u></b>	<b><u>100.0%</u></b>

Notes:

1. The amount which FOFs had invested in Project Funds was eliminated from the breakdown of the AUM by types of fund to avoid double counting.
2. Projects invested by our FOFs with specified Project Fund investment that has not been established are included in the breakdown of fund AUM by portfolio asset type. As at 30 June 2024, the total management scale directly invested by our FOFs with specified Project Fund investment that has not been established amounted to approximately RMB454.2 million (31 December 2023: approximately RMB388.0 million).

### **Investment advisory business**

As a professional service institution, the Group provides comprehensive services including project valuation analysis, pre-investment consultation, due diligence, transaction structuring, management consultation and post-investment management to enterprises or high-net-worth individuals with investment and financing needs for real estate, distressed assets or special opportunity projects. During the Reporting Period, the Group provided investment advisory services for a total of 12 projects, including 4 new investment advisory projects during the Reporting Period. Investment advisory business contributed an advisory fee income of approximately RMB4.3 million to the Group.

### **Wealth management business**

The Group is committed to deepening the engagement within the wealth management industry and provides professional asset allocation services for high-net-worth individuals, institutional investors and family offices in China. During the Reporting Period, the Group did not issue or sell products and no revenue was generated from the wealth management business. Since 2023, the Group has built an operation team for public fund business in the wealth management segment, which is committed to building a public fund online trading platform designed for institutional investors. As at the end of the Reporting Period, the public fund online trading platform system was under development and is expected to be completed in the second half of this year.

### **Real estate leasing business**

Based on the long-term development and diversified investment strategy formulated by the Group, in July 2023, the Group acquired two companies holding two shops located in Chengdu, Sichuan Province with a total gross floor area of 3,381.67 square metres. Both two shops are being leased under respective long-term lease agreements, contributing rental income of approximately RMB0.6 million to the Group during the Reporting Period.

## **FUTURE OUTLOOK**

Looking forward to the second half of 2024, the market environment is expected to remain challenging. The Group will continue to focus on the four business segments, namely, fund management, investment advisory, wealth management and real estate leasing, while exploring new development opportunities in the sub-segments, so as to maintain a steady growth momentum in the complex and volatile market environment.



**Fund management business:** In addition to the existing commercial real estate, urbanisation and redevelopment and distressed asset projects, the Group has been constantly identifying new investment directions, for instance, real estate projects of industrial properties, among which logistics properties and industrial parks being target assets. Not only does the Group have investment projects in Mainland China, it also plans to expand into overseas markets by carrying out its fund management business in Hong Kong in the second half of this year given that the Group has observed huge overseas capital investment in recent years.

**Investment advisory business:** Over the past few years, as an investment advisor for distressed asset projects, the Group has been mainly offering comprehensive solutions such as bankruptcy restructuring, debt restructuring, acquisition and disposal to distressed enterprises. Meanwhile, the fast-growing size of distressed assets of personal loans in China as well as the increasingly active bulk transfer market for distressed assets of personal loans form a trillion-dollar market. The Group has accumulated successful experience in personal debt recovery during the process of disposal of distressed assets invested by the funds under management. By leveraging on the professional capabilities in disposal of assets in liquidation, the Group plans to develop distressed personal loan business, seizing the development opportunities in the distressed personal loan industry to create a new source of revenue in the distressed asset disposal sub-segment.

**Wealth management business:** Under the prevailing conditions of the wealth management market in China, the Group will optimise its product design, marketing channels and customer services in the future as follows: (i) in respect of product design, the Group will proactively explore new investment targets, such as logistics parks, industrial parks, infrastructures, etc., striving to offering a wide range of investment products which cater to differentiated industry-specific investment needs of various types of investors in different business cycles; (ii) in respect of marketing channels, the Group promotes its products by adopting an approach combining direct sales with agency sales. For selection of distribution channels, the Group will introduce partners such as well-established real estate transaction service providers and urban industry convention and exhibition companies etc. to secure its customer base in the sinking regional markets targeting third- and fourth-tier cities in the second half of the year; and (iii) in respect of customer services, the Group will continue to improve its professional services quality, providing both existing and potential investors with ample opportunities for communication. The Group will regularly organise small-scale events for high-net-worth clients as well as industry seminars or forums, fostering stronger connection with its investors.

**Real estate leasing business:** With its extensive experience in investment attraction, operation and management of commercial real estate over the past decade, the Group will make use of its professional commercial operation and management capabilities and proactively seek bank loans bearing low interest rates to minimise operating costs of the shops, thereby increasing the operating revenue of its own properties. In addition, the Group will timely adjust operation strategies of its real estate leasing business based on market conditions and its financial position in order to raise capital utilisation, ultimately serving the purpose of capital appreciation.

Moving forward, adhering to the prudent and steady principle of operation, the Group will proactively explore new development opportunities while improving its core competitiveness, creating greater value for its shareholders (“**Shareholders**”).

## FINANCIAL REVIEW

### Revenue

The Group derived its revenue mainly from the management fees charged on the Project Funds and FOFs established and managed by it, the advisory fees charged for investment advisory services and rental fees charged on leasing real estate. During the Reporting Period, the Group recognised revenue of approximately RMB14.4 million, representing an increase of approximately RMB4.3 million or approximately 42.2% as compared to the corresponding period last year.

Set out below is a breakdown of the revenue by income source during the indicated period:

	For the six months ended 30 June			
	2024	2023	Change	Rate of
	(unaudited)	(unaudited)		change
	(RMB'000, except percentages)			
Fund management fee income	9,528	5,758	3,770	65.5%
Advisory fee income	4,301	4,378	(77)	(1.8%)
Rental fee income	582	–	582	100.0%
<b>Total</b>	<b>14,411</b>	<b>10,136</b>	<b>4,275</b>	<b>42.2%</b>

The main reasons for an increase in revenue were as follows:

- (i) Fund management fee income of approximately RMB9.5 million was recorded during the Reporting Period, representing an increase of approximately RMB3.8 million as compared to the corresponding period last year, which was mainly attributable to the contribution of management fee income of approximately RMB5.4 million from Realway Capital Kangyue Preferred Private Equity Unit Trust Fund\* (瑞威資本康悦優選契約型私募股權投資基金) managed by the Group during the Reporting Period; and
- (ii) Rental fee income of approximately RMB0.6 million was recorded during the Reporting Period, representing the income received by the Group through leasing properties after the acquisition of companies holding two shops in Chengdu, Sichuan Province in July 2023.

### **Administrative expenses**

The Group's administrative expenses for the Reporting Period were approximately RMB16.1 million, representing a decrease of approximately RMB1.9 million from approximately RMB18.0 million for the corresponding period last year, which was mainly attributable to the results of the cost control measures adopted by the Group, resulting in a decrease in staff costs and business advisory fees of approximately RMB1.5 million and RMB0.3 million, respectively, as compared to the corresponding period last year.

### **Impairment loss reversed on trade receivables**

The Group applied the simplified approach under IFRS 9 to provide for expected credit loss ("ECL"). Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

As at the end of the Reporting Period, the Group carried out a comprehensive assessment on the receivables, taking into account various factors such as the past collection, ageing, financial position of the debtors and macroeconomic environment of each receivable. During the Reporting Period, the Group reversed a net impairment loss on trade receivables of approximately RMB2.3 million, which was mainly due to the decrease in the probability of default of some funds after the assessment under the ECL model.

## **Decrease in fair value of IAFV**

As part of the Group's ordinary and usual course of business, the Group has been making investments in the funds structured and managed by itself. Such investments were recognised as IAFV in the Group's financial statements and such accounting treatment will continue to apply in the future.

The Group, as an investment fund manager, measures the above investments in associate(s) or joint venture(s) at fair value through profit or loss in accordance with IFRS 9. Related real estate investments or financial assets held by these associates or joint ventures classifies as level 3 hierarchy of fair value measurement, which is based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The valuation techniques and key inputs under such accounting policy are: discounted cash flow with future cash flows that are estimated based on expected recoverable amounts, and discounted at rates that reflect management's best estimation of the expected risk level. It indicates the following relationship to fair value:

- the higher the recoverable amounts, the higher the fair value;
- the earlier the recovery date, the higher the fair value;
- the lower the discount rates, the higher the fair value.

The fair value of IAFV for the Reporting Period decreased by approximately RMB1.5 million, which was mainly attributable to the lower-than-expected recoverable amounts and the postponement in the recoverable dates of the underlying assets corresponding to the Huaqiao Cheng Project\* (華僑城項目) and Shaoxing Keqiao Project\* (紹興柯橋項目) invested in by FOF III (Realway Development No. 3 Unit Trust Fund\* (瑞威發展三號契約型私募基金)), leading to a decrease in fair value of IAFV.

## **Other expenses**

During the Reporting Period, other expenses of the Group decreased by approximately RMB24.0 million as compared to the corresponding period last year, which was mainly attributable to the transfer of subscribed and fully-paid underlying interests of Hangzhou Fuyang Huiyun Investment Management Partnership (Limited Partnership)\* (杭州富陽匯筭投資管理合夥企業(有限合夥)) by the Company through public auction last year, which resulted in an investment loss of approximately RMB24.0 million last year.

### **Share of profits/(losses) of an associate**

The Group's share of losses of an associate for the Reporting Period was approximately RMB1.8 million, as compared to the share of profits of an associate of approximately RMB5.3 million for the corresponding period last year. The share of losses of an associate was attributable to Guangrui Juyao (Qingdao) Wealth Asset Management Co., Ltd. ("**Guangrui Juyao**"), in which the Group has an 18% equity investment. During the Reporting Period, Guangrui Juyao implemented dynamic adjustments to its incentive scheme for business development, putting more effort to incentivise its marketing personnel, resulting in a significant increase in selling expenses as compared to the corresponding period last year.

### **Loss for the period**

The net loss recognised by the Group during the Reporting Period was approximately RMB3.3 million, representing a decrease of approximately RMB26.4 million as compared to the loss for the period of approximately RMB29.7 million for the six months ended 30 June 2023, which was mainly due to the increase in revenue and the decrease in other expenses during the Reporting Period as detailed above.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group regularly reviews the liquidity status and actively manages liquidity and financial resources in light of changes in the economic environment and business development needs. As at 30 June 2024, the cash and cash equivalents as well as restricted bank deposits of the Group in aggregate were approximately RMB25.4 million (31 December 2023: RMB12.6 million), which were mainly held in RMB.

The Group did not use any financial instruments for hedging purpose during the Reporting Period.

### **GEARING RATIO**

As at 30 June 2024, the Group's interest-bearing liabilities amounted to approximately RMB25.7 million (31 December 2023: approximately RMB24.2 million), among which, (i) amount due to a related party amounted to RMB20.0 million bearing interest at fixed interest rates of 5.0% per annum and have been paid off in August 2024; (ii) amount due to a third party amounted to RMB5.7 million bearing interest at interest rates of 10.0%–11.3% per annum and have been paid off in August 2024. The interest bearing liabilities were denominated in RMB. As at 30 June 2024, the Group's gearing ratio (calculated as total interest-bearing liabilities divided by total equity) was approximately 9.5% (31 December 2023: approximately 8.9%).

## **TREASURY POLICIES**

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position during the Reporting Period. The Group always strives to minimise exposure to credit risk by strictly controlling outstanding receivables and setting up a credit control team. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

## **PLEDGE OF ASSETS**

As at 30 June 2024, the Group did not have any pledge or charges on its assets.

## **FOREIGN EXCHANGE RISK**

The Group principally operates in the PRC with most of its businesses being denominated in RMB. The Group only bears the risk of fluctuations in the exchange rate of RMB against HKD. The Group currently has no hedging of foreign exchange risk and the Directors believe that the Group's foreign exchange risk is manageable and will closely monitor the relevant risks from time to time.

## **CAPITAL STRUCTURE**

There has been no change in the capital structure of the Company since its listing on 13 November 2018.

## **INTERIM DIVIDEND**

In order to retain resources for the business development of the Group, the Board did not recommend the declaration of interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

## **COMMITMENTS**

The Group did not have any significant commitments as at 30 June 2024 (31 December 2023: Nil).

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the Reporting Period.

## CAPITAL EXPENDITURES

As at 30 June 2024, the Group did not have any significant capital expenditures.

## CONTINGENT LIABILITIES

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

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group employed a total of 66 employees (31 December 2023: 73 employees). The Group has formulated an employee compensation policy which takes into account factors such as external market competitiveness and internal fairness, and provides diversified training and individual development plans for its employees. The Group has a clear promotion policy that gives eligible employees career progression opportunities.

## IAFV

As at 30 June 2024, IAFV of the Group was approximately RMB133.5 million, representing a decrease of approximately RMB2.5 million as compared to IAFV of approximately RMB136.0 million as at 31 December 2023. Details are as follows:

Name of fund	Type of investment project	Cost of investment (RMB'000)	Percentage of fund equity	Dividends received for the Reporting Period (RMB'000)	Fair value as at 30 June 2024 (RMB'000)	Percentage of the total asset value of the Group as at 30 June 2024	Unrealised gains/(losses) related to changes in fair value during the Reporting Period (RMB'000)	Fair value as at 31 December 2023 (RMB'000)	Source of funds
1 Shanghai Ruixi Investment Enterprise (Limited Partnership)* (上海瑞習投資企業(有限合伙)) (Note 1)	Distressed assets projects	48,377	43.6%	–	50,296	16.3%	1,919	50,296	Internal resources
2 FOF IX (Note 2)	Commercial real estate projects	48,000	78.7%	–	35,150	11.4%	(12,850)	35,225	Proceeds from the Share Offer (Note 5)
3 FOF III (Note 3)	Commercial real estate projects, urbanisation and redevelopment projects and distressed assets projects	29,553	9.9%	–	14,821	4.8%	(14,732)	16,918	Internal resources
4 Ningbo Meishan Bonded Harbor Ruichong Investment Management Partnership (Limited Partnership)* (寧波梅山保稅港區瑞翀投資管理合夥企業(有限合伙)) (Note 1)	Distressed assets projects	29,481	5.9%	–	14,071	4.6%	(15,410)	14,695	Internal resources



Name of fund	Type of investment project	Cost of investment (RMB'000)	Percentage of fund equity	Dividends received for the Reporting Period (RMB'000)	Fair value as at 30 June 2024 (RMB'000)	Percentage of the total asset value of the Group as at 30 June 2024	Unrealised gains/(losses) related to changes in fair value during the Reporting Period (RMB'000)	Fair value as at 31 December 2023 (RMB'000)	Source of funds
5 FOF VIII <i>(Note 4)</i>	Urbanisation and redevelopment projects and commercial real estate projects	20,000	14.4%	–	18,186	5.9%	(1,814)	17,886	Proceeds from the Share Offer <i>(Note 5)</i>
6 Tianjin Runshi Shenwei Equity Investment Partnership (Limited Partnership)* (天津潤石申威股權投資合夥企業(有限合夥))	Commercial real estate projects	1,000	0.1%	–	928	0.3%	(72)	974	Internal resources
		<u>176,411</u>		<u>–</u>	<u>133,452</u>		<u>(42,959)</u>	<u>135,994</u>	

*Notes:*

1. Shanghai Ruixi Investment Enterprise (Limited Partnership) and Ningbo Meishan Bonded Harbor Ruichong Investment Management Partnership (Limited Partnership) are properties acquired by the Group through non-monetary distribution from the 2023 liquidation scheme of the FOF IV (Shanghai Weiyi Investment Partnership (Limited Partnership)\* 上海威弋投資合夥企業(有限合夥)).
2. FOF IX refers to Hangzhou Fuyang Huirong Investment Management Partnership (Limited Partnership)\* (杭州富陽匯嶸投資管理合夥企業(有限合夥)), a FOF established and jointly managed by the Group in the form of limited partnership in January 2019.
3. FOF III refers to Realway Development No. 3 Unit Trust Fund\* (瑞威發展三號契約型私募基金), a FOF established by the Group in the form of trust fund in August 2016.
4. FOF VIII refers to Realway Development No. 5 Unit Trust Fund\* (瑞威發展五號契約型私募基金), a FOF established by the Group in the form of trust fund in December 2017.
5. Share offer refers to the share offer conducted by the Company in connection with its listing on the Stock Exchange in 2018.

The Group adopts a prudent and pragmatic investment strategy to generate investment returns for better use of its capital and funds. Investment decisions are made after taking into consideration, including but not limited to, the feasibility of the investment project, financial performance, prospects, reputation and experience of investees or business partners and the risks associated with the investment. The Group will continue to operate a diversified investment portfolio and closely monitor the investment performance and market trends to adjust its investment strategy in FOFs and Project Funds.

## INVESTMENT IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 30 June 2024, the Group had no investments in financial assets that accounted for over 5% of total assets individually.



## SUMMARY OF INVESTMENT PROPERTIES

As at 30 June 2024, the investment properties of the Group are set out as follows:

Address	Leasing Term	Purpose	GFA (square metres)	Permanent ownership
Room 1, 2nd Floor, No. 7 Xinxiwang Road, Wuhou District, Chengdu, Sichuan Province, the PRC	Long-term	Commercial	1,585.48	No
Room 1, 3rd Floor, No. 7 Xinxiwang Road, Wuhou District, Chengdu, Sichuan Province, the PRC	Long-term	Commercial	1,796.19	No

## ARBITRATION RELATING TO THE GROUP'S SIGNIFICANT INVESTMENTS HELD

On 10 February 2020, Hangzhou Fuyang Huiguan Investment Management Partnership (Limited Partnership)\* (杭州富陽匯冠投資管理合夥企業(有限合夥)) (“**Fuyang Huiguan Fund**”), for which Shanghai Ruixiang Investment Management Co., Ltd\* (上海瑞襄投資管理有限公司) (“**Ruixiang Investment**”), a subsidiary of the Company, acts as a fund manager, filed an application to Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center) (“**SIETAC**”) for arbitration against Shenzhen City Hai Shi Urban Renew Co. Ltd\* (深圳市海石城市更新有限公司) (“**Hai Shi Urban Renew**”) in respect of its default in payment of consideration for the transfer of equity interests in the Shenzhen Xinqiaowei Project\* (深圳新喬園項目), demanding Hai Shi Urban Renew pay to Fuyang Huiguan Fund the outstanding third installment of the equity transfer consideration, late payment penalty and related legal costs. The total amount sought in this arbitration tentatively amounts to approximately RMB38,063,000. On 17 March 2020 and 22 May 2020, Shenzhen Xinqiaowei Project received RMB5,000,000 and RMB2,000,000 respectively, in settlement of the third installment of the equity transfer consideration from Hai Shi Urban Renew. On 12 January 2021, the case was heard in SIETAC. The Fuyang Huiguan Fund submitted an amended application for arbitration to the SIETAC according to the arbitration hearing on the same day, requesting Hai Shi Urban Renew to pay the outstanding third and fourth installments of the equity transfer consideration, liquidated damages for overdue payments, legal fees and other fees payable to the Fuyang Huiguan Fund, and the total amount related to the arbitration claim is temporarily approximately RMB82,644,514.

On 2 April 2021, SIETAC made a final arbitral award on this case, that Hai Shi Urban Renew should pay the outstanding third and fourth installments of the equity transfer consideration, liquidated damages for overdue payments, legal fees and other fees payable to the Fuyang Huiguan Fund, and the total amount is temporarily approximately RMB69,722,494 (of which the liquidated damages for overdue payments shall be accrued up to the actual payment date). Subsequently, Hai Shi Urban Renew has not complied with the final arbitral award and the fund manager, Ruixiang Investment continued to negotiate with Hai Shi Urban Renew. On 22 December 2021, Fuyang Huiguan Fund and Hai Shi Urban Renew entered into a settlement execution agreement (the “**Settlement Execution Agreement**”) and agreed that (i) Hai Shi Urban Renew shall pay RMB20,000,000 to Fuyang Huiguan Fund for the partial settlement of the third installment of the equity transfer consideration by 31 March 2022; (ii) Hai Shi Urban Renew shall pay RMB43,000,000 to Fuyang Huiguan Fund for the settlement of the remaining third and fourth installment of the equity transfer consideration by 30 May 2022 and RMB25,000,000 as the liquidated damages and other expenses as set out in the arbitral award; and (iii) Hai Shi Urban Renew shall pay compensation in an amount of RMB8,875,000 to Fuyang Huiguan Fund by 30 May 2022.

On 21 April 2023, Fuyang Huiguan Fund distributed the executory claims held by it on Hai Shi Urban Renew in the amount of RMB97,606,244 and the default claims since 21 April 2023 to the date of actual payment in a non-monetary manner to the limited partner, Hangzhou Fuyang Huijing Investment Management Partnership (Limited Partnership)\*(杭州富陽匯旌投資管理合夥企業(有限合夥)) (“**Fuyang Huijing**”), in accordance with the liquidation plan. The investment size of FOF VIII, for which Ruixiang Investment, a subsidiary of the Company, acted as a fund manager in Fuyang Huijing as at 30 June 2024 was approximately RMB40.2 million.

As of the date of this announcement, Fuyang Huijing has not received the amount set out in the Settlement Execution Agreement from Hai Shi Urban Renew. After several reminders, Ruixiang Investment, confirmed that Hai Shi Urban Renew was unable to fulfill the Settlement Execution Agreement in a short period of time. Ruixiang Investment has applied to the court to resume the execution procedures and frozen the bank accounts and part of the property of Hai Shi Urban Renew through judicial preservation procedures, which is currently still within the validity period of judicial seizure. Ruixiang Investment will fully cooperate with the court to facilitate the execution procedures, proactively urge Hai Shi Urban Renew and its guarantors in facilitating the realisation of other properties to fulfill its debt payment obligations, and accelerate the recovery of property of the Fuyang Huijing.

Currently the businesses of the Company are in normal operation, and the Company will take all appropriate steps to safeguard its rights and interests. Further announcement will be made in due course.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have specific plans for material investments or capital assets as at 30 June 2024. In the event that the Group participates in any plans for material investments or capital assets, the Company will make announcement(s) in compliance with the relevant rules of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as and when appropriate.

## CORPORATE GOVERNANCE PRACTICES

It is always one of the Company’s top priorities to adhere to and comply with the generally accepted standards laid down by the principles and practices of corporate governance. The Board believes that good corporate governance is one of the factors leading to the Company’s success and balancing the interests among its Shareholders, clients and employees and is committed to its ongoing efforts to enhance the efficiency and effectiveness of such principles and practices. During the Reporting Period, the Company had adopted and complied with the principles of good corporate governance and code provisions (the “**Code Provision(s)**”) set out in the Corporate Governance Code (“**CG Code**”) contained in part 2 of Appendix C1 to the Listing Rules, save and except for the deviation from Code Provision C.2.1 of the CG Code.

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Reporting Period, the roles of chairman (the “**Chairman**”) and chief executive officer (the “**Chief Executive Officer**”) of the Company were both performed by Mr. Zhu Ping.

As Mr. Zhu Ping now serves as both the Chairman and the Chief Executive Officer, such practice deviates from Code Provision C.2.1 of the CG Code. The Board is of the view that it is appropriate and in the best interests of the Company for Mr. Zhu Ping to hold both positions as it would contribute to the continuity of the policies and the stability of the operations of the Group having taken into account Mr. Zhu Ping’s familiarity with every aspect of the Group’s operations owing to his capacity as the Group’s principal founder and heavy involvement in the day-to-day operations of the Group. The Board therefore considers that the deviation from the Code Provision C.2.1 of the CG Code is appropriate in such circumstance and is of the view that this management structure is effective for the Group’s operations. Having taken into account the Group’s established risk management and internal control measures as more particularly set out in the prospectus of the Company dated 31 October 2018, the Directors believe that the Board, which holds at least four regular meetings a year to discuss business and operational issues of the Group, is appropriately structured with balance of power to provide sufficient check and balance for the protection of the interests of the Group and its Shareholders.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS**

The Company has adopted a code for securities transactions by Directors and a code for securities transactions by supervisors of the Company (the “**Supervisors**”) as its own codes of conduct governing Directors’ and Supervisors’ dealings in the Company’s securities (the “**Securities Dealing Code**”) on terms no less exacting than the standards required by the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and Supervisors and they have confirmed that they have complied with the relevant Securities Dealing Code throughout the Reporting Period.

The Company has also established written guidelines (the “**Employees Written Guidelines**”) for securities transactions by employees who are likely to be in possession of unpublished inside information of the Group which are on terms no less exacting than the Model Code. No incident of non-compliance with the Employees Written Guidelines by employees was noted by the Company during the Reporting Period.

## **AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

On 14 June 2024, the Shareholders at the annual general meeting, the domestic shareholders’ class meeting and the H shareholders’ class meeting have passed the special resolution approving the proposed amendments to the Articles of Association of the Company to (i) reflect the latest requirements of the Listing Rules and the relevant laws and regulations in the PRC in the Articles of Association; and (ii) make other consequential housekeeping amendments. For further details, please refer to the announcement of the Company dated 26 April 2024 and the circular of the Company dated 29 April 2024.

## **SHARE OPTION SCHEME AND SHARE AWARD SCHEME**

During the Reporting Period, the Company has not implemented any share option scheme or share award scheme.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

There had been no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities of the Company during the Reporting Period.

## EVENTS AFTER THE REPORTING PERIOD

### Adoption and implementation of the employee stock ownership plan of a subsidiary

On 26 July 2024, the Board has resolved to adopt and implement the employee stock ownership plan of Ruixiang Investment (the “**Employee Stock Ownership Plan**”). The four participants of the Employee Stock Ownership Plan will be able to indirectly hold equity interests in Ruixiang Investment and be entitled to the corresponding economic benefits through (i) subscribing for partnership shares in Shanghai Xiangxie Enterprise Management Partnership (Limited Partnership)\* (上海襄攜企業管理合夥企業(有限合夥)) (“**Xiangxie Partnership**”) (being the shareholding vehicle for the Employee Stock Ownership Plan) and make capital contribution to it; and (ii) the equity transfer agreement being entered into between the Company and Xiangxie Partnership, whereby the Company shall transfer 2% equity interests in Ruixiang Investment to Xiangxie Partnership, at the consideration of RMB1,360,000. As of the date of this announcement, the aforementioned equity transfer was completed. The Company’s equity interest in Ruixiang Investment decreased from 100% to 98%. For further details, please refer to the voluntary announcement of the Company dated 26 July 2024.

### Deregistration of a subsidiary

Realway Capital Assets Management (Chengdu) Co., Ltd.\* (成都瑞威資產管理有限公司), a subsidiary of the Company, was deregistered on 19 August 2024.

## COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors or the controlling shareholder of the Company or any of their respective close associates (as defined in the Listing Rules) that compete or may compete with the business of the Group, or any other conflicts of interest which any such person has or may have with the Group during the Reporting Period.

## AUDIT COMMITTEE

The Board has established the Audit Committee which comprises three independent non-executive Directors. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the audit, internal controls and financial reporting matters including a review of the unaudited interim results of the Group for the Reporting Period.

## **AUDIT OR REVIEW OF THE FINANCIAL RESULTS BY AUDITOR**

The financial results for the Reporting Period have not been audited or reviewed by external auditor of the Company.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

The interim results announcement is available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.realwaycapital.com](http://www.realwaycapital.com)). The interim report will be posted on the websites of the Stock Exchange and the Company and despatched to the Shareholders upon request on or around 20 September 2024.

By Order of the Board  
**Shanghai Realway Capital Assets Management Co., Ltd.**  
**Mr. Zhu Ping**  
*Chairman, Chief Executive Officer and Executive Director*

Shanghai, the PRC, 23 August 2024

*As of the date of this announcement, the Board comprises Mr. Zhu Ping, Mr. Duan Kejian and Ms. Chen Min as executive Directors; Mr. Wang Xuyang and Mr. Cheng Jun as non-executive Directors; and Ms. Yang Huifang, Mr. Shang Jian and Mr. Zhu Hongchao as independent non-executive Directors.*

\* *for identification purpose only*