瑞威资管
REALWAY CAPITAL

# 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)**

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Shanghai Realway Capital Assets Management Co., Ltd. (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**", "**we**" or "**our**") for the year ended 31 December 2024 (the "**Year**" or the "**Reporting Period**"), together with comparative figures for the year ended 31 December 2023.

**HIGHLIGHTS**

— The Group recognised revenue of approximately RMB26.3 million for the Year, representing a year-on-year increase of approximately 47.2% as compared to the revenue of approximately RMB17.9 million recognised in the previous year.

— The Group recognised a loss of approximately RMB13.2 million for the Year, representing a year-on-year decrease of approximately 77.2% as compared to the loss of approximately RMB57.9 million recognised in the previous year.

— The Group's loss per share attributable to ordinary equity holders of the parent was approximately RMB8.55 cents for the Year.

— The Board does not recommend the distribution of final dividend for the Year.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Year ended 31 December 2024*

| | Notes | **2024** **RMB'000** | 2023 RMB'000 |
|---|---|---|---|
| **REVENUE** | 5 | **26,312** | 17,872 |
| Other income and gains | 5 | **902** | 5,756 |
| Administrative expenses | | **(32,330)** | (38,229) |
| Impairment losses reversed on trade receivables | 10 | **5,549** | 6,706 |
| Impairment losses recognised on other receivables | | **(54)** | (1,199) |
| (Decrease)/increase in fair value of investments in associates or joint ventures at fair value through profit or loss | 11 | **(460)** | 1,771 |
| Decrease in fair value of financial assets at fair value through profit or loss | 12 | **(4,753)** | (5,975) |
| Increase/(decrease) in fair value of investment properties | | **70** | (322) |
| Other expenses | 6 | **(5,387)** | (34,692) |
| Finance costs | | **(1,756)** | (1,521) |
| Share of profits and losses of: | | | |
| Joint ventures | | **(44)** | (254) |
| An associate | | **354** | 205 |
| **LOSS BEFORE TAX** | | **(11,597)** | (49,882) |
| Income tax expense | 7 | **(1,604)** | (8,043) |
| **LOSS FOR THE YEAR** | | **(13,201)** | (57,925) |
| Attributable to: | | | |
| Owners of the parent | | **(13,105)** | (56,733) |
| Non-controlling interests | | **(96)** | (1,192) |
| | | **(13,201)** | (57,925) |
| **LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT** | | | |
| Basic and diluted | | | |
| — For loss for the year (RMB cents) | 9 | **(8.55)** | (37.00) |

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*Year ended 31 December 2024*

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **LOSS FOR THE YEAR** | **(13,201)** | (57,925) |
| OTHER COMPREHENSIVE INCOME | | |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences: | | |
| Exchange differences on translation of foreign operations | **24** | 20 |
| Net other comprehensive income that may be reclassified to profit or loss in subsequent periods | **24** | 20 |
| **OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX** | **24** | 20 |
| **TOTAL COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX** | **(13,177)** | (57,905) |
| Attributable to: | | |
| Owners of the parent | **(13,081)** | (56,713) |
| Non-controlling interests | **(96)** | (1,192) |
| | **(13,177)** | (57,905) |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*31 December 2024*

| | Notes | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | | **508** | 856 |
| Investment properties | | **42,270** | 42,200 |
| Right-of-use assets | | **2,838** | 6,294 |
| Other intangible assets | | **3,169** | 308 |
| Investments in joint ventures | | **111** | – |
| Investment in an associate | | **5,992** | 5,638 |
| Investments in associates or joint ventures at fair value through profit or loss ("**IAFV**") | *11* | **35,373** | 36,199 |
| Deferred tax assets | | **1,772** | 2,900 |
| Total non-current assets | | **92,033** | 94,395 |
| **CURRENT ASSETS** | | | |
| Trade receivables | *10* | **77,553** | 64,937 |
| Prepayments, other receivables and other assets | | **5,892** | 25,365 |
| Investments in associates or joint ventures at fair value through profit or loss | *11* | **50,699** | 99,795 |
| Financial assets at fair value through profit or loss ("**FVTPL**") | *12* | **52,435** | 37,048 |
| Restricted cash | | **1,421** | – |
| Cash and cash equivalents | | **9,808** | 12,610 |
| Total current assets | | **197,808** | 239,755 |
| **CURRENT LIABILITIES** | | | |
| Other payables and accruals | *13* | **5,941** | 54,472 |
| Interest-bearing other borrowings | | **19,000** | – |
| Contract liabilities | | **375** | – |
| Lease liabilities | | **1,363** | 2,175 |
| Total current liabilities | | **26,679** | 56,647 |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)**
*31 December 2024*

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **NET CURRENT ASSETS** | **171,129** | 183,108 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | **263,162** | 277,503 |
| **NON-CURRENT LIABILITIES** | | |
| Deferred tax liabilities | **751** | 275 |
| Lease liabilities | **1,458** | 4,193 |
| Total non-current liabilities | **2,209** | 4,468 |
| **Net assets** | **260,953** | 273,035 |
| **EQUITY** | | |
| **Equity attributable to owners of the parent** | | |
| Share capital | **153,340** | 153,340 |
| Reserves | **106,355** | 119,587 |
| | **259,695** | 272,927 |
| **Non-controlling interests** | **1,258** | 108 |
| **Total equity** | **260,953** | 273,035 |

## NOTES TO FINANCIAL STATEMENTS

*31 December 2024*

### 1. CORPORATE AND GROUP INFORMATION

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 26 G-3, 828–838 Zhang Yang Road, Pilot Free Trade Zone, Shanghai, China.

During the year, the Group was involved in the following principal activities:

- fund management;
- consulting services; and
- property leasing

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 was established in the PRC.

### 2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS Accounting Standards**") (which include all standards and interpretations, International Accounting Standards ("**IASs**") and Standing Interpretations Committee interpretations) approved by the International Accounting Standards Board (the "**IASB**"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for IAFV, FVTPL and investment properties which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

### 3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

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

The nature and the impact of the revised IFRS Accounting Standards 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. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

## 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, 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 customers is derived solely from its operation in Mainland China and no significant non-current assets of the Group are located outside Mainland China.

**Information about major customers**

Customers are the investors who invest in the funds managed by the Group or clients for which the Group serves as an investment advisor.

Revenue from major customers contributing 10% or more of the Group's revenue for the years ended 31 December 2024 and 2023 are set out below:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Customer A | **4,481** | 4,610 |
| Customer B | **3,855** | – |
| Customer C | **2,954** | 1,644 |

## 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Revenue from contracts with customers | **24,698** | 16,517 |
| Revenue from other sources | | |
| Rental income from investment property operating leases | **1,614** | 1,355 |
| Total | **26,312** | 17,872 |

**Revenue from contracts with customers**

*(i) Disaggregated revenue information*

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Types of goods or services** | | |
| Rendering of fund management services | **11,582** | 9,792 |
| Rendering of consulting services | **13,116** | 6,725 |
| Total | **24,698** | 16,517 |
| **Timing of revenue recognition** | | |
| Services transferred at a point in time | **6,211** | – |
| Services transferred over time | **18,487** | 16,517 |
| Total | **24,698** | 16,517 |

*(ii) Performance obligations*

For fund management services and consulting services rendered in a period of time, the Group recognises revenue in an amount that equal to the right to invoice which corresponds directly to the value delivered to the customer based on the Group's performance to date. The Group has elected to apply the practical expedient of not disclosing the remaining performance obligations for these contracts. The majority of the fund management service contracts are for periods of 1 year to 5 years which are the terms of the funds.

An analysis of other income and gains is as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Other income** | | |
| Interest income | **33** | 47 |
| **Gains** | | |
| Government grants | **383** | 767 |
| Investment income | **268** | 2,774 |
| Gain on debt waiver | **–** | 2,168 |
| Gain on disposal of items of property, plant and equipment | **218** | – |
| Total gains | **869** | 5,709 |
| Total other income and gains | **902** | 5,756 |

## 6. OTHER EXPENSES

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Loss on transfer of fund interests* | **5,237** | 34,669 |
| Loss on disposal of items of property, plant and equipment | **–** | 23 |
| Loss on disposal of right-of-use assets | **29** | – |
| Lease termination penalty | **121** | – |
| Total | **5,387** | 34,692 |

* Shanghai Ruixi Investment Enterprise (Limited Partnership), a fund interest held by the Group at the cost of RMB48,377,000 which mainly invests in distressed assets, entered into a partnership withdrawal agreement with its shareholders to distribute a debt investment to the Group in November 2024. The fair value of the debt investment at the time of withdrawal was approximately RMB43,140,000.

## 7. 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 for the year ended 31 December 2024. Subsidiaries of the Group operating in Mainland China were subject to PRC corporate income tax at a rate of 25% for the year, except that small-scale enterprises with minimal profits were qualified to apply income tax rate of 5% (2023: 5%).

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Current income tax — Mainland China | | |
| Charge for the year | **–** | – |
| Overprovision in prior years | **–** | (958) |
| Deferred tax | **1,604** | 9,001 |
| Total tax charge for the year | **1,604** | 8,043 |

A reconciliation of the tax expense applicable to loss before tax at the statutory rate for the country in which the Company and the majority of its subsidiaries are domiciled and operate to the tax expense at the effective tax rate is as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Loss before tax | **(11,597)** | (49,882) |
| Tax at the statutory tax rate (25%) | **(2,899)** | (12,471) |
| Expenses not deductible for tax | **112** | 90 |
| Lower tax rate for small-scale enterprises with minimal profits | **164** | 1,059 |
| Tax losses utilised from previous periods | **(433)** | – |
| Unrecognised deductible temporary differences and tax losses | **4,582** | 19,353 |
| Profits and losses attributable to joint ventures and an associate | **78** | 12 |
| Total tax charge for the year at the effective rate | **1,604** | 8,043 |

As at 31 December 2024, the Group had no outstanding PRC corporate income tax payable.

## 8. DIVIDENDS

No dividends have been proposed by the directors for the year ended 31 December 2024 (2023: Nil).

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

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 153,340,000 (2023: 153,340,000) outstanding during the year.

The Group had no potentially dilutive ordinary shares outstanding in issue during the years ended 31 December 2024 and 2023.

The calculation of basic loss per share is based on:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Loss** | | |
| Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation | **(13,105)** | (56,733) |

| | **Number of shares** | |
|---|---|---|
| | **2024** | 2023 |
| **Shares** | | |
| Weighted average number of ordinary shares outstanding during the year used in the basic loss per share calculation | **153,340,000** | 153,340,000 |

## 10. TRADE RECEIVABLES

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Trade receivables | **91,743** | 84,676 |
| Impairment | **(14,190)** | (19,739) |
| Net carrying amount | **77,553** | 64,937 |

The Group's trade receivables mainly represent regular management fees based on a predetermined fixed percentage of the asset value under management and paid out in the priority of the funds' distributable cash flows. 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 31 December 2024, the amount due from joint ventures was nil (2023: RMB304,000) and the amount due from associates was RMB29,152,000 (2023: RMB27,443,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing 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:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 1 year | **14,332** | 9,041 |
| 1 to 2 years | **7,812** | 8,638 |
| Over 2 years | **55,409** | 47,258 |
| Total | **77,553** | 64,937 |

The movements in the loss allowance for impairment of trade receivables are as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| At beginning of the year | **19,739** | 33,306 |
| Impairment losses, net | **(5,549)** | (6,706) |
| Amount written off as uncollectible | **–** | (6,861) |
| At end of year | **14,190** | 19,739 |

The decrease in the loss allowance was due to the settlement of certain trade receivables.

An impairment analysis is performed at each reporting period using a function to measure expected credit losses. The key inputs used for the function are probability of default, loss given default and exposure at default which are generally derived from internally developed statistical models and other historical data. At each reporting date, they are adjusted incorporating forward-looking information to reflect probability-weighted average credit loss. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

| | **2024** | 2023 |
|---|---|---|
| Expected credit loss rate | **15.5%** | 23.3% |
| Gross carrying amount (RMB'000) | **91,743** | 84,676 |
| Expected credit losses (RMB'000) | **14,190** | 19,739 |

## 11. INVESTMENTS IN ASSOCIATES OR JOINT VENTURES AT FAIR VALUE THROUGH PROFIT OR LOSS ("IAFV")

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Unlisted investments in associates or joint ventures, at fair value | **86,072** | 135,994 |

The Group, as an 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 31 December 2024. Details of the Group's material investment funds are summarised as follows:

| | **Type of investment project** | **Interests held** | |
|---|---|---|---|
| | | **2024** | 2023 |
| Realway Development No. 3 Unit Trust Fund | Commercial real estate projects, urbanization and redevelopment projects and distressed assets projects | **9.9%** | 10.0% |
| Realway Development No. 5 Unit Trust Fund | Urbanisation and redevelopment projects and commercial real estate projects | **14.4%** | 14.4% |
| Hangzhou Fuyang Huirong Investment Management Partnership (Limited Partnership)* | Commercial real estate projects | **78.7%** | 78.7% |

* The Group's 78.7% interest in Hangzhou Fuyang Huirong Investment Management Partnership (Limited Partnership) is considered as an investment in joint ventures as decisions about the relevant activities require the consent of other parties.

The following table illustrates the summarised financial information in respect of material investments in associates or joint ventures at fair value through profit or loss:

| | **Net asset value** | | **Loss for the year** | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* |
| Fund A | **178,744** | 169,178 | **(116,782)** | (130,822) |
| Fund B | **131,165** | 122,615 | **(7,835)** | (16,385) |
| Fund C | **43,552** | 44,218 | **(16,448)** | (15,782) |

The information disclosed reflects the amounts presented in the financial statements of the relevant associates or joint ventures.

The movements in investments in associates or joint ventures at fair value through profit or loss for the year ended 31 December 2024 are as follows.

| | **Cost** | **(Decrease)/ increase in fair value of IAFV** | **Total** |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2023 | 255,432 | (43,273) | 212,159 |
| Movements | – | 1,771 | 1,771 |
| Derecognition and/or realisation | (77,936) | – | (77,936) |
| At 31 December 2023 | 177,496 | (41,502) | 135,994 |
| Comprising: | | | |
| Current portion | 128,496 | (28,701) | 99,795 |
| Non-current portion | 49,000 | (12,801) | 36,199 |
| At 1 January 2024 | **177,496** | **(41,502)** | **135,994** |
| Movements | **–** | **(460)** | **(460)** |
| Derecognition and/or realisation | **(49,462)** | **–** | **(49,462)** |
| At 31 December 2024 | **128,034** | **(41,962)** | **86,072** |
| Comprising: | | | |
| Current portion | **79,034** | **(28,335)** | **50,699** |
| Non-current portion | **49,000** | **(13,627)** | **35,373** |

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Wealth management products, at fair value | **–** | 20,000 |
| Debt investments | **52,435** | 17,048 |
| Total | **52,435** | 37,048 |

The above debt investments were classified as financial assets at fair value through profit or loss as they were held for trading.

Debt investments were measured at fair value using significant unobservable inputs (Level 3). The movements in fair value measurements within Level 3 during the year are as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Debt investment at fair value through profit or loss at 1 January | **17,048** | – |
| Additions* | **43,140** | 23,023 |
| Total losses recognised in the statement of profit or loss | **(4,753)** | (5,975) |
| Collection of the debt investment | **(3,000)** | – |
| Total | **52,435** | 17,048 |

* Further details of the additions to debt investment are disclosed in note 6.

## 13. OTHER PAYABLES AND ACCRUALS

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Payroll and welfare payable | **1,627** | 2,206 |
| Taxes and surcharges | **988** | 783 |
| Accruals | **723** | 2,062 |
| Due to related parties* | **2,335** | 12,996 |
| Payables in connection with acquisition | **–** | 21,285 |
| Interest-bearing borrowings** | **–** | 14,902 |
| Others | **268** | 238 |
| | **5,941** | 54,472 |

* Amounts due to related parties are unsecured, non-interest-bearing and repayable on demand, except for an amount due to a related party which was fully repaid during the year. The fair values of other payables as at 31 December 2024 and 2023 approximated their carrying amounts.

** As at 31 December 2023, interest-bearing borrowings included unsecured loans from individuals amounting to RMB14,902,000, bearing interest at 11.3%, with a principal amount of RMB14,500,000. These borrowings were fully repaid in August 2024, and accordingly no balance remained outstanding as at the reporting date.

## MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY REVIEW

In 2024, China announced a record-breaking GDP of RMB130 trillion, representing a year-on-year increase of 5.0%. Despite of the complicated and difficult circumstances at home and abroad, the Chinese economy withstood pressure and overcame difficulties, securing the second place in the world in terms of its total size and ranking high among major economies around the world in terms of its growth rate. China is an important powerhouse for global economic growth.

Data from the National Bureau of Statistics showed that China's investment in real estate development in 2024 decreased by 10.6% compared to the previous year. The sales amount and sales area of new commercial housing decreased by 17.1% and 12.9% respectively compared with the previous year. Under the double impact of national macro-control policies and changes in market demand, the real estate industry is at a critical phase of transformation and adjustment. For private equity investment, according to Zero2IPO Research Centre, the number of new funds in China in 2024 was 3,981, with their fund size of approximately RMB1.4 trillion, representing a year-on-year drop of 43.0% and 20.8% respectively, among which new real estate investment funds and infrastructure investment funds totaled 81 with an aggregate size of approximately RMB176.256 billion, accounting for 12.2% of the aggregate fund size. As for investment, the number of investment cases in 2024 was 8,408 with an investment amount of approximately RMB603.647 billion, representing a year-on-year decrease of 10.4% and 10.3% respectively. As for exits, 3,696 fund exits were recorded in 2024, representing a year-on-year decrease of 6.3%. Early signs of recovery emerged despite that the overall equity investment market continued its downward trend.

At the policy level, the Chinese government introduced a series of policy measures with the purpose of stabilizing the property market in 2024. The meeting of Political Bureau of the Central Committee first proposed to "promote the stabilization and recovery of the real estate market", sending a strong signal for stabilizing the property market. The three major financial regulators launched a number of supportive policies, including optimising the financing environment for property enterprises, lowering the threshold for home purchase and creating a favourable policy environment for the real estate asset management industry. In July 2024, the National Development and Reform Commission issued "Notice on Comprehensively Promoting the Regular Issuance of Real Estate Investment Trusts (REITs) in the Infrastructure Sector"* (《關於全面推動基礎設施領域不動產投資信託基金(REITs)項目常態化發行的通知》), marking infrastructure REITs entering the regular issuance phase, further broadening the exit channels for real estate funds. Meanwhile, the industry demonstrated clear differentiation that new technology facility assets including office buildings, shopping centres, warehousing and logistics, and data centres became a trillion-dollar market, drawing the attention of global equity investment institutions.

## 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, 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 Year, Shanghai Ruixiang Investment Management Co., Ltd* (上海瑞襄投資管理有限公司) ("**Ruixiang Investment**"), a subsidiary of the Group, was approved by the Asset Management Association of China to obtain the pilot qualification of real estate private investment fund manager (becoming one of the few managers qualified to set up real estate private investment funds domestically) in recognition by the regulatory authorities for our professional capability, risk management standard and operation compliance of the Group.

As regards fund management business, the Group maintained its prudent and steady investment strategy during the Year and focused on enhancing the quality and efficiency of its existing projects while exiting certain investments to explore project values more deeply. Regarding properties for sale, the Group used multiple marketing and promotion channels, both online and offline, for projects under management to speed up disposal of properties for sale. For properties held, professional operation and management organisations and quality tenants were introduced to the projects to raise the occupancy rate of the properties and optimise tenants' quality. During the Reporting Period, the Group also liaised with financial institutions for various financing means to lower the finance costs of its projects. Through the above initiatives, the Group facilitated the transformation and upgrading of its projects to revitalise as well as dispose of its existing assets. For certain projects with default risks, the Group, as the fund manager, took decisive mitigation measures by filing arbitration or litigation claims with courts or relevant authorities on behalf of its funds, and actively took part in risk mitigation, with an aim to fully safeguard the interests of the fund investors.

As at 31 December 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 locations in the PRC with assets under management ("**AUM**") of RMB2,053.4 million. During the Year, five funds under the management of the Group made liquidated 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 funds as at the end of relevant years *(Note 1)*:

| | **As at 31 December 2024 AUM** | As at 31 December 2023 AUM |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| Project Funds | **1,599.2** | 1,795.6 |
| FOFs | **566.9** | 569.6 |
| Less: FOFs investments in Project Funds | **(112.7)** | (181.6) |
| Total | **2,053.4** | 2,183.6 |

Set out below is a breakdown of fund AUM by portfolio asset type as at the end of relevant years *(Note 2)*:

| | **As at 31 December 2024** | | | As at 31 December 2023 | | |
|---|---|---|---|---|---|---|
| | **Number of projects** | **AUM** | **Proportion** | Number of projects | AUM | Proportion |
| | | ***RMB million*** | ***%*** | | *RMB million* | *%* |
| Commercial real estate projects | **6** | **1,286.4** | **62.7%** | 6 | 1,301.4 | 59.6% |
| Urbanisation and redevelopment projects | **5** | **612.7** | **29.8%** | 5 | 621.0 | 28.4% |
| Distressed assets projects | **3** | **154.3** | **7.5%** | 3 | 261.2 | 12.0% |
| Total | **14** | **2,053.4** | **100.0%** | 14 | 2,183.6 | 100.0% |

*Notes:*

1. The amount which FOFs had invested in Project Funds was eliminated from the breakdown of the AUM by type of funds 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 31 December 2024, the total management scale directly invested by our FOFs with specified Project Fund investment that has not been established amounted to RMB454.2 million (31 December 2023: RMB388.0 million).

**Investment advisory business**

As a professional service institution, the Group provides comprehensive range of services including project valuation analysis, pre-investment consultation, due diligence, transaction structuring, management consultation, post-investment management and assets disposal 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 has put much effort into development of its investment advisory business and seized opportunities brought about by the new development mode of the real estate industry by providing services including industry analysis, investment and financing advisory and management consultancy services for various types of real estate projects such as intelligent manufacturing industrial parks, tourism-related properties and logistics parks. Through the provision of a range of these professional services, the market competitiveness of the Group was enhanced and its leading position in the industry was further consolidated.

During the Year, the Group provided investment advisory services for a total of fourteen projects, including six new investment advisory projects during the Reporting Period. Investment advisory business contributed an advisory fee income of approximately RMB13.1 million to the Group.

In the distressed asset disposal sub-segment, the Group noted 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 over the past few years. The Group has accumulated successful experience in personal debt recovery during the process of disposal of distressed assets. In August 2024, Shanghai Ruichu Business Advisory Co., Ltd.* (上海芮楚商務諮詢有限公司), a wholly-owned subsidiary of the Company, jointly held shares in Zhejiang Furui Information Advisory Service Co., Ltd.* (浙江賦睿信息諮詢服務有限公司) (“**Zhejiang Furui**”), forming an integral part of the Group’s advisory business of acquisition and disposal of distressed assets of personal loans. Zhejiang Furui has registered capital of RMB10.0 million of which 31.0% equity interest is owned by the Group, and therefore is a joint venture of the Group. As at 31 December 2024, the Group contributed paid-in capital of RMB0.16 million. During the Reporting Period, Zhejiang Furui strove to expand the business of disposal of distressed assets of personal loans by reaching in-depth cooperation agreements with financial institutions and law firms, laying a solid foundation for subsequent acquisitions and disposals of distressed assets of personal loans.

**Real Estate Leasing Business**

In line with 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 shops are being leased under respective long-term lease agreements, contributing rental income of approximately RMB1.6 million to the Group during the Reporting Period.

During the Year, the Group also seized the window of downward adjustment of interest rate to arrange financing for two shops. By means of optimization of the financial structure and reduction of capital cost, the Group increased the efficiency of the use of capital and the revenue brought by the shops.

**Business Updates**

Apart from the businesses above, the Group is constantly exploring new business segments and seeking new sources of revenue so as to adapt to changes in market environment. Over the past six years, given the continuous stable growth of the online legal services industry in the PRC in scale, the management considers that there is still ample room for development in the future. In October 2024, Realway Capital Assets Management (Beijing) Co., Ltd.* (北京瑞威資產管理有限公司), a wholly-owned subsidiary of the Company, entered into a cooperation framework agreement with three parties for joint establishment of Realway Bangchuang AiLu (Shanghai) Technology Service Co. Ltd.* (瑞威邦創愛律(上海)科技服務有限公司) ("**Realway Bangchuang**") with an aim of providing micro, small and medium-sized enterprises with cost-efficient and quality legal services, and building a professional legal service platform through "centralised customer acquisition, operation and maintenance and delivery".

Realway Bangchuang has registered capital of RMB10.0 million, of which 55.0% equity interest is owned by the Group, and therefore is an indirect non-wholly owned subsidiary of the Company. As at 31 December 2024, the Group contributed paid-in capital of RMB1.1 million. During the Reporting Period, Realway Bangchuang mainly focused on the preliminary preparation such as team building, product design and customer attraction. Realway Bangchuang will maintain its focus on its core business by strengthening its market presence in the coming year, which is beneficial to micro, small and medium-sized enterprises to effectively mitigate legal risks in the complex business environment.

## FUTURE OUTLOOK

With the optimisation of policies and the release of market demand, the real estate asset management industry in China is gradually entering a new phase. Also, the Chinese economic resilience and development trend of transformation will open up wide space for the industry. The Group maintained a cautiously optimistic approach towards prospects of the industry.

In 2025, the Group will continue to strengthen market position of its main businesses of fund management and investment advisory. For fund management business, the Group will strengthen cooperation with reputable investment institutions and expand the business of fund management domestically and internationally, fulfilling the diversified investment needs of different investors. For investment advisory business, the Group will continue to increase diversification of its projects and customer base, and strengthen its customer-focused service philosophy by providing full-process and refined investment advisory services. Meanwhile, the Group will also offer strong support for the extension of its business offerings and development of new business segments such as legal consultancy and acquisition and disposal of distressed assets of personal loans, in order to broaden income sources and enhance the resilience in market fluctuations and cyclical changes, thereby facilitating the sustainable growth of the businesses of the Group.

At the internal management level, the Group adheres to the philosophy of prudent operation as always. The Group continues to enhance its services quality while emphasizing optimization of cost structure for higher operational efficiency, as well as improving its risk management system to ensure robustness and compliance of its businesses in every aspect. The Group will proactively respond to market challenges and opportunities and keenly seize potential investment, merger and acquisition opportunities, with the aim of creating greater value for its 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 RMB26.3 million, representing an increase of approximately RMB8.4 million or approximately 47.2% as compared to the corresponding period last year.

Set out below is a breakdown of the revenue by income sources during the periods indicated:

| | **For the year ended 31 December** | | | |
|---|---|---|---|---|
| | **2024** | 2023 | Change | Rate of Change |
| | ***(RMB'000)*** | *(RMB'000)* | *(RMB'000)* | *(%)* |
| Fund management fee income | **11,582** | 9,792 | 1,790 | 18.3% |
| Advisory fee income | **13,116** | 6,725 | 6,391 | 95.0% |
| Rental fee income | **1,614** | 1,355 | 259 | 19.1% |
| Total | **26,312** | 17,872 | 8,440 | 47.2% |

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

(i) Fund management fee income of approximately RMB11.6 million was recorded during the Year, representing an increase of approximately RMB1.8 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;

(ii) Advisory fee income of approximately RMB13.1 million was recorded during the Year, representing a significant increase of approximately RMB6.4 million as compared to the corresponding period last year, which was mainly attributable to the accelerated development of the investment advisory business of the Group for the Year by proactively serving the needs of clients in various types of projects. During the Reporting Period, the Group offered investment advisory services for a total of fourteen projects, resulting in different levels of increment in terms of the number of projects and revenue as compared with last year.

(iii) Rental fee income of approximately RMB1.6 million was recorded during the Year, representing an increase of approximately RMB0.3 million as compared to the corresponding period last year, 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.

## OTHER INCOME AND GAINS

Our other income and gains for the Year was approximately RMB0.9 million, representing a decrease of approximately RMB4.9 million as compared to last year, which was mainly due to a decrease of investment income of approximately RMB2.5 million recognised for the Year, as compared to the previous year and one-off income of approximately RMB2.2 million generated from debt waiver in the previous year.

## ADMINISTRATIVE EXPENSES

Administrative expenses of the Group for the Year were approximately RMB32.3 million, representing a decrease of approximately RMB5.9 million or approximately 15.4% year-on-year as compared to approximately RMB38.2 million recognised in the previous year, which was mainly due to the cost control measures maintained by the Group, among which there were decreases of approximately RMB4.5 million and RMB1.1 million in human resources costs and business advisory expenses as compared to last year respectively.

## IMPAIRMENT LOSSES 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 Year, 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. The Group reversed a net impairment loss on trade receivables of approximately RMB5.5 million for the Year, which was mainly due to the settlement of certain trade receivables by the Group.

## DECREASE IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss represent the three distressed debts held by Shanghai Weiyi Investment Partnership (Limited Partnership)* (上海威弋投資合夥企業(有限合夥)).The Group considered factors including financial and operating conditions of the debtors of the three debts, the ways of disposal of the debts, the difficulty in recovering the debts, comprehensive market conditions, and built a valuation model to determine their fair values based on historical experience and market assumptions. During the Year, the fair value of financial assets at fair value through profit or loss decreased by approximately RMB4.8 million, which was mainly due to the decrease in the fair value of the three distressed debts upon assessment.

## OTHER EXPENSES

During the Year, other expenses of the Group decreased by approximately RMB29.3 million as compared to the corresponding period last year, which was mainly attributable to (i) the transfer of subscribed and fully-paid underlying interests of Hangzhou Fuyang Huiyun Investment Management Partnership (Limited Partnership)* (杭州富陽匯筫投資管理合夥企業(有限合夥)) by the Company through public auction last year, which resulted in an one-off investment loss of approximately RMB34.7 million last year; and (ii) the Group exited partnership from a fund, Shanghai Ruixi Investment Enterprise (Limited Partnership)* (上海瑞習投資企業(有限合夥)), and acquired a debt by way of non-monetary distributions for the Year. The investment upon assessment incurred an investment loss of approximately RMB5.2 million.

## INCOME TAX EXPENSE

Income tax expenses of the Group for the Year was approximately RMB1.6 million, decreasing by approximately RMB6.4 million as compared with income tax expenses last year, which was mainly due to the decrease in unrecognized deductible temporary differences and tax losses. The income tax rate applicable to the Group's entities ranged from 5% to 25% during the Year.

## LOSS FOR THE YEAR

Our loss for the Year was approximately RMB13.2 million, representing a decrease of approximately RMB44.7 million or approximately 77.2% from approximately RMB57.9 million for the year ended 31 December 2023, which was mainly due to the increase in revenue and the decrease in other expenses and income tax expenses 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 31 December 2024, the cash and cash equivalents as well as restricted cash of the Group in aggregate were approximately RMB11.2 million (31 December 2023: approximately RMB12.6 million), which are mainly held in RMB.

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

## GEARING RATIO

As at 31 December 2024, the Group's interest-bearing liabilities amounted to approximately RMB19.0 million (31 December 2023: approximately RMB24.2 million), all of which are amounts due to related parties, among which, (i) amount due to Mr. Zhu Ping as executive Director, amounted to RMB10.0 million bearing interest at fixed interest rate of 3.35% per annum and will be matured in August 2025; (ii) amount due to Mr. Duan Kejian as executive Director, amounted to RMB9.0 million bearing interest at fixed interest rate of 3.45% per annum and will be matured in July 2025. The interest-bearing liabilities were denominated in RMB. As at 31 December 2024, the Group's gearing ratio (calculated as total interest-bearing liabilities divided by total equity) was approximately 7.3% (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 Year. The Group 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 31 December 2024, investment properties of the Group were secured to banks with the carrying values amounting to approximately RMB42.3 million, serving as security for borrowings utilised by the Group in the amount of RMB19.0 million. During the Year, Chengdu Ruiruibing Commercial Management Co., Ltd.* (成都芮瑞炳商業管理有限責任公司) ("**Chengdu Ruiruibing**") and Chengdu Ruihanchao Commercial Management Co., Ltd.* (成都芮翰超商業管理有限責任公司) ("**Chengdu Ruihanchao**"), both of which are wholly-owned subsidiaries of the Company had financing replacement needs to lower its finance costs. The executive Directors, Mr. Zhu Ping and Mr. Duan Kejian, in their respective capacity as legal representatives of the said companies, obtained legal representative operating loans from banks amounting to RMB10.0 million and RMB9.0 million, respectively. The two executive Directors, in turn, granted the loans to Chengdu Ruiruibing and Chengdu Ruihanchao back-to-back and on the terms same as the bank loans aforementioned.

Save as disclosed above, the Group did not have any charges on its other 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.

## FINAL DIVIDEND

In order to reserve resources for the business development of the Group, the Board did not recommend the declaration of a final dividend for the Year (2023: Nil).

## COMMITMENTS

The Group did not have any significant commitments as at 31 December 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 Year.

## CAPITAL EXPENDITURES

As at 31 December 2024, the Group did not have any significant capital expenditures.

## CONTINGENT LIABILITIES

At the end of the Reporting Period, contingent liabilities not provided for in the financial statements were as follows:

(i) According to the claim received by the Company, Ruixiang Investment (a subsidiary of the Company), and Mr. Zhu Ping (an executive Director, the chairman of the Board, the chief executive officer of the Company and a controlling shareholder of the Company) in November 2024, Ruixiang Investment is required to pay a capital contribution of RMB200 million to Shengsi Pengbo Real Estate Development Co., Ltd*(嵊泗彭博房地產開發有限公司) ("**Shengsi Pengbo**") and Zhejiang Anlan Hotel Management Co., Ltd*(浙江安瀾酒店管理有限責任公司) ("**Zhejiang Anlan**") (collectively, the "**Plaintiffs**"). Additionally, the Company and Mr. Zhu Ping shall be jointly and severally liable for the capital contribution obligations of Ruixiang Investment. This claim arose from the bankruptcy liquidation cases of Shengsi Pengbo and Zhejiang Anlan. The bankruptcy administrator of these two cases, Zhejiang L&H Law Firm*(浙江六和律師事務所) claimed that additional capital of RMB200 million of the Plaintiffs had not been actually used for the Plaintiffs' operations, which constituted a withdrawal of capital and the Group was requested to repay the capital contribution.

    The Directors and Group's external legal counsel are of the view that there is no factual or legal basis for the litigation claims of the Plaintiffs. Ruixiang Investment, as the fund manager of Realway Capital Yingxin Selected Contractual Private Equity Fund ("**Yingxin Fund**"), has managed and utilised the property of Yingxin Fund in accordance with the provisions of the fund contract and the relevant investment contracts to invest RMB201.3 million in the production and operation of Shengsi Pengbo since September 2020, which was fully withdrawn from Shengsi Pengbo in February 2022. Neither Ruixiang Investment nor Yingxin Fund are actual shareholders of the Plaintiffs, and there was no withdrawal of capital by Ruixiang Investment and Yingxin Fund as claimed by the Plaintiffs.

    Based on the advice from the Group's external legal counsel, the Directors believe that the possibility of any outflow in settling the legal claims was remote and, accordingly, the Group has not provided for any provision arising from the litigation claims.

(ii) The Group provided guarantees to banks in connection with the legal representative operating loans obtained by the executive Directors from banks which were in turn, granted to the Group back-to-back and on the terms same as the bank loans. The Directors consider that no provision is needed in respect of the guarantees since the fair value is not significant.

Except as disclosed above, during the Year and up to the date of this announcement, neither the Group nor the Company were involved in any litigation, arbitration or administrative proceedings, claims or disputes which had a material adverse effect on the Group's financial condition or results of operations.

## EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group employed a total of 62 employees (31 December 2023: 73 employees). The Group has adopted 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 31 December 2024, IAFV of the Group was approximately RMB86.1 million, representing a decrease of approximately RMB49.9 million from approximately RMB136.0 million as at 31 December 2023, which was mainly attributable to the exit from partnership of a fund, Shanghai Ruixi Investment Enterprise (Limited Partnership)* (上海瑞習投資企業(有限合夥)) by the Group, and acquisition of a debt by way of non-monetary distributions for the Year. The debt was accounted for as investments in financial assets at fair value through profit or loss for measurement as at the end of the Year.

Details of IAFV are as follows:

| Name of fund | Type of investment project | Investment cost (RMB'000) | Percentage of fund equity | Dividends received for the Year (RMB'000) | Fair values as at 31 December 2024 (RMB'000) | Percentage of the total asset value of the Group as at 31 December 2024 | Unrealised gains/(losses) related to changes in fair value during the Year (RMB'000) | Fair value as at 31 December 2023 (RMB'000) | Source of funds |
|---|---|---|---|---|---|---|---|---|---|
| 1 FOF IX (Note 1) | Commercial real estate projects | 48,000 | 78.7% | – | 34,739 | 12.0% | (13,261) | 35,225 | Proceeds from the Share Offer (Note 5) |
| 2 FOF III (Note 2) | Commercial real estate projects, urbanization and redevelopment projects and distressed assets projects | 29,553 | 9.9% | – | 17,874 | 6.2% | (11,679) | 16,918 | Internal resources |
| 3 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(有限合夥)) (Note 3) | Distressed assets projects | 29,481 | 5.9% | – | 13,791 | 4.8% | (15,690) | 14,695 | Internal resources |
| 4 FOF VIII (Note 4) | Urbanisation and redevelopment projects and commercial real estate projects | 20,000 | 14.4% | – | 19,034 | 6.6% | (966) | 17,886 | Proceeds from the Share Offer (Note 5) |
| 5 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% | – | 634 | 0.2% | (366) | 974 | Internal resources |
| 6 Shanghai Ruixi Investment Enterprise (Limited Partnership)* (上海瑞習投資企業(有限合夥)) (Note 3) | Distressed assets projects | – | – | – | – | – | – | 50,296 | Internal resources |
| | | 128,034 | | – | 86,072 | | (41,962) | 135,994 | |

*Notes:*

1. 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.

2. 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.

3. Ningbo Meishan Bonded Harbor Ruichong Investment Management Partnership (Limited Partnership) and Shanghai Ruixi Investment Enterprise (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)).

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.

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

As at 31 December 2024, investments in financial assets at fair value through profit or loss of the Group was approximately RMB52.4 million, of which approximately RMB43.1 million represented exit of partnership from a fund, Shanghai Ruixi Investment Enterprise (Limited Partnership)* (上海瑞習投資企業(有限合夥)), by the Group, and acquisition of a debt by way of non-monetary distributions for the Year, which accounted for over 5% of total assets of the Group as at the end of the Reporting Period, details of the debenture is as follows:

| Company Name | Means of investment | Investment cost *(RMB'000)* | Interest received for the Year *(RMB'000)* | Fair value as at 31 December 2024 *(RMB'000)* | Percentage of the total asset value of the Group as at 31 December 2024 | Unrealised gains/ (losses) related to changes in fair value during the Year *(RMB'000)* |
|---|---|---|---|---|---|---|
| Yangzhou Guazhou Ancient Town International Travelling Campsite Company Limited* (揚州瓜洲古鎮國際旅行露營地有限公司) | Debt | 48,377 | – | 43,140 | 14.9% | (5,237) |

Yangzhou Guazhou Ancient Town International Travelling Campsite Company Limited is a company established in the PRC with limited liability principally engaged in real estate development. As at 31 December 2024, three parcels of land, a villa and a clubhouse in Guazhou Ancient Town, Yangzhou City, Jiangsu Province were owned by the company under its name. The debt is a property acquired by the Group from the 2023 liquidation plan of FOF IV (Shanghai Weiyi Investment Partnership (Limited Partnership)* (上海威弋投資合夥企業(有限合夥)) by way of non-monetary distribution, which is interest-free and will mature in June 2027. The Group will proactively urge and facilitate the sale and realisation of the assets in the name of the company, thus achieving the collection of the debt.

Save as disclosed above, as at 31 December 2024, the Group had no other investments in financial assets that accounted for over 5% of total assets individually.

## SUMMARY OF INVESTMENT PROPERTIES

As at 31 December 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 OUR 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 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* (深圳新喬圍項目), 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* (深圳新喬圍項目) 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, 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, 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 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 31 December 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 has 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

There was no specific plans for material investments or capital assets as at 31 December 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 Year, the Company had adopted and complied with the 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 officer should be separate and should not be performed by the same individual. During the Year, 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 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 Year.

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 price sensitive 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 our employees was noted by the Company during the Year.

## 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 SCHEME

During the Year, the Company has not implemented any share schemes under Chapter 17 of the Listing Rules.

## 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 (including sale of treasury shares, if any) of the Company during the Year.

## ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on Friday, 13 June 2025. Shareholders should refer to the circular of the Company, the notice of the AGM and the enclosed form of proxy to be dispatched by the Company for details regarding the AGM.

## CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 6 June 2025 to Friday, 13 June 2025, both days inclusive, during which period no transfer of the shares of the Company ("**Shares**") will be registered. In order to be eligible to attend and vote at the AGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders) or to the Company's principal place of office in the PRC at Unit 707, 7th Floor, Century Link Tower 1, No. 1198 Century Avenue, Pudong New Area, Shanghai (for domestic Shareholders), no later than 4:30 p.m. on Thursday, 5 June 2025 for registration.

## 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 Year.

## EVENTS AFTER REPORTING PERIOD

There is no significant event occurring after the Reporting Period and up to the date of this announcement.

## SCOPE OF WORK OF AUDITOR

The figures in respect of our consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been verified by Ernst & Young ("**EY**"), our auditor, against the amounts set out in our preliminary consolidated financial statements for the Year. The work performed by EY in this respect does not constitute any assurance engagement in accordance with the Hong Kong Standards on Auditing, the Hong Kong Standards on Review Engagements or the Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by EY on the preliminary announcement.

## AUDIT COMMITTEE

The Board has established an 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 annual results of the Group for the Year.

## PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.realwaycapital.com). The annual report for the Year, containing all information required under the Listing Rules, will be posted on the respective websites of the Stock Exchange and the Company and despatched to the Shareholders upon request in due course.

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, 28 March 2025

*As at the date of this announcement, the Board of the Company comprises Mr. Zhu Ping, Mr. Duan Kejian and Mr. Fan Lei 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*