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.HK

2024 ANNUAL REPORT

Contents

Corporate Information

DIRECTORS

Executive Directors

Mr. ZHU Ping (朱平) *(Chairman and Chief Executive Officer)*
Mr. DUAN Kejian (段克儉)
Mr. FAN Lei (樊磊)
(appointed with effect from 30 August 2024)
Ms. CHEN Min (陳敏)
(resigned with effect from 30 August 2024)

Non-executive Directors

Mr. CHENG Jun (成軍)
Mr. WANG Xuyang (王旭陽)

Independent non-executive Directors

Mr. SHANG Jian (尚健)
Ms. YANG Huifang (楊惠芳)
Mr. ZHU Hongchao (朱洪超)

SUPERVISORS

Ms. CAI Luyi (蔡璐懿) *(Chairman)*
Mr. LU Xili (陸希立)
Ms. WANG Juanping (王娟萍)

AUDIT COMMITTEE

Ms. YANG Huifang (楊惠芳) *(Chairman)*
Mr. SHANG Jian (尚健)
Mr. ZHU Hongchao (朱洪超)

NOMINATION COMMITTEE

Mr. ZHU Ping (朱平) *(Chairman)*
Mr. SHANG Jian (尚健)
Ms. YANG Huifang (楊惠芳)

REMUNERATION COMMITTEE

Mr. ZHU Hongchao (朱洪超) *(Chairman)*
Ms. YANG Huifang (楊惠芳)
Mr. ZHU Ping (朱平)
(appointed with effect from 30 August 2024)
Ms. CHEN Min (陳敏)
(resigned with effect from 30 August 2024)

COMPANY SECRETARY

Ms. LAU Wai Yee (劉惠儀)

REGISTERED OFFICE

Room 26G–3,
No. 828–838,
Zhangyang Road (Even numbers)
Pilot Free Trade Zone,
Shanghai,
PRC

PRINCIPAL PLACE OF BUSINESS IN PRC

Unit 707, 7th Floor, Century Link Tower 1
No. 1198 Century Avenue
Pudong New District
Shanghai 200122
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

29/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

AUTHORISED REPRESENTATIVES

Mr. ZHU Ping (朱平)
(appointed with effect from 30 August 2024)
Ms. LAU Wai Yee (劉惠儀)
Ms. CHEN Min (陳敏)
(resigned with effect from 30 August 2024)

H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

LEGAL ADVISOR (AS TO HONG KONG LAW)

Howse Williams
27/F Alexandra House
18 Chater Road
Central, Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, Oxford House Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

PRINCIPAL BANKER

China Merchants Bank
Shanghai Gubei Branch
75 Shuicheng Nan Road
Changning District
Shanghai, PRC

STOCK CODE

1835

COMPANY'S WEBSITE

https://www.realwaycapital.com

Chairman's Statement

Dear shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of the Company, I am pleased to present the annual report for the year ended 31 December 2024 (the "**Year**" or "**Reporting Period**") of Shanghai Realway Capital Assets Management Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**").

MARKET AND PERFORMANCE REVIEW

In 2024, the Chinese economy remained stable and showed progress. Notwithstanding the volatile international situation, the Chinese economy endured hardships in the course of recovery, and the real estate industry is at the stage of adjustment and stabilization. During the Year, policies one after another with multiple measures and dimensions were introduced in the real estate industry to facilitate the steady development of the real estate market. At the same time, the facilitation measures of financial policies, for instance, the commencement of the pilot scheme for real estate private investment funds and the issuance of "Notice on the Regular Issuance of Real Estate Investment Trusts (REITs)"* (《不動產信託投資基金(REITs)常態化發行通知》), provided more investment opportunities and liquidity to the market, thereby driving further development of the real estate asset management industry.

The Group is mainly engaged in fund management specialising in real estate and distressed asset, investment advisory, and real estate leasing business in the PRC. The year 2024 is a crucial year in the development of the Group. On the one hand, the Group focuses on its core business to increase its core competitiveness. For fund management business, the Group is dedicated to revitalizing its existing assets and enhancing their value, speeding up the recovery of assets of the funds under management. During the Reporting Period, the Group successfully obtained the pilot qualification of real estate private investment fund manager and was awarded the "2024 Best Special Opportunity Investor" ("2024最佳特殊機會投資管理機構") and the "Carbon Neutrality and Sustainable Development Gold Award" ("碳中和及可持續發展金獎"). Investment advisory business played a pivotal role in 2024 as well. The professional investment advisory team of the Group conducts in-depth research on economic conditions, industry development trends, and the risk-return characteristics of all types of real estate, offering customized investment advisory services to enterprises with investment and financing needs. During the Year, both the number of projects and income in which the Group acting as an investment advisor achieved growth. For the real estate leasing business, the Group deepened its cooperation with financial institutions to refinance its own properties with low-interest loans, effectively increasing the profit from such properties.

On the other hand, by fully leveraging its own strengths, the Group also actively explored new business segments and dispersed operational risks through a diversified business strategy. In the second half of 2024, the Group entered the segments of legal consultancy and distressed assets of personal loans business through the establishment of joint ventures with experienced partners in these industries. During the Reporting Period, the two joint venture platforms completed the platform setup, team building, and project reserves. Such business is gradually picking up on track, injecting fresh momentum into the development of the Group.

The financial performance of the Group was enhanced considerably compared to the previous year. For the Year, the Group recorded revenue of approximately RMB26.3 million, representing a year-on-year growth of approximately 47.2%. The growth in fund management fee income and investment advisory income has effectively enhanced the financial position of the Company. During the Year, the Group recorded a net loss, representing a decrease of approximately RMB44.7 million or approximately 77.2% compared to the previous year, with the loss narrowing significantly compared to the corresponding period last year.

Chairman's Statement

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.

ACKNOWLEDGEMENTS

On behalf of the Group, I would like to take this opportunity to express my sincere gratitude to our shareholders ("**Shareholders**"), customers and business partners for their continuous support. I would also like to express my appreciation to the management team and staff who have contributed to the business development of the Group over the years.

Zhu Ping
Chairman and Chief Executive Officer
Shanghai, 28 March 2025

Financial Summary

	As at and for the year ended 31 December				
	2024 (audited)	2023 (audited)	2022 (audited)	2021 (audited)	2020 (audited)
OPERATING RESULTS					
Revenue (RMB'000)	**26,312**	17,872	36,753	54,200	69,074
(Loss)/profit for the year (RMB'000)	**(13,201)**	(57,925)	(34,613)	(39,382)	7,764
Net (loss)/profit attributable to:					
Owners of the parent (RMB'000)	**(13,105)**	(56,733)	(34,493)	(39,227)	4,426
EARNINGS					
Basic and diluted (loss)/earnings per share attributable to ordinary equity holders of the parent (RMB cents)	**(8.55)**	(37.00)	(22.49)	(25.58)	2.89
ASSETS, LIABILITIES AND EQUITY					
Total assets (RMB'000)	**289,841**	334,150	362,385	391,556	443,582
Total liabilities (RMB'000)	**28,888**	61,115	31,910	25,192	37,780
Total equity (RMB'000)	**260,953**	273,035	330,475	366,364	405,802

Biographical Details of Directors, Supervisors and Senior Management

DIRECTORS

Executive Directors

Mr. ZHU Ping (朱平) ("**Mr. Zhu**"), aged 53, has been the chief executive officer ("**Chief Executive Officer**") and executive Director since January 2010, and he has also been directors of various subsidiaries of the Company. Mr. Zhu is also the chairman of the nomination committee (the "**Nomination Committee**") and a member of the remuneration committee (the "**Remuneration Committee**") of the Company. Mr. Zhu is involved in the day-to-day management of the Group and is primarily responsible for the Group's development, strategy planning, positioning and overall business management. Mr. Zhu has obtained the PRC Fund Qualification Certificate* (基金從業人員資格考試成績合格證) in April 2016 and is qualified to practice in fund investment and management. Prior to his joining of the Group, Mr. Zhu became a member of All China Lawyers Association (中國律師協會) in 1996 and had been practising law for over 20 years. From August 1993 to February 1995, Mr. Zhu worked as a clerk in Shanghai Railway Transportation Intermediate Court (上海鐵路運輸中級法院). From March 1995 to November 1998, Mr. Zhu worked as an associate at Zhenghan Law Firm (虹橋正瀚律師事務所) (previously known as Shanghai Hongqiao Law Firm* (上海虹橋律師事務所)). In May 1999, Mr. Zhu joined the Shanghai office of Boss & Young Attorneys-At-Law (上海邦信陽律師事務所) (previously known as Shanghai Zhonghui Law Firm* (上海中匯律師事務所) and Shanghai Zhongjian Zhonghui Law Firm* (上海中建中匯律師事務所)), where he has been the managing partner of Boss & Young Attorneys-At-Law from December 2008 until January 2014, where he ceased to be the managing partner and took up an honorary role at the firm in order to devote more time towards the management of the Group. In addition to his main practice, Mr. Zhu had been engaged in various commitments. From October 2006 to December 2008, Mr. Zhu served as a senior vice president in E-House China (易居中國). From January 2009 to December 2009, Mr. Zhu served at Tianjin Binhai Lianchuang Fund Management Company Limited* (天津濱海聯創投資基金管理有限公司) as a general manager, and accumulated work experience in fund investment and management. Throughout his career as a legal practitioner as well as serving as management personnel of various private companies, Mr. Zhu had handled numerous private equity fund or related transactions including various investments in real estate assets.

Mr. Zhu obtained a bachelor of laws degree from East China University of Political Science and Law (華東政法大學) in June 1993 and executive master of business administration from Cheung Kong Graduate School of Business (長江商學院) in October 2009. In July 2017, Mr. Zhu obtained a doctorate in business administration in Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University (上海交通大學上海高級金融學院).

Mr. DUAN Kejian (段克儉) ("**Mr. Duan**"), aged 55, joined the Group in January 2012 as a general manager of one of the Group's project development teams and was appointed as an executive Director in May 2012. Mr. Duan is primarily responsible for assets disposal of the Group. Mr. Duan has obtained the PRC Fund Qualification Certificate* (基金從業人員資格考試成績合格證) in September 2015 and is qualified to practice in fund investment and management. Mr. Duan obtained the Qualifications for Constructor* (一級建造師職業資格) in March 2005. Prior to his joining of the Group, he worked as an authorised representative and an executive director of Shanghai Feiding Decoration and Construction Company* (上海飛鼎建築裝飾工程有限公司), a construction company of the PRC, from June 2002 to October 2005. From January 2009 to December 2009, Mr. Duan worked at Tianjin Binhai Lianchuang Fund Management Company Limited* (天津濱海聯創投資基金管理有限公司), and accumulated substantial experience in fund investment and management. Throughout his career as a professional within the construction industry as well as serving as management personnel of various private companies, Mr. Duan was involved in various real estate related private equity fund transactions including acquisitions of real estate assets.

Mr. Duan obtained a bachelor's degree in engineering from Tongji University (同濟大學) in July 1992 and obtained an executive master degree in business administration in Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University (上海交通大學高級金融學院) in December 2018.

Mr. FAN Lei (樊磊) ("**Mr. Fan**"), aged 47, joined the Group in January 2015 and has served successively as general manager of the investor relations department, member of the investment decision committee and vice president. He currently serves as the chief strategy officer of the Group and is primarily responsible for formulating strategic planning and development plan of the Group. Mr. Fan has obtained the PRC Fund Qualification Certificate* (基金從業人員資格考試成績合格證) in 2015 and is qualified to practice in fund investment and management. He has over twenty years of experience in private equity funds, trusts, real estate investments and law. From August 2001 to January 2006, Mr. Fan worked as a paralegal at two law firms. From January 2006 to January 2015, Mr. Fan worked at CITIC Trust Co., Ltd., and his last position was the head of the innovation business department I.

Mr. Fan obtained a bachelor's degree in economic law from Southwestern University of Finance and Economics in July 2001 and a master's degree in international business and European Union law from the University of Sheffield in the United Kingdom in November 2004.

Non-Executive Directors

Mr. WANG Xuyang (王旭陽) ("**Mr. Wang**"), aged 55, joined the Group in June 2015, and was appointed as a non-executive Director in December 2015. Mr. Wang is mainly responsible for advising the Group on strategic development and corporate governance. Prior to his joining of the Group, he has over 16 years of experience in the real estate asset management industry. From December 1992 to July 2004, Mr. Wang worked at Shanghai Yangming Real Estate Limited Company* (上海陽明房地產有限公司) and his last position with Shanghai Yangming Real Estate Limited Company was the general manager. From August 2004 to August 2015, Mr. Wang served as a director and the general manager at Shanghai Gezhouba Yangming Zhiye Limited Company* (上海葛洲壩陽明置業有限公司). Since August 2015, Mr. Wang has been serving as the chairman of the board of Shanghai Tengjun Investment Limited Company* (上海騰駿投資有限公司).

Mr. Wang graduated from Zhejiang University (浙江大學) in December 1991 and obtained a bachelor's degree in architecture. He also obtained a master of business administration degree from China Europe International Business School (中歐國際工商學院) in August 2014.

Mr. CHENG Jun (成軍) ("**Mr. Cheng**"), aged 57, joined the Group in January 2010, and was appointed as a non-executive Director in December 2015. Mr. Cheng is mainly responsible for advising the Group on strategic development and corporate governance. Prior to his joining of the Group, Mr. Cheng had over 17 years of management experience. From September 1989 to February 1993, Mr. Cheng worked as a clerical manager at China Eastern Airlines Company (中國東方航空公司). Mr. Cheng worked as a senior vice president at Ctrip Computer Technology (Shanghai) Co., Ltd.* (攜程計算機技術(上海)有限公司) from July 1999 to September 2001. From November 2004 to April 2010, Mr. Cheng served as chief development officer and the chief strategy officer of H World Group Limited (previously known as Huazhu Group Limited), a company whose shares are listed on NASDAQ (stock code: HTHT) and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (stock code: 1179).

Mr. Cheng graduated from Shanghai Jiao Tong University (上海交通大學) with a bachelor 's degree of applied mechanics in July 1989. He also obtained an executive master of business administration degree from the Cheung Kong Graduate School of Business (長江商學院) in October 2009.

Biographical Details of Directors, Supervisors and Senior Management

Independent Non-Executive Directors

Mr. SHANG Jian (尚健) ("**Mr. Shang**"), aged 57, was appointed as an independent non-executive Director on 22 October 2018 and is also a member of the audit committee of the Company (the "**Audit Committee**") and the Nomination Committee. Mr. Shang has over 25 years of work experience related to fund management and securities. From January 2002 to February 2004, Mr. Shang served at Hua'an Fund Management Co., Ltd. (華安基金管理有限公司), and was employed as the deputy general manager in June 2002 and quitted in February 2004. From January 2004 to April 2006, he served as the general manager of Yinhua Fund Management Co., Ltd. (銀華基金管理有限公司). From September 2006 to November 2012, Mr. Shang served as the general manager of UBS SDIC Fund Management Co., Ltd. (國投瑞銀基金管理有限公司). Since September 2013, Mr. Shang has been serving as the general manager of Shanghai HSAM Management Centre (Limited Partnership)* (上海弘尚資產管理中心(有限合夥)). Since May 2014, Mr. Shang has also been serving as an independent director of H World Group Limited (previously known as Huazhu Group Limited), a company whose shares are listed on NASDAQ (stock code: HTHT) and the Stock Exchange (stock code: 1179). Since May 2024, Mr. Shang has also been serving as an independent non-executive director of Bloks Group Limited, a company whose shares are listed on the Stock Exchange (stock code: 325).

Mr. Shang obtained a bachelor's degree of engineering from Shanghai Jiao Tong University (上海交通大學) in July 1989, and a master's degree of economics in December 1994 and a doctorate's degree in philosophy in business administration from the University of Connecticut in December 1997.

Ms. YANG Huifang (楊惠芳) ("**Ms. Yang**"), aged 48, was appointed as an independent non-executive Director on 22 October 2018 and is also the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. Ms. Yang is mainly responsible for providing independent judgment on the issues of strategy, performance, resources and standard of conduct of our Group. Prior to her joining of the Group, from September 2001 to August 2004, Ms. Yang served as an associate director in the department of audit in Zhejiang Zhongzhou Accounting Limited Company* (浙江中州會計師事務所有限公司). From September 2004 to August 2011, Ms. Yang served as a deputy general manager in the financial department of Greentown Real Estate Group Co., Ltd* (綠城房地產集團有限公司). From August 2011 to February 2013, Ms. Yang worked as a finance manager of Zhejiang Jiaotong Real Estate Group Co., Ltd* (浙江省交通地產集團有限公司). From February 2013 to December 2015, Ms. Yang served as a deputy general manager of Shanghai Sunac Greentown Investment Holdings Limited* (上海融創綠城投資控股有限公司). From January 2016 to July 2018, Ms. Yang served as a general manager of the financial department of Greentown Service Group Co., Ltd. (綠城服務集團有限公司), a company whose shares are listed on the Stock Exchange (stock code: 2869). From August 2018 to November 2020, Ms. Yang had been serving as a vice president and general manager of the finance management centre of the Group at a regional branch of Xiangsheng Real Estate Group Limited* (祥生地產集團有限公司). Since February 2021, Ms. Yang has served as the investment director of Shanghai Daohe Long-term Investment Management Co., Ltd.* (上海道禾長期投資管理有限公司).

Ms. Yang graduated from Nanjing Audit University (南京審計學院) with a bachelor's degree in auditing in June 2000. Ms. Yang became a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in September 2003 and the Certified Tax Agents (中國註冊稅務師) in December 2003.

Mr. ZHU Hongchao (朱洪超), aged 65, was appointed as an independent non-executive Director, the chairman of the Remuneration Committee as well as a member of the Audit Committee on 1 July 2022. He served as a lawyer at Shanghai First Law Firm (上海市第一律師事務所) from July 1983 to June 1986. He has been acting as the director and senior partner of Shanghai United Law Firm (上海市聯合律師事務所) from June 1986 to March 2021. From 1994 to 2018, Mr. Zhu Hongchao served as the vice president of All China Lawyers Association, and the president and the chief supervisor of Shanghai Bar Association. Mr. Zhu Hongchao currently serves as an arbitrator of Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Centre) and Shanghai Arbitration Commission.

Currently, Mr. Zhu Hongchao holds directorships in the following listed companies: an independent non-executive director of E-House (China) Enterprise Holdings Limited (a company with its shares listed on the Stock Exchange, stock code: 2048) since July 2018; an independent director of Shanghai Research Institute of Building Sciences Group Co., Ltd. (a company with its shares listed on the Shanghai Stock Exchange ("**SSE**") (stock code: 603153)) since November 2020; and an independent director of Bright Real Estate Group Co., Ltd. (光明房地產集團股份有限公司) (a company with its shares listed on SSE, stock code: 600708) since August 2021.

Mr. Zhu Hongchao was also an independent non-executive director of Haitong Securities Co., Ltd. (a company with its shares listed on SSE and the Stock Exchange prior to March 2025, stock code: 600837 and 6837 respectively) from June 2019 to October 2023; an independent director of Shanghai Hysea Industrial Communications Co., Ltd. (上海海希工業通訊股份有限公司) (a company with its shares listed on Beijing Stock Exchange, stock code: 831305) from July 2020 to October 2023, an independent non-executive director of Sansheng Holdings (Group) Co. Ltd. (a company with its shares listed on the Stock Exchange prior to December 2023, stock code: 2183) from February 2021 to December 2023 ; an independent director of Leju Holdings Limited (a company with its shares listed on the New York Stock Exchange before April 2024, stock code: LEJU) from March 2017 to May 2024; and an independent director of Shanghai Bailian Group Co., Ltd. (上海百聯集團股份有限公司) (a company with its shares listed on SSE, stock code: 600827) from June 2021 to June 2024.

Mr. Zhu Hongchao received his bachelor's degree in law from the branch of Fudan University in 1983 and his master's degree in foreign legal history from Fudan University in July 1996. In 1993, he was qualified by the China Securities Regulatory Commission to engage in securities law practice.

SUPERVISORS

Ms. CAI Luyi (蔡璐懿) ("**Ms. Cai**"), aged 45, joined the Group as a manager of the Group's archives department in August 2016, and was appointed as a supervisor of the Company (the "**Supervisor**") in July 2017. Ms. Cai is mainly responsible for supervising and providing independent judgement to the Board. From December 2003 to March 2010, Ms. Cai served as the administrative director of the Shanghai office of Boss & Young Attorneys-At-Law (上海邦信陽律師事務所) (previously known as Shanghai Zhonghui Law Firm* (上海中匯律師事務所) and Shanghai Zhongjian Zhonghui Law Firm* (上海中建中匯律師事務所)). From May 2010 to July 2016, Ms. Cai served as the administrative director in Shanghai Zunwei Industrial Development Co. Limited* (上海尊威實業發展有限公司).

Ms. Cai obtained a higher diploma in commercial and residential construction from the Shanghai Construction School (上海市住宅建築學校) in July 1999.

Mr. LU Xili (陸希立) ("**Mr. Lu**"), aged 41, was appointed as a Supervisor in January 2016. Mr. Lu became a member of All China Lawyers Association (中國律師協會) in March 2009 and has over 15 years of legal practice experience. From July 2006 to March 2011, Mr. Lu worked as an assistant associate at Jin Mao Law Firm* (上海市金茂律師事務所). Since March 2011, Mr. Lu has been working at Shanghai office of Boss & Young Attorneys-At-Law (上海邦信陽律師事務所) (previously known as Shanghai Zhonghui Law Firm* (上海中匯律師事務所) and Shanghai Zhongjian Zhonghui Law Firm* (上海中建中匯律師事務所)), and is currently serving as a partner at the firm. While he was serving at the firm, he joined in the international high performers internship programme offered by A&L Goodbody, an international law firm headquartered in the Republic of Ireland, from September 2012 to March 2013 and completed it successfully.

Mr. Lu graduated from East China University of Political Science and Law (華東政法大學) (previously known as the East China College of Political Science and Law (華東政法學院)) and obtained a bachelor's degree of laws in July 2006.

Ms. WANG Juanping (王娟萍) ("**Ms. Wang**"), aged 56, was appointed as a Supervisor in January 2016. Before Ms. Wang joined the Group, she was the financial controller of the Shanghai office of Boss & Young Attorneys-At-Law (上海邦信陽律師事務所) (previously known as Shanghai Zhonghui Law Firm* (上海中匯律師事務所) and Shanghai Zhongjian Zhonghui Law Firm* (上海中建中匯律師事務所)) from February 2002 to April 2015.

Ms. Wang obtained her bachelor's degree of accountancy from Lanzhou University of Finance and Economics (蘭州商學院) in June 1996.

Biographical Details of Directors, Supervisors and Senior Management

SENIOR MANAGEMENT

Mr. SONG Hao (宋昊) ("**Mr. Song**"), aged 38, joined the Company in January 2011 and was appointed as the Group's Chief Operating Officer in January 2021, currently primarily responsible for the Group's wealth management operations. Prior to joining the Company, he was a paralegal of Shanghai office of Boss & Young Attorneys-At-Law (上海邦信陽律師事務所) (previously known as Shanghai Zhonghui Law Firm* (上海中匯律師事務所) and Shanghai Zhongjian Zhonghui Law Firm* (上海中建中匯律師事務所)) from July 2009 to December 2010. Mr. Song has obtained PRC Fund Qualification Certificate* (基金從業人員資格考試成績合格證) in May 2017 and is qualified to practice in fund investment and management. Mr. Song has extensive investment experience and has profound attainments in product design, fund operation and wealth management.

Mr. Song obtained his bachelor degree in law from East China University of Political Science and Law in July 2009. In June 2018, Mr. Song obtained an Executive Master of Business Administration from Fudan University.

Mr. WAN Fang (萬方) ("**Mr. Wan**"), aged 46, joined the Company in May 2013, and was appointed as the vice president of the Group in November 2023 and is primarily responsible for the Group's property investment, special assets and assets disposal. Mr. Wan has over 10 years of experience in asset management industry. From July 2001 to May 2002, Mr. Wan worked in a management position at China Vanke Co., Ltd. (萬科企業股份有限公司), and from May 2004 to April 2005, Mr. Wan worked as a sales executive at Forte Land Company Limited (復地(集團)股份有限公司). From November 2004 to October 2005, Mr. Wan worked as a marketing director at Shanghai office of Chengquan Real Estate Consulting Limited* (上海成全置業顧問有限公司). From December 2007 to December 2008, Mr. Wan worked as a branding and marketing manager in Shanghai Zhongkai Real Estate Development Co., Ltd.* (上海中凱房地產開發管理有限公司). From August 2009 to April 2010, Mr. Wan worked at Tianjin Binhai Lianchuang Fund Management Company Limited* (天津濱海聯創投資基金管理有限公司) as the general manager. From October 2010 to May 2013, Mr. Wan worked as a vice general manager and general manager at Shanghai Jiaheng Haofa Real Estate Development Co., Ltd. (上海嘉恒浩發房地產開發管理有限公司). Mr. Wan has obtained the PRC Fund Qualification Certificate* (基金從業人員資格考試成績合格證) in April 2016 and is qualified to practice in fund investment and management. Throughout his career within the private sector, Mr. Wan had handled private equity fund transactions including acquisitions of real estate assets.

Mr. Wan obtained his bachelor's degree of business administration from Fudan University (復旦大學) in July 2001, and further obtained his master's degree of business administration from Fudan University in June 2009.

Mr. SUN Mao (孫懋) ("**Mr. Sun**"), aged 41, joined the Company in December 2010 and is currently serving as the chief financial officer and the vice president of the Group responsible for the Group's accounting and financial management, strategic development and operational planning of the Group. Prior to joining the Company, from January 2008 to March 2010, he has been working at Ernst & Young Hua Ming LLP with his last position being a senior auditor. From April 2010 to December 2010, he has been working at Siemens Shanghai Medical Equipment Ltd. (上海西門子醫療器械有限公司) as a senior financial analyst.

Mr. Sun obtained a master of business administration degree from Shanghai Jiao Tong University in 2013 and became a member of the Chinese Institute of Certified Public Accountant (中國註冊會計師協會) in 2010. Mr. Sun has obtained PRC Fund Qualification Certificate* (基金從業人員資格考試成績合格證) in June 2017 and is qualified to practice in fund investment and management. Mr. Sun has over 15 years of experience in accounting, auditing, financial management and corporate management.

Biographical Details of Directors, Supervisors and Senior Management

COMPANY SECRETARY

Ms. LAU Wai Yee (劉惠儀) ("**Ms. Lau**"), aged 59, was appointed as the company secretary of the Group on 13 October 2019. Ms. Lau has over 35 years of experience in corporate secretarial and compliance fields. She started working as a company secretarial assistant in KPMG in 1987. Thereafter, she was employed as an assistant company secretarial manager of Deloitte in 1994 and a corporate services manager under the Tax Division of Arthur Andersen in 1999. Ms. Lau also worked as a corporate services manager of PricewaterhouseCoopers (PwC) and Tricor Services Limited in 2002 and 2003 respectively. In 2004, she started her first own business consulting company providing corporate and compliance consulting services to multinational clients, offshore companies as well as private and listed companies. She sold the company in 2012 and started a new consulting company in 2014, namely Immanuel Consulting Limited, a professional service company specializing in integrated business and corporate services. She is currently the director of Immanuel Consulting Limited.

Ms. Lau has become a governance professional since 1990. She is a fellow member of both The Hong Kong Chartered Governance Institute ("**HKCGI**") (formerly known as The Hong Kong Institute of Chartered Secretaries) and the Chartered Governance Institute in the United Kingdom and a fellow member of The Hong Kong Institute of Directors. Ms. Lau is a holder of the Practitioner's Endorsement from HKCGI.

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.

Management Discussion and Analysis

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 RMB million	As at 31 December 2023 AUM 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

Management Discussion and Analysis

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 RMB million	Proportion %	Number of projects	AUM RMB million	Proportion %
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.

Management Discussion and Analysis

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.

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 (RMB'000)	2023 (RMB'000)	**Change (RMB'000)**	Rate of Change (%)
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)* (杭州富陽匯貿投資管理合夥企業(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

Details of the contingent liabilities of the Group as at 31 December 2024 are set out in note 29 to the financial statements.

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 annual report, 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.

Directors' Report

PRINCIPAL PLACE OF BUSINESS

The Company is a company established and has its registered office in the People's Republic of China. The Company's principal place of business in Hong Kong is 29/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong and the Company's principal place of business in the PRC is Unit 707, 7th Floor, Century Link Tower 1, No. 1198 Century Avenue, Pudong New District, Shanghai, the PRC.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the management of real estate investment funds and those of the principal subsidiaries of the Company are set out in note 1 to the financial statements.

RESULTS

The results of the Group for the Year and the financial information of the Group as at 31 December 2024 are set out in the audited financial statements of this annual report.

BUSINESS REVIEW

A review of the business of the Group during the Year, a discussion on the Group's future business development and an analysis of the Group's performance during the Reporting Period using financial key performance indicators are contained in the "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. Discussions on the Group's environmental policies and performance, compliance with the relevant laws and regulations that have a significant impact on the Group, and key relationships with its customers and suppliers that have a significant impact on the Group and on which the Group's success depends are set forth in the sections headed "Environmental Policies and Performance", "Compliance with Relevant Laws and Regulations" and "Major Customers and Suppliers" in this report of the Directors. The abovementioned discussions form part of the business review as contained in this report of the Directors.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities of the Group for the last five financial years are set out on page 4 of this annual report. This summary does not form part of the audited consolidated financial statements.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for 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 details regarding the AGM in the circular of the Company, the notice of AGM and form of proxy accompanying thereto to be dispatched by the Company.

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 (the "**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 District, Shanghai, the PRC (for domestic shareholders), no later than 4:30 p.m. on Thursday, 5 June 2025 (Hong Kong time) for registration.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group clearly understands the importance of regulatory compliance and the risk of non-compliance. To the best of the Board's knowledge, during the Year, the Group complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group has been working on sustainable development and environmental protection. We spare no effort in making the most out of resources in our business. Laws and regulations in terms of environment and health are strictly complied. Meanwhile, the Group holds various activities to promote environmental protection in our business. Our goal is to educate the community on creating a green city for the future.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of turnover for the Year attributable to the Group's major customers are as follows:

— the largest customer	17.0%
— the five largest customers combined	59.0%

During the Year, the five largest customers are independent third parties. None of the Directors or any of their close associates or the Shareholders (who, to the best knowledge of the Directors, owns more than 5% of the number of the Company's issued Shares) has any beneficial interest in the Group's five largest customers.

The Group is engaged in the provision of services as a private investment fund manager and an investment consultant. During the Reporting Period, the Group did not have regular or significant suppliers in terms of business nature.

TAXATION

Please see the section headed "Income tax expense" contained in "Management Discussion and Analysis" of this annual report.

SUBSIDIARIES

The information of the Company's principal subsidiaries are set out in note 1 to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties faced by the Group, some of which are beyond its control. Some of the major risks we face include:

- unsound investment decisions could have a material adverse effect on our business, financial condition and results of operations;
- as a real estate investment fund manager, our performance is subject to fluctuations in the real estate market and other factors affecting the asset management industry;
- our operations are dependent on our key management and professional staff. Our business would be materially and adversely affected if we are unable to retain or replace them;
- there is no guarantee that our measures will continue to be effective in ensuring the adequacy of the expertise of our Directors, senior management and professional staff for our fund management business;
- there are inherent uncertainties associated with the fair value measurement of our IAFV and the fair value changes of our IAFV may materially and adversely affect our financial position and results of operations;

- we are subject to extensive and evolving regulatory requirements, and any changes in or non-compliance of which, may result in penalties, prohibitions on our future business activities or suspension or revocation of our licences, and may consequently have a material and adverse effect on our business operations and prospects; and

- fluctuations in the value of Renminbi could have an adverse effect on our business, results of operations and financial condition.

However, the above is not an exhaustive list and investors are advised to make their own judgement or consult their own investment advisors before investment.

SHARE CAPITAL

The share capital structure of the Company as at 31 December 2024 is as follows:

Class of shares	Number of issued shares	Approximate percentage of the total issued share capital
Domestic shares of the Company ("**Domestic Shares**")	115,000,000	75.0
H shares of the Company ("**H Shares**")	38,340,000	25.0
Total	**153,340,000**	**100.0**

No additional Shares were issued during the Year. Details of the movements in the share capital of the Company are set out in note 26 to the financial statements.

PUBLIC FLOAT

Based on the information that is publicly available and within the knowledge of the Directors, for the Year and as at the date of this annual report, the Company had maintained sufficient public float as required under the Listing Rules.

RESERVES

Details of movements in the reserves of the Group and the Company during the Reporting Period are set out on page 94 in the consolidated statement of changes in equity and note 36 to the financial statements of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company had no reserve available for distribution.

BANK LOANS AND OTHER BORROWINGS

Save as disclosed in notes 23, 24 and 31 to the financial statements of this annual report, the Group had no outstanding loans or borrowings as at 31 December 2024.

Directors' Report

DIRECTORS

The Directors during the Year and up to the date of this annual report were as follows:

Executive Directors

Mr. ZHU Ping (朱平) *(Chairman and Chief Executive Officer)*
Mr. DUAN Kejian (段克儉)
Mr. FAN Lei (樊磊) (appointed with effect from 30 August 2024)
Ms. CHEN Min (陳敏) (resigned with effect from 30 August 2024)

Non-executive Directors

Mr. CHENG Jun (成軍)
Mr. WANG Xuyang (王旭陽)

Independent non-executive Directors

Mr. SHANG Jian (尚健)
Ms. YANG Huifang (楊惠芳)
Mr. ZHU Hongchao (朱洪超)

SUPERVISORS

Ms. CAI Luyi (蔡璐懿)
Mr. LU Xili (陸希立)
Ms. WANG Juanping (王娟萍)

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The biographical details of the Directors, supervisors and senior management are disclosed in the section headed "Biographical Details of Directors, Supervisors and Senior Management" on pages 5 to 10 in this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent throughout the Year.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACT

Directors Mr. Zhu, Mr. Duan, Mr. Wang, Mr. Cheng, Mr. Shang and Ms. Yang have signed a service contract with the Company for a term of three years commencing from 14 June 2024, which may be renewable subject to both parties' agreement. Director Mr. Zhu Hongchao has signed a service contract with the Company for a term of three years commencing from 1 July 2022, which may also be renewable subject to both parties' agreement. Director Mr. Fan has been appointed and has signed a service contract with the Company for a term of three years commencing from 30 August 2024, which may also be renewable subject to both parties' agreement. All Supervisors have signed an appointment letter with the Company for a term of three years commencing from 14 June 2024, which may be renewable subject to both parties' agreement. None of the Directors or Supervisors has entered or has proposed to enter into any service contracts with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "RELATED PARTY TRANSACTIONS" in this annual report, no Director or entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the Year and up to the date of this annual report.

CONTRACT OF SIGNIFICANCE

Save as disclosed in the section headed "RELATED PARTY TRANSACTIONS" in this annual report, there was no contract of significance between the Company or any of its subsidiaries, and a controlling Shareholder or any of its subsidiaries during the Year or contract of significance for the provision of services to the Company or its subsidiaries by a controlling Shareholder or any of its subsidiaries during the Year.

MANAGEMENT CONTRACTS

Save as disclosed in this annual report, no contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Period.

EMOLUMENT POLICY

A Remuneration Committee was set up by the Board for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

REMUNERATION OF THE DIRECTORS AND SUPERVISORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors, Supervisors and five highest paid individuals during the Reporting Period are set out in notes 9 and 10 to the financial statements.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

The employees of the Company and its subsidiaries which operate in Mainland China are required to participate in a central pension scheme operating by the local municipal government and are required to contribute a certain proportion of these payroll costs to the central pension scheme. Please refer to note 2.4 to the financial statements for details of the central pension scheme.

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

As at 31 December 2024, the interests or short positions of the Directors, Supervisors and the chief executive in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "**SFO**") which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") to be notified to the Company and the Stock Exchange are as follows:

Director	Class of Shares held	Nature of interest	Number of Shares (1)	Approximate percentage of shareholdings in the relevant class of Shares (2)	Approximate percentage of shareholdings in the total share capital of the Company (3)
Mr. ZHU Ping (朱平) (4)	Domestic Shares	Interest in a controlled corporation	115,000,000(L)	100.0	75.0
Mr. FAN Lei (樊磊)	H Shares	Beneficial owner	578,000(L)	1.5	0.4

Notes:

1. (L) denotes a long position.

2. The calculation is based on the percentage of shareholdings in the relevant classes of Shares in issue as at 31 December 2024.

3. The calculation is based on the total number of 153,340,000 Shares in issue as at 31 December 2024.

4. Shanghai Shengxuan Investments Advisory Company Limited* (上海盛軒投資諮詢有限公司), a company wholly owned by Mr. Zhu Ping, is the general partner of Shanghai Weimian Investments Partnership (Limited Partnership)* (上海威冕投資合夥企業(有限合夥)), Shanghai Weihui Investments Partnership (Limited Partnership)* (上海威匯投資合夥企業(有限合夥)) and Shanghai Weiye Investments Partnership (Limited Partnership)* (上海威燁投資合夥企業(有限合夥)), and Shanghai Zunwei Industrial Development Co. Limited* (上海尊威實業發展有限公司) is indirectly wholly owned by Mr. Zhu Ping. Mr. Zhu Ping is therefore deemed to be interested in all the Domestic Shares held by all of the aforesaid entities.

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2024, so far as the Directors, Supervisors and the chief executive of the Company are aware of, as indicated on the register of interests and/or short positions required to be maintained pursuant to section 336 of the SFO, the substantial Shareholders and other persons (other than Directors, Supervisors and the chief executive of the Company) had the following interests and/or short positions in the Shares or underlying Shares of the Company:

Name of Shareholder	Class of Shares held	Nature of interest	Number of Shares[1]	Approximate percentage of shareholdings in the relevant class of Shares[2]	Approximate percentage of shareholdings in the total share capital of the Company[3]
Shanghai Shengxuan Investments Advisory Company Limited* (上海盛軒投資諮詢有限公司)	Domestic Shares	Interest in a controlled corporation	115,000,000(L)	100.0	75.0
Shanghai Weimian Investments Partnership (Limited Partnership)* (上海威冕投資合夥企業(有限合夥))	Domestic Shares	Beneficial owner	79,012,675(L)	68.7	51.5
Shanghai Weiye Investments Partnership (Limited Partnership)* (上海威燁投資合夥企業(有限合夥))	Domestic Shares	Beneficial owner	15,000,000(L)	13.0	9.8
Shanghai Weihui Investments Partnership (Limited Partnership)* (上海威匯投資合夥企業(有限合夥))	Domestic Shares	Beneficial owner	13,875,000(L)	12.1	9.0
Shanghai Zunwei Industrial Development Co. Limited (上海尊威實業發展有限公司)	Domestic Shares	Beneficial owner	7,112,325(L)	6.2	4.6
Sun Jinyong	H Shares	Beneficial owner	4,132,000(L)	10.8	2.7
Gao Yue	H Shares	Beneficial owner	3,985,600(L)	10.4	2.6
Zhu Lei	H Shares	Beneficial owner	3,592,800(L)	9.4	2.3
Wang Youlin	H Shares	Beneficial owner	3,375,200(L)	8.8	2.2
Wang Qiong	H Shares	Beneficial owner	2,392,800(L)	6.2	1.6
Dai Yanmin	H Shares	Beneficial owner	2,258,800(L)	5.9	1.5
Yin Bo	H Shares	Beneficial owner	2,010,000(L)	5.2	1.3
Everbright Focused Value Fund	H Shares	Beneficial owner	2,000,000(L)	5.2	1.3
China Everbright Fund Management Limited[4]	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
China Everbright Assets Management Holdings Limited[5]	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
China Everbright Limited[6]	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
Honorich Holdings Limited[7]	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
Datten Investments Limited[8]	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
China Everbright Holdings Company Limited[9]	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
China Everbright Group Ltd. [10]	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
Central Huijin Investment Ltd. [11]	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
Everbright Absolute Return Investment Holdings Limited[12]	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3

Notes:

1. (L) denotes a long position.

2. The calculation is based on the percentage of shareholdings in the relevant class of Shares in issue as at 31 December 2024.

3. The calculation is based on the total number of 153,340,000 Shares in issue as at 31 December 2024.

4. China Everbright Fund Management Limited is the investment manager and holds all the management shares of Everbright Focused Value Fund. By virtue of the SFO, China Everbright Fund Management Limited is deemed to be interested in all the H Shares which Everbright Focused Value Fund is interested in.

5. China Everbright Fund Management Limited is a limited liability company incorporated in the Cayman Islands and is wholly-owned by China Everbright Assets Management Holdings Limited. By virtue of the SFO, China Everbright Assets Management Holdings Limited is deemed to be interested in all the H Shares which China Everbright Fund Management Limited is interested in.

6. China Everbright Assets Management Holdings Limited is a limited liability company incorporated in the Cayman Islands and is wholly-owned by China Everbright Limited. By virtue of the SFO, China Everbright Limited is deemed to be interested in all the H Shares which China Everbright Assets Management Holdings Limited is interested in.

7. China Everbright Limited is a limited liability company incorporated in Hong Kong and is owned as to 49.39% by Honorich Holdings Limited. By virtue of the SFO, Honorich Holdings Limited is deemed to be interested in all the H Shares which China Everbright Limited is interested in.

8. Honorich Holdings Limited is a limited liability company incorporated in the British Virgin Islands and is wholly-owned by Datten Investments Limited. By virtue of the SFO, Datten Investments Limited is deemed to be interested in all the H Shares which Honorich Holdings Limited is interested in.

9. Datten Investments Limited is a limited liability company incorporated in the British Virgin Islands and is wholly-owned by China Everbright Holdings Company Limited. By virtue of the SFO, China Everbright Holdings Company Limited is deemed to be interested in all the H Shares which Datten Investments Limited is interested in.

10. China Everbright Holdings Company Limited is a limited liability company incorporated in Hong Kong and is wholly-owned by China Everbright Group Ltd. By virtue of the SFO, China Everbright Group Ltd. is deemed to be interested in all the H Shares which China Everbright Holdings Company Limited is interested in.

11. China Everbright Group Ltd. is a limited company established in the PRC and is owned as to 55.67% by Central Huijin Investment Ltd. By virtue of the SFO, Central Huijin Investment Ltd. is deemed to be interested in all the H Shares which China Everbright Group Ltd. is interested in.

12. Everbright Focused Value Fund is under the control of Everbright Absolute Return Investment Holdings Limited. By virtue of the SFO, Everbright Absolute Return Investment Holdings Limited is deemed to be interested in all the H Shares which Everbright Focused Value Fund is interested in.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S RIGHTS IN THE SUBSCRIPTION OF SHARES AND DEBENTURES

During the Year, no right to subscribe the Shares in or debentures of the Company or any of its associated corporations was granted by the Company to any Director, Supervisor or chief executive of the Company or their respective spouses or children aged under 18, and no such rights to subscribe the above Shares or debentures were exercised by them.

EQUITY-LINKED AGREEMENTS

The Company has no equity linked agreements that were entered into or subsisted during the Year.

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

During the Year, 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.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association of the Company (the "**Articles of Association**") or the law of PRC applicable to the Company that would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

TAX RELIEF

The Company is not aware of any relief from taxation available to its shareholders by reason of their holding of the Shares.

RELATED PARTY TRANSACTIONS

The Company had not entered into any non-exempt connected transaction during the Year, which is required to be disclosed under the Listing Rules. Related party transactions entered into by the Group during the Year which are disclosed in note 31 to the financial statements do not constitute non-exempt connected transactions required to be disclosed under the Listing Rules.

CHARITABLE DONATION

During the Year, the Group did not make any significant charitable donation.

DEED OF NON-COMPETITION

To avoid any future competition, Mr. Zhu, Shanghai Shengxuan Investments Advisory Company Limited*（上海盛軒投資諮詢有限公司）and Shanghai Weimian Investments Partnership (Limited Partnership)*（上海威冕投資合夥企業（有限合夥））as controlling shareholders of the Company (the "**Controlling Shareholders**") have entered into the deed of non-competition (the "**Deed of Non-Competition**") in favour of the Company to the effect that he/it shall not, and shall procure entities or companies controlled by him/it (other than a member of the Group) not to at any time during the restricted period, directly or indirectly, among other things, involve in any business similar to or which competes (either directly or indirectly) or is likely to compete with any business which is the same as, similar to or in competition with the current business of the Group.

NON-COMPETITION

The Controlling Shareholders have irrevocably undertaken and covenanted with the Company that he/it shall not, and shall procure entities or companies controlled by him/it (other than a member of the Group) not to at any time during the restricted period, directly or indirectly, either on his/its own account or in conjunction with or on behalf of any person, firm or company (in each case whether as a shareholder, partner, agent, employee or otherwise):

(i) carry on, engage, participate, concerned or interested in or in any way assist in or provide support (whether financial, technical or otherwise) to any business similar to or which competes (either directly or indirectly) or is likely to compete with any business which is the same as, similar to or in competition with the current business of the Group, namely the engagement of fund management business within the PRC and/or Hong Kong (the "**Restricted Business**");

(ii) canvass, solicit, interfere with or endeavour to entice away from the Group any person, firm, company or organisation which to his/its knowledge has from time to time or has at any time within the immediate past two years before the date of such solicitation, interference or enticement been a customer, a supplier or a business partner or employee of the Group for the purpose of conducting any Restricted Business;

(iii) procure orders from or solicit business from any person, firm, company or organisation which to his/its knowledge has dealt with any member of the Group or is in the process of negotiating with any member of the Group in relation to any Restricted Business;

(iv) do or say anything which may be harmful to the reputation of any member of the Group or which may lead any person to reduce their level of business with any member of the Group or seek to improve their terms of trade with any member of the Group;

(v) solicit or entice or endeavour to solicit or entice for employment by him/it or entities or companies controlled by him/it (other than the Group) or at any time employ or procure the employment of any person who has, at any time within the immediate past two years before the date of such solicitation or employment, been or is a director, manager, employee of or consultant to the Group who is or may be likely to be in possession of any confidential information or trade secrets relating to the Restricted Business carried on by the Group;

(vi) engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business in competition with or likely to be in competition with the existing business activity of the Group or be in competition with any member of the Group in any business activities which any member of the Group may undertake in the future save for the holding of not more than 10% shareholding interests (individually or any of the Controlling Shareholders with their associates collectively) in any listed company in Hong Kong; and

(vii) make use of any information pertaining to the business of the Group which may have come to his/its knowledge in his/its capacity as a Shareholder of the Company or director of any member of the Group for the purpose of competing with the business of the Group.

The foregoing restrictions are subject to the fact that the Company may waive the new business opportunities pursuant to the terms and conditions under the Deed of Non-Competition.

The Company's independent non-executive Directors have reviewed the compliance with the Deed of Non-Competition by the Controlling Shareholders and were satisfied that the terms of the Deed of Non-Competition had been duly complied with during the Year and up to the date of this report. The measures which the Company has adopted to ensure the compliance with the Deed of Non-competition include:

(1) The Company has enquired with each of the Controlling Shareholders on whether each of the Controlling Shareholders or any of his/her close associates has engaged in any business which may directly or indirectly compete or may compete with the principal business of the Company, other than being a Director or Shareholder of the Company;

(2) The Company and the Board have requested the Controlling Shareholders to confirm to the Company regarding the compliance of the terms of the Deed of Non-Competition and the enforcement of undertakings under the Deed of Non-Competition. The Controlling Shareholders confirmed to the Company that they have complied with the terms of the Deed of Non-competition during the Year and up to the date of this report; and

(3) The Company and the Board are not aware of any breach of the Deed of Non-Competition by the Controlling Shareholders during the Year and up to the date of this report.

DIRECTORS' COMPETING INTERESTS

Save as disclosed in this annual report, none of the Controlling Shareholders, Directors and their respective close associates has any interests in any business which directly or indirectly competes or is likely to compete with the principal business and other businesses of the Group, which would require disclosure under Rule 8.10 of the Listing Rules.

SIGNIFICANT LEGAL PROCEEDINGS

According to the litigation 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.

As at the date of this report, the litigation case has not yet been heard in court. The Directors will closely monitor the litigation against the Group.

PERMITTED INDEMNITY PROVISION

During the Year, the Company maintained liability insurance for Directors, Supervisors and senior management (being the liability insurance for Directors, Supervisors and senior management) to provide the appropriate coverage for the Directors, Supervisors and senior management of the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance practices. Details of corporate governance practice adopted by the Company are set out in the section of "Corporate Governance Report" of this annual report.

POST BALANCE SHEET EVENTS

There were no material post balance sheet events during the Year.

AUDIT COMMITTEE

The Audit Committee had, together with the management and external auditor of the Company (the "**Auditor**"), reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements for the Year.

AUDITORS

Ernst & Young was appointed by the Directors as the auditor of the Company. Ernst & Young will retire, and being eligible, offer themselves for re-appointment at the forthcoming AGM. A resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming AGM. The consolidated financial statements for the Year have been audited by Ernst & Young.

The Company did not change auditors over the past three years.

By order of the Board
Shanghai Realway Capital Assets Management Co., Ltd.
Mr. Zhu Ping
Chairman
Shanghai, PRC, 28 March 2025

* For identification purpose only

Supervisors' Report

1. COMPOSITION OF THE SUPERVISORY COMMITTEE

As of 31 December 2024, the supervisory committee of the Company (the "**Supervisory Committee**") consisted of three members (the "**Supervisors**") comprising one employee representative Supervisor and two external shareholder representative Supervisors. The terms of office of Supervisors shall be three years, and is renewable upon re-election after the expiry of his/her term in accordance with the requirements of Articles of Association.

The composition of the Supervisory Committee is as follows:

Name	Position	Date of Appointment	Responsibilities
Ms. CAI Luyi (蔡璐懿)	Supervisor/Manager of archives department	July 2017	Supervising and providing independent judgment to our Board
Mr. LU Xili (陸希立)	Supervisor	January 2016	Supervising and providing independent judgment to our Board
Ms. WANG Juanping (王娟萍)	Supervisor	January 2016	Supervising and providing independent judgment to our Board

2. MAJOR WORKS OF THE SUPERVISORY COMMITTEE IN 2024

In 2024, being accountable to all Shareholders, the members of the Supervisory Committee strengthened the coordination and cooperation between the Board and the senior management and seriously performed the duties of supervision, for purposes of better playing a supervisory role of the Supervisory Committee, promoting the standardised operation and healthy development of the Company, and safeguarding the rights and interests of the Company and the Shareholders.

(i) Convening meetings of the Supervisory Committee according to law, and earnestly performing supervisory duties

In 2024, the Supervisory Committee held a total of 2 committee meetings.

The Supervisors carefully reviewed the meeting materials and fully studied and discussed the proposals before attending the meetings of the Supervisory Committee. The Supervisors attended all meetings of the Supervisory Committee in person and earnestly performed supervisory duties. The details of Supervisors' attendance at the meetings of the Supervisory Committee held are as follows:

Supervisors	Actual Attendance/ Expected Attendance
Ms. CAI Luyi *(Chairman)*	2/2
Mr. LU Xili	2/2
Ms. WANG Juanping	2/2

(ii) Supervising the Directors and Senior Management of the Company in their performance of duties

In 2024, the members of the Supervisory Committee reviewed the resolutions of the Board by attending Board meetings, examined the daily operation and management of the Company and supervised the Directors and senior management of the Company in their performance of duties.

(iii) Monitoring Company's Operation

In 2024, the members of the Supervisory Committee participated in discussions of major operating decisions, reviewed proposals submitted to the Board for consideration and examined and monitored the operation of the Company through attending Board meetings and general meetings of the Shareholders held by the Company. The Supervisory

Committee is of the opinion that the business activities of the Company complied with relevant laws and regulations and the Articles of Association. Meanwhile, the Directors and senior management of the Company have diligently performed their duties and earnestly implemented the resolutions of the general meetings of the Shareholders to safeguard the interests of the Shareholders and the benefit of the Company. In the course of examining the operation of the Company and supervising the performance of duties of the Directors and senior management, the Supervisory Committee has not found any of their behaviors that contravened any applicable laws and regulations or the Articles of Association or any issues that has caused damage to the interests of the Shareholders and the Company.

3. INDEPENDENT OPINIONS ON RELEVANT MATTERS

(i) Lawful operation

During the Reporting Period, the Company operated and managed its businesses in accordance with the laws and regulations. The Company's operational decision-making processes were legitimate. The Directors and other senior management were loyal, diligent and dedicated in the business operations and management processes, and they were not found to have breached any laws, regulations or the Articles of Association or harmed the interests of the Shareholders.

(ii) Financial position

The Supervisory Committee reviewed the financial system and financial position of the Company in a comprehensive and thorough manner and was of the opinion that the financial report for the Year presented a true and objective view of the financial position and operating results of the Company. The audit report with an unqualified audit opinion issued and the assessment on the relevant matters conducted by the accounting firm were objective and fair.

(iii) Internal control system

Upon deliberation of the self-assessment report of internal control of the Company, the Supervisory Committee was of the view that a relatively comprehensive internal control system had been developed and could be effectively implemented, and the self-assessment report of the Company reflected the establishment and implementation of the internal control system of the Company were in truthful and objective manner.

4. MAJOR INITIATIVES FOR 2025

The Supervisory Committee will strictly comply with the laws and regulations, Articles of Association and the terms of reference of the Supervisory Committee and other requirements of the relevant provisions to conduct discussion of daily business of the Supervisory Committee and diligently and responsibly perform their duties, including:

(i) to convene meetings of the Supervisory Committee according to the actual situation of the Company and review and consider various resolutions;

(ii) to review the Company's financial position by regularly understanding and reviewing financial reports, and monitor the financial operation of the Company in order to prevent operational risks; and

(iii) diligently, responsibly and actively participate in the Board meetings, general meetings and other important meetings as well as the decision-making process in relation to material matters to better safeguard the interests of the Company and all Shareholders.

On behalf of the Supervisory Committee
CAI Luyi
Chairman
Shanghai, PRC, 28 March 2025

Corporate Governance Report

CORPORATE GOVERNANCE

It is always one of the Group'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 our 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 principles 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 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. Details of such deviation is set out in the section headed "Chairman and Chief Executive Officer" below in this corporate governance report.

Corporate Culture

A good corporate culture is essential to the realization of the Group's vision and strategy. The Board has shaped a corporate culture with the following core principles to guide the behavior of employees and to ensure that the Group's vision, values and strategies are consistent with the corporate culture.

- Responsibility: The Group respects the spirit of contract and humanity, and consistently places "Concern and satisfaction for the needs of investors, partners, employees and shareholders" as the Group's responsibility;

- Sharing: According to the Group's business philosophy, all participants should enjoy the opportunity to grow and benefit, which is the Group's sharing culture and the fundamental source of corporate cohesion;

- Innovation: As the external environment is always changing, the Group's culture of innovation is to meet challenges with respect and humility, and to seek innovation and change, which is also the driving force to the stable growth of the corporation.

The above corporate culture reflects the core values of the Group and is an important support for the implementation of the strategic objectives. The Group will continue to strengthen its corporate culture in the course of strategic planning, in order to realize the Group's vision to become an outstanding asset management company and provide assistance to the economic transformation of China.

BOARD OF DIRECTORS

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

Corporate Governance Report

Composition

The Board has established three Board committees, being the Audit Committee, the Remuneration Committee and the Nomination Committee (each a "**Board Committee**" and collectively the "**Board Committees**"), to oversee different areas of the Company's affairs.

During the year ended 31 December 2024 and up to the date of this annual report, except that Ms. Chen Min resigned from her office as the Company's executive Director with effect from 30 August 2024, and that Mr. Fan Lei was appointed as the Company's executive Director with effect from the same date, there was no change in the structure of the Board, which currently comprises eight Directors and its composition is set out as follows:

Mr. Fan Lei has obtained the legal advice as referred to in Rule 3.09D of the Listing Rules on 27 August 2024, and confirmed he understood his obligations as a director of the Company.

Executive Directors

Mr. ZHU Ping (朱平) *(Chairman and Chief Executive Officer)*
Mr. DUAN Kejian (段克儉)
Mr. FAN Lei (樊磊) (appointed with effect from 30 August 2024)
Ms. CHEN Min (陳敏) (resigned with effect from 30 August 2024)

Non-executive Directors

Mr. CHENG Jun (成軍)
Mr. WANG Xuyang (王旭陽)

Independent non-executive Directors

Mr. SHANG Jian (尚健)
Ms. YANG Huifang (楊惠芳)
Mr. ZHU Hongchao (朱洪超)

The biographical details of the Directors are set out in the section headed "Biographical Details of Directors, Supervisors and Senior Management" on pages 5 to 8 in this annual report. The latest list of Directors identifying their roles and functions is maintained on the websites of the Stock Exchange and the Company.

The functions and duties of the Board include but are not limited to: convening Shareholders' general meetings and reporting the Board's work at the Shareholders' general meetings; implementing the resolutions passed at the Shareholders' general meetings; determining our business plans and investment plans; preparing annual budget proposals and final accounts proposals; preparing plans for profit distribution and recovery of losses; preparing plans for the increase or decrease in registered capital; and exercising other power, functions and duties as conferred by the Articles of Association. Each of our Directors has entered into a service contract or appointment letter with the Company.

The Board is also responsible for developing, reviewing and monitoring the policies and practices on corporate governance and legal and regulatory compliance of the Company, and the training and continuous professional development of Directors and senior management. The Board also reviews the disclosures in the Corporate Governance Report to ensure compliance.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the "**Diversity Policy**") which sets out the approach to achieve diversity of the Board. The policy has been developed to ensure that the Board has access to independent views and opinions. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Objective

This Policy aims to set out the approach to achieving diversity for the Board.

Policy statement

The Company recognises the benefits of a Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company.

The Company maintains that the appointment of the Board should be based on merit of the candidate which complements and expands the skills, experience and expertise of the Board as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time towards achieving a diverse Board.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board from time to time and make suggestions on any proposed appointments to the Board taking into account the strategies of the Company and the recommendation of the members of the Nomination Committee, and is responsible for the appointment of new Directors to ensure that it has a balanced composition of skills, experience and expertise appropriate to the requirements of the businesses of the Company, with due regard to the benefits of diversity on the Board. The Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular, the Chairman of the Board.

Measurable Objectives

The Nomination Committee will review annually the structure, size and composition of the Board, review the Diversity Policy, and where appropriate, make recommendations on changes to the Board to ensure the effectiveness of the policy. In relation to reviewing and assessing the Board composition, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

During the Year, the Nomination Committee has reviewed the implementation and effectiveness of the Diversity Policy and discussed the above measurable objectives. The Board and the Nomination Committee are of the opinion that all measurable objectives have been met and that the Board is sufficiently diverse.

Disclosure and publication

A summary of the Diversity Policy and any measurable objectives which the Board has set for implementing the Diversity Policy, and progress on achieving those objectives are disclosed in this corporate governance report.

The Board attaches great importance to the gender mix: women now hold 12.5% of the total directorships at Company level. The Company has achieved gender diversity at the Board level and intends to maintain at least the current level of female representation. The Company will also consider gender diversity during recruitment of senior management, and ensure that sufficient resources are available to provide appropriate training and career development, in order to build a pipeline of potential successors to the Board and maintain gender diversity.

The Board includes Directors with diverse backgrounds: executive Directors have extensive management experience and are in charge of the principal businesses of the Company; non-executive Directors are highly experienced in corporate management, hence they are able to provide effective recommendations on the Company's operation and development; independent non-executive Directors have experience in law, investment, finance, corporate governance and international market.

As each of the independent non-executive Directors has confirmed his/her independence pursuant to rule 3.13 of the Listing Rules, the Company considers all of them to be independent parties. Save as disclosed in the Directors' biographies set out in the section headed "Biographical Details of Directors, Supervisors and Senior Management" in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Directors and the chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the CG Code requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity of the public companies or organisations and the time involved to the issuer, the Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the Year, the positions of the Chairman and the Chief Executive Officer of the Company were both held by Mr. Zhu.

As Mr. Zhu 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 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's familiarity with every aspect of the Group's operations as the Group's principal founder and his heavy involvements 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 each year to discuss the Group's business and operation issues) is appropriately structured with balance of power to provide sufficient check and balance to protect the interests of the Group and its Shareholders.

Appointment and Re-election of Directors

Each of the executive Directors has entered into a service contract with the Company for a term of three years, and is subject to termination by either party by giving not less than three months' written notice and retirement by rotation and re-election at least once every three years in accordance with the Articles of Association.

Each of the non-executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years, and is subject to termination by either party by giving not less than one month's written notice and retirement by rotation and re-election at least once every three years in accordance with the Articles of Association.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the structure, size and composition of the Board and make suggestions on any proposed appointments to the Board taking into account the strategies of the Company and the Board, taking into account the recommendation of the Nomination Committee, is responsible for the appointment of new Directors from time to time to ensure that it has a balanced composition of skills, experience and expertise appropriate to the requirements of the businesses of the Company, with due regard to the benefits of diversity on the Board. The Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular, the Chairman of the Board.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company has from time to time updated and provided written training materials relating to the roles, functions and duties of a Director. During the Year, all Directors participated in appropriate continuous professional development and provided the Company with their records of training they received. Directors participated in the training which included reading regulatory updates, attending seminars or conducting training sessions and exchanging views and the themed trainings provided by lawyer.

According to the records provided by the Directors, a summary of training received by the Directors during the Year is as follows:

Name of Director	**Type of continuous professional development programmes**
Executive Directors	
Mr. ZHU Ping	A, B
Mr. DUAN Kejian	A, B
Mr. FAN Lei (appointed with effect from 30 August 2024)	A, B
Ms. CHEN Min (resigned with effect from 30 August 2024)	A, B
Non-executive Directors	
Mr. CHENG Jun	A, B
Mr. WANG Xuyang	A, B
Independent non-executive Directors	
Mr. SHANG Jian	A, B
Ms. YANG Huifang	A, B
Mr. ZHU Hongchao	A, B

A — Attending seminars/conferences/forums/briefings/programmes relevant to the business or director's duties
B — Reading materials relevant to corporate governance, director's duties and responsibilities, listing rules and other relevant ordinances

BOARD MEETINGS

The Board meets regularly and at least four times each year at approximately quarterly intervals to discuss the Group's overall strategies, operations and financial performance. Directors may participate in meetings either in person or through electronic means of communication. All Directors are given not less than 14 days' notice for regular Board meetings. For other Board and Board Committees meetings, reasonable notice will be given.

The minutes of the Board meetings and Board Committees meetings are drafted and kept by the company secretary of the Company. All meeting minutes will set out in detail the matters discussed and considered at the meetings, including, among others, any queries made or views expressed by the Directors. The company secretary of the Company will distribute the draft meeting minutes to all Directors for their comment and final version of the meeting minutes to all Directors for their record within reasonable time after holding of the meetings.

During the Year, the Board held a total of 7 Board meetings. Each Director's attendance record for the Board meetings, Board Committees meetings and general meetings (including Shareholders' class meeting) is set out as follow:

	Actual Attendance/Expected Attendance				
Name of Director	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**General Meeting**
Executive Directors					
Mr. ZHU Ping (Note)	7/7	N/A	0/0	2/2	3/3
Mr. DUAN Kejian	7/7	N/A	N/A	N/A	3/3
Mr. FAN Lei (appointed with effect from 30 August 2024)	2/7	N/A	N/A	N/A	N/A
Ms. CHEN Min (resigned with effect from 30 August 2024)	5/7	N/A	2/2	N/A	3/3
Non-executive Directors					
Mr. CHENG Jun	7/7	N/A	N/A	N/A	3/3
Mr. WANG Xuyang	7/7	N/A	N/A	N/A	3/3
Independent non-executive Directors					
Mr. SHANG Jian	7/7	2/2	N/A	2/2	3/3
Ms. YANG Huifang	7/7	2/2	2/2	2/2	3/3
Mr. ZHU Hongchao	7/7	2/2	2/2	N/A	3/3

Note: Mr. ZHU Ping has been appointed as a member of the Remuneration Committee of the Company with effect from 30 August 2024.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The role of the independent non-executive Director is to provide independent and objective opinion to the Board, giving adequate control and balances for the Company to protect the overall interests of the Shareholders and the Company.

There are three independent non-executive Directors and they represent over one third of the Board, and one of them, Ms. Yang Huifang has the appropriate professional qualifications as required by Rule 3.10(2) of the Listing Rules.

Each independent non-executive Director has submitted an annual confirmation of his/her independence to the Company pursuant to Rule 3.13 of the Listing Rules. Based on the contents of such confirmations, the Company considers that all of the independent non-executive Directors are independent.

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 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 of all Directors and Supervisors has been made. All Directors and Supervisors 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.

DELEGATION BY THE BOARD

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

CORPORATE GOVERNANCE FUNCTION

The Board recognises that corporate governance should be the collective responsibility of the Directors which includes:

(a) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(b) to review and monitor the training and continuous professional development of Directors and senior management;

(c) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors;

(d) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board and report to the Board on relevant matters; and

(e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

BOARD COMMITTEES

Audit Committee

As at 31 December 2024, the Audit Committee comprised three members, namely Ms. Yang (chairman), Mr. Shang and Mr. Zhu Hongchao. All of them are independent non-executive Directors.

The principal duties of the Audit Committee include the following:

1. to review the relationship with the Auditor by reference to the work performed by the Auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of the Auditor;

2. to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or the Auditor before submission to the Board; and

3. to review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

For the Year, 2 meetings of the Audit Committee were held to discuss and consider the following matters:

- review the annual report for the year ended 31 December 2023 and the interim report for the six months ended 30 June 2024;

- review the Auditor's report in relation to the audit plan and strategy of the Group; and

- review the financial reporting system, compliance procedure, internal control (including the Company's internal control of corruption risks and the handling and identification of business conflict of major shareholders in listed companies), risk management system, effectiveness of the internal audit function and procedures and re-appointment of external auditor. The Board did not deviate from the recommendations of the Audit Committee on the selection, appointment, resignation or dismissal of external auditor.

Attendance of each Audit Committee member is set out in the table below:

Directors	**Actual Attendance/ Expected Attendance**
Ms. YANG Huifang *(Chairman)*	2/2
Mr. SHANG Jian	2/2
Mr. ZHU Hongchao	2/2

Nomination Committee

As at 31 December 2024, the Nomination Committee comprised three members, namely Mr. Zhu (chairman), Mr. Shang and Ms. Yang. Mr. Zhu is an executive Director and the Chairman of the Board while Mr. Shang and Ms. Yang are independent non-executive Directors.

The principal duties of the Nomination Committee include the following:

1. to review the structure, size and composition (including the education background, skills, knowledge and experience and the diversity aspect) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

2. to identify individuals suitably qualified to become Board members and members of senior management and select or make recommendations to the Board on the selection of individuals nominated for directorships or senior management positions;

3. to assess the independence of independent non-executive Directors;

4. to make recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the chairman and the chief executive officer;

5. to establish a list of qualified candidates for senior management positions, to formulate procedures and standards for selection and appointment of senior management personnel, and to conduct preliminary reviews on the qualifications and conditions of relevant candidates, and make suggestions to the Board; and

6. to formulate and review the Diversity Policy on the member of the Board as appropriate.

Nomination Policy

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

For the Year, 2 meetings of the Nomination Committee was held to review the structure, composition, size and diversity of the Board and relevant recommendations were made to the Board, which included the re-election of retiring Directors.

Attendance of each Nomination Committee member is set out in the table below:

Directors	**Actual Attendance/ Expected Attendance**
Mr. ZHU Ping *(Chairman)*	2/2
Mr. SHANG Jian	2/2
Ms. YANG Huifang	2/2

Remuneration Committee

As at 31 December 2024, the Remuneration Committee comprised three members, namely Mr. Zhu Hongchao (chairman), Ms. Yang and Mr. Zhu. Mr. Zhu Hongchao and Ms. Yang are independent non-executive Directors while Mr. Zhu is an executive Director.

The principal duties of the Remuneration Committee include the following:

1. to make recommendations to the Board on the Company's overall policy and structure for the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;

2. to review and approve the management's remuneration proposals with reference to the corporate goals and objectives determined by the Board;

3. to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including but not limited to benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

4. to make recommendations to the Board on the remuneration of non-executive Directors;

5. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

6. to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and reasonable;

7. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

8. to review the incentives schemes and service contracts of the Directors;

9. to ensure that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration; and

10. to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

For the Year, 2 meetings of the Remuneration Committee was held to discuss and consider the following matters:

- the remuneration policy of the Company and its subsidiaries;
- assessing performance of the Directors; and
- the remuneration of Directors and proposed adjustment to the Board.

Attendance of each Remuneration Committee member is set out in the table below:

Directors	**Actual Attendance/ Expected Attendance**
Mr. ZHU Hongchao *(Chairman)*	2/2
Ms. YANG Huifang	2/2
Mr. ZHU Ping (Note)	0/0
Ms. CHEN Min (resigned with effect from 30 August 2024)	2/2

Note: Mr. ZHU Ping has been appointed as a member of the Remuneration Committee of the Company with effect from 30 August 2024.

Remuneration of Directors and Senior Management

Details of the remuneration by band of the members of the Board and senior management of the Company, whose biographies are set out on pages 5 to 10 of this annual report, for the Year are set out below:

Remuneration band (RMB)	**Number of individual**
0–1,000,000	11

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the Year which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the Auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 85 to 90 of this annual report.

AUDITOR'S REMUNERATION

For the Year, the remuneration paid to the external auditors of the Group amounted to approximately RMB1.4 million for audit services, among which RMB1.3 million was paid to Ernst & Young, and the remaining RMB0.1 million was paid to other auditors. No remuneration was paid to the external auditors by the Group for non-audit services during the Year.

EMPLOYEE DIVERSITY

As at 31 December 2024, the gender ratio of all employees of the Group, including senior management, is as follows:

	31 December 2024	
Gender	**Number of Employees**	**Ratio**
Female	24	38%
Male	38	62%
Total	**62**	**100.0%**

The Group's recruitment strategy is to hire the right employees for the right positions, and to achieve diversity among all employees, including senior management, in terms of gender, age, culture, educational background, professional experience, skills and knowledge. As of 31 December 2024, the number of female employees of the Group accounted for approximately 38% of the total number of employees and gender diversity of employees has been achieved.

The Group will continue to take measures to promote diversity at all levels, including developing appropriate recruitment measures to consider diverse candidates, set up talent management and training programs to provide equal development opportunities for employees of different genders, and developing a broad and diversified experienced team.

During the Year, the Board is not aware of any factors and circumstances that make it more challenging or irrelevant for all employees, including senior management, to achieve gender diversity.

SUPERVISORY COMMITTEE

The Supervisory Committee consists of three Supervisors. The Supervisors serve a term of three years each and can be re-elected for successive re-appointments. The functions and duties of the Supervisory Committee include reviewing periodical reports including financial reports prepared by the Board and overseeing the financial and business performance of our Group. They are also entitled to appoint certified public accountants and practicing auditors to re-examine our Company's financial information where necessary. Each of the Supervisors has entered into a service contract with our Group.

COMPANY SECRETARY

Ms. Lau has been serving as the company secretary of the Company since 13 October 2019, in possession of the qualifications and experience required as a company secretary under Rule 3.28 of the Listing Rules. Ms. Lau is a director of Immanuel Consulting Limited, a licensed trust and corporate service provider specializing in integrated business and corporate services. Her biographical details are set out in the section headed "Biographical Details of Directors, Supervisors and Senior Management" in this annual report.

During the Year, Ms. Lau has received relevant professional training of no less than 15 hours and has complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

All Directors have access to the advise and services of the company secretary on corporate governance and board practices and matters. Mr. Zhu, the executive Director, has been designated as the primary contact person at the Company which would work and communicate with the company secretary on the Company's corporate governance and secretarial and administrative matters.

FINANCIAL REPORTING AND INTERNAL CONTROL

Financial reporting

The Board, supported by the finance department, is responsible for the preparation of the financial statements of the Company and the Group. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to the Shareholders, and make appropriate disclosure and announcements in a timely manner. Management would provide such explanation and information to the Board as will enable the Board to make an informal assessment of the financial and other information put before the Board for approval.

Internal controls and risk management

The Board is responsible for assessing and determining the nature and level of risks acceptable for achieving the strategic objectives of the Group, and overseeing the management over the design, implementation and monitoring of the risk management and internal control system, in order to guarantee that the Group can establish and maintain a healthy and effective risk management and internal control system. The Management is responsible for the daily operation of the Group's risk management and internal control system and confirm the effectiveness of the system with the Board.

The Group has established a scientific and effective risk management and internal control system. This initiative can reasonably guarantee the legality and compliance of operation and management, the security of assets, and the truthfulness and completeness of financial reports and relevant information, enhance the effectiveness and effects of operation, and facilitate the Group to achieve its strategic plans. The above control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatements or losses.

As required by the CG Code set out in the Listing Rules, the Group has constantly strengthened its identification, assessment and management of major risks, and established three lines of defense for risk management, namely, all relevant function departments and all branches serving as the first line of defense, the competent function department for risk management and the risk management committee of the Board (the "**Risk Management Committee**") serving as the second line of defense, and the Audit Committee and the internal audit department thereunder serving as the third line of defense.

The Group has constantly improved its rules for the internal control system and management and standardised its business processes in strict compliance with relevant laws and regulations and by taking into account of the characteristics of the industry and the situation of the Group. The Group also ensures the internal control being implemented throughout the course of all businesses and covering the decision-making, execution and monitoring of every business scope and management section. The Group has put in place an information disclosure management system to make appropriate disclosures in accordance with the Listing Rules and the requirements of the Asset Management Association of China. Furthermore, the Group has also established a progressive vetting and reviewing system to ensure the truthfulness, accuracy and completeness of the financial reports and relevant information disclosures of the Company.

The Group continues to commit itself in enhancing internal control and risk management and has established a well-performing risk management and internal control system. The summary of the Company's major risk management and internal control measures is as follows:

The Board, the management, all functional departments and business departments have formed an internal control and governance structure with reasonable division of work and clear delineation of rights and responsibilities. The Risk Management Committee and Audit Committee are responsible for reviewing the risk management and internal control system of the Company, generally supervising the effective implementation of the risk management and internal control system and conducting self-assessment of the daily internal control. With the delegation from the Board, the Audit Committee will review the Group's risk management and internal control system and the effectiveness of the internal audit function. The internal audit department is responsible for organizing the assessment work in relation to daily risk management and internal control review and making reports accordingly to the Audit Committee.

The Company has established and implemented procedures for (i) collection, evaluation and publication of information to ensure timely reporting of inside information to the Board and the Shareholders; and (ii) responding to external enquiries about the Group's affairs. With a view to identifying, handling and disseminating inside information in compliance with the SFO, procedures including preclearance on dealing in Company's securities by designated Director, notification of blackout period and securities dealing restrictions to relevant Directors and employees, identification of project by code name and dissemination of information on a need-to-know basis have been implemented by the Group to guard against possible mishandling of inside information within the Group.

The Group has established an anti-corruption policy requiring all employees to comply with the Anti-Fraud and Anti-Bribery Management System to prevent all types of fraud, malpractice and malfeasance, and the anti-corruption policy forms part of the Group's corporate governance framework. The Group encourages its employees and companies with whom it does business to report and uncover fraud and bribery and strives to achieve the highest standards of ethical conduct in its operations.

The Group has set up a dedicated email address to receive reports of fraud and bribery, maintains strict confidentiality on all procedures from receiving reports to the investigation, prohibits the disclosure of data of the whistleblower or to the person(s) or the department being reported, and prevents the casual circulation of reporting materials to the public. The Audit Committee shall be informed of the nature of the reports received, the status of the examination and the results of handling of such reports. The Audit Committee reviews the whistleblower policy annually to ensure its effectiveness.

For the Reporting Period, the Risk Management Committee of the Group reviewed and assessed the sufficiency and effectiveness of the risk management and internal control system and the internal audit function every half year, reviewed the risk management plans for the second half of 2024 and the year of 2025, discussed whether there were any major investigation findings on new risks arising from the business, strategical and risk management affairs of the Company, and advised on improvements to the risk management system of the Company.

During the Year, the Board has continued to oversee the Group's risk management and internal control system. With the delegation from the Board, the Audit Committee has performed an annual review and considered the sufficiency of the resources for accounting, internal control review and financial reporting, the qualifications, experience and training of relevant staff, and the relevant budget for the past year. After hearing the report from the Audit Committee and obtaining confirmation from the management for the effectiveness of relevant systems, the Board is of an opinion that the risk management and internal control system and the internal audit function of the Group are sufficient and adequate.

Shareholders' Rights

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("**EGM**").

Right to convene extraordinary general meeting

According to article 51 of the Articles of Association:

(a) Shareholders individually or jointly holding 10% or more of the Company's issued voting shares at the proposed general meeting (on a one vote per share basis) may sign one or several same written requests proposing to the Board to convene an EGM and stating the subjects to be considered at the meeting and adding resolutions to a meeting agenda. The number of shares held referred to above shall be calculated on the date the Shareholders submit their written request. After receiving the aforesaid documentary requirements, the Board should convene an EGM as soon as possible;

(b) if the Board agrees to convene an EGM, it shall issue a notice on convening the Shareholders' general meetings within five days after passing the board resolution. Any changes to the original proposal as stated in the notice shall be approved by the relevant Shareholders;

(c) if the Board refuses to convene an EGM, or gives no response within ten days upon receipt of such proposal, Shareholders individually or in aggregate holding more than 10% of the Company's shares shall be entitled to propose to the Supervisory Committee for convening such meeting, provided that such proposal shall be made in writing;

(d) if the Supervisory Committee agrees to hold an EGM, a notice of such meeting shall be dispatched within five days upon receipt of such request. Changes made to the original proposal in the notice shall be approved by the relevant Shareholders; and

(e) if the Supervisory Committee fails to give notice of such meeting within the specified time limit, it shall be deemed to have failed to convene and preside over such meeting, in which case, Shareholders individually or in aggregate holding more than 10% of the Company's shares for not less than 90 consecutive days shall have the right to convene and preside over such meeting by themselves. The procedures for convening such meeting should follow those for convening a general meeting of Shareholders by the Board as similar as practicable.

Putting Forward Proposals at Shareholders' General Meetings

According to article 56 and 57 of the Articles of Association, when a general meeting is held by the Company, the Board, the Supervisory Committee or Shareholder(s) who individually or jointly holding more than 3% of the shares of the Company may propose resolutions to the Company. Shareholder(s) who individually or jointly holding more than 3% of the shares may submit extra proposals in writing to the Board at least 10 days prior to the Shareholders' general meeting. The contents of a proposal shall be within the scope of duties and responsibility of the Shareholders' general meetings. It shall have a clear issues and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative rules and regulations and the Articles of Association.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to The Investment & Management Center via email (email address: ir@realwaycapital.com).

DIVIDEND POLICY

The Company may distribute dividends by way of cash or by other means that the Board considers appropriate. The Board determines whether to declare any dividend for any year end and if any, the amount of dividend and the means of payment based on the Group's results of operations, cash flows, financial condition, the Shareholders' interests, the general business conditions and strategies, the capital requirements, the payment by the Company's subsidiaries of cash dividends to the Company and other factors as may be considered relevant at such time by the Board.

AMENDMENTS OF CONSTITUTIONAL DOCUMENTS

On 14 June 2024, special resolutions were passed by the Shareholders at the AGM, the class meeting of Domestic Shares and the class meeting of H Shares to approve the proposed amendments to the Company's Articles of Association 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 respectively.

Save as aforesaid, the Company did not make any other material amendments to its Articles of Association during the Reporting Period. An up-to-date version of the Articles of Association has been published on the websites of the Company and the Stock Exchange.

INVESTOR RELATIONS AND COMMUNICATION WITH ITS SHAREHOLDERS

The Board recognises the importance of good communications with all Shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its Shareholders and investment public.

The Company uses various channels to communicate with its shareholders: (i) issuing annual reports, interim reports, announcements and circulars to provide shareholders with information on recent business developments and financial performance; (ii) annual general meetings and extraordinary general meetings to provide a platform for Shareholders to communicate directly with the Directors and senior management, so as to express their views and exchange ideas; (iii) establish the Company's website (https://www.realwaycapital.com) to provide additional communication channels to the public and Shareholders. All corporate communications and updates are available to the public on the Company's website; (iv) updates on key information are provided to Shareholders and investors through the Stock Exchange's website and the Company's website; and (v) the Company's share registrar in Hong Kong is available to Shareholders for share registration, dividend payment and related matters.

The Board regularly reviews the existing communication channels with Shareholders and investors to ensure that they are working effectively and to provide suggestions for improvement where necessary. During the Year, the Board reviewed the implementation of the Shareholder Communication Policy and considered it appropriate and effective.

Environmental, Social and Governance Report

1. SCOPE OF THIS REPORT

This environmental, social and governance report (the "**Report**") describes the environmental, social and governance performance of the Group during the Year.

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix C2 to the Listing Rules and based on the actual situation of the Group. The Report is published annually in each financial year together with the Annual Report of the Company for the year.

The Report covered the major revenue business of the Group, namely fund management and investment advisory in China. Due to business adjustments in 2024, the Beijing office was closed, so the Report only disclosed the performance on environmental, social and governance of the following 3 operation sites generating major revenues during the Year:

(1) Shanghai

(2) Tianjin

(3) Hangzhou

2. REPORTING PRINCIPLES

- Materiality: The Group periodically refers to local and international sustainability standards within the same industry, striving to align with them. At the same time, regular communication with stakeholders of various aspects is used to identify the most concerned and important sustainability topics for the Group. Those sustainability topics will also be incorporated into the company's development policies under the overall strategy of the company's operations. During the Year, the Group also conducted stakeholder surveys to identify their expectations on the Group and developed appropriate strategies to respond to their views and needs.

- Quantitative: The Group strives to quantify and disclose key performance indicators and data in the environmental and social domains, explaining data collection and calculation methods where practicable to enhance transparency.

- Balance: In order to maintain the balance of reporting content, fair disclosure of sustainability performance and challenges related to the Group and stakeholders is provided with impartial information to the public.

- Consistency: The Group follows the 'Environmental, Social and Governance Reporting Guide' of the Stock Exchange for disclosure, enabling meaningful year-on-year comparisons of past performance within a consistent framework, and to disclose updated calculation methods of relevant data when necessary.

3. BOARD'S GOVERNANCE ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE TOPICS

With increasing uncertainty in the global investment environment, the Group continuously monitors the impact of domestic and international economic changes on its investment portfolio and actively adjusts asset allocation to cope with market fluctuations. Ongoing oversight of the relevant environmental, social and governance (ESG) matters is carried out, to ensure operations in continued compliance with local laws and regulations while also safeguarding the interests of the Group and its stakeholders, thereby enhancing the corporate brand image.

The Group collects ESG information on a regular basis through different functional departments and working groups, and then consolidates, analyses and discloses performance in the ESG Report. At the annual meeting of the Board, board members will review ESG performance disclosed in the ESG Report, assessing suitability with the Group's business strategy and the status of compliance and identifying the sustainability topics being material to the Group and stakeholders, so as to make appropriate decisions. The Board's leadership in ESG includes, but is not limited to, the following responsibilities in ESG leadership:

- Review and approval of ESG goals, and monitoring of ESG performance
- Regular review with ESG working groups or committees on the effectiveness of ESG plans and achievement of ESG goals, as well as provision of guidance on ESG strategies
- Review and approval of ESG reports, results of stakeholder engagement and materiality assessment

ESG Governance Structure

Through regular reporting by the committees/working groups and the ESG reporting information formulated annually, the Board will evaluate the potential risks indicated in the ESG information, prioritize the management of the ESG topics with significant impacts, and formulate effective preventive and control measures in order to ensure the sustainable development of the Group.

The Group will continue with its established development strategy and actively seize market opportunities, while strictly controlling operating costs and improving risk management mechanisms to ensure its advantages in the highly competitive market. According to the result of the risk evaluation conducted by the Board in 2024, the employment and employee benefits, quality of project management, customer service, and prevention of corruption/bribery and money laundering are still the relatively material topics for governance. The Group will further strengthen internal supervision and provide continuous professional training, to ensure employees are equipped with adequate knowledge on investment products, excellent customer service capabilities and a high level of vigilance in integrity and compliance. In addition, the Group will promote the application of digital risk control technologies to improve regulatory efficiency and ensure the steady development of its business.

Over the next year, the Board anticipates that ESG strategies and objectives will be influenced by a range of factors and trends. Macroeconomic fluctuations and geopolitical risks could impact the business operating environment, adjusting our strategies will be required. From the environmental perspective, companies are driven by climate change to strengthen controls over carbon emissions and to utilise resources sustainably. Socially, the public expects companies to place greater emphasis on employee welfare, community contributions, and diversity, requiring firms to enhance their sense of social responsibility. Meanwhile, companies are facing technology challenges such as digital transformation and data privacy. In response, the Group has established a dedicated team tasked with assessing and addressing relevant ESG challenges and opportunities, and with adjusting the design and composition of our investment products as needed to ensure that business development goes hand in hand with environmental responsibility. Additionally, the Group will continue to optimise office operations and equipment management by implementing a range of energy-saving and emission-reduction measures to lower greenhouse gas emissions and improve energy efficiency.

In future, the Group will continue in enhancing its business framework, actively managing a diversified investment portfolio, and closely monitoring market trends and investment performance to enable flexible adjustments to its fund investment strategies. Moreover, the Group will further explore investment opportunities in green finance and low-carbon industries, deepening its commitment and building a foundation for long-term growth around sustainability.

4. COMMUNICATION WITH STAKEHOLDERS

The Group convenes annual general meeting with shareholders to provide an effective channel for the Board to exchange opinions with shareholders. The Group's overall business performance is reported to all investors every year with details set out in the annual report. For those customers and suppliers in close connection with the Group, they could communicate with our customer service staff through email and teleconferences to raise their opinions and requests.

Furthermore, to ensure regulatory compliance in business operations, the Group closely monitors feedback from relevant regulatory authorities, responding and following up promptly. Relevant platform and teams are also established for identifying and responding to the community needs.

Group's stakeholders	Main means of communication
Shareholders	The Company's website Annual report and interim report Annual General Meeting of Shareholders and other general meetings
Suppliers	Supplier survey Company press releases, financial and other data relating to the Company's business
Customers	Customer survey Investor activities, investor quarterly/annual report Phone conference, visits and meetings
Community	Volunteering activities Charitable activities
Government/Regulators	Policy announcement Regulatory communications On-site inspection, phone conference

5. MATERIALITY ASSESSMENT

In order to better understand the ESG awareness and expectations of our stakeholders, in addition to the above stakeholder communication channels, the Group conducted a survey of stakeholders this Year and proceeded the following three steps to prepare and conduct the materiality assessment:

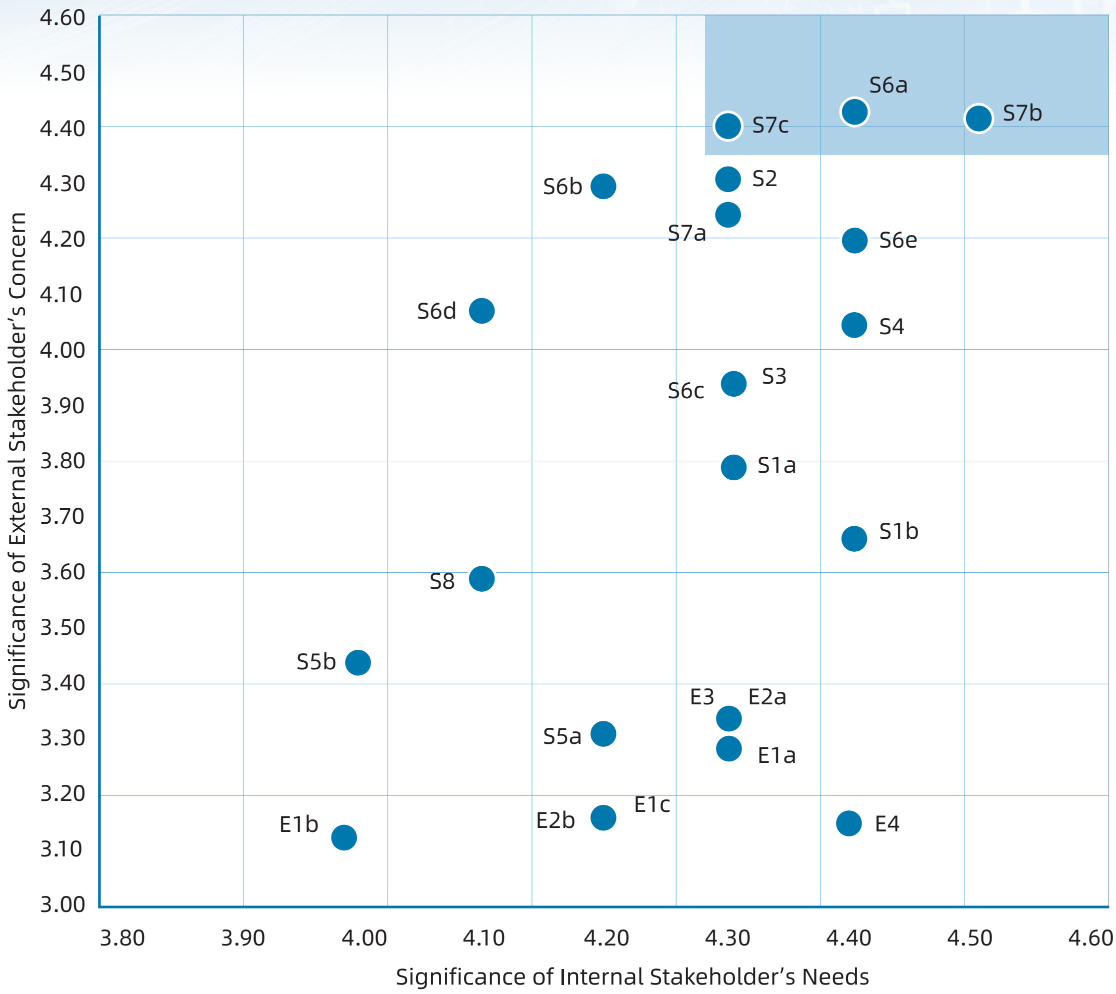
Step 1 Identify topics on ESG	In accordance with the Stock Exchange's Environmental, Social and Governance Reporting Guide as the framework for materiality assessment, and taking into account factors such as corporate development strategies, industry trends, regulatory and market requirements, the stakeholder questionnaire was developed to conduct survey on 23 sustainability (ESG) topics in four categories: namely environmental protection, employment and labour management, operating practices and community investment.
Step 2 Identify stakeholders and set up survey questionnaires	The stakeholders identified as utmost important to the Group are our customers, suppliers and employees. According to their respective perceptions and expectations, specific content of the topics was formulated in their respective questionnaires. The questionnaires were then distributed to the sampled stakeholders, whose feedback was collected within the specified time frame.
Step 3 Evaluate and identify material topics	Through statistical analysis of survey feedback from external stakeholders, and review of the Group's strategies and the priorities of internal stakeholders, data of both external and internal demands was consolidated for plotting the "ESG Materiality Matrix Diagram". From the aforesaid 23 ESG topics, the ESG material topics of the Group were identified (within the **blue** square in the upper right corner of the matrix diagram on next page).

"Materiality Assessment" based on 23 Sustainability Topics

Legend	ESG topics
E1a	Air pollutant and greenhouse gas emission control
E1b	Wastewater treatment
E1c	Solid waste handling
E2a	Energy conservation
E2b	Water conservation
E3	Operations minimizing environmental impacts
E4	Strategy against climate change
S1a	Employment and staff benefits
S1b	Equal, anti-discrimination, and diversified working environment
S2	Occupational safety and health
S3	Employee development and training
S4	Prevention of child and forced labour

Legend	ESG topics
S5a	Supply chain management
S5b	Green procurement
S6a	Product/service quality
S6b	Customers' health and safety
S6c	Customer service and complaint handling mechanism
S6d	Intellectual property right protection
S6e	Customer data privacy protection
S7a	Corporate governance
S7b	Prevention of corruption/bribery and money laundering
S7c	Anti-competitive practices
S8	Community investment

ESG Materiality Matrix Diagram



The result of materiality assessment carried out for the Year (2024) is overall in line with the previous year (2023). The "Prevention of corruption/bribery and money laundering" and "Product/service quality" remain among the top three issues of importance. The "Anti-competitive practices" (marked in *italics* in the table below) is a topic that shows differences in the two-year comparison, which demonstrating the increased concern of stakeholders about this kind of issues in the Year.

Year 2023	Year 2024
Customer data privacy protection	Prevention of corruption/bribery and money laundering
Corporate Governance	Product/service quality
Prevention of corruption/bribery and money laundering	*Anti-competitive practices*
Product/service quality	

6. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

6.1 Environmental

6.1.1 Environment and Natural Resources

As a non-polluting industry, the Group's operations do not generate significant emissions of exhaust gases or wastewater, nor does it generate hazardous waste during business operations. Although water consumption in the office operation was insignificant and consequently it was not necessary to establish targets on water use efficiency, but the Group was still striving to set the following environmental targets for contributing to environmental protection:

Environmental targets	Directional statements	Measures taken during the Year
Energy use efficiency	1. Adopt alternative means to reduce the number of times that the company's vehicles are used, in order to reduce fuel consumption.	1. Adoption of "Tencent Meeting" software for internal meeting arrangement, thereby reducing the number of business trips for intra-company meetings and hence reducing the use of vehicles; 2. Alignment of vehicle procurement policy with the Group's emission reduction goals. At the end of last year, the Group replaced one of its fuel-powered vehicles with an electric vehicle, aiming to reduce emissions from transportation.
Emission Reduction	1. Reduce purchased electricity to reduce indirect greenhouse gas generation; 2. Reduce direct greenhouse gas.	1. The air conditioners at the office are turned on only when the temperature is below or above the specified temperature in winter and summer, in order to reduce the power consumption of the air conditioners at the office, thereby reducing the greenhouse gases indirectly generated by power consumption; 2. Reducing vehicle travel and replacing fuel-powered cars with electric vehicles will help reduce carbon emissions; at the same time, by utilising video conferencing, telephone meetings, or other electronic online communication tools to reduce business travel, we can further cut greenhouse gas emissions associated with transportation.

Environmental targets	Directional statements	Measures taken during the Year
Waste reduction	1. Reduce paper waste generated from the office operation.	1. Strengthened electronic operations and file management to reduce paper consumption in offices; 2. Maximized the use of papers on both sides, for example, double-sided printing adopted whenever feasible and in non-confidential situations; 3. Maximized the use of multimedia presentation in the meeting, for reducing the use of paper-based printout.

6.1.2 Use of Resources

The business of fund management and investment advisory operated by the Group belongs to financial business, its major consumption of resources derived from offices, including use of energy and paper. According to the characteristics of the industry, the Group formulated relevant environmental policies to achieve rational use and utilization of resources.

(i) Statistics of Resource Consumption

Electricity for offices, automotive diesel and paper accounted for the main resource consumption of the Group in the Year, in contrast, water consumption was not substantial. As the market environment gradually recovered in the previous year (2023) and business returned to normal condition, the base of energy consumption varied. Therefore, the resource consumption in the Year showed a different trend compared with that in the previous year.

The utility electricity consumption increased from 54,626 kWh to 71,694 kWh as compared with 2023, representing an increase of approximately 31%. However, petrol consumption decreased from 4,345 litres to 1,138 litres, representing a decrease of approximately 74%, indicating that the Group has further enhanced its use of transport energy. In addition, paper consumption also decreased from 390 kg to 273 kg, representing a decrease of approximately 30%, which demonstrating a continued enhancement of paper saving and digital management.

The diagram below illustrates total consumption of various resources consolidated from all operating sites for the Year:

Power consumption **71,694** kWh

Gasoline consumption **1,138** litres

Paper consumption **273** kg

Resource consumption	**Unit**	**Year 2024**	Year 2023
Electricity	kWh	**71,694**	54,626
Gasoline	litre	**1,138**	4,345
Paper	kg	**273**	390

(ii) Energy conservation measures

Main energy consumption amongst the office operations is electricity. Apart from installation of energy-saving LED lights throughout the office areas, the Group has also instructed employees to follow the appropriate energy conservation measures, such as: employees shall turn off the power supply of facilities during non-office hours, air-conditioning shall be set at an appropriate temperature to reduce unnecessary energy consumption.

(iii) Water conservation measures

Water consumption equipment in the office areas of the Group was managed by the property management offices where they were located, which did not provide specific monthly records of water consumption by the Group due to centralized management. Under the general office operations, water consumption is relatively insignificant and consequently the Group has not put in any specified water conservation measures. During the Year, there was no issue in sourcing water that was fit for purpose.

(iv) Paper conservation measures

During the Year, paper was mainly consumed for general office operations and printing of product promotional materials. On the other hand, no packaging materials are required for the products.

The Group encourages employees to use both sides of paper by recycling single-sided printed paper for printing on the other side, in order to improve the efficiency of paper use.

In addition, for the appropriate processes, the Group adopts electronic office systems to operate in electronic ways for various processes such as risk control, financing, personnel and administrative tasks. These replace paper-based notification and approval with the aims of reducing paper use. Electronic information and records are classified by department and centrally stored in electronic folders. This minimizes the wastage of papers from duplicated printing by employees in the same department.

6.1.3 Emission

The business of fund management and investment advisory operated by the Group does not involve significant discharge of solid waste or sewage, and the waste generated by the Group is mainly non-hazardous domestic garbage. However, with regard to business activities involving GHG emissions from office operations, and the occasional use of vehicles leading to exhaust emissions from gasoline combustion, the Group has formulated relevant policies to mitigate the adverse impact to the environment.

(i) Control of GHG emission

The Group is aware of the sources of GHG incurred its business activities are office power consumption and emission from vehicles in business trips. In response to these sources, there is policy for business communication in the form of teleconferencing and email for minimizing business trips, consequently reducing gas emission from transportation. Also, the Group adopts energy conservation measures and enhances employees' awareness of energy conservation to reduce power consumption.

In addition, the Group has placed green plants in its office areas and plans to increase planting regularly every year to mitigate its carbon emissions. The diagram below identified the total GHG emission in the Year and the GHG emission intensity calculated on the basis of the number of employees:

Total GHG emission[1]	Direct GHG emission[2] (Scope 1)	Energy Indirect GHG emission[3] (Scope 2)	GHG emission intensity[4] per capita
43.47	**2.58**	**40.89**	**0.78**
tonnes carbon dioxide equivalent	tonnes carbon dioxide equivalent	tonnes carbon dioxide equivalent	tonnes carbon dioxide equivalent/person

The GHG emission of the Group in 2024 differed as compared to 2023, which was mainly due to the changes in business operations and use pattern of energy. Direct greenhouse gas emissions (Scope 1) decreased by approximately 74% from 9.87 tonnes carbon dioxide equivalent to 2.58 tonnes carbon dioxide equivalent, which was mainly attributable to a significant decrease in use of gasoline, that demonstrating the effectiveness of the management of transport energy of the Group. Energy indirect GHG emissions (Scope 2) increased by approximately 31% from 31.15 tonnes carbon dioxide equivalent to 40.89 tonnes carbon dioxide equivalent, which is in line with the increase of utility electricity consumption, that indicating the increase in the demand of office electricity after the resumption of business operations.

1 Global Warming Potential (GWP) adopted in this GHG calculation were based on the values disclosed in the Sixth Assessment Report (AR6) of Intergovernmental Panel on Climate Change (IPCC).

2 Direct GHG emission was originated from gasoline consumption by vehicles. Method of calculation was based on "2006 IPCC Guidelines for National Greenhouse Gas Inventories".

3 Energy indirect GHG emissions are indirect emissions from purchased electricity, calculated using the latest Chinese power grid emission factors published by the Ministry of Ecology and Environment of the People's Republic of China (Ministry of Ecology and Environment).

4 The base unit for calculating GHG emission intensity is the monthly average number of employees in the Reporting Year.

The Group will pay ongoing attention to the use of energy and carbon emissions, and mitigate the impact of its business on the environment by improving energy efficiency and promoting energy-saving measures.

	Unit	Year 2024	Year 2023
Direct GHG Emission (Scope 1)	tonnes carbon dioxide equivalent	**2.58**	9.87
Energy Indirect GHG Emission (Scope 2)	tonnes carbon dioxide equivalent	**40.89**	31.15
Total GHG Emission	**tonnes carbon dioxide equivalent**	**43.47**	41.02
GHG Emission Intensity[5] per Capita	**tonnes carbon dioxide equivalent/person**	**0.78**	0.52

The Group is fully aware of its responsibility in addressing climate change and has integrated its carbon neutrality target into our business development strategy. This year, we were honoured with the "Carbon Neutrality and Sustainable Development Gold Award" presented by the Hong Kong Inheritage Foundation and the Guangdong-Hong Kong-Macao-Bay Area Economic and Trade Association. This recognises our efforts and achievements in low-carbon management and sustainable development. Looking forward, while expanding our business, the Group will continue to align actively with national economic development and remain responsible for employees, consumers, customer service, society, environmental protection, sustainable development, and corporate governance.

(ii) *Control of solid wastes*

The Group's business operations generally do not generate hazardous waste. For non-hazardous domestic garbage, the Group is striving to classify the recyclable waste such as office scrap paper and collect them for handling by qualified agencies[6]. The Group strictly adheres to the local waste disposal regulations in the local areas of business, including the waste classification regulations in the cities where the operating offices are located. Pursuant to the relevant requirements, the Group conducted training to all employees, and allocated rubbish bins configurated for classification. In the Year, the Group keeps on monitoring and assures that employees proceed waste collection and disposal in accordance with the four categories of wastes (dry wastes, wet wastes, hazardous wastes and recyclable wastes).

During the Reporting Period, the Group did not identify any non-compliance with relevant laws and regulations that have a significant impact on the Company relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

5 GHG emission intensity per capita was calculated on the basis of monthly average number of employees in the reporting year.

6 The non-hazardous wastes generated by the Group in the Reporting Period was mainly scrap paper. In the actual operation, the Group has already largely adopted electronic processes and hence the amount of paper wastes was not significant. Such paper wastes were collected and subsequently handled by the property management agencies of the buildings where the Group's offices were located, and therefore the Group did not record the weight of paper wastes generated and the content recycled.

6.1.4 Climate Change

Various countries around the world have made different efforts and breakthroughs in mitigation of climate change, and the Group is also committed to addressing the impact of climate change. Based on the continued focus on the transformation and upgrading of the real estate asset sector in China, the Group is dedicated to identifying innovative investment opportunities in green and low-carbon industries. Details of relevant activities in the Year were described in "Section 6.2.8 — Community Investment" of this Report.

In addition to addressing climate change in business, the Group is fully aware of impact on the office operation because of climate change, which particularly leads to extreme weather and consequently incurs damage or work delay caused by typhoons and rainstorms. Management assesses the risks incurred by climate change and has identified the possible impacts of climate change on business operations, and eventually adopted the following policies to address climate change:

(i) Response to operational impacts incurred from climate change

The Group has developed guidelines for work arrangement in adverse weather, which guide employees to respond to possible emergencies such as being unable to work because of flooding or typhoon strikes in the event of typhoon and rainstorm weather warnings. Before typhoon strikes, employees are requested to check that all windows are closed and regularly inspected to ensure that office areas will not be damaged. Moreover, in order to raise employees' awareness of disaster preparedness and to familiarize them with emergency response measures, the Group provides appropriate training to ensure that employees possess relevant knowledge and skills to tackle with the impacts of extreme weather on the enterprise.

(ii) Mitigation against operational impacts incurred from climate change

Apart from formulating the abovementioned preparedness plans in response to climate change, the Group is also dedicated to saving the use of electricity, with the use of energy-saving lighting in the office areas, in order to reduce emission of energy indirect GHG. Also, the policy of prioritizing local procurement is in place for reducing GHG emission incurred from transportation, thereby mitigating the magnitude of climate change.

6.2 Social

6.2.1 Employment

The Group strictly abides by the national labour laws and other local regulations of the regions where the Group is operating for developing its employment policy, also has formulated an employee handbook to elaborate and protect the rights and benefits of employees. The employee handbook is written in Chinese and is also available in electronic version for easy access by employees. In addition, any updates to the handbook will be publicly displayed for employee awareness and feedback to ensure that they are implemented without apparent disagreement.

(i) *Recruitment and promotion*

The Group has formulated and issued the "Realway Capital's Management Measures for Recruitment" to stipulate its recruitment procedures and systems.

The Group requires employees participating in all stages of recruitment to observe the principle of friendly communication on the basis of mutual respect and equality. Equal treatment of job candidates in the interview process is one of the important rules.

Whenever there are recruitment needs, the Group will determine the job requirements in various aspects according to the "Job Descriptions" and "Employment Qualifications" specific to the relevant functions and ranks. Recruitment is simply based on job requirements and shall not be affected by attributes such as race, ethnicity, social class, nationality, religion, disability, gender, sexual orientation, marital status, age, trade union membership or political party, in order to avoid any occurrence of discrimination.

In addition to recruitment, the Group carries out personnel management work, covering resignations, employee compensation and benefits, social insurance, etc. in accordance with relevant laws and regulations. The Group also performs dismissal procedures in strict accordance with the "Labour Law" and the "Labour Contract Law" to ensure compliance with legislations and accountability to employees.

Moreover, the Group has established clear promotion policy to give adequate promotion opportunities to eligible personnel. The Group performs performance management on a semi-annual and annual basis. Evaluation of each employee's work performance is carried out fairly and impartially through self-evaluation and appraisal by supervisor, recommendation is provided to employees in the process to help them enhance their performance.

(ii) *Compensation and benefits*

The Group formulates salary adjustment policies based on the human resources market and the fairness among internal functions and ranks. According to the market conditions and the situation of the Group, "Employee Salary Range Table" has been developed for determination of an appropriate salary range after collecting relevant information of the job applicant during recruitment. Whenever there is a need to go beyond the established salary range after communication and negotiation with the job applicant, it shall be approved by the responsible superiors.

For determination of salary adjustment, the Group will review the rationality and competitiveness of the current salary structure, based on employee's current salary, salary trends in the market and reference of the industry average. In addition, performance appraisal on employee's performance will be carried out on semi-annual basis, which is also an important part of the salary review.

The Group compensates employees' salaries and benefits in strict compliance with relevant national laws and regulations, including statutory minimum wage, calculation of overtime compensation per law, social insurance contributions, as well as other statutory employee benefits and rights, such as statutory holidays, paid annual leave and paid maternity leave. On the basis of guaranteeing the statutory employee benefits, the Group also bears the work-related expenses incurred by employees, such as the cost of overtime meals and communication expenses related to business operations. In addition to the statutory annual leave, the Group provides personal and family-related leave, and increases the eligible leave by a day each year to employees who have joined the Group for at least three years.

(iii) Statistical information related to employment

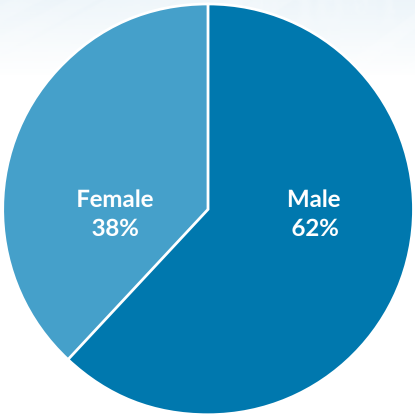
During the Reporting Period, the Group did not identify any non-compliance with relevant laws and regulations that have a significant impact on the Company relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

As at 31 December 2024, there was a total of 62 employees, amongst which 56 employees were on full-time basis and 6 employees were on part-time basis. All employees were situated in Mainland China. In the Year, the overall monthly average employee turnover rate was 3.40%, while the turnover rate was 4.59% in the previous year.

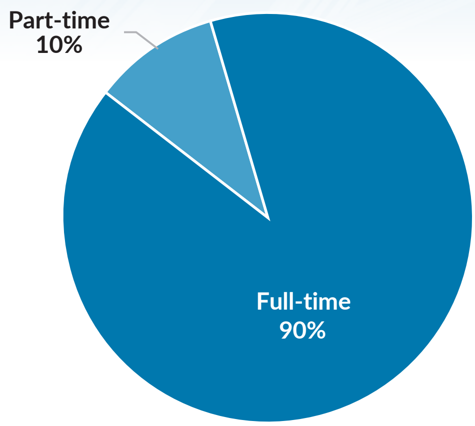
	Number of employees[7]	
	Year 2024	Year 2023
Gender		
Male	**38**	40
Female	**24**	33
Employee category		
Senior management	**8**	15
Middle management	**18**	17
Supervisor	**17**	21
General staff	**19**	20
Age group		
16-24 years old	**1**	4
25-34 years old	**24**	32
35-44 years old	**19**	23
45-54 years old	**13**	10
55-64 years old	**5**	4

[7] The statistics was disclosed for the number of persons as of the end of December in the reporting year.

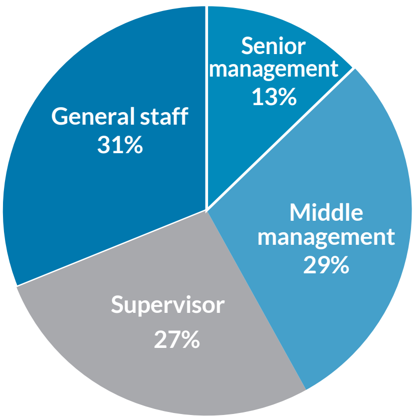
Proportion of employees by gender



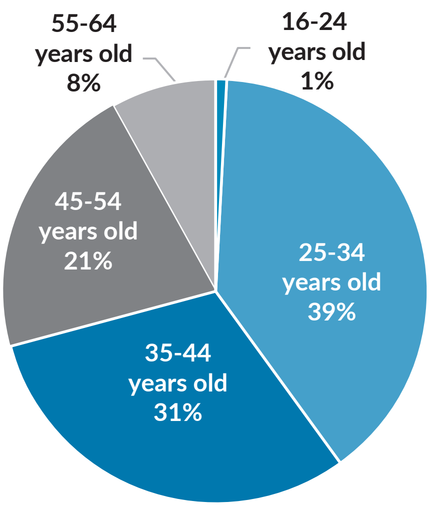
Proportion of employees by employment type



Proportion of employees by employee ranking



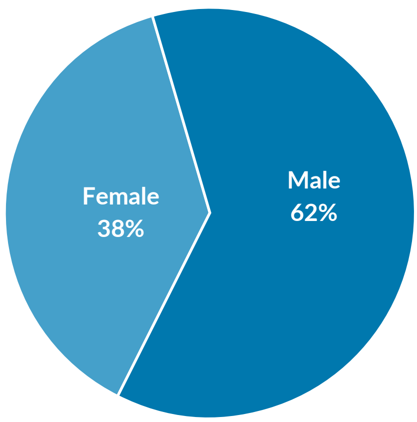
Proportion of employees by age group



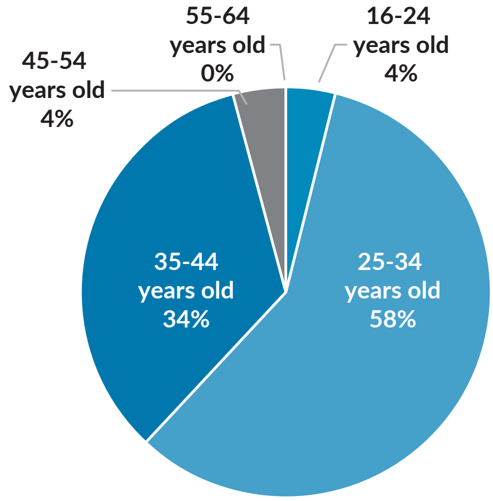
Based on monthly average calculation, the following diagrams and tables set forth the statistical number of employees and employee turnover rate of the various classifications:

	Monthly Average Employee Turnover Rate	
	Year 2024	Year 2023
Gender		
Male	**3.57%**	4.81%
Female	**3.18%**	4.22%
Employee category		
Senior management	**0.00%**	1.08%
Middle management	**1.78%**	1.71%
Supervisor	**3.24%**	4.73%
General staff	**6.94%**	8.02%
Age group		
16-24 years old	**4.17%**	1.39%
25-34 years old	**5.04%**	4.85%
35-44 years old	**3.53%**	4.91%
45-54 years old	**0.76%**	5.21%
55-64 years old	**0.00%**	4.17%

Proportion of employee turnover by gender



Proportion of employee turnover by age group



6.2.2 Health and Safety

The Group adopts the 5-S methodology which requires employees to "Structurise", "Systematise", "Sanitise", "Standardise" and "Self-discipline", for maintaining clean and tidy workplaces and prevention of employees from suffering occupational diseases and industrial casualties.

(i) Workplace management

The Group assures safety management in the workplaces, including response to fire safety, installation of fire-fighting supplies such as fire hydrants, fire extinguishers, etc. , and posting of fire evacuation route plans in the obvious places of corridors, and placing in the office with first aid kits stocked with common emergency medicines. For health management, the Group provides employees with a comfortable work environment with adequate lighting and good air quality. To this end, the Group carries out regular maintenance of relevant equipment, including cleaning of air-conditioning filters, pipes and carpets every year.

(ii) Employee training

In addition to the management of premises and equipment, the Group endeavours to provide adequate training for employees. Office-related safety training is provided to new employees. Employees are arranged annually to participate in fire drills held in the office building and attend fire service courses organized by the local agencies. In addition, in response to the extreme weather incurred from climate change in recent years, the Group has established clear guideline for governing the work arrangement in case of typhoon and rainstorm.

(iii) Caring of employee health

The Group has provided office employees with appropriate equipment, for example: chairs with armrests and height adjustment, for mitigating health risks incurred to employees from inappropriate equipment. Also, the Group is concerned about the mental health of employees, grievance communication channel is set up for employees to voice out any issues which inhibit their family life or other aspirations to achieve work-life balance.

(iv) Performance on occupational health and safety

During the Reporting Period, the Group did not identify any non-compliance with relevant laws and regulations that have a significant impact on the Company relating to providing a safe working environment and protecting employees from occupational hazards, and there was no working day lost due to work-related injuries. In addition, there was no incident of work-related fatality over the past three years (including the Year).

6.2.3 Development and Training

(i) Employee training system

Talent pool is the cornerstone of the development of the Group. The Group has always attached importance to the growth and development of its employees. It is committed to building a scientific and complete training system to provide comprehensive learning and improvement opportunities for employees at different stages. The Group aims to evoke the potential development of employees and enhance their professional capabilities through well-designed training programs and provision of resources, thereby promoting the sustainable development of the Group.

The Group has developed a comprehensive training system for employees, which covers the different needs of new entrants and existing employees. In order to improve efficiency in learning, the Group actively uses online training platforms to facilitate the self-directed learning of employees, and launches all internal courses online for employees to access and use at any time, except for those courses with confidentiality, such as courses taught by external speakers.

For newly hired employees, the Group has arranged with training topics on corporate culture, company introduction, internal control measures, financial processes, and practical knowledge of private and public funds, etc., during the Year for the purpose of helping them quickly integrate into the Company and understand the business operations.

For existing staff, the Group has developed professional training plans based on business and occupational needs for every single year. The main courses in the Year focus on the following two areas, which aiming to enhance employees' professional capabilities and vocational qualifications:

- Industry trends and product knowledge
- Personal management skills

In terms of professional topics, the Group not only relies on internal resources, but also work actively to invite external specialist to teach or arranges employees to participate in training courses provided by external institutions, to ensure the forward-looking and practical nature of the training content. The followings are some examples of courses:

Names of Training Classes	Tutor
Industry Trends and Product Knowledge	
Macroeconomic and asset pricing environment in 2024	External
The impact of the newly introduced Company Law on PE investing institutions	External
Interpretation of the real estate pilot policy for real estate private equity investment funds	External
Outlook for the family office industry and Hong Kong's advantages	External
Discussion on legal principle and case analysis on anti-commercial bribery and anti-unfair competition laws	Internal
Recent anti-money laundering penalty cases against financial institutions	Internal
Seven typical cases of anti-unfair competition	Internal
Typical case sharing of suitability obligations	Internal
Personal Management Skills	
"Integrity in Work" themed case sharing	Internal
Sharing session of AI learning	Internal
System Operation and Maintenance and New Business Training Conference 2024	Internal
Corporate management improvement system escort	Internal

For fulfilling the training needs of any special positions, such as new management trainees, mentors will be arranged to engage them in quarterly face-to-face communication and provide appropriate recommendation for raising their competence in an efficient manner.

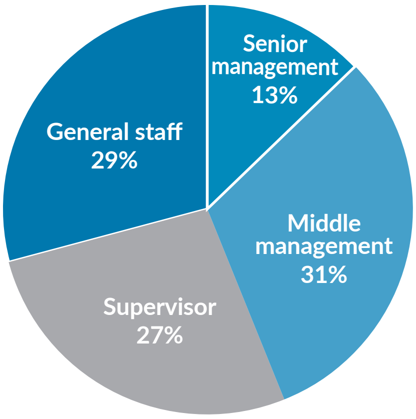
For employees with other training needs, the Group also has policy to sponsor in full their attendance of external training courses for development of their specific capabilities.

The Group has arranged internship programs in summer-term and long-term to provide mentoring as well as phased assessment and feedback for interns. Those with excellent performance will be given the opportunity to stay in the Group.

(ii) Employee training performance

For the operating locations covered by the Report, there was a total of 62 trained employees who attended 1,016 hours of training in the Year. As compared with the previous year, the average proportion of trained employees to the total workforce increased by around 6.29% while the average training hours per employee decreased by around 10.55%.

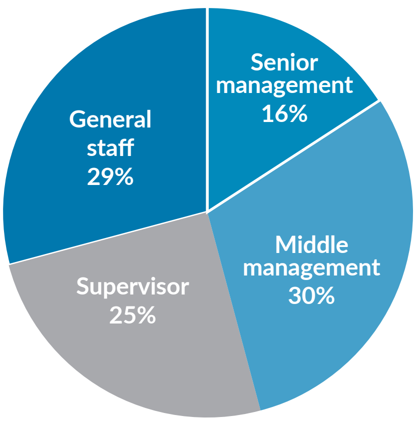
Proportion of trained employees by employee ranking



	Average proportion of trained employees[8] Year 2024	Year 2023
Gender		
Male	**97.37%**	90.48%
Female	**96.15%**	91.89%
Employee category		
Senior management	**100.00%**	93.75%
Middle management	**100.00%**	100.00%
Supervisor	**94.44%**	86.36%
General staff	**94.74%**	88.46%
Overall average	**96.88%**	91.14%

8 This calculation is based on the monthly average number of persons in the reporting year.

Proportion of training hours by employee ranking



	Average training hours per employee[9] Year 2024	Year 2023
Gender		
Male	**14.61**	16.00
Female	**17.73**	19.73
Employee category		
Senior management	**20.00**	18.88
Middle management	**16.16**	24.47
Supervisor	**14.22**	16.09
General staff	**15.42**	14.58
Overall average	**15.88**	17.75

9 This calculation is based on the monthly average number of persons in the reporting year.

6.2.4 Labour Standards

(i) Prohibition of child labour

The Group's recruitment policy targets at two types of job applicants: people with formal work experience in the job market, fresh graduates of bachelor and master degree and interns (interns only open to undergraduate and graduate school students). Consequently, under these two types of recruitment, no child labour would be employed.

In addition, during recruitment interviews, the Group collects the personal information of all job applicants (including intern candidates): identity cards, academic certificates and testimonials of employment, for verifying the authenticity of their submitted age information and hence prevention of employing applicants under the legal working age.

(ii) Prohibition of forced labour

The policies of the Group prohibit all forms of forced labour, including: request for deposit or collateral upon recruitment of employees, withholding of identity documents, withholding of wages, forcing employees to work overtime, bonded labour, and restricting personal freedom through threats of violence or other illegal means. Relevant policies ensure all employees to work on voluntary basis. All employees have the rights to resign within the employment period in accordance with the notice period as stipulated in the employment contracts.

(iii) Handling of non-compliance

Based on the recruitment system and principle, the Group does not allow the occurrence of child labour or forced labour, and has established the relevant preventive procedures. In event of any non-compliance identified, the Group will adopt the necessary steps to eliminate the non-compliance in accordance with laws.

During the Reporting Period, the Group did not identify any non-compliance with relevant laws and regulations that have a significant impact on the Company relating to preventing child and forced labour.

6.2.5 Supply Chain Management

(i) Supplier distribution

In accordance with the practices of the asset management industry, the suppliers of the Group are generally defined as professional service providers and intermediaries related to financial assets, such as fund sales agencies and law firms. In 2024, there was a total of 67 suppliers with whom the Group was in business partnership. Amongst these suppliers, 61 suppliers were located in Mainland China and the remaining 6 suppliers were situated in Hong Kong.

(ii) Supplier evaluation and screening

For assuring continuous sourcing of quality resources by the Group, the procurement department is leading the evaluation of suppliers who are in partnership with the Group. Especially for long-term suppliers, the evaluation shall be conducted on a regular basis. Where necessary, the risk control department and the financial management department will be invited to conduct due diligence on suppliers.

The procurement department conducts preliminary comparison and selection of suppliers in various aspects such as scale, industry experience, business qualification, mode of cooperation, business quotation and industry feedback, for identifying the shortlisted suppliers who meet the basic requirements.

For intermediary suppliers such as law firms, the Group shall evaluate their qualification, project experience, lawyer certificates, etc. For suppliers responsible for fund sales, the Group shall evaluate their background, scale, business types, sales performance, business process, legitimacy, fund sales qualifications, etc. Owing to business needs, 25 new suppliers have been engaged in the Year and all of them are located in Mainland China for providing consultation services. They have been evaluated on the qualification and experience prior to signing for engagement, and the business partnership only commenced after passing evaluation.

For those suppliers already in partnership, the interval of supplier evaluation is generally carried out by the end of each fiscal year. "Supplier Information Registry" will be updated with approved suppliers and recorded with any follow-up items for improvement.

If the supplier is not qualified in the periodic evaluation, the Group shall review the impact from those products and services still delivered during the valid period of partnership. If the impact is significant, the partnership with that specific supplier shall be terminated in principle. If it is necessary to continue the partnership under special circumstances, the special reasons shall be recorded in the evaluation files for future reference and tracking.

(iii) Management of environmental and social risks in supply chain

The Group would prioritize the use of materials and services that do not impose significant environmental impacts and avoid the financial investment products that would have negative impacts on environment or climate change. Furthermore, evaluation would be conducted on the operational compliance of business partners, product non-compliance, and other financial risks such as potential default. The aforesaid practices aim to mitigate environmental and social risks along the supply chain of the Group.

(iv) Green procurement

During the procurement process, the Group would prioritize those supplies that could be energy-saving or environmental-friendly, such as energy-saving LED lights, or sourcing from the suppliers who attained certification on environmental management system. Moreover, the Group would strive to seek and explore the opportunities on asset management and sales direction regarding green financial products like ESG-preferred investment. The practices aim to align with the global trend of responsible investment for mitigating the negative impacts on climate change.

Moreover, the Group has formulated regional procurement policy, which prioritizes the use of local (situated in Mainland China and Hong Kong) suppliers and service agencies for reduction of GHG emissions from transportation during the procurement process, being implemented as one of the green procurement measures. In the Year, the suppliers who provided materials to the Group were all located in Mainland China and from this perspective, it could be regarded as local procurement in full.

6.2.6 Product Responsibility

Being an asset management company, the Group primarily engages in real estate and distressed assets covering fund management, investment advisory services, as well as real estate leasing services.

(i) Product compliance

The Group strictly abides by the relevant legal regulations and industry self-discipline rules. During the Reporting Period, the Group was not subject to any penalties by the regulatory authorities or industry associations as a result of violations of any laws or regulations.

Throughout the operation processes that involve delivery of products and services, relevant personnel follow the national regulations, industry codes and standards to ensure product compliance with legal requirements. Relevant regulations include the "Securities Investment Fund Law", the "Regulation on the Supervision and Administration of Private Investment Funds" of the People's Republic of China, as well as other laws and regulations related to securities and futures institutions, investment fund sales management, and private equity investment fund management.

To strictly monitor the compliance status, the Group has established an independent risk management department for governing the potential risks in the processes of fund and private equity investment management.

(ii) Quality management

The Group has established strict supervisory mechanism for effective monitoring of all stages of projects, from pre-investment, investment-in-progress to post-investment stage. Decision for investment of external project must go through review and approval procedure before execution. Before releasing documents externally and signing agreements, such documents must have passed through the corresponding approval procedures, and could only be released and disclosed after compliance check. During project operation, the progress of the project shall be reported to the Group's risk control team on a regular basis. In addition, the Group entrusts professional financial institutions to provide custody services for the fund products issued by the Group, including account custody and fund monitoring services. Regular audit is also conducted on various businesses for risk assessment and corrective actions when necessary.

The Group discloses the information on fund operations to investors in a timely and accurate manner in accordance with relevant regulatory policies, and clearly defines the requirements for information disclosure and regular return visits to investors in its own policies. In addition, the Group shall conduct audit on its business operations regularly to ensure continued compliance with relevant requirements. Whenever necessary, investigation will be conducted to evaluate any risks of non-compliance with the relevant laws and regulations.

The Group's asset management services have been recognised by the industry for many years, which won the "2024 Best Special Opportunity Investor" awarded by the "Shanghai Private Equity Association" in the Year.

The Group will continue to uphold the core values of "professionalism, integrity and innovation", optimise the quality management system, tap into market potential, enhance customer experience, strive to become a leading asset management institution in the industry, create more value for customers and shareholders, and promote the healthy development of the industry.

(iii) *Product recall procedure*

Under the product assurance system of the Group, product recall mechanism is also in place, such as handling product recalls incurred from failure in fund filings. Within the time period specified in fund agreements, for those products not completing the fund filings, they will proceed according to agreements to refund the principal to investors after deduction of the associated fees and interests, and will terminate the fund agreement with the fund custodian. Associated refunds and termination of agreements will be proceeded after approval. Fund manager will issue public notice and announce fund cancellation after recall completion. During the Reporting Period, there was no need of initiating product recall mechanism and no recall case was identified.

(iv) *Handling of customer complaints*

The Group has established a comprehensive system for handling complaints and disputes, which has dedicated personnel to handle complaints and disputes from investors in accordance with "Customer Service Guidelines", and has a comprehensive complaint handling process for responding to all kinds of complaints in a timely manner. Complaint case will go through cause analysis to identify the system loopholes which lead to the occurrence of complaints. Relevant corrective and preventive procedures will then be developed to prevent the recurrence of the similar complaints or disputes.

During the Reporting Period, the Group received 5 complaint cases, all affected customers were responded to by the Group in the Reporting Period. Upon acceptance of customer complaints, the staff will handle and close the complaint cases within the prescribed time limits. After resolution of the complaint case, a post-evaluation analysis was conducted to analyze and summarize the experiences learned from the complaints. The Group has always been valuing customer feedback and actively reviewing its business operations, and is committed to promptly identifying and resolving issues, as well as enhancement of the complaint management system and provision of customers with better services.

During the Reporting Period, the Group did not identify any legal violation related to product responsibility.

(v) *Product promotion*

For avoidance of misleading customers, all promotional content of the Group must go through the corresponding information disclosure procedures before releasing to external parties.

(vi) Service/product awareness training

For guaranteeing service quality and avoidance of misleading customers, the Group provides regular training to sales personnel and project managers. For sales personnel, they are required to obtain the fund practice qualification from the Asset Management Association of China and pass the internal training of the Group. For project managers, they are required to obtain the fund practice qualification and pass the examination organised by the Group.

During the Reporting Period, the Group has arranged employees for participation in the following external training programs to enhance their knowledge in market and product development trends, as well as the compliance requirements of the business. The main training topics include:

(i) Macroeconomic and asset pricing environment in 2024

(ii) The impact of the newly introduced Company Law on PE investing institutions

(iii) Interpretation of the real estate pilot policy for real estate private equity investment funds

(iv) Outlook for the family office industry and Hong Kong's advantages

(vii) Information security management

The Group collects information from investors in accordance with the requirements stipulated by the regulatory authorities and industry self-discipline organizations, which clearly list out the purpose of personal data collection and the related users, as well as the ways in managing and using such customer information in strict compliance with the prescribed purposes.

The Group has strict confidentiality measures, pursuant to which employees and suppliers are required to sign confidentiality agreement when they join in and sign contract with the Group respectively. The Group has documented rules requesting employees not to disclose nor replicate confidential information without prior authorization. Confidential agreements are signed with business partners to ask them not to disclose any product information to external parties.

(viii) Maintenance of customer information

The Group attaches great importance to the storage of customer information and endeavours to maintain the security of customer information. All customer information is kept by dedicated personnel under strict access policy. For confidential information and documentation related to products and customers' intellectual properties, they must be secured and stored by the designated department. Without approval, employees are not allowed to make photocopies or to take the documentation away from the company's premises. In daily operations, the access to customer information is strictly restricted through access rights. All customer information is closely monitored by the Group for safeguarding the security of personal information and only authorised personnel have access to customer information.

During the Reporting Period, the Group did not identify any case of unauthorized disclosure of company's information to external parties or any non-compliance with relevant laws and regulations that have a significant impact on the Company relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

6.2.7 Anti-corruption

(i) Anti-business bribery policy

The Group has formulated specific policy to prohibit employees from accepting bribes and to regulate their acceptance of gifts and cash.

The Group has developed the "Management System for Anti-Fraud and Anti-Business Bribery" for implementing commitment scheme in prevention of business bribery. Apart from the Group's management personnel, employees in key stages/departments are required to sign the "Letter of Commitment on Integrity and Self-discipline", only those who signed the "Letter of Commitment on Integrity and Self-discipline" are authorized to enter into a official contract on behalf of the Group with external parties.

All employees of the Group who sign contracts with customers, sales agencies, suppliers and service subcontractors are obliged to inform the contracting parties of the Group's requirements on anti-business bribery before signing the contracts.

The system also requires all customers, sales agencies, suppliers and service subcontractors that have business dealings with the Group to sign an "Anti-Business Bribery Agreement" along with the formal business contract, or to have additional terms of anti-bribery in the contract to be signed. If the concerned contract does not include the aforesaid terms, it may not be approved by the legal personnel of the Group.

For those employees who are found to be in corrupt practices, the Group will decide to dismiss such employees or transfer such employees to the state judicial authority for handling, depending on the severity of the case and the employee's attitude.

During the Reporting Period, the Group was not aware of any legal cases or complaints regarding corrupt practices brought against the Company or its employees.

(ii) Anti-money laundering policy

The Group has established internal control system and related operational procedures against money laundering, and has set up a special department to monitor transactions of suspected money laundering, report on related violations, conduct internal inspection, organise internal trainings on topics of anti-money laundering, and whenever necessary assist external authorities in the investigations against money laundering.

(iii) Principle of fair procurement

For employees who are in interest related with suppliers, it is the Group's policy that they have to apply for retreat from the relevant procurement process, and they have to strictly abide by the Group's provisions against business bribery, including: not to ask for benefits from suppliers or their interested personnel, reject any bribes offered by suppliers or their interested personnel and report such offers to the Group in a timely manner for follow-up.

(iv) Declaration for conflict of interest

The Group requires all departments to abide by the "Management Measures for Declaration of Conflicts of Interest" which was developed to strengthen the supervision and management of incompatible positions, existing or potential conflicts of interest among personnel or positions, and the integrity of other key personnel. In addition, the measures requires all departments to accept all kinds of reports against fraud and business bribery, and to exercise the supervisory duties in project review.

During the Reporting Period, the Group did not identify any case in any form for declaring conflicts of interest.

(v) Whistleblowing policy

The Group encourages employees and business associates to report and expose fraudulent and corrupt behaviour and provides an email address for such whistleblowing. The Group strictly maintains confidentiality of the entire whistleblowing process, from the stage of receiving through investigation. Information related to the whistleblower's identity or situation of the whistleblowing case is prohibited from disclosure to the reported person or the related department. Also, the Group prevents the lending of whistleblowing related materials to external parties. The nature of the whistleblowing case, investigation results, and outcomes of handling must be reported to the Audit Committee.

(vi) Confidentiality of information

For those employees who need to access sensitive information, the Group prohibits them from revealing the sensitive information in any form to irrelevant persons. Sensitive information generally includes, but are not limited to, names of candidate suppliers, supplier selection criteria, names of contracted suppliers, procurement proportion, procurement amount, prices, and payment terms, etc.

The relevant departments shall ensure that sensitive information is kept confidential at all times, and prohibit employees to take confidential documents away from the Group's premises. Moreover, employees are forbidden to discuss relevant confidential matters in public areas.

(vii) Anti-corruption related training

For assuring employees at all levels understand and clearly fulfill the above-mentioned policies related to anti-corruption, the Group arranges training from time to time for employees who implement the relevant policies, thus the training covered both Board members and general staff.

In the Year, training for general employees aimed to strengthen their awareness on integrity practices. In addition, based on the roles and authorities of the Directors with the integration of practical work scenarios, the Group aimed to instill employees with working principles of integrity practices and legal compliance. In the Year, the Group has arranged trainings related to anti-corruption themes for both Directors and general staff:

- "Integrity in Work" themed case sharing
- Discussion on legal principle and case analysis on anti-commercial bribery and anti-unfair competition laws
- Recent anti-money laundering penalty cases against financial institutions
- Seven typical cases of anti-unfair competition

During the Reporting Period, there were a total of 43 training participants including both Directors and general staff closely related to integrity practices, who were trained up to 198 hours in total.

	Directors	**Non-director employees**	**Total**
Number of trainees	8	35	43
Hours of training	18	180	198

(viii) Internal control system

The Group has set up risk control department to investigate suspicious signs of bribery/corruption, and to explore strategies and measures for prevention of business bribery. In addition, the Group engages independent non-executive Directors to supervise the corporate governance of the Group.

Moreover, for evaluation of internal control, the Group reviews the following key issues for prevention of fraud:

(1) feasibility of the Company's objectives；

(2) scientificity of internal control awareness and attitude；

(3) rationality and effectiveness of the employee's code of conduct；

(4) appropriateness of the system for authorisation of business activities；

(5) effectiveness of the risk management mechanism；

(6) effectiveness of the information system implementation.

During the Reporting Period, the Group did not identify any non-compliance with relevant laws and regulations that have a significant impact on the Company relating to bribery, extortion, fraud and money laundering.

6.2.8 Community Investment

As the Chinese market unveils new opportunities driven by policy adjustments and industrial upgrades — and with the rise of green finance — the focus on investments related to sustainable development is gradually intensifying. However, the real estate sector remains in a phase of adjustment, with market confidence yet to fully recover. The Group believes that, in such a market environment, it is essential for industry players to shoulder the responsibility of promoting stable development of the industry. Therefore, we are actively collaborating with industry partners, academic institutions, and experts from financial organisations to explore future trends and investment strategies in the real estate market, so as to address challenges and make the most of potential opportunities.

In line with this industry responsibility and current market trends, the Group once again participated this year in an industry summit and financial seminar organised by the Shanghai Advanced Institute of Finance, Shanghai Jiao Tong University. Together, we explored market development trends, policy directions, and innovative investment strategies, providing further professional insights and collaborative opportunities for the sustainable development of the real estate finance market.

In the future, the Group will continue to leverage our professional strengths, enhance industry communication and collaboration, and actively explore innovative investment models. We remain committed to driving business development through a steady and pragmatic approach while delivering greater value to the market.

"China Real Estate Finance Forum 2024"

On 25 October 2024, the "2024 China Real Estate Finance Forum", hosted by the Shanghai Advanced Institute of Finance at Shanghai Jiao Tong University, was successfully held in Shanghai. The forum focused on the stable, sustainable, and high-quality development of the real estate finance industry, attracting government officials, academic experts, and industry leaders to get together to explore future trends and development pathways for the sector.

With the theme "Interconnection and Integration — Building a Positive Cycle of Assets, Capital, and Funding", the forum discussed the importance of utilising existing resources in real estate finance and the establishment of a real estate finance system centred on REITs (Real Estate Investment Trusts). The forum provided a platform for communication and collaboration among the government, academia, financial institutions, and real estate companies. Through insightful guest speeches, in-depth discussions, and policy recommendations, the forum promoted the high-quality development of the real estate finance industry, providing important insights for achieving stable, sustainable, and innovative development in China's real estate sector.

APPENDIX 1: HKEX ESG REPORTING GUIDE INDEX TABLE — "ENVIRONMENTAL" AREA

Environmental, Social and Governance Reporting Guide	Description	Section of This Report
Aspect A1: Emissions General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6.1.3 Emission
KPI A1.1	The types of emissions and respective emissions data.	There are no major emission sources within the scope of this report, and vehicle driving is not its main business, so there is no data for such pollutant emission. 6.1.3 (i) Control of GHG emission
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1.3 (i) Control of GHG emission
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1.3 (ii) Control of solid wastes
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1.3 (ii) Control of solid wastes
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	6.1.3 (i) Control of GHG emission 6.1.1 Environment and Natural Resources
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	6.1.3 (ii) Control of solid wastes 6.1.1 Environment and Natural Resources

Environmental, Social and Governance Reporting Guide	Description	Section of This Report
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.1.2 Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	6.1.2 (i) Statistics of Resource Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.1.2 (i) Statistics of Resource Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	6.1.2 (ii) Energy conservation measures 6.1.1 Environment and Natural Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	6.1.2 (iii) Water conservation measures 6.1.1 Environment and Natural Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	6.1.2 (i) Statistics of Resource Consumption
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	6.1.1 Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.1.1 Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	6.1.4 Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	6.1.4 (i) Response to operational impacts incurred from climate change 6.1.4 (ii) Mitigation against operational impacts incurred from climate change

APPENDIX 2: HKEX ESG REPORTING GUIDE INDEX TABLE — "SOCIAL" AREA

Environmental, Social and Governance Reporting Guide	Description	Section of This Report
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6.2.1 Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	6.2.1 (iii) Statistical information related to employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	6.2.1 (iii) Statistical information related to employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	6.2.2 Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	6.2.2 (iv) Performance on occupational health and safety
KPI B2.2	Lost days due to work injury.	6.2.2 (iv) Performance on occupational health and safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.2.2 (i) Workplace management 6.2.2 (ii) Employee training 6.2.2 (iii) Caring of employee health

Environmental, Social and Governance Reporting Guide	Description	Section of This Report
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.2.3 Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	6.2.3 (ii) Employee training performance
KPI B3.2	The average training hours completed per employee by gender and employee category.	6.2.3 (ii) Employee training performance
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	6.2.4 Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	6.2.4 (i) Prohibition of child labour 6.2.4(ii) Prohibition of forced labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	6.2.4 (iii) Handling of non-compliance
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.2.5 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	6.2.5 (i) Supplier distribution
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	6.2.5 (ii) Supplier evaluation and screening
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.2.5 (iii) Management of environmental and social risks in supply chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.2.5 (iv) Green procurement

Environmental, Social and Governance Reporting Guide	Description	Section of This Report
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	6.2.6 Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	6.2.6 (iii) Product recall procedure
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	6.2.6 (iv) Handling of customer complaints
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	6.2.6 (vii) Information security management
KPI B6.4	Description of quality assurance process and recall procedures.	6.2.6 (ii) Quality management 6.2.6 (iii) Product recall procedure
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	6.2.6 (vii) Information security management 6.2.6 (viii) Maintenance of customer information

Environmental, Social and Governance Reporting Guide	Description	Section of This Report
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	6.2.7 Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	6.2.7 (i) Anti-business bribery policy
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	6.2.7 (ii) Anti-money laundering policy 6.2.7 (iii) Principle of fair procurement 6.2.7 (iv) Declaration for conflict of interest 6.2.7 (v) Whistleblowing policy 6.2.7 (vi) Confidentiality of information 6.2.7 (viii) Internal control system
KPI B7.3	Description of anti-corruption training provided to directors and staff.	6.2.7 (vii) Anti-corruption related training
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6.2.8 Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6.2.8 Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6.2.8 Community Investment

EY 安永

To the shareholders of Shanghai Realway Capital Assets Management Co., Ltd.
(Established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Shanghai Realway Capital Assets Management Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 91 to 152 which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRS Accounting Standards**") issued by the International Accounting Standards Board (the "**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements section of our report*. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**") that are relevant to audits of the financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Consolidation of structured entities	
During the year, the Group acted as an asset manager for or invested in a few structured entities. Management makes significant judgement on whether the Group controls these structured entities and these structured entities should be consolidated in the consolidated financial statements. Judgement is required to consider whether the Group can exercise the power so as to direct the relevant activities of the entities, has exposure or rights to obtain variable returns, and has the ability to influence the Group's returns from the entities. As at 31 December 2024, the amount of investments in unconsolidated structured entities disclosed in the consolidated statement of financial position was RMB86.1 million. Due to the significance of the unconsolidated structured entities and the complexity of judgement exercised by management, consolidation of investments in funds managed by the Group is considered a key audit matter. The Group's disclosures of the interests in unconsolidated structured entities are detailed in note 2.4, note 3, note 20 and note 32 to the consolidated financial statements.	We assessed and evaluated the design and operating effectiveness of the key controls of management in determining the consolidation scope of interests in structured entities. We obtained and checked the contracts, documents and other public information of the structured entities on a sample basis to assess management judgement in determining whether a structured entity was required to be consolidated by considering whether the Group (1) had the power to exercise so as to direct the relevant activities of the entity, (2) had exposure or rights to obtain variable returns and (3) had the ability to influence the Group's returns from the entity. We assessed the disclosures related to interests in unconsolidated structured entities in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Valuation of investments classified as Level 3 in the fair value hierarchy	
As at 31 December 2024, the Group's investments classified as Level 3 in the fair value hierarchy included investments in associates or joint ventures at fair value through profit or loss, amounting to RMB84.4 million, and the determination of such amount involved assessment of the fair values of the associates' and joint ventures' underlying investments in real estate properties or financial assets as at 31 December 2024. The Group recorded losses of RMB0.5 million from changes in the fair values of investments in associates or joint ventures in 2024. The determination of such fair value is considerably subjective, given the lack of availability of market observable data. We focused on the valuation of investments in associates or joint ventures at fair value through profit or loss due to the significance of the amount and the judgement involved in determining the values of the underlying investments in real estate properties or financial assets held by the associates or joint ventures. The Group's disclosures of the investments in structured entities are detailed in note 2.4, note 3, note 20, and note 34 to the consolidated financial statements.	We assessed and evaluated the design and operating effectiveness of the key controls of management in performing the valuation of the associates' or joint ventures' underlying investments in real estate properties or financial assets. We evaluated the appropriateness of valuation methodology and valuation technique used by management for the joint ventures' underlying investments in real estate properties or financial assets, by evaluating and testing the key inputs and assumptions used by management against supporting documentation and relevant valuation sources. We assessed the disclosures related to the valuation of investments classified as Level 3 in the fair value hierarchy in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Provision for expected credit losses on trade receivables	
As at 31 December 2024, the Group's provision for expected credit losses on trade receivables were RMB14.2 million, which was significant to the Group. The Group applied a forward-looking expected credit loss ("**ECL**") approach to assess the recoverability of trade receivables. The measurement of ECL involves significant judgement and assumptions used in the ECL approach as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions. The Group's disclosures about trade receivables are included in note 2.4, note 3 and note 18 to the consolidated financial statements.	We assessed and evaluated the design and operating effectiveness of the key controls of management in determining the impairment on trade receivables. We evaluated management's assessment of the recoverability of trade receivables by reviewing the detailed analysis of the ageing of trade receivables and testing if payments had been received subsequent to the year end, historical payment patterns along with other economic information, any disputes between the parties involved and the correspondence with customers on expected settlement dates. We reviewed the estimates used to determine the expected credit losses by considering cash collection performance against historical trends and the forward-looking adjustments used in the ECL approach and checked the mathematical accuracy of the calculations. We assessed the disclosures related to impairment on trade receivables in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is HO Siu Fung, Terence.

Ernst & Young
Certified Public Accountants
Hong Kong
28 March 2025

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	18	**5,549**	6,706
Impairment losses recognised on other receivables	19	**(54)**	(1,199)
(Decrease)/increase in fair value of investments in associates or joint ventures at fair value through profit or loss	20	**(460)**	1,771
Decrease in fair value of financial assets at fair value through profit or loss	21	**(4,753)**	(5,975)
Increase/(decrease) in fair value of investment properties	14	**70**	(322)
Other expenses	7	**(5,387)**	(34,692)
Finance costs	8	**(1,756)**	(1,521)
Share of profits and losses of:			
Joint ventures	16	**(44)**	(254)
An associate	17	**354**	205
LOSS BEFORE TAX		**(11,597)**	(49,882)
Income tax expense	11	**(1,604)**	(8,043)
LOSS FOR THE YEAR		**(13,201)**	(57,925)
Attributable to:			
Owners of the parent	13	**(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)	13	**(8.55)**	(37.00)

Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

	2024 RMB'000	2023 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	14	**42,270**	42,200
Right-of-use assets	15(a)	**2,838**	6,294
Other intangible assets		**3,169**	308
Investments in joint ventures	16	**111**	–
Investment in an associate	17	**5,992**	5,638
Investments in associates or joint ventures at fair value through profit or loss ("**IAFV**")	20	**35,373**	36,199
Deferred tax assets	25	**1,772**	2,900
Total non-current assets		**92,033**	94,395
CURRENT ASSETS			
Trade receivables	18	**77,553**	64,937
Prepayments, other receivables and other assets	19	**5,892**	25,365
Investments in associates or joint ventures at fair value through profit or loss	20	**50,699**	99,795
Financial assets at fair value through profit or loss ("**FVTPL**")	21	**52,435**	37,048
Restricted cash	22	**1,421**	–
Cash and cash equivalents	22	**9,808**	12,610
Total current assets		**197,808**	239,755
CURRENT LIABILITIES			
Other payables and accruals	23	**5,941**	54,472
Interest-bearing other borrowings	24	**19,000**	–
Contract liabilities		**375**	–
Lease liabilities	15(b)	**1,363**	2,175
Total current liabilities		**26,679**	56,647
NET CURRENT ASSETS		**171,129**	183,108
TOTAL ASSETS LESS CURRENT LIABILITIES		**263,162**	277,503
NON-CURRENT LIABILITIES			
Deferred tax liabilities	25	**751**	275
Lease liabilities	15(b)	**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	26	**153,340**	153,340
Reserves	27	**106,355**	119,587
		259,695	272,927
Non-controlling interests		**1,258**	108
TOTAL EQUITY		**260,953**	273,035

Zhu Ping	**Duan Kejian**
Director	*Director*

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

	Attributable to owners of the parent									
	Share capital RMB'000 (note26)	**Share premium *** RMB'000 (note27)	**Capital reserve *** RMB'000 (note27)	**Share-based payment reserve *** RMB'000 (note27)	**Statutory surplus reserves *** RMB'000 (note27)	**Exchange fluctuation reserve *** RMB'000	**Retained profits/ (accumulated losses) *** RMB'000	**Total** RMB'000	**Non-controlling interests** RMB'000	**Total equity** RMB'000
As at 31 December 2022 and 1 January 2023	153,340	158,200	300	4,800	22,424	127	(9,501)	329,690	785	330,475
Loss for the year	–	–	–	–	–	–	(56,733)	(56,733)	(1,192)	(57,925)
Other comprehensive income for the year:										
Exchange differences on translation of foreign operations	–	–	–	–	–	20	–	20	–	20
Total comprehensive loss for the year	–	–	–	–	–	20	(56,733)	(56,713)	(1,192)	(57,905)
Non-controlling interests on acquisition of a subsidiary	–	–	–	–	–	–	–	–	465	465
Liquidation of a subsidiary	–	–	(50)	–	–	–	–	(50)	50	–
Appropriations to statutory surplus reserves	–	–	–	–	251	–	(251)	–	–	–
At 31 December 2023	153,340	158,200	250	4,800	22,675	147	(66,485)	272,927	108	273,035
As at 31 December 2023 and 1 January 2024	**153,340**	**158,200**	**250**	**4,800**	**22,675**	**147**	**(66,485)**	**272,927**	**108**	**273,035**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(13,105)**	**(13,105)**	**(96)**	**(13,201)**
Other comprehensive income for the year:										
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**24**	**–**	**24**	**–**	**24**
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**24**	**(13,105)**	**(13,081)**	**(96)**	**(13,177)**
Non-controlling interests on establishment of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**200**	**200**
Liquidation of a subsidiary	**–**	**–**	**(136)**	**–**	**(49)**	**–**	**49**	**(136)**	**136**	**–**
Acquisition of non-controlling interests	**–**	**–**	**(16)**	**–**	**–**	**–**	**–**	**(16)**	**(449)**	**(465)**
Disposal of partial interest in a subsidiary	**–**	**–**	**1**	**–**	**–**	**–**	**–**	**1**	**1,359**	**1,360**
Appropriations to statutory surplus reserves	**–**	**–**	**–**	**–**	**687**	**–**	**(687)**	**–**	**–**	**–**
At 31 December 2024	**153,340**	**158,200**	**99**	**4,800**	**23,313**	**171**	**(80,228)**	**259,695**	**1,258**	**260,953**

* These reserve accounts comprise the consolidated reserves of RMB106,355,000 (2023: RMB119,587,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES			
Loss before tax:		**(11,597)**	(49,882)
Adjustments for:			
Finance costs	8	**1,756**	1,521
Interest income	5	**(33)**	(47)
Impairment losses on trade receivables	6,18	**(5,549)**	(6,706)
Impairment losses on other receivables	6,19	**54**	1,199
Net (gain)/loss on disposal of items of property, plant and equipment		**(218)**	28
Loss on disposal of a right-of-use asset	15(a), (b)	**30**	–
Changes in fair value of investment properties	14	**(70)**	322
Depreciation of property, plant and equipment	6	**217**	223
Depreciation of right-of-use assets	6,15(a), (c)	**1,890**	1,930
Amortisation of other intangible assets	6	**239**	66
Share of profits and losses of:			
Joint ventures	16	**44**	254
An associate	17	**(354)**	(205)
Decrease in fair value of FVTPL		**4,554**	5,549
Decrease/(increase) in fair value of IAFV	20	**460**	(1,771)
Loss on disposal of IAFV		**5,237**	32,322
Increase in restricted cash	22	**(1,421)**	–
(Increase)/decrease in trade receivables		**(7,067)**	31,387
Decrease in prepayments, other receivables and other assets		**363**	1,001
Increase in amounts due from related parties		**(102)**	(9)
Decrease in advances from funds managed		**–**	(300)
Increase in contract liabilities		**375**	–
Decrease in other payables and accruals		**(1,523)**	(6,367)
Decrease in amounts due to related parties		**–**	(2,211)
Cash generated from operations		**(12,715)**	8,304
Interest received		**33**	47
Taxes paid		**–**	(639)
Net cash flows (used in)/from operating activities		**(12,682)**	7,712
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of IAFV		**1,085**	25,331
Disposal of FVTPL		**23,198**	20,579
Acquisition of FVTPL		**–**	(20,000)
Dividend income from IAFV		**–**	101
Purchases of items of property, plant and equipment		**(12)**	(562)
Purchase of other intangible assets		**(2,822)**	–
Investment in a joint venture		**(155)**	–
Disposal of items of property, plant and equipment		**243**	19
Acquisition of a subsidiary		**–**	(24,527)
Payment in connection with acquisition		**(21,285)**	–
Repayment of due from non-controlling interest of subsidiaries		**18,590**	–
Net cash flows from investing activities		**18,842**	941

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS USED IN FINANCING ACTIVITIES			
Capital contribution from non-controlling shareholders		1,560	–
Interest paid		(2,889)	(441)
Repayment of other loans		(14,500)	(1,850)
Repayment of advances from ultimate holding company	31(a)	(9,745)	(4,335)
Advances to related parties	31(a)	–	(400)
Borrowings from directors	31(a)	19,000	–
Principal portion of lease liabilities	15	(2,197)	(2,210)
Acquisition of non-controlling interest		(215)	–
Net cash flows used in financing activities		(8,986)	(9,236)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(2,826)	(583)
Cash and cash equivalents at beginning of year		12,610	13,173
Effect of foreign exchange rate changes, net		24	20
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	9,808	12,610
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of cash flows		9,808	12,610

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.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Notes	Place of incorporation/ registration and business	Nominal value of registered share capital	Percentage of equity attributable to the Company	Principal activities
上海瑞襄投資管理有限公司 Shanghai Ruixiang Investment Management Co., Ltd. ("**Shanghai Ruixiang**")	(1)	PRC/Mainland China	RMB50,000,000	98.00	Fund management
嘉晟瑞信(天津)基金銷售有限公司 Jiasheng Ruixin (Tianjin) Fund Distribution Co., Ltd. ("**Jiasheng Ruixin**")		PRC/Mainland China	RMB55,000,000	100.00	Investment management
上海芮楚商務諮詢有限公司 Shanghai Ruichu Business Advisory Co., Ltd. ("**Shanghai Ruichu**")		PRC/Mainland China	RMB10,000,000	100.00	Investment management
瑞威(香港)資產管理有限公司 Realway (Hong Kong) Assets Management Limited ("**Hong Kong Realway**")	(3)	Hong Kong	HKD5,000,000	100.00	Investment management
上海威弋投資合夥企業(有限合夥) Shanghai Weiyi Investment Partnership (Limited Partnership) ("**Shanghai Weiyi**")	(1)	PRC/Mainland China	RMB102,200,000	99.61	Investment management
成都芮翰超商業管理有限責任公司 Chengdu Ruihanchao Business Management Co., Ltd. ("**Chengdu Ruihanchao**")	(2)	PRC/Mainland China	RMB20,090,000	100.00	Property investment and management services
成都芮瑞炳商業管理有限責任公司 Chengdu Ruiruibing Business Management Co., Ltd. ("**Chengdu Ruiruibing**")	(2)	PRC/Mainland China	RMB23,910,000	100.00	Property investment and management services

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

The English names of all group companies registered in the PRC represent the best efforts made by the management of the Company to translate their Chinese names as they do not have official English names. All these subsidiaries are established in the People's Republic of China with limited liability except for Hong Kong Realway.

Notes:

(1): Aiming to diversify the shareholding structure of Shanghai Ruixiang and establish a benefit-sharing and risk-sharing mechanism among the shareholders, management, and employees, Shanghai Ruixiang has adopted and implemented an employee stock ownership plan. The company has transferred 2% equity interest in Shanghai Ruixiang to the shareholding vehicle Shanghai Xiangxie Enterprise Management Partnership Limited Partnership ("**Xiangxie Partnership**"), at the consideration of RMB1,360,000. The qualified participants entered into participation agreement to subscribe for partnership shares in Xiangxie Partnership. After the completion of the equity interest transfer, the Group's equity interests in Shanghai Ruixiang and Shanghai Weiyi have decreased to 98% and 99.61%, respectively. The Employee Stock Ownership Plan does not constitute a share scheme.

(2): On 20 June 2024 and 25 June 2024, the Group completed the further acquisition of the remaining 1% equity interest in Chengdu Ruihanchao and Chengdu Ruiruibing, which resulted in Chengdu Ruihanchao and Chengdu Ruiruibing becoming indirect wholly-owned subsidiaries of the Group.

(3): On 22 January 2025, subject to the approval of the Registrar of Companies, the name of Hong Kong Realway was changed to Prominence Global Fund Management Co., Limited.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with 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.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (continued)

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 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.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(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.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvements to IFRS Accounting Standards — Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[2]

1 Effective for annual periods beginning on or after 1 January 2025

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual/reporting periods beginning on or after 1 January 2027

4 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (CONTINUED)

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 address contracts referencing nature-dependent electricity, providing clarity on the application of the 'own-use' requirements for such contracts. These amendments permit entities to designate contracts referencing nature-dependent electricity as hedging instruments for forecast electricity transactions, allowing the designation of a variable nominal amount of forecast electricity transactions as the hedged item. Furthermore, IFRS 7 has been amended to mandate disclosures for contracts excluded from the scope of IFRS 9, including information on contractual features that expose the entity to variability in electricity amounts, commitments arising from such contracts, and qualitative and quantitative details regarding the financial performance impact during periods when electricity cannot be utilized. The IFRS 7 disclosure amendments must be applied concurrently with the IFRS 9 amendments. While the clarifications on 'own-use' requirements are applied retrospectively without the use of hindsight, hedge accounting may be applied prospectively to new hedging relationships designated on or after the initial application date. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (CONTINUED)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to *IFRS Accounting Standards — Volume 11* set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures:* The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 Statement of Cash Flows: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In accordance with the exemption in IAS 28 Investments in Associates and Joint Ventures, the Group does not account for its investments in associates or joint ventures using the equity method if the Group acts as an investment fund manager. Instead, the Group has elected to measure its investments in associates or joint ventures at fair value through profit or loss in accordance with IFRS 9. This exemption is related to the fact that fair value measurement provides more useful information for users of the financial statements than application of the equity method. This is an exemption from the requirement to measure interests in joint ventures and associates using the equity method, rather than an exception to the scope of IAS 28 for the accounting for joint ventures and associates held by these entities.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. A structured entity often has restricted activities and a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity.

Fair value measurement

The Group measures its IAFV, FVTPL and investment properties at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets, and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

Property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

	Estimated useful life	Annual depreciation rate
Motor vehicles	4 year	23.75%
Office equipment	3 to 5 years	18.87% to 31.67%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets are amortised evenly over the following periods:

Software	120 months

The software is highly compatible and is mainly used for business operations, office assistance and bookkeeping, and the service output is stable and meets operation needs, without requiring frequent technological updates and maintenance, so management estimated that the office software has a useful life of 10 years after considering the operating benefits provided by utilising such office software and the upgrade and development cycles in the market.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognized.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) ***Right-of-use assets***

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office buildings	2 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its internal rate of return at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are classified as finance leases.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash follows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes cash and cash equivalents, trade receivables, dividend receivables and other financial assets included in prepayments, deposits and other receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when the receivables have not yet been received after fund liquidation.

In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

General approach (continued)

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. 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. The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The Group has established a provision matrix that is based on the assessment of the probability of default and loss given default and is based on historical data adjusted for forward-looking information.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include other payables and amounts due to related parties.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, trade and other payables, and interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in the statement of profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

The Group derives its revenue mainly from funds management and consulting services. The Group recognises revenue when the specific criteria have been met for each of the Group's activities, as described below:

(a) Regular management fees are recognised periodically based on a predetermined fixed percentage of the asset value under management ("**AUM**");

(b) The Group's consulting services primarily relate to investment advisory services and finance advisory services. Consulting service income is recognised when the relevant services are rendered.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue from other sources

Rental income

Rental income is recognised on a time proportion basis over the lease terms.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Employee retirement benefits

The employees of the Company and its subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of these payroll costs to the central pension scheme. The only obligation of the Company with respect to the central pension scheme is to make the required contributions. No forfeited contribution under the central pension scheme is available to reduce the contribution payable in future years. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

Since the majority of the assets and operations of the Group are located in the PRC, the financial statements are presented in RMB, which is the functional currency of the Company. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Investment funds managed by the Group

The Group holds a certain degree of direct interest in some of the funds managed by it. When determining whether the Group controls these funds, usually the level of aggregate economic interests of the Group in these funds, the fund manager's scope of decision-making rights and the level of investors' rights to remove the investment manager will be taken into consideration.

In accordance with IFRS 10, an investor controls an investee if and only if the investor has all of the following elements: (a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns. In assessing whether power is present, the Group will not have power over the funds. If the fund manager can be removed at any time. As regards variable returns, all economic interests arising from the funds, including the extent of direct interests in these funds, the management fee charged and performance bonus obtained, will be taken into consideration, and the Group uses 30% as the point of reference in assessing whether it is the primary beneficiary of these funds and is exposed, or has rights, to significant variable returns from its involvement with the investee.

During the reporting periods, the financial statements of the funds managed by the Group were not consolidated into the Group's financial statements because the Group does not have control over these funds, taking into account all aforementioned elements in accordance with IFRS 10.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has tax losses of RMB89,641,000 (2023: RMB96,632,000) carried forward. These losses related to the history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The Group have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB22,410,000. Further details on deferred taxes are disclosed in note 25 to the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables

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 incorporation of forward-looking information to reflect probability-weighted average credit loss. Estimation of ECLs reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and is disclosed in note 18 to the financial statements.

Fair value of IAFV

The fair value of investments in associates or joint ventures at fair value through profit or loss that are not quoted in an active market is measured by using observable market prices or rates, the recent transaction price and internal assessment based on modelling. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The resulting accounting estimates may not be equal to the related actual results. Further details are given in note 32.

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

Revenue from contracts with customers

(i) Disaggregated revenue information

	2024 RMB'000	2023 RMB'000
Types of goods or services		
Rendering of fund management services (note 32 (b))	**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 RMB'000	2023 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. LOSS BEFORE TAX

The Group's loss before tax from continuing operations is arrived at after charging/(crediting):

	Notes	2024 RMB'000	2023 RMB'000
Depreciation of property, plant and equipment		**217**	223
Depreciation of right-of-use assets	15(a),(c)	**1,890**	1,930
Amortisation of other intangible assets		**239**	66
Impairment losses reversed on trade receivables	18	**(5,549)**	(6,706)
Impairment losses recognised on other receivables	19	**54**	1,199
Lease payments not included in the measurement of lease liabilities	15(c)	**464**	630
Auditor's remuneration		**1,418**	2,087
Employee benefit expense (including directors', supervisors' and chief executive's remuneration (note 9)):			
Wages and salaries		**16,335**	19,757
Pension scheme contributions and social welfare		**3,737**	4,793

7. OTHER EXPENSES

	2024 RMB'000	2023 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.

8. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2024 RMB'000	2023 RMB'000
Interest on lease liabilities (note 15(c))	**186**	82
Interest on other loans and interest-bearing borrowings	**1,570**	1,439
Total	**1,756**	1,521

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors', chief executive's and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024 **RMB'000**	2023 RMB'000
Fees	**360**	360
Other emoluments:		
Salaries, allowances and benefits in kind	**1,402**	1,694
Pension scheme contributions	**239**	344
Subtotal	**1,641**	2,038
Total	**2,001**	2,398

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2024 **RMB'000**	2023 RMB'000
Mr. Shang Jian	**120**	120
Ms. Yang Huifang	**120**	120
Mr. Zhu Hongchao	**120**	120
Total	**360**	360

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and supervisors

	Salaries, allowances and benefits in kind RMB'000	Pension Scheme contributions RMB'000	Total remuneration RMB'000
2024			
Executive directors:			
Mr. Zhu Ping	**864**	**–**	**864**
Mr. Duan Kejian	**120**	**145**	**265**
Ms. Chen Min (resigned on 30 August 2024)	**–**	**–**	**–**
Mr. Fan Lei (appointed on 30 August 2024)	**40**	**–**	**40**
Subtotal	**1,024**	**145**	**1,169**
Non-executive directors:			
Mr. Cheng Jun	**73**	**31**	**104**
Mr. Wang Xuyang	**120**	**–**	**120**
Subtotal	**193**	**31**	**224**
Supervisors:			
Ms. Cai Luyi	**185**	**63**	**248**
Mr. Lu Xili	**–**	**–**	**–**
Ms. Wang Juanping	**–**	**–**	**–**
Subtotal	**185**	**63**	**248**
Total	**1,402**	**239**	**1,641**
2023			
Executive directors:			
Mr. Zhu Ping	1,094	–	1,094
Mr. Duan Kejian	120	143	263
Ms. Chen Min	55	106	161
Subtotal	1,269	249	1,518
Non-executive directors:			
Mr. Cheng Jun	120	28	148
Mr. Wang Xuyang	120	–	120
Subtotal	240	28	268
Supervisors:			
Ms. Cai Luyi	185	67	252
Mr. Lu Xili	–	–	–
Ms. Wang Juanping	–	–	–
Subtotal	185	67	252
Total	1,694	344	2,038

Mr. Zhu Ping was also designated as the chief executive officer in January 2010.

There was no arrangement under which a director, a supervisor or the chief executive waived or agreed to waive any remuneration during the year (2023: Nil).

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one director (2023: one), details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining four (2023: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024 RMB'000	2023 RMB'000
Salaries, allowances and benefits in kind	2,732	2,790
Pension scheme contributions	579	571
Total	3,311	3,361

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2024	2023
Nil to RMB1,000,000	4	4

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

11. 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 RMB'000	2023 RMB'000
Current income tax — Mainland China		
Charge for the year	–	–
Overprovision in prior years	–	(958)
Deferred tax (note 25)	1,604	9,001
Total tax charge for the year	1,604	8,043

11. INCOME TAX (CONTINUED)

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 RMB'000	2023 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.

12. DIVIDENDS

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

13. 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 RMB'000	2023 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

14. INVESTMENT PROPERTIES

	2024 RMB'000
Carrying amount at 1 January 2023	–
Additions from acquisition	42,522
Net loss from a fair value adjustment	(322)
Carrying amount at 31 December 2023 and 1 January 2024	42,200
Net Gain from a fair value adjustment	70
Carrying amount at 31 December 2024	42,270

The Group's investment properties are situated in Mainland China. The Group's investment properties were revalued on 31 December 2024 based on valuations performed by Shanghai Fanbo Finance Consulting Co., Ltd., independent professionally qualified valuers, at RMB42,270,000. Each year, the Group's financial controller and the chief executive decide and appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's financial controller and the chief executive have discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

The investment properties are leased to third parties under operating leases, further details of which are included in note 15 to the financial statements.

As at 31 December 2024, the Group's investment properties with an aggregate carrying amount of RMB42,270,000 (2023: Nil) were pledged to secure borrowings of executive directors Mr. Zhu Ping and Mr. Duan Kejian with the bank. All the funds obtained from the bank by executive directors were lent to the Group under the same borrowing terms (note 24).

14. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement as at 31 December 2024 using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurement for:				
Commercial properties	**–**	**–**	**42,270**	**42,270**

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2023: Nil).

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

Valuation technique	**Significant unobservable inputs**	**Range or weighted average 2024**	**2023**
Comparison method	Adjusted market price (RMB/square metre)	**11,880-13,200**	11,974-16,402

The fair value of commercial properties is determined using the comparison method, with reference to comparable market prices per square metre as available in the relevant market to derive the fair value of the properties, and adjustments such as discounts on the transaction price and floor adjustment have been made to account for the difference.

A significant increase/decrease in market price would result in a significant increase/decrease in the fair value of investment properties.

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of office buildings and other equipment used in its operations. Leases of office buildings generally have lease terms between 2 and 3 years. Other equipment is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Office buildings RMB'000
As at 1 January 2023	2,255
Additions	5,969
Depreciation charge (note 6)	(1,930)
As at 31 December 2023 and 1 January 2024	**6,294**
Disposal	**(1,566)**
Depreciation charge (note 6)	**(1,890)**
As at 31 December 2024	**2,838**

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2024 **RMB'000**	2023 RMB'000
Carrying amount at 1 January	**6,368**	2,527
New leases	**–**	5,969
Disposal	**(1,536)**	–
Accretion of interest recognised during the year	**186**	82
Payments	**(2,197)**	(2,210)
Carrying amount at 31 December	**2,821**	6,368
Analysed into:		
Current portion	**1,363**	2,175
Non-current portion	**1,458**	4,193

The maturity analysis of lease liabilities is disclosed in note 35 to the financial statements.

15. LEASES (CONTINUED)

The Group as a lessee (continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 **RMB'000**	2023 RMB'000
Interest on lease liabilities (note 8)	**186**	82
Depreciation charge of right-of-use assets (note 6)	**1,890**	1,930
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2024 (note 6)	**425**	608
Expense relating to leases of low-value assets (note 6)	**39**	22
Total amount recognised in profit or loss	**2,540**	2,642

The total cash outflow for leases are disclosed in note 28(b) to the financial statements, and the Group has not commenced additional leases subsequently.

The Group as a lessor

The Group leases its investment properties (note 14) under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB1,614,000 (2023: RMB1,355,000), details of which are included in note 5 to the financial statements.

At 31 December 2024, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	2024 **RMB'000**	2023 RMB'000
Within one year	**2,655**	1,583
After one year but within two years	**2,737**	1,678
After two years but within three years	**2,860**	1,779
After three years but within four years	**2,964**	1,885
After four years but within five years	**1,360**	1,998
After five years	**–**	679
Total	**12,576**	9,602

16. INVESTMENTS IN JOINT VENTURES

	2024 RMB'000	2023 RMB'000
Share of net assets	111	–

Particulars of the Group's material joint ventures are as follows:

Name	Paid-up capital	Place of registration and business	Percentage of Ownership interest attributable to the Group	Principal activities
Hengqin Huixun Investment Management Co., Ltd.	–	Zhuhai	40	Investment management
Jiaxing Ruicheng Equity Investment Co., Ltd.	–	Jiaxing	50	Investment management
Shanghai Realway Yixin Business Information Management Co., Ltd.	RMB1,000,000	Shanghai	40	Business information management
Zhejiang Furui Information Consulting Service Co., Ltd.	RMB500,000	Zhejiang	31	Credit management consulting

Shanghai Realway Yixin Business Information Management Co., Ltd. is registered on 29 September 2021. As at 31 December 2024, the subscribed registered capital had not yet been fully paid.

In 2024, the Group made an investment in Zhejiang Furui Information Consulting Service Co., Ltd. as a joint venture which mainly engaged in management consulting of distressed debt assets generated by individuals. As of 31 December 2024, the subscribed registered capital had not yet been fully paid.

Pursuant to the investment framework agreement and the articles of association of these companies, all shareholder resolutions shall be resolved by shareholders on a unanimous basis. Therefore, these companies were accounted for as joint ventures of the Group during the year.

The Group has discontinued the recognition of its share of losses of a joint venture Shanghai Realway Yixin Business Information Management Co., Ltd. because the share of losses of the joint venture exceeded the Group's interest in the joint venture and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of this joint venture for the current year and cumulatively were RMB33,000 (2023: RMB444,000) and RMB631,000 (2023: RMB598,000), respectively.

None of the joint ventures is considered a material joint venture of the Group for the year ended 31 December 2024.

16. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2024 RMB'000	2023 RMB'000
Share of the joint ventures' losses for the year	**(44)**	–
Share of the joint ventures' total comprehensive income	**(44)**	–
Aggregate carrying amount of the Group's investments in the joint ventures	**111**	–

17. INVESTMENTS IN AN ASSOCIATE

	2024 RMB'000	2023 RMB'000
Share of net assets	**5,992**	5,638

Name	**Paid-up capital**	**Place of registration and business**	**Percentage of ownership interest attributable to the Group**	**Principal activity**
Guangrui Juyao (Qingdao) Wealth Asset Management Co., Ltd.	RMB50,000,000	Qingdao	18	Investment management

Pursuant to the investment framework agreement and the articles of association of Guangrui Juyao (Qingdao) Wealth Asset Management Co., Ltd., the Group only has significant influence on the entity as the other shareholders of this entity have the enough voting power to control and operate the entity. Therefore, it was accounted for as an associate of the Group during the year.

Guangrui Juyao (Qingdao) Wealth Asset Management Co., Ltd., which is considered a material associate of the Group for the year ended 31 December 2024, mainly engages in business consultancy in Mainland China and is accounted for using the equity method.

17. INVESTMENTS IN AN ASSOCIATE (CONTINUED)

The following table illustrates the summarised financial information in respect of Guangrui Juyao (Qingdao) Wealth Asset Management Co., Ltd., adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

	2024 **RMB'000**	2023 RMB'000
Current assets	**69,585**	113,162
Non-current assets	**489**	511
Current liabilities	**(36,784)**	(82,351)
Net assets	**33,290**	31,322
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	**18%**	18%
Group's share of net assets of the associate	**5,992**	5,638
Carrying amount of the investment	**5,992**	5,638
Revenue	**175,792**	176,782
Profit for the year	**1,968**	1,139
Total comprehensive profit for the year	**1,968**	1,139

18. TRADE RECEIVABLES

	2024 **RMB'000**	2023 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 (note 31(b)).

18. TRADE RECEIVABLES (CONTINUED)

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 RMB'000	2023 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 RMB'000	2023 RMB'000
At beginning of the year	19,739	33,306
Impairment losses, net (note 6)	(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

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19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2024 RMB'000	2023 RMB'000
Prepayments	**1,038**	1,450
Deposits	**612**	931
Due from related parties (note 31(b))	**843**	741
Other receivables	**4,236**	4,708
Due from non-controlling interest of subsidiaries*	**–**	18,590
Impairment allowance	**(837)**	(1,055)
Total	**5,892**	25,365

* The receivables due from non-controlling interests were unsecured, non-interest-bearing, and were fully settled in June 2024.

The movements in provision for impairment of other receivables are as follows:

	2024 RMB'000	2023 RMB'000
At the beginning of the year	**1,055**	–
Impairment losses, net (note 6)	**54**	1,199
Amount written off as uncollectible	**(272)**	(144)
At the end of the year	**837**	1,055

The internal credit ratings of amounts due from related parties, amounts due from third parties and other deposits were classified as performing. The Group has assessed that the credit risk of these receivables has not increased significantly since initial recognition. The expected loss rate of these receivables is assessed to be 12.4% (2023: 4.5%). This is mainly attributed to the collection of receivables owed by non-controlling interests, which has led to a reduction in the gross carrying amount. The Group has evaluated the expected loss rate and gross carrying amount, measured the impairment based on the 12-month expected credit losses, and assessed that the expected credit losses were RMB837,000 as at 31 December 2024 (2023: RMB1,055,000).

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

	2024 RMB'000	2023 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:

		Interests held	
Type of investment project		**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 RMB'000	2023 RMB'000	**2024 RMB'000**	2023 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.

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

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 RMB'000	(Decrease)/ Increase in fair value of IAFV RMB'000	Total 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**

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 **RMB'000**	2023 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.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

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 **RMB'000**	2023 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 to note 7.

22. CASH AND BANK BALANCE

	2024 **RMB'000**	2023 RMB'000
Cash and bank balances	**11,229**	12,610
Less: Restricted cash	**1,421**	–
Cash and cash equivalents	**9,808**	12,610

At the end of the reporting period, the cash and bank balances of the Group denominated in Hong Kong dollars ("**HKD**") amounted to RMB1,001,000 (2023: RMB1,150,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 31 December 2024, the restricted cash amounting to RMB1,421,000 (2023: Nil) was frozen by the People's Court due to ongoing lawsuits. The related lawsuit reached a conclusion in the Group's favor in March 2025, and the Group is in the process of applying for the removal of the restriction.

Cash at banks earns interest at floating rates based on daily bank deposit rates.

23. OTHER PAYABLES AND ACCRUALS

	2024 RMB'000	2023 RMB'000
Payroll and welfare payable	**1,627**	2,206
Taxes and surcharges	**988**	783
Accruals	**723**	2,062
Due to related parties (note 31 (b))*	**2,335**	12,996
Payables in connection with acquisition	**–**	21,285
Interest-bearing borrowings**	**–**	14,902
Others	**268**	238
Total	**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.

24. INTEREST-BEARING OTHER BORROWINGS

	2024			2023		
	Effective interest rate (%)	**Maturity**	**RMB$'000**	Effective interest rate (%)	Maturity	RMB$'000
Current						
Other loans — unsecured (note 31 (a))*	**3.35–3.45**	**2025**	**19,000**	–	–	–

	2024 RMB$'000	2023 RMB$'000
Analysed into:		
Other borrowings repayable:		
Within one year	**19,000**	–

* The Group has obtained loans from executive directors: amount of RMB9,000,000 from Mr. Duan Kejian at a fixed interest rate of 3.45% and amount of RMB10,000,000 from Mr. Zhu Ping at a fixed interest rate of 3.35%, which will be matured on 2 July 2025 and 19 August 2025, respectively.

25. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax assets

	Lease liabilities RMB'000	Changes in fair value of IAFV RMB'000	Provision for bad debts RMB'000	Total RMB'000
At 1 January 2023	612	3,896	7,663	12,171
Deferred tax credited/(charged) to profit or loss during the year (note 11)	882	(3,894)	(4,788)	(7,800)
At 31 December 2023 and 1 January 2024	**1,494**	**2**	**2,875**	**4,371**
Deferred tax (charged)/credited to profit or loss during the year (note 11)	**(829)**	**17**	**(1,122)**	**(1,934)**
At 31 December 2024	**665**	**19**	**1,753**	**2,437**

Deferred tax liabilities

	Right-of- use assets RMB'000	Depreciation of investment properties RMB'000	Total RMB'000
At 1 January 2023	545	–	545
Deferred tax credited to profit or loss during the year (note 11)	931	270	1,201
At 31 December 2023 and 1 January 2024	**1,476**	**270**	**1,746**
Deferred tax (charged)/credited to profit or loss during the year (note 11)	**(805)**	**475**	**(330)**
At 31 December 2024	**671**	**745**	**1,416**

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefits through future taxable profits is probable. As at 31 December 2024, the Group did not recognise deferred tax assets of approximately RMB22,410,000 (2023: RMB24,158,000) in respect of losses amounting to approximately RMB89,641,000 (2023: RMB96,632,000), respectively, that can be carried forward to offset against future taxable income. These tax losses will expire by and including years 2025, 2026, 2027, 2028 and 2029.

25. DEFERRED TAX (CONTINUED)

Deferred tax liabilities (continued)

For presentation purposes, certain deferred tax assets and liabilities amounting to RMB665,000 have been offset in the statement of financial position as at 31 December 2024 (2023: RMB1,471,000). The following is an analysis of the deferred tax balances of the Group for financial reporting purpose.

	2024 **RMB'000**	2023 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	**1,772**	2,900
Net deferred tax liabilities recognised in the consolidated statement of financial position	**751**	275

26. SHARE CAPITAL

	2024 **RMB'000**	2023 RMB'000
Issued and fully paid:		
153,340,000 (2023:153,340,000) ordinary shares	**153,340**	153,340

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue '000	**Share capital** RMB'000
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	153,340	153,340

27. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 94 of the financial statements.

(a) Share premium

Included in share premium are reserves resulting from the amount subscribed for issued capital in excess of nominal value.

(b) Capital reserve

The capital reserve represents gains and losses generated from equity transactions.

(c) Share-based payment reserve

The share-based payment reserve represents the difference between the fair value and the consideration of the shares granted to senior management and employees in 2018.

(d) Statutory surplus reserves

Under PRC law, the Company and its domestic subsidiaries are required to transfer 10% of their net profit determined under PRC GAAP to a non-distributable statutory surplus reserve. Appropriations to the statutory surplus reserve may cease when the balance of such reserve has reached 50% of the share capital of the respective entities.

(e) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of group entities. The reserve is dealt with in accordance with the accounting policy set out in note 2.4.

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

The Group had non-cash disposal of (2023: non-cash additions) right-of-use assets and lease liabilities of RMB1,566,000 (2023: RMB5,969,000) and RMB1,536,000 (2023: RMB5,969,000), respectively, in respect of lease arrangements for buildings.

The Group withdrew from Shanghai Ruixi Investment Enterprise (Limited Partnership) and received a debt investment distribution. For details of this non-cash transaction, please refer to Note 7.

(b) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024 **RMB'000**	2023 RMB'000
Within operating activities	**650**	712
Within financing activities	**2,197**	2,210
Total	**2,847**	2,922

29. CONTINGENT LIABILITIES

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

(a) According to the claim received by the Company, Shanghai Ruixiang (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 , Shanghai Ruixiang is required to pay a capital contribution of RMB200 million to Shengsi Pengbo Real Estate Development Co., Ltd (referred to as "**Shengsi Pengbo**") and Zhejiang Anlan Hotel Management Co., Ltd (referred to as "**Zhejiang Anlan**") (collectively, the "**Plaintiffs**"). Additionally, the Company and Mr. Zhu Ping shall be jointly and severally liable for the capital contribution obligations of Shanghai Ruixiang. 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 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 Group's external legal counsel are of the view that there is no factual or legal basis for the litigation claims of the Plaintiffs. Shanghai Ruixiang, 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 Shanghai Ruixiang nor Yingxin Fund are actual shareholders of the Plaintiffs, and there was no withdrawal of capital by Shanghai Ruixiang 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.

(b) 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 of the Company consider that no provision is needed in respect of the guarantees since the fair value is not significant. Further details are included in note 14.

Except as disclosed above, during the year and up to the report date, 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.

30. COMMITMENTS

At the end of the reporting period, the Group did not have any significant commitments.

31. RELATED PARTY TRANSACTIONS

(a) Significant related party transactions:

	2024 RMB'000	2023 RMB'000
Borrowings from related parties:		
Executive director	**19,000**	–
Repayment of principal from related companies:		
The ultimate holding company	**9,745**	4,335
Repayment of interests from related companies:		
The ultimate holding company	**1,131**	–
Advances to related companies:		
Joint ventures	**–**	400
Services provided by a close relative of an executive director	**210**	–
Services provided by a company controlled by the ultimate controlling shareholder	**317**	25
Fund management services rendered to joint ventures and associates	**–**	7
Consulting services rendered to joint ventures	**165**	169
Interest due to the ultimate holding company	**215**	596
Guarantees provided to related parties:		
Executive director	**19,000**	–

Note: These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

(b) Outstanding balances with related parties:

	2024 RMB'000	2023 RMB'000
Due from related companies:		
Trade-related*:		
Joint ventures (note 18)	**–**	304
Associates (note 18)	**29,152**	27,443

* These amounts are included in trade receivables, refer to note 18.

	2024 RMB'000	2023 RMB'000
Due from related companies:		
Non trade-related:		
Joint ventures	**843**	741
Due to related companies:		
Trade-related:		
An associate	**2,335**	2,335
Due to related companies:		
Non trade-related:		
The ultimate holding company	**–**	10,661
Executive directors	**19,000**	–

31. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Compensation of key management personnel of the Group:

Further details of directors' and the chief executive's emoluments are included in note 9 to the financial statements.

	2024 RMB'000	2023 RMB'000
Short term employee benefits	**3,133**	3,435
Post-employment benefits	**529**	630
Total compensation paid to key management personnel	**3,662**	4,065

32. INTERESTS IN STRUCTURED ENTITIES

a. Interests in consolidated structured entities

For those structured entities where the Group is involved as a manager, investment adviser or general partner, the Group assesses whether the combination of investments it held together with its remuneration creates exposure to variability of returns from the activities of those structured entities that are of such significance that indicates that the Group is a principal, in that case the Group will consolidate in such structured entities.

No structured entity has been consolidated by the Group in the reporting period.

b. Interests in unconsolidated structured entities

The Group exercised power over the structured entities, by acting as a manager or general partner during the year. In management's opinion, the variable returns that the Group is exposed to, from these structured entities in which the Group has interests, are not significant. The Group therefore did not consolidate these structured entities.

The Group classified the investments in unconsolidated structured activities managed by the Group as investments in associates or joint ventures at fair value through profit or loss. As at 31 December 2024, the carrying amounts of the Group's investments in unconsolidated structured entities were RMB86.1 million (2023: RMB136.0 million).

Besides, the Group also acts as a fund manager for some structured activities without any investment. As at 31 December 2024, the management fee arising from these unconsolidated structured activities amounted to RMB11.6million (2023: RMB9.8 million).

The carrying amounts of interests in unconsolidated structured entities in the consolidated statement of financial position are approximately equal to the maximum exposure to the loss of interests held by the Group in the unconsolidated structured entities.

As at 31 December 2024, the Group managed funds with a total AUM of approximately RMB2,053.4 million (31 December 2023: RMB2,183.6 million).

33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	2024 RMB'000	2023 RMB'000
Measured at amortised cost:		
Trade receivables (note 18)	77,553	64,937
Financial assets included in prepayments, other receivables and other assets (note 19, 35)	4,854	23,915
Restricted cash (note 22)	1,421	–
Cash and cash equivalents (note 22)	9,808	12,610
Measured at fair value through profit or loss:		
Financial assets at fair value through profit or loss (note 21)	52,435	37,048
Total	146,071	138,510

Financial liabilities

	2024 RMB'000	2023 RMB'000
Other financial liabilities:		
Interest-bearing other borrowings (note 24)	19,000	–
Financial liabilities included in other payables and accruals (note 23)	2,603	49,421
Total	21,603	49,421

34. FAIR VALUE AND FAIR VALUE HIERARCHY

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
Financial assets				
Financial assets at fair value through profit or loss (note 21)	52,435	37,048	52,435	37,048

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, other receivables and other assets, interest-bearing other borrowings and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation results are discussed with the audit committee twice a year for interim and annual financial reporting.

34. FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Below is a summary of valuation techniques, significant unobservable inputs used in the valuation of fair value, together with a quantitative sensitivity analysis of investments in associates or joint ventures at fair value through profit or loss and financial assets at fair value through profit or loss as at 31 December 2024 and 2023:

	Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable input(s) and fair value
Investments in associates or joint ventures at fair value through profit or loss:	Level 3	Calculated based on the net asset value of underlying investments	Net asset value of underlying investments	The higher the net asset value of underlying investments, the higher the fair value
— Other real estate projects*	Level 3	Discounted cash flow model	Risk-adjusted discount rates	The lower the risk-adjusted discount rates, the higher the fair value
— Other real estate projects*	Level 3	Comparison method	Adjusted market price	The higher the market price, the higher the fair value
— Distressed debt assets recoverable*	Level 3	Discounted cash flow with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level	Expected recoverable amounts	The higher the expected recoverable amounts, the higher the fair value
			Expected recovery date	The earlier the expected recovery date, the higher the fair value
			Discount rates that correspond to the expected risk level	The lower the discount rates, the higher the fair value
Financial assets at fair value through profit or loss —Debt investments:	Level 3	Discounted cash flow with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level	Expected recoverable amounts	The higher the expected recoverable amounts, the higher the fair value
			Expected recovery date	The earlier the expected recovery date, the higher the fair value
			Discount rates that correspond to the expected risk level	The lower the discount rates, the higher the fair value

* These provide information about how underlying assets invested by the funds are measured at fair value.

34. FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

The Group's investments in associates or joint ventures at fair value through profit or loss which were classified as financial assets at IAFV under level 3 hierarchy amounted to RMB84,360,000 as at 31 December 2024 (2023: RMB135,994,000). The significant unobservable input is the net asset value of the underlying investments made by the funds. A 5% increase/decrease in the net asset value of the underlying investments, holding all other variables constant, would increase/decrease the carrying amounts of these investments by RMB4,218,000 as at 31 December 2024 (2023: RMB6,800,000).

The fair values of listed investments which represent wealth management products issued by fund companies in Mainland China are based on quoted market prices.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Financial assets at fair value through profit or loss	**–**	**–**	**52,435**	**52,435**
Investments in associates or joint ventures at fair value through profit or loss	**1,712**	**–**	**84,360**	**86,072**
Total	**1,712**	**–**	**136,795**	**138,507**

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	20,000	–	17,048	37,048
Investments in associates or joint ventures at fair value through profit or loss	–	–	135,994	135,994
Total	20,000	–	153,042	173,042

Refer to note 20 and note 21 for the movements in fair value measurements within Level 3 during the years ended 31 December 2023 and 2024.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 for both financial assets and financial liabilities (2023: Nil).

Transfers out of Level 3 to Level 1 for investments in associates or joint ventures at fair value through profit or loss were mainly due to the quoted prices becoming available for an investment as at 31 December 2024 (2023: Nil).

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing other borrowings and cash. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The carrying amounts of cash and cash balances, trade receivables, financial assets included in prepayments, deposits and other receivables represent the Group's maximum exposure to credit risk in relation to its financial assets as at 31 December 2024.

The Group classifies financial instruments on the basis of shared credit risk characteristics, such as instrument types and credit risk ratings, for the purpose of determining significant increases in credit risk and calculation of impairment.

The Group's cash and cash balances were deposited in high-credit-quality financial institutions without significant credit risk.

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, and the directors of the Company are of the opinion that there is credit risk inherent in the Group's outstanding balance of trade receivables as at 31 December 2024.

Management makes periodic collective assessments for financial assets included in prepayments, deposits and other receivables as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experience. The Group classified financial assets included in prepayments, deposits and other receivables in Stage 1 and continuously monitored their credit risk. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of financial assets included in prepayments, deposits and other receivables.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Maximum exposure and year-end staging as at 31 December 2024

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables (note 18)*	–	–	–	77,553	77,553
Financial assets included in prepayments, other receivables and other assets					
— Normal (note 33)**	4,854	–	–	–	4,854
Restricted cash (note 22)					
— Not yet past due	1,421	–	–	–	1,421
Cash and cash equivalents (note 22)					
— Not yet past due	9,808	–	–	–	9,808
Total	16,083	–	–	77,553	93,636

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	–	–	–	64,937	64,937
Financial assets included in prepayments, other receivables and other assets					
— Normal**	23,915	–	–	–	23,915
Cash and cash equivalents					
— Not yet past due	12,610	–	–	–	12,610
Total	36,525	–	–	64,937	101,462

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the expected credit losses is disclosed in note 18 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due, and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, convertible bonds, lease liabilities and other interest-bearing loans.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Total RMB'000
31 December 2024					
Interest-bearing borrowings	–	–	19,000	–	19,000
Lease liabilities	–	298	1,168	1,498	2,964
Total	–	298	20,168	1,498	21,964

	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Total RMB'000
31 December 2023					
Lease liabilities	–	580	1,800	4,432	6,812

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 2024.

The Group monitors capital using a gearing ratio, which is total interest-bearing liabilities divided by the total equity. The gearing ratios as at the end of each of the reporting periods were as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Total interest-bearing liabilities (note 24)	19,000	24,245
Total equity	260,953	273,035
Gearing ratio	7.28%	8.88%

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	**410**	707
Right-of-use assets	**693**	3,242
Other intangible assets	**242**	308
Investments in subsidiaries	**183,256**	217,939
Investment in an associate	**5,992**	5,638
Investments in associates or joint ventures at fair value through profit or loss ("**IAFV**")	**36,907**	35,226
Deferred tax assets	**–**	14
Total non-current assets	**227,500**	263,074
CURRENT ASSETS		
Trade receivables	**27,105**	23,215
Due from related parties	**1,933**	3,287
Prepayments, other receivables and other assets	**1,181**	1,270
Investments in associates or joint ventures at fair value through profit or loss ("**IAFV**")	**34,739**	34,803
Restricted cash	**514**	–
Cash and cash equivalents	**1,800**	2,211
Total current assets	**67,272**	64,786
CURRENT LIABILITIES		
Other payables and accruals	**1,221**	2,115
Lease liabilities	**307**	1,075
Total current liabilities	**1,528**	3,190
NET CURRENT ASSETS	**65,744**	61,596
TOTAL ASSETS LESS CURRENT LIABILITIES	**293,244**	324,670
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**1**	–
Due to related parties	**23,440**	15,991
Lease liabilities	**382**	2,224
Total non-current liabilities	**23,823**	18,215
NET ASSETS	**269,421**	306,455
EQUITY		
Equity attributable to owners of the parent		
Share capital	**153,340**	153,340
Reserve	**116,081**	153,115
TOTAL EQUITY	**269,421**	306,455

31 December 2024

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Statutory surplus reserves and other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2023	163,329	16,294	(10,296)	169,327
Total comprehensive loss for the year	–	–	(16,212)	(16,212)
At 31 December 2023 and 1 January 2024	**163,329**	**16,294**	**(26,508)**	**153,115**
Total comprehensive loss for the year	**–**	**–**	**(37,034)**	**(37,034)**
At 31 December 2024	**163,329**	**16,294**	**(63,542)**	**116,081**

37. EVENTS AFTER THE REPORTING PERIOD

No information is received after the reporting period about conditions that existed at the end of the reporting period.

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2025.