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上海瑞威資產管理股份有限公司

Shanghai Realway Capital Assets Management Co., Ltd.

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

(Stock Code: 1835)

PROFIT WARNING

This announcement is made by Shanghai Realway Capital Assets Management Co., Ltd. (the “**Company**“, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “**SFO**”).

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the board (the “**Board**”) of directors (the “**Directors**”) of the Company and the preliminary review of the latest unaudited consolidated financial information of the Group, the Group is expected to record a net profit of less than RMB8.1 million for the six months ended 30 June 2020 as compared to the net profit of approximately RMB25.3 million recorded for the six months ended 30 June 2019, representing a decrease of not less than 68.0%.

The expected decrease in net profits of the Group was mainly due to the following reasons:

- (i) The decline in regular management fees charged by the Group for Huaqiao Cheng Project* (華僑城項目). As set out in the voluntary announcement of the Company dated 3 July 2020, Shanghai Ruixiang Investment Management Co., Ltd* (上海瑞襄投資管理有限公司), a wholly-owned subsidiary of the Company, acts as a fund manager of Shanghai Shengyu Investment Limited Partnership* (上海晟羽投資合夥企業(有限合伙)) (“**Shanghai Shengyu**”), a platform fund which holds the project company of the Huaqiao Cheng Project* (華僑城項目), and suspended charging management fees from Shanghai Shengyu incurred during the period from 1 January 2020 to the exit from the Huaqiao Cheng Project* (華僑城項目) upon liquidation of Shanghai Shengyu. The relevant management fees will be charged upon the liquidating distributions of Shanghai Shengyu, in order to alleviate the financial pressure of this managed fund and facilitate the smooth operation of the commercial shopping mall of Huaqiao Cheng Project* (華僑城項目) during the COVID-19 epidemic (the “**Epidemic**”); and

- (ii) Taking into account the forward-looking factors specific to the debtors and the economic environment, especially the adverse impact to the overall economic trend caused by the Epidemic, the Group has recognised a loss allowance in regard to trade receivables based on lifetime expected credit losses as at 30 June 2020; and
- (iii) As the Epidemic has impacted the real estate market in China, the valuation of the projects invested by the funds structured and managed by our Group in which our Group has made an investment did not increase significantly during the six months ended 30 June 2020. The corresponding increase in the operating costs of these funds due to the fund's term extension resulted in a decrease of the fair value of investments in associates or joint venture at fair value through profit or loss.

Despite the severe challenges encountered in the market environment, the Group currently maintains a good financial position. In the future, the Board will continue to assess the impact of the challenging economic environment and the Epidemic on the Group's operations and financial performance, and negotiate with the business partners, investee companies, and investors of the managed funds of the Group to explore if there are any measures which could be implemented to improve the financial performance or alleviate the financial pressure of our managed funds as set out in the profit warning announcement of the Company dated 13 February 2020. The Group will make further announcement(s) on any further material developments in connection with the negotiation with the business partners, investee companies, and investors of our managed funds as and when appropriate.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2020. The information contained in this announcement is made solely on the basis of the information currently available to the Board and the preliminary review of the unaudited consolidated financial information by the Group, which have not been audited or reviewed by the Company's auditors or the audit committee of the Board. Details of the interim results of the Company for the six months ended 30 June 2020 will be announced in August 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Shanghai, the PRC
20 July 2020

As at the date of this announcement, the Board comprises Mr. Zhu Ping, Mr. Duan Kejian and Ms. Su Yi as executive Directors; Mr. Wang Xuyang and Mr. Cheng Jun as non-executive Directors; and Ms. Yang Huifang, Mr. Shang Jian and Mr. Liu Yunsheng as independent non-executive Directors.

* For identification purposes only