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瑞威资本
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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020

The board (the "**Board**") of directors (the "**Directors**") of Shanghai Realway Capital Assets Management Co., Ltd. (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2020 (the "**Reporting Period**"), together with the comparative figures for the six months ended 30 June 2019, as follows.

HIGHLIGHTS

— The unaudited revenue of the Group decreased by approximately 11.3% from approximately RMB56.4 million for the six months ended 30 June 2019 to approximately RMB50.1 million for the same period in 2020.

— For the six months ended 30 June 2020, the Group recognised the profit for the period of approximately RMB7.8 million, representing a decrease of approximately 69.3% as compared with that of the same period last year; the profit for the period attributable to the owners of the parent were approximately RMB9.2 million, representing a decrease of approximately 66.9% as compared with that of the same period last year.

— For the six months ended 30 June 2020, earnings per Share attributable to ordinary equity holders of the parent was approximately RMB6.01 cents.

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

For the six months ended 30 June 2020

		Six months ended 30 June	
		2020	2019
		RMB'000	*RMB'000*
	Notes	**(Unaudited)**	(Unaudited)
REVENUE	*5*	**50,068**	56,419
Other income and gains	*5*	**7,524**	6,405
Administrative expenses		**(27,509)**	(39,233)
Impairment losses on trade receivables	*9*	**(8,046)**	–
(Decrease)/Increase in fair value of investments in associates or a joint venture at fair value through profit or loss	*10*	**(6,381)**	13,130
Other expenses		**(9)**	(1,213)
Finance costs		**(55)**	(194)
Share of losses of:			
Joint ventures		**(552)**	(1,176)
Associates		**(2,484)**	–
PROFIT BEFORE TAX		**12,556**	34,138
Income tax expense	*6*	**(4,779)**	(8,828)
PROFIT FOR THE PERIOD		**7,777**	25,310
Attributable to:			
Owners of the parent		**9,216**	27,861
Non-controlling interests		**(1,439)**	(2,551)
		7,777	25,310
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
— For profit for the period *(RMB cents)*	*7*	**6.01**	18.17
PROFIT FOR THE PERIOD		**7,777**	25,310

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
For the six months ended 30 June 2020

		Six months ended 30 June	
		2020	2019
		RMB'000	*RMB'000*
	Notes	**(Unaudited)**	(Unaudited)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		**262**	127
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**262**	127
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**8,039**	25,437
Attributable to:			
Owners of the parent		**9,478**	27,988
Non-controlling interests		**(1,439)**	(2,551)
		8,039	25,437

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Notes	**As at 30 June 2020** *RMB'000* **(Unaudited)**	As at 31 December 2019 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**1,410**	2,395
Right-of-use assets		**1,667**	3,342
Other intangible assets		**739**	766
Investments in joint ventures		**15,786**	16,339
Investment in associates		**7,802**	8,287
Investments in associates or a joint venture at fair value through profit or loss ("**IAFV**")	*10*	**228,309**	274,161
Deferred tax assets		**8,797**	4,518
Total non-current assets		**264,510**	309,808
CURRENT ASSETS			
Trade receivables	*9*	**113,518**	76,393
Prepayments, deposits and other receivables		**19,868**	11,213
Loan receivables		**7,960**	9,819
Investments in associates or a joint venture at fair value through profit or loss ("**IAFV**")	*10*	**19,367**	5,196
Dividend receivable		**101**	101
Cash and cash equivalents		**16,683**	22,296
Total current assets		**177,497**	125,018
CURRENT LIABILITIES			
Other payables and accruals	*11*	**13,502**	14,097
Advances from funds managed		**8,740**	3,791
Lease liabilities		**1,728**	2,057
Tax payable		**10,249**	13,729
Total current liabilities		**34,219**	33,674
NET CURRENT ASSETS		**143,278**	91,344
TOTAL ASSETS LESS CURRENT LIABILITIES		**407,788**	401,152

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 30 June 2020

	Notes	**As at 30 June 2020** *RMB'000* **(Unaudited)**	As at 31 December 2019 *RMB'000* (Audited)
NON-CURRENT LIABILITIES			
Lease liabilities		**–**	1,195
Total non-current liabilities		**–**	1,195
NET ASSETS		**407,788**	399,957
EQUITY			
Equity attributable to owners of the parent			
Share capital		**153,340**	153,340
Reserves		**254,695**	245,425
		408,035	398,765
Non-controlling interests		**(247)**	1,192
TOTAL EQUITY		**407,788**	399,957

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2020

1. CORPORATE AND GROUP INFORMATION

The interim condensed consolidated financial statements of Shanghai Realway Capital Assets Management Co., Ltd. and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2020 were authorised for issue in accordance with a resolution of the directors on 21 August 2020.

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

During the Reporting Period, the Group was involved in the following principal activities:

- funds management
- investment management in relation to the establishment and structuring of the relevant funds and the sourcing of investors ("**investment management**")

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

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2020 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2019.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed consolidated financial statements of the Group.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Amendments to IFRS 3: *Definition of a Business*

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39: *Interest Rate Benchmark Reform*

The amendments to IFRS 9 and IAS 39 *Financial Instruments: Recognition and Measurement* provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8: *Definition of Material*

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity".

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These amendments had no impact on the consolidated financial statements of the Group.

4. OPERATING SEGMENT INFORMATION

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

Geographical information

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

Information about major customer

Revenue from major customer contributing to 10% or more of the Group's revenue for the six months ended 30 June 2020 is set out below:

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A	**11,995**	11,929

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Rendering of services	**50,068**	56,419

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers

Disaggregated revenue information

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Type of services		
Rendering of funds management services	**47,338**	52,884
Rendering of fund establishment services	**2,497**	3,535
Rendering of consulting services	**233**	–
	50,068	56,419
Timing of revenue recognition		
Services transferred over time	**50,068**	56,419

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Dividend income from IAFV	**6,309**	2,476
Interest income	**23**	94
	6,332	2,570
Gains		
Government grants	**1,184**	3,835
Gain on disposal of items of property, plant and equipment	**8**	–
	1,192	3,835
	7,524	6,405

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Subsidiaries of the Group operating in Mainland China were subject to PRC corporate income tax rate at a rate of 25% for the period.

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current — Mainland China charge for the period	**9,057**	6,121
Deferred tax	**(4,278)**	2,707
Total tax charge for the period	**4,779**	8,828

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares as adjusted to reflect the rights issue during the interim year.

The Group had no potentially dilutive ordinary shares in issue during the period ended 30 June 2019 and 30 June 2020.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**9,216**	27,861
	Number of shares	
Shares		
Weighted average number of ordinary shares in issue during the interim year used in the basic earnings per share calculation	**153,340,000**	153,340,000

8. DIVIDENDS

The final dividends of RMB0.0652 per share, totaling RMB10,000,000 for the year of 2018 had been approved by the Company's shareholders at the annual general meeting on 24 May 2019 and had been fully settled by the Company in 2019.

No dividends have been proposed by the Directors for the Reporting Period.

9. TRADE RECEIVABLES

	30 June 2020 *RMB'000* **(Unaudited)**	31 December 2019 *RMB'000* (Audited)
Trade receivables	**141,332**	96,161
Impairment	**(27,814)**	(19,768)
	113,518	76,393

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, except for the individual provision made during the Reporting Period, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 30 June 2020, included in the Group's trade receivables are amounts due from a joint venture and associates of RMB996,000 (2019: RMB1,998,000) and RMB18,901,000 (2019: RMB15,013,000), respectively, which are repayable on credit terms similar to those offered to the major customers of the Group.

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

	30 June 2020 *RMB'000* **(Unaudited)**	31 December 2019 *RMB'000* (Audited)
Within 1 year	**79,785**	64,604
1 to 2 years	**27,707**	11,786
2 to 3 years	**6,026**	3
Total	**113,518**	76,393

The movements in the loss allowance for impairment of trade receivables for the six months ended 30 June 2020 are as follows:

	Individually impaired *RMB'000*	**Collectively impaired** *RMB'000*	**Total** *RMB'000*
At beginning of the Reporting Period	19,330	438	19,768
Impairment losses	7,356	690	8,046
At end of the Reporting Period	26,686	1,128	27,814

10. INVESTMENTS IN ASSOCIATES OR A JOINT VENTURE AT FAIR VALUE THROUGH PROFIT OR LOSS ("IAFV")

	30 June 2020	31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Unlisted investments in associates or a joint venture, at fair value	**247,676**	279,357

The Group, as an investment fund manager, measured the above investments in associates or a joint venture at fair value through profit or loss in accordance with IFRS 9 at 30 June 2020.

The movements in investments in associates or a joint venture at fair value through profit or loss for the six months ended 30 June 2020 are as follows:

	Cost	**Increase/ (decrease) in fair value of IAFV**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2019	145,920	20,302	166,222
Movements	133,500	(10,365)	123,135
Exit and/or realisation	(10,000)	–	(10,000)
At 31 December 2019	269,420	9,937	279,357
Comprising:			
Current portion	5,000	196	5,196
Non-current portion	264,420	9,741	274,161
At 1 January 2020	269,420	9,937	279,357
Movements	(20,300)	(6,381)	(26,681)
Exit and/or realisation	(5,000)	–	(5,000)
At 30 June 2020	244,120	3,556	247,676
Comprising:			
Current portion	18,120	1,247	19,367
Non-current portion	226,000	2,309	228,309

11. OTHER PAYABLES AND ACCRUALS

	30 June 2020 *RMB'000* **(Unaudited)**	31 December 2019 *RMB'000* (Audited)
Payroll and welfare payable	**2,291**	5,985
Taxes and surcharges	**2,682**	2,930
Accruals	**477**	1,684
Due to related parties	**7,984**	2,577
Others	**68**	921
	13,502	14,097

Other payables are unsecured, non-interest-bearing and repayable on demand. The fair values of other payables at 30 June 2020 approximated to their corresponding carrying amounts.

12. EVENTS AFTER THE REPORTING PERIOD

Pursuant to the resolution of the shareholders' meeting on 1 July 2020, Chongqing Realway Equity Investment Fund Management Co., Ltd. ("**Chongqing Realway**") was liquidated as at 1 July 2020. However, the administrative process for the liquidation was still in progress.

Realway Capital Business Consultancy (Wuhan) Co., Ltd. ("**Wuhan Realway**") has been deregistered as at 21 July 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

At the beginning of 2020, under the effect of the sudden emergence of novel coronavirus pandemic (the "**Pandemic**"), the International Monetary Fund ("**IMF**") has reduced the 2020 global GDP growth forecast by 8.2 percentage point from 3.3% in January to -4.9%, representing the first negative quarterly growth since the establishment of accounting system for quarterly GDP in 1992. The impact on the economy in China is far beyond that of the global financial crisis in 2008, further damaging the weakened global economy and highlighting the structural contradiction. During the six months ended 30 June 2020, the global supply chains were interrupted or even suspended, leading to severe shrinkage of international trade. The U.S. stocks significantly dropped and triggered the circuit breaker system for four times while the settlement price of international crude oil futures turned negative for the first time in history. Under these circumstances, financial risks and downturn of real economy combined to produce resonance.

In general, impact of the Pandemic on various industries has gradually penetrated to the midstream and upstream from the downstream. Tertiary industries such as catering, retailing, hotel, tourism, movie, education and transportation have been significantly affected by the Pandemic. The Pandemic also directly hits relevant real estate fields such as commercial complex, hotels and hostels, office buildings and infrastructure construction. As such, the investment funds providing financial services to real estates have been affected.

Under the theme of "houses are for living in, not for speculation (房住不炒)", the government maintains a generally tight policy on real estate market in China. With the spread of panic caused by the Pandemic, there has been huge pressure on project progress in respect of the collection and disposal of distressed assets or the operation and management of commercial real estate and the construction and sales of residential real estate in a short period of time. Accordingly, for the six months ended 30 June 2020, real estate funds industry faced double challenge: industry downturn and economic impact caused by the Pandemic.

BUSINESS PERFORMANCE

The Group is a private fund manager specialising in the management of real estate investment funds in the PRC. 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 ("**Project Fund**(s)"); and (ii) flexible fund(s) of funds structured and managed, or co-managed, by the Group which may invest in designated types of funds under the Group's portfolio 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.

Despite the critical situation of the macroeconomy, the Group still recorded a growth in its assets under management. As at 30 June 2020, the Group's assets under management amounted to RMB5,231.4 million, which is higher than RMB4,894.1 million as at 31 December of 2019.

Set out below is a breakdown of the assets under management ("**AUM**") by type of fund as at the end of the Reporting Period:

	30 June 2020		31 December 2019	
	Number of funds	**AUM**	Number of funds	AUM
		RMB million		*RMB million*
Project Funds	**15**	**5,173.4**	14	4,819.3
FOFs	**9**	**823.0**	9	823.0
Less: FOFS investments in Project Funds	**–**	**(765.0)**	–	(748.2)
Total	**24**	**5,231.4**	23	4,894.1

Set out below is a breakdown of project fund assets under management by portfolio asset type as at the end of the Reporting Period:

	30 June 2020			31 December 2019		
	Number of projects	**AUM**	**Proportion**	Number of projects	AUM	Proportion
		RMB million	**%**		*RMB million*	%
Commercial real estate projects	**6**	**1,743.2**	**33.7%**	6	1,666.3	34.6%
Distressed assets projects	**3**	**1,685.3**	**32.6%**	3	1,965.3	40.8%
Urbanisation and redevelopment projects	**6**	**1,744.9**	**33.7%**	5	1,187.7	24.6%
Total	**15**	**5,173.4**	**100.0%**	14	4,819.3	100.0%

Note: The amount which FOFs had invested in Project Funds was eliminated to avoid double counting

Under the difficult economic situation due to the Pandemic and the intensifying competition in the industry, the Group tackled new opportunities and challenges in a proactive manner during the six months ended 30 June 2020. The Group commenced and completed the following tasks:

(i) During the Reporting Period, the Group completed the exit and payment of Xintian Impression Project* (新田印象項目) on schedule.

(ii) During the Reporting Period, the Group acquired one urbanisation and redevelopment project and one commercial real estate project. The urbanisation and redevelopment project is CIFI Wenzhou Project* (旭輝溫州項目), which is a construction and operation project cooperated by the Group and CIFI Holdings (Group) Co. Ltd.* (旭輝集團股份有限公司) (a company with its shares listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), Stock Code: 884.HK) (one of the top 20 real estate enterprises in the PRC) in Wenzhou, the PRC with over 170,000 square meter saleable area. The commercial real estate project is Zhongnan Lishui Project* (中南麗水項目) cooperated by the Group and Jiangsu Zhongnan Construction Group Co.,Ltd. (a company with its A shares listed on main board of the Shenzhen Stock Exchange, Stock Code: 000961.SZ).

(iii) On 16 January 2020, Realway (Hong Kong) Assets Management Limited* (瑞威(香港)資產管理有限公司), a wholly-owned subsidiary of the Company, obtained the licenses granted by Securities and Futures Commission (the "**SFC**") to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

(iv) The Company initiated tasks on the H Share Full Circulation Programme during the Reporting Period and received an acceptance notice from the China Securities Regulatory Commission("**CSRC**") in respect of the Company's application to the CSRC regarding the implementation of the H share full circulation on 9 May 2020.

FUTURE OUTLOOK

To cope with the impact of global Pandemic on the economy, China reinforced its counter-cyclical adjustments to reduce cost and burdens for enterprises with difficulties and help them to recover through monetary policies with greater flexibility, proactive and effective financial policies. As the Pandemic in China is gradually under control, works and production have been resuming, leading to significant improvement in China's economy in the second quarter of 2020. China's economy will maintain steady recovery, its economic trend of second half of 2020 is expected to show a "V-shaped" trend, with performance far better than that of first half of 2020, and China will once again lead the recovery of the global economy. For business performance of the real estate industry in 2020, according to sales data projection monitored by the CRIC Research Centre (克而瑞研究中心), for the announced sales target in 2020 of 46 real estate enterprises, the completion rate of sales target in the first half of the year just reached 40%, which is unsatisfying as compared with the corresponding period last year. Over half of the real estate enterprises recorded a decrease in aggregate sales volume for the six months ended 30 June 2020 as compared with the corresponding period last year. In the first quarter of 2020, the overall results of the top 100 real estate enterprises in China (百強不動產企業) recorded a year-on-year decrease of nearly 20.8%, the selling rate of the industry was under pressure in general. In the second quarter of 2020, because of the resumption of works and production, the sales gradually recovered with market activities rebounded. The overall results showed an increase of 9.6% as compared with the corresponding period last year. As the real estate industry is important in stabilising the economy, the industry is expected to maintain stable development under the counter-cyclical adjustment with supporting policies issued by various regions.

As a private fund manager specialising in the management of real estate investment funds in the PRC, the Group had foreseen that the outbreak of the Pandemic at the beginning of 2020 would pose significant liquidity risks to the industry. To cope with the impact of the Pandemic, the Group initiated comprehensive risk study and contingency plan, and communicated with the investors and business partners of respective projects on the situation in a timely manner. The Group will consistently act at our best and be well-prepared for handling the uncertainties in short-term market in a better and more comprehensive manner. The Group will actively deal with the possible adverse impact of the Pandemic on our business operations. We will also continue to adhere to our professionalism, enhance management and control in project investment and stick to the bottom line of every investment to protect the funds of our investors and strive to minimise the impact of the Pandemic.

Looking ahead, the Group will adjust its development strategies according to the macroeconomic situation and will focus on the following:

(i) Strengthening the business of distressed assets

Currently, China's economy is under the three-phase superposition (三期疊加) stage of shifting period, transitional period and digestion period. Large amount of distressed assets will be induced in the future, with low-cost and quality investment opportunities emerged. The reverse cyclicality of distressed assets operation determines that the operation requires reserve of distressed assets during the economic downturn. The intensified changes and competition in the external environment and the industry environment objectively promote the professionalisation of distressed assets operation. The Group will continue to work hard in the field of distressed assets, discover suitable distressed assets products under the complex economic environment, and concentrate its team's own resource advantages, so as to further develop mergers and acquisitions of distressed assets, improve product disposal efficiency, and enhance core competitiveness and profitability.

(ii) Cooperating with medium and large brands of real estate enterprises to promote urbanisation construction

Although "houses are for living in, not for speculation (房炒不住)" remains a major theme, the urbanisation construction is still accelerating. On 9 April 2020, the National Development and Reform Commission of the People's Republic of China issued the "Key Missions of New Urbanisation Construction and Integrated Development of Urban and Rural Areas 2020 (2020年新型城鎮化建設和城鄉融合發展重點任務)", suggesting new form of urbanisation construction to realise settlement in city of non-registered population of 0.1 billion. Under the major trend of urbanisation, the Group focused on urbanised roads in middle and large cities, participated in urbanisation construction and developed urban renewal projects in response to China's call for urbanisation construction. In leverage of its brand's creditability and the expansion of fundraising channels, the Group will join hands with the top 50 renowned property developers in China, to collaborate in equity investment projects and other tailor-made products in accordance with financing needs of renowned property developers, with a view to further explore and increase assets values of investment projects.

(iii) Formulating layouts for overseas business

In January 2020, Realway (Hong Kong) Assets Management Limited* (瑞威(香港)資產管理有限公司), a wholly-owned subsidiary of the Company, obtained the licenses granted by SFC to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong. The Group will be devoted to paving the way for connection between cross-border assets and capital, absorbing international capital for its real estate projects, so as to improve its existing investment portfolio. The Company intends to enhance the diversity of its product design by adding capital vitality to domestic assets in various categories and by introducing overseas investment funds into the domestic market through various structured designs.

(iv) Optimising its shareholding structure

To increase liquidity of its shares and to optimise its shareholding structure, which conform to the Company's long-term development strategies and in the interests of shareholders, during the Reporting Period, the Company duly commenced tasks in respect of the H Share Full Circulation Programme and to CSRC received an acceptance notice from the CSRC in respect of the Company's application regarding the implementation of the H share full circulation on 9 May 2020. The Company will continue to proceed with the application regarding the implementation of the H share full circulation and will make further announcement on the progress in compliance with the requirements under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and applicable laws.

2020 is the final year for China to build a moderately prosperous society in an all-round way and the "13th Five-Year Plan". It is a decisive and critical year for achieving the first century-old goal. It is also the tenth anniversary of the establishment of the Company. As a real estate fund manager, the Company is required to make timely adjustments to adapt to regulatory requirements and product specification. In the next six months and beyond in the future, the Group will enhance its corporate governance level by improving its corporate governance structure, consolidate, refine and strengthen its existing business and explore positive interactions in domestic and overseas business areas, as well as highlight key risk management to improve the Company's risk management level and take advantage of the Company's professionalism in risk control, finance and taxation, and real estate finance in order to continue to create greater wealth for investors and shareholders.

FINANCIAL REVIEW

Revenue

The Group derived its revenue mainly from the fees charged on the Project Funds and FOFs established and managed by it. Such fees comprised of regular management fees, performance fees and one-off fund establishment fees. During the Reporting Period, the Group recognised revenue of approximately RMB50.1 million, representing a decrease of approximately RMB6.4 million or approximately 11.3% as compared with that of the corresponding period last year, which was mainly attributable to the aggregation and offsetting amongst the decrease of regular management fees and one-off fund establishment fees and the increase of performance fees.

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

	For the six months ended 30 June			
	2020 (unaudited)	2019 (unaudited)	Change	Rate of change
	(RMB'000, except percentages)			
Project Funds				
— Regular management fees	**39,735**	47,523	(7,788)	(16.4%)
— Performance fees	**2,357**	–	2,357	100.0%
— One-off fund establishment fees	**2,511**	3,540	(1,029)	(29.1%)
Sub-total	**44,603**	51,063	(6,460)	(12.7%)
FOFs				
— Regular management fees	**5,523**	5,482	41	0.7%
— Performance fees	**–**	–	–	–
— One-off fund establishment fees	**–**	–	–	–
Sub-total	**5,523**	5,482	41	0.7%
Advisory fees	**234**	–	234	100%
Less: sales-related taxes	**(292)**	(126)	(166)	131.7%
Total	**50,068**	56,419	(6,351)	(11.3%)

Regular management fees

Revenue of the Group generated from regular management fees during the Reporting Period was approximately RMB45.3 million, which accounted for approximately 90.4% of the Group's total revenue of the year, representing a decrease of approximately RMB7.7 million or 14.6% as compared with that of the corresponding period in the previous year, which was mainly due to (i) to support the development of the Huaqiao Cheng Project* (華僑城項目) and to relieve the liquidity pressure of the project company in order to facilitate the smooth operation of Huaqiao Cheng Shopping Centre* (華僑城商業購物中心), the fund manager of Shanghai Shengyu Investment Limited Partnership* (上海晟羽投資合夥企業(有限合夥)) ("**Shanghai Shengyu**"), a fund managed by the Group, has suspended charging regular management fees from Shanghai Shengyu incurred from 1 January 2020 to the exit from Huaqiao Cheng Project by Shanghai Shengyu upon liquidation of Shanghai Shengyu, resulting in a decrease of approximately RMB5.0 million in regular management fees from Huaqiao Cheng Project as compared with the corresponding period last year; (ii) the exit of the fund managed by the Group from Yuhang Xinhuayuan Project* (余杭馨華園項目) and Shenzhen Xinqiaowei Project* (深圳新喬圍項目), resulted in a decrease in regular management fees. Despite additional management scale of projects such as Fuzhou (福州), Xintian Impression (新田印象), Yan'an (延安) and Zhongnan Lishui (中南麗水) which resulted in an increase in regular management fees, after aggregation and offsetting, the Group recorded a decrease in regular management fees of approximately RMB2.7 million as compared with that of the corresponding period last year.

Performance fees

The Group recorded performance fees of approximately RMB2.4 million during the Reporting Period, mainly attributable to the performance fees received from the exit of the Group's managed funds from Xintian Impression (新田印象) project during the Reporting Period .

One-off fund establishment fees

One-off fund establishment fees represent the fees charged by the Group in relation to the establishment of the funds and investors sourcing. Revenue of the Group generated from one-off fund establishment fees for the Reporting Period was approximately RMB2.5 million, representing a year-on-year decrease of approximately RMB1.0 million, which was mainly due to the decrease in the size of new funds established in the first half of 2020 as compared with that of the corresponding period in the previous year.

Other income and gains

Other income and gains of the Group increased from approximately RMB6.4 million in the first half of 2019 to approximately RMB7.5 million for the Reporting Period, representing an increase of approximately 17.5%. The increase was mainly due to the aggregated effect of increase of dividend income derived from investments in associates or joint ventures at fair value through profit or loss and decrease of government grants.

Set out below is a breakdown of other income and gains during the indicated period:

	For the six months ended 30 June			
	2020 **(unaudited)**	2019 (unaudited)	Change	Rate of Change
		(RMB'000, except percentages)		
Dividend income from investments in associates or a joint venture at fair value through profit or loss	**6,309**	2,476	3,833	154.8%
Government grants	**1,184**	3,835	(2,651)	(69.1%)
Interest income	**23**	94	(71)	(75.5%)
Gain on disposal of a subsidiary	**8**	–	8	100.0%
TOTAL	**7,524**	6,405	1,119	17.5%

Dividend income from investments in associates or a joint venture at fair value through profit or loss ("IAFV")

The Group's dividend income from IAFV increased from approximately RMB2.5 million for the six months ended 30 June 2019 to approximately RMB6.3 million for the Reporting Period, representing a year-on-year increase of approximately 154.8%. During the Reporting Period, dividend income recorded by the Group mainly included dividends of approximately RMB3.6 million from Huaqiao Cheng Project* (華僑城項目), approximately RMB2.1 million from Fuzhou Project* (福州項目) and approximately RMB0.5 million from Shenzhen Xinqiaowei Project* (深圳新喬圍項目) and Chengdu Project* (成都項目) from the Group's own fund investment.

Government Grants

Government grants mainly included income tax and value-added tax refunded by the government, recording a decrease from approximately RMB3.8 million for the six months ended 30 June 2019 to approximately RMB1.2 million for the Reporting Period, representing a year-on-year decrease of approximately 69.1%. The decrease was mainly due to decrease of income tax and value-added tax paid by the Company.

Administrative expenses

Administrative expenses of the Group for the Reporting Period were approximately RMB27.5 million, representing a decrease of approximately 29.9% as compared with approximately RMB39.2 million recorded during the corresponding period in the previous year. Such decrease was mainly due to:

(i) The Group optimised deployment of staff and enhanced its human resources efficiency. For the Reporting Period, the number of staff decreased as compared with that of the corresponding period in the previous year. Also, due to the impact of the unexpected Pandemic, China reduced and exempted social insurance progressively and the management took initiatives to reduce their remuneration, resulting in a decrease of approximately RMB7.4 million in staff cost for the Reporting Period as compared with that of the corresponding period in the previous year.

(ii) Due to the Pandemic, the frequency of travel by staff significantly decreased and the demand for advisory dropped resulting in a decrease in travel expenses and advisory fees of approximately RMB2.4 million for the first half of 2020 as compared with that of the corresponding period in the previous year.

Impairment losses on trade receivables

The Group recognised provision for impairment loss of receivables of approximately RMB8.0 million in the Reporting Period, of which provision for individually impaired trade receivables amounted to approximately RMB7.3 million and provision for collectively impaired trade receivables amounted to approximately RMB0.7 million.

The Group applies the IFRS 9 simplified approach to measure the provision for expected credit loss ("**ECL**"). According to the policy, the Group: (i) determined the receivable group by using aging as a credit risk characteristic, and made provision for collectively impaired trade receivables using aging analysis; and (ii) made individually impaired trade receivables provision for ECL based on the recoverability of individual receivables and financial position of the debtor.

During the Reporting Period, the Group conducted a comprehensive assessment of receivables, and made an integrated consideration on the management fees receivables in terms of factors including the repayment history of the funds, aging, financial status and macro-economic environment. In early 2020, the Pandemic in China has adversely affected the general economic trend. For the sake of prudence, the Group used the aging analysis to account for general loss provisions for the balance of all receivables. Moreover, the Group also made detailed evaluation of different impacts of the Pandemic on individual project and identified that the disposal and collection for distressed asset projects were adversely affected by the Pandemic to a larger extent. The progress of disposal and collection for the Group's Dongfang Baorui Distressed Assets Project* (東方保瑞不良資產項目) was particularly affected by the Pandemic as the majority of the base assets of the investment subject are traded in or located in the market of Jiangsu province and Zhejiang province of the PRC and the size of the investment subject was relatively large. Therefore, for prudence sake, in addition to making general loss provision, the Group made special loss provisions of approximately RMB7.3 million for the 30% balance of management fees in respect of the amount due from Dongfang Baorui Distressed Assets Project. The Group will carry out reasonable and cautious evaluation on the recoverability of receivables based on the development of the Pandemic and its impact on our projects.

Increase/(decrease) in fair value of IAFV

As part of the Group's ordinary and usual course of business, the Group has been making investments in the funds structured and managed by it. Such investments were consistently recognised as investments in associates or a joint venture at fair value through profit or loss ("**IAFV**") in the Group's financial statements and will continue such accounting treatment in the future.

The Group, as an investment fund manager, measures the above investments in associate(s) or joint venture(s) at fair value through profit or loss in accordance with IFRS 9. Financial assets of distressed asset projects apply level 3 hierarchy of fair value assessment, which is based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Fair value of IAFV for the Reporting Period decreased by RMB6.4 million, which was mainly attributable to (i) the valuation of Huaqiao Cheng Project* (華僑城項目)and Zhongheng Project* (眾恒項目) under the commercial complex projects did not increase, while there was an increase in fund operating costs due to the fund's term extension, resulting in a decrease of approximately RMB16.1 million of the fair value of IAFV as compared with that of the corresponding period in the previous year; and (ii) the consideration for exit from the Yuhang Xinhuayuan Project* (余杭馨華園項目) increased after hard negotiation by the project team, resulting in an increase of recoverable amount of the project, the fair value of IAFV of the Yuhang Xinhuayuan Project thus increased by RMB9.5 million as compared with that of the corresponding period last year.

Other expenses

Other expenses of the Group for the Reporting Period decreased by approximately RMB1.2 million as compared with that of the corresponding period in 2019, mainly due to the decrease of exchange loss.

Share of loss of associates

Loss of associates attributable to the Group during the Reporting Period increased by RMB2.5 million as compared with that of the corresponding period in 2019, mainly due to the investment in Guangrui Juyao (Qingdao) Wealth Asset Management Co., Ltd.* (光瑞聚耀(青島)財富資產管理有限公司) by the Group during the Reporting Period, incurring loss of RMB2.3 million calculated in proportion using equity method.

Income tax expense

Income tax expense of the Group decreased from approximately RMB8.8 million for the six months ended 30 June 2019 to approximately RMB4.8 million for the Reporting Period, representing a decrease of approximately 45.9%, mainly due to the decrease in profit before tax.

Total comprehensive income for the period

Profit for the period of the Group decreased from approximately RMB25.3 million for the six months ended 30 June 2019 to RMB7.8 million for the Reporting Period, and net profit margin decreased from approximately 44.9% for the six months ended 30 June 2019 to approximately 15.5% for the Reporting Period, mainly due to the combined effect of:(i) the decrease of regular management fees; (ii) the increase in loss allowance recognised for trade receivables; and (iii) the decrease in fair value of IAFV, partly offset by the decrease in administrative expenses and income tax expense recorded.

LIQUIDITY AND FINANCIAL RESOURCES

The Group regularly reviews the status of liquidity and actively manages liquidity and financial resources in light of changes in the economic environment and business development needs. As at 30 June 2020, the cash and cash equivalents of the Group was approximately RMB16.7 million (30 June 2019: RMB71.2 million)

GEARING RATIO

The gearing ratio of the Group as at 30 June 2020 was nil (30 June 2019: Nil) as the Group had no outstanding loans, borrowings or bank overdrafts as at 30 June 2020.

TREASURY POLICIES

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

PLEDGE OF ASSETS

As at 30 June 2020, the Group did not have any pledge on its assets.

FOREIGN EXCHANGE RISK

The Group principally operates in the PRC with most of its businesses being denominated in RMB. The Group only bears the risk of fluctuations in the exchange rate of RMB against HKD. The Group currently has no hedging of foreign exchange risk and we 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.

COMMITMENTS

The Group did not have any significant commitments as at 30 June 2020 (30 June 2019: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures.

CAPITAL EXPENDITURES

As at 30 June 2020, the Group did not have any significant capital expenditures.

CONTINGENT LIABILITIES

As at 30 June 2020, the Group did not have any contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2020, the Group employed a total of 120 employees (30 June 2019: 143 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.

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2020, IAFV of the Group was approximately RMB247.7 million, representing a decrease of approximately RMB31.7 million as compared with that as at 31 December 2019, details of which are as follows:

	Name of fund	Type of fund	Type of project invested	Investment cost at 30 June 2020 *(RMB'000)*	Percentage of shareholdings at 30 June 2020	Dividends received in the Reporting Period *(RMB'000)*	Fair value at 30 June 2020 *(RMB'000)*	Percentage of net assets of the Group at 30 June 2020	Unrealised gain/(loss) of the relevant change in fair value for the Reporting Period	Fair value at 31 December 2019 *(RMB'000)*	Source of fund
1	FOF IV (note 1)	FOF	Distressed assets projects	100,000	50.0%	—	115,803	28.4%	15,803	106,038	Internal resources
2	FOF IX (note 2)	FOF	Commercial real estate projects	48,000	80.0%	—	38,923	9.5%	(9,077)	46,899	Proceeds from the issue of new shares in initial public offering of the Company in 2018 (the "**Share Offer**")
3	FOF III (note 3)	FOF	Commercial real estate projects and distressed assets projects	30,000	10.0%	—	22,272	5.5%	(7,728)	32,624	Internal resources
4	FOF X (note 4)	FOF	Commercial real estate projects	28,000	100.0%	2,050	28,000	6.9%	—	28,842	Proceeds from the Share Offer
5	FOF VIII (note 5)	FOF	Urbanisation and redevelopment projects	20,000	14.4%	499	23,311	5.7%	3,311	23,478	Proceeds from the Share Offer
6	Ningbo Meishan Bonded Harbor Yujin Investment Management Partnership (Limited Partnership)* (寧波梅山保稅港區裕瑾投資管理合夥企業(有限合夥))	Project Fund	Commercial real estate projects	18,120	85.5%	3,628	19,367	4.7%	1,247	36,280	Internal resources
7	Shanghai Weiyu Investment Partnership (Limited Partnership)* (上海威鈺投資合夥企業(有限合夥))	Project Fund	Distressed assets projects	—	—	—	—	—	—	5,196	Internal resources
				244,120		6,177	247,676		3,556	279,357	

Notes:

1. FOF IV represents Shanghai Weiyi Investment Limited Partnership* (上海威弋投資合夥企業(有限合夥)), a FOF structured and co-managed by the Group in the form of limited liability partnership in September 2016.

2. FOF IX represents 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 set up in January 2019 and co-managed by the Group in the form of limited partnership.

3. FOF III represents Realway Development No. 3 Unit Trust Fund* (瑞威發展三號契約型私募基金), a FOF structured by the Group in the form of contract based fund in August 2016.

4. FOF X represents Hangzhou Fuyang Huiqin Investment Management Partnership (Limited Partnership)* (杭州富陽匯欽投資管理合夥企業(有限合夥)), a FOF set up in August 2019 and managed by the Group in the form of limited partnership.

5. FOF VIII represents Realway Development No. 5 Unit Trust Fund* (瑞威發展五號契約型私募基金), a FOF structured by the Group in the form of contract based fund in December 2017.

The Group will continue to jointly operate a diversified investment portfolio and closely monitor investment performance and market trends to adjust investment strategies.

Save as disclosed in this announcement, the Group did not hold any significant investments during the Reporting Period.

ARBITRATION

On 10 February 2020, Hangzhou Fuyang Huiguan Investment Management Partnership (Limited Partnership)* (杭州富陽匯冠投資管理合夥企業(有限合夥)) ("**Fuyang Huiguan Fund**"), for which Shanghai Ruixiang Investment Management Co., Ltd* (上海瑞襄投資管理有限公司) ("**Shanghai Ruixiang**"), a wholly-owned subsidiary of the Company, acts as a fund manager, filed an application to Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center) 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 to pay to Fuyang Huiguan Fund the outstanding equity transfer consideration, late payment penalty and related legal costs. The total amount sought in this arbitration tentatively amounted to RMB38,063,000. As at 17 March 2020 and 22 May 2020, Shenzhen Xinqiaowei Project* (深圳新喬圍項目) received the outstanding equity transfer amount payable of RMB5,000,000 and RMB2,000,000 respectively from Hai Shi Urban Renew.

The investment size of FOF VIII, for which Shanghai Ruixiang, a wholly-owned subsidiary of the Company, acted as a fund manager, in Fuyang Huiguan Fund as at 30 June 2020 was RMB40.5 million, while the investment size of the Company in FOF VIII with its own fund as at 30 June 2020 was RMB20.0 million, accounting for 14.4% of the total assets of FOF VIII as at 30 June 2020.

Given the arbitration has not yet commenced, it is not possible to determine its impact on the current or subsequent profitability of the Company at this stage. Currently the businesses of the Group are in normal operation. Shanghai Ruixiang, the fund manager, has frozen the bank accounts and part of the assets of Hai Shi Urban Renew through judiciary security procedures. The Company will take all appropriate steps to safeguard its rights and interests.

OTHER INFORMATION

Interim dividends

In order to retain resources for the business development of the Group, the Board did not recommend the declaration of interim dividend for the six months ended 30 June 2020 (for the six months ended 30 June 2019: Nil).

Corporate Governance Practices

The Company had adopted the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules as its Corporate Governance Code. The Company had complied with the applicable code provisions in the Corporate Governance Code during the Reporting Period.

Compliance with the Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted a code for securities transactions by Directors and a code for securities transactions by supervisors of the Company (the "**Supervisors**") as its own codes of conduct governing Directors' and Supervisors' dealings in the Company's securities (the "**Securities Dealing Code**") on terms no less exacting than the standards required by the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules.

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

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

Amendments to the Articles of Association

On 2 March 2020, the Board considered and passed resolutions in respect of the amendments to the Company's articles of association, which included:

(1) change of the Company's registered residence;

(2) comply with the Official Reply of the State Council on the Adjustment of the Notice Period for the General Meeting and Other Matters Applicable to the Overseas Listed Companies (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批復》); and

(3) comply with the Guidelines on Application for "Full Circulation"of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股申請「全流通」業務指引》) issued by the CSRC to the effect that subject to obtaining approvals from the regulatory authorities authorised by the CSRC and the Stock Exchange, the domestic unlisted shares

of the Company can be converted into overseas listed shares and listed on the Stock Exchange.

The above resolutions were passed as special resolutions at the first extraordinary general meeting of the Company for the year 2020, the first domestic shareholders' class meeting of the Company for the year 2020 and the first H shareholders' class meeting of the Company for the year 2020 convened on 15 April 2020. The amended articles of association will become effective after obtaining approvals from the regulatory authorities authorised by the CSRC and the Stock Exchange to convert domestic shares into overseas listed shares and listed on the Stock Exchange. For details, please refer to the announcement and circular of the Company both dated 2 March 2020.

Save as the above mentioned, the Company did not make any other major changes in the Company's articles of association during the Reporting Period.

Share Option Scheme

As at 30 June 2020, the Company has not implemented any share option scheme.

Purchase, sale or redemption of listed securities of the Company

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

Competing Interests

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

Audit committee

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

Audit or review of the financial results

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

Publication of interim results and interim report

The interim results announcement is available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.realwaycapital.com). The interim report will be despatched to Shareholders and posted on the websites of the Stock Exchange and the Company on or around 18 September 2020.

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, 21 August 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*