INTERIM REPORT 2019

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

瑞威资本
REALWAY CAPITAL

CONTENTS

Corporate Information

DIRECTORS

Executive Directors

Mr. ZHU Ping (朱平)
Mr. DUAN Kejian (段克儉)
Ms. SU Yi (蘇怡)

Non-executive Directors

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

Independent non-executive Directors

Mr. LIU Yunsheng (劉雲生)
Mr. SHANG Jian (尚健)
Ms. YANG Huifang (楊惠芳)

SUPERVISORS

Ms. CAI Luyi (蔡璐懿)
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. LIU Yunsheng (劉雲生)

NOMINATION COMMITTEE

Mr. ZHU Ping (朱平) *(Chairman)*
Mr. SHANG Jian (尚健)
Mr. LIU Yunsheng (劉雲生)

REMUNERATION COMMITTEE

Mr. LIU Yunsheng (劉雲生) *(Chairman)*
Ms. SU Yi (蘇怡)
Ms. YANG Huifang (楊惠芳)

COMPANY SECRETARY

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Financial Summary

	As at and for the six months ended June 30,		As at and for the year ended December 31,			
	2019 (unaudited)	2018 (unaudited)	2018 (audited)	2017 (audited)	2016 (audited)	2015 (audited)
OPERATING RESULTS						
Revenue (RMB'000)	**56,419**	82,421	157,417	130,875	83,422	34,869
Profit for the period/year (RMB'000)	**25,310**	37,471	46,478	63,346	43,109	10,348
Net profit attributable to:						
Owners of the parent (RMB'000)	**27,861**	38,655	45,735	65,014	43,109	10,348
EARNINGS						
Basic and diluted earnings per share attributable to ordinary equity holders of the parent (RMB cents)	**18.17**	34.25	38.41	59.10	42.58	12.17
ASSETS, LIABILITIES AND EQUITY						
Total assets (RMB'000)	**468,825**	346,719	469,844	282,881	177,100	105,613
Total liabilities (RMB'000)	**51,288**	109,584	68,344	59,267	18,583	5,195
Total equity (RMB'000)	**417,537**	237,135	401,500	223,614	158,517	100,418
FINANCIAL RATIO						
Current ratio	**3.9 times**	1.6 times	4.6 times	3.2 times	6.2 times	21.3 times
Return on total assets (1)	**10.8%**	21.6%	9.9%	22.4%	24.3%	9.8%
Return on equity (1)	**12.1%**	31.6%	11.6%	28.3%	27.2%	10.3%
Net profit margin	**44.9%**	45.5%	29.5%	48.4%	51.7%	29.7%

Notes:

(1) Return on total assets and return on equity for the six months ended June 30 presented above have been annualized.

INDUSTRY REVIEW

Against the backdrop of increased macro-economic fluctuations and uncertainties such as the weak recovery of the global economy, the advent of "De-globalisation", the continuous economic and trade frictions, and the spillover effects from the policies of the developed economies, the downward pressure on China's economy in the first half of 2019 increased, which led to a general deterioration in private equity investors' sentiment towards investments. At the same time, influenced by the Chinese government's policies of dual control over the real estate industry and the financial industry, China's private equity industry entered an adjustment period in 2019, during which its self-discipline rules were gradually improved as the supervision strengthened. China's relevant competent authorities regulatory oversight over real estate private equity funds, and therefore started to impose tougher regulations on the operation procedure of private equity products such as registration and filing, capital raising and appropriateness of investors. Affected by the above factors, the overall number of private equity fund managers and employees in China in the first half of 2019 showed a decline, and the growth rates in terms of both size and number of private equity fund product fillings have also declined.

For the real estate private equity fund industry as a whole, it is in a downturn and consolidation in the first half of 2019, showing a more intensified survival of the fittest atmosphere within the industry. Fund managers without sufficient capabilities in resource integration, professional management and risk management are gradually being eliminated by the competition in the face of accelerating industrial consolidation, which in turn is an opportunity and also a challenge for leading enterprises within the industry.

BUSINESS PERFORMANCE

By always adhering to the concept of continuous innovation and financing to serve the real economy, the Group has been directing capital under the principle of "avoidance of virtual economies and flow into real economies" so as to promote sustainable business development. With the successful listing of the Company's H Shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in November 2018, the Directors believe that the Group enjoys a stronger brand effect. As a result, its platform's resources attraction power is strengthened with more opportunities and new development channels to be explored. In addition, in the first half of 2019, the Group adopted a number of business initiatives such as organisational management restructuring and mechanism innovation to enhance its adaptability and competitiveness in a complex environment. During the Reporting Period, the Group's important developments were as follows:

Management Discussion and Analysis

Business Expansion

From 1 January 2019 to 31 August 2019, six projects (three commercial real estate projects, three urbanisation and redevelopment projects) of the Group had passed the vetting of and were approved by the Group's investment decision-making committee. Among them, Xintian Impression Project* (新田印象項目) (as further particularised in the section head "CHAIRMAN'S STATEMENT — FUTURE PROSPECTS — Geographical expansion" in the 2018 annual report of the Company), Yan'an Project* (延安項目) and Fuzhou Project* (福州項目) had been successfully registered with the Asset Management Association of China and commenced investment activities. The Yan'an Project and the Fuzhou Project both represented further cooperations between the Group and Zhongfang Linkpro Investment Co., Ltd.* (中防聯博投資有限公司) following the development of Fuzhou Zhongfang Wanbaocheng Project* (福州中防萬寶城項目).

From 1 January 2019 to 31 August 2019, two FOFs of the Group, namely, Hangzhou Fuyang Huirong Investment Management Partnership (Limited Partnership) and Hangzhou Fuyang Huizhen Investment Management Partnership (Limited Partnership), had passed the vetting of and were approved by the Group's investment decision-making committee, and were registered with the Asset Management Association of China. Hangzhou Fuyang Huirong Investment Management Partnership (Limited Partnership) (as further particularised in the section headed "CHAIRMAN'S STATEMENT — FUTURE PROSPECTS — Enhancement of the Group's product offering and portfolio assets of its funds" in the 2018 annual report of the Company) has commenced investment activities. Hangzhou Fuyang Huizhen Investment Management Partnership (Limited Partnership) is a FOF jointly established by the Group and Shanghai Zhongnan Jinshi Real Estate Co., Ltd.* (上海中南錦時置業有限責任公司) (hereinafter referred to as "**Zhongnan Jinshi**"), a subsidiary of Jiangsu Zhongnan Construction Group Co., Ltd.* (江蘇中南建設集團有限公司) (hereinafter referred to as "**Zhongnan Group**").

In addition to the development of new projects and FOFs, on 20 May 2019, the Company invested RMB8.0 million to establish Chongqing Realway Equity Investment Fund Management Co., Ltd. (重慶瑞威股權投資基金管理有限公司) as its wholly-owned subsidiary in Chongqing, which was part of the Group's strategy to expand its geographical presence in the western parts of China, to enhance the connection between eastern resources the industries in the western parts of China. The Group will grasp the development opportunities in Chongqing proactively and strategically extend both its longitudinal and latitudinal industrial chains once again. At present, the Group has established its strategic deployments in nine core cities including Shanghai, Beijing, Wuhan, Guangzhou, Tianjin, Hong Kong, Xi'an, Hangzhou and Chongqing.

Adjustment on Organisational Structure

In order to better respond to and implement the Group's development strategy, improve the corporate governance structure, and improve operational efficiency and management effectiveness, the Board adjusted the Company's organisational structure in the first half of 2019 and established the Operation Management Department to give professional advice on important matters at every stage of the Group's investment projects, conduct overall control and report to the Group's chief executive officer. At the same time, in order to enhance management empowerment, the Company continued to promote reforms, such as optimising personnel management, clarifying powers and responsibilities, and bifurcating functional indicators and operational indicators. The Directors believe that such adjustment on organisational structure will improve the Company's management efficiency, ensure that the Company's strategy can be effectively and fully implemented, and further optimize corporate governance.

FUTURE PROSPECTS

Despite the decline in China's macroeconomic situation in the second quarter of 2019 and the macroeconomic challenges expected for the second half of 2019, the Directors still believe that China will continue to be the most vibrant economy with the highest growth potential in the world. In addition, the changing market environment will also bring more development opportunities for companies focusing specialisation.

The developments in the Chinese real estate market is closely related to the development stage of China's economy. The attributes of the real estate industry as a capital-intensive industry remains despite the Chinese real estate industry's transformation at an accelerated pace. In the future, the attributes of asset management in China's real estate market segments will be further loosened, thus the room for private equity funds to develop will be further increased. Facing the complex market environment, the private equity investment industry will usher in a new round of changes and challenges, showing a trend of capital accumulation, making the strong become stronger.

The Group will continue to seek a variety of ways to overcome the challenges, including:

(i) Seeking strategic cooperation with large companies

The Group will seek to cooperate with large-scale enterprises and large financial institutions to leverage on the resourcefulness of large-scale enterprises and the capital advantages of financial institutions, as well as conducting in-depth cooperation with high-end enterprises in the upstream and downstream industries, to enhance brand influence and achieve mutual benefits. In this connection, on 6 September 2019, the Company entered into a non-legally binding cooperation framework agreement with Sichuan Fortune Enterprise Reorganisation Investment Ltd.* (四川富潤企業重組投資有限責任公司) ("**SC Fortune**"). SC Fortune is jointly owned by Sichuan Provincial State-owned Assets Supervision and Administration Commission ("**Sichuan SASAC**") and Sichuan Provincial Investment Group Co., Limited (being a company wholly owned by Sichuan SASAC). SC Fortune was established by Sichuan SASAC as an investment institution specialising in capital management to promote the reform of state-owned enterprises in Sichuan Province and to optimise the state-owned resources allocation. The Group intends to form a strategic partnership with SC Fortune through share acquisition and business cooperation (details set out in the inside information announcement of the Company dated 6 September 2019). The Company is also exploring the possibility to introduce a strategic partner into our direct wholly-owned subsidiary, namely Jiasheng Ruixin (Tianjin) Fund Distribution Co., Ltd.* (嘉晟瑞信(天津)基金銷售有限公司) to further expand our sales of fund business in order to maximise return to the Company and the shareholders of the Company in the long run. In addition, the Group hopes to separate the operation of real estate assets from the operation of industry specific assets of various sectors by cooperating with relevant large-scale enterprises in the field of real estate investment funds management and by taking advantage of the Group's professional capabilities in asset management to realize the professional management of both real estate assets and industry specific assets of various sectors, and thus lightening the constraints of various industries and allow them to focus instead on the expansion and upgrading of themselves.

Other than the above, the Group will focus on regional strategic industries, and promote regional economic transformation and development. The Group can use its professional and effective management capabilities in areas such as real estate investment product design, investment and financing consulting, risk management and financial planning to provide relevant partners with professional services.

(ii) Lay out intends business development

The Group intends to build a bridge for the interchange between the domestic and overseas assets and capital to enhance the diversification and internationalisation of its product design. The Group has established a branch in Hong Kong at the end of 2018. In 2019, the Group will continue to conduct feasibility studies on overseas real estate investment projects, including licensing requirements, legal regulatory environments and tax planning for potential business activities, to further explore development opportunities in real estate funds in the key cities along the Belt and Road in Southeast Asia. However, the Group currently does not have any concrete plans for overseas expansion and the Company will make further announcements and comply with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as and when appropriate.

(iii) Lay out business development in the Guangdong-Hong Kong-Macao Greater Bay Area

On 18 February 2019, the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area* (《粵港澳大灣區發展規劃綱要》) was officially released, representing the construction of Greater Bay Area, which is the largest in land area and population, and widest in terms of coverage in China, was fully rolled out. The Group believes that the national strategic planning for the Guangdong-Hong Kong-Macao Greater Bay Area will be a long-term drive for the region's economy and real estate market. The Group plans to conduct in-depth cooperation with relevant partners with respect to the urban renewal, integration of industry and finance and other areas.

(iv) Strengthening the status of distressed assets business as one of the Group's core business

The development of China's distressed asset market shows that it is playing an increasingly important role in preventing and dissolving systemic financial risks and serving economic transformation and adjustment for the PRC economy generally as the continuous expansion of market scale, increase of market participants, and enriching of products and services. The operation and disposal of distressed assets is a behavior which counters economic cycles, comprising of acquisitions and holding of assets in economic downturns and disposals in bullish markets. Since the distressed asset business was launched in 2016, the Group's assets under management in relation to distressed assets projects have accounted for more than 50% of its total assets under management. The Group will be increasingly sophisticated in the field of distressed assets by taking advantage of its disposal experience and professional operating advantages in distressed asset management to increase the efficiency in distressed assets disposals, enhance its core competitiveness and profitability.

(v) Improving risk management and control capabilities

Currently, reducing the risk of the private equity investment industry and promoting the healthy development of the industry have become the main theme of China's relevant policies. The Group will continue to strengthen its of risk management and control system by means of building a robust and compliant corporate culture, as well as establishing and improving internal risk control mechanisms, so as to enhance the efficiency and quality of risk management, and achieve stable and healthy development.

The Group will strive to become a top private equity fund manager in China by adapting to changes in the macro environment and by strengthening its active management capabilities and risk management capabilities, to play an important role in for China's economic transformation and upgrading.

Financial Review

Assets under management ("AUM")

Despite the challenging market environment, the Group's AUM recorded growth in the first half of 2019. As at 30 June 2019, the Group's AUM amounted to approximately RMB4,913.5 million, which is higher than RMB4,514.0 million as at 31 December of 2018. Set out below is a breakdown of the AUM by fund as at the end of the Reporting Period:

	As at 30 June 2019		As at 31 December 2018	
	Number of funds	**AUM approximate RMB million**	Number of funds	AUM approximate RMB million
Project Funds	**12**	**4,875.6**	10	4,460.0
FOFs	**7**	**774.0**	6	694.0
Less: FOFs investments in Project Funds	**—**	**(736.1)**	—	(640.0)
Total	**19**	**4,913.5**	16	4,514.0

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

	As at 30 June 2019			As at 31 December 2018		
	Number of projects	**AUM approximate RMB million**	**Proportion %**	Number of projects	AUM approximate RMB million	Proportion %
Commercial real estate projects	**5**	**1,285.6**	**26.4%**	3	959.6	21.5%
Distressed assets projects	**3**	**2,593.8**	**53.2%**	3	2,593.8	58.2%
Urbanisation and redevelopment projects	**4**	**996.2**	**20.4%**	4	906.6	20.3%
Total	**12**	**4,875.6**	**100.0%**	10	4,460.0	100.0%

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

Revenue

The Group derived its revenue mainly from the fees it charged on the Project Funds and FOFs. Such fees comprised of regular management fees, performance fees and one-off fund establishment fees. During the Reporting Period, the Group recognised a revenue of approximately RMB56.4 million, representing a decrease of approximately RMB26.0 million or 31.5% compared to the same period of the previous year, which was mainly attributable to the decrease in regular management fees and performance fees recorded.

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

	For the six months ended 30 June			
	2019 (Unaudited)	2018 (Unaudited)	Change	Rate of change
	(RMB'000, except percentages)			
Project Funds				
— regular management fees	**47,523**	50,183	(2,660)	(5.3%)
— performance fees	**–**	23,942	(23,942)	(100.0%)
— one-off fund establishment fees	**3,540**	4,108	(568)	(13.8%)
Sub-total	**51,063**	78,233	(27,170)	(34.7%)
FOFs				
— regular management fees	**5,482**	4,618	864	18.7%
— performance fees	**–**	–	–	–
— one-off fund establishment fees	**–**	118	(118)	(100.0%)
Sub-total	**5,482**	4,736	746	15.8%
Advisory fees	**–**	–	–	–
Less: sales-related taxes	**(126)**	(548)	442	(77.0%)
Total	**56,419**	82,421	(26,002)	(31.5%)

Regular management fees

Revenue of the Group generated from regular management fees during the Reporting Period was approximately RMB53.0 million, which accounted for approximately 93.9% of the Group's total revenue, representing a decrease of approximately RMB1.8 million or 3.3% as compared to that of the same period last year, which was mainly due to the macroeconomic downturn. The Group is more cautious in finding new investment projects for the funds under its management, and the number of new projects launched is reduced accordingly. At the same time, the relevant review procedures for the establishment of the fund have become increasingly stringent, and the Group therefore required more time to start investment projects, resulting in a reduction in the regular management fees recorded.

Performance fees

For the six months ended 30 June 2019, there was no exit by the Group's managed funds from any projects, therefore the Group did not record any performance fees during the period. The Group's managed funds were expected to exit from the Shaoxing Keqiao Project (紹興柯橋項目) (including commercial properties related to textile trade) before 30 June 2019. Due to the impacts of China's macroeconomic downturn and the Sino-US trade war on China's textile export, shop sales was however slower than expected, resulting in the exit from the project falling behind schedule. In contrast, for the six months ended 30 June 2018, we obtained performance fees of RMB23.9 million for the first half of 2018 due to the exits of managed funds from such sizeable projects as Fuzhou Wanbaocheng Project* (福州萬寶城項目), Dianshanhu Project* (澱山湖項目) and Ningbo Zhenhai Project* (寧波鎮海項目).

One-off fund establishment fees

One-off fund establishment fees represent the fees in relation to the establishment of the funds and the sourcing of investors. Revenue of the Group generated from one-off fund establishment fees for the Reporting Period was approximately RMB3.5 million, representing a slight decrease of approximately RMB0.7 million as compared to that of the previous year, which was mainly due to the decrease in the size of new funds established during the Reporting Period as compared to that in the same period of the previous year and the overall deteriorating private equity investors' sentiment towards real estate investments due to macroeconomic downturn.

Other income and gains

Other income and gains decreased from approximately RMB6.7 million in the first half of 2018 to approximately RMB6.4 million for the Reporting Period, representing a slight change compared to that in the same period of the previous year.

Administrative expenses

Administrative expenses of the Group for the Reporting Period were approximately RMB39.2 million, representing a decrease of approximately 8.8% as compared to approximately RMB43.0 million recorded in the first half of 2018. Such decrease was mainly due to:

(i) in 2019, cost in relation to the operation of the listed company, i.e. fees paid to professionals including audit fees, compliance advisory fees, legal advisory fees and printing fees, was accounted for in advisory fees due to the Company's successful listing in 2018, while in 2018, such cost was accounted for in listing expenses. According to the analysis after the combination of advisory fees and listing expenses, the advisory fees and listing expenses for the first half of 2019 decrease by approximately RMB4.7 million or 43.1% compared with the same period of 2018, which was mainly due to the decrease of approximately RMB6.9 million in fees paid to professionals for the first half of 2019 compared with the same period of 2018, and the increase of approximately RMB2.1 million in the advisory fees resulted from project development;

(ii) for the first half of 2018, employee incentive expenses were approximately RMB4.8 million, while there was no such expenses for the first half of 2019;

(iii) staff cost increased by approximately RMB5.2 million compared with the same period of previous year, which was mainly due to the fact that the average number of employees for the first half of 2019 was 165, representing an increase of 54 compared with the same period of 2018, and that the staff cost increased resulting from the rise of employee social insurance and accumulation fund base in 2019 compared with the same period of last year.

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 into 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 to be the case in the foreseeable future.

The Group as investment fund managers, measure the above investments in associates or a joint venture at fair value through profit or loss in accordance with IFRS 9. Financial assets of distressed assets projects are applying 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 is: 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 indicated the following relationship to its 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

For the first half of 2019, the fair value of IAFV was increased by RMB13.1 million, mainly because the increase of recoverable amount of Yuhang Xinhuayan Project (余杭馨華園項目) led to an increase of RMB12.9 million in fair value of IAFV. The Group has direct investment and investment through FOFs in Yuhang Xinhuayuan Project which in aggregate amounted to approximately RMB84.5 million at investment cost. According to the signed contract arrangement, such distressed assets project is expected to be withdrawn this year and the expected recoverable amount will increase as compared with that in last year with the progress of the project.

Other expenses

Other expenses of the Group for the six months ended 30 June 2019 increased by approximately RMB1.3 million compared with same period of 2018, mainly due to the increase of exchange loss.

Share of losses of joint ventures

Share of losses of joint ventures of the Group for the six months ended 30 June 2019 increased by approximately RMB0.8 million compared with same period of 2018, mainly due to the loss of RMB1.2 million incurred in the investment of Guangzhou Zhongshunyi Management Consultancy Co., Ltd. (“**Guangzhou Zhongshunyi**”)* (廣州中順易管理諮詢有限公司) (formerly known as 廣州中順易財富管理有限公司) and Shanghai Ruidan Business Advisory Co., Ltd.* (上海芮旦商務諮詢有限公司) this year.

Finance cost

The finance cost incurred in the first half of 2019 was RMB0.2 million, mainly because the Group included interest expenses related to the lease therein after the adoption of the new standard, IFRS 16-Lease, since 2019.

Income tax expense

Income tax expense of the Group for the six months ended 30 June 2019 was approximately RMB8.8 million, representing a decrease of approximately 29.3% as compared to approximately RMB12.5 million for the same period of 2018, which was mainly due to the decrease in profit before tax.

Profit for the period

Profit of the Group for the six months ended 30 June 2019 decreased from approximately RMB37.5 million for the same period of 2018 to RMB25.3 million, and the net profit margin was 44.9%, which was basically the same as the same period of last year.

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 2019, the cash and cash equivalents of the Group was RMB71.2 million (30 June 2018: RMB20.2 million).

Gearing ratio

The gearing ratio of the Group as at 30 June 2019 was nil (30 June 2018: nil) as the Group had no outstanding loans, borrowings or bank overdrafts as at 30 June 2019.

Treasury policies

The Group has adopted a prudence financial management approach towards its treasury policies and thus maintained a healthy liquidity position during the Reporting Period. The Group strives to minimize 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.

Proceeds from the Listing

The Company issued 38,340,000 H Shares on the Stock Exchange on 13 November 2018. After deducting the underwriting fees and other related expenses, the net proceeds from the Share Offer amount to approximately HK$183.7 million, which was allocated and will be utilised in accordance with the purposes set forth in the prospectus of the Company dated 31 October 2018.

An analysis of the utilisation of the net proceeds from the Listing as at 30 June 2019 is as follows:

Total net proceeds of approximately HK$183.7 million (equivalent to approximately RMB161.0 million)	Allocated net proceeds from the Listing RMB'000	Utilised net proceeds from the Listing up to 30 June 2019 RMB'000	Utilisation rate %
– Setting up new FOFs	96,565	68,000	70.4%
(i) FOF IX (note 1)		48,000	
(ii) FOF VIII (as defined in the Prospectus)		20,000	
– Geographical expansion of the Group's business in the PRC	48,283	47,872	99.1%
(i) Contribution to Realway Capital Assets Management (Beijing) Co., Ltd.* (北京瑞威資產管理有限公司)		13,000	
(ii) Contribution to Realway Capital Asset Management (Xi'an) Co., Ltd.* (西安瑞威資產管理有限公司)		10,000	
(iii) Contribution to Realway Capital Assets Management (Guangzhou) Co., Ltd.* (廣州瑞威資產管理有限公司)		6,300	
(iv) Contribution to Realway Capital Business Consultancy (Hangzhou) Co., Ltd.* (杭州瑞威商務諮詢有限公司)		6,300	
(v) Contribution to Chongqing Realway Equity Investment Fund Management Co., Ltd.* (重慶瑞威股權投資基金管理有限公司)		8,000	
(vi) Contribution to Realway (Hong Kong) Assets Management Limited* (瑞威（香港）資產管理有限公司)		4,272 (note 2)	
– Funding for working capital and other general corporate purposes	16,094	15,976	99.3%

Note:

1. FOF IX represents Hangzhou Fuyang Huirong Investment Management Partnership (Limited Partnership), which was a FOF set up and co-managed by the Group in the form of limited partnership in January 2019.

2. Approximation based on the actual amount of HK$5.0 million.

Pledge of assets

As at 30 June 2019, the Group did not have any assets which were pledged.

Foreign exchange risk

The businesses of the Group were mainly operated in the PRC with most of businesses carried in RMB. The Group only bears the risk of fluctuations in the exchange rate of RMB against the HKD. The Group currently has no hedging of foreign exchange risk and we believe that the Group's foreign exchange risk is manageable and we will closely monitor the relevant risks from time to time.

Capital structure

The H Shares of the Company were listed on the main board of the Stock Exchange on 13 November 2018. There has been no change in the capital structure of the Company since 13 November 2018.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

On 5 March 2019, the Company invested RMB14 million to acquire 35% equity interests in Guangzhou Zhongshunyi. Guangzhou Zhongshunyi has a team of wealth management professionals who worked at major financial institutions and is committed to building an elite and professional marketing team to solidify the business linkage between asset management and wealth management. As all of the applicable percentage ratios (as defined under the Listing Rules) in respect of such acquisition were less than 5%, the acquisition did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. For more information, please refer to the section headed "CHAIRMAN'S STATEMENT — FUTURE PROSPECTS — Expansion of the Group's marketing capabilities to attract high-net-worth investors" in the 2018 annual report of the Company.

Save as disclosed above and in this interim report, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended 30 June 2019.

Segmental information

Segmental information of the Group for the period is disclosed on note 5 to the interim condensed consolidated financial statements of this interim report.

Capital expenditures and contingent liabilities

As at 30 June 2019, the Group did not have capital expenditures or contingent liabilities.

Employees and remuneration policy

As at 30 June 2019, the Group employed a total of 143 employees (30 June 2018: 127 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 31 December 2018, the Group's investment in associates or joint ventures at fair value through profit or loss was approximately RMB166.2 million, total amount of actual investments made in respect of such investments (i.e. the investment cost) was approximately RMB145.9 million, and the fair value of investment in associates or joint ventures at fair value through profit or loss increased by RMB20.3 million as compared to the amount as at 1 January 2018. Regarding the investment cost of approximately RMB145.9 million, approximately RMB130.0 million was invested in two FOFs (including approximately RMB100.0 million which was invested in FOF IV, an FOF which invested in distressed assets projects), and approximately RMB15.9 million was invested in two Project Funds.

As at 30 June 2019, the Group's investment in associates or joint ventures at fair value through profit or loss was approximately RMB272.4 million, representing an increase of approximately RMB106.1 million, the total amount of investment cost increased by approximately RMB93.0 million, and the fair value of investments in associates or joint ventures at fair value through profit or loss increased by approximately RMB13.1 million, as compared to the respective amounts as at 31 December 2018. The additional investment cost of approximately RMB93.0 million was invested in two FOFs and one Project Fund, details of which are as below:

Type of Funds	Investment Amounts	Source of Funds	Type of Projects Invested
FOF	RMB48.0 million	Proceeds from the Listing	Commercial real estate projects
FOF	RMB20.0 million	Proceeds from the Listing	Urbanisation and redevelopment projects
Project Fund	RMB25.0 million	Internal resource	Commercial real estate projects

Events after the Reporting Period

Realway Capital Business Consultancy (Beijing) Co., Ltd.* (瑞威(北京)商務諮詢有限公司), a wholly-owned subsidiary of the Company, was deregistered on 30 July 2019. The original business of Realway Capital Business Consultancy (Beijing) Co., Ltd. has been undertaken by Realway Capital Assets Management (Beijing) Co., Ltd.* (北京瑞威資產管理有限公司), which is a wholly-owned subsidiary of the Company. Realway Capital Business Consultancy (Beijing) Co., Ltd. was not engaged in any legal litigation of material importance or any material non-compliance matters.

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 2019 (for the six months ended June 30, 2018: Nil).

Corporate Governance Practices

The Company had adopted the Corporate Governance Code and Corporate Governance Report (the "**Corporate Governance Code**" or "**CG Code**") set out in Appendix 14 of the Listing Rules as its Corporate Governance Code. Save as disclosed below, the Company has complied with the applicable code provisions in the Corporate Governance Code during the Reporting Period.

According to Code Provision A.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. On 18 January 2019, Mr. Zhu Ping ("**Mr. Zhu**"), currently an executive Director and the chief executive officer of the Company (the "**Chief Executive Officer**"), had been appointed as the chairman of the Board (the "**Chairman**") in place of Mr. Cheng Jun with effect from 18 January 2019 (the "**Re-designation**").

As Mr. Zhu now serves as both the Chairman and the Chief Executive Officer, such practice deviates from code provision A.2.1 of the Corporate Governance 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 A.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 is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Group and its shareholders.

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

The Company has adopted a code for securities transactions by Directors and a code for securities transactions by supervisors of the Company (the "**Supervisors**") as its own codes of conduct governing Directors' and Supervisors' dealings in the Company's securities (the "**Securities Dealing Code**") on terms no less exacting than the 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 of all the Directors and Supervisors and they have confirmed that they have complied with the relevant Securities Dealing Code during the six months ended 30 June 2019.

The Company has also established written guidelines (the "**Employees Written Guidelines**") which are no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Group. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the six months ended 30 June 2019.

SHARE OPTION SCHEME

As at 30 June 2019, the Company has not implemented any share option 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 30 June 2019, the interests or short positions of the Directors, Supervisors and the chief executive in the shares of the Company (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) ("**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 the Listed Issuers as set out in Appendix 10 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

Notes:

1. (L) denotes a long position.

2. The calculation is based on the percentage of shareholdings in the Domestic Shares.

3. The calculation is based on the total number of 153,340,000 Shares in issue after the Share Offer.

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)* (上海威滙投資合夥企業(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 30 June 2019, 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)
Mr. ZHU Ping (朱平)	Domestic Shares	Interest in a controlled corporation	115,000,000(L)	100.0	75.0
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

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 Weihui Investments Partnership (Limited Partnership) (上海威滙投資合夥企業(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
Wang Youlin	H Shares	Beneficial owner	3,375,200(L)	8.8	2.2
Dai Yanmin	H Shares	Beneficial owner	2,728,800(L)	7.1	1.8
Wang Qiong	H Shares	Beneficial owner	2,392,800(L)	6.2	1.6
Leung Fung Shing	H Shares	Beneficial owner	2,316,400(L)	6.0	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

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)]
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 Holding 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.

3. The calculation is based on the total number of 153,340,000 Shares in issue after the Share Offer.

4. China Everbright Fund Management Limited is the general partner 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 Holding Limited. By virtue of the SFO, Everbright Absolute Return Investment Holding Limited is deemed to be interested in all the H Shares which Everbright Focused Value Fund is interested in.

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 six months ended 30 June 2019.

Audit committee

In order to comply with the Listing Rules, the Board has established an audit committee which comprises three independent non-executive Directors. The audit committee has reviewed with the accounting principles and practices adopted by the Group and discussed the audit, internal controls and financial reporting matters including a review of the un-audited interim results of the Group for the six months ended 30 June 2019.

Audit or review the financial results

The financial results for the six months ended 30 June 2019 have not been audited or reviewed by external auditor of the Company.

Publication of interim results and interim report on the Stock Exchange

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 dispatched to Shareholders and posted on the websites of the Stock Exchange and the Company on 20 September 2019.

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2019

	Notes	Six months ended 30 June 2019 RMB'000 (Unaudited)	 2018 RMB'000 (Unaudited)
REVENUE	6	**56,419**	82,421
Other income and gains	6	**6,405**	6,655
Administrative expenses		**(39,233)**	(43,019)
Increase in fair value of investments in associates or a joint venture at fair value through profit or loss	13	**13,130**	4,170
Other expenses		**(1,213)**	96
OPERATING PROFIT		**35,508**	50,323
Finance cost		**(194)**	—
Share of losses of:			
Joint ventures	10	**(1,176)**	(362)
An associate		**—**	—
PROFIT BEFORE TAX		**34,138**	49,961
Income tax expense	7	**(8,828)**	(12,490)
PROFIT FOR THE PERIOD		**25,310**	37,471
Attributable to:			
Owners of the parent		**27,861**	38,655
Non-controlling interests		**(2,551)**	(1,184)
		25,310	37,471

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2019

	Notes	Six months ended 30 June 2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
— For profit for the period (RMB cents)	8	**18.17**	34.25
PROFIT FOR THE PERIOD		**25,310**	37,471
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		**127**	—
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**127**	—
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**25,437**	37,471
Attributable to:			
Owners of the parent		**27,988**	38,655
Non-controlling interests		**(2,551)**	(1,184)
		25,437	37,471

Interim Condensed Consolidated Statement of Financial Position

For the six months ended 30 June 2019

	Notes	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**3,509**	4,565
Right-of-use assets		**5,546**	—
Other intangible assets		**658**	697
Investments in joint ventures	10	**19,238**	6,114
Investment in an associate		**9,000**	9,000
Investments in associates or a joint venture at fair value through profit or loss ("**IAFV**")	13	**266,067**	149,318
Loan receivables	12	**—**	9,311
Deferred tax assets		**2,240**	1,665
Total non-current assets		**306,258**	180,670
CURRENT ASSETS			
Trade receivables	11	**52,430**	69,387
Prepayments, deposits and other receivables		**21,100**	13,235
Loan receivables	12	**9,562**	19,638
Investments in associates or a joint venture at fair value through profit or loss ("**IAFV**")	13	**6,285**	16,904
Dividend receivable		**2,016**	2,833
Cash and cash equivalents	14	**71,174**	167,177
Total current assets		**162,567**	289,174

Interim Condensed Consolidated Statement of Financial Position

For the six months ended 30 June 2019

	Notes	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
CURRENT LIABILITIES			
Other payables and accruals	15	**16,253**	33,046
Advances from funds managed		**14,610**	17,942
Lease liabilities		**4,775**	—
Tax payable		**6,347**	12,280
Total current liabilities		**41,985**	63,268
NET CURRENT ASSETS		**120,582**	225,906
TOTAL ASSETS LESS CURRENT LIABILITIES		**426,840**	406,576
NON-CURRENT LIABILITIES			
Lease liabilities		**945**	—
Deferred tax liabilities		**8,358**	5,076
Total non-current liabilities		**9,303**	5,076
NET ASSETS		**417,537**	401,500
EQUITY			
Equity attributable to owners of the parent			
Share capital		**153,340**	153,340
Reserves		**263,754**	245,766
		417,094	399,106
Non-controlling interests		**443**	2,394
TOTAL EQUITY		**417,537**	401,500

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2019

	Attributable to owners of the parent								
	Share capital (Unaudited) RMB'000	Share premium* (Unaudited) RMB'000	Share-based payment reserve* (Unaudited) RMB'000	Statutory surplus serves* (Unaudited) RMB'000	Exchange fluctuation reserve* (Unaudited) RMB'000	Retained profits* (Unaudited) RMB'000	Total (Unaudited) RMB'000	Non-controlling interests (Unaudited) RMB'000	Total equity (Unaudited) RMB'000
As at 31 December 2018 and 1 January 2019	**153,340**	**158,200**	**4,800**	**18,094**	**–**	**64,672**	**399,106**	**2,394**	**401,500**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**27,861**	**27,861**	**(2,551)**	**25,310**
Other comprehensive income	**–**	**–**	**–**	**–**	**127**	**–**	**127**	**–**	**127**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**127**	**27,861**	**27,988**	**(2,551)**	**25,437**
Contribution from non-controlling shareholder	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**600**	**600**
Dividends (note 9)	**–**	**–**	**–**	**–**	**–**	**(10,000)**	**(10,000)**	**–**	**(10,000)**
As at 30 June 2019	**153,340**	**158,200**	**4,800**	**18,094**	**127**	**82,533**	**417,094**	**443**	**417,537**
As at 31 December 2017 and 1 January 2018	110,000	31,500	–	11,847	–	70,184	223,531	83	223,614
Total comprehensive income for the period	–	–	–	–	–	38,655	38,655	(1,184)	37,471
Issue of shares	5,000	10,000	4,800	–	–	–	19,800	–	19,800
Contribution from non-controlling shareholder	–	–	–	–	–	–	–	1,250	1,250
Acquisition of non-controlling interests	–	(318)	–	–	–	–	(318)	318	–
Dividends	–	–	–	–	–	(45,000)	(45,000)	–	(45,000)
As at 30 June 2018	115,000	41,182	4,800	11,847	–	63,839	236,668	467	237,135

* As at 30 June 2019, these reserve accounts comprised the total consolidated reserves of RMB263,754,000 (31 December 2018: RMB245,766,000) in the interim condensed consolidated statement of financial position.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2019

	Notes	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		**34,138**	49,961
Adjustments for:			
Interest income	6	**(94)**	(49)
Provision for bad debts		**(98)**	(96)
Depreciation of property, plant and equipment and right-of-use assets		**3,672**	1,152
Amortisation of other intangible assets		**39**	660
Loss on disposal of property, plant and equipment		**5**	—
Gain on disposal of a subsidiary		**—**	(29)
Share of losses of joint ventures		**1,176**	362
Dividend income from IAFV	6	**(2,476)**	(4,992)
Exchange loss		**1,311**	—
Share-based payment		**—**	4,800
Increase in fair value of IAFV	13	**(13,130)**	(4,170)
Decrease in trade receivables		**16,957**	25,377
Decrease/(increase) in prepayments, deposits and other receivables		**(7,865)**	2,745
Increase/(decrease) in advances from funds managed		**(3,332)**	3,528
Increase/(decrease) in other payables and accruals		**(15,846)**	899
Cash generated from operations		**14,457**	80,148
Interest received		**94**	49
Taxes paid		**(12,054)**	(13,421)
Net cash flows from/(used in) operating activities		**2,497**	66,776

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2019

	Notes	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in investments in IAFV	13	**(93,000)**	(122,860)
Dividend income from IAFV		**2,766**	3,449
Purchases of items of property, plant and equipment		**(67)**	(2,710)
Purchases of other intangible assets		**—**	(173)
Cash payments for establishment and acquisition of interests a joint venture		**(14,300)**	(2,000)
Repayment of advances to a third party		**20,000**	20,000
Proceeds from disposal of a subsidiary		**—**	(1,999)
Net cash flows used in investing activities		**(84,601)**	(106,293)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**—**	15,000
Capital contribution from non-controlling shareholders		**600**	1,250
Advance from related parties		**(741)**	7,957
Payment of lease liabilities		**(2,574)**	—
Dividends paid	9	**(10,000)**	(6,136)
Net cash flows used in financing activities		**(12,715)**	18,071
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(94,819)**	(21,446)
Cash and cash equivalents at beginning of period		**167,177**	41,657
Effect of foreign exchange rate changes, net		**(1,184)**	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**71,174**	20,211
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the consolidated statement of financial position and statement of cash flows		**71,174**	20,211

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 2019 were authorised for issue in accordance with a resolution of the directors on 23 August 2019.

Shanghai Realway Capital Assets Management Co., Ltd. is a limited liability company established in the People's Republic of China ("**PRC**"). The registered office of the Company is located at Room 1601, Ge Zhou Ba Tower, 1088 Yuan Shen Road, Pilot Free Trade Zone, Shanghai, China.

During the 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 2019 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 2018.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP SINCE 1 JANUARY 2019

IFRS 16 *Leases*

IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ("**short-term leases**"), and lease contracts for which the underlying asset is of low value ("**low-value assets**").

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP SINCE 1 JANUARY 2019 *(Continued)*

IFRS 16 *Leases* *(Continued)*

The effect of adoption IFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

	RMB'000 (Unaudited)
Assets	
Right-of-use assets	6,607
Total assets	6,607
Liabilities	
Lease liabilities	6,607
Total liabilities	6,607
Total adjustment on equity:	
Retained earnings	—
Non-controlling interests	—
	—

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP SINCE 1 JANUARY 2019 *(Continued)*

IFRS 16 *Leases* *(Continued)*

(a) Nature of the effect of adoption of IFRS 16

The Group has lease contracts for offices. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised, and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the internal rate of return at the date of initial application.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP SINCE 1 JANUARY 2019 *(Continued)*

IFRS 16 *Leases* *(Continued)*

(a) Nature of the effect of adoption of IFRS 16 (Continued)

Leases previously accounted for as operating leases (Continued)

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics

- Relied on its assessment of whether leases are onerous immediately before the date of initial application

- Applied the short-term lease exemptions to leases with lease term that ends within 12 months at the date of initial application

- Excluded the initial direct costs from the measurement of the right-of-use assets at the date of initial application

Based on the foregoing, as at 1 January 2019:

- Right-of-use assets of RMB6,607,000 were recognised and presented separately in the statement of financial position. There is no lease assets recognised previously under finance leases that were reclassified from Property, plant and equipment.

- Additional lease liabilities of RMB6,607,000 (included in Interest bearing loans and borrowings) were recognised.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP SINCE 1 JANUARY 2019 *(Continued)*

IFRS 16 *Leases* *(Continued)*

(a) ***Nature of the effect of adoption of IFRS 16*** *(Continued)*

Leases previously accounted for as operating leases (Continued)

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

	RMB'000 (Unaudited)
Operating lease commitments as at 31 December 2018	8,669
Weighted average internal rate of return on leases as at 1 January 2019	5%
Discounted operating lease commitments at 1 January 2019	6,809
Less:	
Commitments relating to short-term leases	(202)
Lease liabilities as at 1 January 2019	6,607

(b) ***Summary of new accounting policies***

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and 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. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP SINCE 1 JANUARY 2019 *(Continued)*

IFRS 16 ***Leases*** *(Continued)*

(b) Summary of new accounting policies *(Continued)*

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured 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 terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the internal rate of return at the lease commencement date if the interest rate implicit in the lease is not readily determinable. 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 the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., 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 lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below RMB50,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP SINCE 1 JANUARY 2019 *(Continued)*

IFRS 16 ***Leases*** *(Continued)*

(c) Amounts recognised in the statement of financial position and profit or loss

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use assets Buildings RMB'000 (Unaudited)	**Lease liabilities** RMB'000 (Unaudited)
As at 1 January 2019	6,607	6,607
Additions	1,493	1,493
Depreciation expense	(2,554)	—
Interest expense	—	194
Payments	—	(2,574)
As at 30 June 2019	5,546	5,720

The Group recognised rent expense from short-term leases of RMB51,340 for the six months ended 30 June 2019.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP SINCE 1 JANUARY 2019 *(Continued)*

IFRIC Interpretation 23 *Uncertainty over Income Tax Treatment*

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 *Income Taxes*. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on the combined financial statements of the Group.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP SINCE 1 JANUARY 2019 *(Continued)*

Amendments to IFRS 9: *Prepayment Features with Negative Compensation*

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are "solely payments of principal and interest on the principal amount outstanding" (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the combined financial statements of the Group.

Amendments to IAS 19: *Plan Amendment, Curtailment or Settlement*

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

These amendments had no impact on the combined financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP SINCE 1 JANUARY 2019 *(Continued)*

Amendments to IAS 28: *Long-term interests in associates and joint ventures*

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 *Investments in Associates and Joint Ventures*.

Annual Improvements 2015–2017 Cycle

IFRS 3 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the combined financial statements of the Group as there is no transaction where a joint control is obtained.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP SINCE 1 JANUARY 2019 *(Continued)*

Annual Improvements 2015–2017 Cycle *(Continued)*

IFRS 11 Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the combined financial statements of the Group as there is no transaction where a joint control is obtained.

IAS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period.

Since the Group's current practice is in line with these amendments, they had no impact on the combined financial statements of the Group.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP SINCE 1 JANUARY 2019 *(Continued)*

Annual Improvements 2015–2017 Cycle *(Continued)*

IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

Since the Group's current practice is in line with these amendments, they had no impact on the combined financial statements of the Group.

4. ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in this Historical Financial Information. The Group intends to adopt them, if applicable, when they become effective.

Amendments to IFRS 3	*Definition of a Business* [1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [3]
IFRS 17	*Insurance Contracts* [2]
Amendments to IAS 1 and IAS 8	*Definition of Material* [1]

1 Effective for annual periods beginning on or after 1 January 2020
2 Effective for annual periods beginning on or after 1 January 2021
3 No mandatory effective date yet determined but available for adoption

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

4. ISSUED BUT NOT YET EFFECTIVE IFRSs *(Continued)*

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

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 when the sale or contribution of assets between an investor and its associate or joint venture 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 in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that 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. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

5. OPERATING SEGMENT INFORMATION

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

Geographical information

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

Information about major customers

Revenue from major customers contributing to 10% or more of the Group's revenue for the six months ended 30 June 2019 is set out below:

	For the six months ended 30 June	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Customer A	**11,929**	11,929
Customer B	**N/A***	9,151

* Revenue from Customer B was less than 10% of the Group's revenue, and no additional revenue from a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue for the six months ended 30 June 2019.

6. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Rendering of services	**56,419**	82,421

Revenue from contracts with customers

(i) Disaggregated revenue information

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Type of services		
Rendering of funds management services	**52,884**	78,251
Rendering of fund establishment services	**3,535**	4,170
	56,419	82,421
Timing of revenue recognition		
Services transferred over time	**56,419**	82,421

6. REVENUE, OTHER INCOME AND GAINS *(Continued)*

Revenue from contracts with customers *(Continued)*

(ii) Performance obligations

The performance obligation is satisfied over time as services are rendered and advances are normally required when the project funds have sufficient cash flows after initial investment into the asset portfolio.

Funds management service contracts are for periods of the funds' duration, from 2 years to 6 years, or are billed based on a fixed rate for AUM of the funds managed over time. The Group has a right to consideration from the funds in an amount that corresponds directly with the value to the funds of the entity's performance completed to date, the Group recognise revenue in the amount to which the Group has a right to invoice, so the management is in the view of that the Group need not disclose the information for a performance obligation.

In addition to management fees, the Group also charges funds one-off fund establishment fees in relation to the establishment and structuring of the relevant funds and the sourcing of investors, which are billed based on the time incurred.

6. REVENUE, OTHER INCOME AND GAINS *(Continued)*

Revenue from contracts with customers *(Continued)*

(ii) ***Performance obligations*** *(Continued)*

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Dividend income from IAFV	**2,476**	4,992
Interest income	**94**	49
	2,570	5,041
Gains		
Government grants	**3,835**	1,585
Gain on disposal of a subsidiary	**—**	29
	3,835	1,614
	6,405	6,655

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. 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	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current — Mainland China charge for the period	**6,121**	11,391
Deferred tax	**2,707**	1,099
Total tax charge for the period	**8,828**	12,490

8. 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 2018 and 30 June 2019.

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

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**27,861**	38,655

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(Continued)*

	Number of shares	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the interim year used in the basic earnings per share calculation	**153,340,000**	112,845,000

9. DIVIDENDS

	30 June 2019	31 December 2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Final — 2017	**—**	45,000
Final — 2018 (i)	**10,000**	—
Final	**10,000**	45,000

(i) The final dividend for the year ended 31 December 2018 of RMB6.52 cents per share, amounting to a total of RMB10,000,000 has been fully settled by the Company in late June 2019.

10. INVESTMENTS IN JOINT VENTURES

	30 June 2019	31 December 2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Share of net assets	**19,238**	6,114

10. INVESTMENTS IN JOINT VENTURES *(Continued)*

Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Shanghai Ruifu Investment Management Co., Ltd.	RMB3,650,000	Shanghai	50	Investment management
Hengqin Huixun Asset Management Co., Ltd.	–	Zhuhai	40	Investment management
Shanghai Jinkai Dongrui Assets Management Co., Ltd.	RMB10,000,000	Shanghai	45	Investment management
Guangzhou Zhongshunyi Management Consultancy Co., Ltd. (i)	RMB22,000,000	Guangzhou	35	Business consultancy
Shanghai Ruidan Business Consultancy Co., Ltd. (ii)	RMB1,500,000	Shanghai	20	Business consultancy
Jiaxing Ruicheng Equity Investment Co., Ltd.	–	Jiaxing	50	Investment management

Notes:

(i) Pursuant to the investment framework agreement and the articles of association of this company, no shareholder can control the company alone or jointly. Therefore, the company was accounted for as a joint venture of the Group during the period.

(ii) Pursuant to the investment framework agreement and the articles of association of this company, all shareholder resolutions shall be resolved by all shareholders on a unanimous basis. Therefore, the company was accounted for as a joint venture of the Group during the period.

Guangzhou Zhongshunyi Management Consultancy Co., Ltd. is considered as a material joint venture of the Group for the period ended 30 June 2019, mainly engaging business consultancy in Mainland China and is accounted for using the equity method.

10. INVESTMENTS IN JOINT VENTURES *(Continued)*

The following table illustrates the summarised financial information in respect of Guangzhou Zhongshunyi Management Consultancy Co., Ltd., adjusted for any differences in accounting policies and reconciled to the carrying amount in the combined financial statements:

	30 June 2019 RMB'000 (Unaudited)
Cash and cash equivalents	69
Other current assets	8,567
Current assets	8,636
Non-current assets	25,758
Current liabilities	(6,051)
Net assets	28,343
Reconciliation to the Group's interest in the joint venture:	
Proportion of the Group's ownership	35%
Group's share of net assets of the joint venture*	12,863
Carrying amount of the investment	12,863
Revenue	9,697
Expenses	(12,945)
Tax	—
(Loss) for the period	(3,248)
Total comprehensive income for the period	(3,248)

* The amount cannot be reconciled between the proportion of the Group's ownership and the net assets of Guangzhou Zhongshunyi Management Consultancy Co., Ltd. because the other shareholders has not yet paid in their portion of registered capital.

10. INVESTMENTS IN JOINT VENTURES *(Continued)*

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

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Share of the joint ventures' loss for the period	**(39)**	(362)
Share of the joint ventures' total comprehensive income	**(39)**	(362)
Aggregate carrying amount of the Group's investments in the joint ventures	**6,375**	6,114

11. TRADE RECEIVABLES

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, 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.

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Trade receivables	**52,430**	69,387
Impairment	**—**	—
	52,430	69,387

RMB11,917,000 due from associates and a joint venture has been included in these balances as at 30 June 2019 (31 December 2018: RMB8,201,000). See note 16 for details.

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Within 1 year	**41,877**	66,422
1 to 2 years	**10,553**	2,965
Total	**52,430**	69,387

The above assets are neither past due nor impaired. The Group's trade receivables mainly represent a regular management fee based on a predetermined fixed percentage of the assets value under management and paid out in the priority of the funds' distributable cash flows. The directors of the Company are of the opinion that the balances are considered fully recoverable.

12. LOAN RECEIVABLES

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Amortised cost	**9,610**	29,095
Impairment	**(48)**	(146)
	9,562	28,949
Comprising:		
Current portion	**9,562**	19,638
Non-current portion	**–**	9,311

Loan receivables mainly represent the interest-free loan receivables from third parties and the loan period varies from 6 months to 3 years. Such amounts are recorded at amortised cost less allowance for doubtful amounts.

An executive director, Mr. Zhu Ping, has guaranteed the Group's loan receivables due from a third party amounting to RMB10,000,000 as at 30 June 2019 (31 December 2018: RMB30,000,000).

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

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Unlisted investments in associates or a joint venture, at fair value	**272,352**	166,222

The Group, as 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 2019.

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

The movements in investments in associates or a joint venture at fair value through profit or loss for the six months ended 30 June 2019 are as follows:

	Cost RMB'000	**Increase/ (decrease) in fair value of IAFV** RMB'000	**Total** RMB'000
At 1 January 2018	59,000	24,849	83,849
Movements	298,730	(1,815)	296,915
Exit and/or realisation	(211,810)	(2,732)	(214,542)
At 31 December 2018	145,920	20,302	166,222
Comprising:			
Current portion	15,920	984	16,904
Non-current portion	130,000	19,318	149,318
At 1 January 2019	145,920	20,302	166,222
Movements	93,000	13,130	106,130
Exit and/or realisation	—	—	—
At 30 June 2019	238,920	33,432	272,352
Comprising:			
Current portion	5,000	1,285	6,285
Non-current portion	233,920	32,147	266,067

14. CASH AND CASH EQUIVALENTS

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Cash and bank balances	**71,174**	167,177

As at 30 June 2019, the cash and bank balances of the Group denominated in Hong Kong Dollar ("**HKD**") amounted to RMB4,252,000 (31 December 2018: RMB160,938,000). 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.

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

15. OTHER PAYABLES AND ACCRUALS

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Payroll and welfare payable	**3,132**	9,527
Taxes and surcharges	**1,212**	1,082
Accruals	**534**	3,408
Due to related parties (note 16)	**7,977**	8,718
Others	**3,398**	10,311
	16,253	33,046

Other payables are unsecured, non-interest-bearing and repayable on demand. The fair values of other payables at 30 June 2019 approximated to their corresponding carrying amounts.

16. RELATED PARTY TRANSACTIONS

(1) Name and relationship

Name of related party	Relationship with the Group
Shanghai Feiding Construction & Decoration Co., Ltd. ("**Feiding Ltd.**")	Company controlled by a close relative of an executive director
Shanghai Jinkai Dongrui Assets Management Co., Ltd. ("**Jinkai Dongrui**")	Joint venture
Shanghai Ruifu Investment Management Co., Ltd. ("**Shanghai Ruifu**")	Joint venture
Realway Development No. 3 Unit Trust Fund ("**FOF III**")	Associate
Shanghai Weiyi Investment Limited Partnership ("**FOF IV**")	Joint venture
Realway Development No. 5 Unit Trust Fund ("**FOF VIII**")	Associate
Ningbo Meishan Bonded Harbor Weichong Investment Management Limited Partnership ("**Weichong**")*	Associate
Mr. Zhu Ping	The executive director

* Weichong was disposed of on 12 January 2018 and was not an associate thereafter.

16. RELATED PARTY TRANSACTIONS *(Continued)*

(2) Significant related party transactions

The Group had the following transactions with related parties during the period:

		For the six months ended 30 June	
		2019	2018
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Receiving service:			
Shanghai Ruifu	(a)	**114**	2,161
Rendering funds management service:			
FOF III	(b)	**2,807**	2,807
FOF IV	(b)	**936**	930
FOF VIII	(b)	**1,290**	—
Weichong	(b)	**—**	450

(a) Shanghai Ruifu provided consultation service for the Group during the period, and the service was provided according to mutually agreed prices and terms.

(b) The Group provided fund management service to these entities during the period, and the service was provided according to mutually agreed prices and terms.

16. RELATED PARTY TRANSACTIONS *(Continued)*

(3) Outstanding balances with related parties:

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Trade receivables		
FOF III	**8,728**	7,373
FOF IV	**992**	—
FOF VIII	**2,197**	—
Weichong	**—**	828
Total	**11,917**	8,201
Prepayments		
Feiding Ltd.	**407**	—
Other payables		
Jinkai Dongrui	**7,948**	7,948
Shanghai Ruifu	**—**	762
Feiding Ltd.	**29**	8
Total	**7,977**	8,718

17. 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 is of such significance that indicates that the Group is a principal, the Group will consolidate certain 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, mainly limited partnerships, by acting as manager or general partner during the period. 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 limited partnerships managed by the Group as investments in associates or a joint venture at fair value through profit or loss. As at 30 June 2019 and 31 December 2018, the carrying amounts of the Group's investments in unconsolidated structured entities were RMB272 million and RMB166 million, respectively. The management fee arising from these unconsolidated structured entities amounted to RMB5 million and RMB9 million for the period ended 30 June 2019 and the year ended 31 December 2018, respectively.

Besides, the Group also acts as fund managers for some limited partnerships without any investment. The management fee arising from these unconsolidated limited partnerships amounted to RMB48 million and RMB147 million for the period ended 30 June 2019 and the year ended 31 December 2018, respectively.

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 30 June 2019, the Group managed funds with a total AUM of approximately RMB4,913 million (31 December 2018: RMB4,514 million).

18. 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:

30 June 2019

Financial assets

	Measured at amortised cost RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Trade receivables	52,430	52,430
Financial assets included in prepayments, deposits and other receivables	19,381	19,381
Loan receivables (note 12)	9,562	9,562
Dividend receivable	2,016	2,016
Cash and cash equivalents (note 14)	71,174	71,174
	154,563	154,563

Financial liabilities

	Other financial liabilities RMB'000 (Unaudited)
Financial liabilities included in other payables and accruals (note 15)	11,375
Lease liabilities	5,720
	17,095

18. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

31 December 2018

Financial assets

	Measured at amortised cost RMB'000 (Audited)	Total RMB'000 (Audited)
Trade receivables	69,387	69,387
Financial assets included in prepayments, deposits and other receivables	11,967	11,967
Loan receivables (note 12)	28,949	28,949
Dividend receivable	2,833	2,833
Cash and cash equivalents (note 14)	167,177	167,177
	280,313	280,313

Financial liabilities

	Other financial liabilities RMB'000 (Audited)
Financial liabilities included in other payables and accruals (note 15)	19,029

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

18. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

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 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.

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF IAFV

Below is a summary of significant unobservable inputs to the valuation of IAFV together with a quantitative sensitivity analysis as at 30 June 2019:

Financial assets	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs and fair value
Investments in associates or a joint venture at fair value through profit or loss:	Level 3	Calculated based on the net asset value of underlying investments	Net assets value of underlying investments	The higher the net assets value of underlying investments, the higher the fair value
*Other real estate projects	Level 3	Discounted cash flow model	Risk adjusted discount rate amounts	The lower the risk adjusted discount rate, the higher the fair value

* These provide information about how underlying assets invested by the funds are measured at fair value.

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF IAFV *(Continued)*

The Group's investments in associates or a joint venture at fair value through profit or loss which were classified as financial assets at FVTPL under level 3 hierarchy amounted to RMB272,352,000 as at 30 June 2019 (31 December 2018: RMB166,222,000). The significant unobservable input is the net assets 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 RMB13,617,000 as at 30 June 2019 (31 December 2018: RMB8,311,000).

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 30 June 2019

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
IAFV	–	–	272,352	272,352

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF IAFV *(Continued)*

Fair value hierarchy *(Continued)*

As at 31 December 2018

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
IAFV	–	–	166,222	166,222

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

Refer to note 13 for the movements in fair value measurements within Level 3 during the six months ended 2019 and year ended 31 December 2018.

20. EVENTS AFTER THE REPORTING PERIOD

Realway Capital Business Consultancy (Beijing) Co., Ltd.* (瑞威(北京)商務諮詢有限公司), a wholly-owned subsidiary of the Company, was deregistered on July 30, 2019. The original business of Realway Capital Business Consultancy (Beijing) Co., Ltd. has been undertaken by Realway Capital Assets Management (Beijing) Co., Ltd.* (北京瑞威資產管理有限公司), which is a wholly-owned subsidiary of the Company. Realway Capital Business Consultancy (Beijing) Co., Ltd. was not engaged in any legal litigation of material importance or any material non-compliance matters.

Except for the above mentioned event, there has no other additional events subsequent to period end which require adjustment of or disclosure in the interim condensed consolidated financial statements or notes.