

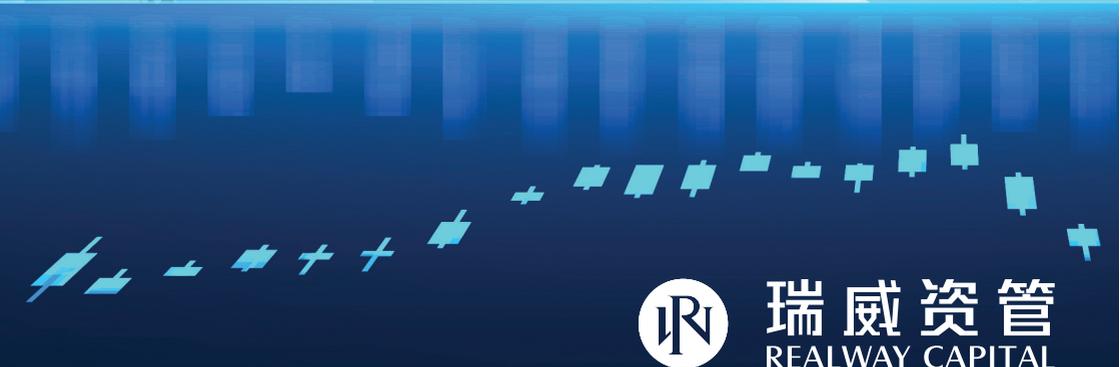
上海瑞威資產管理股份有限公司

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

Interim Report 2022



瑞威资管
REALWAY CAPITAL

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Corporate Information

DIRECTORS

Executive Directors

Mr. ZHU Ping (朱平)

(Chairman and Chief Executive Officer)

Mr. DUAN Kejian (段克儉)

Ms. CHEN Min (陳敏)

Non-executive Directors

Mr. CHENG Jun (成軍)

Mr. WANG Xuyang (王旭陽)

Independent non-executive Directors

Mr. SHANG Jian (尚健)

Ms. YANG Huifang (楊惠芳)

Mr. ZHU Hongchao (朱洪超)

(appointed with effect from 1 July 2022)

Mr. LIU Yunsheng (劉雲生)

(resigned with effect from 1 July 2022)

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. ZHU Hongchao (朱洪超)

(appointed with effect from 1 July 2022)

Mr. LIU Yunsheng (劉雲生)

(resigned with effect from 1 July 2022)

NOMINATION COMMITTEE

Mr. ZHU Ping (朱平) (Chairman)

Mr. SHANG Jian (尚健)

Ms. YANG Huifang (楊惠芳)

(appointed with effect from 1 July 2022)

Mr. LIU Yunsheng (劉雲生)

(resigned with effect from 1 July 2022)

REMUNERATION COMMITTEE

Mr. ZHU Hongchao (朱洪超) (Chairman)

(appointed with effect from 1 July 2022)

Mr. LIU Yunsheng (劉雲生) (Chairman)

(resigned with effect from 1 July 2022)

Ms. YANG Huifang (楊惠芳)

Ms. CHEN Min (陳敏)

COMPANY SECRETARY

Ms. LAU Wai Yee (劉惠儀)

REGISTERED OFFICE

Room 26G-3

No. 828-838

Zhangyang Road (Even numbers)

Pilot Free Trade Zone

Shanghai

PRC

Corporate Information

PRINCIPAL PLACE OF BUSINESS IN PRC

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No. 1198 Century Avenue
Pudong New District
Shanghai 200122
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 26/F
235 Wing Lok Street Trade Centre
235 Wing Lok Street
Hong Kong

AUTHORISED REPRESENTATIVES

Ms. CHEN Min (陳敏)
Ms. LAU Wai Yee (劉惠儀)

H SHARE REGISTRAR

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

LEGAL ADVISOR (AS TO HONG KONG LAW)

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

AUDITOR

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

PRINCIPAL BANKER

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

STOCK CODE

1835

COMPANY'S WEBSITE

<http://www.realwaycapital.com>

Financial Summary

	As at and for the six months ended 30 June		As at and for the year ended 31 December				
	2022 (unaudited)	2021 (unaudited)	2021 (audited)	2020 (audited)	2019 (audited)	2018 (audited)	2017 (audited)
OPERATING RESULTS							
Revenue (RMB'000)	16,123	28,815	54,200	69,074	125,234	157,417	130,875
(Loss)/profit for the period/year (RMB'000)	(10,653)	793	(39,382)	7,764	6,774	46,478	63,346
Net (loss)/profit attributable to:							
Owners of the parent (RMB'000)	(10,370)	94	(39,227)	4,426	9,451	45,735	65,014
EARNINGS							
Basic and diluted (loss)/earnings per share attributable to ordinary equity holders of the parent (RMB cents)	(6.76)	0.06	(25.58)	2.89	6.16	38.41	59.10
ASSETS, LIABILITIES AND EQUITY							
Total assets (RMB'000)	369,112	433,018	391,556	443,582	434,826	469,844	282,881
Total liabilities (RMB'000)	13,326	26,446	25,192	37,780	34,869	68,344	59,267
Total equity (RMB'000)	355,786	406,572	366,364	405,802	399,957	401,500	223,614
FINANCIAL RATIO							
Current ratio	18.8 times	6.5 times	10.5 times	5.9 times	3.7 times	4.6 times	3.2 times
Return on total assets ⁽¹⁾	(5.8%)	0.4%	(10.1%)	1.8%	1.6%	9.9%	22.4%
Return on equity ⁽¹⁾	(6.0%)	0.4%	(10.7%)	1.9%	1.7%	11.6%	28.3%
Net profit margin	(66.1%)	2.8%	(72.7%)	11.2%	5.4%	29.5%	48.4%

Notes:

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

Management Discussion and Analysis

BUSINESS REVIEW

Shanghai Realway Capital Assets Management Co., Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”) is an asset management company, mainly engaging in fund management specialising in real estate and distressed asset, investment management in relation to the establishment and structuring of the relevant funds and the sourcing of investors (“**investment management**”) and investment consultation services in the People’s Republic of China (the “**PRC**”). The Group manages two broad types of funds, namely (i) fund(s) structured and managed for the purpose of directly investing in a specific real estate investment project and distressed asset project (“**Project Fund(s)**”); and (ii) flexible funds structured and managed, or co-managed, by the Group which may invest in designated types of funds under the Group’s portfolio assets and are permitted to invest in multiple investment projects indirectly through a number of funds at the same time (“**FOF(s)**”). The Group’s managed funds invest in three main categories of portfolio assets, namely commercial real estate projects, distressed assets projects, and urbanisation and redevelopment projects.

In the first half of 2022, the implementation of strict control measures to deal with the recurring novel coronavirus (COVID-19) pandemic (the “**Pandemic**”) in Mainland China has adversely affected both the Chinese economy and the domestic real estate industry. As debt defaults occurred in various real estate development companies in succession, the Group adopted a more prudent investment strategy in the first half of the year. As at 30 June 2022, the assets under management (“**AUM**”) of the funds managed by the Group amounted to RMB3,935.9 million. During the six months ended 30 June 2022 (the “**Reporting Period**”), the Group completed the distribution and liquidation of the Project Fund of the Chengdu project* (成都項目), which is an urbanisation and redevelopment project.

Management Discussion and Analysis

Set out below is a breakdown of the assets under management by type of fund as at the date indicated:

	As at 30 June 2022		As at 31 December 2021	
	Number of funds	AUM RMB million	Number of funds	AUM RMB million
Project Funds	15	3,726.9	16	4,170.0
FOFs	8	787.9	8	787.9
Less: FOFs investments in Project Funds	–	(578.9)	–	(660.6)
Total	23	3,935.9	24	4,297.3

Set out below is a breakdown of fund AUM by portfolio asset type as at the date indicated:

	As at 30 June 2022			As at 31 December 2021		
	Number of projects	AUM RMB million	Proportion %	Number of projects	AUM RMB million	Proportion %
Commercial real estate projects	8	2,177.8	56.2%	8	2,177.8	51.2%
Urbanisation and redevelopment projects	5	800.8	20.6%	5	1,173.2	27.6%
Distressed assets projects	4	899.4	23.2%	4	899.4	21.2%
Total	17	3,878.0	100.0%	17	4,250.4	100.0%

Note: The amount which FOFs had invested in Project Funds was eliminated from the breakdown of the AUM by fund to avoid double counting.

An urbanization and redevelopment project (with a scale of RMB70.8 million) and a distressed assets project (with a scale of RMB80.3 million), invested by our FOFs are included in the breakdown of fund AUM by portfolio asset type although the Project Fund investment specified has not been established.

Management Discussion and Analysis

FUTURE OUTLOOK

With the gradual alleviation of Pandemic restrictions and control measures, the PRC government has intensively introduced various relief measures to help market entities to overcome the difficulties. In the real estate industry, stabilising the real estate market has become the core work and goal in the second half of the year. The implementation of city-specific easing control policies has boosted market confidence. At the same time, the domestic economy is also showing a momentum of steady recovery. The Group believes that the long-term stable growth trend of China's macro economy will not change.

Looking ahead, the Group will continue to focus on the Company's strategic positioning, explore new investment opportunities, leverage its years of investment experience in real estate and distressed assets and professional asset management capabilities, with the power of financial institutions to assist local governments and real estate companies by setting up bailout funds, and revitalize assets to help the industry bail out through asset disposal, resource integration, debt restructuring, etc. The Group will also continue to enhance its competitiveness, actively respond to the possible adverse effects of the Pandemic on business operations, improve risk management and internal control systems in a comprehensive way, base itself on serving the real economy on the premise of risk control, and achieve high-quality business development, building a greater wealth for investors and shareholders ("**Shareholders**") of the Company.

FINANCIAL REVIEW

Revenue

The Group derived its revenue mainly from the fees charged on the Project Funds and FOFs established and managed by it. Such fees comprised of regular management fees, performance fees, one-off fund establishment fees and advisory fees. During the Reporting Period, we recognised revenue of approximately RMB16.1 million, representing a decrease of approximately RMB12.7 million or approximately 44.0% as compared to the corresponding period last year, which was mainly due to the decrease in regular management fees, performance fees and one-off fund establishment fees.

Management Discussion and Analysis

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

	For the six months ended 30 June			
	2022 (unaudited)	2021 (unaudited) (RMB'000, except percentages)	Change	Rate of change
Project Funds				
— Regular management fees	10,265	18,009	(7,744)	(43.0%)
— Performance fees	—	1,125	(1,125)	(100.0%)
— One-off fund establishment fees	—	2,433	(2,433)	(100.0%)
Sub-total	10,265	21,567	(11,302)	(52.4%)
FOFs				
— Regular management fees	2,759	6,053	(3,294)	(54.4%)
— Performance fees	—	—	—	—
— One-off fund establishment fees	—	—	—	—
Sub-total	2,759	6,053	(3,294)	(54.4%)
Advisory fees	3,149	1,368	1,781	130.2%
Less: sales-related taxes	(50)	(173)	123	(71.1%)
Total	16,123	28,815	(12,692)	(44.0%)

Management Discussion and Analysis

Regular management fees

Revenue of the Group generated from regular management fees during the Reporting Period was approximately RMB13.0 million, which accounted for approximately 80.8% of the Group's total revenue, representing a decrease of approximately 45.9% as compared to the corresponding period last year, mainly due to the spread of the Pandemic in the first half of 2022, which led to a two month lock-down being implemented in the Group's primary business location, Shanghai, to contain the Pandemic. Affected by this negative impact, the disposal of existing projects invested by the Group's managed funds was not as fast as expected, and the Group ceased to receive regular management fees from certain funds which entered into liquidation. On the other hand, the Group adopted a more prudent investment strategy due to the sluggish performance of the real estate market in the first half of the year, which, together with the Pandemic control measures, resulted in the hindrance of new business expansion and thus no new investment projects were acquired during the Reporting Period. The combination of the aforementioned factors resulted in a significant decrease in the revenue recorded from regular management fees during the Report Period as compared to the corresponding period last year.

Performance fees

During the Reporting Period, the distribution of Chengdu project* (成都項目) which was invested by the Group's managed fund has been completed, but the project did not record performance fee income due to the market downturn. As for the corresponding period last year, the gain in performance fees received from the exit of the Group's managed funds from CIFI Changzhou Project* (旭輝常州項目) was RMB1.0 million.

One-off fund establishment fees

One-off fund establishment fees represent the fees charged by the Group in relation to the establishment of the funds and investors sourcing. Affected by the Pandemic, the Group had no new investment projects during the Reporting Period. Therefore, no revenue recorded from one-off fund establishment fees was recorded.

Management Discussion and Analysis

Advisory fees

Advisory fees are the relevant fees charged for the specific investment advisory services for particular projects offered by the Group as a professional service provider. During the Reporting Period, the Group recorded revenue from advisory fees of approximately RMB3.1 million, representing an increase of approximately RMB1.8 million as compared to the corresponding period last year, which was mainly attributable to income generated from the provision of investment advisory services by Shanghai Ruichu Business Advisory Co.,Ltd.* (上海芮楚商務諮詢有限公司), a wholly-owned subsidiary of the Group, which continued its efforts to develop the investment advisory business in the second half of 2021.

Other income and gains

Other income and gains of the Group decreased from approximately RMB3.4 million in the first half of 2021 to approximately RMB0.6 million for the Reporting Period, representing a decrease of approximately 82.1%. The decrease was mainly due to the decrease of dividend income derived from investments in associates or joint ventures at fair value through profit or loss and government grants.

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

	For the six months ended 30 June			
	2022 (unaudited)	2021 (unaudited) (RMB'000, except percentages)	Change	Rate of Change
Dividend income from IAFV	–	1,876	(1,876)	(100.0%)
Government grants	591	1,453	(862)	(59.3%)
Interest income	15	55	(40)	(72.7%)
Total	606	3,384	(2,778)	(82.1%)

Management Discussion and Analysis

Dividend income from investments in associates or joint ventures at fair value through profit or loss (“IAFV”)

During the Reporting Period, no dividend income from IAFV was recorded by the Group. As for the corresponding period last year, the dividend income recorded by the Group included the dividends of approximately RMB1.8 million received from our self-financed investment in equity in FOF X (Hangzhou Fuyang Huiqin Investment Management Partnership (Limited Partnership))* (杭州富陽匯欽投資管理合夥企業(有限合夥)).

Government grants

Government grants mainly include income tax and value-added tax returned by the government, which decreased from approximately RMB1.5 million for the six months ended 30 June, 2021 to approximately RMB0.6 million for the Reporting Period, mainly due to the reduction of the income tax and value-added tax paid by the Company.

Administrative expenses

Administrative expenses of the Group for the Reporting Period were approximately RMB21.1 million, representing a decrease of approximately 15.1% as compared with approximately RMB24.8 million recorded during the corresponding period last year. Such decrease was mainly due to: (i) The Group continued to optimize and adjust its personnel, resulting in a decrease of approximately RMB1.6 million in human resources costs as compared to the corresponding period last year; (ii) The Group adjusted the office leasing space in the previous year, resulting in a decrease of approximately RMB1.5 million in the leasing and related expenses during the Reporting Period compared with the corresponding period last year.

Impairment loss on trade receivables

The Group applies the IFRS 9 simplified approach to measure the provision for expected credit loss (“ECL”). Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

At the end of the Reporting Period, the Group conducted a comprehensive assessment on factors such as the debtor’s past repayment, age, financial condition and macroeconomic environment for each receivable. A provision for ECL has been made for all receivables using the ECL model. During the Reporting Period, the Group’s provision for impairment loss on receivables increased by approximately RMB0.2 million as compared to 31 December 2021.

Management Discussion and Analysis

Share of losses of an associate

Share of losses of an associate attributable to the Group during the Reporting Period was approximately RMB5.2 million, which increased by approximately RMB4.5 million as compared to the corresponding period last year. Such increase was mainly due to the recognition of losses for Guangrui Juyao (Qingdao) Wealth Asset Management Co., Ltd.* (光瑞聚耀(青島)財富資產管理有限公司) (“**Guangrui Juyao**”), an associate in which the Group held 18% equity interest, on a pro-rata basis according to the equity method of accounting. Guangrui Juyao is mainly engaged in wealth management business. In the second half of 2021, its management team was restructured. Due to the need to recruit a large number of new employees, the labor cost has increased significantly, resulting in operating losses during the Reporting Period.

(Loss)/profit for the period

The loss recognised by the Group during the Reporting Period was approximately RMB10.7 million, representing a decrease of approximately RMB11.5 million in profit compared to the profit for the period of approximately RMB0.8 million for the six months ended 30 June 2021, mainly due to the decrease in revenue and the increase of the share of losses of an associate, partly offset by the decrease in administrative expenses and impairment losses on receivables.

LIQUIDITY AND FINANCIAL RESOURCES

The Group regularly reviews the liquidity status and actively manages liquidity and financial resources in light of changes in the economic environment and business development needs. As at 30 June 2022, the cash and cash equivalents of the Group was approximately RMB6.7 million (31 December 2021: RMB26.8 million).

GEARING RATIO

The gearing ratio of the Group as at 30 June 2022 was nil (31 December 2021: Nil) as the Group had no outstanding loans, borrowings or bank overdrafts as at 30 June 2022.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position during the Reporting Period. The Group always strives to minimise exposure to credit risk by strictly controlling outstanding receivables and setting up a credit control team. To manage liquidity risk, the board (the “**Board**”) of directors (the “**Directors**”) of the Company 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.

Management Discussion and Analysis

PLEDGE OF ASSETS

As at 30 June 2022, the Group did not have any pledge on its assets.

FOREIGN EXCHANGE RISK

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

CAPITAL STRUCTURE

There has been no change in the capital structure of the Company since its listing on 13 November 2018.

COMMITMENTS

The Group did not have any significant commitments as at 30 June 2022 (31 December 2021: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

CAPITAL EXPENDITURES

As at 30 June 2022, the Group did not have any significant capital expenditures.

CONTINGENT LIABILITIES

As at 30 June 2022, the Group did not have any contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2022, the Group employed a total of 98 employees (31 December 2021: 105 employees). The Group has formulated 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.

Management Discussion and Analysis

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2022, IAFV of the Group was approximately RMB239.3 million, representing an increase of approximately RMB0.2 million as compared to 31 December 2021. Details are as follows:

Name of fund	Type of investment project	Cost of investment (RMB'000)	Percentage of fund equity	Dividends received for the Reporting Period (RMB'000)	Fair value as at 30 June 2022 (RMB'000)	Percentage of the Group as at 30 June 2022	Unrealised gains/(losses) of the total asset value related to changes in fair value during the Reporting Period (RMB'000)	Fair value as at 31 December 2021 (RMB'000)	Source of funds	
1	FOF IV ^(Note 1)	Distressed assets projects	96,432	50.0%	-	84,638	22.9%	(11,794)	86,148	Internal resources
2	Hangzhou Fuyang Huiyun Investment Management Partnership (Limited Partnership)* (杭州富陽匯真投資管理合夥企業(有限合夥))	Commercial real estate projects	60,000	19.9%	-	69,840	18.9%	9,840	69,864	Internal resources
3	FOF IX ^(Note 2)	Commercial real estate projects	48,000	78.7%	-	40,138	10.9%	(7,862)	40,641	Proceeds from the Share Offer ^(Note 3)
4	FOF III ^(Note 3)	Commercial real estate projects, urbanisation and redevelopment projects and distressed assets projects	30,000	10.0%	-	23,082	6.3%	(6,918)	21,191	Internal resources
5	FOF VIII ^(Note 4)	Urbanisation and redevelopment projects and commercial real estate projects	20,000	12.2%	-	21,648	5.9%	1,648	21,315	Proceeds from the Share Offer ^(Note 3)
			254,432		-	239,346		(15,086)	239,159	

Management Discussion and Analysis

Notes:

1. FOF IV refers to Shanghai Weiyi Investment Limited Partnership* (上海威弋投資合夥企業(有限合夥)), a FOF established and jointly managed by the Group in the form of limited partnership in September 2016.
2. FOF IX refers to Hangzhou Fuyang Huirong Investment Management Partnership (Limited Partnership)* (杭州富陽匯嶸投資管理合夥企業(有限合夥)), a FOF established and jointly managed by the Group in the form of limited partnership in January 2019.
3. FOF III refers to Realway Development No. 3 Unit Trust Fund* (瑞威發展三號契約型私募基金), a FOF established by the Group in the form of trust fund in August 2016.
4. FOF VIII refers to Realway Development No. 5 Unit Trust Fund* (瑞威發展五號契約型私募基金), a FOF established by the Group in the form of trust fund in December 2017.
5. Share Offer refers to the share offer conducted by the Company in connection with its listing on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in 2018.

The Group will continue to operate a diversified investment portfolio and closely monitor the investment performance and market trends to adjust our investment strategy in FOFs and Project Funds.

Management Discussion and Analysis

ARBITRATION RELATING TO OUR SIGNIFICANT INVESTMENTS HELD

On 10 February 2020, Hangzhou Fuyang Huiguan Investment Management Partnership (Limited Partnership)* (杭州富陽匯冠投資管理合夥企業(有限合夥)) (“**Fuyang Huiguan Fund**”), for which Shanghai Ruixiang Investment Management Co., Ltd* (上海瑞襄投資管理有限公司) (“**Shanghai Ruixiang**”), a wholly-owned subsidiary of the Company, acts as a fund manager, filed an application to Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center) (“**SIETAC**”) for arbitration against Shenzhen City Hai Shi Urban Renew Co. Ltd* (深圳市海石城市更新有限公司) (“**Hai Shi Urban Renew**”) in respect of its default in payment of consideration for the transfer of equity interests in the Shenzhen Xinqiaowei Project* (深圳新喬圍項目), demanding Hai Shi Urban Renew pay to Fuyang Huiguan Fund the outstanding third installment of the equity transfer consideration, late payment penalty and related legal costs. The total amount sought in this arbitration tentatively amounts to approximately RMB38,063,000. On 17 March 2020 and 22 May 2020, Shenzhen Xinqiaowei Project* (深圳新喬圍項目) received were RMB5,000,000 and RMB2,000,000 respectively, in settlement of the third installment of the equity transfer consideration from Hai Shi Urban Renew. On 12 January 2021, the case was heard in SIETAC. The Fuyang Huiguan Fund submitted an amended application for arbitration to the SIETAC according to the arbitration hearing on the same day, requesting Hai Shi Urban Renew to pay the outstanding third and fourth installments of the equity transfer consideration, liquidated damages for overdue payments, legal fees and other fees payable to the Fuyang Huiguan Fund, and the total amount related to the arbitration claim is temporarily approximately RMB82,644,514.

Management Discussion and Analysis

On 2 April 2021, SIETAC made a final arbitral award on this case, that Hai Shi Urban Renew should pay the outstanding third and fourth installments of the equity transfer consideration, damages for overdue payments, legal fees and other fees payable to the Fuyang Huiguan Fund, and the total amount is temporarily approximately RMB69,722,494 (of which the liquidated damages for overdue payments shall be accrued up to the actual payment date). Subsequently, Hai Shi Urban Renew has not complied with the final arbitral award and the fund manager, Shanghai Ruixiang continued to negotiate with Hai Shi Urban Renew. On 22 December 2021, Fuyang Huiguan Fund and Hai Shi Urban Renew entered into a settlement execution agreement (the **“Settlement Execution Agreement”**) and agreed that (i) Hai Shi Urban Renew shall pay RMB20,000,000 to Fuyang Huiguan Fund for the partial settlement of the third installment of the equity transfer consideration by 31 March 2022; (ii) Hai Shi Urban Renew shall pay RMB43,000,000 to Fuyang Huiguan Fund for the settlement of the remaining third and fourth installment of the equity transfer consideration by 30 May 2022 and RMB25,000,000 as the liquidated damages and other expenses as set out in the arbitral award; and (iii) Hai Shi Urban Renew shall pay compensation in an amount of RMB8,875,000 to Fuyang Huiguan Fund by 30 May 2022.

As of the date of the interim results announcement for the six months ended 30 June 2022, Fuyang Huiguan Fund has not received the amount involved in the Settlement Execution Agreement from Hai Shi Urban Renew. Shanghai Ruixiang, the fund manager, has frozen the bank account and part of the property of Hai Shi Urban Renew through judicial preservation procedures, and will continue to negotiate and communicate with Hai Shi Urban Renew and urge it to settle the overdue payments as soon as possible. At the same time, Shanghai Ruixiang will actively assist Hai Shi Urban Renew in fulfilling its payment obligations by sourcing and referring investors to jointly acquire the equity interests in Shenzhen Xinqiaowei Project* (深圳新喬園項目).

The investment size of FOF VIII, for which Shanghai Ruixiang, a wholly-owned subsidiary of the Company, acted as a fund manager in Fuyang Huiguan Fund as at 30 June 2022 was approximately RMB40.5 million.

Currently the businesses of the Company are in normal operation, and the Company will take all appropriate steps to safeguard its rights and interests. Further announcement will be made in due course.

Corporate Governance and Other Information

INTERIM DIVIDEND

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 2022 (for the six months ended 30 June 2021: Nil).

CORPORATE GOVERNANCE PRACTICES

It is always one of the Company's top priorities to adhere to and comply with the generally accepted standards laid down by the principles and practices of corporate governance. The Board believes that good corporate governance is one of the factors leading to the Company's success and balancing the interests among our Shareholders, clients and employees and is committed to its ongoing efforts to enhance the efficiency and effectiveness of such principles and practices. During the Reporting Period, the Company had adopted and complied with the code provisions (the "**Code Provision(s)**") set out in part 2 of Appendix 14 ("**CG Code**") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong ("**Listing Rules**"), save and except for the deviation from Code Provision C.2.1 of the CG Code.

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the Reporting Period, the roles of chairman (the "**Chairman**") and chief executive officer (the "**Chief Executive Officer**") of the Company were performed by Mr. Zhu Ping.

As Mr. Zhu Ping now serves as both the Chairman and the Chief Executive Officer, such practice deviates from Code Provision C.2.1 of the CG Code. The Board is of the view that it is appropriate and in the best interests of the Company for Mr. Zhu Ping to hold both positions as it would contribute to the continuity of the policies and the stability of the operations of the Group having taken into account Mr. Zhu Ping's familiarity with every aspect of the Group's operations owing to his capacity as the Group's principal founder and heavy involvement in the day-to-day operations of the Group. The Board therefore considers that the deviation from the Code Provision C.2.1 of the CG Code is appropriate in such circumstance and is of the view that this management structure is effective for the Group's operations. Having taken into account the Group's established risk management and internal control measures as more particularly set out in the prospectus of the Company dated 31 October 2018, the Directors believe that the Board is appropriately structured with balance of power to provide sufficient check and balance for the protection of the interests of the Group and its Shareholders.

Corporate Governance and Other Information

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

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

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

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

Corporate Governance and Other Information

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 2022, the interests or short positions of the Directors, Supervisors and the chief executive in the shares (the "**Shares**") of the Company, 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 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 (the " Domestic Shares ")	Interest in a controlled corporation	115,000,000 (L)	100.0	75.0

Notes:

- (L) denotes a long position.
- The calculation is based on the percentage of shareholdings in the Domestic Shares.
- The calculation is based on the total number of 153,340,000 Shares in issue as at 30 June 2022.

Corporate Governance and Other Information

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

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

As at 30 June 2022, so far as the Directors, Supervisors and the chief executive of the Company are aware of, as indicated on the register of interests and/or short positions required to be maintained pursuant to Section 336 of the SFO, the substantial Shareholders and other persons (other than Directors, Supervisors and the chief executive of the Company) had the following interests and/or short positions in the Shares or underlying Shares of the Company:

Name of Shareholder	Class of Shares held	Nature of interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholdings in the relevant class of Shares ⁽²⁾	Approximate percentage of shareholdings in the total share capital of the Company ⁽³⁾
Shanghai Shengxuan Investments Advisory Company Limited* (上海盛軒投資諮詢有限公司)	Domestic Shares	Interest in a controlled corporation	115,000,000 (L)	100.0	75.0
Shanghai Weimian Investments Partnership (Limited Partnership)* (上海威冕投資合夥企業(有限合夥))	Domestic Shares	Beneficial owner	79,012,675 (L)	68.7	51.5
Shanghai Weiye Investments Partnership (Limited Partnership)* (上海威燁投資合夥企業(有限合夥))	Domestic Shares	Beneficial owner	15,000,000 (L)	13.0	9.8

Corporate Governance and Other Information

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)* (上海威匯投資合夥企業(有限合夥))	Domestic Shares	Beneficial owner	13,875,000 (L)	12.1	9.0
Shanghai Zunwei Industrial Development Co. Limited* (上海尊威實業發展有限公司)	Domestic Shares	Beneficial owner	7,112,325 (L)	6.2	4.6
Sun Jinyong	H Shares	Beneficial owner	4,132,000 (L)	10.8	2.7
Gao Yue	H Shares	Beneficial owner	3,985,600 (L)	10.4	2.6
Wang Youlin	H Shares	Beneficial owner	3,375,200 (L)	8.8	2.2
Great Rainbow Investment Fund Series SPC (acting for and on behalf of Great Rainbow Series 1 SP)	H Shares	Beneficial owner	3,280,000 (L)	8.6	2.1
Wu Jie ⁽⁴⁾	H Shares	Interest in a controlled corporation	3,280,000 (L)	8.6	2.1
Yao Peifang ⁽⁵⁾	H Shares	Interest in a controlled corporation	3,280,000 (L)	8.6	2.1
Wang Qiong	H Shares	Beneficial owner	2,392,800 (L)	6.2	1.6
Dai Yanmin	H Shares	Beneficial owner	2,258,800 (L)	5.9	1.5
Yin Bo	H Shares	Beneficial owner	2,010,000 (L)	5.2	1.3
Everbright Focused Value Fund	H Shares	Beneficial owner	2,000,000 (L)	5.2	1.3
China Everbright Fund Management Limited ⁽⁶⁾	H Shares	Interest in a controlled corporation	2,000,000 (L)	5.2	1.3
China Everbright Assets Management Holdings Limited ⁽⁷⁾	H Shares	Interest in a controlled corporation	2,000,000 (L)	5.2	1.3
China Everbright Limited ⁽⁸⁾	H Shares	Interest in a controlled corporation	2,000,000 (L)	5.2	1.3
Honorich Holdings Limited ⁽⁹⁾	H Shares	Interest in a controlled corporation	2,000,000 (L)	5.2	1.3
Datten Investments Limited ⁽¹⁰⁾	H Shares	Interest in a controlled corporation	2,000,000 (L)	5.2	1.3

Corporate Governance and Other Information

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 Holdings Company Limited ⁽¹¹⁾	H Shares	Interest in a controlled corporation	2,000,000 (L)	5.2	1.3
China Everbright Group Ltd. ⁽¹²⁾	H Shares	Interest in a controlled corporation	2,000,000 (L)	5.2	1.3
Central Huijin Investment Ltd. ⁽¹³⁾	H Shares	Interest in a controlled corporation	2,000,000 (L)	5.2	1.3
Everbright Absolute Return Investment Holdings Limited ⁽¹⁴⁾	H Shares	Interest in a controlled corporation	2,000,000 (L)	5.2	1.3

Notes:

- (L) denotes a long position.
- The calculation is based on the percentage of shareholdings in the relevant class of Shares.
- The calculation is based on the total number of 153,340,000 Shares in issue as at 30 June 2022.
- Wu Jie is the management share shareholder and director of Great Rainbow Investment Fund Series SPC and the investment manager of Great Rainbow Series 1 SP. By virtue of the SFO, Wu Jie is deemed to be interested in all the H Shares which Great Rainbow Investment Fund Series SPC (acting for and on behalf of Great Rainbow Series 1 SP) is interested in.
- Yao Peifang is the management share shareholder and director of Great Rainbow Investment Fund Series SPC. By virtue of the SFO, Yao Peifang is deemed to be interested in all the H Shares which Great Rainbow Investment Fund Series SPC (acting for and on behalf of Great Rainbow Series 1 SP) is interested in.
- China Everbright Fund Management Limited is the investment manager and holds all the management shares of Everbright Focused Value Fund. By virtue of the SFO, China Everbright Fund Management Limited is deemed to be interested in all the H Shares which Everbright Focused Value Fund is interested in.

Corporate Governance and Other Information

7. 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.
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. Everbright Focused Value Fund is under the control of Everbright Absolute Return Investment Holdings Limited. By virtue of the SFO, Everbright Absolute Return Investment Holdings Limited is deemed to be interested in all the H Shares which Everbright Focused Value Fund is interested in.

Corporate Governance and Other Information

SHARE OPTION SCHEME

As at 30 June 2022, the Company has no share option scheme in place.

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.

EVENTS AFTER REPORTING PERIOD

Change in independent non-executive Director, chairman of the Remuneration Committee, member of the Audit Committee and member of the Nomination Committee

Mr. Liu Yunsheng has resigned as an independent non-executive Director, the chairman of the remuneration committee ("**Remuneration Committee**"), a member of the audit committee ("**Audit Committee**") and a member of the nomination committee ("**Nomination Committee**") of the Company due to other business commitment, with effect from 1 July 2022.

Mr. Zhu Hongchao has been appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee; and Ms. Yang Huifang has been appointed as a member of the Nomination Committee of the Company, with effect from 1 July 2022. For further details, please refer to the announcement made by the Company on 30 June 2022.

Save as disclosed herein, the Group does not have any important events after the Reporting Period and up to the date of the interim results announcement for the six months ended 30 June 2022.

COMPETING INTERESTS

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

Corporate Governance and Other Information

AUDIT COMMITTEE

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

AUDIT OR REVIEW OF THE FINANCIAL RESULTS

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

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.realwaycapital.com). The interim report will be dispatched to the Shareholders and posted on the websites of the Stock Exchange and the Company on or around 16 September 2022.

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

For the six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
REVENUE	5	16,123	28,815
Other income and gains	5	606	3,384
Administrative expenses		(21,059)	(24,816)
Impairment losses on trade receivables	9	(185)	(1,578)
Increase/(decrease) in fair value of investments in associates or joint ventures at fair value through profit or loss	10	187	(1,915)
Other expenses		(10)	(58)
Finance costs		(109)	(137)
Share of losses of:			
Joint ventures		(1,194)	(1,402)
An associate		(5,249)	(764)
(LOSS)/PROFIT BEFORE TAX		(10,890)	1,529
Income tax credit/(expense)	6	237	(736)
(LOSS)/PROFIT FOR THE PERIOD		(10,653)	793
Attributable to:			
Owners of the parent		(10,370)	94
Non-controlling interests		(283)	699
		(10,653)	793

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

For the six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
LOSS/EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY			
EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
— For (loss)/profit for the period (RMB cents)	7	(6.76)	0.06
(LOSS)/PROFIT FOR THE PERIOD		(10,653)	793
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		75	17
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		75	17
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD		(10,578)	810
Attributable to:			
Owners of the parent		(10,295)	111
Non-controlling interests		(283)	699
		(10,578)	810

Unaudited Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		738	823
Right-of-use assets		3,290	4,471
Other intangible assets		595	643
Investments in joint ventures		1,620	2,814
Investments in an associate		–	5,249
Investments in associates or joint ventures at fair value through profit or loss ("IAFV")	10	124,775	126,789
Deferred tax assets		14,065	13,828
Total non-current assets		145,083	154,617
CURRENT ASSETS			
Trade receivables	9	91,507	87,452
Prepayments, deposits and other receivables		11,124	7,340
Investments in associates or joint ventures at fair value through profit or loss ("IAFV")	10	114,571	112,370
Dividend receivable		101	2,931
Cash and cash equivalents	11	6,726	26,846
Total current assets		224,029	236,939

Unaudited Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
CURRENT LIABILITIES			
Other payables and accruals	12	9,772	15,858
Lease liabilities		2,159	2,303
Tax payable		–	4,504
Total current liabilities		11,931	22,665
NET CURRENT ASSETS		212,098	214,274
TOTAL ASSETS LESS CURRENT LIABILITIES		357,181	368,891
NON-CURRENT LIABILITIES			
Lease liabilities		1,395	2,527
Total non-current liabilities		1,395	2,527
NET ASSETS		355,786	366,364
EQUITY			
Equity attributable to owners of the parent			
Share capital		153,340	153,340
Reserves		200,405	210,700
		353,745	364,040
Non-controlling interests		2,041	2,324
TOTAL EQUITY		355,786	366,364

Unaudited Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Attributable to owners of the parent									
	Share capital (Unaudited) RMB'000	Share premium* (Unaudited) RMB'000	Share-based		Statutory	Exchange	Retained profits* (Unaudited) RMB'000	Total (Unaudited) RMB'000	Non-controlling interests (Unaudited) RMB'000	Total equity (Unaudited) RMB'000
			Capital reserve* (Unaudited) RMB'000	payment reserve* (Unaudited) RMB'000	surplus reserves* (Unaudited) RMB'000	fluctuation reserve* (Unaudited) RMB'000				
As at 31 December 2020 and 1 January 2021	153,340	158,200	-	4,800	21,096	40	65,547	403,023	2,779	405,802
Profit for the period	-	-	-	-	-	-	94	94	699	793
Other comprehensive loss for the period:										
Exchange differences on translation of foreign operations	-	-	-	-	-	(23)	-	(23)	-	(23)
Total comprehensive income for the period	-	-	-	-	-	(23)	94	71	699	770
As at 30 June 2021	153,340	158,200	-	4,800	21,096	17	65,641	403,094	3,478	406,572
As at 31 December 2021 and 1 January 2022	153,340	158,200	300	4,800	21,226	(16)	26,190	364,040	2,324	366,364
Loss for the period	-	-	-	-	-	-	(10,370)	(10,370)	(283)	(10,653)
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	-	-	-	-	-	75	-	75	-	75
Total comprehensive loss for the period	-	-	-	-	-	75	(10,370)	(10,295)	(283)	(10,578)
As at 30 June 2022	153,340	158,200	300	4,800	21,226	59	15,820	353,745	2,041	355,786

* As at 30 June 2022, these reserve accounts comprised the total consolidated reserves of RMB200,405,000 (31 December 2021: RMB210,700,000) in the interim condensed consolidated statement of financial position.

Unaudited Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Notes	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
CASH FLOWS (USED IN)/FROM			
OPERATING ACTIVITIES			
(Loss)/profit before tax:		(10,890)	1,529
Adjustments for:			
Finance costs		109	137
Interest income	5	(15)	(55)
Provision for bad debts	9	185	1,578
Depreciation of property, plant and equipment and right-of-use assets		1,243	1,213
Amortisation of other intangible assets		48	48
Loss on disposal of property, plant and equipment		6	47
Share of losses of joint ventures and an associate		6,443	2,166
Dividend income from IAFV	5	-	(1,876)
(Increase)/decrease in fair value of IAFV	10	(187)	1,915
Increase in trade receivables		(4,240)	(11,926)
(Increase)/decrease in prepayments, deposits and other receivables		(3,784)	14,888
Decrease in advances from funds managed		-	(219)
Decrease in trade payables		-	(300)
Decrease in other payables and accruals		(3,538)	(5,711)
Decrease in due to related parties		(3,513)	(8,982)
Cash used in operations		(18,133)	(5,548)
Interest received		15	55
Taxes paid		(3,542)	(4,463)
Net cash flows used in operating activities		(21,660)	(9,956)

Unaudited Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Notes	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES			
Increase in investments in IAFV	10	–	(32,000)
Dividend income from IAFV		2,830	1,876
Purchases of items of property, plant and equipment		(55)	(410)
Repayment of advances to a third party		–	100
Net cash flows (used in)/from investing activities		2,775	(30,434)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Payment of lease liabilities		(1,310)	(728)
Net cash flows used in financing activities		(1,310)	(728)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(20,195)	(41,118)
Cash and cash equivalents at beginning of period		26,846	55,162
Effect of foreign exchange rate changes, net		75	(23)
CASH AND CASH EQUIVALENTS AT END OF PERIOD			
		6,726	14,021
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		6,726	14,021

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2022

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 2022 were authorised for issue in accordance with a resolution of the directors on 19 August 2022.

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

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

- funds management
- investment management in relation to the establishment and structuring of the relevant funds and the sourcing of investors (“**investment management**”)
- financial consulting services to the fund demanding parties

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 2022 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 2021.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2022

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Annual Improvements to IFRS Standards 2018–2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

The nature and impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2022

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(Continued)

The nature and impact of the revised IFRSs are described below: *(continued)*

- (b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2022. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2022, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

Notes to the Interim Condensed Consolidated Financial Statements

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3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(Continued)

The nature and impact of the revised IFRSs are described below: *(continued)*

- (d) Annual Improvements to IFRS Standards 2018–2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:
- IFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.
 - IFRS 16 Leases: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

Notes to the Interim Condensed Consolidated Financial Statements

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4. OPERATING SEGMENT INFORMATION

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

Revenue from major customers contributing to 10% or more of the Group's revenue for the six months ended 30 June 2022 is set out below:

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Customer	1,615	N/A

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2022

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<i>Revenue from contracts with customers</i>		
Rendering of services	16,123	28,815

Revenue from contracts with customers

Disaggregated revenue information

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Type of services		
Rendering of funds management services	12,974	25,037
Rendering of fund establishment services	–	2,418
Rendering of consulting services	3,149	1,360
	16,123	28,815
Timing of revenue recognition		
Services transferred over time	16,123	28,815

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5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

Disaggregated revenue information (Continued)

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Other income		
Dividend income from IAFV	–	1,876
Interest income	15	55
	15	1,931
Gains		
Government grants	591	1,453
	591	1,453
	606	3,384

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2022

6. INCOME TAX

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

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Current — Mainland China charge for the period	–	2,253
Deferred tax	(237)	(1,517)
Total tax (credit)/charge for the period	(237)	736

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

The calculation of the basic loss (30 June 2021: earnings) per share amounts is based on the loss (30 June 2021: 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 2021 and 30 June 2022.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2022

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

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

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Loss/earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic loss/earnings per share calculation	(10,370)	94
	Number of shares	
Shares		
Weighted average number of ordinary shares in issue during the interim year used in the basic loss/earnings per share calculation	153,340,000	153,340,000

8. DIVIDENDS

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

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2022

9. TRADE RECEIVABLES

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Trade receivables	132,416	128,176
Impairment	(40,909)	(40,724)
	91,507	87,452

The Group's contractual terms with its funds are mainly on credit. Trade receivables are settled based on the progress payment schedule stipulated in the contracts. The Group seeks to maintain strict control over its outstanding receivables and has a credit control team to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned, except for the individual provision made during the Reporting Period, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 30 June 2022, included in the Group's trade receivables are amounts due from a joint venture and associates of RMB1,674,000 (2021: RMB716,000) and RMB21,801,000 (2021: RMB21,007,000), respectively, which are repayable on credit terms similar to those offered to the major customers of the Group.

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

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Within 1 year	20,932	34,552
1 to 2 years	26,300	23,128
Over 2 years	44,275	29,772
Total	91,507	87,452

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9. TRADE RECEIVABLES (Continued)

The movements in the loss allowance for impairment of trade receivables for the six months ended 30 June 2022 are as follows:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
At beginning of the year	40,724	10,662
Impairment losses	480	30,062
Amount transferred by settlement of certain trade receivables	(295)	–
At end of the Reporting Period	40,909	40,724

10. INVESTMENTS IN ASSOCIATES OR JOINT VENTURES AT FAIR VALUE THROUGH PROFIT OR LOSS (“IAFV”)

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Unlisted investments in associates or joint ventures, at fair value	239,346	239,159

The Group, as investment fund manager, measured the above investments in associates or joint ventures at fair value through profit or loss in accordance with IFRS 9 at 30 June 2022.

Notes to the Interim Condensed Consolidated Financial Statements

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10. INVESTMENTS IN ASSOCIATES OR JOINT VENTURES AT FAIR VALUE THROUGH PROFIT OR LOSS (“IAFV”) (Continued)

The movements in investments in associates or joint ventures at fair value through profit or loss for the six months ended 30 June 2022 are as follows:

	Cost RMB'000	Increase/ (decrease) in fair value of IAFV RMB'000	Total RMB'000
At 1 January 2021	226,000	(7,180)	218,820
Movements	–	(8,093)	(8,093)
Addition	60,000	–	60,000
Derecognition and/or realisation	(31,568)	–	(31,568)
At 31 December 2021	254,432	(15,273)	239,159
Comprising:			
Current portion	110,000	2,370	112,370
Non-current portion	144,432	(17,643)	126,789
At 1 January 2022	254,432	(15,273)	239,159
Movements	–	187	187
At 30 June 2022	254,432	(15,086)	239,346
Comprising:			
Current portion	110,000	4,571	114,571
Non-current portion	144,432	(19,657)	124,775

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11. CASH AND CASH EQUIVALENTS

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Cash and bank balances	6,726	26,846

As at 30 June 2022, the cash and bank balances of the Group denominated in Hong Kong Dollar (“HKD”) amounted to RMB1,629,000 (31 December 2021: RMB1,695,000). 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.

12. OTHER PAYABLES AND ACCRUALS

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Payroll and welfare payable	2,238	4,800
Taxes and surcharges	2,047	1,436
Accruals	589	1,280
Due to related parties (note 13)	4,546	8,059
Others	352	283
	9,772	15,858

Other payables are unsecured, non-interest-bearing and repayable on demand. The fair values of other payables at 30 June 2022 approximated to their corresponding carrying amounts.

Notes to the Interim Condensed Consolidated Financial Statements

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13. RELATED PARTY TRANSACTIONS

(a) Significant related party transactions

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Services provided by a joint venture	677	–
Services provided by a company controlled by the ultimate controlling shareholder	–	125
Fund management services rendered to joint ventures and associates	2,221	5,165
Establishment services rendered to a joint venture	–	688

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

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13. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Due from related companies:		
Trade-related*:		
Associates	21,801	21,007
A joint venture	1,674	716
Due from related companies:		
Non trade-related:		
Joint ventures	1,349	131
Due to related companies:		
Trade-related:		
Joint ventures	–	1,257
An associate	4,479	6,723
Due to related companies:		
Non trade-related:		
Joint ventures	59	59
Companies owned by a family member of the Controlling Shareholder	8	20

* These amounts are included in trade receivables, refer to note 9.

Notes to the Interim Condensed Consolidated Financial Statements

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14. 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 joint ventures at fair value through profit or loss. As at 30 June 2022 and 31 December 2021, the carrying amounts of the Group's investments in unconsolidated structured entities were RMB239.3 million and RMB239.2 million, respectively. The management fee arising from these unconsolidated structured entities amounted to RMB2.2 million and RMB8.2 million for the period ended 30 June 2022 and the year ended 31 December 2021, 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 RMB10.8 million and RMB36.2 million for the period ended 30 June 2022 and the year ended 31 December 2021, respectively.

Notes to the Interim Condensed Consolidated Financial Statements

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14. INTERESTS IN STRUCTURED ENTITIES *(Continued)*

b. Interests in unconsolidated structured entities *(Continued)*

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 2022, the Group managed funds with a total AUM of approximately RMB3,935.9 million (31 December 2021: RMB4,297.3 million).

15. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the Reporting Period are as follows:

Financial assets

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Measured at amortised cost:		
Trade receivables (note 9)	91,507	87,452
Financial assets included in prepayments, deposits and other receivables	9,463	6,044
Dividend receivable	101	2,931
Cash and cash equivalents (note 11)	6,726	26,846
	107,797	123,273

Notes to the Interim Condensed Consolidated Financial Statements

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15. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Financial liabilities

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Other financial liabilities:		
Financial liabilities included in other payables and accruals (note 12)	4,899	8,342

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.

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.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2022

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Below is a summary of significant unobservable inputs to the valuation of IAFV together with a quantitative sensitivity analysis as at 30 June 2022:

Financial assets	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) and fair value
Investments in associates or joint ventures at fair value through profit or loss:	Level 3	Calculated based on the net asset value of underlying investments	Net asset value of underlying investments	The higher the net asset value of underlying investments, the higher the fair value
— Other real estate projects*	Level 3	Discounted cash flow model	Risk-adjusted discount rates	The lower the risk-adjusted discount rates, the higher the fair value
— Distressed debt assets recoverable*	Level 3	Discounted cash flow with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level	Expected recoverable amounts Expected recovery date Discount rates that correspond to the expected risk level	The higher the expected recoverable amounts, the higher the fair value The earlier the expected recovery date, the higher the fair value The lower the discount rates, the higher the fair value

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

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2022

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

The Group's investments in associates or joint ventures at fair value through profit or loss which were classified as financial assets at FVTPL under level 3 hierarchy amounted to RMB239,346,000 as at 30 June 2022 (31 December 2021: RMB239,159,000). 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 RMB11,967,000 as at 30 June 2022 (31 December 2021: RMB11,958,000).

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 2022

	Fair value measurement using			Total RMB'000		
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000			
	Investments in associates or joint ventures at fair value through profit or loss	-	-		239,346	239,346

Notes to the Interim Condensed Consolidated Financial Statements

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16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

As at 31 December 2021

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Investments in associates or joint ventures at fair value through profit or loss	–	–	239,159	239,159

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 10 for the movements in fair value measurements within Level 3 during the six months ended 30 June 2022 and year ended 31 December 2021.