瑞威资管
REALWAY CAPITAL

上海瑞威資產管理股份有限公司
Shanghai Realway Capital Assets Management Co., Ltd.

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

(Stock Code: 1835)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the "**Board**") of directors (the "**Directors**") of Shanghai Realway Capital Assets Management Co., Ltd. (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**", "**we**" or "**our**") for the year ended 31 December 2023 (the "**Year**", the "**Reporting Period**"), together with comparative figures for the year ended 31 December 2022.

HIGHLIGHTS

— The Group recognised revenue of approximately RMB17.9 million for the Year, representing a year-on-year decrease of approximately 51.4% as compared to the revenue of approximately RMB36.8 million recognised in the previous year.

— The Group recognised a loss of approximately RMB57.9 million for the Year, representing a year-on-year increase of approximately 67.4% as compared to the loss of approximately RMB34.6 million recognised in the previous year.

— The Group's loss per Share for the Year was approximately RMB37.00 cents.

— The Board does not recommend the distribution of final dividend for the Year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
REVENUE	5	**17,872**	36,753
Other income and gains	5	**5,756**	640
Administrative expenses		**(38,229)**	(44,751)
Impairment losses reversed on trade receivables	10	**6,706**	7,418
Impairment losses recognised on other receivables		**(1,199)**	–
Increase/(decrease) in fair value of investments in associates or joint ventures at fair value through profit or loss		**1,771**	(28,000)
(Decrease)/increase in fair value of financial assets at fair value through profit or loss		**(5,975)**	153
Decrease in fair value of investment properties		**(322)**	–
Other expenses	6	**(34,692)**	(651)
Finance costs		**(1,521)**	(506)
Share of profits and losses of:			
Joint ventures		**(254)**	(2,760)
An associate		**205**	184
LOSS BEFORE TAX		**(49,882)**	(31,520)
Income tax expense	7	**(8,043)**	(3,093)
LOSS FOR THE YEAR		**(57,925)**	(34,613)
Attributable to:			
Owners of the parent	9	**(56,733)**	(34,493)
Non-controlling interests		**(1,192)**	(120)
		(57,925)	(34,613)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
— For loss for the year (RMB cents)	9	**(37.00)**	(22.49)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

	2023	2022
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	**(57,925)**	(34,613)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**20**	143
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**20**	143
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**20**	143
TOTAL COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(57,905)**	(34,470)
Attributable to:		
Owners of the parent	**(56,713)**	(34,350)
Non-controlling interests	**(1,192)**	(120)
	(57,905)	(34,470)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**856**	564
Investment properties		**42,200**	–
Right-of-use assets		**6,294**	2,255
Other intangible assets		**308**	373
Investments in joint ventures		**–**	254
Investment in an associate		**5,638**	5,433
Investments in associates or joint ventures at fair value through profit or loss ("**IAFV**")	*12*	**36,199**	43,742
Deferred tax assets		**2,900**	11,626
Total non-current assets		**94,395**	64,247
CURRENT ASSETS			
Trade receivables	*10*	**64,937**	89,618
Prepayments, other receivables and other assets	*11*	**25,365**	6,676
Investments in associates or joint ventures at fair value through profit or loss	*12*	**99,795**	168,417
Financial assets at fair value through profit or loss		**37,048**	20,153
Dividend receivables		**–**	101
Cash and cash equivalents		**12,610**	13,173
Total current assets		**239,755**	298,138
CURRENT LIABILITIES			
Other payables and accruals	*13*	**54,472**	27,231
Advances from funds managed		**–**	300
Lease liabilities		**2,175**	2,053
Tax payable		**–**	1,852
Total current liabilities		**56,647**	31,436
NET CURRENT ASSETS		**183,108**	266,702
TOTAL ASSETS LESS CURRENT LIABILITIES		**277,503**	330,949

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

31 December 2023

	2023	2022
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**275**	–
Lease liabilities	**4,193**	474
Total non-current liabilities	**4,468**	474
Net assets	**273,035**	330,475
EQUITY		
Equity attributable to owners of the parent		
Share capital	**153,340**	153,340
Reserve	**119,587**	176,350
	272,927	329,690
Non-controlling interests	**108**	785
TOTAL EQUITY	**273,035**	330,475

NOTES TO FINANCIAL STATEMENTS

31 December 2023

1. CORPORATE AND GROUP INFORMATION

Shanghai Realway Capital Assets Management Co., Ltd. is a limited liability company established in the People's Republic of China (the "**PRC**"). The registered office of the Company is located at Room 26 G-3, 828-838 Zhang Yang Road, Pilot Free Trade Zone, Shanghai, China.

During the year, the Group was involved in the following principal activities:

- fund management
- financial consulting services to the fund demanding parties
- property lease

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

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**"), (which include all standards and interpretations, International Accounting Standards ("**IASs**") and Standing Interpretations Committee interpretations) issued by the International Accounting Standards Board (the "**IASB**"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investments in associates or joint ventures at fair value through profit or loss ("**IAFV**"), financial assets at fair value through profit or loss and investment properties which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

IFRS 17	*Insurance Contracts*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform — Pillar Two Model Rules*

The nature and the impact of the new and revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 Making Materiality Judgements provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

(c) Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

    Upon the application of the amendments, the Group has determined the temporary differences arising from right-of-use assets and lease liabilities separately. However, they did not have any material impact on the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualified for offsetting under IAS 12.

(d) Amendments to IAS 12 International Tax Reform — Pillar Two Model Rules introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

4. OPERATING SEGMENT INFORMATION

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

Geographical information

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

Information about a major customer

Customers are the investors who invest in the funds managed by the Group.

Revenue from Customer A of approximately RMB4,610,000 accounted for 10% or more of the Group's revenue for the year ended 31 December 2023 (2022: Revenue from Customer B of approximately RMB6,219,000 accounted for 10% or more of the Group's revenue).

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers	**16,517**	36,753
Revenue from other sources		
Property lease income	**1,355**	–
Total	**17,872**	36,753

Revenue from contracts with customers

(i) Disaggregated revenue information

	2023	2022
	RMB'000	*RMB'000*
Types of goods or services		
Rendering of fund management services	**9,792**	23,688
Rendering of consulting services	**6,725**	13,065
Total	**16,517**	36,753
Timing of revenue recognition		
Services transferred over time	**16,517**	36,753

(ii) Performance obligations

For fund management service, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date. The Group has elected the practical expedient not to disclose the remaining performance obligations for these contracts. The majority of the fund management service contracts are for periods of 2 years to 6 years which are the terms of the funds.

For one-off consulting services rendered in a short period of time, there is no unsatisfied performance obligation at the end of the respective periods.

An analysis of other income and gains is as follows:

	2023	2022
	RMB'000	*RMB'000*
Other income		
Interest income	**47**	24
Gains		
Government grants	**767**	616
Investment income	**2,774**	–
Gain on debt waiver*	**2,168**	–
Total gains	**5,709**	616
Total other income and gains	**5,756**	640

* According to the agency service agreement, the Group is subject to the payment obligation to the upstream supplier only if the Group can receive relevant settlement payments from the downstream customer. In this year, the Group assessed that they could not receive any payment from the downstream customer due to its credit risk and fully impaired these receivables, accordingly, the payment obligation no longer exists.

6. OTHER EXPENSES

	2023	2022
	RMB'000	*RMB'000*
Loss on transfer of fund interests*	**34,669**	–
Loss on disposal of items of property, plant and equipment	**23**	240
Charitable contributions	**–**	400
Others	**–**	11
Total	**34,692**	651

* The Company entered into the transfer agreement with Xiamen Haobo Commercial Management Co., Ltd., in June 2023, pursuant to which the Company agreed to transfer the fund interests of Hangzhou Fuyang Huiyun Investment Management Partnership (Limited Partnership) held by the Company at the cost of RMB60,000,000, to Xiamen Haobo Commercial Management Co., Ltd., at a total consideration of RMB25,330,688. As of 31 December 2022, the fair value of the Company's investment in the fund was approximately RMB49,314,000.

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. The Group's subsidiary incorporated in Hong Kong was not liable for income tax as it did not have any assessable profits currently arising in Hong Kong for the year ended 31 December 2023. Subsidiaries of the Group operating in Mainland China were subject to PRC corporate income tax at a rate of 25% for the year, except that small-scale enterprises with minimal profits were qualified to apply income tax rate of 5% (2022: 2.5%).

	2023	2022
	RMB'000	*RMB'000*
Current income tax — Mainland China		
Charge for the year	**–**	891
Overprovision in prior years	**(958)**	–
Deferred tax	**9,001**	2,202
Total tax charge for the year	**8,043**	3,093

A reconciliation of the tax expense applicable to loss before tax at the statutory rate for the country in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2023	2022
	RMB'000	*RMB'000*
Loss before tax	**(49,882)**	(31,520)
Tax at the statutory tax rate (25%)	**(12,471)**	(7,880)
Expenses not deductible for tax	**90**	72
Lower tax rate for small-scale enterprises with minimal profits	**1,059**	(614)
Tax losses and deductible temporary differences utilised from previous years	**–**	(16)
Unrecognised deductible temporary differences and tax losses	**19,353**	10,887
Profits and losses attributable to joint ventures and an associate	**12**	644
Total tax charge for the year at the effective rate	**8,043**	3,093

Tax payable in the consolidated statement of financial position represents:

	2023	2022
	RMB'000	*RMB'000*
PRC corporate income tax payable	**–**	1,852

8. DIVIDENDS

No dividends have been proposed by the directors for the year ended 31 December 2023 (2022: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 153,340,000 (2022: 153,340,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

The calculation of basic loss per share is based on:

	2023	2022
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	**(56,733)**	(34,493)

	Number of shares	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**153,340,000**	153,340,000

10. TRADE RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**84,676**	122,924
Impairment	**(19,739)**	(33,306)
	64,937	89,618

The Group's contractual terms with its funds are mainly on credit. Trade receivables are settled based on the progress payment schedule stipulated in the contracts. The Group seeks to maintain strict control over its outstanding receivables and has a credit control team to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to customers with credit risk, there is no significant concentration of credit risk but a general credit risk inherent in the Group's outstanding balance of trade receivables based on the management's best estimation at the reporting date. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 31 December 2023, the amount due from joint ventures was RMB304,000 (2022: RMB2,466,000) and the amount due from associates was RMB27,443,000 (2022: RMB21,985,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 1 year	**9,041**	18,365
1 to 2 years	**8,638**	23,225
Over 2 years	**47,258**	48,028
Total	**64,937**	89,618

The movements in the loss allowance for impairment of trade receivables are as follows:

	2023	2022
	RMB'000	*RMB'000*
At beginning of the year	**33,306**	40,724
Impairment losses	**3,899**	39
Amount reversed	**(10,605)**	(7,457)
Amount written off as uncollectible	**(6,861)**	–
At end of year	**19,739**	33,306

An impairment analysis is performed at each reporting period using a function to measure expected credit losses. The key inputs used for the function are probability of default, loss given default and exposure at default which are generally derived from internally developed statistical models and other historical data. At each reporting date, they are adjusted incorporating forward-looking information to reflect probability-weighted average credit loss. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

11. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2023	2022
	RMB'000	*RMB'000*
Prepayments	**1,450**	989
Deposits	**931**	1,019
Due from related parties	**741**	332
Other receivables	**4,708**	4,336
Due from non-controlling interest of subsidiaries*	**18,590**	–
Impairment allowance	**(1,055)**	–
	25,365	6,676

* The receivables due from non-controlling interest are unsecured, non-interest-bearing and due before 6 July 2024.

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

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

The internal credit ratings of amounts due from non-controlling interests of subsidiaries, amounts due from third parties and other deposits were regarded as the grade of performing. The Group has assessed that the credit risk of these receivables has not increased significantly since initial recognition. The expected loss rate of these receivables is assessed to be 4.5%. The Group has evaluated the expected loss rate and gross carrying amount, measured the impairment based on the 12-month expected credit losses, and assessed that the expected credit losses were RMB1,055,000 as at 31 December 2023 (2022: Nil).

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

	2023	2022
	RMB'000	*RMB'000*
Unlisted investments in associates or joint ventures, at fair value	**135,994**	212,159

The Group, as an investment fund manager, measured the above investments in associates or joint ventures at fair value through profit or loss in accordance with IFRS 9 at 31 December 2023.

The movements in investments in associates or joint ventures at fair value through profit or loss for the year ended 31 December 2023 are as follows.

	Cost	**Increase/ (decrease) in fair value of IAFV**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2022	254,432	(15,273)	239,159
Movements	–	(28,000)	(28,000)
Addition	1,000	–	1,000
At 31 December 2022	255,432	(43,273)	212,159
Comprising:			
Current portion	206,432	(38,015)	168,417
Non-current portion	49,000	(5,258)	43,742
At 1 January 2023	**255,432**	**(43,273)**	**212,159**
Movements	**–**	**1,771**	**1,771**
Derecognition and/or realisation	**(77,936)**	**–**	**(77,936)**
At 31 December 2023	**177,496**	**(41,502)**	**135,994**
Comprising:			
Current portion	**128,496**	**(28,701)**	**99,795**
Non-current portion	**49,000**	**(12,801)**	**36,199**

13. OTHER PAYABLES AND ACCRUALS

	2023	2022
	RMB'000	*RMB'000*
Payroll and welfare payable	**2,206**	4,306
Taxes and surcharges	**783**	1,404
Accruals	**2,062**	1,921
Due to related parties*	**12,996**	18,947
Payables in connection with acquisition	**21,285**	–
Interest-bearing borrowings**	**14,902**	–
Others	**238**	653
	54,472	27,231

* Due to related parties are unsecured, non-interest-bearing and repayable on demand, except for an amount due to a related party of RMB10,661,000 as at 31 December 2023, of which the principal amount of RMB9,745,000 (2022: RMB14,080,000) bears interest at fixed interest rates of 5.0% per annum and will mature in August 2024. The fair values of other payables at the end of the years 2023 and 2022 approximated to their corresponding carrying amounts.

** Interest bearing borrowings are unsecured borrowings which bear interest at 11.3% from individuals of RMB14,902,000, of which the principal amount is RMB14,500,000, which will mature in June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

A slowdown in worldwide economic growth and escalating divergence attributable to the tighter financial environment, stagnant growth of trade and sluggish consumer demand were observed in 2023. The Chinese economy withstood external risks and challenges as well as the downward pressure brought about by the interplay of various internal factors, the annual GDP increased by 5.2% compared with last year, demonstrating a recovery and upward trend in general.

Given that China's property market remained at the stage of adjustment in 2023 and the downward trend had not yet been reversed, both the investment growth rate of property development and sales were at record lows. In spite of the easing policies, the improvement of market confidence and expectations had yet to be seen, and the insufficient domestic demand remained an issue. As for equity investment, under the complicated and difficult external circumstances, the downward trend in overall equity investment market in China continued in 2023. According to Zero2IPO Research Centre, there were 6,980 new funds in China in 2023 with an aggregate size of approximately RMB1,824.5 billion, representing a year-on-year decrease of 15.5%. The investment market has cooled off with an investment amount of approximately RMB692.8 billion, representing a year-on-year decrease of 23.7%. There were 3,946 fund exits, representing a year-on-year decrease of 9.6%, suggesting that various investment institutions acting with more prudence.

As regards policies, in the real estate fund sector, 2023 China Securities Regulatory Commission launched the pilot work of real estate private investment fund to facilitate revitalization of existing assets in the real estate market and assist the private equity fund industry to give full play to the role of serving the real economy, giving an important policy guarantee for promoting the development of real estate private equity fund. At the same time, industry regulatory policies were also introduced during the Year with the issue of the "Regulation on the Supervision and Administration of Private Investment Funds" (《私募投資基金監督管理條例》) and "Measures for the Supervision and Administration of Private Investment Funds (Consultation Draft)" (《私募投資基金監督管理辦法(徵求意見稿)》) as an indication of further upgrading the supervisory system and increasing regulatory efforts in the private equity fund industry, contributing to the regulatory development in the industry.

BUSINESS REVIEW

As an asset management company in the PRC, the Group is mainly engaged in fund management specialising in real estate and distressed asset, investment advisory business, wealth management business in relation to the sales of funds and assets allocation, and real estate leasing business.

Fund management business

The Group manages two broad types of funds, namely (i) fund(s) structured and managed for the purpose of directly investing in a specific real estate investment project and distressed asset project ("**Project Fund(s)**"); and (ii) flexible funds structured and managed, or co-managed, by the Group which may invest in designated types of funds under the Group's portfolio assets instead of making direct investment into investment projects and are permitted to invest in multiple investment projects indirectly through a number of funds at the same time ("**FOF(s)**"). The Group's managed funds invest in three main categories of portfolio assets, namely commercial real estate projects, distressed assets projects, and urbanisation and redevelopment projects.

For the Year, given the persistent downward pressure on the property market, the Group focused on enhancing the quality and efficiency of its existing projects while exiting some in an orderly manner, and no new investment project was launched in respect of the real estate fund management business during the Reporting Period. In connection with operation of existing projects, for non-held properties, with recovery of China's economy and society resuming to normal operation in full together with the implementation of a series of easing real estate policies, the Group adjusted its marketing strategies in a timely manner and increased its efforts on properties sales. For properties held, the Group strengthened the investment and operation, upgrading as well as financing and replacement of these projects by leveraging its own professional capabilities and collaborating with high-quality partners, which was conducive to revitalising the assets to generate stable cash flow, and as a result, the key indicators of project operation showed a marked improvement during the Year. For distressed asset projects, the Group also deployed its resources to expedite debt collection and disposal as well as sales and promotion work, so as to accelerate the recovery of the fund properties. In connection with the disposal of existing projects, the Group carried out the exit work in a proper and orderly manner. During the Reporting Period, eight funds under the management of the Group made liquidated distributions to the fund unit holders by way of monetary and non-monetary distributions.

As at 31 December 2023, the Group's managed funds invested in 14 commercial real estate, urbanisation and redevelopment, distressed asset projects located in Shanghai, Zhejiang, Jiangsu, Sichuan, Shenzhen, Henan and other locations in the PRC with assets under management ("**AUM**") of RMB2,183.6 million.

Set out below is a breakdown of the AUM by type of funds as at the end of relevant years *(Note 1)*:

	As at 31 December 2023 AUM *RMB million*	As at 31 December 2022 AUM *RMB million*
Project Funds	**1,795.6**	2,977.3
FOFs	**569.6**	787.9
Less: FOFs investments in Project Funds	**(181.6)**	(397.4)
Total	**2,183.6**	3,367.8

Set out below is a breakdown of fund AUM by portfolio asset type as at the end of relevant years *(Note 2)*:

	As at 31 December 2023			As at 31 December 2022		
	Number of projects	**AUM** *RMB million*	**Proportion** %	Number of projects	AUM *RMB million*	Proportion %
Commercial real estate projects	**6**	**1,301.4**	**59.6%**	7	1,823.8	54.9%
Urbanisation and redevelopment projects	**5**	**621.0**	**28.4%**	5	601.4	18.1%
Distressed assets projects	**3**	**261.2**	**12.0%**	4	899.4	27.0%
Total	**14**	**2,183.6**	**100.0%**	16	3,324.6	100.0%

Notes:

1. The amount which FOFs had invested in Project Funds was eliminated from the breakdown of the AUM by type of funds to avoid double counting.

2. Projects invested by our FOFs with specified Project Fund investment that has not been established are included in the breakdown of fund AUM by portfolio asset type. As at 31 December 2023, the total management scale directly invested by our FOFs with specified Project Fund investment that has not been established amounted to RMB388.0 million (31 December 2022: RMB347.3 million).

Investment advisory business

As a professional service institution, the Group provides special investment advisory services such as mergers and acquisitions and reorganisations, bankruptcy collection and post-investment management for real estate, distressed assets or special opportunity projects. During the Reporting Period, the Group provided investment advisory services for a total of eleven projects, including three new investment advisory projects in this year. Investment advisory business contributed an advisory fee income of approximately RMB6.7 million to the Group.

Wealth Management Business

The Group is committed to deepening the engagement within the wealth management industry and provides professional asset allocation services for high-net-worth individuals, institutional investors and family offices in China, with products covering private equity investment funds, private securities funds and public funds. During the Reporting Period, the Group did not issue or sell products and no revenue was generated from the wealth management business.

Real Estate Leasing Business

Based on the long-term development and diversified investment strategy formulated by the Group, in July 2023, the Group acquired two companies holding two shops located in Chengdu, Sichuan Province with a total gross floor area of 3,381.67 square metres. Leveraging on its extensive experience accumulated in the commercial real estate sector, the Group will enhance the revenue of the shops with its professional commercial operation and management capabilities, achieving capital appreciation in future. The acquisition fulfilled diversified investment objectives of the Group and broadened its sources of income, contributing rental income of approximately RMB1.4 million to the Group in the second half of 2023.

FUTURE OUTLOOK

With the development of the private equity industry and the manifestation of the value of existing real estate assets, real estate funds are constantly changing and transforming. Currently, revitalizing existing assets and improving quality and efficiency have become the major highlights of the new cycle of the real estate industry, and real estate finance will also perform a crucial and supporting role by guiding funds to effective investment channels, achieving revitalisation of the existing assets, thereby injecting new vitality and creating opportunities to the industrial development.

Over a decade, the Group has been exploring real estate financialisation and asset operation and management. Looking forward to 2024, the Group will focus on the following strategies:

In relation to development strategies, the Group will enhance its business capabilities by further leveraging its core competitive advantages with extreme professionalism and innovation, a broad range of operation licences, flexible and active investment as well as indispensable subordinated investment as the cornerstones of development. Also, we will actively seek opportunities in the capital market to support platform building and business expansion by means of investment and financing, with the aim of maintaining our leading position in the real estate asset management field.

In relation to business approaches, the Group will continue to engage in its two core businesses of asset management and wealth management:

(i) Asset management business

- Enhancement of asset value and acceleration of existing assets revitalisation: The Group will adopt flexible operation strategies and refined management tools to optimise the operational performance of its projects and proactively seize lower-cost financing opportunities, so as to improve the operational efficiency and profitability of its assets, and accelerate revitalisation and realisation of its existing assets.

- Combination of investment and investment advisory to promote comprehensive operation and management services: Apart from mature fund management business, the Group will also develop its investment advisory business to provide a wide range of advisory services including professional investment advisory, mergers and acquisitions, insolvency and restructuring, post-investment management services to institutions, which strengthen its comprehensive service capabilities.

- Strengthening the core businesses and scaling up its management: While the Group will manage existing projects well, we will also grasp the development opportunities brought about by the transition of the real estate industry from an incremental market to a stock market, and seek investment opportunities in quality projects and scale up its management by leveraging on its well-established professionalism and excellent market reputation, gaining the initiative in intense market competition.

(ii) **Wealth management business**

- Building a trading platform for facilitating development of public fund sales business to the fullest extent: The Group is dedicated to building a public fund online trading platform for institutional investors to provide public fund trading services. In the future, the Group will facilitate development of public fund sales business to the fullest extent and offer a variety of specialised products and diversified trading tools to institutional investors.

- Adaptation to the development trend and transformation from a sales-oriented model to a service-oriented model: In light of the fact that the conventional sales-oriented business model in the wealth management field is discarding by the market gradually, the Group will adjust its development model following the industry trend in a timely manner by adopting a service-oriented approach to offering a comprehensive and personalised wealth management services with an emphasis on the establishment of strong customer relationships, with the aim of creating higher value for its customers.

- Building comprehensive family offices and offering one-stop professional services: As a special bridge between the asset side and the capital side, family offices are key players and resource integrators in the wealth management field. The Group will strive to build comprehensive family offices in order to fulfill the needs of different groups of customers by offering one-stop services in family wealth management, including global asset allocation, tax planning, legal advice, etc., with a view to assisting families with the achievement of their wealth goals.

In connection with corporate governance, the Group places much emphasis on the development of compliance awareness and risk awareness and will, as always, comply with the latest requirements of laws and regulations and regulatory policies; our comprehensive risk control permeates into every aspect of business development and corporate operations, and thus building a sound risk management system. In connection with organisational structure, the Group will also further carry out optimization and adjustments for constructing a more efficient and flexible organisational model for the purpose of coping with the rapid changes in the market environment.

With the gradual recovery of the macro-economy and the successive introduction of policies for stable growth, it is expected that the upward trend brought about by economic rebound will continue in 2024, and it is also expected that market confidence will stabilise and rebound. As a real estate asset management institution, the Group will continue to enhance its professionalism and management capabilities under the evolving market environment to maintain and increase asset values, delivering synergy of capital and finance sides and creating long-term value for the shareholders of the Company.

FINANCIAL REVIEW

REVENUE

The Group derived its revenue mainly from the management fees charged on the Project Funds and FOFs established and managed by it, the advisory fees charged for investment advisory services and rental fees charged on leasing real estate. During the Reporting Period, the Group recognised revenue of approximately RMB17.9 million, representing a decrease of approximately RMB18.9 million or a drop of approximately 51.4% as compared to the corresponding period last year, which was mainly due to the decreases in fund management fees income and advisory fee income.

Set out below is a breakdown of the revenue by income sources during the periods indicated:

	For the year ended 31 December			
	2023	2022	Change	Rate of Change
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(%)*
Fund management fee income	**9,792**	23,687	(13,895)	(58.7%)
Fund performance fee income	**–**	1	(1)	(100.0%)
Advisory fee income	**6,725**	13,065	(6,340)	(48.5%)
Rental fee income	**1,355**	–	1,355	100.0%
Total	**17,872**	36,753	(18,881)	(51.4%)

Fund management fee income

Our revenue from fund management fees for the Year was approximately RMB9.8 million, accounting for approximately 54.8% of our total revenue for the Year and representing a decrease of approximately RMB13.9 million as compared to the year ended 31 December 2022, which was mainly due to the continuing downward trend in China's real estate industry and the market confidence and expectations had yet to be improved. No new projects were launched for the Group's fund management business during the Year. The Group ceased to receive management fees from certain funds which entered into liquidation successively among existing projects, resulting in a significant decrease in fund management fee income as compared to last year.

Advisory fee income

During the Year, the Group recorded advisory fee income of approximately RMB6.7 million, representing a decrease of approximately RMB6.3 million or 48.5% as compared to last year due to insufficient market demand caused by the adjustment effect of the real estate industry, which resulted in a decrease in advisory fee income contributed by new projects on the one hand. On the other hand, advisory fee charged by the Group from existing projects also decreased with the successive cessation of existing projects.

Rental fee income

The rental fee income refers to the income of approximately RMB1.4 million received by the Group through leasing properties after the acquisition of companies holding two shops in Chengdu, Sichuan Province in July 2023. For more details, please refer to the discloseable transaction announcements of the Company dated 6 July 2023 and 5 January 2024.

OTHER INCOME AND GAINS

Our other income and gains for the Year was approximately RMB5.8 million, representing an increase of approximately RMB5.1 million as compared to last year, which was mainly due to investment income of approximately RMB2.8 million and gain on debt waiver of approximately RMB2.2 million recognised for the Year, as compared to no such income and gain last year.

ADMINISTRATIVE EXPENSES

Administrative expenses of the Group for the Year were approximately RMB38.2 million, representing a decrease of approximately RMB6.6 million or approximately 14.6% year-on-year as compared to approximately RMB44.8 million recognised in the previous year, which was mainly due to the achievement of cost reduction and efficiency increment with measures adopted by the Group, among which there were decreases of RMB5.1 million and RMB1.6 million in human resources costs and business advisory expenses as compared to last year respectively.

IMPAIRMENT LOSSES REVERSED ON TRADE RECEIVABLES

The Group applied the simplified approach under IFRS 9 to provide for expected credit loss ("**ECL**"). Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

As at the end of the Year, the Group carried out a comprehensive assessment on the receivables, taking into account various factors such as the past collection, ageing, financial position of the debtors and macroeconomic environment of each receivable. The Group reversed a net impairment loss on trade receivables of approximately RMB6.7 million, which was mainly due to the receipt of management fees of some funds during the Year, of which impairment losses on trade receivables were recognised in previous years.

INCREASE/(DECREASE) IN FAIR VALUE OF IAFV

As part of the Group's ordinary and usual course of business, the Group has been making investments in the funds structured and managed by itself. Such investments were recognised as IAFV at fair value through profit or loss in the Group's financial statements and such accounting treatment will continue to apply in the future.

The Group, as an investment fund manager, measures the above investments in associate(s) or joint venture(s) at fair value through profit or loss in accordance with IFRS 9. Related real estate investments or financial assets held by these associates or joint ventures classifies as level 3 hierarchy of fair value measurement, which is based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

- the higher the recoverable amounts, the higher the fair value;

- the earlier the recovery date, the higher the fair value;

- the lower the discount rates, the higher the fair value.

The fair value of IAFV for the Year increased by approximately RMB1.8 million as compared with last year, which was mainly attributable to (i) its committed and paid-up underlying interests of Hangzhou Fuyang Huiyun Investment Management Partnership (Limited Partnership)* (杭州富陽匯貨投資管理合夥企業(有限合夥)) ("**Fuyang Huiyun Fund**") transferred by the Company through public auction for the Year, and the unrealised fair value loss of approximately RMB10.7 million recognised in prior years in respect of this investment was credited to other expense accounts upon realisation for the Year, leading to an increase in the fair value of IAFV of approximately RMB10.7 million; (ii) downturn in the property industry and insufficient market confidence leading to a drop in the valuation of the underlying assets of projects such as the Zhongheng Project*（眾恒項目）, the Yanan Project*（延安項目）invested by the Group, leading to a decrease in the fair value of IAFV of approximately RMB8.9 million. The combination of the factors aforementioned resulted in an increase in the fair value of IAFV of approximately RMB1.8 million for the Year.

DECREASE IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss mainly include (i) RMB20.0 million of wealth management products subscribed by the Group as detailed in the discloseable transaction announcements of the Company dated 28 December 2023 and 11 January 2024; and (ii) liquidation of FOF IV (Shanghai Weiyi Investment Partnership (Limited Partnership)* (上海威弋投資合夥企業(有限合夥)) during the Year, and as a result, the two distressed debts were allocated to the Group, the fair values of the debts upon assessment amounted to approximately RMB13.4 million and RMB3.6 million, respectively, in the liquidation process with their respective original values of approximately RMB19.0 million and RMB4.0 million.

As at the end of the Year, the Group considered factors including financial and operating conditions of the debtors of the two debts, the ways of disposal of the debts, the difficulty in recovering the debts, comprehensive market conditions, and built a valuation model to determine their fair values based on historical experience and market assumptions. During the Year, the fair value of financial assets at fair value through profit or loss decreased by approximately RMB6.0 million, which was mainly due to the decrease in the fair value of the two distressed debts upon assessment.

OTHER EXPENSES

During the Year, the Group recorded other expenses of approximately RMB34.7 million, as compared to other expenses of approximately RMB0.7 million for the corresponding period last year. The significant increase in other expenses was due to the transfer of underlying interests of Fuyang Huiyun Fund by the Company for the consideration of approximately RMB25.3 million through public auction, with its initial investment cost of such underlying interests amounting to RMB60.0 million. The transfer resulted in an investment loss of approximately RMB34.7 million (please refer to the discloseable transaction announcement of the Company dated 15 June 2023 for details).

INCOME TAX EXPENSE

Income tax expenses of the Group for the Year was approximately RMB8.0 million, increasing by approximately RMB5.0 million as compared with income tax expenses last year, which was mainly due to the increase in unrecognized deductible temporary differences and tax losses. The income tax rate applicable to the Group's entities ranged from 5% to 25% during the Year.

LOSS FOR THE YEAR

Our loss for the Year was approximately RMB57.9 million, representing an increase of approximately RMB23.3 million or approximately 67.4% from approximately RMB34.6 million for the year ended 31 December 2022, which was mainly due to decrease in revenue and the increase in other expenses as detailed above.

LIQUIDITY AND FINANCIAL RESOURCES

The Group regularly reviews the liquidity status and actively manages liquidity and financial resources in light of changes in the economic environment and business development needs. As at 31 December 2023, the cash and cash equivalents of the Group was approximately RMB12.6 million (31 December 2022: approximately RMB13.2 million), which are mainly held in RMB.

The Group did not use any financial instruments for hedging purpose during the Year.

GEARING RATIO

As at 31 December 2023, the Group's interest-bearing liabilities amounted to approximately RMB24.2 million (31 December 2022: approximately RMB14.1 million), among which, (i) amount due to a related party amounted to approximately RMB9.7 million bearing interest at fixed interest rates of 5.0% per annum and will be matured in August 2024; (ii) amount due to third parties amounted to approximately RMB14.5 million bearing interest at fixed interest rates of 11.3% per annum and will be matured in June 2024. The interest bearing liabilities were denominated in RMB. As at 31 December 2023, the Group's gearing ratio (calculated as total interest-bearing liabilities divided by total equity) was approximately 8.9% (31 December 2022: approximately 4.3%).

TREASURY POLICIES

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

PLEDGE OF ASSETS AND CHARGE ON ASSETS

As at 31 December 2023, the Group did not have any pledge or charges 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 the Directors believe that the Group's foreign exchange risk is manageable and will closely monitor the relevant risks from time to time.

CAPITAL STRUCTURE

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

FINAL DIVIDEND

In order to reserve resources for the business development of the Group, the Board did not recommend the declaration of a final dividend for the Year (2022: Nil).

COMMITMENTS

The Group did not have any significant commitments as at 31 December 2023 (31 December 2022: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 15 June 2023, the Company transferred its committed and paid-up underlying interests of Fuyang Huiyun Fund to Xiamen Haobo Commercial Management Co., Ltd.* (廈門灝博商業管理有限公司) through public auction at a consideration of RMB25,330,688. The transfer was completed on 15 June 2023. Upon completion, the Company has ceased to be a limited partner of Fuyang Huiyun Fund and is no longer entitled to any rights and obligations in relation to its underlying interests of Fuyang Huiyun Fund. The financial results of Fuyang Huiyun Fund is no longer consolidated into the Group's consolidated financial statements as the Company's IAFV. For more details, please refer to the discloseable transaction announcement of the Company dated 15 June 2023.

On 6 July 2023, Shanghai Ruichu Business Advisory Co., Ltd.* (上海芮楚商務諮詢有限公司) ("**Ruichu Business**") (a wholly-owned subsidiary of the Company) and Realway Capital Assets Management (Beijing) Co., Ltd.* (北京瑞威資產管理有限公司) ("**Beijing Realway**") (a wholly-owned subsidiary of the Company) entered into equity transfer agreements with Hangzhou Pengbo Daxiang Industrial Co., Ltd.* (杭州彭博大向實業有限公司) ("**Pengbo Daxiang**"), pursuant to which (i) Ruichu Business and Beijing Realway have conditionally agreed to acquire and Pengbo Daxiang has conditionally agreed to sell 99% and 1% equity interest in Chengdu Ruiruibing Commercial Management Co., Ltd.* (成都芮瑞炳商業管理有限責任公司) at the consideration of RMB20,295,000 and RMB205,000, respectively; and (ii) Ruichu Business and Beijing Realway have conditionally agreed to acquire and Pengbo Daxiang has conditionally agreed to sell 99% and 1% equity interest in Chengdu Ruihanchao Commercial Management Co., Ltd.* (成都芮翰超商業管理有限責任公司) at a consideration of RMB25,740,000 and RMB260,000, respectively. For more details, please refer to the discloseable transaction announcements of the Company dated 6 July 2023 and 5 January 2024.

Save as disclosed above and in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the Year.

CAPITAL EXPENDITURES

As at 31 December 2023, the Group did not have any significant capital expenditures.

CONTINGENT LIABILITIES

As at 31 December 2023, the Group did not have any contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2023, the Group employed a total of 73 employees (31 December 2022: 91 employees). The Group has adopted an employee compensation policy which takes into account factors such as external market competitiveness and internal fairness, and provides diversified training and individual development plans for its employees. The Group has a clear promotion policy that gives eligible employees career progression opportunities.

IAFV

As at 31 December 2023, IAFV of the Group was approximately RMB136.0 million, representing a decrease of approximately RMB76.2 million from approximately RMB212.2 million for the year ended 31 December 2022, details of which are as follows:

Name of fund	Type of investment project	Initial investment cost *(RMB'000)*	Percentage of fund equity	Dividends received for the Year *(RMB'000)*	Fair values as at 31 December 2023 *(RMB'000)*	Percentage of the total asset value of the Group as at 31 December 2023	Unrealised gains/(losses) related to changes in fair value during the Year *(RMB'000)*	Fair value as at 31 December 2022 *(RMB'000)*	Source of funds
1 Shanghai Ruixi Investment Enterprise (Limited Partnership)* (上海瑞習投資企業(有限合夥)) *(Note 1)*	Distressed assets projects	48,377	43.6%	–	50,296	15.1%	1,919	–	Internal resources
2 FOF IX *(Note 2)*	Commercial real estate projects	48,000	78.7%	–	35,225	10.5%	(12,775)	42,739	Proceeds from the Share Offer *(Note 5)*
3 Ningbo Meishan Bonded Harbor Ruichong Investment Management Partnership (Limited Partnership)* (寧波梅山保稅港區瑞翀投資管理合夥企業(有限合夥)) *(Note 1)*	Distressed assets projects	30,119	6.0%	–	14,695	4.4%	(15,424)	–	Internal resources
4 FOF III *(Note 3)*	Commercial real estate projects, urbanization and redevelopment projects and distressed assets projects	30,000	10.0%	–	16,918	5.1%	(13,082)	17,785	Internal resources
5 FOF VIII *(Note 4)*	Urbanisation and redevelopment projects and commercial real estate projects	20,000	14.4%	–	17,886	5.4%	(2,114)	22,915	Proceeds from the Share Offer *(Note 5)*

Name of fund	Type of investment project	Initial investment cost (RMB'000)	Percentage of fund equity	Dividends received for the Year (RMB'000)	Fair values as at 31 December 2023 (RMB'000)	Percentage of the total asset value of the Group as at 31 December 2023	Unrealised gains/(losses) related to changes in fair value during the Year (RMB'000)	Fair value as at 31 December 2022 (RMB'000)	Source of funds
6 Tianjin Runshi Shenwei Equity Investment Partnership (Limited Partnership)* (天津潤石申威股權投資合夥企業(有限合夥))	Commercial real estate projects	1,000	0.1%	–	974	0.3%	(26)	1,002	Internal resources
7 FOF IV (Note 1)	Distressed assets projects	–	–	–	–	–	–	78,404	Internal resources
8 Hangzhou Fuyang Huiyun Investment Management Partnership (Limited Partnership)* (杭州富陽匯篔投資管理合夥企業(有限合夥))	Commercial real estate projects	–	–	–	–	–	–	49,314	Internal resources
		177,496		–	135,994		(41,502)	212,159	

Notes:

1. FOF IV refers to Shanghai Weiyi Investment Partnership (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. FOF IV was liquidated for the Year and the Group obtained limited partnership shares of Shanghai Ruixi Investment Enterprise (Limited Partnership) and Ningbo Meishan Bonded Harbor Ruichong Investment Management Partnership (Limited Partnership) from FOF IV by way of non-monetary distribution according to the liquidation plan.

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 in 2018.

The Group shall 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.

INVESTMENTS IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 December 2023, investments in financial assets at fair value through profit or loss of the Group was approximately RMB37.0 million, of which RMB20.0 million represented financial products subscribed by the Group from Changan Fund Management Co., Ltd.* (長安基金管理有限公司) on 28 December 2023, which accounted for over 5% of total assets of the Group as at the end of the Reporting Period, details of which are as follows:

Names of financial assets	Issuer and manager of financial assets	Initial investment cost *(RMB'000)*	Shares held as at 31 December 2023 *('000)*	Interest received for the Year *(RMB'000)*	Fair values as at 31 December 2023 *(RMB'000)*	Percentage of the total asset value of the Group as at 31 December 2023	Unrealised gains related to changes in fair value during the Year *(RMB'000)*
Changan Monetary Market Securities Investment Fund B* (長安貨幣市場證券投資基金B類) (740602)[Note 1]	Changan Fund Management Co., Ltd.[Note 2]	20,000	20,000	–	20,000	6.0%	–

Notes:

1. Changan Monetary Market Securities Investment Fund B (740602) is a monetary market securities investment fund which is non-principal guaranteed with floating return. Performance comparison benchmark is 7-day notice deposit interest rate for the same period (after tax). For details please refer to the discloseable transaction announcements of the Company dated 28 December 2023 and 11 January 2024.

2. Changan Fund Management Co., Ltd. is a company established in the PRC with limited liability and its principal business scope includes management of public offering of securities investment funds, fund sales and asset management for specific clients.

The subscription of wealth management products is made by the Group for the purpose of capital management to improve the utilisation of capital and to increase the income derived from idle funds. Rational and effective utilisation of idle internal funds in phases is expected to enhance the overall capital efficiency of the Group, which is in line with the Group's core objectives of improving the capital structure and ensuring the safety of capital. The Directors are of the view that the risk level of the subscription is relatively low and the Group is expected to achieve a higher rate of return as compared to time deposits with commercial banks in the PRC. The subscription was financed by the internal resources of the Group. The Directors have also considered the daily working capital requirements of the Group and believe that the subscription will not adversely affect the daily working capital requirements of the Group. The Directors believe that the subscription are fair and reasonable and in the interests of the Company and its shareholders as a whole. The Group will pursue opportunities to utilise its idle cash through investment in suitable financial products continually.

Save as disclosed above, as at 31 December 2023, The Group had no other investments in financial assets that accounted for over 5% of total assets individually.

SUMMARY OF INVESTMENT PROPERTIES

As at 31 December 2023, the investment properties of the Group are set out as follows:

Address	**Leasing Term**	**Purpose**	**GFA** *(square metres)*	**Permanent ownership**
Room 1, 2nd Floor, No. 7 Xinxiwang Road, Wuhou District, Chengdu, Sichuan Province, the PRC	Long-term	Commercial	1,585.48	No
Room 1, 3rd Floor, No. 7 Xinxiwang Road, Wuhou District, Chengdu, Sichuan Province, the PRC	Not rented[Note]	Commercial	1,796.19	No

Note: The lessee of the property has failed to pay rent pursuant to the lease agreement since 1 October 2023 and has closed down the shop for cessation of normal operation without authorisation since 10 November 2023, for which the Group has engaged a legal adviser in the PRC and will actively take legal actions in order to protect the Group's legitimate rights. Based on the current assessment of the Board and the legal adviser, such legal action will not have any material adverse impact on the Group's business operations or financial position. Also, the Group will proactively seek for a new lessee by using its own resources.

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 RMB5,000,000 and RMB2,000,000 respectively, in settlement of the third installment of the equity transfer consideration from Hai Shi Urban Renew. On 12 January 2021, the case was heard in SIETAC. The Fuyang Huiguan Fund submitted an amended application for arbitration to the SIETAC according to the arbitration hearing on the same day, requesting Hai Shi Urban Renew to pay the outstanding third and fourth installments of the equity transfer consideration, damages for overdue payments, legal fees and other fees payable to the Fuyang Huiguan Fund, and the total amount related to the arbitration claim is temporarily approximately RMB82,644,514.

On 2 April 2021, SIETAC made a final arbitral award on this case, that Hai Shi Urban Renew should pay the outstanding third and fourth installments of the equity transfer consideration, damages for overdue payments, legal fees and other fees payable to the Fuyang Huiguan Fund, and the total amount is temporarily approximately RMB69,722,494 (of which the damages for overdue payments shall be accrued up to the actual payment date). Subsequently, Hai Shi Urban Renew has not complied with the final arbitral award and the fund manager, 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.

On 21 April 2023, Fuyang Huiguan Fund commenced liquidation by distributing the executory claims held by it on Hai Shi Urban Renew in the amount of RMB97,606,244 and the default claims since 21 April 2023 to the date of actual payment in a non-monetary manner to the limited partner, Hangzhou Fuyang Huijing Investment Management Partnership (Limited Partnership)*（杭州富陽匯旌投資管理合夥企業（有限合夥））("**Fuyang Huijing**"), in accordance with the liquidation plan. The investment size of FOF VIII, for which Shanghai Ruixiang, a wholly-owned subsidiary of the Company, acted as a fund manager in Fuyang Huijing as at 31 December 2023 was approximately RMB40.2 million.

As of the date of this announcement, Fuyang Huijing has not received the amount set out in the Settlement Execution Agreement from Hai Shi Urban Renew. After several reminders, Shanghai Ruixiang, confirmed that Hai Shi Urban Renew was unable to fulfill the Settlement Execution Agreement in a short period of time. Shanghai Ruixiang has applied to the court to resume the execution procedures and started to investigate other property clues of Hai Shi Urban Renew. Shanghai Ruixiang has frozen the bank accounts and part of the property of Hai Shi Urban Renew through judicial preservation procedures, which is currently still within the validity period of judicial seizure. Shanghai Ruixiang will fully cooperate with the court to facilitate the execution procedures, urge Hai Shi Urban Renew in fulfilling its payment obligations and accelerate the recovery of property of the Fuyang Huijing.

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plans for material investments or capital assets as at 31 December 2023. In the event that the Group participates in any plans for material investments or capital assets, the Company will make announcement(s) in compliance with the relevant rules of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as and when appropriate.

CORPORATE GOVERNANCE PRACTICES

It is always one of the Group's top priorities to adhere to and comply with the generally accepted standards laid down by the principles and practices of corporate governance. The Board believes that good corporate governance is one of the factors leading to the Company's success and balancing the interests among its shareholders, clients and employees and is committed to its ongoing efforts to enhance the efficiency and effectiveness of such principles and practices. During the Year, the Company had adopted and complied with the code provisions (the "**Code Provision(s)**") set out in the Corporate Governance Code ("**CG Code**") contained in Part 2 of Appendix C1 to the Listing Rules, save and except for the deviation from Code Provision C.2.1 of the CG Code.

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

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 Code Provision C.2.1 of the CG Code is appropriate in such circumstance and is of the view that this management structure is effective for the Group's operations. Having taken into account the Group's established risk management and internal control measures as more particularly set out in the prospectus of the Company dated 31 October 2018, the Directors believe that the Board, which holds at least four regular meetings a year to discuss business and operational issues of the Group, 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.

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 C3 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 Year.

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

SHARE OPTION SCHEME AND SHARE AWARD SCHEME

During the Year, the Company has not implemented any share option scheme or share award scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on Friday, 14 June 2024. Shareholders should refer to the circular of the Company, the notice of the AGM and the enclosed form of proxy to be dispatched by the Company for details regarding the AGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 15 May 2024 to Friday, 14 June 2024, both days inclusive, during which period no transfer of the shares of the Company ("**Shares**") will be registered. In order to be eligible to attend and vote at the AGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders) or to the Company's principal place of office in the PRC at Unit 706-707, 7th Floor, Century Link Tower 1, No. 1198 Century Avenue, Pudong New Area, Shanghai (for domestic Shareholders), no later than 4:30 p.m. on Tuesday, 14 May 2024 for registration.

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 Year.

EVENTS AFTER REPORTING PERIOD

There is no significant event occurring after the Reporting Period and up to the date of this announcement.

SCOPE OF WORK OF AUDITOR

The figures in respect of our consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been verified by Ernst & Young ("**EY**"), our auditor, against the amounts set out in our preliminary consolidated financial statements for the Year. The work performed by EY in this respect does not constitute any assurance engagement in accordance with the Hong Kong Standards on Auditing, the Hong Kong Standards on Review Engagements or the Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by EY on the preliminary announcement.

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 annual results of the Group for the Year.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.realwaycapital.com). The annual report for the Year, containing all information required under the Listing Rules, will be dispatched to Shareholders and posted on the websites of the Stock Exchange and the Company in due course.

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

Shanghai, the PRC, 28 March 2024

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

* *for identification purpose only*