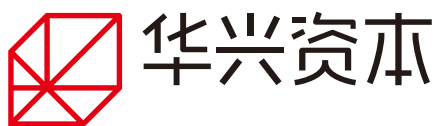


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CHINA RENAISSANCE HOLDINGS LIMITED

華興資本控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1911)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2024

HIGHLIGHTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Renaissance Holdings Limited (the “**Company**” or “**China Renaissance**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) is pleased to announce the unaudited consolidated results of the Group for the six months ended June 30, 2024 (the “**Reporting Period**”). These interim results are unaudited, but have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

These unaudited consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

FINANCIAL HIGHLIGHTS

The following table summarizes our consolidated results of operations for the periods indicated. The summary consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, the condensed consolidated financial statements in this announcement, including the related notes. Our financial information was prepared in accordance with International Financial Reporting Standards (“IFRS”).

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

	For the six months ended	
	June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Total revenue	328,921	536,575
Total revenue and net investment gains	359,527	584,406
Total operating expenses	(447,263)	(551,959)
Operating (loss) profit	(87,736)	32,447
Loss before tax	(73,619)	(112,193)
Income tax expenses	(12,348)	(50,980)
Loss for the period	(85,967)	(163,173)
Loss for the period attributable to owners of the Company	(73,822)	(180,132)

To supplement our financial information presented in accordance with IFRS, we also use adjusted net loss attributable to owners of the Company as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by adjusting for potential impacts of non-recurring and certain non-cash items and our management considers this non-IFRS measure to be indicative of our operating performance. We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. Adjusted net loss attributable to owners of the Company does not have a standardised meaning prescribed by IFRS and may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and the shareholders of the Company (the “**Shareholders**”) should not consider it in isolation from, or as substitute for analysis of, or our results of operations as reported under IFRS.

	For the six months ended	
	June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the period attributable to owners of the Company	(73,822)	(180,132)
Add:		
Share-based payment expenses	28,308	41,280
Change in fair value of call option	—	152,990
Subtotal before adjustments relating to carried interest	(45,514)	14,138
Add:		
Reversal of unrealized net carried interest ⁽¹⁾	(72,382)	(175,367)
Non-IFRS Measure: Adjusted net loss attributable to owners of the Company (unaudited)⁽²⁾	(117,896)	(161,229)

Notes:

- (1) The unrealized net carried interest is calculated by subtracting our carried interest to management team and other parties from our unrealized income from carried interest as follows.

	For the six months ended	
	June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Reversal of unrealized income from carried interest	(241,132)	(567,710)
Reversal of carried interest to management team and other parties	168,750	392,343
Reversal of unrealized net carried interest	(72,382)	(175,367)

The unrealized income from carried interest is based on the underlying fair value change of the respective funds under our investment management business. The unrealized income from carried interest is allocated to us based on the cumulative fund performance to date, subject to the achievement of minimum return levels to limited partners. At the end of each reporting period, we calculate the unrealized income from carried interest that would be due to us for each fund, pursuant to the relevant fund agreements, as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As of June 30, 2024, accumulated unrealized income from carried interest and unrealized net carried interest were RMB2.4 billion and RMB0.7 billion, respectively. As the fair value of underlying investments varies among reporting periods, it is necessary to make adjustments to amounts presented as unrealized income from carried interest. Such adjustments may, in certain circumstances, reverse the unrealized income from carried interest reported in the prior period due to fluctuations in the value of the underlying investments.

- (2) We define adjusted net loss attributable to owners of the Company as loss for the period attributable to owners of the Company adjusted for the impact of (i) share-based payment expenses, (ii) change in fair value of call option, (iii) reversal of unrealized income from carried interest, and (iv) reversal of carried interest to management team and other parties.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the first half of 2024, the market environment remained sluggish. The number and fundraising amount of overseas China Concept Stock IPO declined significantly, with extremely low participation from market-oriented investors. The private placement advisory market mirrored the subdued trends in investment and financing markets. The total revenue and net investment income in the first half of 2024 of the Group amounted to RMB360 million, representing a decrease of 39% compared to the corresponding period of the previous year, and the Group recorded a net loss attributable to the owners of the Company of RMB74 million. The Group also proactively adjusted its personnel structure. As at the end of the Reporting Period, the Group had 521 employees, representing a decrease of 8% compared to the end of 2023.

For the first half of 2024, the Group's investment management business accounted for 37% of total revenue. The investment management team focused on project exits and post-investment management, actively promoted the mergers and acquisitions, trading and repurchase of investment projects' old stocks; and actively cooperated with portfolio companies in the share reform and application for projects with promising development. During the period, the total exit amount from the portfolio projects managed by the Group was RMB893 million. As ongoing exits further enhanced the Distribution to Paid-in Capital ("DPI") of the Group's funds, the DPI for RMB Fund I, RMB Fund II, USD Fund I, USD Fund II and the Healthcare Fund I (醫療一期基金) exceeded 100% as at the end of the 2024 interim period. The total assets under management amounted to RMB34.8 billion, with fee-earning assets under management reaching RMB17.4 billion as at the end of the period. During the first half of 2024, realization of carried interest continued to support the Group's financial performance. As at the end of the Reporting Period, the accumulated gross unrealized carried interest amounted to RMB2.4 billion (net unrealized carried interest amounted to RMB0.7 billion), over half of which was contributed from the funds raised in 2013 to 2015. It is expected that carried interest will remain a contributor to future revenue from investment management and support the Group's performance. The funds' investment projects, namely RoboSense, Autostreets and XtalPi, have completed their listings successfully during the Reporting Period. In addition, during the Reporting Period, the Company entered into a settlement agreement with RMB Fund IV, pursuant to which the RMB Fund IV agreed to transfer its interests in eight projects amounting to RMB790 million to the Group to settle the outstanding investment amount payable to the Group. Pursuant to the settlement agreement, the Group may dispose of its interests in the projects independently.

In 2024, the Group's investment banking business has continued to face greater pressure from the market. In response to the current environment, the investment banking business has, on the one hand, adhered to a boutique approach and continued to work hard and gainfully engaged top tier clients in key sectors, and on the other hand, actively expanded into new business directions and products. The private placement business maintained our advantage in AGI related fields, and facilitated multi-round financing for top-tier companies, and continued to capture the latest hot topics and achieved financing progress with various star projects in realms such as embodied AI and low altitude economy. M&A is our investment banking business's key development area, with various projects currently in progress/settlement. Given the fact that the IPO market of overseas China Concept Stocks remained sluggish in the first half of 2024, the Group's Hong Kong and US equity business has actively developed new

diversified capital market products, including At-the-Market offering, De-SPAC, RTO listing, private credit, convertible bonds, etc., facilitating clients' financing in dire market conditions. Meanwhile, the investment banking team has also been keeping close communication with potential IPO clients to capture the project opportunities when the market picks up.

China Renaissance Securities (China) Co., Ltd. (“**CR Securities**”) conducted its operation in a steady manner, with total revenue and net investment gains amounting to RMB103 million in the first half of 2024, accounting for 29% of the Group's total revenue and net investment gains. Its investment banking business saw progress in multiple core technology projects, and successfully completed A share projects despite the shrinking market. For the first half of 2024, the revenue from institutional investment and research business increased by 63% year-on-year, while the revenue from principal investments increased by 19% year-on-year. The retail business overcame the market downturn, with its revenue increasing by 117% year-on-year. The accumulated number of new accounts on CR Securities' Duoduojin (多多金) App reached 130,000, representing an increase of 58% compared with the end of 2023.

BUSINESS OUTLOOK

China Renaissance ushers in a new era following the recomposition of the Board in early 2024. Despite all kinds of difficulties and challenges, China Renaissance still actively seeks growth and forges ahead with determination in the midst of adjustments, while maintaining a robust stance in its overall business operations and keeping steady in its core team, core resources and core assets.

Looking ahead, China Renaissance remains dedicated to its mission of serving enterprises in the new economy and focuses on its core businesses in investment management and investment banking. Leveraging its capacity to identify the value of high-quality new economy assets, China Renaissance continues to explore and unearth exceptional projects in new economy that support the growth and development of strategic emerging industries. China Renaissance will hold together, work hard, and pool its wisdom to make solid preparations for better development.

Segment Performance

The following table sets forth a breakdown of revenue and net investment gains by reporting segment for the periods indicated.

	For the six months ended			
	June 30,		Change	% of change
	2024	2023		
	RMB'000	RMB'000	RMB'000	
Business Segment				
Investment Banking	97,570	112,770	(15,200)	-13.5%
Investment Management	131,366	306,468	(175,102)	-57.1%
CR Securities	103,466	119,685	(16,219)	-13.6%
Others	27,125	45,483	(18,358)	-40.4%
	<u>359,527</u>	<u>584,406</u>	<u>(224,879)</u>	<u>-38.5%</u>
Total revenue and net investment gains	<u>359,527</u>	<u>584,406</u>	<u>(224,879)</u>	<u>-38.5%</u>

The following table sets forth a breakdown of operating (loss) profit by reporting segment for the periods indicated.

	For the six months ended			
	June 30,		Change	% of change
	2024	2023		
	RMB'000	RMB'000	RMB'000	
Business Segment				
Investment Banking	(61,548)	(27,624)	(33,924)	122.8%
Investment Management	39,531	126,247	(86,716)	-68.7%
CR Securities	(42,494)	(41,865)	(629)	1.5%
Others	(23,225)	(24,311)	1,086	-4.5%
	<u>(87,736)</u>	<u>32,447</u>	<u>(120,183)</u>	<u>n.m.</u>
Operating (loss) profit	<u>(87,736)</u>	<u>32,447</u>	<u>(120,183)</u>	<u>n.m.</u>

Investment Banking

The following table sets forth segment revenue, segment operating expenses and segment operating loss for the periods indicated.

	For the six months ended		Change	% of change
	2024	2023		
	RMB'000	RMB'000	RMB'000	
Investment Banking				
Advisory services	37,873	54,295	(16,422)	-30.2%
Equity underwriting	32,164	3,744	28,420	759.1%
Sales, trading, and brokerage	27,533	54,466	(26,933)	-49.4%
Segment revenue	97,570	112,505	(14,935)	-13.3%
Net investment gains	—	265	(265)	-100.0%
Segment revenue and net investment gains	97,570	112,770	(15,200)	-13.5%
Compensation and benefit expenses	(112,035)	(108,991)	(3,044)	2.8%
Impairment loss under expected credit loss model, net of reversal	4	29,386	(29,382)	-100.0%
Other operating expenses	(47,087)	(60,789)	13,702	-22.5%
Segment operating expenses	(159,118)	(140,394)	(18,724)	13.3%
Segment operating loss	(61,548)	(27,624)	(33,924)	122.8%

The following table sets forth a breakdown of the transaction value of the investment banking business by major service type for the periods indicated.

	For the six months ended June 30,		Change	% of change
	2024	2023		
	RMB in million	RMB in million	RMB in million	
Transaction Value				
Advisory services	2,648	11,374	(8,726)	-76.7%
Equity underwriting	1,394	75	1,319	1,758.7%
Total	4,042	11,449	(7,407)	-64.7%

Segment Revenue and Net Investment Gains

Investment banking revenue and net investment gains were RMB97.6 million for the six months ended June 30, 2024, a decrease of 13.5% from RMB112.8 million for the six months ended June 30, 2023. This decrease was mainly attributable to the decrease in sales, trading, and brokerage fees and advisory services fees, and partially offset by an increase in equity underwriting fees.

Segment Operating Expenses

For the investment banking segment, segment operating expenses increased by 13.3% from RMB140.4 million for the six months ended June 30, 2023 to RMB159.1 million for the six months ended June 30, 2024. Excluding the impact of reversal of bonus provision and reversal of impairment loss under expected credit loss model, segment operating expenses decreased by 22.8% from RMB206.2 million for the six months ended June 30, 2023 to RMB159.1 million for the six months ended June 30, 2024 due to the effort to streamline operations and cost structure.

Segment Operating Loss

For the investment banking segment, segment operating loss was RMB61.5 million and RMB27.6 million for the six months ended June 30, 2024 and 2023, respectively.

Investment Management

The following table sets forth segment revenue, segment operating expenses, segment operating profit and segment operating margin for the periods indicated.

	For the six months ended		Change	% of change
	2024	2023		
	RMB'000	RMB'000	RMB'000	
Investment Management				
Management fees	154,704	227,544	(72,840)	-32.0%
Realized income from carried interest	10,107	94,218	(84,111)	-89.3%
Interest income	—	14,690	(14,690)	-100.0%
Segment revenue	164,811	336,452	(171,641)	-51.0%
Net investment losses	(33,445)	(29,984)	(3,461)	11.5%
Segment revenue and net investment losses	131,366	306,468	(175,102)	-57.1%
Compensation and benefit expenses	(46,917)	(62,702)	15,785	-25.2%
Finance costs	—	(10,313)	10,313	-100.0%
Carried interest to management team and other parties	(7,059)	(69,149)	62,090	-89.8%
Investment losses attributable to interest holders of consolidated structured entities	9,133	14,434	(5,301)	-36.7%
Impairment loss under expected credit loss model, net of reversal	(4,280)	5	(4,285)	n.m.
Other operating expenses	(42,712)	(52,496)	9,784	-18.6%
Segment operating expenses	(91,835)	(180,221)	88,386	-49.0%
Segment operating profit	39,531	126,247	(86,716)	-68.7%
Segment operating margin	<u>30.1%</u>	<u>41.2%</u>		

The following table sets forth a movement of investments in our own private equity funds and investments in third-party private equity funds for the period indicated.

	Investments in our own funds <i>RMB'000</i>	Investments in third-party funds <i>RMB'000</i>
Balance at December 31, 2023	1,261,600	659,907
Invested Capital	8,435	1,990
Distribution	(20,489)	(318)
Change in value	(29,799)	(39,476)
Effect of exchange rate change	3,067	2,925
Balance at June 30, 2024	1,222,814	625,028

As of June 30, 2024, the internal rate of return of investments in our own private equity funds and investments in third-party private equity funds was 19.6% and 15.3%, respectively.

The following table sets forth certain operational information for the investment management segment as of the dates indicated.

	As of June 30, 2024 <i>RMB in million</i>	As of December 31, 2023 <i>RMB in million</i>
Committed Capital	36,000	35,916
Invested Capital	30,874	30,810
Fair Value of Investments	55,121	56,617
Fee-earning AUM	17,358	22,945
AUM	34,753	36,694

The management fees for each of our main funds are calculated on a percentage ranging from 1.5% to 2.0% of capital commitments during investment period or cost of undisposed investments after investment period. For our project funds, the percentage may vary from 0% to 2%. The income from carried interest from each of our funds is determined only after the fund has achieved its applicable contractual hurdle rate and is based on a percentage of difference of fair value of investments net of expenses over invested capital, which is typically 20% for our main funds and ranges from 0% to 20% for our project funds. The hurdle rate of our funds is typically 8% per annum. Our main funds generally have investment periods of five years. The term of our main funds generally last for 7 to 12 years, subject to a limited number of extensions with the consent of the limited partners.

The following table sets forth certain performance information for our private equity funds as of the dates indicated.

	Committed Capital	Realized Investments ⁽¹⁾ Invested capital	Fair Value	Unrealized Investments Invested capital	Fair Value	Gross Multiple of Invested Capital ⁽²⁾
<i>RMB in million except multiples and percentages</i>						
As of June 30, 2024						
Main Funds ⁽³⁾	29,790	6,573	18,070	17,122	25,061	1.8
Project Funds	6,210	2,985	7,248	4,194	4,742	1.7
Total	36,000	9,558	25,318	21,316	29,803	1.8
As of December 31, 2023						
Main Funds ⁽³⁾	29,717	5,967	17,218	17,681	27,156	1.9
Project Funds	6,199	2,966	7,182	4,196	5,061	1.7
Total	35,916	8,933	24,400	21,877	32,217	1.8

- (1) An investment is considered fully or partially realized when it has been disposed of or has otherwise generated disposition proceeds or current income.
- (2) The gross multiples of invested capital measure the aggregate value generated by private equity fund's investments in absolute terms. Each gross multiple of invested capital is calculated by dividing the sum of total realized and unrealized values of a private equity fund's investments by the total amount of capital invested by the private equity fund. Such total amount of capital invested by the private equity fund does not give effect to the allocation of realized and unrealized carried interest or the payment of any applicable management fees or operating expenses.
- (3) As of June 30, 2024 and December 31, 2023, we managed eleven main private equity funds, including eight under our Huaxing Growth Capital and three under our Huaxing Healthcare Capital.

Segment Revenue and Net Investment Losses

For the investment management segment, management fees decreased by 32.0% from RMB227.5 million for the six months ended June 30, 2023 to RMB154.7 million for the six months ended June 30, 2024. This decrease was primarily due to the decrease in fee-earning AUM with the distribution of funds in the second half of 2023 and first half of 2024. Net investment gains or losses from the investment management business mainly represents the investment income or losses from the investments in our own private equity funds and third-party private equity funds. Net investment losses were RMB33.4 million and RMB30.0 million for the six months ended June 30, 2024 and 2023, respectively.

As of June 30, 2024, the total return of three main funds and seven project funds successfully exceeded the agreed return level in the governing agreement, and it is highly improbable that a significant reversal in the amount of cumulative return will occur. Accordingly, the Group was entitled to a performance-based fee and recognized this fee as income from carried interest. The carried interest to management team and other parties was recognized as an operating expense. During the six months ended June 30, 2024, RMB10.1 million of realized income from carried interest from one main fund was recognized, which decreased from RMB94.2 million for the six months ended June 30, 2023.

Segment Operating Expenses

For the investment management segment, segment operating expenses decreased by 49.0% from RMB180.2 million for the six months ended June 30, 2023 to RMB91.8 million for the six months ended June 30, 2024. This decrease was primarily due to the decrease in carried interest to management team and other parties and compensation and benefit expenses.

Segment Operating Profit

For the investment management segment, segment operating profit was RMB39.5 million and RMB126.2 million for the six months ended June 30, 2024 and 2023, respectively. Segment operating margin was 30.1% and 41.2% for the six months ended June 30, 2024 and 2023, respectively.

CR Securities

The following table sets forth segment revenue, segment operating expenses, and segment operating loss for the periods indicated.

	For the six months ended		Change	% of change
	2024	2023		
	RMB'000	RMB'000	RMB'000	
CR Securities				
Transaction and advisory fees	38,493	40,670	(2,177)	-5.4%
Interest income	4,137	6,676	(2,539)	-38.0%
Segment revenue	<u>42,630</u>	<u>47,346</u>	<u>(4,716)</u>	<u>-10.0%</u>
Net investment gains	60,836	72,339	(11,503)	-15.9%
Segment revenue and net investment gains	<u>103,466</u>	<u>119,685</u>	<u>(16,219)</u>	<u>-13.6%</u>
Compensation and benefit expenses	(91,122)	(105,536)	14,414	-13.7%
Impairment loss under expected credit loss model, net of reversal	2	869	(867)	-99.8%
Finance cost	(6,952)	(8,602)	1,650	-19.2%
Other operating expenses	(47,888)	(48,281)	393	-0.8%
Segment operating expenses	<u>(145,960)</u>	<u>(161,550)</u>	<u>15,590</u>	<u>-9.7%</u>
Segment operating loss	<u>(42,494)</u>	<u>(41,865)</u>	<u>(629)</u>	<u>1.5%</u>

Segment Revenue and Net Investment Gains

For the CR Securities segment, segment revenue and net investment gains were RMB103.5 million for the six months ended June 30, 2024, a decrease of 13.6% from RMB119.7 million for the six months ended June 30, 2023. This decrease was primarily due to the decrease in investment income from co-investment in previously underwritten IPO project on Science and Technology Innovation Board, and partially offset by an increase in investment income from principal investment.

Segment Operating Expenses

For the CR Securities segment, segment operating expenses decreased by 9.7% from RMB161.6 million for the six months ended June 30, 2023 to RMB146.0 million for the six months ended June 30, 2024. This decrease was primarily due to the decrease in compensation and benefit expenses.

Segment Operating Loss

For the CR Securities segment, segment operating loss was RMB42.5 million and RMB41.9 million for the six months ended June 30, 2024 and 2023, respectively.

Others

The others segment mainly comprises wealth management business, and investment and management of our own funds. Wealth management business provides value-added wealth management services for high net worth individuals and other high net worth groups represented by new-economy entrepreneurs.

The following table sets forth segment revenue, segment operating expenses and segment operating loss for the periods indicated.

	For the six months ended			
	June 30,		Change	% of change
	2024	2023		
	RMB'000	RMB'000	RMB'000	
Others				
Segment revenue	23,910	40,272	(16,362)	-40.6%
Segment revenue and net investment gains	27,125	45,483	(18,358)	-40.4%
Compensation and benefit expenses	(32,023)	(43,174)	11,151	-25.8%
Impairment loss under expected credit loss model, net of reversal	(1,625)	3,323	(4,948)	n.m.
Finance cost	(746)	(22,586)	21,840	-96.7%
Other operating expenses	(15,956)	(7,357)	(8,599)	116.9%
Segment operating expenses	(50,350)	(69,794)	19,444	-27.9%
Segment operating loss	(23,225)	(24,311)	1,086	-4.5%

Segment Revenue and Net Investment Gains

For the others segment, total revenue and net investment gains were RMB27.1 million for the six months ended June 30, 2024, decreased by 40.4% from RMB45.5 million for the six months ended June 30, 2023.

Segment Operating Expenses

For the others segment, segment operating expenses decreased by 27.9% from RMB69.8 million for the six months ended June 30, 2023 to RMB50.4 million for the six months ended June 30, 2024.

Segment Operating Loss

For the others segment, segment operating loss was RMB23.2 million and RMB24.3 million for the six months ended June 30, 2024 and 2023, respectively.

Results of Operations

Revenue and Net Investment Gains

The following table sets forth a breakdown of revenue and net investment gains by type for the periods indicated.

	For the six months ended		Change	% of change
	2024	2023		
	RMB'000	RMB'000	RMB'000	
Transaction and advisory fees	136,063	153,175	(17,112)	-11.2%
Management fees	159,859	239,380	(79,521)	-33.2%
Interest income	22,892	49,802	(26,910)	-54.0%
Realized income from carried interest	10,107	94,218	(84,111)	-89.3%
Total revenue	<u>328,921</u>	<u>536,575</u>	<u>(207,654)</u>	<u>-38.7%</u>
Net investment gains	<u>30,606</u>	<u>47,831</u>	<u>(17,225)</u>	<u>-36.0%</u>
Total revenue and net investment gains	<u><u>359,527</u></u>	<u><u>584,406</u></u>	<u><u>(224,879)</u></u>	<u><u>-38.5%</u></u>

Total revenue was RMB328.9 million for the six months ended June 30, 2024, a decrease of 38.7% from RMB536.6 million for the six months ended June 30, 2023.

- Transaction and advisory fees were RMB136.1 million, a decrease of 11.2% from the prior period.
- Management fees were RMB159.9 million, a decrease of 33.2% from the prior period.
- Interest income was RMB22.9 million, a decrease of 54.0% from the prior period.
- Realized income from carried interest was RMB10.1 million, a decrease of 89.3% from the prior period.

Net investment gains were mainly derived from investments in our own private equity funds, investments in third-party private equity funds, listed equity investments, wealth management related products, structured finance related products, financial bonds and other cash management products. Net investment gains decreased from RMB47.8 million for the six months ended June 30, 2023 to RMB30.6 million for the six months ended June 30, 2024.

Total revenue and net investment gains were RMB359.5 million for the six months ended June 30, 2024, a decrease of 38.5% from RMB584.4 million for the six months ended June 30, 2023.

Operating Expenses

Total operating expenses decreased by 19.0% from RMB552.0 million for the six months ended June 30, 2023 to RMB447.3 million for the six months ended June 30, 2024.

Compensation and benefit expenses decreased by 12.0% from RMB320.4 million for the six months ended June 30, 2023 to RMB282.1 million for the six months ended June 30, 2024. Among compensation and benefit expenses, share-based compensation decreased by 31.4% from RMB41.3 million for the six months ended June 30, 2023 to RMB28.3 million for the six months ended June 30, 2024. Excluding the impact of bonus which made a reversal of bonus provision based on assessment of market condition, company performance and future projection during the six months ended June 30, 2023, compensation and benefit expenses decreased by 21.8% from the prior period.

Finance costs decreased by 81.5% from RMB41.5 million for the six months ended June 30, 2023 to RMB7.7 million for the six months ended June 30, 2024.

Provision of impairment losses under expected credit loss model for the six months ended June 30, 2024 was RMB5.9 million, as compared to RMB33.6 million of reversal of impairment losses under expected credit loss model for the six months ended June 30, 2023

Investment losses attributable to interest holders of consolidated structured entities were RMB9.1 million and RMB14.4 million for the six months ended June 30, 2024 and 2023, respectively.

Carried interest to management team and other parties decreased from RMB69.1 million for the six months ended June 30, 2023 to RMB7.1 million for the six months ended June 30, 2024, in line with the decrease in income from carried interest.

Other operating expenses decreased by 9.0% from RMB168.9 million for the six months ended June 30, 2023 to RMB153.6 million for the six months ended June 30, 2024.

Operating (Loss) Profit

Operating loss was RMB87.7 million for the six months ended June 30, 2024, as compared to RMB32.4 million of operating profit for the six months ended June 30, 2023.

Other Income, Gains or Losses

Other gains decreased from RMB7.9 million for the six months ended June 30, 2023 to RMB0.5 million for the six months ended June 30, 2024. Other gains or losses mainly came from government grants and net exchange loss. Please refer to the Note 5 to the condensed consolidated financial statements for further details.

Investment Income arising from Certain Incidental and Ancillary Investments

Incidental to, and ancillary of, our business operations, we have made investments from time to time, the primary types of which include strategic minority equity investments. Usually we make strategic minority equity investments primarily to establish long-term business relationships with selected companies to facilitate our business. These companies operate in various new economy sectors, such as data service and information technology, and we leverage their expertise to enhance our various business operations.

Investment income arising from certain incidental and ancillary investments increased from nil for the six months ended June 30, 2023 to RMB13.1 million for the six months ended June 30, 2024.

Share of Results of Associates

Share of gain of associates increased from RMB0.4 million for the six months ended June 30, 2023 to RMB0.5 million for the six months ended June 30, 2024.

Change in Fair Value of Call Option

The Special Administrative Measures for Access of Foreign Investment (Negative List) (2018 Edition) was promulgated on June 28, 2018 and became effective on July 28, 2018, pursuant to which the limit of ownership percentage by foreign investors in a securities company increased from 49% to 51%. On March 13, 2020, the China Securities Regulatory Commission (“CSRC”) announced an elimination of foreign equity cap in securities companies starting from April 1, 2020. Qualified foreign investors can render applications to establish new wholly-owned securities companies or change actual controllers in their existing joint ventures according to Chinese laws, regulations and applicable rules and service guides of the CSRC. Our call option to acquire the non-controlling interests in CR Securities is substantially exercisable and is mandatorily measured at fair value through profit or loss as a derivative in accordance with IFRS. There was no change in fair value of call option for the six months ended June 30, 2024.

Loss before Tax

Loss before tax was RMB73.6 million and RMB112.2 million for the six months ended June 30, 2024 and 2023, respectively.

Income Tax Expense

Income tax expense was RMB12.3 million and RMB51.0 million for the six months ended June 30, 2024 and 2023, respectively. The decrease was primarily due to less taxable income generated for the six months ended June 30, 2024.

Loss for the Period and Loss for the Period Attributable to Owners of the Company

Loss for the period was RMB86.0 million and RMB163.2 million for the six months ended June 30, 2024 and 2023, respectively. Loss attributable to owners of the Company was RMB73.8 million and RMB180.1 million for the six months ended June 30, 2024 and 2023, respectively.

Adjusted Net Loss Attributable to Owners of the Company

Adjusted net loss attributable to owners of the Company without unrealized net carried interest was RMB45.5 million for the six months ended June 30, 2024, as compared to RMB14.1 million of adjusted net profit attributable to owners of the Company without unrealized net carried interest for the six months ended June 30, 2023. Unrealized net carried interest, calculated as unrealized income from carried interest subtracting carried interest to management team and other parties, was a reverse of RMB72.4 million and a reverse of RMB175.4 million for the six months ended June 30, 2024 and 2023, respectively. Adjusted net loss attributable to owners of the Company with unrealized net carried interest was RMB117.9 million and RMB161.2 million for the six months ended June 30, 2024 and 2023, respectively.

Off-Balance Sheet Commitments and Arrangements

As of June 30, 2024, we had not entered into any off-balance sheet transactions.

Capital Structure

We manage our capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to Shareholders through the optimisation of our capital structure.

The Group is aware of the need to use capital for further business development, continuously seeking various means of financing. As of June 30, 2024, the Group had no outstanding bank borrowings and held credit facilities from authorized institutions in aggregate principal amount of RMB998.9 million. As of June 30, 2024, the Group had RMB1,765.2 million of cash and cash equivalents, term deposits and highly liquid cash management products. Besides, the Group also had RMB2,329.8 million of highly liquid financial assets which mainly comprise of listed corporate bonds.

Gearing Ratio

The gearing ratio of the Group, which is calculated as total liabilities divided by total assets, excluding the effect of right-of-use assets, lease liabilities, open trade receivable, open trade payable, payable to consolidated structured entities, cash held on behalf of brokerage clients and payable to brokerage clients, receivable on behalf of underwriting clients and payable to underwriting clients was 12.9% as of June 30, 2024, compared with 12.6% as of December 31, 2023.

Significant Investments Held

The following table sets forth the fair value of investments of our primary investment activities as of the dates indicated.

	As of June 30, 2024 <i>RMB'000</i>	As of December 31, 2023 <i>RMB'000</i>
Investments in our own private equity funds in our capacity as a general partner and limited partner	1,222,814	1,261,600
Investments in third-party private equity funds in our capacity as a limited partner	625,028	659,907
Strategic minority equity investments		
— Investments in the form of preferred shares of other companies	265,024	263,628
— Equity holdings in non-associate companies	212,267	212,267
Total	<u>2,325,133</u>	<u>2,397,402</u>

As of June 30, 2024, the Group had investments of our primary investment activities amounting to an aggregate of approximately RMB2,325.1 million measured in fair value, which decreased by 3.0% as compared to December 31, 2023. Each investment was individually less than 5% of the total assets of the Group as of June 30, 2024.

Future Plans for Material Investments and Capital Assets

On March 11, 2024, the Company and Huaxing Growth Capital RMB Fund IV (“**HGC RMB Fund IV**”) entered into the settlement agreement. Pursuant to that agreement, the Company agreed to accept transfer of the relevant interests of certain equity investments held by HGC RMB Fund IV at approximately RMB790.8 million. Please refer to the Company’s announcement dated March 11, 2024 and April 19, 2024 for more details.

Save as disclosed above, the Group did not have any plans for material investments and capital assets as at June 30, 2024.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

The Group did not have material acquisitions and disposals of subsidiaries and affiliated companies for the six months ended June 30, 2024.

Employee and Remuneration Policy

As of June 30, 2024, we had 521 full-time employees, including over 86% advisory and investment professionals.

The following table sets forth the number of our employees by function as of June 30, 2024.

Function	Number of Employees	Percentage
Investment Banking	122	23%
Investment Management	51	10%
CR Securities	263	51%
Others	12	2%
Group Middle and Back Office	73	14%
Total	521	100%

The following table sets forth the number of our employees by geographic region as of June 30, 2024.

Geographic Region	Number of Employees	Percentage
Beijing, China	213	41%
Shanghai, China	214	41%
Other cities in China	17	3%
Hong Kong, China	68	13%
United States	7	2%
Singapore	2	—%
Total	521	100%

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our retention strategy, we offer employees performance-based cash bonuses and other incentives in addition to base salaries. As of June 30, 2024, 128 grantees held options granted under the ESOP (as defined in the Prospectus) and restricted shares under the RSU Plan (as defined in the Prospectus) which remained outstanding. The total remuneration expenses, including share-based payment expense, for the six months ended June 30, 2024 were RMB282.1 million, representing a decrease of 12.0% as compared to six months ended June 30, 2023.

Foreign Exchange Risk

Foreign currency risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Although we operate businesses in different countries, our primary subsidiaries operate in the PRC with most of the transactions settled in RMB. When considered appropriate, we enter into hedging activities with regard to exchange rate risk. As of June 30, 2024, we did not hedge or used any financial instruments for hedging purposes.

Pledge of Assets

As of June 30, 2024, no assets of the Group were pledged.

Contingent Liabilities

As of June 30, 2024, save as disclosed in note 23 in this interim result announcement, we did not have any material contingent liabilities.

Interim Dividends

The Board does not recommend the distribution of an interim dividend for the six months ended June 30, 2024.

The Company has adopted a dividend policy (the “**Dividend Policy**”), which aims to increase or maintain the value of dividends per share of the Company, to provide reasonable return in investment of investors, and to allow the Shareholders to assess its dividend payout trend and intention.

Pursuant to the Dividend Policy, a dividend may only be declared and paid out of the profits and reserves of the Company lawfully available for distribution (including share premium), and may not be declared and paid out if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. The Board has absolute discretion on whether to pay a dividend and alternatively, Shareholders may by ordinary resolution declare dividends, but no dividend may be declared in excess of the amount recommended by the Board. In addition, the Company does not currently have a fixed dividend payout ratio. Even if the Board decides to pay dividends, the form, frequency and amount of dividends will depend on, among other things, (a) current and future operations, and future business prospects, (b) the Company’s liquidity position, cash flows, general financial condition, capital adequacy ratio and capital requirements, and (c) the availability of dividends received from subsidiaries and associates in light of statutory and regulatory restrictions on the payment of dividends.

No dividends have been declared or paid by the Company during the six months ended June 30, 2024 and 2023.

The following table sets forth our dividend declarations for the periods indicated.

	For the six months ended	
	June 30,	
	2024	2023
	RMB’000	RMB’000
Dividends to the Shareholders	—	—

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company was incorporated in the Cayman Islands on July 13, 2011 with limited liability, and the Shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on September 27, 2018.

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

Compliance with the Code on Corporate Governance Practices

During the six months ended June 30, 2024, the Company has complied with all applicable code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) except for the following deviation.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Xie Yi Jing is the chairman and chief executive officer of the Company as at June 30, 2024. The Board believes that vesting the roles of both chairman and chief executive officer in Mr. Xie has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. Furthermore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board also notes that the executive committee of the Company (members of which include the other three of the Company’s Executive Directors namely Mr. Lam Ka Cheong Jason, Mr. Du Yongbo and Mr. Wang Lixing and other management of the Company) plays a complementary role to the Chief Executive Officer in the decision-making process. The Board will continue to review and consider splitting the roles of Chairman and Chief Executive Officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

The Company will regularly review and monitor its corporate governance practices to ensure compliance with the CG Code.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the six months ended June 30, 2024.

Purchase, Sale or Redemption of the Company’s Listed Securities

No repurchases of Shares have been made by the Company during the six months ended June 30, 2024 (whether on the Stock Exchange or otherwise).

Neither the Company nor any member of the Group purchased, sold or redeemed any of the Company’s listed securities during the six months ended June 30, 2024.

Audit Committee and Review of Financial Statements

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal controls system of the Group, review and approve connected transactions and provide advice and comments to the Board.

The Audit Committee comprises three independent non-executive Directors, namely Ms. Yao Jue, Mr. Ye Junying and Mr. Zhao Yue. Ms. Yao Jue is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended June 30, 2024. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company with senior management members and the external auditor of the Company, Zhonghui Anda CPA Limited.

Other Board Committees

In addition to the Audit Committee, the Company has also established a nomination committee, a remuneration committee, an executive committee and an environmental, social and governance committee.

Subsequent Events after the Reporting Period

On August 30, 2024, Shanghai Huijia Investment Advisor Co., Ltd (“**Shanghai Huijia**”) and China Renaissance Broking Services (Hong Kong) Limited (“**CR Broking**”) (both are wholly-owned subsidiaries of the Company) entered into an exit agreement (“**Exit Agreement**”) with other parties. Under the Exit Agreement, one of the parties to the Exit Agreement (“**Think Trader**”) agreed to repurchase from Shanghai Huijia 10% equity interest in Think Trader at the total consideration of RMB202 million, and CR Broking agreed to acquire from Think Trader 40.8163% equity interest in a company incorporated in the PRC which holds approximately 3.49% equities interest in CR Securities at the consideration of RMB100 million. For details, please refer to the announcement of the Company dated August 30, 2024.

No other important events affecting the Company have occurred since June 30, 2024 and up to the date of this announcement.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2024

	Notes	Six months ended June 30,	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue	3		
Transaction and advisory fees		136,063	153,175
Management fees		159,859	239,380
Interest income		22,892	49,802
Income from carried interest		10,107	94,218
		<u>328,921</u>	<u>536,575</u>
Total revenue			
Net investment gains	4	30,606	47,831
		<u>359,527</u>	<u>584,406</u>
Compensation and benefit expenses		(282,097)	(320,403)
Carried interest to management team and other parties		(7,059)	(69,149)
Investment losses attributable to interest holders of consolidated structured entities		9,133	14,434
Net (impairment loss)/reversal of impairment loss under expected credit loss model	18	(5,899)	33,583
Finance costs		(7,698)	(41,501)
Other operating expenses		(153,643)	(168,923)
		<u>(447,263)</u>	<u>(551,959)</u>
Total operating expenses			
Operating (loss)/profit		<u>(87,736)</u>	<u>32,447</u>
Other income, gains or losses	5	519	7,920
Investment gain arising from certain incidental and ancillary investments	6	13,117	—
Share of results of associates		481	430
Change in fair value of call option	12	—	(152,990)
		<u>(73,619)</u>	<u>(112,193)</u>
Loss before tax			
Income tax expense	7	(12,348)	(50,980)
		<u>(85,967)</u>	<u>(163,173)</u>
Loss for the period	8		

	Six months ended June 30,	
<i>Notes</i>	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss:</i>		
Exchange differences on translation from functional currency to presentation currency	5,783	353,838
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	9,747	(245,991)
Fair value loss on debt instruments measured at fair value through other comprehensive income	(2,416)	(329)
Reclassification adjustment to profit or loss on disposal of debt instruments measured at fair value through other comprehensive income	67	430
Impairment loss for debt instruments at fair value through other comprehensive income included in profit or loss, net of reversal	(2)	(22)
Income tax that may be reclassified subsequently to profit or loss	605	88
Other comprehensive income for the period, net of tax	13,784	108,014
Total comprehensive expense for the period	(72,183)	(55,159)
<i>(Loss)/profit for the period attributable to:</i>		
— Owners of the Company	(73,822)	(180,132)
— Non-controlling interests	(12,145)	16,959
	(85,967)	(163,173)
<i>Total comprehensive (expense)/income for the period attributable to:</i>		
— Owners of the Company	(59,334)	(72,544)
— Non-controlling interests	(12,849)	17,385
	(72,183)	(55,159)
Loss per share		
Basic and diluted loss per share	<i>10</i>	
	RMB(0.15)	RMB(0.36)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2024

	<i>Notes</i>	At June 30, 2024 <i>RMB'000</i> (unaudited)	At December 31, 2023 <i>RMB'000</i> (audited)
Non-current assets			
Property and equipment		43,511	69,493
Intangible assets		91,140	102,835
Deferred tax assets		127,481	122,413
Investments in associates	11	1,259,293	1,291,656
Investment in a joint venture		—	—
Financial assets at fair value through profit or loss	12	1,427,468	1,468,781
Financial assets at fair value through other comprehensive income	13	—	49,629
Rental deposits		32,369	20,202
Loans to third parties	14	—	67,822
		<u>2,981,262</u>	<u>3,192,831</u>
Current assets			
Accounts and other receivables	15	622,520	885,586
Financial assets purchased under resale agreements	16	6,000	—
Amounts due from related parties	17	923,977	875,618
Financial assets at fair value through profit or loss	12	2,855,474	3,003,250
Financial assets at fair value through other comprehensive income	13	46,355	—
Loans to third parties	14	68,245	—
Term deposits		56,058	—
Cash held on behalf of brokerage clients		551,810	272,925
Cash and cash equivalents		<u>1,245,159</u>	<u>1,110,150</u>
		<u>6,375,598</u>	<u>6,147,529</u>
TOTAL ASSETS		<u><u>9,356,860</u></u>	<u><u>9,340,360</u></u>

	<i>Notes</i>	At June 30, 2024 <i>RMB'000</i> (unaudited)	At December 31, 2023 <i>RMB'000</i> (audited)
Current liabilities			
Accounts and other payables	19	666,415	904,923
Financial assets sold under repurchase agreements	20	510,158	482,578
Short-term debt instrument issued	21	95,301	93,806
Payable to brokerage clients		551,810	272,925
Payables to interest holders of consolidated structured entities		156,801	169,933
Amounts due to related parties		1,106	1,273
Contract liabilities		69,211	16,584
Lease liabilities		24,437	35,540
Income tax payables		83,109	107,493
		<u>2,158,348</u>	<u>2,085,055</u>
Net current assets		<u>4,217,250</u>	<u>4,062,474</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,198,512</u>	<u>7,255,305</u>
Non-current liabilities			
Lease liabilities		12,401	17,484
Contract liabilities		—	423
Deferred tax liabilities		53,043	60,455
		<u>65,444</u>	<u>78,362</u>
NET ASSETS		<u>7,133,068</u>	<u>7,176,943</u>
Capital and reserves			
Share capital	22	93	93
Reserves		6,108,290	6,139,316
Equity attributable to owners of the Company		6,108,383	6,139,409
Non-controlling interests		1,024,685	1,037,534
		<u>7,133,068</u>	<u>7,176,943</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

2. MATERIAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from adoption of new and revised International Financial Reporting Standards (“**IFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2024 are the same as those presented in the annual consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the year ended December 31, 2023.

Adoption of new and revised IFRSs

In the current interim period, the Group has adopted all the new and revised IFRSs that are relevant to its operations and effective for its accounting year beginning on January 1, 2024. The adoption of these new and revised IFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s condensed consolidated financial statements and amounts reported for the current and prior periods.

The Group has not applied the new and revised IFRSs that have been issued but are not yet effective. The application of these new and revised IFRSs will not have material impact on the condensed consolidated financial statements of the Group.

3. REVENUE AND SEGMENT INFORMATION

For the purposes of resources allocation and assessment of segment performance, the executive directors of the Company, being the chief operating decision maker (“**CODM**”), regularly review types of services delivered or provided by focusing on different business models. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable segments under IFRS 8 “Segment” are as follows:

- (a) The investment banking is a segment of the Group’s operations whereby the Group provides (i) early to late stage financial advisory, merger & acquisition advisory inside and outside mainland China, equity underwriting, sales, trading, and brokerage, and research in Hong Kong and the United States of America (the “**USA**”); and (ii) structured financing dedicated to exploring and developing non-equity financing services for new-economy firms;
- (b) The investment management is a segment of the Group’s operations whereby the Group provides fund and asset management for individual and institutional clients, and manages its own investment in funds to obtain investment returns;
- (c) CR Securities comprises the Group’s investment banking and asset management businesses in mainland China, which overlap with the other two segments in nature but are otherwise separately operated and focuses on regulated securities market in mainland China and has an independent risk control framework; and
- (d) Others mainly comprise wealth management business, and investment and management of its own funds. Wealth management business provides value-added wealth management services for high-net-worth individuals and other high net worth groups represented by new-economy entrepreneurs, and this business also helps the Group integrate and enhance investment and management of its own funds.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Six months ended June 30, 2024 (unaudited)				Total consolidated RMB'000
	Investment banking RMB'000	Investment management RMB'000	CR Securities RMB'000	Others RMB'000	
Transaction and advisory fees	97,570	—	38,493	—	136,063
Management fees	—	154,704	—	5,155	159,859
Interest income	—	—	4,137	18,755	22,892
Income from Carried Interest (<i>note</i>)	—	10,107	—	—	10,107
	<u>97,570</u>	<u>164,811</u>	<u>42,630</u>	<u>23,910</u>	<u>328,921</u>
Total revenue	97,570	164,811	42,630	23,910	328,921
Net investment (losses)/gains	—	(33,445)	60,836	3,215	30,606
	<u>97,570</u>	<u>131,366</u>	<u>103,466</u>	<u>27,125</u>	<u>359,527</u>
Total revenue and net investment gains	97,570	131,366	103,466	27,125	359,527
Compensation and benefit expenses	(112,035)	(46,917)	(91,122)	(32,023)	(282,097)
Carried Interest to management team and other parties (<i>note</i>)	—	(7,059)	—	—	(7,059)
Investment losses attributable to interest holders of consolidated structured entities	—	9,133	—	—	9,133
Other operating expenses	(47,087)	(42,712)	(47,888)	(15,956)	(153,643)
Finance costs	—	—	(6,952)	(746)	(7,698)
Net impairment losses under expected credit loss model	4	(4,280)	2	(1,625)	(5,899)
	<u>(61,548)</u>	<u>39,531</u>	<u>(42,494)</u>	<u>(23,225)</u>	<u>(87,736)</u>
Operating (loss)/profit	(61,548)	39,531	(42,494)	(23,225)	(87,736)
Other income, gains or losses					519
Investment gain arising from certain incidental and ancillary investments					13,117
Share of results of associates					481
					<u>(73,619)</u>
Loss before tax					(73,619)
Income tax expense					(12,348)
					<u>(85,967)</u>
Loss for the period					<u>(85,967)</u>

	Six months ended June 30, 2023 (unaudited)				Total consolidated RMB'000
	Investment banking RMB'000	Investment management RMB'000	CR Securities RMB'000	Others RMB'000	
Transaction and advisory fees	112,505	—	40,670	—	153,175
Management fees	—	227,544	—	11,836	239,380
Interest income	—	14,690	6,676	28,436	49,802
Income from Carried Interest (<i>note</i>)	—	94,218	—	—	94,218
Total revenue	112,505	336,452	47,346	40,272	536,575
Net investment gains/(losses)	265	(29,984)	72,339	5,211	47,831
Total revenue and net investment gains or losses	112,770	306,468	119,685	45,483	584,406
Compensation and benefit expenses	(108,991)	(62,702)	(105,536)	(43,174)	(320,403)
Carried Interest to management team and other parties (<i>note</i>)	—	(69,149)	—	—	(69,149)
Investment losses attributable to interest holders of consolidated structured entities	—	14,434	—	—	14,434
Other operating expenses	(60,789)	(52,496)	(48,281)	(7,357)	(168,923)
Finance costs	—	(10,313)	(8,602)	(22,586)	(41,501)
Net reversal of impairment losses under expected credit loss model	29,386	5	869	3,323	33,583
Operating (loss)/profit	(27,624)	126,247	(41,865)	(24,311)	32,447
Other income, gains or losses					7,920
Share of results of associates					430
Change in fair value of call option					(152,990)
Loss before tax					(112,193)
Income tax expense					(50,980)
Loss for the period					(163,173)

Segment profit or loss represents the results of each segment without allocation of corporate items including other income, gains or losses, investment gain arising from certain incidental and ancillary investments, share of results of associates, change in fair value of call option and income tax expense. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Note:

Income from carried interest earned based on the performance of the managed funds (“**Carried Interest**”) is a form of variable consideration in their contracts with customers to provide investment management services. Carried Interest are earned based on fund performance during the period, subject to the achievement of minimum return levels, in accordance with the respective terms set out in each fund’s governing agreements.

The segment results of investment management reported to the CODM also include the unrealized income from Carried Interest calculated below on an as-if liquidation basis in the segment information as it is a key measure of value creation, a benchmark of the Group’s performance and a major factor in the Group’s decision making of resource deployment. There is a reversal of unrealized income from Carried Interest of RMB241,132,000 for the six months ended June 30, 2024 (six months ended June 30, 2023: a reversal of unrealized income from Carried Interest of RMB567,710,000), which are based on the underlying fair value change of the respective funds managed by the Group. The associated expense of the proportion of unrealized Carried Interest is a reversal of carried interest to management team and other parties of RMB168,750,000 for the six months ended June 30, 2024 (six months ended June 30, 2023: a reversal of carried interest to management team and other parties of RMB392,343,000), that would be payable to fund management teams and other third parties. The unrealized income from Carried Interest is allocated to the general partners based on the cumulative fund performance to date, subject to the achievement of minimum return levels to limited partners on an as-if liquidation basis. At the end of each reporting period, the general partners calculate the income from Carried Interest that would be due to the general partners for each fund, pursuant to the fund agreements, as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized.

As the fair value of underlying investments vary among reporting periods, it is necessary to make adjustments to amounts presented as income from Carried Interest to reflect either (a) positive performance in the period resulting in an increase in the Carried Interest allocated to the general partners or (b) negative performance in the period that would cause the amounts due to the general partners to be less than the amounts previously presented as revenue, resulting in a negative adjustment to the Carried Interest allocated to the general partners. The proportion of Carried Interest recognized that is allocated to fund management teams and other parties (and only payable as a proportion of any Carried Interest received) is included, on a basis consistent with such income from Carried Interest, as an expense in the investment management segment.

However, during the six months ended June 30, 2024, except for RMB10,107,000 (six months ended June 30, 2023: RMB94,218,000) of Carried Interest realized for certain funds, no income from Carried Interest for other funds was recognized as revenue and it will not be recognized as revenue until (a) it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur, or (b) the uncertainty associated with the variable consideration is subsequently resolved. All allocations of Carried Interest as an expense are recognized only when the amounts that will be eventually be paid out can be reliably measured, which is generally at the later stage of the applicable commitment period when the amounts are contractually payable, or “crystallized”.

Segment assets and liabilities

Information of segment assets and liabilities that are available for reportable and operating segments are not provided to the CODM for their review. Therefore, no analysis of the Group's assets and liabilities by reportable and operating segments are presented.

Geographical information

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the mainland China and Hong Kong. The geographical information of the total revenues and non-current assets is as follows:

	Revenue from external customers		Non-current assets (note)	
	Six months ended June 30,		At	At
	2024	2023	June 30, 2024	December 31, 2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(audited)
Mainland China	263,203	443,532	123,947	160,605
Hong Kong	59,597	83,104	8,312	13,821
USA	6,121	9,939	1,768	1,986
	<u>328,921</u>	<u>536,575</u>	<u>134,027</u>	<u>176,412</u>

Note: Non-current assets excluded the deferred tax assets and the financial instruments.

Timing of revenue recognition for revenue from contract of customers

	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
A point of time	146,170	247,393
Over time	<u>159,859</u>	<u>239,380</u>
	<u>306,029</u>	<u>486,773</u>

4. NET INVESTMENT GAINS

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Net realized and unrealized (losses)/gains from financial assets at fair value through profit or loss (“FVTPL”)		
— Wealth management related products	(6,076)	10,197
— Asset management schemes	79,192	(2,745)
— Structured finance related products	—	1,185
— Financial bonds	(17,307)	7,158
— Listed equity security investments	(2,862)	82,401
— Convertible notes	(6)	8,781
— Unlisted investment funds at fair value	(1,102)	3,934
Net realized gains from financial assets at fair value through other comprehensive income (“FVTOCI”)		
— Financial bonds	—	430
Gross gain from consolidated structured entities		
— Asset management schemes	42	—
Gross loss from investments in associates measured at fair value		
— Investment in funds	(21,831)	(65,876)
Dividend income from		
— Wealth management related products	556	2,365
— Listed equity security investments	—	1
	30,606	47,831

5. OTHER INCOME, GAINS OR LOSSES

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Government grants (<i>note</i>)	3,520	19,596
Net exchange loss	(1,295)	(13,475)
Others	(1,706)	1,799
	519	7,920

Note:

The government grants were mainly incentives provided by local government authorities, which primarily included tax incentive awards and industry support funds granted by local government authorities in Shanghai, the PRC, based on the Group’s contribution to the development of the local financial sector.

6. INVESTMENT GAIN ARISING FROM CERTAIN INCIDENTAL AND ANCILLARY INVESTMENTS

	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Investment gain from		
— Unlisted debt security investment	<u>13,117</u>	<u>—</u>

Investment gain arising from certain incidental and ancillary investments represents certain investments made from time to time, the primary type of which include investments in the form of preferred shares of other companies, convertible notes of other companies, and other passive equity holdings in non-associate companies and derivatives.

7. INCOME TAX EXPENSE

	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Current tax		
Mainland China	23,817	54,876
Hong Kong	<u>—</u>	<u>1,475</u>
	<u>23,817</u>	<u>56,351</u>
Deferred tax	<u>(11,469)</u>	<u>(5,371)</u>
Total income tax expense	<u>12,348</u>	<u>50,980</u>

8. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Depreciation of property and equipment	28,222	31,479
Amortization of intangible assets	14,009	13,983
Expenses recognized relating to short-term leases	449	1,199
Staff costs, including directors' remuneration:		
— Directors' fees	1,931	443
— Salaries, bonus and other allowances	216,774	267,772
— Retirement benefit scheme contributions	8,707	10,908
— Equity-settled share-based payments expenses	28,308	41,280
	<u>28,308</u>	<u>41,280</u>

9. DIVIDENDS

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Dividends to shareholders of the Company	<u>—</u>	<u>—</u>

No dividends have been declared or paid by the Company during the six months ended June 30, 2024 and 2023.

10. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended June 30,	
	2024	2023
	(unaudited)	(unaudited)
Loss for the purpose of basic and diluted loss per share		
Loss for the period attributable to owners of the Company (RMB'000)	(73,822)	(180,132)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and dilutive loss per share	<u>506,507,683</u>	<u>502,642,560</u>
Basic and dilutive loss per share (RMB)	<u>(0.15)</u>	<u>(0.36)</u>

The computation of diluted loss per share for the six months ended June 30, 2024 and 2023 has not considered the effect of share options and unvested restricted share units given that the effects are anti-dilutive.

11. INVESTMENTS IN ASSOCIATES

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Investments in unlisted companies (a)	14,735	14,967
Investments in funds (b)	<u>1,244,558</u>	<u>1,276,689</u>
	<u><u>1,259,293</u></u>	<u><u>1,291,656</u></u>

(a) Investments in unlisted companies

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Cost of unlisted investments in associates	63,976	63,976
Share of post-acquisition profit or loss and other comprehensive expense	(11,364)	(10,566)
Impairment loss	(39,721)	(39,721)
Exchange adjustments	<u>1,844</u>	<u>1,278</u>
	<u><u>14,735</u></u>	<u><u>14,967</u></u>

(b) Investments in funds

The Group invested in associates that are investment funds it manages, and the Group elected to measure investment in these associates at fair value. Details of such investment funds are summarized as follows:

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Cost of investments in funds	874,661	883,562
Fair value changes in funds (note)	303,544	329,929
Exchange adjustments	<u>66,353</u>	<u>63,198</u>
	<u><u>1,244,558</u></u>	<u><u>1,276,689</u></u>

Note: The fair value changes on funds were recorded in the net investment gains in the condensed consolidated statement of profit or loss and other comprehensive income.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at June 30, 2024 <i>RMB'000</i> (unaudited)	As at December 31, 2023 <i>RMB'000</i> (audited)
Current		
Unlisted cash management products (<i>note a</i>)	108,244	58,243
Money market funds (<i>note b</i>)	355,741	468,329
Listed financial bonds (<i>note c</i>)	2,329,772	2,415,343
Convertible notes (<i>note d</i>)	61,717	61,335
	<u>2,855,474</u>	<u>3,003,250</u>
Non-current		
Unlisted investment funds at fair value (<i>note e</i>)	625,028	680,854
Unlisted debt security investments (<i>note f</i>)	454,323	439,873
Unlisted equity security investments (<i>note g</i>)	66,085	66,022
Call option for obtaining non-controlling interests (<i>note h</i>)	282,032	282,032
	<u>1,427,468</u>	<u>1,468,781</u>

Notes:

- (a) The Group purchased cash management products with expected rates of return per annum ranging from 1.27% to 5.43% as at June 30, 2024 (December 31, 2023: 4.17% to 5.43%). The fair values are based on cash flow discounted using the expected rate of return based on management judgement.
- (b) The Group invested in money market funds through its consolidated asset management schemes. As these money market funds held by the Group were managed within a business model whose objective is to sell these investments and the contractual terms do not give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding, they were subsequently measured at FVTPL.
- (c) The Group invested in financial bonds with fixed interest rates ranging from 0.10% to 5.08% as at June 30, 2024 (December 31, 2023: from 0.10% to 5.08%) and can be traded in the public bonds market at any time and settled at the prevailing market prices. As these financial bonds held by the Group were managed within a business model whose objective is to sell the debt instruments, they were subsequently measured at FVTPL.

- (d) The Group invested in convertible notes with fixed interest rates of 10.00% (December 31, 2023: 10.00%) and with terms of within one year, which may be extended by the investee pursuant to its terms. The Group had conversion right to convert notes into equity shares of investee before the maturity date. On February 13, 2023, the final repayment date was extended by the investee to April 11, 2024 pursuant to its terms. In 2024, the Group and other lenders of the syndicated convertible note facility entered into a standstill agreement with the investee for a period ending October 11, 2024, whereby the lenders agreed not to make any claim, enforcement action or proceeding against the investee, whilst the investee explored other refinancing opportunities. The Group has the right to terminate the standstill agreement early.
- (e) The fair values of the unlisted investment funds are mainly based on the net asset values of the investment funds reported to the limited partners by the general partners at the end of the reporting period. The fair value changes are recorded in the net investment gains in the condensed consolidated statement of profit or loss and other comprehensive income.
- (f) These investments represent investments in the preferred shares of unlisted companies. The subsequent fair value change of the investments are recorded in the investment gain arising from certain incidental and ancillary investments in the condensed consolidated statement of profit or loss and other comprehensive income.
- (g) These investments represent equity investments in the unlisted companies, and subsequent fair value change of the investments are recorded in the investment gain arising from certain incidental and ancillary investments in the condensed consolidated statement of profit or loss and other comprehensive income.
- (h) The Group holds a call option to obtain any non-controlling interests from the non-controlling shareholder of a subsidiary of the Group, 華興證券有限公司 (“China Renaissance Securities (China) Co., Ltd.”) (“**CR Securities**”), at the book value of the non-controlling interests exercisable at any time after its establishment. The fair value as at June 30, 2024 amounted to RMB282,032,000 (December 31, 2023: RMB282,032,000). The call option is not traded in an active market and the respective fair value is determined by using valuation technique. The fair value has been determined in accordance with Black Scholes model based on fair value of underlying net assets of CR Securities and the estimate of the exercisability of the call option.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at June 30, 2024 RMB'000 (unaudited)	As at December 31, 2023 RMB'000 (audited)
Listed financial bonds	46,355	49,629
Less: non-current portion	<u>—</u>	<u>(49,629)</u>
	<u>46,355</u>	<u>—</u>

The total cost of the financial bonds as at June 30, 2024 was RMB50,000,000 (December 31, 2023: RMB50,000,000) and the fair value as at June 30, 2024 was RMB46,355,000 (December 31, 2023: RMB49,629,000) and with changes in fair value recorded in in other comprehensive expense in the condensed consolidated statement of profit or loss and other comprehensive income. The expected credit losses of financial bonds amounting to RMB10,000 as at June 30, 2024 (December 31, 2023: RMB12,000) was recognized in other reserves.

14. LOANS TO THIRD PARTIES

	As at June 30, 2024 <i>RMB'000</i> (unaudited)	As at December 31, 2023 <i>RMB'000</i> (audited)
Wallaby Medical Holding, Inc. (“Wallaby”) (<i>note</i>)	211,153	209,846
Less: impairment loss allowance	(142,908)	(142,024)
	68,245	67,822
Less: non-current portion	—	(67,822)
	68,245	—

Note: In March 2022, the Group entered into agreement with Wallaby, a third party. A loan amounting to US\$24,935,000 (equivalent to approximately RMB173,662,000) as at December 31, 2022 was made to Wallaby. The loan will be repaid on the second anniversary of the loan origination, which could be extended for 12 months by Wallaby pursuant to its terms. The interest rates from first year to third year were 8%, 8.5% and 9.5% per annum, respectively, plus 7% compound interest per annum. In February 2024, the maturity date of the loan was extended by Wallaby for 12 months to April 2025 pursuant to its terms. There was evidence indicating the asset is credit-impaired. As of June 30, 2024, impairment allowance of RMB142,908,000 was made on credit-impaired debtor.

15. ACCOUNTS AND OTHER RECEIVABLES

	As at June 30, 2024 <i>RMB'000</i> (unaudited)	As at December 31, 2023 <i>RMB'000</i> (audited)
Accounts receivables		
— Accounts receivable (<i>note a</i>)	30,374	44,398
— Open trade receivable (<i>note b</i>)	370,640	599,807
Advance to suppliers	14,155	8,296
Other receivables		
— Refundable deposits (<i>note c</i>)	99,210	86,320
— Restricted Amounts (<i>note 23</i>)	78,127	77,669
— Staff loans	21,109	28,179
— Value-added tax recoverable	1,903	1,820
Others	10,488	41,668
	626,006	888,157
Less: impairment loss allowance	(3,486)	(2,571)
	622,520	885,586

Notes:

- (a) The Group allows an average credit period of 180 days for its customers. The following is an aging analysis of accounts receivables based on invoice dates (net of impairment loss allowance) at the end of the reporting periods:

	As at June 30, 2024 <i>RMB'000</i> (unaudited)	As at December 31, 2023 <i>RMB'000</i> (audited)
0–30 days	15,083	30,232
31–60 days	1,654	2,593
61–90 days	984	2,239
91–180 days	5,773	4,904
181–360 days	3,603	1,594
Over 1 year	827	411
	<u>27,924</u>	<u>41,973</u>

Details of the impairment assessment are set out in note 18.

- (b) Open trade receivable arose from the Group's brokerage business in respect of securities trading. As the Group currently does not have an enforceable right to offset these receivables with corresponding payables to counterparties, the two balances are presented separately.
- (c) Refundable deposits mainly represent deposits in Stock Exchange.

16. FINANCIAL ASSETS PURCHASED UNDER RESALE AGREEMENTS

	As at June 30, 2024 <i>RMB'000</i> (unaudited)	As at December 31, 2023 <i>RMB'000</i> (audited)
Analyzed by collateral type:		
— Debt securities	<u>6,000</u>	<u>—</u>
Analyzed by market:		
— Stock exchanges	<u>6,000</u>	<u>—</u>

As at June 30, 2024, the fair value of the collateral was RMB6,000,000 (December 31, 2023: nil).

17. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Group include major shareholders of the Company and entities/partnerships under their control, associates of the Group, entities/partnerships controlled by members of the board of directors and close family members of such individuals.

Amounts due from related parties — trade nature

	<i>Note</i>	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
無錫江陰鐸興領傑股權投資合夥企業(有限合夥) (“Wuxi Jiangyin Huaxing Lingjie Equity Investment Partnership (Limited Partnership)”) (“HGC RMB Fund IV”)	<i>i</i>	903,679	893,907
Huaxing Growth Capital IV, L.P.	<i>i</i>	50,003	30,698
深圳華晟領翔股權投資合夥企業(有限合夥) (“Shenzhen Huasheng Lingxiang Equity Investment Partnership (Limited Partnership)”)	<i>i</i>	34,441	34,441
Huaxing Capital Partners II, L.P.	<i>i</i>	13,587	10,532
廈門鐸興志賢創業投資合夥企業(有限合夥) (“Xiamen Huaxing Zhixian Venture Capital Partnership (Limited Partnership)”)	<i>i</i>	6,145	—
廈門鐸興志曠創業投資合夥企業(有限合夥) (“Xiamen Huaxing Zhikuang Venture Capital Partnership (Limited Partnership)”)	<i>i</i>	2,258	—
Huaxing Yihui LLC	<i>i</i>	6,662	5,682
CR Life Star Fund LLC	<i>i</i>	2,945	5,791
Huaxing Capital Partners, L.P.	<i>i</i>	2,226	1,394
Huaxing Yichong LLC	<i>i</i>	1,073	914
HX Pioneer Selection Limited	<i>i</i>	1,028	—
HX Premium Selection Limited	<i>i</i>	570	567
HX Quality Selection Limited	<i>i</i>	499	496
CR HB XI Venture Feeder, LP	<i>i</i>	449	149
上海華晟領錦投資合夥企業(有限合夥) (“Shanghai Huasheng Lingjin Equity Investment Partnership (Limited Partnership)”)	<i>i</i>	—	190
寧波梅山保稅港區華興領鴻股權投資合夥企業 (有限合夥) (“Ningbo Meishan Bonded Port Area Huaxing Linghong Equity Investment Partnership (Limited Partnership)”)	<i>i</i>	—	61
Less: impairment loss allowance		(120,055)	(116,344)
		905,510	868,478

The trade balance represents (i) the fee and carried interest receivable of gross carrying amount of RMB144,722,000 in relation to the fund management service provided by the Group, which is non-interest bearing; and (ii) the receivable of gross carrying amount of RMB880,843,000 in relation to investment portfolio transferred by the Group to HGC RMB Fund IV.

For amounts due from related parties of trade nature, the Group has applied the simplified approach to measure the loss allowance at lifetime expected credit loss (“ECL”). The Group determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Impairment allowance of RMB3,664,000 were made based on the Group’s provision matrix within lifetime ECL (not credit-impaired) as of June 30, 2024. For debtors with credit-impaired, the Group assesses individually. As of June 30, 2024, gross carrying amounts of RMB945,661,000 were credit-impaired. Impairment allowance of RMB116,391,000 were made on credit-impaired debtors.

The Group generally grants a credit period of 180 days to its related parties. Aging of amounts due from related parties — trade nature, based on invoice dates (net of impairment loss allowance), are as follows:

	As at June 30, 2024 RMB’000 (unaudited)	As at December 31, 2023 RMB’000 (audited)
0–30 days	6,582	46,817
31–60 days	5,996	1,451
61–90 days	6,059	1,342
91–180 days	27,372	3,706
181–360 days	40,414	7,715
Over 1 year	819,087	807,447
	905,510	868,478

Amounts due from related parties — non-trade nature

		At June 30, 2024	At December 31, 2023
	<i>Notes</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
達孜縣崇鑄企業管理有限公司 (“Dazi Chonghua Enterprise Management Co., Ltd.”)	<i>ii</i>	2,796	2,796
Mr. Du Yongbo	<i>iii</i>	8,153	—
HGC Partners IV, L.P.	<i>i</i>	4,487	—
北京瑞智醫療股權投資合夥企業(有限合夥) (“Beijing Ruizhi Medical Equity Investment Partnership (Limited Partnership)”)	<i>i</i>	713	708
Huaxing Yihui LLC	<i>i</i>	626	622
HX Pioneer Selection Limited	<i>i</i>	—	614
廈門鑄展祺舸創業投資合夥企業(有限合夥) (“Xiamen Huazhan Qige Venture Capital Partnership (Limited Partnership)”)	<i>i</i>	569	549
Huaxing Growth Capital Medley Platform, L.P.	<i>i</i>	411	409
Huaxing Capital Partners II, L.P.	<i>i</i>	237	236
East Classic Development Limited	<i>i</i>	347	207
廈門鑄興豐績創業投資合夥企業(有限合夥) (“Xiamen Huaxing Fengji Venture Capital Partnership (Limited Partnership)”)	<i>i</i>	358	358
Other funds managed by the Group	<i>i</i>	1,380	981
Less: impairment loss allowance		(1,610)	(340)
		18,467	7,140

The balance with Mr. Du Yongbo bears an interest of 8%, other balances are unsecured, interest free and repayable on demand.

Notes:

- (i) Funds managed by the Group in which the Group has significant influence.
- (ii) Entities controlled by shareholders of the Company.
- (iii) Mr. Du Yongbo was appointed as an executive director of the Company with effect from February 2, 2024.

18. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS SUBJECT TO EXPECTED CREDIT LOSS MODEL

	Six months ended June 30,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Impairment loss recognized/(reversed) in respect of		
Accounts and other receivables	920	(33,841)
Loans to third parties	—	(8)
Amounts due from related parties	4,981	288
Financial assets at FVTOCI	(2)	(22)
	<u>5,899</u>	<u>(33,583)</u>

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended June 30, 2024 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023.

19. ACCOUNTS AND OTHER PAYABLES

	As at	As at
	June 30, 2024	December 31, 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Salaries, bonus and other benefit payables	102,494	102,551
Open trade payable (<i>note</i>)	407,948	628,104
Other payables	53,565	66,875
Consultancy fee payables	30,812	38,347
Carried interests to management team and other parties	56,155	46,077
Other tax payables	5,431	6,961
Accrued expenses	10,010	16,008
	<u>666,415</u>	<u>904,923</u>

Note: No aging analysis is disclosed. In the opinion of the directors of the Company, the aging analysis does not give additional value to the readers of these condensed consolidated financial statements in view of the nature of the business.

20. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	As at June 30, 2024 <i>RMB'000</i> (unaudited)	As at December 31, 2023 <i>RMB'000</i> (audited)
Analyzed by collateral type:		
— Debt securities	510,000	482,034
Add: interest payable	158	544
	<u>510,158</u>	<u>482,578</u>
Analyzed by market:		
— Stock exchanges	<u>510,158</u>	<u>482,578</u>

Sales and repurchase agreements are transactions in which the Group sells a security and simultaneously agrees to repurchase it (or an asset that is substantially the same) at the agreed date and price. The repurchase prices are fixed and the Group is still exposed to substantially all the credit risks, market risks and rewards of those securities transferred. These securities are not derecognized from the consolidated financial statements but regarded as “collateral” for the liabilities because the Group retains substantially all the risks and rewards of these securities.

The proceeds from selling such securities are presented as financial assets sold under repurchase agreements. Since the Group transfers contractual rights to receive the cash flows of the securities, it does not have the ability to sell or repledge these transferred securities during the term of these arrangements. Financial assets sold under repurchase agreements bear effective interest from 1.91% to 2.29% (December 31, 2023: 2.39% to 2.60%) per annum.

The following tables provide a summary of carrying amounts and fair values related to the transferred financial assets that are not derecognized in their entirety and the associated liabilities:

	As at June 30, 2024 <i>RMB'000</i> (unaudited)	As at December 31, 2023 <i>RMB'000</i> (audited)
Carrying amount of transferred assets		
— Financial assets at FVTPL	1,251,810	982,011
— Financial assets at FVTOCI	46,355	49,629
Carrying amount of associated liabilities	<u>(510,158)</u>	<u>(482,578)</u>
Net position	<u>788,007</u>	<u>549,062</u>

21. SHORT-TERM DEBT INSTRUMENT ISSUED

	As at June 30, 2024 <i>RMB'000</i> (unaudited)	As at December 31, 2023 <i>RMB'000</i> (audited)
Structured notes	<u>95,301</u>	<u>93,806</u>

As at June 30, 2024, the interest rates of structured notes range from 3.10% to 3.30% (December 31, 2023: 3.10% to 3.30%) per annum.

22. SHARE CAPITAL

	Number of shares	Nominal value Per share <i>US\$</i>	Share capital <i>US\$</i>
Authorized			
At January 1, 2023 (audited), December 31, 2023 (audited), January 1, 2024 (audited) and June 30, 2024 (unaudited)	<u>2,000,000,000</u>	0.000025	<u>50,000</u>
	Number of shares	Nominal value per share <i>US\$</i>	Share capital <i>US\$</i>
			Amount shown in the financial statements <i>RMB</i>
Issued and fully paid			
At January 1, 2023 (audited), December 31, 2023 (audited), January 1, 2024 (audited) and June 30, 2024 (unaudited)	<u>568,397,776</u>	0.000025	<u>14,210</u>
			<u>93,194</u>
		As at June 30, 2024 <i>RMB'000</i> (unaudited)	As at December 31, 2023 <i>RMB'000</i> (audited)
Presented as		<u>93</u>	<u>93</u>

23. CONTINGENT LIABILITIES

As disclosed in the Company's announcements dated February 16, 2023, February 26, 2023, August 9, 2023, that the board of directors of the Company noted that Mr. Bao Fan, the controlling shareholder of the Company, previous chairman of the board of directors, executive director and chief executive officer of the Company was in cooperation with an investigation by the relevant authority in the PRC (the "**Matter**"). During the six months ended June 30, 2024, the Company also announced on February 2, 2024 that, with effect from that date, Mr. Bao Fan resigned as an executive director, the chairman of the board of directors and the chief executive officer of the Company (see announcement dated February 2, 2024 for details). In the last quarter of 2023, as per notification received, the Group paid certain restricted amounts of approximately RMB78,127,000 (December 31, 2023: RMB77,669,000, the change in the balance was solely due to the change in the prevailing exchange rates adopted in translating the balance as at the period/year end date) in relation to the Matter (the "**Restricted Amounts**"). All of these events are collectively referred to as the "Incidents".

Due to the uncertainties in relation to the Incidents, the directors of the Company are of the view that it is premature to determine the possible outcome and their related impact. Accordingly, no provision has been provided for the Incidents for the six months ended June 30, 2024.

Save as disclosed above and elsewhere in these consolidated financial statements, the directors of the Company are not aware of any other significant impact on the business operation of the Group arising from the Incidents. Should the Company become aware of any changes with respect to this assessment, it would make further announcements as and when appropriate.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.huaxing.com. The interim report of the Group for the six months ended June 30, 2024 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Shareholders in due course.

By order of the Board
China Renaissance Holdings Limited
Xie Yi Jing
Chairman of the Board and Executive Director

Hong Kong, September 5, 2024

As at the date of this announcement, the Board comprises Mr. Xie Yi Jing as Chairman and Executive Director, Mr. Lam Ka Cheong Jason, Mr. Du Yongbo and Mr. Wang Lixing as Executive Directors, Mr. Lin Ning David and Ms. Sun Chin Hung as Non-executive Directors, and Ms. Yao Jue, Mr. Ye Junying and Mr. Zhao Yue as Independent Non-executive Directors.