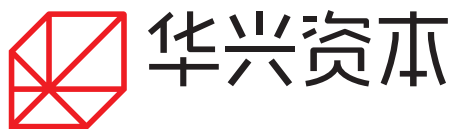
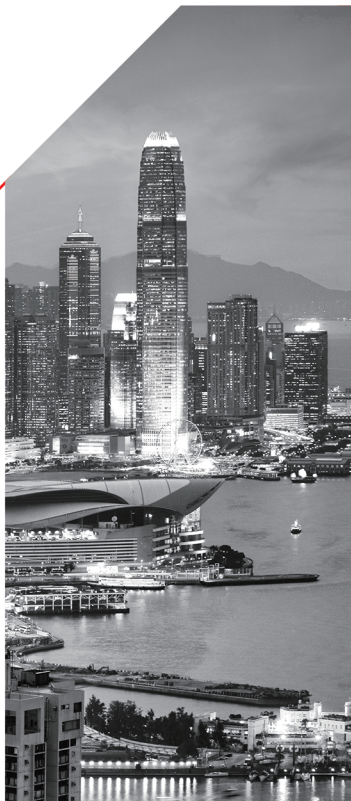


INTERIM REPORT  
**2024**



**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

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Xie Yi Jing (*Chairman*)  
Mr. Lam Ka Cheong Jason (*Vice-Chairman*)  
Mr. Du Yongbo  
Mr. Wang Lixing

### Non-Executive Directors

Ms. Hui Yin Ching  
Mr. Lin Ning David

### Independent Non-Executive Directors

Ms. Yao Jue  
Mr. Ye Junying  
Mr. Zhao Yue

## AUDIT COMMITTEE

Ms. Yao Jue (*Chairman*)  
Mr. Ye Junying  
Mr. Zhao Yue

## REMUNERATION COMMITTEE

Mr. Ye Junying (*Chairman*)  
Mr. Xie Yi Jing  
Mr. Zhao Yue

## NOMINATION COMMITTEE

Mr. Xie Yi Jing (*Chairman*)  
Ms. Yao Jue  
Mr. Zhao Yue

## COMPANY SECRETARY

Mr. Yee, Ming Cheung Lawrence

## AUTHORIZED REPRESENTATIVES

Mr. Xie Yi Jing  
Mr. Yee, Ming Cheung Lawrence

## AUDITOR

ZHONGHUI ANDA CPA Limited  
*Registered Public Interest Entity Auditors*  
23/F, Tower 2, Enterprise Square Five,  
38 Wang Chiu Road, Kowloon Bay,  
Hong Kong

## COMPANY ADDRESS

### Registered Office

The offices of Maples Corporate Services Limited  
P.O. Box 309  
Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

### Principal Place of Business in China

Pacific Century Place, Gate 1, Space 8  
No. 2A Workers' stadium North Road  
Chaoyang District  
Beijing 100027, China

### Principal Place of Business in Hong Kong

Units 8107-08, Level 81  
International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

## LEGAL ADVISORS

*As to Hong Kong law*  
Reed Smith Richards Butler

*As to the laws of mainland China*  
Commerce & Finance Law Offices

*As to BVI and Cayman Islands law*  
Maples and Calder (Hong Kong) LLP

## CORPORATE INFORMATION (CONTINUED)

### **HONG KONG SHARE REGISTRAR**

Computershare Hong Kong Investor  
Services Limited  
Shops 1712–1716, 17th Floor  
Hopewell Centre  
183 Queen’s Road East  
Wanchai  
Hong Kong

### **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Maples Fund Services (Cayman) Limited  
PO Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman, KY1-1102  
Cayman Islands

### **PRINCIPAL BANKS**

China CITIC Bank  
CMB Wing Lung Bank  
HSBC  
SPD Silicon Valley Bank  
Goldman Sachs

### **STOCK CODE**

1911

### **COMPANY WEBSITE**

<http://www.huaxing.com/>

# SUMMARY OF FINANCIAL INFORMATION

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 IFRS.

## SUMMARY OF CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
<b>Total revenue</b>	<b>328,921</b>	536,575
<b>Total revenue and net investment gains</b>	<b>359,527</b>	584,406
<b>Total operating expenses</b>	<b>(447,263)</b>	(551,959)
<b>Operating (loss) profit</b>	<b>(87,736)</b>	32,447
<b>Loss before tax</b>	<b>(73,619)</b>	(112,193)
Income tax expenses	<b>(12,348)</b>	(50,980)
<b>Loss for the period</b>	<b>(85,967)</b>	(163,173)
<b>Loss for the period attributable to owners of the Company</b>	<b>(73,822)</b>	(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 Shareholders should not consider it in isolation from, or as substitute for analysis of, or our results of operations as reported under IFRS.

## SUMMARY OF FINANCIAL INFORMATION (CONTINUED)

### SUMMARY OF CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

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



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### BUSINESS REVIEW (CONTINUED)

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,			
	2024 RMB'000	2023 RMB'000	Change RMB'000	% of change
<b>Business Segment</b>				
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%
<b>Total revenue and net investment gains</b>	<b>359,527</b>	584,406	(224,879)	-38.5%



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### SEGMENT PERFORMANCE (CONTINUED)

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,			
	2024 RMB'000	2023 RMB'000	Change RMB'000	% of change
<b>Business Segment</b>				
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%
<b>Operating (loss) profit</b>	<b>(87,736)</b>	<b>32,447</b>	<b>(120,183)</b>	<b>n.m.</b>

### 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 June 30,			
	2024 RMB'000	2023 RMB'000	Change RMB'000	% of change
<b>Investment Banking</b>				
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%
<b>Segment revenue</b>	<b>97,570</b>	<b>112,505</b>	<b>(14,935)</b>	<b>-13.3%</b>
Net investment gains	—	265	(265)	-100.0%
<b>Segment revenue and net investment gains</b>	<b>97,570</b>	<b>112,770</b>	<b>(15,200)</b>	<b>-13.5%</b>
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%
<b>Segment operating expenses</b>	<b>(159,118)</b>	<b>(140,394)</b>	<b>(18,724)</b>	<b>13.3%</b>
<b>Segment operating loss</b>	<b>(61,548)</b>	<b>(27,624)</b>	<b>(33,924)</b>	<b>122.8%</b>

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### SEGMENT PERFORMANCE (CONTINUED)

#### Investment Banking (Continued)

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,			
	2024	2023	Change	% of change
	RMB in million	RMB in million	RMB in million	
<b>Transaction Value</b>				
Advisory services	2,648	11,374	(8,726)	-76.7%
Equity underwriting	1,394	75	1,319	1,758.7%
<b>Total</b>	<b>4,042</b>	<b>11,449</b>	<b>(7,407)</b>	<b>-64.7%</b>

#### 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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### SEGMENT PERFORMANCE (CONTINUED)

#### 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 June 30,			
	2024 RMB'000	2023 RMB'000	Change RMB'000	% of change
<b>Investment Management</b>				
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%
<b>Segment revenue</b>	<b>164,811</b>	336,452	(171,641)	-51.0%
Net investment losses	(33,445)	(29,984)	(3,461)	11.5%
<b>Segment revenue and net investment losses</b>	<b>131,366</b>	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%
<b>Segment operating expenses</b>	<b>(91,835)</b>	(180,221)	88,386	-49.0%
<b>Segment operating profit</b>	<b>39,531</b>	126,247	(86,716)	-68.7%
Segment operating margin	30.1%	41.2%		

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### SEGMENT PERFORMANCE (CONTINUED)

#### Investment Management (Continued)

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 RMB'000	Investments in third-party funds RMB'000
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 IRR 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.

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

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### SEGMENT PERFORMANCE (CONTINUED)

#### Investment Management (Continued)

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

RMB in million except multiples and percentages	Committed Capital	Realized Investments <sup>(1)</sup>		Unrealized Investments		Gross Multiple of Invested Capital <sup>(2)</sup>
		Invested capital	Fair Value	Invested capital	Fair Value	
<b>As of June 30, 2024</b>						
Main Funds <sup>(3)</sup>	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
<b>Total</b>	<b>36,000</b>	<b>9,558</b>	<b>25,318</b>	<b>21,316</b>	<b>29,803</b>	<b>1.8</b>
<b>As of December 31, 2023</b>						
Main Funds <sup>(3)</sup>	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
<b>Total</b>	<b>35,916</b>	<b>8,933</b>	<b>24,400</b>	<b>21,877</b>	<b>32,217</b>	<b>1.8</b>

(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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### **SEGMENT PERFORMANCE (CONTINUED)**

#### **Investment Management (Continued)**

##### ***Segment Revenue and Net Investment Losses (Continued)***

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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### SEGMENT PERFORMANCE (CONTINUED)

#### 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 June 30,			
	2024 RMB'000	2023 RMB'000	Change RMB'000	% of change
<b>CR Securities</b>				
Transaction and advisory fees	38,493	40,670	(2,177)	-5.4%
Interest income	4,137	6,676	(2,539)	-38.0%
<b>Segment revenue</b>	<b>42,630</b>	47,346	(4,716)	-10.0%
Net investment gains	60,836	72,339	(11,503)	-15.9%
<b>Segment revenue and net investment gains</b>	<b>103,466</b>	119,685	(16,219)	-13.6%
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%
<b>Segment operating expenses</b>	<b>(145,960)</b>	(161,550)	15,590	-9.7%
<b>Segment operating loss</b>	<b>(42,494)</b>	(41,865)	(629)	1.5%

#### 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.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### SEGMENT PERFORMANCE (CONTINUED)

#### CR Securities (Continued)

##### 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,			
	2024 RMB'000	2023 RMB'000	Change RMB'000	% of change
<b>Others</b>				
<b>Segment revenue</b>	<b>23,910</b>	40,272	(16,362)	-40.6%
<b>Segment revenue and net investment gains</b>	<b>27,125</b>	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%
<b>Segment operating expenses</b>	<b>(50,350)</b>	(69,794)	19,444	-27.9%
<b>Segment operating loss</b>	<b>(23,225)</b>	(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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### SEGMENT PERFORMANCE (CONTINUED)

#### Others (Continued)

#### 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 June 30,			
	2024 RMB'000	2023 RMB'000	Change RMB'000	% of change
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%
<b>Total revenue</b>	<b>328,921</b>	<b>536,575</b>	<b>(207,654)</b>	<b>-38.7%</b>
Net investment gains	30,606	47,831	(17,225)	-36.0%
<b>Total revenue and net investment gains</b>	<b>359,527</b>	<b>584,406</b>	<b>(224,879)</b>	<b>-38.5%</b>

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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### **RESULTS OF OPERATIONS (CONTINUED)**

#### **Revenue and Net Investment Gains (Continued)**

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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### RESULTS OF OPERATIONS (CONTINUED)

#### 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 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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### RESULTS OF OPERATIONS (CONTINUED)

#### 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.

### CASH FLOWS

During the six months ended June 30, 2024, we funded working capital and other capital requirements primarily from cash generated from our business operations. We have primarily used cash to fund our capital expenditures and working capital for our business development.

We generally deposit our excess cash in interest bearing bank accounts and current accounts and invest in investment-grade financial bonds and other cash management investments. As of June 30, 2024, we had aggregate cash and cash equivalents of RMB1,245.2 million. Excluding CR Securities, we had cash and cash equivalents of RMB1,184.9 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.

#### Cash Flows from Operating Activities

Cash generated from operating activities consists primarily of our transaction and advisory fees, management fees, interest income and realized net investment gains received. Cash used in operating activities mainly comprises investments in cash management products and contribution in the working capital. Cash flow from operating activities reflects: (i) loss before income tax adjusted for non-cash and non-operating items, such as depreciation of property and equipment, amortization of intangible assets, interest income, finance costs, change in fair value of call option, net investment gains, investment losses attributable to interest holders of consolidated structured entities, investment gain arising from certain incidental and ancillary investments, impairment losses under expected credit loss model, net of reversal, share of results of associates and share-based payment expense; (ii) the effects of movements in working capital, such as increase or decrease in accounts and other receivables, financial assets purchased under resale agreements, amounts due from related parties, amounts due to related parties, cash held on behalf of brokerage clients, financial assets sold under repurchase agreements, accounts and other payables, payable to brokerage clients and contract liabilities; (iii) increase or decrease in financial assets at fair value through profit or loss; and (iv) other cash items such as interest received and income tax paid.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### CASH FLOWS (CONTINUED)

#### Cash Flows from Operating Activities (Continued)

For the six months ended June 30, 2024, we had net cash generated from operating activities of RMB198.5 million, resulting from our loss before income tax of RMB73.6 million adjusted for non-cash and non-operating items of RMB7.5 million, income tax payment of RMB48.2 million, interest earned of RMB22.2 million and positive movements in working capital of RMB290.6 million. Positive movements in working capital primarily reflected: (i) a decrease of RMB262.1 million in accounts and other receivables in connection with our business operations, (ii) a decrease of RMB239.7 million in financial assets at fair value through profit or loss, (iii) an increase of RMB22.0 million in financial assets sold under repurchase agreements, (iv) an increase of RMB278.9 million in payable to brokerage clients, (v) an increase of RMB52.2 million in contract liabilities, and offset by (vi) a decrease of RMB238.5 million in accounts and other payables, (vii) an increase of RMB278.9 million in cash held on behalf of brokerage clients, (viii) an increase of RMB40.7 million in amounts due from related parties, (ix) an increase of RMB6.0 million in financial assets purchased under resale agreements, and (x) a decrease of RMB0.2 million in amounts due to related parties.

For the six months ended June 30, 2023, we had net cash generated from operating activities of RMB887.3 million, resulting from our loss before income tax of RMB112.2 million adjusted for non-cash and non-operating items of RMB139.2 million, income tax payment of RMB85.7 million, interest earned of RMB32.2 million and positive movements in working capital of RMB913.8 million. Positive movements in working capital primarily reflected: (i) a decrease of RMB831.6 million in accounts and other receivables in connection with our business operations, (ii) a decrease of RMB428.0 million in amounts due from related parties, (iii) a decrease of RMB278.4 million in financial assets at fair value through profit or loss, (iv) an increase of RMB243.6 million in financial assets sold under repurchase agreements, (v) a decrease of RMB130.1 million in cash held on behalf of brokerage clients, (vi) an increase of RMB106.8 million in contract liabilities, (vii) a decrease of RMB4.8 million in financial assets purchased under resale agreements, and offset by (viii) a decrease of RMB978.8 million in accounts and other payables, (ix) a decrease of RMB130.1 million in payable to brokerage clients, and (x) a decrease of RMB0.7 million in amounts due to related parties.

#### Cash Flows from Investing Activities

Cash outflows from investing activities primarily consist of our purchase of property and equipment, intangible assets, financial assets at fair value through profit or loss (non-current), financial assets at fair value through other comprehensive income, term deposits, investments in associates, loan receivables and other financial assets. Cash inflows from investing activities primarily consist of proceeds from disposal of financial assets at fair value through profit or loss, investment returns received from associates, interest received, proceeds from disposal of other financial assets, maturity of term deposits, and repayment of loan receivables.

For the six months ended June 30, 2024, net cash used in investing activities was RMB52.3 million, primarily due to (i) placement of term deposits of RMB56.1 million, (ii) repayment of RMB13.2 million to related parties, (iii) net payments of RMB12.4 million for rental deposits, (iv) acquisition of investments in associates of RMB12.1 million, and offset by (v) proceeds of RMB21.3 million from disposal of financial assets at fair value through profit or loss and (vi) investment returns of RMB21.0 million received from associates.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### **CASH FLOWS (CONTINUED)**

#### **Cash Flows from Investing Activities (Continued)**

For the six months ended June 30, 2023, net cash generated from investing activities was RMB743.3 million, primarily due to (i) net proceeds of RMB471.6 million from the maturity of term deposits, (ii) net proceeds of RMB209.2 million from disposal of financial assets at fair value through other comprehensive income, (iii) proceeds of RMB58.9 million from pledge bank deposits, (iv) investment returns of RMB43.4 million received from associates, (v) interest received of RMB23.6 million, (vi) proceeds of RMB12.6 million from disposal of financial assets at fair value through profit or loss and (vii) repayment of RMB10.0 million of loans receivable, and offset by (viii) cash outflows for the purchase of financial assets at fair value through profit or loss of RMB35.4 million, (ix) loans to third parties of RMB27.0 million, (x) acquisition of investments in associates of RMB17.6 million, (xi) purchase of intangible assets of RMB4.6 million and (xii) purchase of property and equipment of RMB1.1 million.

#### **Cash Flows from Financing Activities**

Financing activities primarily consist of bank borrowings, structured notes, cash injection by third-party holders to consolidated structured entities, distribution of dividends to non-controlling shareholders, cash repayment to third-party holders of consolidated structured entities, repayment of lease liabilities, and interest paid on the banking borrowings.

For the six months ended June 30, 2024, net cash used in financing activities was RMB31.6 million, primarily due to (i) repayments of leases liabilities of RMB20.1 million and (ii) cash repayment to third-party holders of consolidated structured entities of RMB10.9 million.

For the six months ended June 30, 2023, net cash used in financing activities was RMB2,210.9 million, primarily due to (i) repayment of bank borrowings of RMB2,170.6 million, (ii) redemption of structured notes of RMB115.8 million, (iii) interest paid for the bank borrowing of RMB44.0 million, (iv) repayments of leases liabilities of RMB29.7 million, (v) cash repayment to third-party holders of consolidated structured entities of RMB19.0 million and (vi) distribution of RMB3.8 million to non-controlling shareholders, and offset by (vii) proceeds of RMB100.5 million from issuance of structured notes, (viii) proceeds of RMB67.9 million from bank borrowings and (ix) cash injection by third-party holders of consolidated structured entities of RMB2.5 million.

### **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.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 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.

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

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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 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%
<b>Total</b>	<b>521</b>	<b>100%</b>

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	—%
<b>Total</b>	<b>521</b>	<b>100%</b>

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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 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 31 in this interim report, 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	—	—

## OTHER INFORMATION

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at June 30, 2024, the interests and short positions of our Directors or chief executives of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as contained in Appendix C3 to the Listing Rules were as follows:

#### (i) Long positions in Shares and underlying Shares

Name of Director	Capacity	Number of ordinary shares	Approximate percentage of holding <sup>(1)</sup>
Mr. Xie Yi Jing <sup>(2)</sup>	Beneficial owner	400,000	0.07%
	Beneficiary of a trust	763,240	0.13%
Mr. Lam Ka Cheong Jason <sup>(3)</sup>	Beneficial owner	4,200,000	0.74%
	Beneficiary of a trust	1,910,158	0.34%
Mr. Du Yongbo <sup>(4)</sup>	Beneficial owner	380,000	0.07%
	Beneficiary of a trust	619,299	0.11%
Mr. Wang Lixing <sup>(5)</sup>	Beneficial owner	2,721,092	0.48%
	Beneficiary of a trust	1,574,131	0.28%

Notes:

1. The calculation is based on the total number of 568,397,776 Shares in issue as at June 30, 2024.
2. Mr. Xie Yi Jing is entitled to receive 400,000 Shares upon the exercise of his options granted under the ESOP of the Company. Separately, pursuant to the RSU Plan of the Company, Mr. Xie is a beneficiary of 763,240 Shares held by Go Perfect Development Limited, a trust under the RSU Plan.
3. Mr. Lam Ka Cheong Jason is entitled to receive 4,200,000 Shares upon the exercise of his options granted under the ESOP of the Company. Separately, pursuant to the RSU Plan of the Company, Mr. Lam is a beneficiary of 1,910,158 Shares held by Honor Equity Limited, a trust under the RSU Plan.
4. Mr. Du Yongbo is entitled to receive 380,000 Shares upon the exercise of his options granted under the ESOP of the Company. Separately, pursuant to the RSU Plan of the Company, Mr. Du is a beneficiary of 619,299 Shares held by Go Perfect Development Limited, a trust under the RSU Plan.
5. Mr. Wang Lixing is entitled to receive 2,721,092 Shares pursuant to the exercise of his options granted under the ESOP and 1,064,131 Shares pursuant to restricted shares granted to him under the RSU Plan. Separately, Mr. Wang Lixing also has an indirect interest in a long position of 510,000 Shares.

## OTHER INFORMATION (CONTINUED)

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS (CONTINUED)

#### (ii) Interest in associated corporations

Name of Director	Name of member of the Group	Capacity/Nature of interest	Amount of registered capital (RMB)	Approximate percentage of holding
Mr. Du Yongbo	Dazi Huashi Industrial Limited	Nominee shareholder whose shareholder's rights are subject to contractual arrangements	500,000	50%
	Shanghai Quanyuan Investment Co., Ltd.	Nominee shareholder whose shareholder's rights are subject to contractual arrangements	50,000,000	50%
	Ningbo Meishan Bonded Port Huaxing Xinshou Capital Management Center L.P.	Interests held as a limited partner	20,000,000	18.1818%
	Shanghai Huasheng Xinhang Capital Management Center, L.P.	Interests held as a limited partner	38,727,980	20%
	Huaxing Associates II, L.P.	Interest held as a limited partner through controlled corporation <sup>(1)</sup>	Not applicable	Not applicable
	Huaxing Associates III, L.P.	Interest held as a limited partner through controlled corporation <sup>(1)</sup>	Not applicable <sup>(2)</sup>	Not applicable <sup>(2)</sup>

*Notes:*

- Mr. Du Yongbo holds limited partnership interest through Ever Perfect Investments Limited, a special purpose vehicle controlled by Mr. Du.
- In Huaxing Associates III, L.P., the capital commitment of Ever Perfect Investments Limited (being a special purpose vehicle controlled by Mr. Du Yongbo) is US\$1,000,000, which accounts for 4.96% of the total capital commitment of partners of Huaxing Associates III, L.P.

Save as disclosed above, as at June 30, 2024, so far as is known to any Director or the chief executive of the Company, none of the Directors nor the chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO (including the interests and short positions which the Director is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

## OTHER INFORMATION (CONTINUED)

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2024, so far as the Directors are aware, the following persons (other than our Directors or chief executives of our Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity	Nature of interest	Number of ordinary shares	Approximate percentage of holding <sup>(1)</sup>
Mr. Bao <sup>(2)</sup>	Interest in a controlled corporation	Long position	230,367,332	40.53%
	Settlor of a trust who can influence how the trustee exercises the voting power of its shares	Long position	25,277,192	4.45%
	Beneficial owner	Long position	5,052,600	0.89%
	Beneficiary of a trust	Long position	3,002,579	0.53%
	Other	Long position	13,179,462	2.32%
CR Partners <sup>(2)</sup>	Beneficial owner	Long position	218,127,332	38.38%
FBH Partners <sup>(2)</sup>	Interest in a controlled corporation	Long position	218,127,332	38.38%
Mr. Li Shujun <sup>(3)</sup>	Interest in a controlled corporation	Long position	35,390,872	6.23%
FIL Limited <sup>(4)</sup>	Interest in a controlled corporation	Long position	44,214,300	7.78%
Pandanus Associates Inc. <sup>(4)</sup>	Interest in a controlled corporation	Long position	44,214,300	7.78%
Pandanus Partners L.P. <sup>(4)</sup>	Interest in a controlled corporation	Long position	44,214,300	7.78%
Brown Brothers Harriman & Co. <sup>(5)</sup>	Approved lending agent	Long position	29,137,880	5.13%
	Approved lending agent	Lending pool	29,137,880	5.13%

*Notes:*

- The calculation is based on the total number of 568,397,776 Shares in issue as at June 30, 2024.
- FBH Partners owns 81.73% equity interest in CR Partners. Mr. Bao owns 79% of the equity interest in FBH Partners, and as a result of a voting proxy granted by Ms. Hui Yin Ching, Mr. Bao's spouse, the 21% owner of FBH Partners, over all her equity interests in FBH Partners, Mr. Bao controls 100% of the voting power at the general meetings of FBH Partners. Under the SFO, Mr. Bao is deemed to be interested in the 218,127,332 Shares held by CR Partners. In addition, Mr. Bao owned 100% equity interest in Best Fellowship Limited as at June 30, 2024. Under the SFO, Mr. Bao is deemed to be interested in the 12,240,000 Shares held by Best Fellowship Limited. Separately, as Mr. Bao is the settlor of Sky Allies Trust Scheme who can influence how Ininiti Trust (Hong Kong) Limited exercises the voting of its 25,277,192 Shares held through Sky Allies Development Limited for the trust. Under the SFO, Mr. Bao is also deemed to be interested in the 25,277,192 Shares held by Sky Allies Development Limited. Separately, Mr. Bao directly holds 4,972,600 Shares and is entitled to receive 80,000 Shares pursuant to the exercise of his options granted under the ESOP. Accordingly, Mr. Bao is the beneficial owner of an aggregate interest in 5,052,600 Shares. Additionally, pursuant to the RSU Plan, Mr. Bao is a beneficiary of 3,002,579 Shares held by Go Perfect Development Limited, a trust under the RSU Plan. Separately, Mr. Bao is entitled to exercise the voting rights in respect of 13,179,462 Shares held by Go Perfect Development Limited in accordance with the terms of the RSU Plan.

## OTHER INFORMATION (CONTINUED)

### **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONTINUED)**

Notes: (Continued)

- Greenhouse CR Holdings Co., Ltd. is wholly-owned by Trustbridge Partners IV, L.P., whose general partner is TB Partners GP4, L.P.. The general partner of TB Partners GP4, L.P. is TB Partners GP Limited, whose sole shareholder is Mr. Li Shujun. Greenhouse CR Holdings II Co., Ltd. is wholly-owned by Trustbridge Partners V, L.P., whose general partner is TB Partners GP5, L.P.. The general partner of TB Partners GP5, L.P. is TB Partners GP5 Limited, whose sole shareholder is Mr. Li Shujun. Under the SFO, Mr. Li Shujun is deemed to be interested in the 19,869,350 Shares held by Greenhouse CR Holdings Co., Ltd. and the 15,521,522 Shares held by Greenhouse CR Holdings II Co., Ltd. in the capacity of holders of interests in controlled corporations.
- Based on the Corporate Substantial Shareholders Notices dated 7 March 2023 and filed by Pandanus Associates Inc., Pandanus Partners L.P. and FIL Limited with the Stock Exchange, Pandanus Associates Inc. holds 100% interest in Pandanus Partners L.P. and Pandanus Partners L.P. holds 38.71% interest in FIL Limited.
- Based on the Corporate Substantial Shareholders Notice dated 7 February 2023 filed by Brown Brothers Harriman & Co. with the Stock Exchange.

Save as disclosed above, so far as is known to any Director or the chief executive of the Company, as at June 30, 2024, no other persons (other than our Directors or chief executives of our Company) had any interests or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept under section 336 of the SFO.



## OTHER INFORMATION (CONTINUED)

### SHARE INCENTIVE SCHEMES

#### 1. Employee's Share Option Plan

The purpose of the ESOP is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, directors and consultants and to promote the success of the Company's business by offering these individuals an opportunity to acquire a proprietary interest in the success of the Company or to increase this interest, by issuing them Shares or by permitting them to purchase Shares.

As at June 30, 2024, (a) our Directors were holding unexercised options under the ESOP to subscribe for a total of 7,701,092 Shares, representing 1.35% of the issued share capital of our Company, and (b) other grantees were holding unexercised options under the ESOP to subscribe for a total of 9,878,688 Shares, representing approximately 1.74% of the issued share capital of our Company, details of which are as follows:

Name or category of grantee	Date of grant	Vesting period	The period during which options are exercisable	Exercise price	Number of options			Outstanding as at June 30, 2024
					Outstanding as at December 31, 2023	Exercised during the Reporting Period	Cancelled/ Lapsed during the Reporting Period	
<b>Director</b>								
Mr. Xie Yi Jing	April 1, 2018	5 years from the date of grant	15 years from the date of grant	US\$0.75	400,000	–	–	400,000
Mr. Lam Ka Cheong Jason	May 13, 2013	5 years from the date of grant	15 years from the date of grant	US\$0.25	300,000	–	–	300,000
	January 1, 2014	5 years from the date of grant	15 years from the date of grant	US\$0.25	100,000	–	–	100,000
	January 1, 2015	5 years from the date of grant	15 years from the date of grant	US\$0.25	3,400,000	–	–	3,400,000
	April 1, 2018	5 years from the date of grant	15 years from the date of grant	US\$0.75	400,000	–	–	400,000
Mr. Du Yongbo	April 1, 2018	5 years from the date of grant	15 years from the date of grant	US\$0.75	380,000	–	–	380,000
Mr. Wang Lixing	January 1, 2015	5 years from the date of grant	15 years from the date of grant	US\$0.25	350,000	–	–	350,000
	January 1, 2016	5 years from the date of grant	15 years from the date of grant	US\$0.625	771,092	–	–	771,092
	April 1, 2017	5 years from the date of grant	15 years from the date of grant	US\$0.625	700,000	–	–	700,000
	April 1, 2018	5 years from the date of grant	15 years from the date of grant	US\$0.75	900,000	–	–	900,000
<b>Other grantees</b>								
In aggregate	Between November 5, 2012 and April 1, 2018	Up to 5 years from the date of grant or specific date	15 years from the date of grant	Between US\$0.25 and US\$0.75	9,878,688	–	–	9,878,688
<b>Total</b>					17,579,780	–	–	17,579,780

## OTHER INFORMATION (CONTINUED)

### SHARE INCENTIVE SCHEMES (CONTINUED)

#### 1. Employee's Share Option Plan (Continued)

There were no movements of the options granted under the ESOP during the six months ended June 30, 2024.

#### 2. RSU Plan

The RSU Plan was approved by the Board on June 15, 2018.

The purpose of the RSU Plan is to enable the officers, employees or directors of, and consultants to, the Group to share in the success of the Company, in order to assure a closer identification of the interests of such persons with those of the Group and stimulate the efforts of such persons on the Group's behalf.

During the six months ended June 30, 2024, no RSU was granted by the Company in accordance with the terms of the RSU Plan.

Details of RSUs granted and vested pursuant to the RSU Plan to our Directors as at June 30, 2024 are set out below:

Name of Director	Date of grant	Granted on the relevant grant date	Vested during the Reporting Period	Forfeited during the Reporting Period	Vesting Period
Mr. Xie Yi Jing	April 1, 2019	182,983	—	—	April 1, 2019–July 1, 2023
	April 1, 2020	136,506	—	—	April 1, 2020–April 1, 2023
	April 1, 2021	133,601	—	—	April 1, 2021–April 1, 2024
	July 1, 2021	8,515	—	—	April 1, 2021–April 1, 2024
	April 1, 2022	396,174	—	—	April 1, 2022–April 1, 2025
Mr. Lam Ka Cheong Jason	April 1, 2019	414,560	—	—	April 1, 2019–July 1, 2023
	April 1, 2020	109,205	—	—	April 1, 2020–April 1, 2023
	April 1, 2021	282,929	—	—	April 1, 2021–April 1, 2024
	July 1, 2021	1,289	—	—	April 1, 2021–April 1, 2024
Mr. Du Yongbo	April 1, 2022	1,330,183	—	—	April 1, 2022–April 1, 2025
	April 1, 2019	514,644	—	—	April 1, 2019–July 1, 2023
	April 1, 2020	484,658	—	—	April 1, 2020–April 1, 2023
	April 1, 2021	324,238	—	—	April 1, 2021–April 1, 2024
Mr. Wang Lixing	April 1, 2019	466,380	—	—	April 1, 2019–July 1, 2023
	April 1, 2020	267,397	—	—	April 1, 2020–April 1, 2023
	April 1, 2021	323,071	—	—	April 1, 2021–April 1, 2024
	April 1, 2022	163,922	—	—	April 1, 2022–April 1, 2025
	July 1, 2022	29,913	—	—	April 1, 2022–April 1, 2025

## OTHER INFORMATION (CONTINUED)

### SHARE INCENTIVE SCHEMES (CONTINUED)

#### 2. RSU Plan (Continued)

Movements in the number of RSUs outstanding are as follows:

	Number of RSUs
As of December 31, 2023	18,123,065
Granted	0
Forfeited	(61,033)
Vested	(42,554)
Outstanding balance as of June 30, 2024	18,019,478

#### ***Number of Shares underlying the RSUs***

Further details of the ESOP and the RSU Plan are set out in the section headed “Statutory and General Information” on Appendix IV of the Prospectus and Note 26 to the consolidated financial statements for the six months ended June 30, 2024.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company’s corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all Shareholders.

The Company has adopted the principles and code provisions of the CG Code as the basis of the Company’s corporate governance practices, and the CG Code has been applicable to the Company with effect from the Listing Date.

Save for code provision C.2.1 of the CG Code, the Company has complied with all the applicable code provisions set out in the CG Code throughout the six months ended June 30, 2024.

As of the Latest Practicable Date, Mr. Xie Yi Jing is the Chairman and Chief Executive Officer of the Company. 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 (details of which are set out below) 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.

## OTHER INFORMATION (CONTINUED)

### **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as the code of conduct regarding Directors' dealings in the securities of the Company. The provisions under the Listing Rules in relation to compliance with the Model Code by the Directors regarding securities transactions have been applicable to the Company since the Listing Date.

Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code throughout 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). Save as disclosed in this Interim Report, 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.

### **CHANGE IN DIRECTOR'S AND SENIOR MANAGEMENT'S INFORMATION**

After the date of the Company's 2023 annual report, the changes in information of Directors and senior management of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below.

With effect from September 6, 2024: (i) Ms. Hui Yin Ching was appointed as a non-executive Director; and (ii) Ms. Sun Chin Hung has resigned as a non-executive Director. Please refer to the Company's announcement dated September 6, 2024 in relation to the changes of non-executive Director for more details.

Save as above, as at the Latest Practicable Date, there is no change in information of the Directors and senior management of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### **CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES**

The Company did not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules during the six months ended June 30, 2024.

## OTHER INFORMATION (CONTINUED)

### **CARRIED INTEREST DISTRIBUTION DURING THE REPORTING PERIOD**

As disclosed in the section headed “Connected Transactions — Waiver Applications — 1. Carried Interest Distribution Framework Agreement” of the Prospectus, the Company will disclose in its subsequent interim and annual reports: (i) the amount of carried interest received by each of the Connected Investment Team Members (on a named basis) during the relevant reporting period; and (ii) the amount of carried interest that the Group receives from each of the Relevant Investment Funds (save for project funds which will be disclosed on an aggregated basis) during the relevant reporting period.

During the six months ended June 30, 2024, (i) the Group did not make any distribution of carried interest to the Connected Investment Team Members; and (ii) carried interest in the total amount of RMB10,107,412 was received by the general partner of the relevant investment funds as set out below:

Name of relevant investment funds	Amount of carried interest received by the general partner of the fund (RMB)
Huaxing Growth Capital USD Fund II	10,107,412

### **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 and the Interim Report. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and the external auditor of the Company.

The condensed consolidated financial statements of the Group for the six months ended June 30, 2024 has been reviewed by the Company’s external auditor, Zhonghui Anda CPA Limited, in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the International Auditing and Assurance Standards Board.

## OTHER INFORMATION (CONTINUED)

### 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

#### (1) Entering into Exit Agreement

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.

#### (2) Fulfilment of Resumption Guidance and Resumption of Trading

On September 6, 2024, the Company announced that it has fulfilled the requirements under the Resumption Guidance (as defined in the announcement of the Company dated June 2, 2023) for trading of Shares, and application was made to the Stock Exchange for resumption of trading in the Shares. Trading in Shares has resumed at 9:00 a.m. on September 9, 2024. Please refer to the Company’s announcement dated September 6, 2024 for details.

#### (3) Change of non-executive Director

With effect from September 6, 2024, Ms. Hui Yin Ching was appointed as a non-executive Director, and Ms. Sun Chin Hung resigned as a non-executive Director in order to devote her time to fulfil her duties and role as a director of the CEO office of the Company. For details, please refer to the announcement of the Company dated September 6, 2024.

Save as disclosed above, no important events affecting the Company have occurred since June 30, 2024 and up to the Latest Practicable Date.

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



**To the Board of Directors of  
China Renaissance Holdings Limited**  
*(Incorporated in the Cayman Islands with limited liability)*

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of China Renaissance Holdings Limited (the “**Company**”) and its subsidiaries set out on pages 37 to 92, which comprise the condensed consolidated statement of financial position as of June 30, 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (“**HKSRE 2410**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## BASIS FOR QUALIFIED CONCLUSION

Due to the uncertainties in relation to the outcomes of the Incidents as disclosed in note 31 to the condensed consolidated financial statements, we were unable to obtain sufficient appropriate audit evidence to assess the recoverability of the Restricted Amounts of approximately RMB78,127,000 as at June 30, 2024 (December 31, 2023: RMB77,669,000) included in the accounts and other receivables of the Group’s condensed consolidated statements of financial position, and whether any provision in relation to the Incidents should be provided for the six months ended June 30, 2024.

## REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### **BASIS FOR QUALIFIED CONCLUSION (CONTINUED)**

We were unable to determine whether any adjustment to the figure as described above was necessary which might have a consequential effect on the Group's financial performance and its cash flows for the six months ended June 30, 2024 and the financial position of the Group as at June 30, 2024, and the related disclosures thereof in the condensed consolidated financial statements.

### **QUALIFIED CONCLUSION**

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph of our report, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

### **OTHER MATTER**

Without further modifying our review conclusion, the comparative condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended June 30, 2023 and the relevant explanatory notes included in these condensed consolidated financial statements have not been reviewed in accordance with HKSRE 2410.

### **ZHONGHUI ANDA CPA LIMITED**

*Certified Public Accountants*

Hong Kong

September 5, 2024



# 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)
<b>Revenue</b>	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
Total revenue		328,921	536,575
Net investment gains	4	30,606	47,831
Total revenue and net investment gains		359,527	584,406
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	19	(5,899)	33,583
Finance costs		(7,698)	(41,501)
Other operating expenses		(153,643)	(168,923)
Total operating expenses		(447,263)	(551,959)
Operating (loss)/profit		(87,736)	32,447
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	14	—	(152,990)
Loss before tax		(73,619)	(112,193)
Income tax expense	7	(12,348)	(50,980)
Loss for the period	8	(85,967)	(163,173)

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended June 30, 2024

	Notes	Six months ended June 30,	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
<b>Other comprehensive income</b>			
<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)
(Loss)/profit for the period attributable to:			
— Owners of the Company		(73,822)	(180,132)
— Non-controlling interests		(12,145)	16,959
		(85,967)	(163,173)
Total comprehensive (expense)/income for the period attributable to:			
— 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	10	RMB(0.15)	RMB(0.36)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

	Notes	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
<b>Non-current assets</b>			
Property and equipment	11	43,511	69,493
Intangible assets	12	91,140	102,835
Deferred tax assets		127,481	122,413
Investments in associates	13	1,259,293	1,291,656
Investment in a joint venture		—	—
Financial assets at fair value through profit or loss	14	1,427,468	1,468,781
Financial assets at fair value through other comprehensive income	15	—	49,629
Rental deposits		32,369	20,202
Loans to third parties	16	—	67,822
		<b>2,981,262</b>	3,192,831
<b>Current assets</b>			
Accounts and other receivables	17	622,520	885,586
Financial assets purchased under resale agreements	18	6,000	—
Amounts due from related parties	27	923,977	875,618
Financial assets at fair value through profit or loss	14	2,855,474	3,003,250
Financial assets at fair value through other comprehensive income	15	46,355	—
Loans to third parties	16	68,245	—
Term deposits		56,058	—
Cash held on behalf of brokerage clients		551,810	272,925
Cash and cash equivalents		1,245,159	1,110,150
		<b>6,375,598</b>	6,147,529
<b>TOTAL ASSETS</b>		<b>9,356,860</b>	9,340,360

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2024

	Notes	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
<b>Current liabilities</b>			
Accounts and other payables	20	666,415	904,923
Financial assets sold under repurchase agreements	21	510,158	482,578
Short-term debt instrument issued	22	95,301	93,806
Payable to brokerage clients	23	551,810	272,925
Payables to interest holders of consolidated structured entities	24	156,801	169,933
Amounts due to related parties	27	1,106	1,273
Contract liabilities		69,211	16,584
Lease liabilities		24,437	35,540
Income tax payables		83,109	107,493
		<b>2,158,348</b>	2,085,055
<b>Net current assets</b>		<b>4,217,250</b>	4,062,474
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>7,198,512</b>	7,255,305
<b>Non-current liabilities</b>			
Lease liabilities		12,401	17,484
Contract liabilities		—	423
Deferred tax liabilities		53,043	60,455
		<b>65,444</b>	78,362
<b>NET ASSETS</b>		<b>7,133,068</b>	7,176,943
<b>Capital and reserves</b>			
Share capital	25	93	93
Reserves		6,108,290	6,139,316
Equity attributable to owners of the Company		<b>6,108,383</b>	6,139,409
Non-controlling interests		<b>1,024,685</b>	1,037,534
		<b>7,133,068</b>	7,176,943

The condensed consolidated financial statements on pages 37 to 92 were approved and authorized for issue by the board of directors on September 5, 2024 and were signed on its behalf by.

**Xie Yi Jing**  
Executive Director

**Wang, Li Xing**  
Executive Director

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2024

	(Unaudited)										
	Attributable to owners of the Company										
	Note	Share capital	Treasury stock	Share premium	Other reserves	Surplus reserve	Retained earnings	Reserves sub-total	Sub-total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024		93	(8)	6,165,026	(227,710)	42,656	159,352	6,139,316	6,139,409	1,037,534	7,176,943
Loss for the period		-	-	-	-	-	(73,822)	(73,822)	(73,822)	(12,145)	(85,967)
Other comprehensive income/ (loss) for the period		-	-	-	14,488	-	-	14,488	14,488	(704)	13,784
Total comprehensive income/ (loss) for the period		-	-	-	14,488	-	(73,822)	(59,334)	(59,334)	(12,849)	(72,183)
Recognition of equity-settled share-based payment expense	26	-	-	-	28,308	-	-	28,308	28,308	-	28,308
Restricted share units vested	26	-	-	440	(440)	-	-	-	-	-	-
At June 30, 2024		93	(8)	6,165,466	(185,354)	42,656	85,530	6,108,290	6,108,383	1,024,685	7,133,068

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended June 30, 2024

	Notes	(Unaudited)								Non-controlling interests	Total equity
		Attributable to owners of the Company									
		Share capital	Treasury stock	Share premium	Other reserves	Surplus reserve	Retained earnings	Reserves sub-total	Sub-total		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At January 1, 2023		93	(8)	6,104,384	(276,890)	34,178	639,733	6,501,397	6,501,490	1,037,790	7,539,280
(Loss)/profit for the period		—	—	—	—	—	(180,132)	(180,132)	(180,132)	16,959	(163,173)
Other comprehensive income for the period		—	—	—	107,588	—	—	107,588	107,588	426	108,014
Total comprehensive income/(loss) for the period		—	—	—	107,588	—	(180,132)	(72,544)	(72,544)	17,385	(55,159)
Recognition of equity-settled share-based payment expense	26	—	—	—	41,280	—	—	41,280	41,280	—	41,280
Restricted share units vested	26	—	—	2,962	(2,962)	—	—	—	—	—	—
Dividends to non-controlling shareholders		—	—	—	—	—	—	—	—	(3,750)	(3,750)
At June 30, 2023		93	(8)	6,107,346	(130,984)	34,178	459,601	6,470,133	6,470,226	1,051,425	7,521,651

Note: Other reserves mainly include (1) translation reserve; (2) investment revaluation reserve and expected credit losses for financial assets at fair value through other comprehensive income; (3) equity-settled share-based payment expense; (4) share repurchase reserve; and (5) reserve of acquisition of equity interest from non-controlling shareholders.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2024

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<b>Cash flows from operating activities</b>		
Loss before tax	<b>(73,619)</b>	(112,193)
Adjustments for:		
Depreciation of property and equipment	<b>28,222</b>	31,479
Amortisation of intangible assets	<b>14,009</b>	13,983
(Gain)/losses on disposal of property and equipment	<b>(1)</b>	59
(Gain)/losses on disposal of right-of-use assets	<b>(407)</b>	4,037
Interest income	<b>(22,892)</b>	(49,802)
Finance costs	<b>7,698</b>	41,501
Change in fair value of call option	<b>—</b>	152,990
Net investment gains	<b>(30,606)</b>	(47,831)
Investment losses attributable to interest holders of consolidated structured entities	<b>(9,133)</b>	(14,434)
Investment gain arising from certain incidental and ancillary investments	<b>(13,117)</b>	—
Net impairment losses/(reversal of impairment loss) under expected credit loss model	<b>5,899</b>	(33,583)
Share of results of associates	<b>(481)</b>	(430)
Share-based payment expense	<b>28,308</b>	41,280
Operating cash flows before movements in working capital	<b>(66,120)</b>	27,056
Decrease in accounts and other receivables	<b>262,146</b>	831,593
(Increase)/decrease in financial assets purchased under resale agreements	<b>(6,000)</b>	4,789
(Increase)/decrease in amounts due from related parties	<b>(40,743)</b>	428,016
Decrease in amounts due to related parties	<b>(167)</b>	(734)
(Increase)/decrease in cash held on behalf of brokerage clients	<b>(278,885)</b>	130,107
Decrease in financial assets at fair value through profit or loss	<b>239,689</b>	278,427
Increase in financial assets sold under repurchase agreements	<b>22,002</b>	243,632
Decrease in accounts and other payables	<b>(238,508)</b>	(978,759)
Increase/(decrease) in payable to brokerage clients	<b>278,885</b>	(130,107)
Increase in contract liabilities	<b>52,204</b>	106,795
Cash generated from operations	<b>224,503</b>	940,815
Interest received	<b>22,169</b>	32,156
Income taxes paid	<b>(48,201)</b>	(85,660)
Net cash generated from operating activities	<b>198,471</b>	887,311

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended June 30, 2024

	<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Cash flows from investing activities</b>		
Interest received	<b>1,359</b>	23,582
Purchases of property and equipment	<b>(1,271)</b>	(1,137)
Payments for rental deposits	<b>(16,390)</b>	(522)
Proceeds from rental deposits	<b>4,000</b>	63
Purchases of intangible assets	<b>(2,763)</b>	(4,640)
Proceeds from disposal of property and equipment	<b>50</b>	—
Proceeds from disposal of intangible assets	<b>—</b>	895
Purchases of financial assets at fair value through profit or loss	<b>(1,990)</b>	(35,426)
Proceeds from disposal of financial assets at fair value through profit or loss	<b>21,265</b>	12,617
Purchases of financial assets at fair value through other comprehensive income	<b>—</b>	(406)
Proceeds from disposal of financial assets at fair value through other comprehensive income	<b>2,417</b>	209,571
Acquisition of investments in associates	<b>—</b>	(17,618)
Investment returns received from associates	<b>20,955</b>	43,406
Disposal of investment of associates	<b>798</b>	—
Proceeds from pledge bank deposits	<b>—</b>	58,896
Receipt/(advance) to related parties	<b>614</b>	(746)
Repayment (to)/from related parties	<b>(13,210)</b>	180
Placement of term deposits	<b>(56,058)</b>	(2,495,125)
Proceeds from term deposits	<b>—</b>	2,966,756
Origination of loans receivable	<b>—</b>	(27,000)
Repayment of loans receivable	<b>—</b>	10,000
Addition to investment in associates	<b>(12,052)</b>	—
<b>Net cash (used in)/generated from investing activities</b>	<b>(52,276)</b>	743,346



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended June 30, 2024

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
<b>Cash flows from financing activities</b>		
Proceeds from related parties	—	1,098
Proceeds from bank borrowings	—	67,880
Repayment of bank borrowings	—	(2,170,579)
Interest paid	(625)	(44,030)
Repayments of leases liabilities	(20,069)	(29,676)
Proceeds from issuance of structured notes	—	100,450
Redemption of structured notes	—	(115,800)
Distribution to non-controlling shareholders	—	(3,750)
Cash injection by third-party holders of consolidated structured entities	—	2,500
Cash repayment to third-party holders of consolidated structured entities	(10,903)	(18,980)
Net cash used in financing activities	(31,597)	(2,210,887)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>114,598</b>	(580,230)
Cash and cash equivalents at beginning of the period	1,110,150	1,537,730
Effect of foreign exchange rate changes	20,411	125,685
<b>Cash and cash equivalents at end of period</b>	<b>1,245,159</b>	1,083,185

# 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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### 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 (note)	—	10,107	—	—	10,107
<b>Total revenue</b>	<b>97,570</b>	<b>164,811</b>	<b>42,630</b>	<b>23,910</b>	<b>328,921</b>
Net investment (losses)/gains	—	(33,445)	60,836	3,215	30,606
<b>Total revenue and net investment gains</b>	<b>97,570</b>	<b>131,366</b>	<b>103,466</b>	<b>27,125</b>	<b>359,527</b>
Compensation and benefit expenses	(112,035)	(46,917)	(91,122)	(32,023)	(282,097)
Carried Interest to management team and other parties (note)	—	(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)
<b>Operating (loss)/profit</b>	<b>(61,548)</b>	<b>39,531</b>	<b>(42,494)</b>	<b>(23,225)</b>	<b>(87,736)</b>
Other income, gains or losses					519
Investment gain arising from certain incidental and ancillary investments					13,117
Share of results of associates					481
Loss before tax					(73,619)
Income tax expense					(12,348)
<b>Loss for the period</b>					<b>(85,967)</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Segment revenue and results (continued)

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

	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 (note)	—	94,218	—	—	94,218
<b>Total revenue</b>	<b>112,505</b>	<b>336,452</b>	<b>47,346</b>	<b>40,272</b>	<b>536,575</b>
<b>Net investment gains/(losses)</b>	<b>265</b>	<b>(29,984)</b>	<b>72,339</b>	<b>5,211</b>	<b>47,831</b>
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 (note)	—	(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
<b>Operating (loss)/profit</b>	<b>(27,624)</b>	<b>126,247</b>	<b>(41,865)</b>	<b>(24,311)</b>	<b>32,447</b>
Other income, gains or losses					7,920
Share of results of associates					430
Change in fair value of call option					(152,990)
<b>Loss before tax</b>					<b>(112,193)</b>
Income tax expense					(50,980)
<b>Loss for the period</b>					<b>(163,173)</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Segment revenue and results (continued)

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 approximately 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 approximately 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 approximately 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 approximately 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 approximately 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”.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### 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, 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (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
	<b>328,921</b>	536,575	<b>134,027</b>	176,412

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 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
A point of time	146,170	247,393
Over time	159,859	239,380
	<b>306,029</b>	486,773

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 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
	<b>30,606</b>	<b>47,831</b>



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 5. OTHER INCOME, GAINS OR LOSSES

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Government grants (note)	3,520	19,596
Net exchange loss	(1,295)	(13,475)
Others	(1,706)	1,799
	<b>519</b>	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
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Investment gain from		
— Unlisted debt security investment	13,117	—

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.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 7. INCOME TAX EXPENSE

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

### 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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 9. DIVIDENDS

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

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

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.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 11. MOVEMENT IN PROPERTY AND EQUIPMENT

During the current interim period, the Group disposed of certain electronic equipment with an aggregate carrying amount of approximately RMB49,000 (six months ended June 30, 2023: certain electronic equipment and furniture and fixtures with an aggregate carrying amount of approximately RMB59,000), resulting in a gain on disposal of approximately RMB1,000 (six months ended June 30, 2023: loss on disposal of approximately RMB59,000). During the current interim period, the Group paid approximately RMB1,271,000 (six months ended June 30, 2023: RMB1,137,000) for addition of property and equipment.

During the current interim period, the Group entered into one new lease agreement with lease term of 3 years (six months ended June 30, 2023: 3 years). The Group is required to make fixed monthly payments. On lease commencement, the Group recognized right-of-use assets of approximately RMB1,844,000 (six months ended June 30, 2023: RMB817,000) and lease liability of approximately RMB1,844,000 (six months ended June 30, 2023: RMB811,000).

During the current interim period, the Group terminated a lease agreement. On lease termination date, the Group recognized a gain on disposal of right-of-use assets of approximately RMB407,000 (six months ended June 30, 2023: loss on disposal of right-of-use assets RMB4,037,000).

### 12. MOVEMENT IN INTANGIBLE ASSETS

During the current interim period, the Group disposed of certain licenses with an aggregate carrying amount of approximately RMB454,000 (six months ended June 30, 2023: certain software with an aggregate carrying amount of approximately RMB895,000) for nil cash proceeds (six months ended June 30, 2023: RMB895,000). During the current interim period, the Group paid approximately RMB2,763,000 (six months ended June 30, 2023: RMB4,640,000) mainly on addition of internal developed software for the purpose of daily operation.

### 13. INVESTMENTS IN ASSOCIATES

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 13. INVESTMENTS IN ASSOCIATES (CONTINUED)

### (a) Investments in unlisted companies

Name of entity	Country of registration	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activity
			At	At	At	At	
			June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	
Fountainhead Partners Holding Company Limited (note i)	Cayman Islands	Cayman Islands	12.12%	12.12%	12.12%	12.12%	Wealth management
北京原基華毅生物科技有限公司 ("Beijing Yuan Ji Hua Yi Sheng Wu Technology Co., Ltd") ("BJHYSW") (note i, note ii)	Beijing, PRC	PRC	14.93%	14.93%	14.93%	14.93%	Technology development
北京華睿智訊科技有限公司 ("Beijing Huarui Zhixun Technology Limited") ("BJHRZX")	Beijing, PRC	PRC	45.22%	45.22%	45.22%	45.22%	Marketing and business information services

Notes:

- (i) The Group is able to exercise significant influence because it has the power to appoint one out of the five directors under the Articles of Association of respective investee.
- (ii) During the year ended December 31, 2022, under the group reorganisation scheme of BJHYSW to rationalize its structure, BJHYSW disposed of its subsidiary, which led to the Group's partial disposal of its investment in BJHYSW to exchange for equity interests in an overseas company which under the control of BJHYSW's controlling shareholders. The investment in the overseas company is measured at fair value and included in "unlisted equity security investments" at FVTPL. The Group's remaining interests in BJHYSW is accounted for as investment in associates.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 13. INVESTMENTS IN ASSOCIATES (CONTINUED)

#### (a) Investments in unlisted companies (continued)

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

#### (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:

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

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.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

**13. INVESTMENTS IN ASSOCIATES (CONTINUED)**

**(b) Investments in funds (continued)**

	Place of incorporation	Ownership interest held	
		At June 30, 2024	At December 31, 2023
<i>Material Funds</i>			
寧波梅山保稅港區華興領運股權投資合夥企業(有限合夥) (“Ningbo Meishan Bonded Port Area Huaxing Lingyun Equity Investment Partnership (Limited Partnership)”) (“NBHXLY”)	Ningbo, PRC	<b>1.73%</b>	1.73%
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)”) (“WXHXLJ”)	Wuxi, PRC	<b>4.38%</b>	4.38%
Huaxing Capital Partners, III L.P.	Cayman Islands	<b>3.45%</b>	3.45%
Huaxing Growth Capital IV, L.P.	Cayman Islands	<b>4.20%</b>	4.20%
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)”) (“BJRZ Medical”)	Beijing, PRC	<b>8.12%</b>	8.12%

The Group is able to exercise significant influence over the above funds’ operating and financial policies because it manages the funds’ day to day investment and disposition activities on behalf of the fund under the constitutional document of above funds.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 13. INVESTMENTS IN ASSOCIATES (CONTINUED)

### (b) Investments in funds (continued)

#### Summarized financial information of material fund investments

	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
<b>NBHXLY</b>		
Net asset value	5,788,569	6,208,747
Total comprehensive expense for the period/year	(161,247)	(605,522)
<b>WXHXLJ</b>		
Net asset value	1,086,820	1,099,572
Total comprehensive income for the period/year	12,752	4,919
<b>Huaxing Capital Partners, III L.P.</b>		
Net asset value	4,497,907	4,477,362
Total comprehensive expense for the period/year	(7,333)	(433,422)
<b>Huaxing Growth Capital IV, L.P.</b>		
Net asset value	2,571,205	2,477,109
Total comprehensive expense for the period/year	(78,672)	(115,872)
<b>BJRZ Medical</b>		
Net asset value	2,890,911	3,186,261
Total comprehensive expense for the period/year	(295,350)	(30,502)

#### Aggregate information of fund investments that are not individually material

	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
The Group's share of fair value change in funds for the period/year	(563)	(52,869)
Aggregated carrying amount of the Group's investments in funds	598,903	603,885



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Notes: (continued)

- (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.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

**15. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER  
COMPREHENSIVE INCOME**

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

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.

**16. LOANS TO THIRD PARTIES**

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 16. LOANS TO THIRD PARTIES (CONTINUED)

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.

Details of impairment assessment of loans to third parties for the six months ended June 30, 2024 are set out in note 19.

### 17. ACCOUNTS AND OTHER RECEIVABLES

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

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 17. ACCOUNTS AND OTHER RECEIVABLES (CONTINUED)

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:

	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (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
	<b>27,924</b>	41,973

Details of the impairment assessment are set out in note 19.

- (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.

## 18. FINANCIAL ASSETS PURCHASED UNDER RESALE AGREEMENTS

	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
Analyzed by collateral type:		
– Debt securities	6,000	—
Analyzed by market:		
– Stock exchanges	6,000	—

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

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

	Six months ended June 30,	
	2024 RMB'000 (unaudited)	2023 RMB'000 (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)
	<b>5,899</b>	<b>(33,583)</b>

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.

### 20. ACCOUNTS AND OTHER PAYABLES

	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
	Salaries, bonus and other benefit payables	102,494
Open trade payable (note)	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
	<b>666,415</b>	<b>904,923</b>

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.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

**21. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS**

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

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.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 21. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS (CONTINUED)

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:

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

### 22. SHORT-TERM DEBT INSTRUMENT ISSUED

	<b>At June 30, 2024 RMB'000 (unaudited)</b>	<b>At December 31, 2023 RMB'000 (audited)</b>
Structured notes	<b>95,301</b>	93,806

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.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### **23. PAYABLE TO BROKERAGE CLIENTS**

The majority of the payable balance is repayable on demand except where certain balances represent margin deposits and cash collateral received from clients for their trading activities under normal course of business. Only the excess amounts over the required margin deposits and cash collateral stipulated are repayable on demand.

Payable to brokerage clients mainly include cash held on behalf of clients at the banks and at the clearing houses by the Group, and are interest-bearing at the prevailing market interest rate.

As at June 30, 2024, the cash received from clients for securities lending and margin financing arrangement as collaterals, included in the Group's accounts payable to brokerage clients amounted to approximately RMB551,810,000 (December 31, 2023: RMB272,925,000).

### **24. PAYABLES TO INTEREST HOLDERS OF CONSOLIDATED STRUCTURED ENTITIES**

Payables to interest holders of consolidated structured entities consist of third-party holders' interests in these consolidated structured entities which are recognized as a liability since the Group has the obligation to pay other investors or limited partners upon the maturity dates of the structured entities based on the net asset value and related terms of those consolidated structured entities.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 25. SHARE CAPITAL

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 26. SHARE-BASED PAYMENTS

#### (a) Details of the share option scheme of the Company

The share option scheme of the Company (the “**Scheme**”) was adopted pursuant to a resolution passed on August 24, 2012 for the primary purpose of providing incentives to eligible employees. The maximum number of shares that may be issued under the Scheme shall be 18,750,000 ordinary shares. Subsequently in 2015, the maximum number was approved to be expanded to 22,826,087 ordinary shares. After the share subdivision on August 10, 2018, the maximum number was adjusted to 91,304,348 ordinary shares.

The table below discloses movement of the Company’s share options held by the Group’s employees and executive directors:

	<b>Number of share options</b>	
	<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Outstanding as at January 1	<b>17,579,780</b>	17,690,780
Forfeited during the period	—	(60,000)
Outstanding as at June 30	<b>17,579,780</b>	17,630,780

No share-based compensation expenses for share options has been recognized in profit or loss for the six months ended June 30, 2024 (six months ended June 30, 2023: RMB303,000).

#### (b) Details of the employee restricted share scheme of the Company

The 2018 Restricted Share Unit (“**RSU**”) Plan of the Company was adopted pursuant to a resolution passed on June 15, 2018 for the primary purpose of providing incentives to eligible employees, directors and consultants. 10,000,000 shares (adjusted as 40,000,000 after share subdivision) have been issued to Honor Equity Limited and Sky Allies Development Limited (the “**Trusts**”) for distribution of shares corresponding to RSUs. The Company has control over the Trusts and waived the consideration for shares issued.

The Trusts purchase the Company’s shares in the open market using cash contributed by the Company to satisfy awards made under the share award scheme.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 26. SHARE-BASED PAYMENTS (CONTINUED)

#### (b) Details of the employee restricted share scheme of the Company (continued)

##### (i) Time-based RSU

The table below discloses movement of the Company's time-based RSUs held by the Group's employees and executive directors:

	Number of RSU	
	Six months ended June 30, 2024 (unaudited)	2023 (unaudited)
Outstanding as at January 1	14,429,975	12,309,845
Vested during the period	(42,554)	(405,507)
Forfeited during the period	(61,033)	(103,991)
Outstanding as at June 30	14,326,388	11,800,347

##### (ii) Performance-based RSU

The table below discloses movement of the Company's performance-based RSUs held by the Group's employees and executive directors:

	Number of RSUs	
	Six months ended June 30, 2024 (unaudited)	2023 (unaudited)
Outstanding as at January 1	3,693,090	4,975,700
Forfeited during the period	—	(13,511)
Outstanding as at June 30	3,693,090	4,962,189

Share-based compensation expenses of RMB28,308,000 (six months ended June 30, 2023: RMB40,977,000) for restricted shares, RMB1,260,000 of which was related to Mr. Bao Fan, has been recognized in profit or loss for the period from February 2, 2024 to June 30, 2024.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

**27. 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.

**(a) Amounts due from related parties**

**Amounts due from related parties — trade nature**

	Note	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
WXHXLJ	i	903,679	893,907
Huaxing Growth Capital IV, L.P.	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)") ("SZHSLX")	i	34,441	34,441
Huaxing Capital Partners II, L.P.	i	13,587	10,532
廈門鐮興志賢創業投資合夥企業(有限合夥) ("Xiamen Huaxing Zhixian Venture Capital Partnership (Limited Partnership)")	i	6,145	—
廈門鐮興志曠創業投資合夥企業(有限合夥) ("Xiamen Huaxing Zhikuang Venture Capital Partnership (Limited Partnership)")	i	2,258	—
Huaxing Yihui LLC	i	6,662	5,682
CR Life Star Fund LLC	i	2,945	5,791
Huaxing Capital Partners, L.P.	i	2,226	1,394
Huaxing Yichong LLC	i	1,073	914
HX Pioneer Selection Limited	i	1,028	—
HX Premium Selection Limited	i	570	567
HX Quality Selection Limited	i	499	496
CR HB XI Venture Feeder, LP	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)") ("SHHSLJ")	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)") ("NBHXLH")	i	—	61
Less: impairment loss allowance		(120,055)	(116,344)
		<b>905,510</b>	<b>868,478</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 27. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

#### (a) Amounts due from related parties (continued)

##### *Amounts due from related parties — trade nature (continued)*

The trade balance represents (i) the fee and carried interest receivable in relation to the fund management service provided by the Group, which is non-interest bearing; and (ii) the receivable in relation to investment portfolio transferred by the Group to WXHXLJ.

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:

	<b>At June 30, 2024 RMB'000 (unaudited)</b>	<b>At December 31, 2023 RMB'000 (audited)</b>
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
	<b>905,510</b>	868,478

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

**27. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

**(a) Amounts due from related parties (continued)**

**Amounts due from related parties — non-trade nature**

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

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 27. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

#### (b) Amounts due to related parties

##### Amounts due to related parties — trade nature

	Note	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
天津華興豐澤創業投資合夥企業(有限合夥) (“Tianjin Huaxing Fengze Venture Capital Partnership (Limited Partnership)”) (“TJHXFZ”)	i	1,000	1,000
天津華興豐帆創業投資合夥企業(有限合夥) (“Tianjin Huaxing Fengfan Venture Capital Partnership (Limited Partnership)”) (“TJHXFF”)	i	99	37
Huaxing Growth Capital IV, L.P.	i	7	72
天津華興志熠創業投資合夥企業(有限合夥) (“Tianjin Huaxing Zhiyi Venture Capital Partnership (Limited Partnership)”)	i	—	164
		<b>1,106</b>	1,273

The trade payable represents the fee payable in relation to the fund-raising services, consulting services and research and development services provided by related parties to the Group, which is non-interest bearing.

The credit period granted by the related parties ranges from 30 to 360 days. Aging of amounts due to related parties — trade nature are as follows:

	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
0–30 days	106	1,273
180–360 days	1,000	—
	<b>1,106</b>	1,273



NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

**27. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

**(b) Amounts due to related parties (continued)**

***Payable to brokerage clients***

	Notes	<b>At June 30, 2024 RMB'000 (unaudited)</b>	<b>At December 31, 2023 RMB'000 (audited)</b>
Mr. Bao Fan	iii	<b>378</b>	376
FBH Partners Limited (“ <b>FBH</b> ”)	iii	<b>268</b>	2,229
East Image Limited	i	<b>147</b>	3,966
Huaxing Growth Capital III L.P.	i	<b>90</b>	1,657
Star Winner Limited	i	<b>76</b>	—
East Lake Asia Investments Limited	i	<b>10</b>	—
Huaxing IV Colt, Ltd.	i	<b>9</b>	—
		<b>978</b>	8,228

The balances represent payable to brokerage clients’ entities in respect of dealing in securities, which are kept in segregated accounts.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

**27. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

**(b) Amounts due to related parties (continued)**

**Contract liabilities**

	Note	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
NBHXLY	i	29,969	3,541
BJRZ Medical	i	13,211	1,383
上海華晟領飛股權投資合夥企業(有限合夥) ("Shanghai Huasheng Lingfei Equity Investment Partnership (Limited Partnership)") ("SHHSLF")	i	12,324	1,002
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)") ("NBHXLH")	i	5,884	—
天津華興合利一號醫療股權投資合夥企業(有限合夥) ("Tianjin Huaxing Heli No. 1 Medical Equity Investment Partnership (Limited Partnership)") ("TJHXHL1")	i	1,693	2,685
TJHJHH	i	1,049	357
天津華興志凱創業投資合夥企業(有限合夥) ("Tianjin Huaxing Zhikai Venture Capital Partnership (Limited Partnership)") ("TJHXZK")	i	111	—
天津華鴻諮詢合夥企業(有限合夥) ("Tianjin Huahong Consulting Partnership (Limited Partnership)") ("TJHH")	i	—	4
HX Advanced Selection Limited	i	—	1
		<b>64,241</b>	<b>8,973</b>

The balances represent advance payment of management fee from related parties in relation to the fund management services provided by the Group.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

**27. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

**(b) Amounts due to related parties (continued)**

***Carried interests to management team and other parties***

	Notes	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
FBH	iii	980	—
High Fortune Investments Limited	ii	240	—
		<b>1,220</b>	—

The balances represent carried interest payable to the related parties.

**(c) Transactions conducted with related parties during the period**

	Note	Six months ended June 30, 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
<i>Fund raising commission from:</i>			
DZHS	i	—	155

	Note	Six months ended June 30, 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
<i>Consulting service to:</i>			
Huaxing Growth Capital IV, L.P.	i	—	42

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 27. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

### (c) Transactions conducted with related parties during the period (continued)

	Note	Six months ended June 30,	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Realized carried interest income from:			
Huaxing Capital Partners II, L.P.	i	10,107	8,931
華傑(天津)醫療投資合夥企業(有限合夥) (“Tianjin Huajie Medical Investment Partnership (Limited Partnership)”) (“HJTJ Medical”)	i	—	82,912
TJHXFZ	i	—	919
Green Galaxy LLC	i	—	1,278
Glory Galaxy LLC	i	—	178
		10,107	94,218

	Notes	Six months ended June 30,	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Accrued carried interest to:			
FBH	iii	980	866
High Fortune Investments Limited	ii	240	212
天津華興豐凱創業投資合夥企業(有限合夥) (“Tianjin Huaxing Fengkai Venture Capital Partnership (Limited Partnership)”)	i	—	62,183
		1,220	63,261

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

**27. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

**(c) Transactions conducted with related parties during the period (continued)**

	Note	Six months ended June 30,	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Management fees from:			
NBHXYL	i	41,854	47,267
SHHSLF	i	26,405	30,300
Huaxing Growth Capital III, L.P.	i	24,312	39,165
Huaxing Growth Capital IV, L.P.	i	19,061	49,309
WXHXLJ	i	9,219	12,669
NBHXLH	i	7,949	8,711
Huaxing Capital Partners II, L.P.	i	2,981	3,497
HJTJ Medical	i	2,772	4,733
CR Life Star Fund LLC	i	2,277	2,245
Huaxing Yihui LLC	i	942	923
TJHXHL1	i	936	1,382
Huaxing Capital Partners L.P.	i	822	916
Huaxing Yichong LLC	i	153	150
TJHXZK	i	103	103
廈門鐮啓崙嶼創業投資合夥企業(有限合夥)	i	75	—
SHHSLJ	i	52	89
天津華興豐澤創業投資合夥企業(有限合夥)	i	24	—
BJRZ Medical	i	—	11,577
SHHSLS	i	—	3,713
TJHJHH	i	—	936
NBHH	i	—	670
Green Galaxy LLC	i	—	124
Glory Galaxy LLC	i	—	23
SHPX	i	—	11
Star Victoria Limited	i	—	6
		<b>139,937</b>	218,519

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 27. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

#### (d) Compensation of key management personnel

The remunerations of the key management during the period were as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Salaries, bonus and other allowance	11,252	10,951
Performance related bonus	—	—
Retirement benefit scheme contributions	163	115
Equity-settled share-based payments expenses	4,151	12,419
	15,566	23,485

The remunerations of the key management are determined by the remuneration committee having regard to the performance of individuals and market trends.

Save as the above, the Group also paid salaries and other remuneration (excluding share-based compensation) to Mr. Bao Fan of RMB1,422,000 for the period from February 2, 2024 to June 30, 2024.

Notes:

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 28. STRUCTURED ENTITIES

#### (a) Consolidated structured entities

The consolidated structured entities of the Group mainly included general partners of investment funds, funds managed by the Group and asset management schemes where the Group involves as manager. As at June 30, 2024, the aggregate net assets of the consolidated structured entities amounted to RMB861,007,000 (December 31, 2023: RMB800,840,000).

Being the general partner and manager of these structured entities, the Group considered the power to exercise over the activities of such structured entities and its exposure to and ability to influence its own returns from such structured entities and concluded that it has control over such structured entities and should consolidate them.

#### (b) Unconsolidated structured entities

##### (i) *Structured entities managed by third party institutions in which the Group holds interests*

The Group holds interests in these structured entities managed by third party institutions through investments in the beneficial rights or products issued relating to these structured entities. The Group does not consolidate these structured entities as the Group does not have power over them. Such structured entities include cash management products, investments in funds, money market funds and trust products managed by third parties.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 28. STRUCTURED ENTITIES (CONTINUED)

### (b) Unconsolidated structured entities (continued)

#### (i) Structured entities managed by third party institutions in which the Group holds interests (continued)

The following tables set out an analysis of the gross carrying amounts of interests held by the Group as at June 30, 2024 and December 31, 2023 in the structured entities managed by third party institutions.

	At June 30, 2024 (unaudited)		Type of income
	Financial assets at FVTPL RMB'000	Maximum risk exposure RMB'000 (note)	
Unlisted cash management products	103,438	103,438	Net investment gains
Money market funds	355,741	355,741	Net investment gains
Unlisted investment funds at fair value	625,028	625,028	Net investment gains
	<b>1,084,207</b>	<b>1,084,207</b>	

	At December 31, 2023 (audited)		Type of income
	Financial assets at FVTPL RMB'000 (note)	Maximum risk exposure RMB'000	
Unlisted cash management products	46,349	46,349	Net investment gains
Money market funds	468,329	468,329	Net investment gains
Unlisted investment funds at fair value	680,854	680,854	Net investment gains
	<b>1,195,532</b>	<b>1,195,532</b>	

Note: All of these unconsolidated structured entities are recorded in financial assets at fair value through profit or loss. The maximum exposures to loss in the above investments are the carrying amounts of the assets held by the Group at the end of each reporting period.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## **28. STRUCTURED ENTITIES (CONTINUED)**

### **(b) Unconsolidated structured entities (continued)**

#### **(ii) Structured entities managed by the Group**

The types of unconsolidated structured entities managed by the Group include funds where it acts as the general partner. The purpose of managing these structured entities is to generate fees and carried interest from managing assets on behalf of the funds. Interest held by the Group includes fees and carried interest charged by providing management services to these structured entities and the net investment gains from these structured entities.

For the six months ended June 30, 2024, the management fee recognized amounted to RMB154,704,000 (six months ended June 30, 2023: RMB227,544,000).

For the six months ended June 30, 2024, the carried interest recognized amounted to RMB10,107,000 (six months ended June 30, 2023: RMB94,218,000).

For the six months ended June 30, 2024, the net investment losses recognized amounted to RMB21,831,000 (six months ended June 30, 2023: RMB65,876,000).

As at June 30, 2024, the Group's interests in these structured entities related to funds amounted to RMB1,244,558,000 (December 31, 2023: RMB1,276,689,000).

As at June 30, 2024, the Group's interests in these structured entities related to assets management schemes amounted to RMB4,806,000 (December 31, 2023: RMB11,893,000).

As at June 30, 2024, the amount of assets held by the funds managed by the Group amounted to RMB34,753 million (December 31, 2023: RMB36,694 million).

## **29. CAPITAL COMMITMENTS**

As at June 30, 2024, the Group had commitments for future minimum investments in funds invested by the Group amounted to approximately RMB8,744,000 (December 31, 2023: RMB10,182,000).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

#### Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

This note provides information about how the Group determines fair value of the following financial assets and financial liabilities that are measured at fair value on a recurring basis.

	Fair value at June 30, 2024 RMB'000 (unaudited)	Fair value at December 31, 2023 RMB'000 (audited)	Fair value Hierarchy	Valuation technique and key input(s)	Significant unobservable input(s)
<i>Financial assets</i>					
Unlisted investment funds at fair value	625,028	680,854	Level 3	Note a	Note a
Unlisted debt security investments	60,084	89,714	Level 2	Recent transaction price	N/A
Unlisted debt security investments	394,239	350,159	Level 3	Note b	Note b
Call option for obtaining non-controlling interests	282,032	282,032	Level 3	Note c	Note c
Listed financial bonds	2,376,127	2,464,972	Level 1	Open market transaction price	N/A
Money market funds	355,741	468,329	Level 2	Quoted price from a financial institution	N/A
Convertible notes	61,717	61,335	Level 3	Note d	Note d
Unlisted cash management products	108,244	58,243	Level 2	Quoted price from a financial institution	N/A
Unlisted equity security investments	66,085	66,022	Level 3	Note e	Note e
Associates measured at fair value	1,244,558	1,276,689	Level 3	Note f	Note f
<i>Financial liabilities</i>					
Payables to interest holders of consolidated structured entities in which the Group is the general partner of the investment funds	156,801	169,933	Level 3	Note g	Note g

Certain unlisted debt security investments were transferred from level 2 to level 3 during the period. The fair value of these investments as at June 30, 2024 amounted to approximately RMB46,355,000 (December 31, 2023: RMB30,000,000). Since there are no recent transaction prices available for these investments as at June 30, 2024, the fair value was measured using a valuation technique with significant unobservable inputs and hence was classified as level 3 of the fair value hierarchy.

Except for the aforesaid transfer, there were no transfers among level 1, 2 and 3 during the period.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Notes:

- (a) The Group's investments in unlisted investment funds which were classified as financial assets at FVTPL under level 3 hierarchy amounted to RMB625,028,000 as at June 30, 2024 (December 31, 2023: RMB680,854,000). The significant unobservable input is the net assets value of the underlying investments made by the funds. The higher the net assets value of the underlying investments, the higher the fair value of the financial assets at FVTPL will be. A 5% increase/decrease in the net assets value of the underlying investments, holding all other variables constant, would increase/decrease the carrying amounts of these investments by RMB31,251,000 as at June 30, 2024 (December 31, 2023: RMB34,043,000).
- (b) The Group's investments in unlisted debt security investment which were classified as financial assets at FVTPL under level 3 hierarchy amounted to RMB394,239,000 as at June 30, 2024 (December 31, 2023: RMB350,159,000). The fair value was determined by market approach with a combination of observable and unobservable inputs. The significant unobservable input is DLOM. The higher the DLOM, the lower the fair value of the financial assets at FVTPL will be. A 5% increase in the DLOM, holding all other variables constant, would decrease the carrying amounts of these investments by RMB1,867,000 as at June 30, 2024 (December 31, 2023: RMB1,299,000) and a 5% decrease in the DLOM, holding all other variables constant, would increase the carrying amounts of these investments by RMB1,973,000 as at June 30, 2024 (December 31, 2023: RMB1,393,000).
- (c) The Group's call option to obtain non-controlling interests amounting to RMB282,032,000 as at June 30, 2024 (December 31, 2023: RMB282,032,000) is under level 3 hierarchy. The fair value was determined by Black Scholes model based on the fair value and book value of the underlying net assets of CR Securities as well as estimate of the exercise time of the option. Discounted cash flow method was used to determine the fair value of underlying net assets of CR Securities. The fair value of underlying net assets of CR Securities is most significantly affected by volatility and estimated cash flows. The higher the volatility and the estimated cash flows, the higher the fair value of the call option will be. A 5% increase in the volatility and estimated cash flows, holding all other variables constant, would increase the carrying amount of the call option by RMB8,340,000 and RMB4,440,000 as at June 30, 2024 respectively (December 31, 2023: RMB7,700,000 and RMB2,200,000 respectively).
- (d) The Group's convertible notes amounting to RMB61,717,000 as at June 30, 2024 (December 31, 2023: RMB61,335,000) is under level 3 hierarchy. The significant unobservable input is default rate. The higher the default rate, the lower the fair value of the convertible notes will be. A 5% increase in the default rate, holding all other variables constant, would decrease the carrying amounts of the convertible notes by RMB6,464,000 as at June 30, 2024 (December 31, 2023: RMB6,424,000).
- (e) The Group's investments in unlisted equity security investment which were classified as financial assets at FVTPL under level 3 hierarchy amounted to RMB66,085,000 as at June 30, 2024 (December 31, 2023: RMB66,022,000). The fair value was determined by market approach with a combination of observable and unobservable inputs. The significant unobservable input is volatility. The higher the volatility, the higher the fair value of the financial assets at FVTPL will be. A 5% increase in the volatility, holding all other variables constant, would increase the carrying amounts of these investments by RMB6,223,000 as at June 30, 2024 (December 31, 2023: RMB6,224,000) and a 5% decrease in the volatility, holding all other variables constant, would decrease the carrying amounts of these investments by RMB6,530,000 as at June 30, 2024 (December 31, 2023: RMB6,524,000).
- (f) The Group's associates measured at fair value amounting to RMB1,244,558,000 as at June 30, 2024 (December 31, 2023: RMB1,276,689,000) are under level 3 hierarchy. The significant unobservable input is the net assets value of the underlying investments made by the funds managed by the Group. The higher the net assets value of the underlying investments, the higher the fair value of the investments in associates will be. A 5% increase/decrease in the net assets value of the underlying investments, holding all other variables constant, would increase/decrease the carrying amount of the investments in associates by RMB62,228,000 as at June 30, 2024 (December 31, 2023: RMB63,834,000).
- (g) The Group's payables to interest holders of consolidated structured entities in which the Group is the general partner of the investment funds amounting to RMB156,801,000 as at June 30, 2024 (December 31, 2023: RMB169,933,000) are under level 3 hierarchy. The significant unobservable input is the net assets value of the investment funds managed by the Group. The higher the net assets value of the investment funds managed, the higher the fair value of payables to interest holders of consolidated structured entities will be. A 5% increase/decrease in the net assets value of the investment funds managed, holding all other variables constant, would increase/decrease the carrying amount of payables to interest holders of consolidated structured entities by RMB7,840,000 as at June 30, 2024 (December 31, 2023: RMB8,497,000).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

### Reconciliation of level 3 fair value measurements

	At June 30, 2024 RMB'000 (unaudited)	At December 31, 2023 RMB'000 (audited)
<i>Unlisted investment funds at fair value</i>		
Balance at beginning of the period/year	680,854	1,092,716
Capital contribution	—	37,601
Addition	1,990	—
Disposal	(21,265)	(247,145)
Changes in fair value#	(39,476)	(215,604)
Effect of exchange rate change	2,925	13,286
Balance at end of the period/year	625,028	680,854
# Include gains or losses for assets held at the end of reporting period	(39,417)	(211,272)
<i>Unlisted debt securities investment</i>		
Balance at beginning of the period/year	350,159	340,477
Transfer from level 2 to level 3	30,000	—
Changes in fair value#	13,117	7,199
Effect of exchange rate change	963	2,483
Balance at end of the period/year	394,239	350,159
# Include gains or losses for assets held at the end of reporting period	13,117	7,199
<i>Call option for obtaining non-controlling interests</i>		
Balance at beginning of the period/year	282,032	436,080
Changes in fair value#	—	(154,048)
Balance at end of the period/year	282,032	282,032
# Include gains or losses for assets held at the end of reporting period	—	(154,048)

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

**30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS  
(CONTINUED)**

**Fair value of the Group's financial assets and financial liabilities that are  
measured at fair value on a recurring basis (continued)**

***Reconciliation of level 3 fair value measurements (continued)***

	<b>At June 30, 2024 RMB'000 (unaudited)</b>	<b>At December 31, 2023 RMB'000 (audited)</b>
<i>Convertible notes</i>		
Balance at beginning of the period/year	<b>61,335</b>	—
Transfer from Level 2 to Level 3	—	186,852
Changes in fair value#	—	(110,655)
Interest adjustment	—	(17,541)
Effect of exchange rate change	<b>382</b>	2,679
Balance at end of the period/year	<b>61,717</b>	61,335
# Include gains or losses for assets held at the end of reporting period	—	(128,196)
<i>Unlisted equity securities investment</i>		
Balance at beginning of the period/year	<b>66,022</b>	91,358
Changes in fair value#	—	(25,440)
Effect of exchange rate change	<b>63</b>	104
Balance at end of the period/year	<b>66,085</b>	66,022
# Include gains or losses for assets held at the end of reporting period	—	(25,440)
<i>Listed equity security investments with lock-up period</i>		
Balance at beginning of the period/year	—	54,720
Disposal	—	(66,320)
Changes in fair value#	—	11,600
Balance at end of the period/year	—	—
# Include gains or losses for assets held at the end of reporting period	—	—

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

## 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

**Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)**

**Reconciliation of level 3 fair value measurements (continued)**

	<b>At June 30, 2024 RMB'000 (unaudited)</b>	<b>At December 31, 2023 RMB'000 (audited)</b>
<i>Investment in fund accounted for as associates measured at fair value</i>		
Balance at beginning of the period/year	<b>1,276,689</b>	1,404,604
Capital contribution	—	—
Addition	<b>12,052</b>	17,237
Disposal	<b>(20,955)</b>	—
Distribution	—	(65,214)
Changes in fair value#	<b>(26,385)</b>	(89,188)
Effect of exchange rate change	<b>3,157</b>	9,250
Balance at end of the period/year	<b>1,244,558</b>	1,276,689
# Include gains or losses for assets held at the end of reporting period	<b>(29,347)</b>	(76,372)
<i>Payables to interest holders of consolidated structured entities in which the Group is the general partner of the investment funds</i>		
Balance at beginning of the period/year	<b>169,933</b>	210,150
Capital contribution	—	6,802
Distribution	<b>(10,902)</b>	(15,224)
Changes in fair value#	<b>(9,133)</b>	(30,628)
Effect of exchange rate change	<b>6,903</b>	(1,167)
Balance at end of the period/year	<b>156,801</b>	169,933
# Include gains or losses for liabilities held at the end of reporting period	<b>(9,133)</b>	(21,244)

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

#### **Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis**

The management considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the condensed consolidated financial statements approximated their fair values at the end of each reporting period.

### 31. 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 condensed 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.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2024

### 32. EVENT 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.



# DEFINITIONS

“AI”	artificial intelligence
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Articles of Association”	the articles of association of our Company conditionally adopted on September 7, 2018 with effect from the Listing Date, as amended from time to time
“Audit Committee”	the Audit Committee of the Board
“AUM”	assets under management
“Board”	the board of directors of our Company
“Carried Interest Distribution Framework Agreement”	the framework agreement entered into by, among others, the Company and Huagan Shanghai on June 15, 2018 (and amended and restated on September 11, 2018) in relation to the distribution of carried interest to the designated individuals of the Group’s investment funds, the details of which are set out in the section headed “Connected Transactions” of the Prospectus
“CG Code”	the Corporate Governance Code set out in Appendix 14 of the Listing Rules
“China” or “PRC”	the People’s Republic of China, and for the purpose of this Interim Report only, except where the context requires otherwise, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company” or “the Company”, “China Renaissance”	China Renaissance Holdings Limited 華興資本控股有限公司, an exempted company with limited liability incorporated under the laws of the Cayman Islands on July 13, 2011
“Connected Transactions”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Bao, FBH Partners, and CR Partners
“CR Partners”	CR Partners Limited, a company incorporated in the British Virgin Islands with limited liability on July 5, 2011 and one of our Controlling Shareholders
“CR Securities”	China Renaissance Securities (China) Co., Ltd. (華興證券有限公司), a company incorporated in China, with limited liability on August 19, 2016 and an indirect subsidiary of the Company, formerly named as 華菁證券有限公司
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of our Company

## DEFINITIONS (CONTINUED)

“ESOP”	the employees’ share option plan of the Company as approved by the Board on August 24, 2012, which was amended and restated on March 1, 2013, April 27, 2015, and June 5, 2018
“FBH Partners”	FBH Partners Limited, our Controlling Shareholder, a company incorporated in the British Virgin Islands with limited liability on March 12, 2004 as an investment vehicle controlled by Mr. Bao, a Founder of our Group
“FVTPL”	Fair value through profit or loss
“Group”, “our Group”, “the Group”, “we”, “us” or “our”	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Hong Kong” or “HK” or “HKSAR”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Huaxing Growth Capital” or “HGC”	comprised of eight main private equity funds managed under the Group’s investment management business, namely, Huaxing Growth Capital USD Fund I, Huaxing Growth Capital USD Fund II, Huaxing Growth Capital USD Fund III, Huaxing Growth Capital USD Fund IV, Huaxing Growth Capital RMB Fund I, Huaxing Growth Capital RMB Fund II, Huaxing Growth Capital RMB Fund III and Huaxing Growth Capital RMB Fund IV
“Huaxing Healthcare Capital”	comprised of three main private equity funds under the Group’s investment management business, namely, Huaxing Healthcare RMB Fund I, Huaxing Healthcare RMB Fund II and Huaxing Healthcare Haihe Fund
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“IPO”	Initial public offering
“IRR”	Internal rate of return
“IT”	internet technology
“Latest Practicable Date”	September 26, 2024, being the latest practicable date prior to the printing of this interim report for the purpose of ascertaining certain information contained herein
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange

## DEFINITIONS (CONTINUED)

“Listing Date”	September 27, 2018 the date on which the Shares are listed and on which dealings in the Shares are first permitted to take place on the Stock Exchange
“Listing Rules”	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
“Mr. Bao”	Mr. Bao Fan (包凡), our former Chairman and Chief Executive Officer (resigned February 2, 2024) who is our Controlling Shareholder
“PE”	Private equity
“Prospectus”	the prospectus of the Company dated September 14, 2018
“RMB” or “Renminbi”	Renminbi, the lawful currency of PRC
“Reporting Period”	the six months ended June 30, 2024
“RSU Plan”	the China Renaissance Holdings Limited 2018 Restricted Share Unit Plan as approved by Board on June 15, 2018
“RSUs”	restricted share units
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company, currently with a par value of US\$0.000025 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules

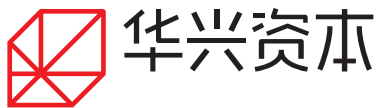
## DEFINITIONS (CONTINUED)

“United States” or “US” or “U.S.” the United States of America, its territories, its possessions and all areas subject to its jurisdiction

“US dollars”, “U.S. dollars”, “US\$” or “USD” United States dollars, the lawful currency of the United States

“%” per cent

*Note:* Unless otherwise defined in this Interim Report, capitalised terms used herein bear the same meanings as defined in the Prospectus.



**CHINA RENAISSANCE HOLDINGS LIMITED**  
華興資本控股有限公司

Units 8107-08, International Commerce Centre  
1 Austin Road West, Kowloon, Hong Kong  
+852 2287 1600  
[info@chinarenaissance.com](mailto:info@chinarenaissance.com)