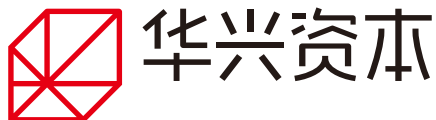


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CHINA RENAISSANCE HOLDINGS LIMITED

華興資本控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1911)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2020

HIGHLIGHTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Renaissance Holdings Limited (the “**Company**” or “**China Renaissance**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) is pleased to announce the unaudited consolidated results of the Group for the six months ended June 30, 2020 (the “**Reporting Period**”). These interim results are unaudited, but have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

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

FINANCIAL HIGHLIGHTS

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

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

	For the six months ended	
	June 30,	
	2020	2019
	RMB'000	RMB'000
		(restated)
Total revenue	539,637	626,996
Total revenue and net investment gains	1,167,430	784,883
Total operating expenses	(699,554)	(598,527)
Operating profit	467,876	186,356
Profit before tax	473,409	251,005
Income tax expenses	(44,438)	(48,383)
Profit for the period	428,971	202,622
Profit for the period attributable to owners of the Company	407,357	176,766
Annualized return on average equity	15.3%	7.1%

To supplement our financial information presented in accordance with IFRS, we also use adjusted net profit 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 profit attributable to owners of the Company does not have a standardised meaning prescribed by IFRS and may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and the shareholders of the Company (the “Shareholders”) should not consider it in isolation from, or as substitute for analysis of, or our results of operations as reported under IFRS.

	For the six months ended June 30,	
	2020	2019
	RMB'000	<i>RMB'000</i> <i>(restated)</i>
Profit for the period attributable to owners of the Company	407,357	176,766
Add:		
Share-based payment expenses	35,516	35,323
Subtotal before adjustments relating to carried interest	442,873	212,089
Add:		
Unrealized net carried interest ⁽¹⁾	184,093	46,208
Non-IFRS Measure: Adjusted net profit attributable to owners of the Company (unaudited) ⁽²⁾	626,966	258,297

Note:

- (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.

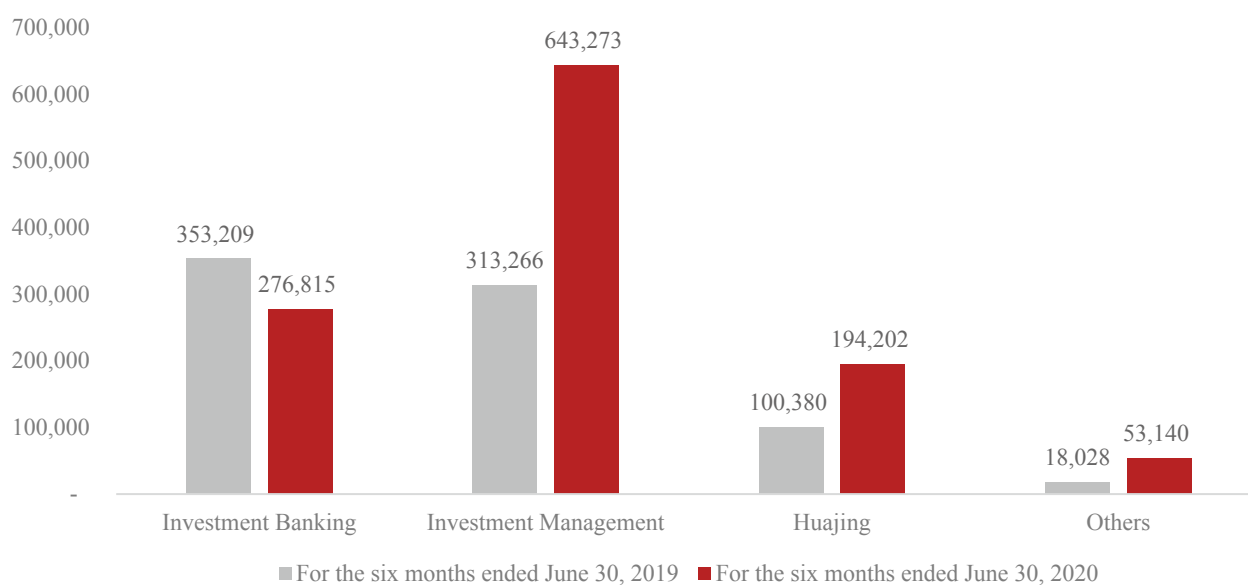
	For the six months ended June 30,	
	2020	2019
	RMB'000	<i>RMB'000</i> <i>(restated)</i>
Unrealized income from carried interest	808,574	149,628
Carried interest to management team and other parties	(624,481)	(103,420)
Unrealized net carried interest	184,093	46,208

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, 2020, accumulated unrealized income from carried interest and unrealized net carried interest were RMB2.5 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.

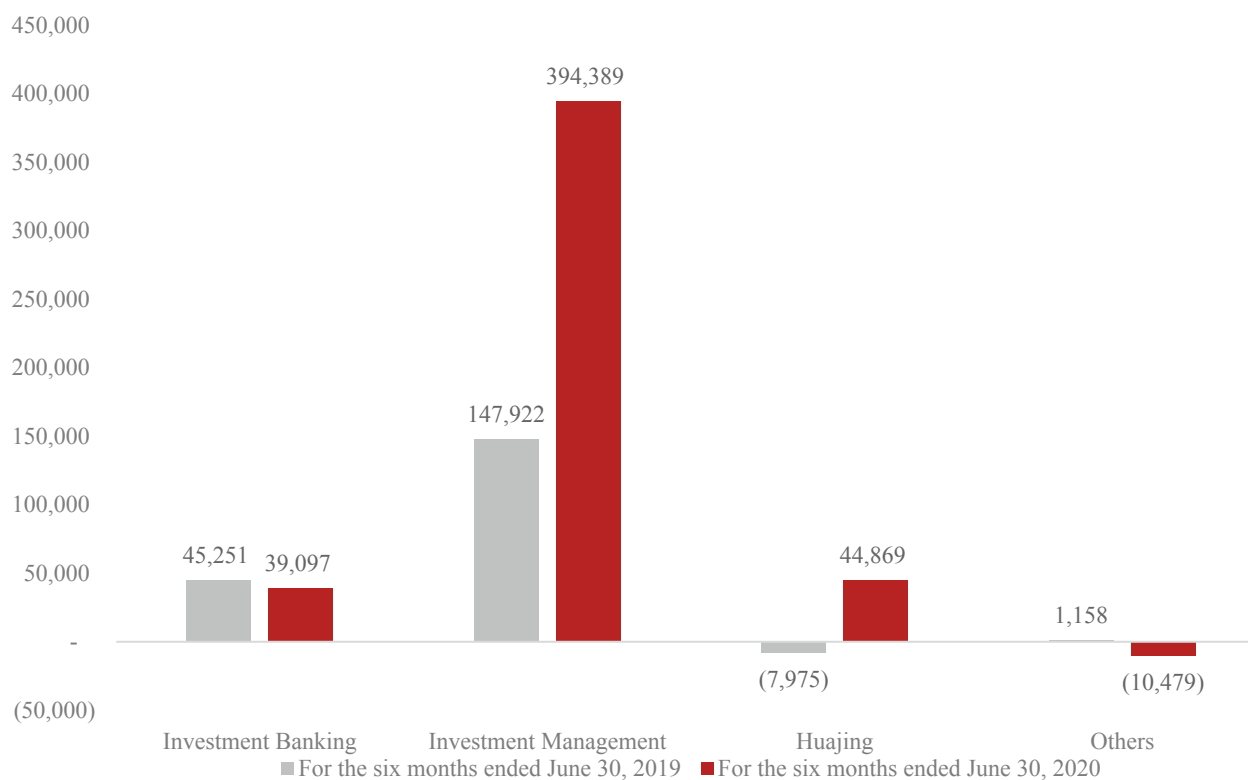
- (2) We define adjusted net profit attributable to owners of the Company as profit or loss for the period attributable to owners of the Company adjusted for the impact of (i) share-based payment expenses, (ii) unrealized income from carried interest, and (iii) carried interest to management team and other parties.

Segment Performance

Revenue and Net Investment Gains by Segment (RMB'000)



Operating Profit (loss) by Segment (RMB'000)



MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

First half of 2020 went by fraught with tension, with 2019 Novel Coronavirus (“**COVID-19**”) and geopolitical issues testing the agility and tenacity of all parties involved. For China Renaissance, the events this year have served as a propellant to our accelerated transformation. The Company is well prepared to forge ahead, putting ourselves ahead of our rivals in scale and in sophistication.

Our interim results of the Reporting Period saw substantial investment gains realized as a result of optimized capital allocation towards higher return assets, such as principal investments into our actively managed investment management funds. Not only are such investment gains conducive to our earnings, they are also highly synergistic with our fee-generating business operations, galvanized into accelerated motion. Our cash position at Group level as of June 30, 2020 amounted to RMB4.6 billion, of which RMB2.5 billion sat at Huajing Securities. Returns on Huajing’s use of funds had been hampered by license restrictions in preceding reporting periods, but there is notable upside with principal investment and financial product distribution licenses expected to take effect from the second half of 2020 onwards.

Our 15.3% annualized Return on Average Equity (“**ROAE**”) for the first half of 2020 was stronger than expected, yet by no means a fluke. Contrast to the 20% ROAE at China Renaissance Group level (excluding Huajing Securities), ROAE at Huajing Securities itself was merely 1% constrained by investment scope, as aforementioned. We have confidence in our overall ROAE to be maintained at a relatively high level and profit burgeoning in 2021 and 2022, with contributions from: 1) unrealized carried interest progressively becoming realized gains; 2) higher efficiency in capital utilization and higher leverage at Huajing Securities; 3) stronger investment banking pipelines.

Investment management segment, accounting for 55.1% of total revenue and net investment gains for the first half of 2020, has started to reap the benefits from the build-up of investments in previous years. The strong performance of our private equity funds, with average Internal Rate of Return (“**IRR**”) of 33.0%, have paved way for better prospects of future fundraising and asset under management (“**AUM**”) expansion. Considering the relatively high returns, China Renaissance also plans to commit more principal investments into our funds. Since the establishment of this segment in 2013, our funds have accumulated nearly RMB700 million in net unrealized carried interest, which are expected to be gradually realized as net profit in the next 3–4 years as relevant funds start to exit. Separately, in the first half of 2020, we reported RMB20.9 million in realized carried interest. Total AUM as of June 30, 2020 amounted to RMB39.0 billion, comprising RMB24.5 billion of Huaxing Growth Capital, RMB4.0 billion of Huaxing Healthcare Capital, and RMB10.5 billion of project funds. We expect fund performance to maintain a robust trajectory in second half of 2020 and 2021.

Our investment banking businesses have been increasingly integrated with Huajing Securities, the linchpin to our domestic operations. Notwithstanding external conditions, China Renaissance has long prepared for the seismic shift of Chinese companies’ listing preferences, thus having obtained licenses across mainland China, Hong Kong, and the United States of America since 2016. Our unremitting commitment to domestic markets, i.e. A-share market and Hong Kong market, resonates at every entity within our Group, as we strive towards our goal of becoming the consummate investment bank for new economy. China Renaissance remains as good a partner in adversity as in prosperity for our clients. Although COVID-19 caused some delays in project progress and revenue recognition in the first half of 2020, our clients, along with ourselves, would still emerge from the pandemic relatively unscathed. Over the past three years, the Company has been investing considerable resources in strengthening initial public offering (“**IPO**”) underwriting, sales and trading, and Huajing Securities, recruiting top talents, and thus expanding our business realm and revenue sources. We expect stronger revenue momentum from our investment banking pipelines in the next 6–18 months.

Wealth management business development stayed on track for the first half of 2020, gaining traction amongst new economy clients, and well poised to attain synergies with our investment banking and investment management businesses, complementing our three-pronged long-term strategy.

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		Change	% of change
	June 30,			
	2020	2019		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
		<i>(restated)</i>		
Business Segment				
Investment Banking	276,815	353,209	(76,394)	-21.6%
Investment Management	643,273	313,266	330,007	105.3%
Huajing	194,202	100,380	93,822	93.5%
Others	53,140	18,028	35,112	194.8%
Total revenue and net investment gains	1,167,430	784,883	382,547	48.7%

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

	For the six months ended		Change	% of change
	June 30,			
	2020	2019		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
		<i>(restated)</i>		
Business Segment				
Investment Banking	39,097	45,251	(6,154)	-13.6%
Investment Management	394,389	147,922	246,467	166.6%
Huajing	44,869	(7,975)	52,844	n.m.
Others	(10,479)	1,158	(11,637)	n.m.
Operating profit	467,876	186,356	281,520	151.1%

Investment Banking

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,		Change RMB'000	% of change
	2020 RMB'000	2019 RMB'000 (restated)		
Investment Banking				
Advisory services	192,049	281,581	(89,532)	-31.8%
Equity underwriting	21,294	27,478	(6,184)	-22.5%
Sales, trading, and brokerage	55,152	40,080	15,072	37.6%
Interest income	2,618	2,882	(264)	-9.2%
Segment revenue	271,113	352,021	(80,908)	-23.0%
Net investment gains	5,702	1,188	4,514	380.0%
Segment revenue and net investment gains	276,815	353,209	(76,394)	-21.6%
Compensation and benefit expenses	(165,953)	(227,214)	61,261	-27.0%
Impairment loss under expected credit loss model, net of reversal	(177)	1,462	(1,639)	-112.1%
Other operating expenses	(71,588)	(82,206)	10,618	-12.9%
Segment operating expenses	(237,718)	(307,958)	70,240	-22.8%
Segment operating profit	39,097	45,251	(6,154)	-13.6%
Segment operating margin	14.1%	12.8%		

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

	For the six months ended June 30,	
	2020 RMB in million	2019 RMB in million (restated)
Transaction value		
Advisory services	21,891	52,766
Equity underwriting	33,991	16,532
Total	55,882	69,298

Segment Revenue and Net Investment Gains

Investment banking revenue was RMB271.1 million for the six months ended June 30, 2020, a decrease of 23.0% from the six months ended June 30, 2019. This decrease was primarily due to a decrease in private placement advisory fees and merger and acquisition advisory revenue resulting from challenges in the domestic and global economic/financial landscapes and delay on execution due to the impact of COVID-19, partially offset by an increase in sales, trading, and brokerage fees.

Interest income and net investment gain mainly come from the structured finance related products. Structured financing is dedicated to exploring and developing non-equity financing services to new economy firms. The interest income and net investment gains from the structured finance related products increased from RMB4.1 million for the six months ended June 30, 2019 to RMB8.3 million for the six months ended June 30, 2020 mainly due to increase in structure finance related products from second half of 2019.

Segment Operating Expenses

For the investment banking segment, segment operating expenses decreased by 22.8% from RMB308.0 million for the six months ended June 30, 2019 to RMB237.7 million for the six months ended June 30, 2020, which was primarily attributed to the decrease in compensation and benefit expenses from RMB227.2 million for the six months ended June 30, 2019 to RMB166.0 million for the six months ended June 30, 2020.

Segment Operating Profit

For the investment banking segment, segment operating profit was RMB39.1 million for the six months ended June 30, 2020, a decrease of 13.6% from the six months ended June 30, 2019. Segment operating margin increased from 12.8% for the six months ended June 30, 2019 to 14.1% for the six months ended June 30, 2020.

Investment Management

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

	For the six months ended			
	June 30,			
	2020	2019	Change	% of change
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
		<i>(restated)</i>		
Investment Management				
Management fees	199,534	219,327	(19,793)	-9.0%
Realized income from				
carried interest	20,931	32,390	(11,459)	-35.4%
Segment revenue	220,465	251,717	(31,252)	-12.4%
Net investment gains	422,808	61,549	361,259	586.9%
Segment revenue and net				
 investment gains	643,273	313,266	330,007	105.3%
Compensation and benefit expenses	(167,020)	(61,051)	(105,969)	173.6%
Carried interest to management				
team and other parties	(13,955)	(22,348)	8,393	-37.6%
Investment gains attributable to				
interest holders of consolidated				
structured entities	(24,811)	(13,884)	(10,927)	78.7%
Impairment loss under expected				
credit loss model, net of reversal	(116)	(332)	216	-65.1%
Other operating expenses	(42,982)	(67,729)	24,747	-36.5%
Segment operating expenses	(248,884)	(165,344)	(83,540)	50.5%
Segment operating profit	394,389	147,922	246,467	166.6%
Segment operating margin	61.3%	47.2%		
Unrealized income from				
carried interest	808,574	149,628	658,946	440.4%
Carried interest to management				
team and other parties	(624,481)	(103,420)	(521,061)	503.8%
Unrealized net carried interest	184,093	46,208	137,885	298.4%
Adjusted segment operating profit	578,482	194,130	384,352	198.0%

The following table sets forth a breakdown of net investment gains of the investment management business for the periods indicated.

	For the six months ended			
	June 30,			
	2020	2019	Change	% of change
	<i>RMB'000</i>	<i>RMB'000</i> <i>(restated)</i>	<i>RMB'000</i>	
Net investment gains				
Investments in our own private equity funds in our capacity as a general partner and limited partner	400,695	29,861	370,834	1,241.9%
Investments in third-party private equity funds in our capacity as a limited partner	22,113	31,688	(9,575)	-30.2%
	<u>422,808</u>	<u>61,549</u>	<u>361,259</u>	<u>586.9%</u>
Total	422,808	61,549	361,259	586.9%

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

	As of June 30,	As of December 31,
	2020	2019
	<i>RMB in million</i>	<i>RMB in million</i>
Committed Capital	26,899	26,055
Invested Capital	18,903	16,629
AUM	38,982	34,236

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

	Committed Capital	Invested Capital	Fair Value of Investments		Total	Gross Multiple Of Invested Capital ⁽²⁾
			Realized ⁽¹⁾	Unrealized		
<i>RMB in million except multiples</i>						
As of June 30, 2020						
Main Funds ⁽³⁾	20,569	12,967	3,338	21,249	24,587	1.9
Project Funds	6,330	5,936	912	10,064	10,976	1.8
Total	26,899	18,903	4,250	31,313	35,563	1.9
As of December 31, 2019						
Main Funds	20,091	10,698	2,522	16,567	19,089	1.8
Project Funds	5,964	5,931	372	8,753	9,125	1.5
Total	26,055	16,629	2,894	25,320	28,214	1.7

- (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, 2020, we managed nine main private equity funds, including six under our Huaxing Growth Capital and three under our Huaxing Healthcare Capital.

Segment Revenue and Net Investment Gains

For the investment management segment, total revenue decreased by 12.4% from RMB251.7 million for the six months ended June 30, 2019 to RMB220.5 million for the six months ended June 30, 2020. Management fees decreased by 9.0% from RMB219.3 million for the six months ended June 30, 2019 to RMB199.5 million for the six months ended June 30, 2020. This decrease was primarily due to the slower inflow of new capital commitment in the first half year of 2020 compared to the corresponding period in 2019. The committed capital and AUM of our private equity funds were RMB26.9 billion and RMB39.0 billion as of June 30, 2020, representing an increase of 3.2% and of 13.9% from the end of 2019, respectively.

Net investment gains from the investment management business mainly represents the investment income from the investments in our own private equity funds and third-party private equity funds. Net investment gains increased significantly from RMB61.5 million for the six months ended June 30, 2019 to RMB422.8 million for the six months ended June 30, 2020 resulting from the appreciation in value of the portfolio companies in our own private equity funds. As of June 30, 2020, IRR of investment in our own private equity funds and third-party private equity funds were 33.0% and 21.0%, respectively.

During the six months ended June 30, 2020, the total return of a project fund 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. The realized income from carried interest decreased by 35.4% from RMB32.4 million for the six months ended June 30, 2019 to RMB20.9 million for the six months ended June 30, 2020.

Segment Operating Expenses

For the investment management segment, segment operating expenses increased by 50.5% from RMB165.3 million for the six months ended June 30, 2019 to RMB248.9 million for the six months ended June 30, 2020. This increase was primarily due to the (i) increase in our compensation and benefit expenses, (ii) investment gains attributable to interest holders of consolidated structured entities.

Segment Operating Profit

For the investment management segment, segment operating profit increased by 166.6% from RMB147.9 million for the six months ended June 30, 2019 to RMB394.4 million for the six months ended June 30, 2020. Segment operating margin improved from 47.2% for the six months ended June 30, 2019 to 61.3% for the six months ended June 30, 2020.

Unrealized Net Carried Interest and Adjusted Segment Operating Profit

Unrealized net carried interest, calculated as unrealized income from carried interest subtracting carried interest to management team and other parties, increased by 298.4% from RMB46.2 million for the six months ended June 30, 2019 to RMB184.1 million for the six months ended June 30, 2020. Unrealized income from carried interest increased by 440.4% from RMB149.6 million for the six months ended June 30, 2019 to RMB808.6 million for the six months ended June 30, 2020 resulting from the appreciation in value of the portfolio companies under our investment management business. Carried interest to management team and third parties increased by 503.8% from RMB103.4 million for the six months ended June 30, 2019 to RMB624.5 million for the six months ended June 30, 2020, in line with the increase of unrealized income from carried interest.

Huajing

The following table sets forth segment revenue and net investment gains, segment operating expenses, and segment operating profit (loss) for the periods indicated.

	For the six months ended		Change	% of change
	2020	2019		
	RMB'000	RMB'000	RMB'000	
		(restated)		
Huajing				
Segment revenue	19,124	21,629	(2,505)	-11.6%
Segment revenue and net investment gains	194,202	100,380	93,822	93.5%
Compensation and benefit expenses	(102,976)	(62,629)	(40,347)	64.4%
Investment gains attributable to interest holders of consolidated structured entities	(16,953)	(14,836)	(2,117)	14.3%
Impairment loss under expected credit loss model, net of reversal	—	(275)	275	-100.0%
Finance cost	(454)	(521)	67	-12.9%
Other operating expenses	(28,950)	(30,094)	1,144	-3.8%
Segment operating expenses	(149,333)	(108,355)	(40,978)	37.8%
Segment operating profit (loss)	44,869	(7,975)	52,844	n.m.

Segment Revenue and Net Investment Gains

For the Huajing segment, segment revenue and net investment gains were RMB194.2 million for the six months ended June 30, 2020, an increase of 93.5% from the six months ended June 30, 2019. This increase was primarily due to an increase in appreciation of investment in an listed equity in the STAR market of Shanghai Stock Exchange.

Segment Operating Expenses

For the Huajing segment, segment operating expenses increased by 37.8% from RMB108.4 million for the six months ended June 30, 2019 to RMB149.3 million for the six months ended June 30, 2020. This increase was primarily due to the increase in compensation and benefit expense.

Segment Operating Profit (Loss)

For the Huajing segment, segment operating profit was RMB44.9 million for the six months ended June 30, 2020, as compared to segment operating loss of RMB8.0 million for the six months ended June 30, 2019.

Others

The others segment mainly comprises of 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) profit for the periods indicated.

	For the six months ended			
	June 30,			
	2020	2019	Change	% of change
	RMB'000	RMB'000	RMB'000	
		(restated)		
Others				
Segment revenue	28,935	1,629	27,306	1,676.2%
Segment revenue and net investment gains	53,140	18,028	35,112	194.8%
Compensation and benefit expenses	(46,476)	(12,506)	(33,970)	271.6%
Impairment loss under expected credit loss model, net of reversal	94	(10)	104	n.m.
Finance cost	(5,057)	(1,915)	(3,142)	164.1%
Other operating expenses	(12,180)	(2,439)	(9,741)	399.4%
Segment operating expenses	(63,619)	(16,870)	(46,749)	277.1%
Segment operating (loss) profit	(10,479)	1,158	(11,637)	n.m.

Segment Revenue and Net Investment Gains

For the others segment, total revenue and net investment gains were RMB53.1 million for the six months ended June 30, 2020, increased significantly from RMB18.0 million for the six months ended June 30, 2019. This increase was primarily due to expansion of wealth management business as well as increased returns on cash management products.

Segment Operating Expenses

For the others segment, segment operating expenses increased by 277.1% from RMB16.9 million for the six months ended June 30, 2019 to RMB63.6 million for the six months ended June 30, 2020. This increase was primarily due to (i) an increase in compensation and benefit expense resulting from an increase in number of employees of wealth management business and (ii) an increase in other operating expense in connection with the expansion of wealth management business.

Segment Operating Profit

For the others segment, total segment operating loss was RMB10.5 million for the six months ended June 30, 2020, as compared to segment operating profit of RMB1.2 million for the six months ended June 30, 2019.

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,			
	2020	2019	Change	% of change
	RMB'000	RMB'000	RMB'000	
		(restated)		
Transaction and advisory fees	278,585	358,131	(79,546)	-22.2%
Management fees	204,707	219,327	(14,620)	-6.7%
Interest income	35,414	17,148	18,266	106.5%
Realized income from carried interest	20,931	32,390	(11,459)	-35.4%
Total Revenue	539,637	626,996	(87,359)	-13.9%
Net investment gains	627,793	157,887	469,906	297.6%
Total revenue and net investment gains	1,167,430	784,883	382,547	48.7%

Total revenue was RMB539.6 million for the six months ended June 30, 2020, a decrease by 13.9%, from RMB627.0 million for the six months ended June 30, 2019.

- Transaction and advisory fees were RMB278.6 million, a decrease of 22.2% from the prior period.
- Management fees were RMB204.7 million, a decrease of 6.7% from the prior period.
- Interest income was RMB35.4 million, an increase of 106.5% from the prior period.
- The realized income from carried interest was RMB20.9 million, a decrease of 35.4% from the prior period.

The 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. The net investment gains increased from RMB157.9 million for the six months ended June 30, 2019 to RMB627.8 million for the six months ended June 30, 2020.

Total revenue and net investment gains were RMB1,167.4 million for the six months ended June 30, 2020, an increase of 48.7% from RMB784.9 million for the six months ended June 30, 2019.

Operating Expenses

Total operating expenses increased by 16.9% from RMB598.5 million for the six months ended June 30, 2019 to RMB699.6 million for the six months ended June 30, 2020.

Compensation and benefit expenses increased by 32.8% from RMB363.4 million for the six months ended June 30, 2019 to RMB482.4 million for the six months ended June 30, 2020. Among compensation and benefit expenses, share-based compensation remained stable at RMB35.5 million for the six months ended June 30, 2020, as compared to RMB35.3 million for the six months ended June 30, 2019.

Finance costs increased from RMB2.4 million for the six months ended June 30, 2019 to RMB5.5 million for the six months ended June 30, 2020. This increase in interest expense was primarily due to new bank borrowings drawn in the first half year of 2020.

Provision of impairment losses under expected credit loss model was RMB0.2 million for the six months ended June 30, 2020, as compared to reversal of impairment loss under expected credit loss model of RMB0.8 million for the six months ended June 30, 2019.

Other operating expenses decreased by 14.7% from RMB182.5 million for the six months ended June 30, 2019 to RMB155.7 million for the six months ended June 30, 2020. The decrease was primarily due to the Group's effective cost control.

Operating Profit

Operating profit was RMB467.9 million for the six months ended June 30, 2020, an increase of 151.1% from RMB186.4 million for the six months ended June 30, 2019.

Other Income, Gains or Losses

Other gains were RMB8.1 million for the six months ended June 30, 2020, decreased by 86.9% from RMB61.9 million for the six months ended June 30, 2019. Other gains or loss mainly came from government grants, income for disposal of a subsidiary, charitable donations and net exchange (loss) gain. Please refer to 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. 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 decreased from RMB5.3 million for the six months ended June 30, 2019 to nil for the six months ended June 30, 2020 mainly due to no change in the fair value of strategic minority equity investments for the six months ended June 30, 2020.

Share of Results of Associates

Share of loss of associates decreased from RMB2.5 million for the six months ended June 30, 2019 to RMB1.5 million for the six months ended June 30, 2020. The decrease was mainly attributable to the narrowed losses of the associated companies for the six months ended June 30, 2020.

Share of Results of a Joint Venture

Share of loss of a joint venture was RMB1.1 million for the six months ended June 30, 2020 mainly because the joint venture company operated at a loss for the six months ended June 30, 2020.

Profit before tax

Profit before tax was RMB473.4 million for the six months ended June 30, 2020, increased by 88.6% from RMB251.0 million for the six months ended June 30, 2019.

Income Tax Expense

Income tax expense was RMB44.4 million and RMB48.4 million for the six months ended June 30, 2020 and 2019, respectively. The decrease was primarily due to less taxable income generated for the six months ended June 30, 2020.

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

Profit for the period was RMB429.0 million and RMB202.6 million for the six months ended June 30, 2020 and 2019, respectively. Profit attributable to owners of the Company was RMB407.4 million and RMB176.8 million for the six months ended June 30, 2020 and 2019, respectively.

Adjusted net profit attributable to owners of the Company

Adjusted net profit attributable to owners of the Company without unrealized net carried interest increased from RMB212.1 million for the six months ended June 30, 2019 to RMB442.9 million for the six months ended June 30, 2020. Unrealized net carried interest, calculated as unrealized income from carried interest subtracting carried interest to management team and other parties, increased from RMB46.2 million for the six months ended June 30, 2019 to RMB184.1 million for the six months ended June 30, 2020. Adjusted net profit attributable to owners of the Company with unrealized net carried interest increased from RMB258.3 million for the six months ended June 30, 2019 to RMB627.0 million for the six months ended June 30, 2020.

Off-Balance Sheet Commitments and Arrangements

As of June 30, 2020, 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 has maintained sound financial strength during the period ended June 30, 2020. The Group is aware of the need to use capital for further business expansion, continuously seeking various means of financing. As of June 30, 2020, the Group had RMB183.2 million of outstanding bank borrowings and held credit facilities from authorized institutions in aggregate principal amount of RMB1,028.3 million.

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, consolidated structured entities, cash held on behalf of brokerage clients, payable to brokerage clients, receivable on behalf of underwriting clients and payable to underwriting clients was 15.5% as of June 30, 2020, compared with 10.4% as of December 31, 2019. The increase was mainly due to an increase of advanced management fees from funds managed by the Group and outstanding bank borrowings as of June 30, 2020.

Significant Investments Held

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

	As of June 30, 2020 RMB'000	As of December 31, 2019 RMB'000
Investments in our own private equity funds in our capacity as a general partner	490,738	346,188
Investments in our own private equity funds in our capacity as a limited partner	683,413	249,826
Investments in third-party private equity funds in our capacity as a limited partner	449,086	414,015
Strategic minority equity investments		
— Investments in the form of preferred shares of other companies	147,514	145,361
— Passive equity holdings in non-associate companies	455,631	313,433
Investment in a portfolio company of the consolidated fund	508,890	508,890
Total	2,735,272	1,977,713

As of June 30, 2020, the Group had investments of our primary investment activities amounting to an aggregate of approximately RMB2,735.3 million measured in fair value, which increased by 38.3% as compared to December 31, 2019. Each investment was individually less than 5% of the total assets of the Group as of June 30, 2020.

Future Plans for Material Investments and Capital Assets

For details of the Group's future plans for material investments and capital assets, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus and the interim report of the Group for the six months ended June 30, 2020 to be published.

Save as disclosed above, the Group did not have other plans for material investments and capital assets as at June 30, 2020.

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, 2020.

Employee and Remuneration Policy

As of June 30, 2020, we had 614 full-time employees, including over 81% advisory and investment professionals.

The following table sets forth the number of our employees by function as of June 30, 2020.

Function	Number of Employees	Percentage
Investment Banking	240	39%
Investment Management	59	10%
Huajing Securities	181	29%
Others	22	4%
Group Middle and Back Office	112	18%
Total	614	100%

The following table sets forth the number of our employees by geographic region as of June 30, 2020.

Geographic Region	Number of Employees	Percentage
Beijing, China	310	51%
Shanghai, China	162	26%
Other cities in China	19	3%
Hong Kong, China	103	17%
United States	19	3%
Singapore	1	/
Total	614	100%

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our retention strategy, we offer employees performance-based cash bonuses and other incentives in addition to base salaries. As of June 30, 2020, 97 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, 2020 were RMB482.4 million, representing an increase of 32.8% as compared to six months ended June 30, 2019.

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 Renminbi. When considered appropriate, we enter into hedging activities with regard to exchange rate risk. As of June 30, 2020, we did not hedge or consider it necessary to use financial instruments for hedging purposes.

Pledge of Assets

As of June 30, 2020, the Company pledged two US\$ bank deposits of US\$36.0 million (equivalent to approximately RMB254.9 million) to secure the short term credit facilities of RMB300.0 million granted by China Merchants Bank to the Group for the daily operations in mainland China. The short term credit facilities of RMB100.0 million and RMB200.0 million were expired in June and July 2020, respectively. The pledged bank deposits were released in July 2020.

Contingent Liabilities

As of June 30, 2020, 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, 2020.

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.

During the six months ended June 30, 2020, a final dividend of RMB15 cents per share in respect of the year ended December 31, 2019 was declared to owners of the Company. The aggregate amount of the final dividend declared in the six months ended June 30, 2020 amounted to RMB79.9 million, and such cash dividend was paid on August 10, 2020.

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

	For the six months ended	
	June 30,	
	2020	2019
	<i>RMB’000</i>	<i>RMB’000</i>
Dividends to shareholders of the Company	79,896	—

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

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

Compliance with the Corporate Governance Code

During the six months ended June 30, 2020, the Company has complied with all applicable code provisions set out in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) except for the following deviations.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Bao Fan 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. Bao Fan has the benefit of ensuring consistent leadership within the Group and enabling 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 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.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code during the six months ended June 30, 2020.

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

During the six months ended June 30, 2020, the Company repurchased 8,747,400 Shares on the Stock Exchange for an aggregate consideration of approximately HK\$116.5 million including expenses. The repurchased Shares were subsequently cancelled. The repurchase was effected because the Board considered that the then trading price of the Shares did not reflect their intrinsic value and business prospects as perceived by the Board and that it presented a good opportunity for the Company to repurchase Shares.

Details of the Shares repurchased during the six months ended June 30, 2020 are as follows:

Month of repurchase	No. of Shares repurchased	Highest price paid per share (HK\$)	Lowest price paid per share (HK\$)	Aggregate consideration (HK\$'000)
January	6,996,300	15.46	14.00	98,140
April	94,300	12.33	12.12	1,155
May	1,637,200	10.82	10.26	16,934
June	19,600	12.76	10.96	221
Total	8,747,400			116,450

Save as disclosed above, neither the Company nor any member of the Group purchased, sold or redeemed any listed securities of the Company during the six months ended June 30, 2020.

Audit Committee and Review of Financial Statements

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system (including risk management) of the Group, review and approve connected transactions and provide advice and comments to the Board. The Audit Committee consists of three members, 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, 2020. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company with senior management members and the external auditor of the Company, Deloitte Touche Tohmatsu.

The condensed consolidated financial statements of the Group for the six months ended June 30, 2020 has been reviewed by the Audit Committee of the Company and by the Company's external auditor 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 Board Committees

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

Subsequent Events after the Reporting Period

On July 13, 2020, the Company cancelled a total number of 19,600 Shares which it had repurchased on the open market of the Stock Exchange from June 3, 2020 to June 30, 2020, pursuant to the general mandate to repurchase Shares approved by the Shareholders at the annual general meetings of the Company held on May 28, 2019 and June 11, 2020, respectively, from its issued share capital.

On August 10, 2020, a final dividend of RMB15 cents (HK\$0.16405) per Share for the year ended December 31, 2019 (the “**Final Dividend**”) has been paid up by the Company out of the share premium account in Hong Kong dollars to Shareholders whose names appear on the register of members of the Company as at the close of business on Monday, June 22, 2020. For details of the payment date and exchange rate for the Final Dividend payment, please refer to the Company’s announcement dated June 22, 2020.

Save as disclosed above, no important events affecting the Company have occurred since June 30, 2020 and up to the date of this announcement.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2020

	Notes	Six months ended June 30,	
		2020 RMB'000 (unaudited)	2019 RMB'000 (unaudited) (restated)
Revenue	3		
Transaction and advisory fees		278,585	358,131
Management fees		204,707	219,327
Interest income		35,414	17,148
Income from carried interest		20,931	32,390
		<hr/>	<hr/>
Total revenue		539,637	626,996
Net investment gains	4	627,793	157,887
		<hr/>	<hr/>
Total revenue and net investment gains		1,167,430	784,883
		<hr/>	<hr/>
Compensation and benefit expenses		(482,425)	(363,400)
Carried interest to management team and other parties		(13,955)	(22,348)
Investment gains attributable to interest holders of consolidated structured entities		(41,764)	(28,720)
Impairment loss under expected credit loss model, net of reversal	13	(199)	845
Finance costs		(5,511)	(2,436)
Other operating expenses		(155,700)	(182,468)
		<hr/>	<hr/>
Total operating expenses		(699,554)	(598,527)
		<hr/>	<hr/>
Operating profit		467,876	186,356
		<hr/>	<hr/>
Other income, gains or losses	5	8,095	61,893
Investment income arising from certain incidental and ancillary investments	6	—	5,275
Share of results of associates		(1,501)	(2,519)
Share of results of a joint venture		(1,061)	—
		<hr/>	<hr/>
Profit before tax		473,409	251,005
Income tax expense	7	(44,438)	(48,383)
		<hr/>	<hr/>
Profit for the period		428,971	202,622
		<hr/>	<hr/>

		Six months ended June 30,	
		2020	2019
<i>Notes</i>		RMB'000	RMB'000
		(unaudited)	(unaudited) (restated)
Other comprehensive income (expense)			
<i>Items that will not be reclassified to profit or loss:</i>			
	Exchange differences on translation from functional currency to presentation currency	119,720	13,704
<i>Items that may be reclassified subsequently to profit or loss:</i>			
	Exchange differences arising on translation of foreign operations	(78,154)	(12,503)
	Fair value gain on debt instruments measured at fair value through other comprehensive income	—	379
	Reclassification adjustment to profit or loss on disposal of debt instruments measured at fair value through other comprehensive income	—	(1,873)
	Impairment loss for debt instruments at fair value through other comprehensive income included in profit or loss	—	(41)
		<hr/>	<hr/>
Other comprehensive income (expense) for the period, net of tax		41,566	(334)
		<hr/>	<hr/>
Total comprehensive income for the period		470,537	202,288
		<hr/> <hr/>	<hr/> <hr/>
Profit for the period attributable to:			
	— Owners of the Company	407,357	176,766
	— Non-controlling interests	21,614	25,856
		<hr/>	<hr/>
		428,971	202,622
		<hr/>	<hr/>
Total comprehensive income for the period attributable to:			
	— Owners of the Company	448,238	177,218
	— Non-controlling interests	22,299	25,070
		<hr/>	<hr/>
		470,537	202,288
		<hr/> <hr/>	<hr/> <hr/>
Earnings Per Share			
	Basic	9 RMB0.83	RMB0.35
	Diluted	9 RMB0.78	RMB0.33
		<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

		June 30, 2020	December 31, 2019
	<i>Notes</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
Non-current assets			
Property and equipment		112,826	144,062
Intangible assets		57,497	51,707
Deferred tax assets		169,985	130,574
Investments in associates	10	1,237,277	660,515
Investment in a joint venture		4,588	5,649
Financial assets at fair value through profit or loss	11	1,749,722	1,507,186
Rental deposits		16,845	16,366
Loans to third parties		—	65,063
Other financial assets		141,718	139,650
		<u>3,490,458</u>	<u>2,720,772</u>
Current assets			
Accounts and other receivables	12	1,720,386	879,094
Loans to third parties		332,987	38,245
Amounts due from related parties		59,814	52,586
Financial assets at fair value through profit or loss	11	2,830,054	3,222,352
Other financial assets		67,448	142,695
Term deposits		217,372	492,564
Pledged bank deposits		260,932	254,237
Cash held on behalf of brokerage clients		175,352	685,842
Cash and cash equivalents		1,259,401	1,022,043
		<u>6,923,746</u>	<u>6,789,658</u>
TOTAL ASSETS		<u>10,414,204</u>	<u>9,510,430</u>

		June 30, 2020	December 31, 2019
	<i>Notes</i>	RMB'000 (unaudited)	RMB'000 (audited)
Current liabilities			
Accounts and other payables	14	1,816,739	1,286,790
Payables to interest holders of consolidated structured entities		785,763	747,284
Amounts due to related parties		56,991	453,830
Contract liabilities		155,133	21,614
Bank borrowings	15	183,230	129,504
Lease liabilities		53,496	53,461
Income tax payables		37,335	47,893
Financial liabilities at fair value through profit or loss		222,295	—
		3,310,982	2,740,376
Net current assets		3,612,764	4,049,282
TOTAL ASSETS LESS CURRENT LIABILITIES		7,103,222	6,770,054
Non-current liabilities			
Lease liabilities		32,283	56,876
Contract liabilities		16,496	13,747
Deferred tax liabilities		63,347	27,286
		112,126	97,909
NET ASSETS		6,991,096	6,672,145
Capital and reserves			
Share capital	16	88	89
Reserves		5,459,867	5,159,016
Equity attributable to owners of the Company		5,459,955	5,159,105
Non-controlling interests		1,531,141	1,513,040
		6,991,096	6,672,145

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2020

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 “**Listing Rules**”).

2. PRINCIPAL 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 changes in accounting policies resulting from application of new and amendments to 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, 2020 are the same as those presented in the Group’s annual consolidated financial statements for the year ended December 31, 2019.

Application of new and amendments to IFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in IFRSs and the following amendments to IFRSs issued by International Accounting Standards Board, for the first time, which are mandatory effective for the annual period beginning on or after January 1, 2020 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in IFRSs and amendments to IFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

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.

In the prior period, the Group had four operating segments (a) investment banking; (b) investment management; (c) Huajing and (d) new business. In the current period, the Group changed its internal reporting structure and reallocated structured financing from new business segment to investment banking segment. Subsequent to the change of the internal reporting structure, the Group has four reportable operating segments, which are (a) investment banking; (b) investment management; (c) Huajing and (d) others.

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

- (a) The investment banking is a segment of the Group’s operations whereby the Group provides (1) 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 (2) 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) Huajing 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;
- (d) The others segment mainly comprises of wealth management business, and investment and management of its own funds. Wealth management business provides value-added wealth management services for high net worth individuals and other high net worth groups represented by new-economy entrepreneurs, and this business also helps the Group integrate and enhance investment and management of its own funds.

Segment revenue and results

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

	Six months ended June 30, 2020 (unaudited)					
	Investment	Investment	Huajing	Others	Consolidation	Total
	banking	management			adjustments	consolidated
	RMB'000	RMB'000	RMB'000	RMB'000	and reconciling	RMB'000
					items	
					RMB'000	
Transaction and advisory fees	268,495	—	10,090	—	—	278,585
Management fees	—	199,534	—	5,173	—	204,707
Interest income	2,618	—	9,034	23,762	—	35,414
Income from carried interest	—	829,505	—	—	(808,574) ^(note)	20,931
Total revenue	271,113	1,029,039	19,124	28,935	(808,574)	539,637
Net investment gains	5,702	422,808	175,078	24,205	—	627,793
Total revenue and net investment gains	276,815	1,451,847	194,202	53,140	(808,574)	1,167,430
Compensation and benefit expenses	(165,953)	(167,020)	(102,976)	(46,476)	—	(482,425)
Carried interest to management team and other parties	—	(638,436)	—	—	624,481 ^(note)	(13,955)
Investment gains attributable to interest holders of consolidated structured entities	—	(24,811)	(16,953)	—	—	(41,764)
Impairment loss under expected credit loss model, net of reversal	(177)	(116)	—	94	—	(199)
Finance cost	—	—	(454)	(5,057)	—	(5,511)
Other operating expenses	(71,588)	(42,982)	(28,950)	(12,180)	—	(155,700)
Operating profit (loss)	39,097	578,482	44,869	(10,479)	(184,093)	467,876
Other income, gains or losses						8,095
Share of results of associates						(1,501)
Share of results of a joint venture						(1,061)
Profit before tax						473,409
Income tax expense						(44,438)
Profit for the period						428,971

	Six months ended June 30, 2019 (unaudited) (restated)					Total consolidated
	Investment banking	Investment management	Huajing	Others	Consolidation adjustments and reconciling items	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Transaction and advisory fees	349,139	—	8,992	—	—	358,131
Management fees	—	219,327	—	—	—	219,327
Interest income	2,882	—	12,637	1,629	—	17,148
Income from carried interest	—	182,018	—	—	(149,628) ^(note)	32,390
Total revenue	352,021	401,345	21,629	1,629	(149,628)	626,996
Net investment gains	1,188	61,549	78,751	16,399	—	157,887
Total revenue and net investment gains	353,209	462,894	100,380	18,028	(149,628)	784,883
Compensation and benefit expenses	(227,214)	(61,051)	(62,629)	(12,506)	—	(363,400)
Carried interest to management team and other parties	—	(125,768)	—	—	103,420 ^(note)	(22,348)
Investment gains attributable to interest holders of consolidated structured entities	—	(13,884)	(14,836)	—	—	(28,720)
Impairment loss under expected credit loss model, net of reversal	1,462	(332)	(275)	(10)	—	845
Finance cost	—	—	(521)	(1,915)	—	(2,436)
Other operating expenses	(82,206)	(67,729)	(30,094)	(2,439)	—	(182,468)
Operating profit (loss)	45,251	194,130	(7,975)	1,158	(46,208)	186,356
Other income, gains or losses						61,893
Investment income arising from certain incidental and ancillary investments						5,275
Share of results of associates						(2,519)
Profit before tax						251,005
Income tax expense						(48,383)
Profit for the period						202,622

Segment profit or loss represents the results of each segment without allocation of corporate items including other income, gains or losses, investment income arising from certain incidental and ancillary investments (the “**Passive Investment Income**”), share of results of associates, share of results of a joint venture 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, or high water marks, in accordance with the respective terms set out in each fund’s governing agreements. The segment results of investment management include the unrealised income from Carried Interest calculated 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. The revenue adjustments represent the unrealised income from Carried Interest of RMB808,574,000 and RMB149,628,000 for the six months ended June 30, 2020 and 2019 respectively, which are based on the underlying fair value change of the respective funds managed by the Group. The associated expense adjustments represent the proportion of unrealised Carried Interest of RMB624,481,000 and RMB103,420,000 for the six months ended June 30, 2020 and 2019 respectively, that would be payable to fund management teams and other third parties. The unrealised 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 realised as of such date, irrespective of whether such amounts have been realised.

As the fair value of underlying investments varies 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 recognised 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, for the six months ended June 30, 2020 and 2019, except for RMB20,931,000 and RMB32,390,000, respectively, of Carried Interest realised for certain fund, no income from Carried Interest for other funds was recognised as revenue and it will not be recognised until (a) it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur, or (b) the uncertainty associated with the variable consideration is subsequently resolved. All allocations of Carried Interest as an expense are recognised only when the amounts that will 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 “crystallised”.

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 <i>(note)</i>	
	Six months ended June 30, 2020 <i>RMB'000</i> (unaudited)	2019 <i>RMB'000</i> (unaudited) (restated)	At June 30, 2020 <i>RMB'000</i> (unaudited)	At December 31, 2019 <i>RMB'000</i> (audited)
Mainland China	409,158	546,566	1,360,845	800,844
Hong Kong	107,732	59,473	37,645	45,192
USA	22,747	20,957	13,698	15,897
	<u>539,637</u>	<u>626,996</u>	<u>1,412,188</u>	<u>861,933</u>

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

Timing of revenue recognition for revenue from contract of customers

	Six months ended June 30,	
	2020 <i>RMB'000</i> (unaudited)	2019 <i>RMB'000</i> (unaudited) (restated)
A point of time	299,516	390,521
Over time	204,707	219,327
	<u>504,223</u>	<u>609,848</u>

4. NET INVESTMENT GAINS

	Six months ended June 30,	
	2020	2019
	RMB'000	<i>RMB'000</i>
	(unaudited)	(unaudited)
		(restated)
Net realised and unrealised gains from financial assets at fair value through profit or loss (“FVTPL”)		
— Wealth management related products	17,695	13,632
— Asset management schemes	4,780	53,060
— Structured finance related products	5,702	1,188
— Financial bonds	7,836	—
— Unlisted investment funds at fair value	22,113	31,688
— Listed equity security investments	141,998	—
Net realised gains from financial assets at fair value through other comprehensive income (“FVTOCI”)		
— Financial bonds	—	8,927
Gross gain from consolidated structured entities		
— Asset management schemes	20,463	15,934
Gross gain from investments in associates measured at fair value		
— Investment in funds	495,193	29,861
Net unrealised losses from financial liabilities at FVTPL		
— Securities borrowing	(94,498)	—
Dividend income from		
— Wealth management related products	6,511	3,597
	627,793	157,887

5. OTHER INCOME, GAINS OR LOSSES

	Six months ended June 30,	
	2020 <i>RMB'000</i> (unaudited)	2019 <i>RMB'000</i> (unaudited) (restated)
Government grants <i>(a)</i>	14,549	20,901
Bank and loans interest income	—	22,357
Net exchange (loss) gain	(3,465)	419
Gain on disposal of a subsidiary	—	23,423
Others <i>(b)</i>	(2,989)	(5,207)
	8,095	61,893
	8,095	61,893

Notes:

(a) 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 People's Republic of China (the "PRC"), based on the Group's contribution to the development of the local financial sector. In addition, the Group recognised government grants of RMB852,000 in respect of Covid-19-related subsidies, of which RMB806,000 related to Employment Support Scheme provided by the Hong Kong government.

(b) Others mainly included:

An aggregated amount of RMB2,989,000 charitable donations were made by the Group for the six months ended June 30, 2020 (for the six months June 30, 2019: RMB4,932,000).

6. INVESTMENT INCOME ARISING FROM CERTAIN INCIDENTAL AND ANCILLARY INVESTMENTS

	Six months ended June 30,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited) (restated)
Passive Investment Income from		
— Equity security investment	—	6,632
— Cash management products	—	1,589
— Others	—	(2,946)
	<u>—</u>	<u>(2,946)</u>
	<u>—</u>	<u>5,275</u>

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

7. INCOME TAX EXPENSE

	Six months ended June 30,	
	2020	2019
	RMB'000	RMB'000
	(unaudited)	(unaudited) (restated)
Current tax:		
Mainland China	47,675	42,769
Hong Kong	7	24
	<hr/>	<hr/>
In respect of current period	47,682	42,793
	<hr/>	<hr/>
Deferred tax:		
— In respect of current period	(3,244)	5,590
	<hr/>	<hr/>
Total income tax expense	44,438	48,383
	<hr/> <hr/>	<hr/> <hr/>

Mainland China

The applicable tax rate of group entities incorporated in the mainland China is 25%. Certain group entities incorporated in Tibet Autonomous Region are subject to a tax rate of 15% for both six month ended June 30, 2020 and 2019, according to the local preferential tax policies.

Hong Kong

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

USA

The group entity incorporated in the USA is subject to the federal tax rate at 21% and state income tax rate at 6.5% for both six-month periods ended June 30, 2020 and 2019.

Cayman Islands and British Virgin Islands (“BVI”)

The Company and other group entities incorporated in the Cayman Islands are not subject to income or capital gains tax under the law of Cayman Islands. In addition, dividend payments are not subject to withholding tax in the Cayman Islands.

The group entities established in BVI are not subject to income tax or capital gains tax under the law of BVI.

8. DIVIDENDS

	Six months ended June 30,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)

Dividends to shareholders of the Company

79,896	—
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During the six months ended June 30, 2020, a final dividend of RMB15 cents per share in respect of the year ended December 31, 2019 was declared to owners of the Company. The aggregate amount of the final dividend declared in the six months ended June 30, 2020 amounted to RMB79,896,000, and such cash dividend was paid on August 10, 2020.

No dividends were paid, declared or proposed during the six months ended June 30, 2019.

9. EARNINGS PER SHARE

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

	Six months ended June 30,	
	2020	2019
	(unaudited)	(unaudited)
		(restated)

Earnings for the purpose of basic and diluted earnings per share

Earnings for the period attributable to owners of the Company (*RMB'000*)

407,357	176,766
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Number of shares

Weighted average number of ordinary shares for the purpose of basic earnings per share

491,278,923	501,991,058
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Effect of dilutive potential ordinary shares:

Share options of the Group

26,648,750	38,448,073
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Restricted share units of the Group

1,963,047	—
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Weighted average number of ordinary shares for the purpose of diluted earnings per share

519,890,720	540,439,131
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Basic earnings per share (*RMB*)

0.83	0.35
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Diluted earnings per share (*RMB*)

0.78	0.33
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For the six months ended June 30, 2020, the share options and restricted share units granted by the Company have potential dilutive effect on the earnings per share. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options and restricted share units granted by the Company. No adjustment is made to earnings.

For the six months ended June 30, 2019, the share options granted by the Company have potential dilutive effect on the earnings per share. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options granted by the Company. No adjustment is made to earnings. The computation of diluted earnings per share for the six months ended June 30, 2019 has not considered the effect of restricted share units given that the effects are anti-dilutive.

10. INVESTMENTS IN ASSOCIATES

	As at June 30, 2020 <i>RMB'000</i> (unaudited)	As at December 31, 2019 <i>RMB'000</i> (audited)
Investments in unlisted companies (a)	63,126	64,501
Investments in funds (b)	1,174,151	596,014
	<u>1,237,277</u>	<u>660,515</u>

(a) Investments in unlisted companies

	As at June 30, 2020 <i>RMB'000</i> (unaudited)	As at December 31, 2019 <i>RMB'000</i> (audited)
Cost of unlisted investments in associates	107,912	107,997
Share of post-acquisition profit or loss and other comprehensive income	(5,501)	(4,000)
Impairment loss	(39,026)	(39,026)
Exchange adjustments	(259)	(470)
	<u>63,126</u>	<u>64,501</u>

(b) **Investments in funds**

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

	As at June 30, 2020 <i>RMB'000</i> (unaudited)	As at December 31, 2019 <i>RMB'000</i> (audited)
Cost of investments in funds	521,042	438,508
Fair value changes in funds (<i>note</i>)	629,527	140,587
Exchange adjustments	23,582	16,919
	<u>1,174,151</u>	<u>596,014</u>

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

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at June 30, 2020 <i>RMB'000</i> (unaudited)	As at December 31, 2019 <i>RMB'000</i> (audited)
Current		
Unlisted cash management products (<i>Note i</i>)	2,287,983	2,613,525
Money market funds (<i>Note ii</i>)	113,233	78,370
Listed financial bonds (<i>Note iii</i>)	401,018	409,451
Trust products (<i>Note iv</i>)	27,820	121,006
	<u>2,830,054</u>	<u>3,222,352</u>
Non-current		
Trust products (<i>Note iv</i>)	89,488	27,820
Listed equity security investments (<i>Note v</i>)	239,804	97,806
Unlisted investment funds at fair value (<i>Note vi</i>)	449,086	414,015
Unlisted debt security investments (<i>Note vii</i>)	145,391	143,268
Unlisted equity security investments (<i>Note viii</i>)	724,717	724,517
Restricted shares arising from investment in Sumscope (<i>Note ix</i>)	2,123	2,093
Call option for obtaining non-controlling interests (<i>Note x</i>)	99,113	97,667
	<u>1,749,722</u>	<u>1,507,186</u>

- Note i:* The Group purchased cash management products with expected rates of return per annum ranging from 2.00% to 3.26% as at June 30, 2020 (December 31, 2019: 1.46% to 3.13%). As these cash management products 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.
- Note ii:* 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.
- Note iii:* The Group invested in financial bonds with fixed interest rates ranging from 2.90% to 7.20% as at June 30, 2020 (December 31, 2019: 3.60% to 7.20%) 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.
- Note iv:* The Group invested in trust products with expected return rate ranging from 9.50% to 11.0% per annum as at June 30, 2020 (December 31, 2019: 8.50% to 9.85%). As the trust product held by the Group was managed within a business model whose objective is to sell the investment 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.
- Note v:* These investments represent equity investments in listed companies, and subsequent fair value change of the investments are recorded in the net investment gains in the condensed consolidated statement of profit or loss and other comprehensive income.
- Note vi:* The fair values of the unlisted investment funds are 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.
- Note vii:* These investments represent investments in the preferred shares of unlisted companies, and subsequent fair value change of the investments are recorded in the Passive Investment Income in the condensed consolidated statement of profit or loss and other comprehensive income.
- Note viii:* These investments represent equity investments in the unlisted companies, and subsequent fair value change of the investments are recorded in the Passive Investment Income in the condensed consolidated statement of profit or loss and other comprehensive income.
- Note ix:* On May 22, 2018, the Group entered into a series of agreements to (i) subscribe for preferred shares in Sumscope Inc. for an aggregate consideration of approximately US\$10 million, (ii) subscribe for a warrant to acquire additional preferred shares in Sumscope Inc. for up to a total investment amount of US\$14 million, and (iii) subscribe for restricted ordinary shares, which shall be vested in accordance with a vesting schedule of four years, twenty-five percent of which shall vest annually in equal instalments over four years as of the execution of the agreements. The investments in preferred shares, warrant and restricted shares are measured at fair value, and changes in fair value are recognised in profit or loss. The warrant was exercised during the year of 2019. The investment in preferred shares are included in “unlisted debt security investments” at FVTPL.
- Note x:* The Group holds a call option to obtain any non-controlling interests from the non-controlling shareholders of a subsidiary of the Group, China Renaissance Securities (China) Co. Ltd. (“**Huajing Securities**”), at the book value of the non-controlling interests exercisable at any time after its establishment. The fair value as at June 30, 2020 amounted to RMB99,113,000 (December 31, 2019: RMB97,667,000). The call option is not traded in an active market and the respective fair value is determined by using valuation technique. The fair values has been determined in accordance with Black Scholes model based on fair value of underlying net assets of Huajing Securities and the estimate of the exercisability of the call option.

12. ACCOUNTS AND OTHER RECEIVABLES

	As at June 30, 2020 RMB'000 (unaudited)	As at December 31, 2019 RMB'000 (audited)
Accounts receivables		
— Accounts receivable (<i>Note i</i>)	123,017	139,634
— Open trade receivable (<i>Note ii</i>)	867,602	584,285
— Receivable on behalf of underwriting clients (<i>Note iii</i>)	315,361	—
Advance to suppliers	21,555	23,126
Other receivables		
— Refundable deposits	342,830	95,881
— Staff loans	19,661	22,324
— Value-added tax recoverable	7,446	7,688
Others	24,638	7,896
Subtotal	1,722,110	880,834
Less: Impairment loss allowance	(1,724)	(1,740)
Total	1,720,386	879,094

Note i: 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 at the end of the reporting periods:

Aging of accounts receivable (net of impairment loss allowance)

	As at June 30, 2020 RMB'000 (unaudited)	As at December 31, 2019 RMB'000 (audited)
0–30 days	105,833	114,698
31–60 days	86	15,800
61–90 days	1,840	502
91–180 days	11,707	5,873
181–360 days	2,973	1,561
> 360 days	32	214
	122,471	138,648

Note ii: 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.

Note iii: Receivable on behalf of underwriting clients arose from the Group's underwriting business. As the Group currently does not have an enforceable right to offset these receivables with corresponding payables to underwriting clients, the two balances are presented separately.

Details of the impairment assessment are set out in Note 13.

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

	Six months ended June 30,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited) (restated)
Impairment loss recognised/(reversed) in respect of		
Accounts and other receivables	200	(1,497)
Loans to third parties	(1,437)	391
Loans to related parties	—	(27)
Amounts due from related parties	1,443	332
Financial assets at FVTOCI	—	(44)
Other financial assets	(7)	—
	<u>199</u>	<u>(845)</u>

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended June 30, 2020 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2019.

14. ACCOUNTS AND OTHER PAYABLES

	As at June 30, 2020	As at December 31, 2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Salaries, bonus and other benefit payables	343,332	381,040
Open trade payable (<i>note</i>)	867,602	584,285
Payable to brokerage clients (<i>note</i>)	121,410	232,933
Payable to underwriting clients (<i>note</i>)	315,361	—
Other payables	31,635	37,298
Consultancy fee payables	20,047	18,735
Carried interests to management team and other parties	5,438	3,561
Other tax payables	11,847	14,679
Accrued listing expenses and issue costs	251	2,016
Accrued expenses	19,920	12,243
Dividend payable	79,896	—
	<u>1,816,739</u>	<u>1,286,790</u>

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

15. BANK BORROWINGS

During the current interim period, the Group obtained new bank loans amounting to RMB202,340,000 (six months ended June 30, 2019: nil) and repaid bank loans amounting to RMB147,256,000 (six months ended June 30, 2019: nil). The loans carry interest at fixed market rates per annum ranging from 2.19375% to 5.90% are repayable in instalments over a period within one year. The proceeds were used for daily operation for the Group.

16. SHARE CAPITAL

	Number of shares	Nominal value per share US\$	Share capital US\$	
Authorised				
At January 1, 2019, January 1, 2020 and June 30, 2020	<u>2,000,000,000</u>	0.000025	<u>50,000</u>	
	Number of shares	Nominal value per share US\$	Share capital US\$	Amount shown in the financial statements RMB
Issued and fully paid				
At January 1, 2019	543,863,412	0.000025	13,597	89,228
Shares repurchased and cancelled	(3,878,400)	0.000025	(97)	(668)
Exercise of share options	<u>1,394,000</u>	0.000025	<u>35</u>	<u>240</u>
At January 1, 2020	541,379,012	0.000025	13,535	88,800
Shares repurchased and cancelled (note)	(8,737,800)	0.000025	(218)	(1,546)
Exercise of share options	<u>2,223,500</u>	0.000025	<u>56</u>	<u>394</u>
At June 30, 2020	<u>534,864,712</u>		<u>13,373</u>	<u>87,648</u>

	As at June 30, 2020 RMB'000 (unaudited)	As at December 31, 2019 RMB'000 (audited)
Presented as	88	89

Note:

Out of 8,747,400 ordinary shares repurchased during the six months ended June 30, 2020, 8,727,800 shares were cancelled while the remaining 19,600 ordinary shares were cancelled in July 2020. Besides, 10,000 shares repurchased in December 2019 and cancelled in February 2020.

17. COMPARATIVE FIGURES

The 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 ended June 30, 2019, and certain explanatory notes have been restated to conform with the current period presentation.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.huaxing.com. The interim report of the Group for the six months ended June 30, 2020 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Shareholders in due course.

By order of the Board
China Renaissance Holdings Limited
Bao Fan
Chairman and Executive Director

Hong Kong, August 21, 2020

As at the date of this announcement, the Board comprises Mr. Bao Fan as Chairman and Executive Director, Mr. Xie Yi Jing and Mr. Du Yongbo as Executive Directors, Mr. Li Shujun, Mr. Li Eric Xun and Mr. Liu Xing as Non-executive Directors, and Ms. Yao Jue, Mr. Ye Junying and Mr. Zhao Yue as Independent Non- executive Directors.