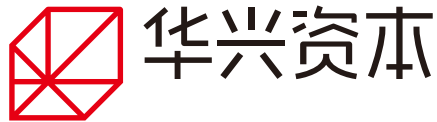


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CHINA RENAISSANCE HOLDINGS LIMITED

華興資本控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1911)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 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 audited consolidated annual results of the Group for the year ended December 31, 2020 (the “**Reporting Period**”). These annual results have been reviewed by the Company’s audit committee.

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

SUMMARY OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the Year Ended	
	December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(restated)</i>
Total revenue	1,589,274	1,304,050
Total revenue and net investment gains	2,731,446	1,621,737
Total operating expenses	(1,606,064)	(1,183,722)
Operating profit	1,125,382	438,015
Profit before tax	1,160,410	388,592
Income tax expense	(136,153)	(78,337)
Profit for the year	1,024,257	310,255
Profit for the year attributable to owners of the Company	1,037,752	246,778

To supplement our financial information presented in accordance with International Financial Reporting Standards (“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 Year Ended	
	December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year attributable to owners of the Company	1,037,752	246,778
Add:		
Share-based payment expense	67,966	74,907
Change in fair value of call option	(19,801)	689
Subtotal before adjustments relating to carried interest	1,085,917	322,374
Add:		
Unrealized net carried interest ⁽¹⁾	1,090,211	140,928
Non-IFRS Measure: Adjusted net profit attributable to owners of the Company (unaudited)⁽²⁾	2,176,128	463,302

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.

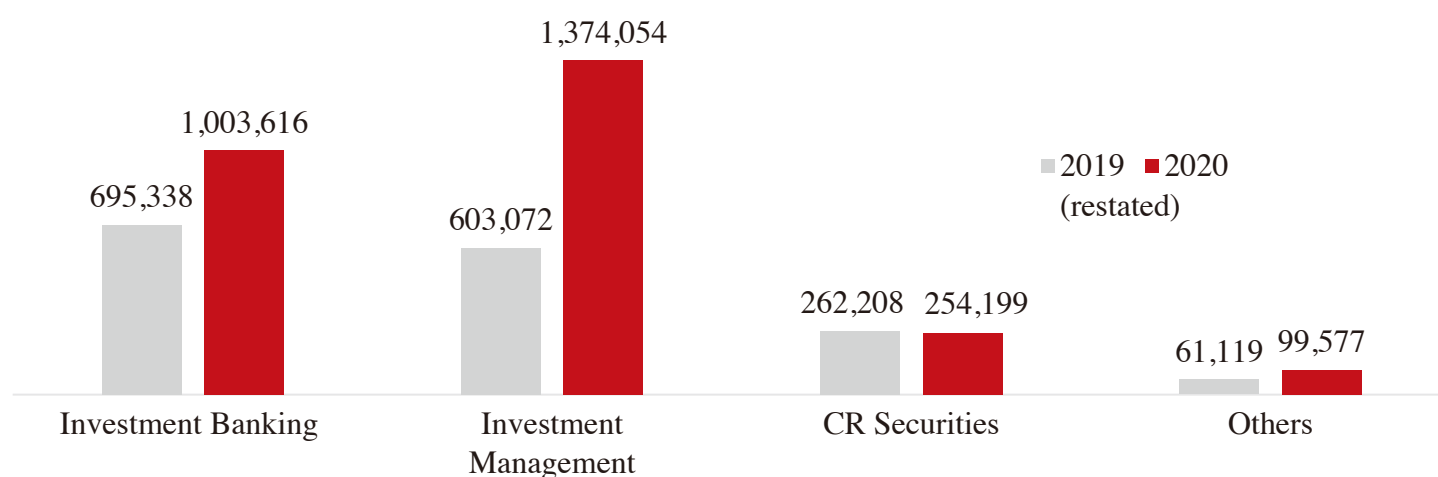
	For the Year Ended	
	December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Unrealized income from carried interest	3,343,368	461,442
Carried interest to management team and other parties	(2,253,157)	(320,514)
Unrealized net carried interest	1,090,211	140,928

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 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.

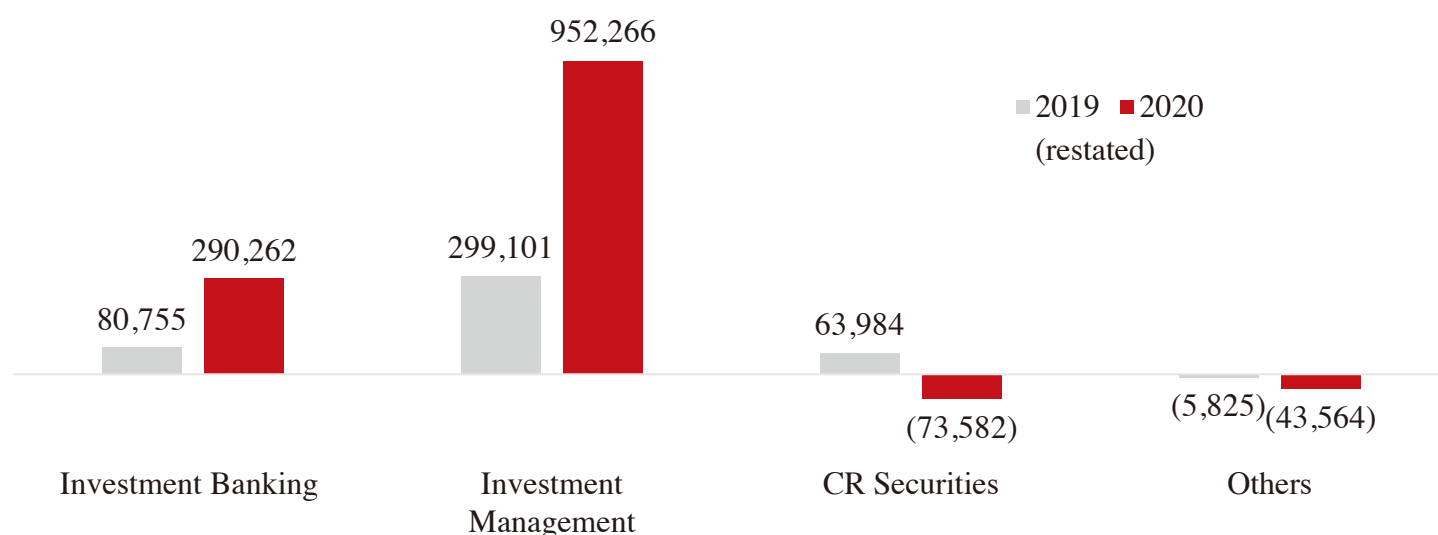
- (2) We define adjusted net profit attributable to owners of the Company as profit or loss for the year or period attributable to owners of the Company adjusted for the impact of (i) share-based payment expense, (ii) change in fair value of call option, (iii) unrealized income from carried interest, and (iv) 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)



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

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

China Renaissance's profitability upscaled to a new level in 2020. Our Group's net profit exceeded RMB1 billion for the first time, up 320.5% Year-on-Year ("YoY"), and return on equity ("ROE") reached 18.8% for the year.

Our record profit growth resulted not from fortuitous changes in the market environment or our businesses, but was in fact consonant with our unwavering adherence to our long-term mission of creating value for new economy companies as well as participating in their value creation. It is an embodiment of our unique twin engine business model, with investment banking and investment management complementing each other, and generating notable synergies in the meantime. Our investment banking business gives us the advantage of hundreds of in-house bankers, supporting deal sourcing and exit solutions for our investment funds, as well as being the forefront of our client acquisition. Our investment management business serves as a more direct and significant way of participating in new economy value creation, with its research-driven investment strategy helping investment banking in terms of sector focus and client selection, while also solidifying our client relationship through multi-faceted service offering.

Investment Management segment accounted for 50% of Group revenue in 2020, with total assets under management ("AUM") exceeding RMB57 billion. The strong profitability benefited from the build-up of investments ever since our establishment of Investment Management business in 2013. Our investment capability has been proven in the strong performance of our private equity ("PE") funds (average internal rate of return ("IRR") of 45%), plus relevant net investment gains (amounting to RMB933.1 million in 2020). Considering the relatively high returns, China Renaissance also plans to commit more principal investments into our funds.

Since our Group's first foray into Investment Management, our funds have accumulated RMB1.6 billion in net unrealized carried interests, which will be realized as net profit on our Profit and Loss statement as relevant funds start to exit, and we intend to accelerate our pace of exits in public market in 2021. Currently the accumulated carried interests mostly derived from our Fund I and Fund II which were raised in 2013–2015, while we are also expectant on seeing notable carried interests generated from our Fund III, as we complete the investment period and projects start getting listed this year. The strong performance of our previous funds have paved way for better prospects of future fundraising and AUM expansion — in 2021 and 2022, we are raising our new Growth Capital RMB Fund IV with targeted scale of RMB10 billion, and Growth Capital USD Fund IV with targeted scale of USD1 billion.

Investment banking segment revenue also reached historical high, despite challenging industry environment with COVID-19 forcing delays upon various projects. 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 US in 2013–2016. This strategic positioning had particularly been paying off since 2nd half of 2020, with our firm serving as sponsors/bookrunners in a rising number of landmark Hong Kong and U.S. Initial Public Offerings, such as Beke and JD Health, as well as Kuaishou in early 2021. It took us a few years to build up our underwriting capacity, and we expect stronger revenue momentum from our investment banking pipelines in the coming year.

Our unremitting commitment to domestic markets, i.e. A share and Hong Kong, resonates at every entity within our Group, as we strive towards our goal of becoming the consummate investment bank for new economy. We maintained our leading position in private placement business with major deals completed most notably in technology-media-telecom (“TMT”) and consumer sectors, in addition to a dominating franchise in healthcare sector. Our investment banking businesses have been increasingly integrated with China Renaissance Securities (China) Co., Ltd. (“CR Securities”, formerly named Huajing Securities), thus able to better capitalize on our prominent market position and client relationship in private placement business. With CR Securities having obtained principal investment and financial product distribution licenses in November 2020, it stands as the linchpin to our domestic operations.

Our 2020 annual results 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 at December 31, 2020 amounted to RMB4.3 billion, of which RMB2.9 billion sat at CR Securities. Returns on CR Securities’s use of funds had been hampered by license restrictions in preceding reporting periods, but there is notable upside with principal investment license effective onwards.

Wealth management business development stayed on track for 2020, with AUM about RMB6 billion as of March 2021. It continues to gain traction amongst new economy clients, and well poised to attain synergies with our investment banking and investment management businesses. We are confident that wealth management over time will equip us with the third engine for future growth.

We remain dedicated to delivering higher returns to our Shareholders, in both ROE and dividend payments. For the year 2020, our Group has declared RMB38 cents per ordinary share of the Company (the “Share(s)”) for dividend payment, or 20% dividend payout.

Overall, we are pleased to see our 2020 annual results shine through amid challenging macro conditions, and we expect our future will be even brighter.

Business Outlook

In our earlier years, we participated in our partners’ value creation mainly through fee-based services such as financial advisory, while now investment management affords us a more substantial and straightforward way of creating and sharing such value. Based on our study, in 2020 among the top 100 companies in China by market cap, 38 were private companies 10 years ago, and we acted as a banker for 15 of them and were an investor in 11 of them. Our excellent track record of capturing new economy champion serves to prove the effectiveness of our winning strategy. As our resources become increasingly enriched and fund scale enlarges, we are confident to deliver even stronger results in our future investments.

Our business model provides us the toolbox to add values, often unique, to our partners. We are a combination of capital provider, trusted advisor and wealth gatekeeper, thus optimally positioned to participate in all economic activities related to the value creation of our partners, which include investment returns, transaction fees and advisory. Instead of transactional approaches, we take

extremely long-term views on our clients and investee companies. We strive to become their preferred partner in their journey to accomplish greatness. Through our past 16 years' company history, we have established a proven track record of creating significant values for our clients, partners, as well as shareholders, and always aligning our interests with theirs.

China Renaissance is a distinctive proxy on the public market that allows investors to participate in the rapid value creation of new economy companies in the primary market, while we are also able to benefit from public market gains throughout the companies' life cycles. Looking back on our company history, about every three years, we double the scale of our business. Despite inherent short-term volatilities in the market, over the cycles we have successfully executed our growth strategy, and will continue to do so.

Financial Review

Segment Performance

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

	For the Year Ended		Change	% of change
	December 31,			
	2020	2019	RMB'000	
	RMB'000	RMB'000		
		(restated)		
Business Segment				
Investment Banking	1,003,616	695,338	308,278	44.3%
Investment Management	1,374,054	603,072	770,982	127.8%
CR Securities	254,199	262,208	(8,009)	-3.1%
Others	99,577	61,119	38,458	62.9%
Total revenue and net investment gains	2,731,446	1,621,737	1,109,709	68.4%

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

	For the Year Ended		Change	% of change
	December 31,			
	2020	2019	RMB'000	
	RMB'000	RMB'000		
		(restated)		
Business Segment				
Investment Banking	290,262	80,755	209,507	259.4%
Investment Management	952,266	299,101	653,165	218.4%
CR Securities	(73,582)	63,984	(137,566)	n.m.
Others	(43,564)	(5,825)	(37,739)	647.9%
Operating profit	1,125,382	438,015	687,367	156.9%

Investment Banking

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

	For the Year Ended		Change	% of change
	December 31,	2019		
	2020	2019		
	RMB'000	RMB'000		
		(restated)		
Investment Banking				
Advisory services	595,135	551,530	43,605	7.9%
Equity underwriting	259,332	44,965	214,367	476.7%
Sales, trading, and brokerage	131,165	86,049	45,116	52.4%
Interest Income	4,824	5,603	(779)	-13.9%
Segment revenue	990,456	688,147	302,309	43.9%
Net investment gains	13,160	7,191	5,969	83.0%
Segment revenue and net investment gains	1,003,616	695,338	308,278	44.3%
Compensation and benefit expenses	(556,179)	(429,598)	(126,581)	29.5%
Impairment loss under expected credit loss model, net of reversal	(1,787)	865	(2,652)	n.m.
Other operating expenses	(155,388)	(185,850)	30,462	-16.4%
Segment operating expenses	(713,354)	(614,583)	(98,771)	16.1%
Segment operating profit	290,262	80,755	209,507	259.4%
Segment operating margin	28.9%	11.6%		

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

	For the Year Ended		Change	% of change
	December 31,	2019		
	2020	2019		
	RMB	RMB	RMB	
	in million	in million	in million	
Transaction Value				
Advisory services	61,823	84,520	(22,697)	-26.9%
Equity underwriting	171,865	19,085	152,780	800.5%
Total	233,688	103,605	130,083	125.6%

Segment Revenue and Net Investment Gains

Investment banking revenue and net investment gains was RMB1,003.6 million for the year ended December 31, 2020, an increase of 44.3% from the year ended December 31, 2019. This increase was primarily due to (i) an increase in equity underwriting services resulting from the increase of IPOs by new economy companies, (ii) an increase in private placement advisory fees and mergers and acquisitions advisory revenue, and (iii) 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 RMB12.8 million for the year ended December 31, 2019 to RMB18.0 million for the year ended December 31, 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 increased by 16.1% from RMB614.6 million for the year ended December 31, 2019 to RMB713.4 million for the year ended December 31, 2020, which was primarily attributed to the increase in compensation and benefit expenses from RMB429.6 million for the year ended December 31, 2019 to RMB556.2 million for the year ended December 31, 2020.

Segment Operating Profit

For the investment banking segment, segment operating profit increased significantly from RMB80.8 million for the year ended December 31, 2019 to RMB290.3 million for the year ended December 31, 2020. Segment operating margin improved from 11.6% for the year ended December 31, 2019 to 28.9% for the year ended December 31, 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 years indicated.

	For the Year Ended		Change	% of change
	December 31,			
	2020	2019		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
		<i>(restated)</i>		
Investment Management				
Management fees	419,708	433,762	(14,054)	-3.2%
Realized income from carried interest	21,268	42,044	(20,776)	-49.4%
Segment revenue	440,976	475,806	(34,830)	-7.3%
Net investment gains	933,078	127,266	805,812	633.2%
Segment revenue and net investment gains	1,374,054	603,072	770,982	127.8%
Compensation and benefit expenses	(245,221)	(162,474)	(82,747)	50.9%
Carried interest to management team and other parties	(14,114)	(26,273)	12,159	-46.3%
Investment gains attributable to interest holders of consolidated structured entities	(61,753)	(19,605)	(42,148)	215.0%
Impairment loss under expected credit loss model, net of reversal	(448)	—	(448)	n.m.
Other operating expenses	(100,252)	(95,619)	(4,633)	4.8%
Segment operating expenses	(421,788)	(303,971)	(117,817)	38.8%
Segment operating profit	952,266	299,101	653,165	218.4%
Segment operating margin	69.3%	49.6%		
Unrealized income from carried interest	3,343,368	461,442	2,881,926	624.5%
Carried interest to management team and other parties	(2,253,157)	(320,514)	(1,932,643)	603.0%
Unrealized net carried interest	1,090,211	140,928	949,283	673.6%
Adjusted segment operating profit	2,042,477	440,029	1,602,448	364.2%

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 year indicated.

	Investments in our own funds <i>RMB'000</i>	Investments in third-party funds <i>RMB'000</i>
Balance at December 31, 2019	596,014	414,015
Capital contribution	269,798	276,706
Distribution	(48,994)	(32,533)
Changes in value	805,108	127,970
Effect of exchange rate change	(25,179)	(15,023)
Balance at December 31, 2020	1,596,747	771,135

As of December 31, 2020, IRR of investments in our own private equity funds and investments in third-party private equity funds was 43.0% and 17.1%, respectively.

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

	As of December 31,	
	2020	2019
	<i>RMB in million</i>	<i>RMB in million</i>
Committed Capital	27,547	26,055
Invested Capital	21,946	16,629
Fair Value of Investments	57,416	28,214
Fee-earning AUM	21,874	22,461
AUM	57,443	34,236

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

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

RMB in million except multiples	Committed Capital	Realized Investments ⁽¹⁾		Unrealized Investments			Gross Multiple Of Invested Capital ⁽²⁾	
		Invested capital	Fair Value	Invested capital	% Public	Fair Value		% Public
As of December 31, 2020								
Main Funds ⁽³⁾	21,145	1,782	4,285	14,113	19.5%	35,036	47.7%	2.5
Project Funds	6,402	497	1,013	5,554	60.6%	17,082	80.6%	3.0
Total	27,547	2,279	5,298	19,667	31.2%	52,118	58.5%	2.6
As of December 31, 2019								
Main Fund ⁽³⁾	20,091	825	2,522	9,872	15.6%	16,567	23.3%	1.8
Project Funds	5,964	194	372	5,738	40.7%	8,753	38.4%	1.5
Total	26,055	1,019	2,894	15,610	24.8%	25,320	28.5%	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 December 31, 2019 and 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, management fees decreased by 3.2% from RMB433.8 million for the year ended December 31, 2019 to RMB419.7 million for the year ended December 31, 2020. This decrease was primarily due to the slower inflow of new capital commitment in 2020 compared to 2019. 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 RMB127.3 million for the year ended December 31, 2019 to RMB933.1 million for the year ended December 31, 2020 resulting from the appreciation in value of the portfolio companies investments in our own private equity funds. The committed capital and AUM of our private equity funds were RMB27.5 billion and RMB57.4 billion as of December 31, 2020, representing an increase of 5.7% and of 67.8% from the end of 2019, respectively.

During the year ended December 31, 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 49.4% from RMB42.0 million for the year ended December 31, 2019 to RMB21.3 million for the year ended December 31, 2020.

Segment Operating Expenses

For the investment management segment, segment operating expenses increased by 38.8% from RMB304.0 million for the year ended December 31, 2019 to RMB421.8 million for the year ended December 31, 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 218.4% from RMB299.1 million for the year ended December 31, 2019 to RMB952.3 million for the year ended December 31, 2020. Segment operating margin improved from 49.6% for the year ended December 31, 2019 to 69.3% for the year ended December 31, 2020.

Unrealized Net Carried Interest

Unrealized net carried interest, calculated as unrealized income from carried interest subtracting carried interest to management team and other parties, increased by 673.6% from RMB140.9 million for the year ended December 31, 2019 to RMB1,090.2 million for the year ended December 31, 2020. Unrealized income from carried interest increased by 624.5% from RMB461.4 million for the year ended December 31, 2019 to RMB3,343.4 million for the year ended December 31, 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 603.0% from RMB320.5 million for the year ended December 31, 2019 to RMB2,253.2 million for the year ended December 31, 2020.

CR Securities

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

	For the Year Ended		Change	% of change
	2020	2019		
	RMB'000	RMB'000	RMB'000	
		(restated)		
CR Securities				
Transaction and advisory fees	57,275	77,823	(20,548)	-26.4%
Interest income	31,044	27,344	3,700	13.5%
Segment revenue	88,319	105,167	(16,848)	-16.0%
Segment revenue and net investment gains	254,199	262,208	(8,009)	-3.1%
Compensation and benefit expenses	(209,932)	(130,917)	(79,015)	60.4%
Investment (gains) losses attributable to interest holders of consolidated asset management schemes	(49,674)	2,919	(52,593)	n.m.
Impairment loss under expected credit loss model, net of reversal	(1,131)	—	(1,131)	n.m.
Finance cost	(2,690)	(1,096)	(1,594)	145.4%
Other operating expenses	(64,354)	(69,130)	4,776	-6.9%
Segment operating expenses	(327,781)	(198,224)	(129,557)	65.4%
Segment operating (loss) profit	(73,582)	63,984	(137,566)	n.m.

Segment Revenue and Net Investment Gains

For the CR Securities segment, segment revenue and net investment gains were RMB254.2 million for the year ended December 31, 2020, a decrease of 3.1% from RMB262.2 million for the year ended December 31, 2019. This decrease was primarily due to a decrease in equity underwriting revenue resulting from challenges in domestic economic landscapes and delay on execution due to the impact of COVID-19, and offset by an increase in interest income and net investment gains generated from bank deposit, term-deposit, investment in an listed equity in the STAR market of Shanghai Stock Exchange and other cash management products.

Segment Operating Expenses

For the CR Securities segment, segment operating expenses increased by 65.4% from RMB198.2 million for the year ended December 31, 2019 to RMB327.8 million for the year ended December 31, 2020. This increase was primarily due to the increase in compensation and benefit expenses and investment gains attributable to interest holders of consolidated structured entities.

Segment Operating (Loss) Profit

For the CR Securities segment, segment operating loss for the year ended December 31, 2020 was RMB73.6 million, which was shift from segment operating profit of RMB64.0 million for the year ended December 31, 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, segment operating loss, and segment operating margin for the years indicated.

	For the Year Ended		Change	% of change
	2020	2019		
	RMB'000	RMB'000	RMB'000	
		(restated)		
Segment revenue	69,523	34,930	34,593	99.0%
Segment revenue and net investment gains	99,577	61,119	38,458	62.9%
Compensation and benefit expenses	(87,446)	(50,226)	(37,220)	74.1%
Impairment loss under expected credit loss model, net of reversal	(12,499)	—	(12,499)	n.m.
Finance cost	(10,065)	(5,501)	(4,564)	83.0%
Other operating expenses	(33,131)	(11,217)	(21,914)	195.4%
Segment operating expenses	(143,141)	(66,944)	(76,197)	113.8%
Segment operating loss	(43,564)	(5,825)	(37,739)	647.9%
Segment operating margin	-43.7%	-9.5%		

Segment Revenue and Net Investment Gains

For the others segment, total revenue and net investment gains were RMB99.6 million for the year ended December 31, 2020, an increase of 62.9% from RMB61.1 million for the year ended December 31, 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 others segment, segment operating expenses increased by 113.8% from RMB66.9 million for the year ended December 31, 2019 to RMB143.1 million for the year ended December 31, 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 Loss

For the others segment, total segment operating loss was RMB43.6 million and RMB5.8 million for the year ended December 31, 2020 and 2019, respectively.

Revenue and Net Investment Gains

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

	For the year ended			
	December 31,			
	2020	2019	Change	% of change
	RMB'000	RMB'000	RMB'000	
		<i>(restated)</i>		
Transaction and advisory fees	1,042,907	760,367	282,540	37.2%
Management fees	443,437	436,147	7,290	1.7%
Interest income	81,662	65,492	16,170	24.7%
Income from carried interest	21,268	42,044	(20,776)	-49.4%
Total revenue	1,589,274	1,304,050	285,224	21.9%
Net investment gains	1,142,172	317,687	824,485	259.5%
Total revenue and net investment gains	2,731,446	1,621,737	1,109,709	68.4%

Total revenue was RMB1,589.3 million for the year ended December 31, 2020, an increase of 21.9% from RMB1,304.1 million for the year ended December 31, 2019.

- Transaction and advisory fees were RMB1,042.9 million, an increase of 37.2% from the prior year.
- Management fees increased to RMB443.4 million, an increase of 1.7% from the prior year.

- Interest income was RMB81.7 million, an increase of 24.7% from the prior year.
- Realized income from carried interest was RMB21.3 million, a decrease of 49.4% from the prior year.

The net investment gains were mainly derived from investments in our own private equity funds, 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 RMB317.7 million for the year ended December 31, 2019 to RMB1,142.2 million for the year ended December 31, 2020.

Total revenue and net investment gains were RMB2,731.4 million for the year ended December 31, 2020, an increase of 68.4%, from RMB1,621.7 million for the year ended December 31, 2019.

Operating Expenses

Total operating expenses increased by 35.7% from RMB1,183.7 million for the year ended December 31, 2019 to RMB1,606.1 million for the year ended December 31, 2020.

Compensation and benefit expenses increased by 42.1% from RMB773.2 million for the year ended December 31, 2019 to RMB1,098.8 million for the year ended December 31, 2020. Among compensation and benefit expenses, share-based compensation decreased by 9.3% from RMB74.9 million for the year ended December 31, 2019 to RMB68.0 million for the year ended December 31, 2020.

Finance costs increased from RMB6.6 million for the year ended December 31, 2019 to RMB12.8 million for the year ended December 31, 2020. This increase in interest expense was primarily due to new bank borrowings drawn during the year of 2020.

Provision of impairment losses under expected credit loss model was RMB15.9 million for the year ended December 31, 2020, as compared to reversal of impairment loss under expected credit loss model of RMB0.9 million for the year ended December 31, 2019.

Investment gains attributable to interest holders of consolidated structured entities increased significantly from RMB16.7 million for the year ended December 31, 2019 to RMB111.4 million for the year ended December 31, 2020.

Other operating expenses decreased by 2.4% from RMB361.8 million for the year ended December 31, 2019 to RMB353.1 million for the year ended December 31, 2020. The decrease was primarily due to the Group's effective cost control.

Operating Profit

As a result of the foregoing, the operating profit increased significantly from RMB438.0 million for the year ended December 31, 2019 to RMB1,125.4 million for the year ended December 31, 2020.

Other Income, Gains or Losses

Other gains were RMB27.2 million for the year ended December 31, 2020, a decrease of 26.8% from RMB37.1 million for the year ended December 31, 2019. Other gains mainly came from government grants. Please refer to the note 8 to the consolidated financial statements for further details.

Investment Loss 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 loss arising from certain incidental and ancillary investments decreased from RMB74.5 million for the year ended December 31, 2019 to RMB9.3 million for the year ended December 31, 2020, as a result of the relative slow-down of depreciation in value of strategic minority equity investments.

Share of Results of Associates

Share of loss of associates decreased from RMB10.0 million for the year ended December 31, 2019 to RMB0.1 million for the year ended December 31, 2020.

Share of Results of a Joint Venture

Share of loss of a joint venture increased from RMB1.3 million for the year ended December 31, 2019 to RMB2.5 million for the year ended December 31, 2020.

Change in Fair Value of Call Option

The Special Administrative Measures for Access of Foreign Investment (Negative List) (2019 Edition) was promulgated on June 28, 2019 and became effective on July 28, 2019, pursuant to which the limit of ownership percentage by foreign investors in a securities company increased from 49% to 51%. Our call option to acquire the non-controlling interests in CR Securities thus became substantially exercisable and is mandatorily measured at fair value through profit or loss as a derivative in accordance with IFRS. A gain of RMB19.8 million for the year ended December 31, 2020 and a loss of RMB0.7 million for the year ended December 31, 2019 was recorded under the change in fair value of call option.

Profit before Tax

Profit before tax was RMB1,160.4 million and RMB388.6 million for the year ended December 31, 2020 and 2019, respectively.

Income Tax Expense

Income tax expense was RMB136.2 million and RMB78.3 million for the year ended December 31, 2020 and 2019, respectively. The increase was primarily due to more taxable income generated for the year ended December 31, 2020.

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

Profit for the year was RMB1,024.3 million and RMB310.3 million for the year ended December 31, 2020 and 2019, respectively. Profit for the year attributable to owners of the Company was RMB1,037.8 million and RMB246.8 million for the year ended December 31, 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 RMB322.4 million for the year ended December 31, 2019 to RMB1,085.9 million for the year ended December 31, 2020. Unrealized net carried interest, calculated as unrealized income from carried interest subtracting carried interest to management team and other parties, increased from RMB140.9 million for the year ended December 31, 2019 to RMB1,090.2 million for the year ended December 31, 2020. Adjusted net profit attributable to owners of the Company with unrealized net carried interest increased from RMB463.3 million for the year ended December 31, 2019 to RMB2,176.1 million for the year ended December 31, 2020.

Off-Balance Sheet Commitments and Arrangements

As of December 31, 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 year ended December 31, 2020. The Group is aware of the need to use capital for further business expansion, continuously seeking various means of financing. As of December 31, 2020, the Group had RMB112.1 million of outstanding bank borrowings and held credit facilities from authorized institutions in aggregate principal amount of RMB1,069.4 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, payable to interest holders of 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 24.8% as of December 31, 2020, compared with 10.4% as of December 31, 2019. The increase was mainly due to an increase of financial assets sold under repurchase agreements as of December 31, 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 December 31,	
	2020	2019
	RMB'000	RMB'000
Investments in our own private equity funds in our capacity as a general partner and limited partner	1,596,747	596,014
Investments in third-party private equity funds in our capacity as a limited partner	771,135	414,015
Strategic minority equity investments		
— Investments in the form of preferred shares of other companies	123,577	145,361
— Passive equity holdings in non-associate companies	400,785	313,433
Investment in a portfolio company of the consolidated fund	—	508,890
Total	2,892,244	1,977,713

As of December 31, 2020, the Group had investments of our primary investment activities amounting to an aggregate of approximately RMB2,892.2 million measured in fair value, which increased by 46.2% as compared to December 31, 2019. Each investment was individually less than 5% of the total assets of the Group as of December 31, 2020, except the following significant investment which accounted for 5.2% of the Group's total assets as of December 31, 2020:

Name of investee company	Percentage of share capital owned by the Group	Number of shares owned by the Group	Investment cost RMB'000	Fair value as at December 31, 2020 RMB'000	Accumulated unrealized gain/(loss) change in fair value RMB'000	Dividend/ interest received/ receivable during the year ended December 31, 2020 RMB'000
EAST IMAGE LIMITED	20.5%	5,125,000	133,760	647,273	513,513	5,326

EAST IMAGE LIMITED is incorporated in BVI and is an investment holding company.

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 of the Company dated September 14, 2018 (the "Prospectus").

Save as disclosed above, the Group did not have other plans for material investments and capital assets as at December 31, 2020.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the year ended December 31, 2020, with amendment to the Limited Partnership Agreement of Beijing Ruizhi Medical Equity Investment Partnership (Limited Partnership) (“BJRZ”) on August 1, 2020, the Directors considered the Group had lost the control over this limited partnership as the magnitude and variability associated with the Group’s economic interests in this structured entity are less significant to be accounted for as a subsidiary. After the disposal of BJRZ and its subsidiary No.1 Jiaxing Huajie Equity Investment Partnership (Limited Partnership) (“JXHJ”), the Group accounted for BJRZ as investment in an associate measured at fair value.

Save as disclosed above, the Group did not have other material acquisitions and disposals of subsidiaries and affiliated companies for the year ended December 31, 2020.

Employee And Remuneration Policy

As of December 31, 2020, we had 653 full-time employees, including over 83% advisory and investment professionals.

The following table sets forth the number of our employees by function as of December 31, 2020.

Function	Number of Employees	Percentage
Investment Banking	251	39%
Investment Management	64	10%
CR Securities	205	31%
Others	22	3%
Group Middle and Back Office	111	17%
Total	653	100%

The following table sets forth the number of our employees by geographic region as of December 31, 2020.

Geographic Region	Number of Employees	Percentage
Beijing, China	313	48%
Shanghai, China	187	29%
Other cities in China	22	3%
Hong Kong	111	17%
United States	18	3%
Singapore	2	—%
Total	653	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 December 31, 2020, 95 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 year ended December 31, 2020 were RMB1,098.8 million, representing an increase of 42.1% as compared to the year ended December 31, 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 RMB. When considered appropriate, we enter into hedging activities with regard to exchange rate risk. As of December 31, 2020, we did not hedge or consider it necessary to use financial instruments for hedging purposes.

Pledge of Assets

As of December 31, 2020, no assets of the Group were pledged.

Contingent Liabilities

As of December 31, 2020, we did not have any material contingent liabilities.

FINAL DIVIDENDS

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

	For the year ended	
	December 31,	
	2020	2019
	RMB'000	RMB'000
Dividends to shareholders of the Company	79,896	—

The Company has adopted a dividend policy (the “**Dividend Policy**”). 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, the 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. 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.

The Board has resolved to recommend the payment of a final dividend of RMB38 cents per Share for the year ended December 31, 2020 out of the Company's share premium account (the "**Final Dividend**"), being approximately RMB204.8 million in aggregate. The proposed Final Dividend will be paid to Shareholders whose names appear on the register of members of the Company as at the close of business on July 9, 2021, if the proposal is approved by the Shareholders at the forthcoming annual general meeting. The proposed Final Dividend will be paid in Hong Kong dollars, such amount to be calculated by reference to the central parity rate published by the People's Bank of China for the conversion of Renminbi to Hong Kong dollars as at July 9, 2021.

It is expected that the Final Dividend will be paid within two months (i.e. on or before August 31, 2021) after it is approved by Shareholders at the forthcoming annual general meeting.

CLOSURE OF THE REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on June 30, 2021 (the "**AGM**"). For the purposes of determining Shareholders' eligibility to attend and vote at the AGM and entitlement to the Final Dividend, the register of members of the Company will be closed. Details of such closures are set out below:

For determining eligibility to attend and vote at the AGM:

Latest time to lodge transfer documents for registration	4:30 p.m. on June 24, 2021
Closure of register of members	June 25, 2021 to June 30, 2021 (both days inclusive)
Record date	June 30, 2021
AGM date	June 30, 2021

For determining entitlement to the Final Dividend:

Latest time to lodge transfer documents for registration	4:30 p.m. on July 6, 2021
Closure of register of members	July 7, 2021 to July 9, 2021 (both days inclusive)
Record date	July 9, 2021

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the AGM and to qualify for the Final Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than the aforementioned latest time.

A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules (as defined below) in due course.

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.

1. Compliance with the Code on Corporate Governance Practices

During the Reporting Period, 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 deviation.

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 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 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.

Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended December 31, 2020.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

2. 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 the relevant employees and they have confirmed that they have complied with the Model Code during the Reporting Period.

3. Scope of Work of the Company’s Auditor

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2020 as set out in the annual results announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu (the “**Auditor**”), to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by International Auditing and Assurance Standards Board and consequently no assurance has been expressed by the Auditor on the annual results announcement.

4. Audit Committee

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in accordance with the Listing Rules. 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 audited consolidated financial statements and annual results of the Group for the year ended December 31, 2020 and has met with the Auditor. 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 of the Company.

5. 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 (*established on August 21, 2020*).

6. Changes in Directors’ and Senior Management’s Information

After the date of the Company’s 2020 interim 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.

Mr. Bao Fan has served as director of KE Holdings Inc. (Nasdaq Ticker: BEKE) since December 2018 and has become an independent director when KE Holdings Inc.’s American Depositary Shares were listed on the New York Stock Exchange on August 13, 2020. Since February 2021, Mr. Bao Fan ceased to act as director of Hero Entertainment Co., Ltd (英雄互娱科技股份有限公司), whose shares are listed on the PRC National Equities Exchange and Quotations with stock code 430127.

Ms. Yao Jue ceased to act as independent director of Yintech Investment Holdings Limited (Nasdaq Ticker: YIN) since November 2020.

Mr. Xiang Wei ceased to act as chief operating officer of the Company, and has become the general manager of CR Securities since March 23, 2021.

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

7. Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, the Company repurchased 11,896,756 Shares on the Stock Exchange for an aggregate consideration of approximately HK\$166.7 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 of the Company and that it presented a good opportunity for the Company to repurchase Shares.

Details of the Shares repurchased during the Reporting Period are as follows:

Month of repurchases in 2020	No. of ordinary shares	Highest price paid per share HK\$	Lowest price paid per share HK\$	Aggregate consideration (HK\$'000)
January	6,996,300	15.50	14.00	98,034
April	94,300	12.50	12.04	1,154
May	1,637,200	10.86	10.22	16,916
June	19,600	12.94	10.96	221
October	3,148,356	16.84	16.00	50,374
November	200	14.88	14.84	3
December	800	14.78	14.60	12
	<u>11,896,756</u>			<u>166,714</u>

As at December 31, 2020, as aggregate of 1,000 ordinary shares repurchased by the Company in November and December 2020 have not yet been cancelled, and the same have been cancelled on February 8, 2021.

Save as disclosed above and as will be set out in the annual report of the Company for the year ended December 31, 2020, neither the Company nor any member of the Group purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

8. Material Litigation

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period.

9. Use of Proceeds from Global Offering

On September 27, 2018, the Shares were listed on the Main Board of the Stock Exchange. The net proceeds from the global offering were approximately HK\$2,517.6 million after deducting underwriting commissions and other expenses paid and payable by us in the Global Offering (as defined in the Prospectus). There was no change in the intended use of net proceeds as previously disclosed in the Prospectus.

As at December 31, 2020, approximately HK\$2,054.9 million of the net proceeds had been utilized. The following table sets forth the status of use of proceeds from the Company's IPO as of December 31, 2020.

	% of use of proceeds	Net proceeds from the IPO	Actual usage up to December 31, 2019	Actual usage during the year ended 2020	Balance of net proceeds as of December 31, 2020	Expected timeline of full utilisation of the balance
		<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	
Expand our investment banking business	40%	1,007.0	294.3	406.8	305.9	2021
Expand our investment management business	20%	503.5	238.8	264.7	—	—
Develop private wealth management business	20%	503.5	356.2	147.3	—	—
Invest in technology across all our business lines	10%	251.8	36.5	58.5	156.8	2022
General corporate purposes	10%	251.8	251.8	—	—	—
Total		<u>2,517.6</u>	<u>1,177.6</u>	<u>877.3</u>	<u>462.7</u>	

10. Subsequent Event after the Reporting Period

On January 19, 2021, the Company had issued a total number of 6,000,000 Shares for exercise of share options pursuant to the Employees' Share Option Plan of the Company approved by the Board on August 24, 2012.

On February 8, 2021, the Company had cancelled a total number of 1,100 Shares which it had repurchased on the open market from the period of November 25, 2020 to January 14, 2021, pursuant to the general mandate granted to the Directors to repurchase Shares which was approved by Shareholders at the Company's annual general meeting held on June 11, 2020, from its issued share capital.

Save as disclosed above and in Note 24 to the consolidated statement of financial position, no important events affecting the Company have occurred since December 31, 2020 and up to the date of this announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

		Year ended December 31,	
	Notes	2020 RMB'000	2019 RMB'000 (restated)
Revenue			
Transaction and advisory fees		1,042,907	760,367
Management fees		443,437	436,147
Interest income		81,662	65,492
Income from carried interest		21,268	42,044
		<hr/>	<hr/>
Total revenue	3	1,589,274	1,304,050
Net investment gains	4	1,142,172	317,687
		<hr/>	<hr/>
Total revenue and net investment gains		2,731,446	1,621,737
		<hr/>	<hr/>
Compensation and benefit expenses		(1,098,778)	(773,215)
Carried interest to management team and other parties		(14,114)	(26,273)
Investment gains attributable to interest holders of consolidated structured entities		(111,427)	(16,686)
Other operating expenses	5	(353,125)	(361,816)
Finance costs	6	(12,755)	(6,597)
Impairment losses under expected credit loss model, net of reversal	7	(15,865)	865
		<hr/>	<hr/>
Total operating expenses		(1,606,064)	(1,183,722)
		<hr/>	<hr/>
Operating profit		1,125,382	438,015
		<hr/>	<hr/>
Other income, gains or losses	8	27,172	37,139
Investment loss arising from certain incidental and ancillary investments	9	(9,327)	(74,518)
Share of results of associates		(93)	(10,016)
Share of results of a joint venture		(2,525)	(1,339)
Change in fair value of call option		19,801	(689)
		<hr/>	<hr/>
Profit before tax		1,160,410	388,592
Income tax expense	10	(136,153)	(78,337)
		<hr/>	<hr/>
Profit for the year		1,024,257	310,255
		<hr/>	<hr/>

		Year ended December 31,	
	<i>Notes</i>	2020	2019
		RMB'000	RMB'000
			<i>(restated)</i>
Other comprehensive (expense) income			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		(487,205)	108,122
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		309,827	(67,744)
Fair value gain or loss, net of expected credit losses on:			
— debt instruments measured at fair value through other comprehensive income		908	(2,342)
Other comprehensive (expense) income for the year, net of tax		(176,470)	38,036
Total comprehensive income for the year		847,787	348,291
Profit (loss) for the year attributable to:			
— Owners of the Company		1,037,752	246,778
— Non-controlling interests		(13,495)	63,477
		1,024,257	310,255
Total comprehensive income (expense) attributable to:			
— Owners of the Company		862,064	286,013
— Non-controlling interests		(14,277)	62,278
		847,787	348,291
EARNINGS PER SHARE			
Basic	11	RMB2.11	RMB0.49
Diluted	11	RMB1.98	RMB0.46

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2020

	<i>Notes</i>	As at December 31,	
		2020	2019
		RMB'000	RMB'000
Non-current assets			
Property and equipment		125,659	144,062
Intangible assets		71,095	51,707
Deferred tax assets		233,280	130,574
Investments in associates	13	1,829,220	660,515
Investment in a joint venture		3,124	5,649
Financial assets at fair value through profit or loss	14	1,342,697	1,507,186
Financial assets at fair value through other comprehensive income	15	252,696	—
Rental deposits		20,406	16,366
Loans to third parties	16	—	65,063
Other financial assets	17	130,616	139,650
		<u>4,008,793</u>	<u>2,720,772</u>
Current assets			
Accounts and other receivables	18	2,877,726	879,094
Loans to third parties	16	630,507	38,245
Amounts due from related parties		47,394	52,586
Financial assets at fair value through profit or loss	14	3,692,171	3,222,352
Other financial assets	17	—	142,695
Term deposits		168,473	492,564
Pledged bank deposits		—	254,237
Cash held on behalf of brokerage clients		460,747	685,842
Cash and cash equivalents		646,756	1,022,043
		<u>8,523,774</u>	<u>6,789,658</u>
Asset classified as held for sale		4,762	—
		<u>8,528,536</u>	<u>6,789,658</u>
TOTAL ASSETS		<u>12,537,329</u>	<u>9,510,430</u>

	<i>Notes</i>	As at December 31,	
		2020	2019
		RMB'000	RMB'000
Current liabilities			
Accounts and other payables	19	3,903,356	1,286,790
Payables to interest holders of consolidated structured entities		424,984	747,284
Amounts due to related parties		51,068	453,830
Contract liabilities		38,199	21,614
Bank borrowings	20	112,262	129,504
Lease liabilities	21	45,464	53,461
Income tax payables		161,604	47,893
Financial liabilities at fair value through profit or loss	22	275,818	—
		<u>5,012,755</u>	<u>2,740,376</u>
Net current assets		<u>3,515,781</u>	<u>4,049,282</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,524,574</u>	<u>6,770,054</u>
Non-current liabilities			
Lease liabilities	21	56,439	56,876
Contract liabilities		15,774	13,747
Deferred tax liabilities		70,383	27,286
		<u>142,596</u>	<u>97,909</u>
NET ASSETS		<u>7,381,978</u>	<u>6,672,145</u>
Capital and reserves			
Share capital	23	87	89
Reserves		5,895,755	5,159,016
Equity attributable to owners of the Company		<u>5,895,842</u>	<u>5,159,105</u>
Non-controlling interests		<u>1,486,136</u>	<u>1,513,040</u>
		<u>7,381,978</u>	<u>6,672,145</u>

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands on July 13, 2011 and its shares are listed on the Main Board of the Stock Exchange. Its ultimate controlling party is Mr. Bao Fan, who is also the Chairman and executive director of the Company. The address of the registered office and principal place of business of the Company in the People's Republic of China (the "PRC" or "China") are The offices of Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY 1-1104, Cayman Islands and Pacific Century Place, Gate 1, Space 8, No. 2A Workers' Stadium North Road, Chaoyang District, Beijing 100027, China, respectively.

The shares of the Company have been listed on the Stock Exchange with effect from September 27, 2018.

The principal activities of the Company and its subsidiaries are the provision of investment banking and investment management services.

The consolidated financial statements are presented in RMB, which is different from the Company's functional currency of United States Dollars ("US\$"). The directors of the Company adopted RMB as presentation currency, considering that (i) the Company's primary subsidiaries were incorporated in the PRC and their transactions are denominated and settled in RMB; and (ii) to reduce the impact of any fluctuations in the exchange rate of US\$ against RMB on the Group's consolidated financial statements.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, 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 ("IASB"), 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 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 the amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRSs in issue but not yet effective

The Group has not early adopted the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments ¹
Amendments to IFRS 16	Covid-19-Related Rent Concessions ⁴
Amendments to IFRS 3	Reference to the Conceptual Framework ²
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform — Phase 2 ⁵
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ¹
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to IAS 8	Definition of Accounting Estimates ¹
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use ²
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract ²
Amendments to IFRSs	Annual Improvements to IFRSs 2018–2020 ²

1 Effective for annual periods beginning on or after January 1, 2023.

2 Effective for annual periods beginning on or after January 1, 2022.

3 Effective for annual periods beginning on or after a date to be determined.

4 Effective for annual periods beginning on or after June 1, 2020.

5 Effective for annual periods beginning on or after January 1, 2021.

The directors of the Company anticipate that the application of new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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 year, the Group had four operating segments (a) investment banking; (b) investment management; (c) Huajing and (d) new business. In the current year, 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, and renaming of segment Huajing to CR Securities, the Group has four reportable operating segments, which are (a) investment banking; (b) investment management; (c) CR Securities 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) CR Securities, formerly named 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; and
- (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 and operating segment:

	Year ended December 31, 2020					Total consolidated RMB'000
	Investment banking RMB'000	Investment management RMB'000	CR Securities RMB'000	Others RMB'000	Consolidation adjustments and reconciling items RMB'000	
Transaction and advisory fees	985,632	—	57,275	—	—	1,042,907
Management fees	—	419,708	—	23,729	—	443,437
Interest income	4,824	—	31,044	45,794	—	81,662
Income from Carried Interest	—	3,364,636	—	—	(3,343,368) ^(note)	21,268
Total Revenue	990,456	3,784,344	88,319	69,523	(3,343,368)	1,589,274
Net investment gains	13,160	933,078	165,880	30,054	—	1,142,172
Total revenue and net investment gains	1,003,616	4,717,422	254,199	99,577	(3,343,368)	2,731,446
Compensation and benefit expenses	(556,179)	(245,221)	(209,932)	(87,446)	—	(1,098,778)
Carried interest to management team and other parties	—	2,267,271	—	—	2,253,157 ^(note)	(14,114)
Investment gains attributable to interest holders of consolidated structured entities	—	(61,753)	(49,674)	—	—	(111,427)
Other operating expenses	(155,388)	(100,252)	(64,354)	(33,131)	—	(353,125)
Finance costs	—	—	(2,690)	(10,065)	—	(12,755)
Impairment losses under expected credit loss model, net of reversal	(1,787)	(448)	(1,131)	(12,499)	—	(15,865)
Operating profit (loss)	290,262	2,042,477	(73,582)	(43,564)	(1,090,211)	1,125,382
Other income, gains or losses						27,172
Investment loss arising from certain incidental and ancillary investments						(9,327)
Share of results of associates						(93)
Share of results of a joint venture						(2,525)
Change in fair value of call option						19,801
Profit before tax						1,160,410
Income tax expense						(136,153)
Profit for the year						1,024,257

Year ended December 31, 2019 (restated)

	Investment banking <i>RMB'000</i>	Investment management <i>RMB'000</i>	CR Securities <i>RMB'000</i>	Others <i>RMB'000</i>	Consolidation adjustments and reconciling items <i>RMB'000</i>	Total consolidated <i>RMB'000</i>
Transaction and advisory fees	682,544	—	77,823	—	—	760,367
Management fees	—	433,762	—	2,385	—	436,147
Interest income	5,603	—	27,344	32,545	—	65,492
Income from carried interest	—	503,486	—	—	(461,442) ^(note)	42,044
Total Revenue	688,147	937,248	105,167	34,930	(461,442)	1,304,050
Net investment gains	7,191	127,266	157,041	26,189	—	317,687
Total revenue and net investment gains	695,338	1,064,514	262,208	61,119	(461,442)	1,621,737
Compensation and benefit expenses	(429,598)	(162,474)	(130,917)	(50,226)	—	(773,215)
Carried interest to management team and other parties	—	(346,787)	—	—	320,514 ^(note)	(26,273)
Investment gains or losses attributable to interest holders of consolidated structured entities	—	(19,605)	2,919	—	—	(16,686)
Other operating expenses	(185,850)	(95,619)	(69,130)	(11,217)	—	(361,816)
Finance costs	—	—	(1,096)	(5,501)	—	(6,597)
Impairment losses under expected credit loss model, net of reversal	865	—	—	—	—	865
Operating profit (loss)	80,755	440,029	63,984	(5,825)	(140,928)	438,015
Other income, gains or losses						37,139
Investment loss arising from certain incidental and ancillary investments						(74,518)
Share of results of associates						(10,016)
Share of results of a joint venture						(1,339)
Change in fair value of call option						(689)
Profit before tax						388,592
Income tax expense						(78,337)
Profit for the year						310,255

Segment profit or loss represents the results of each segment without allocation of corporate items including other income, gains or losses, investment loss arising from certain incidental and ancillary investments (the “**Passive Investment Loss**”), share of results of associates, share of results of a joint venture, 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:

The segment results of investment management 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. The revenue adjustments represent the unrealized income from Carried Interest of RMB3,343,368,000 and RMB461,442,000 for the year ended December 31, 2020 and 2019, 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 unrealized Carried Interest of RMB2,253,157,000 and RMB320,514,000 for the year ended December 31, 2020 and 2019, 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 year ended December 31, 2020, except for RMB21,268,000 of Carried Interest realized for certain funds, no income from Carried Interest for other funds was recognized as revenue and it will not be recognized as revenue until (a) it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur, or (b) the uncertainty associated with the variable consideration is subsequently resolved. All allocations of Carried Interest as an expense are recognized only when the amounts that will be eventually be paid out can be reliably measured, which is generally at the later stage of the applicable commitment period when the amounts are contractually payable, or "crystallized".

Segment assets and liabilities

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

Geographical information

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

	Revenue from external customers		Non-current assets (note)	
	Year ended December 31,		At December 31,	
	2020	2019	2020	2019
	RMB'000	RMB'000	RMB'000	RMB'000
Mainland China	1,115,906	1,110,912	1,990,933	800,844
Hong Kong	423,858	142,829	27,782	45,192
USA	49,510	50,309	10,383	15,897
	1,589,274	1,304,050	2,029,098	861,933

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

Timing of revenue recognition for revenue from contract of customers

	Year ended December 31,	
	2020	2019
	RMB'000	RMB'000
A point of time	1,064,175	802,411
Over time	443,437	436,147
	1,507,612	1,238,558

Transaction price allocated to remaining performance obligation for contract with customers

The Group receives management fees associated with the management services for the funds that it manages, at a fixed percentage of the commitment under management. The Group also receives management fees associated with the value-added wealth management services provided to high net worth individuals and other high net worth groups, at a fixed percentage of assets under each investment management account. The transaction price allocated to the performance obligations in relation to the management fees that were unsatisfied as at December 31, 2020 and 2019 will be recognized as revenue on a straight-line basis over the subscription period as follows:

	As at December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	32,717	20,474
More than one year but not more than two years	8,543	7,262
More than two years but not more than three years	4,546	3,425
More than three years	2,685	112
	<hr/>	<hr/>
	48,491	31,273
	<hr/> <hr/>	<hr/> <hr/>

The transaction price allocated to the remaining performance obligations in relation to transaction and advisory fees that were unsatisfied as at December 31, 2020 and 2019 and expected timing of recognizing revenue are as follows:

	As at December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	5,482	1,140
More than one year but not more than two years	—	2,948
	<hr/>	<hr/>
	5,482	4,088
	<hr/> <hr/>	<hr/> <hr/>

Other segment information

	Year ended December 31, 2020				Total RMB'000
	Investment banking RMB'000	Investment management RMB'000	CR Securities RMB'000	Others RMB'000	
	Amounts included in the measure of segment profit or loss:				
Depreciation and amortization	41,232	7,073	29,283	2,948	80,536
Losses on disposal of property and equipment	190	1	—	—	191

	Year ended December 31, 2019				Total RMB'000
	Investment banking RMB'000	Investment management RMB'000	CR Securities RMB'000	Others RMB'000	
	Amounts included in the measure of segment profit or loss:				
Depreciation and amortization	40,395	2,020	33,219	717	76,351
Losses on disposal of property and equipment	131	—	—	—	131

Information about major customer

None of the customers contributed over 10% of the total revenue of the Group during the years ended December 31, 2020 and 2019.

4. NET INVESTMENT GAINS

	Year ended December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i> <i>(restated)</i>
Net realized and unrealized gains from financial assets at FVTPL		
— Wealth management related products	28,483	12,670
— Asset management schemes	28,074	76,303
— Structured finance related products	13,160	7,191
— Financial bonds	119	17,350
— Unlisted investment funds at fair value	127,970	53,446
— Listed equity security investments	85,652	58,110
Net realized gains from financial assets at FVTOCI		
— Financial bonds	—	3,639
Gross gain from consolidated structured entities		
— Asset management schemes	52,035	4,125
Gross gain from investments in associates measured at fair value		
— Investment in funds	973,940	73,820
Net unrealized losses from financial liabilities at FVTPL		
— Securities borrowing	(168,832)	—
Dividend income from		
— Wealth management related products	1,571	11,033
	<u>1,142,172</u>	<u>317,687</u>

5. OTHER OPERATING EXPENSES

	Year ended December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Professional service fees	112,942	94,874
Project related and business development expenses	57,637	90,496
Short-term lease expense	877	6,688
Office expenses	24,615	28,639
Technology expenses	45,691	35,603
Depreciation and amortization	80,536	76,351
Auditor's remuneration	6,652	6,977
Others	24,175	22,188
	<u>353,125</u>	<u>361,816</u>

6. FINANCE COSTS

	Year ended December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank borrowings	7,525	1,679
Interest on lease liabilities	3,365	4,495
Others	1,865	423
	<u>12,755</u>	<u>6,597</u>

7. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Year ended December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Impairment losses recognized/(reversed) on:		
Accounts and other receivables	2,851	(1,294)
Loans to third parties	1,513	(165)
Loans to related parties	—	(28)
Amounts due from related parties	11,456	653
Financial assets at FVTOCI	60	(59)
Other financial assets	(15)	28
	<u>15,865</u>	<u>(865)</u>

8. OTHER INCOME, GAINS OR LOSSES

	Year ended December 31,	
	2020	2019
	RMB'000	RMB'000
Government grants (a)	40,884	38,347
Bank and loans interest income	—	22,765
Net exchange loss	(467)	(2,158)
Gain on disposal of subsidiaries	—	23,525
Impairment loss on investment in an associate	—	(39,026)
Others (b)	(13,245)	(6,314)
	<u>27,172</u>	<u>37,139</u>

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 PRC, based on the Group's contribution to the development of the local financial sector. In addition, the Group recognised government grants of RMB5,519,000 in respect of Covid-19-related subsidies, of which RMB5,473,000 related to Employment Support Scheme provided by Hong Kong government.
- (b) Others mainly included:
- An aggregated amount of RMB5,150,000 charitable donations was made by the Group during the year ended December 31, 2020 (2019: RMB6,328,000).
 - The Company is subject to legal proceedings and claims which arise in the ordinary course of its business. The Company has recorded a provision of RMB6,525,000 for labor claims where the risk of incurring such expenses is considered probable. The final resolution of these potential claims is not likely to have a material effect on the results of operations, cash flow or the financial position of the Company.

9. INVESTMENT LOSS ARISING FROM CERTAIN INCIDENTAL AND ANCILLARY INVESTMENTS

	Year ended December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(restated)</i>
Passive Investment Loss from		
— Debt security investment	(12,932)	—
— Equity security investment	—	(44,838)
— Convertible notes investment	—	(27,371)
— Cash management products	—	1,621
— Others	3,605	(3,930)
	<u>(9,327)</u>	<u>(74,518)</u>

Investment loss 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.

10. INCOME TAX EXPENSE

	Year ended December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax:		
Mainland China	179,257	80,169
Hong Kong	16,838	520
	<u>196,095</u>	<u>80,689</u>
Deferred tax:		
Current year	(59,942)	(2,352)
Total income tax expense	<u>136,153</u>	<u>78,337</u>

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before tax	1,160,410	388,592
Income tax expense calculated at 25%	290,103	97,148
Effect of expenses that are not deductible	7,673	7,299
Effect of share of results of associates	23	2,504
Effect of share of results of a joint venture	631	335
Effect of income that are not taxable	(194,695)	(33,625)
Effect of tax losses not recognized	48,211	17,428
Utilization of tax losses previously not recognized	(2,773)	(11,079)
Effect of different tax rates of subsidiaries	(13,020)	(1,673)
Income tax expense	136,153	78,337

11. EARNINGS PER SHARE

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

	Year ended December 31,	
	2020	2019
Earnings for the purpose of calculating basic and diluted earnings per share:		
Profits for the year attributable to owners of the Company (<i>RMB'000</i>)	1,037,752	246,778
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	491,265,881	500,079,515
Effect of dilutive potential ordinary shares:		
Share options of the Group	28,468,740	35,240,787
Restricted share units of the Group	3,736,583	1,411,908
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	523,471,204	536,732,210
Basic earnings per share (RMB)	2.11	0.49
Diluted earnings per share (RMB)	1.98	0.46

For the years ended December 31, 2019 and 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.

12. DIVIDENDS

	Year ended December 31,	
	2020	2019
	RMB'000	RMB'000
Dividends to the shareholders of the Company	79,896	—

For the year ended December 31, 2020, a final dividend of RMB15 cents per share in respect of the year ended December 31, 2019 out of the share premium was declared to owners of the Company. The aggregate amount of the final dividend declared in the year ended December 31, 2020 amounted to RMB79,896,000, and such cash dividend was paid on August 10, 2020.

No dividend was paid or proposed for shareholders of the Company during the year ended December 31, 2019, nor has any dividend been proposed since the end of the reporting period.

13. INVESTMENTS IN ASSOCIATES

	As at December 31,	
	2020	2019
	RMB'000	RMB'000
Investments in unlisted companies (a)	63,641	64,501
Investments in funds (b)	1,765,579	596,014
	1,829,220	660,515

Notes:

(a) Investments in unlisted companies

	As at December 31	
	2020	2019
	RMB'000	RMB'000
Cost of unlisted investments in associates	106,930	107,997
Share of post-acquisition profit or loss and other comprehensive income	(4,093)	(4,000)
Impairment loss	(39,026)	(39,026)
Exchange adjustments	(170)	(470)
	63,641	64,501

(b) **Investments in funds**

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

	As at December 31	
	2020	2019
	RMB'000	RMB'000
Cost of investments in funds	682,707	438,508
Fair value change in funds	1,091,132	140,587
Exchange adjustments	(8,260)	16,919
	<u>1,765,579</u>	<u>596,014</u>

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets mandatorily measured at FVTPL:

	As at December 31,	
	2020	2019
	RMB'000	RMB'000
Current		
Unlisted cash management products (<i>Note i</i>)	1,434,778	2,613,525
Money market funds (<i>Note ii</i>)	164,951	78,370
Listed financial bonds (<i>Note iii</i>)	1,533,669	409,451
Trust products (<i>Note iv</i>)	156,814	121,006
Listed equity security investments (<i>Note v</i>)	401,959	—
	<u>3,692,171</u>	<u>3,222,352</u>

	As at December 31,	
	2020	2019
	RMB'000	RMB'000
Non-current		
Trust products (<i>Note iv</i>)	120,559	27,820
Listed equity security investments (<i>Note v</i>)	—	97,806
Unlisted investment funds at fair value (<i>Note vi</i>)	771,135	414,015
Unlisted debt security investments (<i>Note vii</i>)	319,714	343,268
Unlisted equity security investments (<i>Note viii</i>)	15,627	524,517
Restricted shares arising from investment in Sumscope (<i>Note ix</i>)	5,562	2,093
Call option for obtaining non-controlling interests (<i>Note x</i>)	110,100	97,667
	<u>1,342,697</u>	<u>1,507,186</u>

- Note i:* The Group purchased cash management products with expected rates of return per annum ranging from 2.68% to 3.15% as at December 31, 2020 (December 31, 2019: 1.46% to 3.13%). The fair values are based on cash flow discounted using the expected rate of return based on management judgement and are within level 2 of the fair value hierarchy.
- 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 0.20% to 7.20% as at December 31, 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 6.00% to 12.00% per annum as at December 31, 2020 (December 31, 2019: 8.50% to 9.85%). As trust products 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 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 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 Loss in the 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 Loss in the 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., (ii) subscribe for a warrant to acquire additional preferred shares in Sumscope Inc., 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 recognized 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, CR Securities, at the book value of the non-controlling interests exercisable at any time after its establishment. The fair value as at December 31, 2020 amounted to RMB110,100,000 (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 CR Securities and the estimate of the exercisability of the call option.

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at December 31,	
	2020	2019
	RMB'000	RMB'000
Listed financial bonds	<u>252,696</u>	<u>—</u>

The total cost of the financial bonds as of December 31, 2020 was RMB248,127,000 and the fair value as of December 31, 2020 was RMB252,696,000, and with changes in fair value recorded in other comprehensive expense in the consolidated statement of profit or loss and other comprehensive income. The expected credit losses of financial bonds amounting to RMB60,000 as of December 31, 2020 was recognized in other reserves.

The Group does not have any listed financial bonds recognized as financial assets at FVTOCI as of December 31, 2019.

16. LOANS TO THIRD PARTIES

	As at December 31,	
	2020	2019
	RMB'000	RMB'000
Current		
Tianjin Airuijie Enterprise Management Partnership (Limited Partnership) (“ARJ”) (note a)	7,453	7,061
Ningbo Free Trade Zone YingWeiLi Management LP (“YWL”) (note b)	—	33,089
Winsor Holdings LLC (“WH”) (note c)	35,420	—
Beijing Yuanjing Mingde Management Advisory Co., Ltd. (“YJMD”) (note d)	31,052	—
GWF Holding Limited (“GWF”) (note e)	191,072	—
Tianjin Fangtao Technology Limited (“TJFT”) (note f)	205,426	—
Cheers Delight Limited (“Cheers”) (note g)	3,763	—
Classic One Ventures Limited (“Classic”) (note g)	15,040	—
Extreme Victory Limited (“Extreme”) (note g)	145,090	—
Less: Impairment loss allowance	<u>(3,809)</u>	<u>(1,905)</u>
	<u>630,507</u>	<u>38,245</u>

	As at December 31,	
	2020	2019
	RMB'000	RMB'000
Non-current		
WH (note c)	—	34,401
YJMD (note d)	—	31,052
Less: Impairment loss allowance	—	(390)
	<hr/>	<hr/>
	—	65,063
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- a. In July 2018, the Group entered into an agreement with ARJ, a third party. A loan amounting to RMB6,500,000, at an interest rate of 6% per annum was made to ARJ in July 2018. The loan was unsecured. The Group renewed the agreement in August 2020, and the loan will be repaid in August 2021 unless otherwise agreed by the Group and ARJ.
- b. In December 2017, the Group entered into a loan agreement with YWL, a third party. A loan amounting to RMB33,000,000, at an interest rate of 8% per annum was made to YWL. The loan was guaranteed by both a third party company and the controlling person of YWL. The loan was secured by a pledge over the shares of such third party company. The loan was fully repaid in 2020.
- c. In January 2018, the Group entered into an agreement with WH, a third party. Pursuant to the agreement, a loan amounting to US\$3,983,000 (equivalent to approximately RMB25,989,000) as at December 31, 2020 (December 31, 2019: US\$3,983,000, equivalent to approximately RMB27,786,000), at the interest rate of 12% per annum was made to WH. The repayment of the loan was guaranteed by an individual and the loan will be repaid on the third anniversary of the loan origination unless otherwise agreed by the Group and WH. The Group renewed the agreement in January 2021, and the loan will be repaid in January 2022.
- d. In May 2018, the Group entered into a loan agreement with YJMD, a third party. A loan amounting to RMB30,991,000, at an interest rate of 6% per annum was made to YJMD. The loan will be repaid on the third anniversary of the loan origination.
- e. In April 2020, the Group entered into a loan agreement with GWF, a third party. A loan amounting to US\$36,000,000 (equivalent to approximately RMB234,896,000) as at December 31, 2020, at an interest rate of 6.5% per annum was made to GWF. The loan was secured by a pledge over the shares of a third party company held by GWF. GWF has repaid loan amounting to US\$7,200,000 (equivalent to approximately RMB46,979,000) with interests in 2020 and remaining loan amounting to US\$28,800,000 (equivalent to approximately RMB187,917,000) will be repaid on the first anniversary of the loan origination unless otherwise agreed by the Group and GWF.
- f. In July 2020, the Group entered into an agreement with TJFT, a third party, to provide a loan of no more than RMB212,000,000 to TJFT at an interest rate of 6% per annum. As of December 31, 2020, a loan amounting to RMB200,000,000 was made to TJFT. The loan was guaranteed by three individuals and was secured by a pledge over the shares of a third party company. The loan will be repaid on the first anniversary of the loan origination unless otherwise agreed by the Group and TJFT.
- g. In December 2020, the Group entered into agreements with Cheers, Classic and Extreme, third parties (the “**borrowers**”). Loans amounting to US\$25,118,000 (equivalent to approximately RMB163,893,000) as at December 31, 2020, at an interest rate of 7.5% per annum was made to borrowers. The repayment of these loans was guaranteed by an individual and these loans will be repaid on the first anniversary of the loan origination unless otherwise agreed by the Group and the borrowers.

18. ACCOUNTS AND OTHER RECEIVABLES

	As at December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Accounts receivables		
— Accounts receivable (<i>Note i</i>)	295,877	139,634
— Open trade receivable (<i>Note ii</i>)	1,795,521	584,285
Financial assets purchased under resale agreements (<i>Note iii</i>)	279,595	—
Advance to suppliers	15,313	23,126
Other receivables		
— Refundable deposits (<i>Note iv</i>)	457,189	95,881
— Staff loans	17,313	22,324
— Value-added tax recoverable	6,908	7,688
Others	13,135	7,896
	<hr/>	<hr/>
Subtotal	2,880,851	880,834
Less: Impairment loss allowance	(3,125)	(1,740)
	<hr/>	<hr/>
Total	<u>2,877,726</u>	<u>879,094</u>

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 December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
0–30 days	214,690	114,698
31–60 days	58,346	15,800
61–90 days	13,961	502
91–180 days	6,308	5,873
181–360 days	—	1,561
Over 1 year	200	214
	<hr/>	<hr/>
	<u>293,505</u>	<u>138,648</u>

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: The balance represents receivables arising from listed bond repurchase transactions in the Stock Exchanges which normally settled within a short period of time.

Note iv: Refundable deposits mainly include deposits for securities borrowing and deposits in Stock Exchange.

19. ACCOUNTS AND OTHER PAYABLES

	As at December 31,	
	2020	2019
	RMB'000	RMB'000
Salaries, bonus and other benefit payables	613,759	381,040
Open trade payable (<i>note a</i>)	1,748,736	584,285
Payable to brokerage clients (<i>note a</i>)	410,274	232,933
Financial assets sold under repurchase agreements (<i>note a</i>) (<i>note b</i>)	1,030,215	—
Other payables	42,673	37,298
Consultancy fee payables	14,680	18,735
Carried interests to management team and other parties	245	3,561
Other tax payables	23,204	14,679
Accrued listing expenses and issue costs	228	2,016
Accrued expenses	19,342	12,243
	3,903,356	1,286,790

Note a: 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 consolidated financial statements in view of the nature of these business.

Note b: 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 in the Stock Exchanges 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 at 2.98%–4.10% (December 31, 2019: nil) per annum.

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

	As at December 31,	
	2020	2019
	RMB'000	RMB'000
Carrying amount of transferred assets		
— financial assets at FVTPL	1,223,188	—
— financial assets at FVOCI	252,696	—
Carrying amount of associated liabilities	(1,030,215)	—
	445,669	—
Net position	445,669	—

20. BANK BORROWING

	As at December 31,	
	2020	2019
	RMB'000	RMB'000
Secured bank borrowing at fixed rate	—	99,478
Unsecured bank borrowing at fixed rate	112,262	30,026
	<hr/>	<hr/>
Total	112,262	129,504
	<hr/> <hr/>	<hr/> <hr/>

Under the credit facilities of RMB300,000,000 from China Merchants Bank for the purpose of daily operation in mainland China, the bank borrowings as of December 31, 2019 amounted to RMB99,356,000 and was repaid during the year ended December 31, 2020. The interest rate is 4.35% per annum. The pledge of US\$ deposits of US\$36,000,000 (equivalent to approximately RMB251,143,000) as of December 31, 2019 for these loans was released in July 2020 after the settlement of above secured bank borrowings.

Under the credit facilities of RMB40,000,000 from Bank of Hangzhou for the purpose of daily operation in mainland China, the bank borrowings as of December 31, 2020 amounted to RMB50,000 (December 31, 2019: RMB30,000,000) and fully repaid in January 2021. The interest rate is 5.22% per annum.

Under the credit facilities of RMB120,000,000 from SPD Silicon Valley Bank for the purpose of daily operation in mainland China, the bank borrowings as of December 31, 2020 amounted to RMB112,000,000 (December 31, 2019: nil) and was expected to be repaid in June 2021. The interest rate is 5.90% per annum. The bank borrowing was guaranteed by the Company by maximum of RMB144,000,000.

Under the credit facilities of HK\$100,000,000 (equivalent to approximately RMB89,578,000) from China Minsheng Bank for the purpose of Group's operation, the Group utilized bank borrowing and fully repaid during the year ended December 31, 2020, and balance was nil as at December 31, 2020 and 2019. The interest rate was based on London Interbank Offered Rate plus 2% per annum.

21. LEASE LIABILITIES

	Year ended December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Lease liabilities payable:		
Within one year	45,464	53,461
Within a period of more than one year but not more than two years	23,909	40,857
Within a period of more than two years but not more than five years	27,843	16,019
Within a period of more than five years	4,687	—
	<u>101,903</u>	<u>110,337</u>
Less: Amount due for settlement with 12 months shown under current liabilities	<u>(45,464)</u>	<u>(53,461)</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u>56,439</u>	<u>56,876</u>

The weighted average incremental borrowing rates applied to lease liabilities is 3.84% (2019: 3.93%).

22. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at December 31,	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Current		
Securities borrowing	<u>275,818</u>	<u>—</u>

During the year ended December 31, 2020, the Group entered into an agreement with brokers, third parties, to borrow 7,800,000 shares of a listed company held by funds managed by the Group. The Group sold borrowed shares at average borrowing price of HK\$18.04 per share and with total consideration of HK\$140,726,000 (equivalent to approximately RMB118,440,000). The securities borrowing is measured at fair value and subsequent fair value change are recorded in the net investment gains in the consolidated statement of profit or loss and other comprehensive income.

23. SHARE CAPITAL

	Number of shares	Nominal value per share <i>US\$</i>	Share capital <i>US\$</i>	Amount shown in the financial statement <i>RMB</i>
Authorized				
At January 1, 2019, January 1, 2020 and December 31, 2020	2,000,000,000	0.000025	50,000	
Issued				
At January 1, 2019	543,863,412	0.000025	13,597	89,228
Shares repurchased and cancelled (note)	(3,878,400)	0.000025	(97)	(668)
Exercise of share options	1,394,000	0.000025	35	240
At December 31, 2019	541,379,012		13,535	88,800
Shares repurchased and cancelled (note)	(11,905,756)	0.000025	(298)	(2,052)
Exercise of share options	3,480,408	0.000025	87	600
At December 31, 2020	532,953,664		13,324	87,348
			As at December 31	
			2020	2019
			<i>RMB\$'000</i>	<i>RMB\$'000</i>
Presented as			87	89

Note:

The Company repurchased its own shares through the Stock Exchange as follows:

2020

Month of repurchases	No. of ordinary shares	Price paid per share		Aggregate consideration paid (including expenses) RMB'000
		Highest RMB Equivalent	Lowest RMB Equivalent	
January 2020	6,996,300	13.99	12.43	86,797
April 2020	94,300	11.19	11.00	1,034
May 2020	1,637,200	9.83	9.31	14,981
June 2020	19,600	11.58	9.95	193
October 2020	3,148,356	14.24	14.24	44,846
November 2020	200	13.15	13.12	3
December 2020	800	13.06	12.90	11
	<u>11,896,756</u>			<u>147,865</u>

During the year ended December 31, 2020, 11,896,756 ordinary shares of the Company were repurchased at an aggregate cost of HK\$166,714,000 (equivalent to approximately RMB147,865,000). As of December 31, 2020, out of 11,896,756 ordinary shares repurchased, 11,895,756 ordinary shares were cancelled during the year ended December 31, 2020 while the remaining 1,000 ordinary shares were cancelled in February 2021.

Month of repurchases	No. of ordinary shares	Price paid per share		Aggregate consideration paid (including expenses)
		Highest	Lowest	RMB'000
		<i>RMB Equivalent</i>	<i>RMB Equivalent</i>	
January 2019	138,300	18.84	17.78	2,475
May 2019	1,337,700	16.14	14.45	20,105
June 2019	443,800	15.59	14.11	6,322
July 2019	1,135,700	15.12	14.39	16,057
August 2019	127,400	12.55	12.55	1,572
September 2019	236,200	12.56	12.44	2,923
November 2019	81,000	13.59	13.46	1,082
December 2019	283,700	13.74	12.61	3,551
	3,783,800			54,087

During the year ended December 31, 2019, 3,783,800 ordinary shares of the Company were repurchased at an aggregate cost of HK\$61,375,000 (equivalent to approximately RMB54,087,000). As of December 31, 2019, out of 3,783,800 ordinary shares repurchased, 3,773,800 ordinary shares were cancelled during the year ended December 31, 2019 while the remaining 10,000 ordinary shares were cancelled in February 2020. 104,600 ordinary shares repurchased in 2018 were cancelled in January 2019.

24. EVENT AFTER THE REPORTING PERIOD

On March 25, 2021, the board of directors has resolved to recommend the payment of a final dividend of RMB38 cents per share for the year ended December 31, 2020 out of the Company's share premium account (the "Final Dividend"), being approximately RMB204.8 million in aggregate. The proposed final dividend will be paid to Shareholders whose names appear on the register of members of the Company as at the close of business on July 9, 2021, if the proposal is approved by the Shareholders at the forthcoming annual general meeting. The proposed Final Dividend will be paid in HK\$, such amount to be calculated by reference to the central parity rate published by the People's Bank of China for the conversion of RMB to HK\$ as at July 9, 2021. It is expected that the Final Dividend will be paid within two months (i.e. on or before August 31, 2021) after it is approved by Shareholders at the forthcoming annual general meeting.

25. COMPARATIVE FIGURES

The consolidated statement of profit or loss and other comprehensive income and statement of cash flows for the year ended December 31, 2019, and certain explanatory notes have been restated to conform with the current year's presentation.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual 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 annual report of the Company for the year ended December 31, 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, March 25, 2021

As at the date of this announcement, the Board comprises Mr. Bao Fan as Chairman and Executive Director, Mr. Xie Yi Jing and Mr. Wang Lixing 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.