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**

2018 INTERIM REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Bao Fan (*Chairman*)
Mr. Xie Yi Jing
Mr. Du Yongbo

Non-Executive Directors

Mr. Neil Nanpeng Shen
Mr. Li Shujun
Mr. Li Eric Xun

Independent Non-Executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

Mr. Ye Junying (*Chairman*)
Mr. Bao Fan
Mr. Zhao Yue

NOMINATION COMMITTEE

Mr. Bao Fan (*Chairman*)
Ms. Yao Jue
Mr. Zhao Yue

COMPANY SECRETARY

Mr. Yee, Ming Cheung Lawrence

AUTHORIZED REPRESENTATIVES

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

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F One Pacific Place, 88 Queensway
Hong Kong

REGISTERED OFFICE

The offices of Maples Corporate Services Limited
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Ugland House
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Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN CHINA

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Chaoyang District
Beijing 100027, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

LEGAL ADVISORS

As to Hong Kong law and United States law
Skadden, Arps, Slate, Meagher & Flom and affiliates

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

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

JOINT COMPLIANCE ADVISORS

China Renaissance Securities (Hong Kong) Limited
Units 8107-08, Level 81
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Guotai Junan Capital Limited
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Hong Kong

CORPORATE INFORMATION (CONTINUED)

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor
Services Limited
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183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKS

Industrial and Commercial Bank of China (Asia)
Limited
Silicon Valley Bank
UBS AG, Singapore
China Merchants Bank, Head Office, Shenzhen,
P.R.China

STOCK CODE

1911

COMPANY WEBSITE

http://www.huaxing.com/

SUMMARY OF FINANCIAL INFORMATION

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

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

	For the six months ended June 30,	
	2018	2017
	US$'000	US$'000
Total revenue	**108,457**	54,235
Total operating expenses	**(88,129)**	(57,337)
Operating profit/(loss)	**20,328**	(3,102)
Loss before income tax	**(145,808)**	(8,893)
Income tax (expenses)/benefits	**(6,174)**	688
Loss for the period	**(151,982)**	(8,205)
Loss for the period attributable to owners of the Company	**(149,185)**	(3,437)

To supplement our financial information presented in accordance with IFRS, we also use adjusted net profit attributable to owners of the Company as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by adjusting for potential impacts of items, which our management considers to be indicative of our operating performance. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. Our presentation of adjusted net profit attributable to owners of the Company may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as analytical tools, and you should not consider them in isolation from, or as substitutes for analysis of, our results of operations as reported under IFRS.

SUMMARY OF FINANCIAL INFORMATION (CONTINUED)

	For the six months ended June 30,	
	2018	2017
	US$'000	US$'000
Loss for the period attributable to owners of the Company	**(149,185)**	(3,437)
Add:		
Share-based compensation expenses	**6,146**	3,300
Interest expense for convertible notes	**886**	—
Change in fair value of call option[1]	**(14,100)**	—
Change in fair value of convertible notes	**(100)**	504
Change in fair value of convertible redeemable preferred shares	**187,830**	9,155
Subtotal before adjustments relating to carried interest	**31,477**	9,522
Add:		
Unrealized net carried interest[2]	**19,620**	10,073
Adjusted net profit attributable to owners of the Company	**51,097**	19,595

Note:

(1) Pursuant to an agreement with one non-controlling shareholder of a subsidiary of our Group, Huajing Securities, our Company was entitled to a call option to acquire certain non-controlling interests from the non-controlling shareholder of Huajing Securities, at the book value of the non-controlling interests any time when the call option is exercisable. Such call option was not substantially exercisable as governed by laws and regulations and the fair value was insignificant. Pursuant to the Special Administrative Measures for Access of Foreign Investment (Negative List) (2018 Edition), which was promulgated on June 28, 2018, the ownership percentage cap for foreign investors in a securities company increased from 49% to 51%. The call option becomes substantially exercisable as at June 30, 2018, and is mandatorily measured at financial assets at fair value through profit or loss as a derivative. The fair values as at June 30, 2018 and December 31, 2017 were US$14.1 million and nil respectively, with the change in the fair value recorded in the condensed consolidated statement of profit or loss and other comprehensive income. The call option is not traded in an active market and the respective fair value is determined by using valuation technique, such fair values have been determined in accordance with Black Scholes models based on underlying net assets' value of Huajing Securities by reference to the recent transaction price.

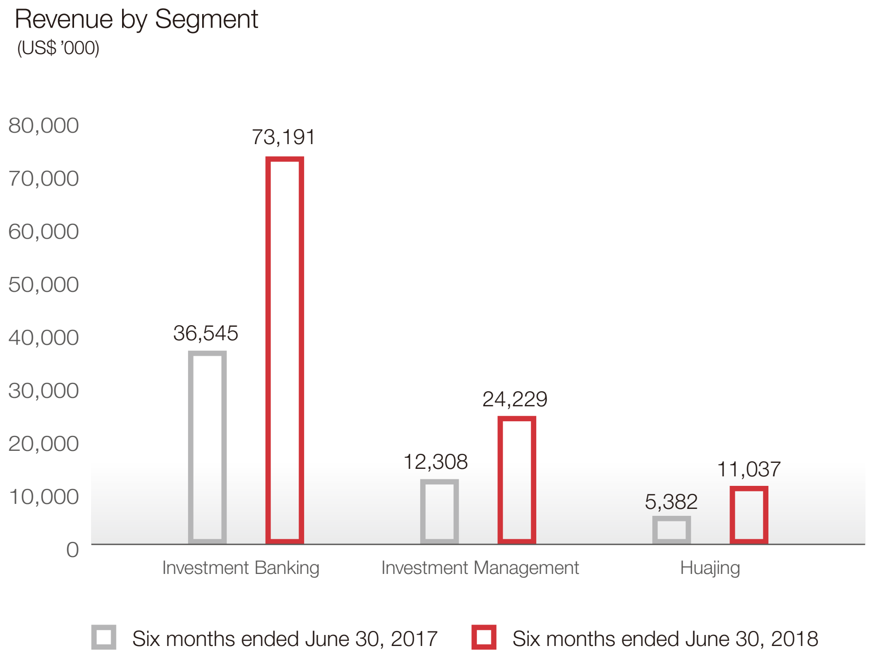
(2) The unrealized net carried interest is calculated by subtracting our carried interest accrued to management team and other parties from our unrealized income from carried interest as follows.

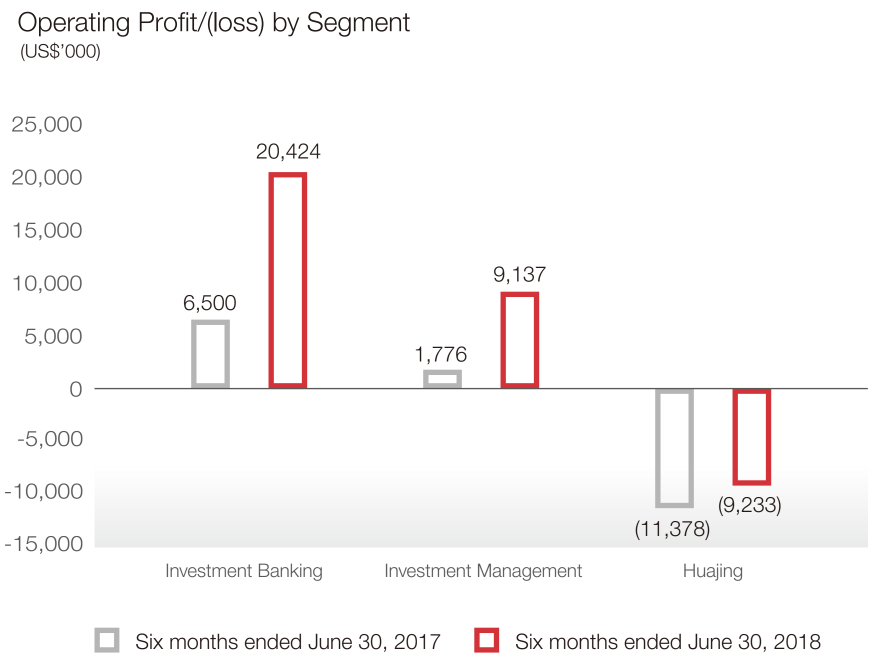
	For the six months ended June 30,	
	2018	2017
	US$'000	US$'000
Unrealized income from carried interest	**58,652**	32,930
Carried interest accrued to management team and other parties	**(39,032)**	(22,857)
Unrealized net carried interest	**19,620**	10,073

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.

SUMMARY OF FINANCIAL INFORMATION (CONTINUED)

SEGMENT PERFORMANCE





MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENT PERFORMANCE

We operate our businesses in three segments: (i) investment banking, (ii) investment management, and (iii) Huajing. For details, please refer to the section headed "Notes to the Condensed Consolidated Financial Statements — 5. Segment Information".

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

	For the six months ended June 30, 2018 US$'000	2017 US$'000	Change US$'000	% of change
Business Segment				
Investment Banking	**73,191**	36,545	36,646	100.3%
Investment Management	**24,229**	12,308	11,921	96.9%
Huajing	**11,037**	5,382	5,655	105.1%
Total revenue	**108,457**	54,235	54,222	100.0%

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

	For the six months ended June 30, 2018 US$'000	2017 US$'000	Change US$'000	% of change
Business Segment				
Investment Banking	**20,424**	6,500	13,924	214.2%
Investment Management	**9,137**	1,776	7,361	414.5%
Huajing	**(9,233)**	(11,378)	2,145	N.M.
Total operating profit/(loss)	**20,328**	(3,102)	23,430	N.M.

Investment Banking

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

	For the six months ended June 30, 2018 US$'000	2017 US$'000	Change US$'000	% of change
Investment Banking				
Advisory services	**65,436**	27,679	37,757	136.4%
Equity underwriting	**3,442**	7,014	(3,572)	(50.9%)
Sales, trading, and brokerage	**4,313**	1,852	2,461	132.9%
Total revenue	**73,191**	36,545	36,646	100.3%
Compensation and benefits	**(41,341)**	(20,935)	(20,406)	97.5%
Other operating expenses	**(11,426)**	(9,110)	(2,316)	25.4%
Segment operating expenses	**(52,767)**	(30,045)	(22,722)	75.6%
Segment operating profit	**20,424**	6,500	13,924	214.2%
Segment operating margin	**27.9%**	17.8%		

Segment Revenue

Our investment banking revenue was US$73.2 million for the six months ended June 30, 2018, an increase of 100.3% YoY. This increase was primarily due to (i) an increase in our private placement advisory fees resulting from a strong transaction backlog formed in 2017 and an increase in our M&A advisory revenue, and (ii) an increase in our equity sales, trading, and brokerage fees, partially offset by a decrease in our equity underwriting fees.

Segment Operating Expenses

For the investment banking segment, our segment operating expenses increased by 75.6% from US$30.0 million for the six months ended June 30, 2017 to US$52.8 million for the six months ended June 30, 2018, primarily due to an increase in our compensation and benefit expenses from US$20.9 million for the six months ended June 30, 2017 to US$41.3 million for the six months ended June 30, 2018, resulting from an increase in the number of employees for our equity research, sales and trading, to further strengthen our equity distribution capabilities, and for advisory services to expand and deepen our sector coverage. Among our compensation and benefit expenses, the share-based compensation for this segment, which represents 15.1% and 14.4% of our compensation and benefit expenses for the six months ended June 30, 2017 and 2018, respectively, increased by 88.6% from US$3.2 million for the six months ended June 30, 2017 to US$5.9 million for the six months ended June 30, 2018.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Segment Operating Profit

For the investment banking segment, our segment operating profit was US$20.4 million for the six months ended June 30, 2018, an increase of 214.2% YoY, and our segment operating margin improved to 27.9% from 17.8% YoY.

Investment Management

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

	For the six months ended June 30, 2018 US$'000	2017 US$'000	Change US$'000	% of change
Investment Management				
Management fee	**24,229**	12,308	11,921	96.9%
Total revenue	**24,229**	12,308	11,921	96.9%
Compensation and benefits	**(8,239)**	(5,855)	(2,384)	40.7%
Other operating expenses	**(6,853)**	(4,677)	(2,176)	46.5%
Segment operating expenses	**(15,092)**	(10,532)	(4,560)	43.3%
Segment operating profit	**9,137**	1,776	7,361	414.5%
Segment operating margin	**37.7%**	14.4%		
Unrealized income from carried interest	**58,652**	32,930	25,722	78.1%
Carried interest accrued to management team and other parties	**(39,032)**	(22,857)	(16,175)	70.8%
Unrealized net carried interest	**19,620**	10,073	9,547	94.8%
Adjusted segment operating profit	**28,757**	11,849	16,908	142.7%

The following table sets forth certain operational information of our private equity funds under our investment management segment as of the dates indicated.

	As of June 30, 2018 US$'000	2017 US$'000	As of December 31, 2017 US$'000
Committed Capital	**3,030,673**	1,900,533	2,675,797
Invested Capital	**1,926,071**	1,329,441	1,600,718
AUM	**3,990,581**	2,250,207	3,272,616

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

	Committed Capital	Invested Capital	Fair Value of Investments Realized[1]	Unrealized	Total	Gross Multiple of Invested Capital[2]
	US$'000 except multiples					
As of June 30, 2018						
Huaxing Growth Capital USD Fund I	**61,600**	**53,722**	**46,309**	**157,325**	**203,634**	**3.8**
Huaxing Growth Capital USD Fund II	**179,306**	**123,576**	**2,060**	**183,000**	**185,060**	**1.5**
Huaxing Growth Capital USD Fund III[3]	**—**	**—**	**—**	**—**	**—**	**—**
Huaxing Growth Capital RMB Fund I	**160,335**	**145,550**	**51,740**	**246,757**	**298,497**	**2.1**
Huaxing Growth Capital RMB Fund II	**818,892**	**675,366**	**88,467**	**1,023,120**	**1,111,587**	**1.7**
Huaxing Growth Capital RMB Fund III	**836,381**	**89,049**	**—**	**89,049**	**89,049**	**1.0**
Huaxing Healthcare Capital RMB Fund I	**161,442**	**80,757**	**340**	**80,757**	**81,097**	**1.0**
Project Funds	**812,717**	**758,051**	**26,423**	**1,055,815**	**1,082,238**	**1.4**
Total	**3,030,673**	**1,926,071**	**215,339**	**2,835,823**	**3,051,162**	**1.6**
As of December 31, 2017						
Huaxing Growth Capital USD Fund I	61,600	53,722	40,445	156,270	196,715	3.7
Huaxing Growth Capital USD Fund II	179,306	112,239	—	142,559	142,559	1.3
Huaxing Growth Capital USD Fund III[3]	—	—	—	—	—	—
Huaxing Growth Capital RMB Fund I	162,356	147,386	18,387	273,563	291,950	2.0
Huaxing Growth Capital RMB Fund II	829,219	597,774	—	852,555	852,555	1.4
Huaxing Growth Capital RMB Fund III	625,680	—	—	—	—	—
Huaxing Healthcare Capital RMB Fund I	163,478	35,963	—	35,963	35,963	1.0
Project Funds	654,158	653,634	3,267	784,330	787,597	1.2
Total	2,675,797	1,600,718	62,099	2,245,240	2,307,339	1.4

(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 a 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) Not yet formed as of the date indicated.

Segment Revenue

For the investment management segment, our management fee was US$24.2 million for the six months ended June 30, 2018, representing an increase of 96.9% YoY. This increase was primarily in connection with the first closing of Huaxing Growth Capital RMB Fund III and the closing of Huaxing Healthcare Capital RMB Fund I. The committed capital and AUM of our private equity funds were US$3.0 billion and US$4.0 billion for the six months ended June 30, 2018, representing an increase of 59.5% and of 77.3% YoY, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Segment Operating Expenses

For the investment management segment, our segment operating expenses increased by 43.3% from US$10.5 million for the six months ended June 30, 2017 to US$15.1 million for the six months ended June 30, 2018. This increase was primarily due to (i) an increase in the total number of employees of our Huaxing Growth Capital, Huaxing Healthcare Capital, and other new fund product offerings, and (ii) professional services fees in connection with our fundraising activities, while such fees as percentage of capital raised declined to 1.2% from 1.5% YoY.

Segment Operating Profit

For the investment management segment, our operating profit increased significantly to US$9.1 million for the six months ended June 30, 2018, from US$1.8 million for the six months ended June 30, 2017 YoY. Our segment operating margin improved to 37.7% from 14.4% YoY.

Unrealized Net Carried Interest and Adjusted Segment Operating Profit

Our unrealized net carried interest, calculated as unrealized income from carried interest minus carried interest accrued to management team and other parties, increased by 94.8% from US$10.1 million for the six months ended June 30, 2017 to US$19.6 million for the six months ended June 30, 2018. Our unrealized income from carried interest increased by 78.1% from US$32.9 million for the six months ended June 30, 2017 to US$58.7 million for the six months ended June 30, 2018 resulting from the appreciation in value of the portfolio companies under our investment management business. Carried interest accrued to management team and third parties increased by 70.8% from US$22.9 million for the six months ended June 30, 2017 to US$39.0 million for the six months ended June 30, 2018 in line with the increase of unrealized income from carried interest.

Huajing

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

	For the six months ended June 30,			
	2018 US$'000	2017 US$'000	Change US$'000	% of change
Huajing				
Total revenue	**11,037**	5,382	5,655	105.1%
Compensation and benefits	**(14,494)**	(12,344)	(2,150)	17.4%
Other operating expenses	**(5,776)**	(4,416)	(1,360)	30.8%
Segment operating expenses	**(20,270)**	(16,760)	(3,510)	20.9%
Segment operating loss	**(9,233)**	(11,378)	2,145	N.M

Segment Revenue

For the Huajing segment, our segment revenue was US$11.0 million for the six months ended June 30, 2018, an increase of 105.1% YoY. This increase was primarily due to an increase in advisory services for new economy companies, partially offset by a decrease in fees in connection with ABS underwriting resulting from unfavorable market conditions, and an increase in interest income.

Segment Operating Expenses

For the Huajing segment, our segment operating expenses increased by 20.9% from US$16.8 million for the six months ended June 30, 2017 to US$20.3 million for the six months ended June 30, 2018. This increase was primarily due to (i) an increase in the number of employees of Huajing, and (ii) an increase in other operating expenses in connection with the opening of its new office by Huajing in Beijing, China.

Segment Operating Profit

For the Huajing segment, our segment operating loss decreased from US$11.4 million for the six months ended June 30, 2017 to US$9.2 million for the six months ended June 30, 2018.

RESULTS OF OPERATIONS

Revenue

The following table sets forth a breakdown of our revenue by type for the period indicated.

	For the six months ended June 30,			
	2018 **US$'000**	2017 US$'000	Change US$'000	% of change
Transaction and advisory fees	**76,091**	40,181	35,910	89.4%
Management fees	**24,229**	12,308	11,921	96.9%
Interest income	**8,137**	1,746	6,391	366.0%
Total	**108,457**	54,235	54,222	100.0%

Our total revenue was US$108.5 million for the six months ended June 30, 2018, up by 100.0%, from US$54.2 million for the six months ended June 30, 2017.

- Our transaction and advisory fees was US$76.1 million for the six months ended June 30, 2018, up by 89.4% YoY.
- Our management fees was increased to US$24.2 million for the six months ended June 30, 2018, up by 96.9% YoY.
- Our interest income was US$8.1 million for the six months ended June 30, 2018, representing an increase of US$6.4 million YoY.

Operating Expenses

Our total operating expenses increased by 53.7% from US$57.3 million for the six months ended June 30, 2017 to US$88.1 million for the six months ended June 30, 2018.

Our compensation and benefit expenses increased by 63.7% from US$39.1 million for the six months ended June 30, 2017 to US$64.1 million for the six months ended June 30, 2018. Among our compensation and benefit expenses, the share-based compensation which represents 8.4% and 9.6% of our compensation and benefit expenses for the six months ended June 30, 2017 and 2018, respectively, increased by 86.2% from US$3.3 million for the six months ended June 30, 2017 to US$6.1 million for the six months ended June 30, 2018.

Our other operating expenses increased by 32.1% from US$18.2 million for the six months ended June 30, 2017 to US$24.1 million for the six months ended June 30, 2018.

Operating Profit

As a result of the foregoing, we recorded an operating profit of US$20.3 million for the six months ended June 30, 2018, compared to an operating loss of US$3.1 million for the six months ended June 30, 2017.

Other Income, Gains or Losses

We had other losses of US$0.2 million for the six months ended June 30, 2018, as compared to other losses of US$0.9 million for the six months ended June 30, 2017. The decrease in other losses was primarily due to (i) an increase in interest income from loan to third parties and (ii) foreign exchange loss of US$0.2 million for the six months ended June 30, 2018, compared to foreign exchange loss of US$1.2 million for the six months ended June 30, 2017.

Interest Expenses

Our interest expenses were less than US$0.01 million and US$6.6 million for the six months ended June 30, 2017 and 2018, respectively. This increase in interest expenses was primarily due to our bank borrowings utilized in November 2017 and convertible notes issued in May 2018.

Impairment Losses on Assets

Our impairment losses on assets were US$0.5 million for the six months ended June 30, 2018, compared to nil for the six months ended June 30, 2017. The change of impairment losses on assets was due to our adoption of IFRS 9 on January 1, 2018, under which we began assessing expected credit loss of debt instruments at amortized cost and financial assets at fair value through other comprehensive income, which was nil for the six months ended June 30, 2017.

Investment Income

The following table sets forth a breakdown of investment income by the nature of investments for the periods indicated.

	For the six months ended June 30,	
	2018	2017
	US$'000	US$'000
Investments in our own private equity funds in our capacity as a general partner	**2,357**	1,429
Investments in our own private equity funds in our capacity as a limited partner	**747**	1,132
Investments in third-party private equity funds in our capacity as a limited partner	**9,764**	1,553
Investments in the unlisted companies in the form of preferred shares	**756**	(8)
Passive equity holdings in non-associate companies	**95**	—
Hedge asset related to an interest rate cap	**1,087**	—
Cash management investments	**4,316**	1,045
Others	**3**	—
Total	**19,125**	5,151

Our investment income increased significantly from US$5.2 million for the six months ended June 30, 2017 to US$19.1 million for the six months ended June 30, 2018, primarily due to appreciation in value of portfolio companies managed by our own funds and by the third-party private equity funds in which we invested in our capacity as a limited partner.

Share of Results of Associates

Our share of results of associates decreased from share of loss of US$0.4 million for the six months ended June 30, 2017 to share of loss of US$0.2 million for the six months ended June 30, 2018.

Change in Fair Value of Call Option

The Special Administrative Measures for Access of Foreign Investment (Negative List) (2018 Edition) was promulgated on June 28, 2018 and became effective on July 28, 2018, pursuant to which the limit of ownership percentage by foreign investors in a securities company increased from 49% to 51%. Our call option to acquire certain non-controlling interests in Huajing Securities thus became substantially exercisable as of June 30, 2018 and is mandatorily measured at fair value through profit or loss as a derivative. For the six months ended June 30, 2018, we recorded a gain of US$14.1 million under the change in fair value of call option.

Change in Fair Value of Convertible Notes

The fair value gain of convertible notes was US$0.1 million for the six months ended June 30, 2018, as compared to a fair value loss of US$0.5 million for the six months ended June 30, 2017. This change was primarily due to the automatic conversion of our 2016 Convertible Notes in April 2017. For details of the 2016 Convertible Notes, please refer to the "Financial Information — Indebtedness" section of the Prospectus.

Change in Fair Value of Convertible Redeemable Preferred Shares

The change in fair value of convertible redeemable preferred shares increased significantly from a fair value loss of US$9.2 million for the six months ended June 30, 2017 to a fair value loss of US$187.8 million for the six months ended June 30, 2018. This increase in loss was primarily due to the significant increase in valuation of our Company.

Loss before Tax

As a result of the foregoing, particularly due to significant increase in the fair value loss of our convertible redeemable preferred shares and the impact of our continuing expenditure to expand Huajing Securities, we had losses before tax of US$8.9 million and US$145.8 million for the six months ended June 30, 2017 and 2018, respectively.

Income Tax Benefit/(Expenses)

Our income tax expenses were US$6.2 million for the six months ended June 30, 2018, compared to income tax benefit of US$0.7 million for the six months ended June 30, 2017. This was primarily due to improved operation results of investment banking and investment management businesses, partially offset by further losses of Huajing Securities.

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

As a result of the foregoing, our loss for the period increased significantly from US$8.2 million for the six months ended June 30, 2017 to US$152.0 million for the six months ended June 30, 2018, and our loss for the period attributable to owners of the Company increased significantly from US$3.4 million for the six months ended June 30, 2017 to US$149.2 million for the six months ended June 30, 2018.

Adjusted Net Profit Attributable to Owners of the Company

As a result of the foregoing, our adjusted net profit attributable to owners of the Company without unrealized net carried interest increased significantly from US$9.5 million for the six months ended June 30, 2017 to US$31.5 million for the six months ended June 30, 2018. Our unrealized net carried interest, calculated as unrealized income from carried interest minus carried interest accrued to management team and other parties, increased by 94.8% from US$10.1 million for the six months ended June 30, 2017 to US$19.6 million for the six months ended June 30, 2018. Our adjusted net profit attributable to owners of the Company with unrealized net carried interest increased significantly from US$19.6 million for the six months ended June 30, 2017 to US$51.1 million for the six months ended June 30, 2018.

CASH FLOWS

During the six months ended June 30, 2018, we funded our working capital and other capital requirements primarily from cash generated from our business operations and issuance of convertible notes. We have primarily used cash to fund our capital expenditures and working capital for our business expansion, including the development of Huajing Securities.

As of June 30, 2018, we had aggregate cash and cash equivalents of US$83.3 million. Excluding Huajing Securities, we had cash and cash equivalents, term deposits, and financial assets at fair value through profit or loss (current portion) of US$251.4 million as of June 30, 2018. We generally deposit our excess cash in interest bearing bank accounts and current accounts and invest in investment-grade financial bonds and other cash management investments.

Operating Activities

Our cash generated from operating activities consists primarily of our transaction and advisory fees, management fees, and interest income from investing business. Cash flow from operating activities reflects: (i) profit or loss before income tax adjusted for non-cash and non-operating items, such as change in fair value of convertible notes, change in fair value of convertible redeemable preferred shares, change in fair value of call option, share-based compensation expenses, depreciation, amortization, and impairment loss on assets; (ii) the effects of movements in working capital, such as increase or decrease in accounts and other receivables, amounts due from related parties, amounts due to related parties, contract liabilities and accounts and other payables; and (iii) other cash items such as income tax paid and interest received.

For the six months ended June 30, 2018, we had net cash generated from operating activities of US$41.2 million, resulting from our loss before income tax of US$145.8 million adjusted for non-cash and non-operating items of US$161.2 million, income tax payment of US$8.5 million, interest received of US$6.8 million and positive movements in working capital of US$27.5 million. Our positive movements in working capital primarily reflected: (i) an increase of US$42.8 million in accounts and other payables in connection with our compensation and other payments; (ii) an increase of US$19.6 million in contract liabilities resulting from receiving fund management fees in advance at the beginning of the year, and offset by (iii) an increase of $34.4 million in accounts and other receivables in connection with our business operations.

For the six months ended June 30, 2017, we had net cash used in operating activities of US$24.5 million, resulting from our loss before income tax of US$8.9 million adjusted for non-cash and non-operating items of US$7.9 million, income tax payment of US$10.0 million, interest received of US$1.7 million and negative movements in working capital of US$15.2 million. Our negative movements in working capital primarily reflected: (i) an increase of US$31.0 million in accounts and other receivable, and offset by (ii) an increase of US$10.5 million in contract liabilities resulting from receipt of fund management fees in advance at the beginning of the year.

Investing Activities

Our cash outflows for investing activities primarily consist of our purchase of property and equipment, intangible assets, financial assets at fair value through profit or loss, financial bonds, other cash management investments, and term deposits, as well as investment in associates and loan receivables. Our cash inflows from investing activities primarily consist of interest received, proceeds from disposal of financial assets at fair value through profit or loss, disposal of financial bonds, maturity of term deposits, and repayment of loan receivables.

For the six months ended June 30, 2018, our net cash used in investing activities was US$484.7 million, primarily due to (i) net cash outflows for purchase of financial assets at fair value through profit or loss of US$231.1 million and net cash outflows for purchase of term deposits of US$188.8 million for cash management, (ii) net cash outflows for purchase of financial bonds of US$51.0 million for cash management by Huajing Securities, and (iii) investments in associated companies of US$6.5 million.

For the six months ended June 30, 2017, our net cash used in investing activities was US$116.6 million, primarily due to (i) net cash outflows for purchase of term deposits of US$112.9 million for cash management, and (ii) investments in associated companies of US$2.4 million.

Financing Activities

Financing activities primarily consist of issuances of convertible redeemable preferred shares, issuance of convertible notes, bank borrowings, distribution of dividends to our shareholders and the payment of interests on our debt.

For the six months ended June 30, 2018, our net cash generated from financing activities was US$82.4 million, primarily due to proceeds from issuance of convertible notes of US$86.0 million and proceeds from issuance of ordinary shares for share option exercised of US$6.1 million, which were partially offset by interest paid of US$4.2 million and dividends of US$3.6 million paid to our shareholders.

For the six months ended June 30, 2017, our net cash generated from financing activities was US$6.0 million, primarily due to proceeds from issuance of convertible redeemable preferred shares of US$10.0 million, which were partially offset by dividends of US$4.2 million paid to our shareholders.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of June 30, 2018, 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 the debt and equity balance. The capital structure of the Group consists of bank borrowings, issued convertible redeemable preferred shares and convertible notes.

In October 2017, we entered into a facilities agreement with ICBCI Investment Management in an aggregate amount of US$200 million (the "**ICBCI Loan**"). We utilized US$150 million of ICBCI Loan in November 2017. As of June 30, 2018, we had US$50 million of unutilized banking facilities. The term of the ICBCI Loan is three years with a variable interest rate based on LIBOR plus 600 basis points. Upon completion of the Global Offering, the facilities will be canceled and all outstanding amount due thereunder will become due and payable within ten business days after the Listing Date.

Up to June 30, 2018, we raised an aggregate of US$160 million in cash from multiple issuances of convertible redeemable preferred shares to various investors including $20 million converted from the convertible notes issued in 2016. All of these convertible redeemable preferred shares are unsecured and unguaranteed. As of June 30, 2018, our convertible redeemable preferred shares had fair values of US$450.5 million. On the Listing Date, all of our convertible redeemable preferred shares have been automatically converted into our Shares.

In May 2018, we issued convertible notes in an aggregate principal amount of US$86 million, or the 2018 Convertible Notes (as defined in the Prospectus). The 2018 Convertible Notes are unsecured and unguaranteed. As of June 30, 2018, we had US$86 million aggregate principal amount of the 2018 Convertible Notes issued and outstanding, whose carrying amount was US$82.8 million. On the Listing Date, the 2018 Convertible Notes have been automatically converted into our Shares.

For the details of use of proceeds of issue of the 2018 Convertible Notes, please refer to the section headed "History, Reorganization and Corporate Structure — Pre-IPO Investments — Principal terms of the Pre-IPO Investments" in the Prospectus.

GEARING RATIO

As of June 30, 2018, the gearing ratio of the Group, which is calculated as total liabilities (excluding convertible redeemable preferred shares and convertible notes) divide by total assets, was 33.2%, compared with 32.4% as of December 31, 2017.

SIGNIFICANT INVESTMENTS HELD

As of June 30, 2018, the Group had significant investment amounting to approximately US$109.2 million measured in fair value, which mainly represents the investment in our own private equity funds in our capacity as a general partner of 28.6%, investment in our own private equity funds in our capacity as a limited partner of 15.2% and investment in third party private equity funds in our capacity as a limited partner of 37.4%, of which investment in our own private equity funds in our capacity as a general partner has increased by 18.6%, investment in our own private equity funds in our capacity as a limited partner has increased by 36.4% and investment in third party private equity funds in our capacity as a limited partner has increased by 10.5% as compared to December 31, 2017, respectively.

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.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the Reporting Period, we did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

EMPLOYEE AND REMUNERATION POLICY

As of June 30, 2018, we had 568 full-time employees, including over 82% advisory and investment professionals.

The following table sets forth the number of our employees by function as of June 30, 2018.

Function	Number of Employees	Percentage
Investment Banking	239	42%
Investment Management	38	7%
Huajing Securities	189	33%
Group Middle and Back Office	102	18%
Total	568	100%

The following table sets forth the number of our employees by geographic region as of June 30, 2018.

Geographic Region	Number of Employees	Percentage
Beijing, China	325	57%
Shanghai, China	149	26%
Other cities in China	6	1%
Hong Kong	66	12%
United States	22	4%
Total	568	100%

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our retention strategy, we offer employees performance-based cash bonuses and other incentives in addition to base salaries. As of June 30, 2018, 69 grantees held options granted under the ESOP which remained outstanding. The total remuneration expenses, including share-based compensation expense, for the six months ended June 30, 2018 were US$64.1 million, representing an increase of 63.7% as compared to the six months ended June 30, 2017.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FOREIGN EXCHANGE RISK

The transactions of the Company are denominated and settled in its functional currency, the United States dollar. The Group's subsidiaries primarily operate in the PRC and Hong Kong and are exposed to foreign exchange risk such as Renminbi and Hong Kong dollars.

As of June 30, 2018, other than an interest rate cap agreement with a total consideration of US$1.3 million as disclosed in the Prospectus, we did not hedge or consider it necessary to use financial instruments for hedging purposes.

PLEDGE OF ASSETS

As of June 30, 2018, 119,800,000 Shares held by CR Partners, and 100% equity interests of three subsidiaries of the Company, China Renaissance Capital Limited, China Renaissance Securities (HK) Limited and CR Investment (HK) Limited, were pledged for the Group's bank borrowing. (June 30, 2017: nil).

CONTINGENT LIABILITIES

As of June 30, 2018, we did not have any material contingent liabilities.

INTERIM DIVIDENDS

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

	For the six months ended June 30,	
	2018	2017
	US$'000	US$'000
Dividends to shareholders of the Company	**15,413**	4,150

Currently we do not have a formal dividend policy or a fixed dividend distribution ratio. There is no assurance that dividends of any amount will be declared or distributed in any year.

OTHER INFORMATION

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

As the Company was not listed on the Stock Exchange as of June 30, 2018, Divisions 7 and 8 of Part XV of the SFO and section 352 of the SFO were not applicable to the Directors or chief executives of the Company as of June 30, 2018.

As of the Listing Date, the interests and short positions of our Directors or chief executives of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as contained in Appendix 10 to the Listing Rules were as follows:

(i) Interest in Shares and underlying Shares

Name of Director	Nature of interest	Number of shares (Long Position)	Approximate percentage of interest[(1)]
Mr. Bao[(2)]	Interest in a controlled corporation	244,240,000	44.53%
	Settlor of a trust who can influence how the trustee exercises the voting power of its shares	31,064,000	5.66%
	Beneficial owner	16,400,000	2.99%
Mr. Xie Yi Jing[(3)]	Beneficial owner	400,000	0.07%
Mr. Du Yongbo[(4)]	Beneficial owner	400,000	0.07%
Mr. Li Shujun[(5)]	Interest in controlled corporations	35,652,172	6.50%
Mr. Neil Nanpeng Shen[(6)]	Interest in a controlled corporation	34,565,216	6.30%

Notes:

1. The calculation is based on the total number of 548,439,612 Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option and outstanding options under ESOP are not exercised and no new Shares are issued pursuant to the RSU plan).

2. FBH Partners owns 73.37% equity interest in CR Partners, and the remaining 26.63% equity interest in CR Partners is held by four different minority shareholders (namely Sky Fortress Investments Limited as to 11.99%, Ever Perfect Investments Limited as to 11.92%, East Logic Limited as to 1.38%, and High Fortune Investments Limited as to 1.34%). Mr. Bao owns 79% of the equity interest in FBH Partners, and as a result of a voting proxy granted by Ms. Hui Yin Ching, the 21% owner of FBH Partners, over all her equity interests in FBH Partners, Mr. Bao controls 100% of the voting power at the general meetings of FBH Partners. Under the SFO, Mr. Bao is deemed to be interested in the 244,240,000 Shares held by CR Partners. Separately, as Mr. Bao is the settlor of Sky Allies Trust Scheme who can influence how Infiniti Trust (Hong Kong) Limited exercises the voting of its 31,064,000 Shares held through Sky Allies Development Limited for the trust. Under the SFO, Mr. Bao is also deemed to be interested in the 31,064,000 Shares held by Sky Allies Development Limited. Separately, Mr. Bao is entitled to receive 16,400,000 Shares pursuant to the exercise of his options granted under the ESOP. Sky Fortress Investments Limited is controlled by Mr. Xie Yi Jing, Ever Perfect Investments Limited is controlled by Mr. Du Yongbo, East Logic Limited is controlled by Mr. Krzysztof Werkun, and High Fortune Investments Limited is controlled by Mr. Wang Xinwei.

3. Mr. Xie is entitled to receive 400,000 Shares pursuant to the exercise of his options granted under the ESOP.

4. Mr. Du is entitled to receive 400,000 Shares pursuant to the exercise of his options granted under the ESOP.

OTHER INFORMATION (CONTINUED)

5. Greenhouse CR Holdings Co., Ltd. is wholly-owned by Trustbridge Partners IV L.P., whose general partner is TB Partners GP4, L.P.. The general partner of TB Partners GP4, L.P. is TB Partners GP Limited, whose sole shareholder is Mr. Li Shujun. Greenhouse CR Holdings II Co., Ltd. is wholly-owned by Trustbridge Partners V L.P., whose general partner is TB Partners GP5, L.P.. The general partner of TB Partners GP5, L.P. is TB Partners GP5 Limited, whose sole shareholder is Mr. Li Shujun. Under the SFO, Mr. Li Shujun is deemed to be interested in the 20,000,000 Shares held by Greenhouse CR Holdings Co., Ltd. and the 15,652,172 Shares held by Greenhouse CR Holdings II Co., Ltd. in the capacity of holders of interests in controlled corporations as opposed to beneficial owners.

6. Bamboo Green, Ltd. ("Bamboo Green") is wholly-owned by Sequoia Capital China Growth Fund III, L.P. The general partner of Sequoia Capital China Growth Fund III, L.P. is SC China Growth III Management, L.P., whose general partner is SC China Holding Limited. SC China Holding Limited is a wholly-owned subsidiary of SNP China Enterprises Limited, whose sole shareholder is Mr. Neil Nanpeng Shen. Under the SFO, Mr. Neil Nanpeng Shen is deemed to be interested in the 34,565,216 Shares held by Bamboo Green.

(ii) Interest in associated corporations

Name of director or chief executive	Associated corporation	Nature of interest	Amount of registered capital (RMB)	Percentage of shareholding in the associated corporation
Mr. Bao	Tianjin Huajie	Interests held as a limited partner	5,000,000	10%
	Tianjin Huahuang	Interests held as a limited partner	4,500,000	30%
	Huaxing Associates, L.P.	Interest held as a limited partner through controlled corporation(1)	Not applicable	Not applicable
	Huaxing Associates, II, L.P.	Interest held as a limited partner through controlled corporation(1)	Not applicable	Not applicable
	Huaxing Associates III, L.P.	Interest held as limited partner through controlled corporation(1)	Not applicable(3)	Not applicable(3)
Mr. Du Yongbo	Dazi Huafeng	Nominee shareholder whose shareholder's rights are subject to contractual arrangements	50,000	50%
	Dazi Hualing	Nominee shareholder whose shareholder's rights are subject to contractual arrangements	50,000	50%
	Dazi Huashi	Nominee shareholder whose shareholder's rights are subject to contractual arrangements	500,000	50%
	Shanghai Quanyuan	Nominee shareholder whose shareholder's rights are subject to contractual arrangements	50,000	50%
	Dazi Huafeng Venture Capital Partnership L.P.	Interests held as a limited partner	50,000,000	10%
	Ningbo Xinshou	Interests held as a limited partner	20,000,000	25%
	Huasheng Xinhang	Interests held as a limited partner	38,727,980	20%
	Huaxing Associates II, L.P.	Interest held as a limited partner through controlled corporation(2)	Not applicable	Not applicable
	Huaxing Associates III, L.P.	Interest held as a limited partner through controlled corporation(2)	Not applicable(4)	Not applicable(4)

OTHER INFORMATION (CONTINUED)

Notes:

1. Mr. Bao holds limited partnership interest through FBH Partners, a special purpose vehicle controlled by Mr. Bao.

2. Mr. Du Yongbo holds limited partnership interest through Ever Perfect Investments Limited, a special purpose vehicle controlled by Mr. Du Yongbo.

3. In Huaxing Associates III, L.P., the capital commitment of FBH Partners (being a special purpose vehicle controlled by Mr. Bao) is US$1,000,000, which accounts 6.19% of the total capital commitment of partners of Huaxing Associates III, L.P.

4. In Huaxing Associates III, L.P., the capital commitment of Ever Perfect Investments Limited (being a special purpose vehicle controlled by Mr. Du Yongbo) is US$1,000,000, which accounts 6.19% of the total capital commitment of partners of Huaxing Associates III, L.P.

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

OTHER INFORMATION (CONTINUED)

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

As the Company was not listed on the Stock Exchange as of June 30, 2018, Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO were not applicable to the Company as of June 30, 2018. As of the Listing Date, so far as the Directors are aware, the following persons (other than our Directors or chief executives of our Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of shares (Long Position)	Approximate percentage of interest[1]
CR Partners[2]	Beneficial owner	244,240,000	44.53%
FBH Partners[2]	Interest in a controlled corporation	244,240,000	44.53%
Mr. Bao[2]	Interest in a controlled corporation	244,240,000	44.53%
	Settlor of a trust who can influence how the trustee exercises the voting power of its shares	31,064,000	5.66%
	Beneficial owner	16,400,000	2.99%
Renaissance Greenhouse HK Limited[3]	Beneficial owner	46,109,084	8.41%
CW Renaissance Holdings Limited[3]	Interest in a controlled corporation	46,109,084	8.41%
Chengwei Capital HK Limited[3]	Interest in a controlled corporation	46,109,084	8.41%
Chengwei Evergreen Capital, LP[3]	Interest in a controlled corporation	46,109,084	8.41%
Bamboo Green[4]	Beneficial owner	34,565,216	6.30%
Sequoia Capital China Growth Fund III, L.P.[4]	Interest in a controlled corporation	34,565,216	6.30%
SC China Growth III Management, L.P.[4]	Interest in a controlled corporation	34,565,216	6.30%
SC China Holding Limited[4]	Interest in a controlled corporation	34,565,216	6.30%
SNP China Enterprises Limited[4]	Interest in a controlled corporation	34,565,216	6.30%
Mr. Neil Nanpeng Shen[4]	Interest in a controlled corporation	34,565,216	6.30%
Mr. Li Shujun[5]	Interest in controlled corporations	35,652,172	6.50%
Sky Allies Development Limited[6]	Nominee for another person (other than a trustee)	31,064,000	5.66%
Infiniti Trust (Hong Kong) Limited[6]	Trustee	31,064,000	5.66%

Notes:

1. It is assumed the Over-allotment Option and the outstanding options under the ESOP are not exercised and that no new Shares are issued pursuant to the RSU plan.

2. FBH Partners owns 73.37% equity interest in CR Partners, and the remaining 26.63% equity interest in CR Partners is held by four different minority shareholders (namely Sky Fortress Investments Limited as to 11.99%, Ever Perfect Investments Limited as to 11.92%, East Logic Limited as to 1.38%, and High Fortune Investments Limited as to 1.34%). Mr. Bao owns 79% of the equity interest in FBH Partners, and as a result of a voting proxy granted by Ms. Hui Yin Ching, the 21% owner of FBH Partners, over all her equity interests in FBH Partners, Mr. Bao controls 100% of the voting power at the general meetings of FBH Partners. Under the SFO, Mr. Bao is deemed to be interested in the 244,240,000 Shares held by CR Partners. Separately, as Mr. Bao is the settlor of Sky Allies Trust Scheme who can influence how Infiniti Trust (Hong Kong) Limited exercises the voting of its 31,064,000 Shares held through Sky Allies Development Limited for the trust. Under the SFO, Mr. Bao is also deemed to be interested in the 31,064,000 Shares held by Sky Allies Development Limited. Separately, Mr. Bao is entitled to receive 16,400,000 Shares pursuant to the exercise of his options granted under the ESOP. Sky Fortress Investments Limited is controlled by Mr. Xie Yi Jing, Ever Perfect Investments Limited is controlled by Mr. Du Yongbo, East Logic Limited is controlled by Mr. Krzysztof Werkun, and High Fortune Investments Limited is controlled by Mr. Wang Xinwei.

3. Renaissance Greenhouse HK Limited is wholly-owned by CW Renaissance Holdings Limited, which is in turn wholly-owned by Chengwei Capital HK Limited. Chengwei Capital HK Limited is wholly-owned by Chengwei Evergreen Capital, LP. Under the SFO, each of CW Renaissance Holdings Limited, Chengwei Capital HK Limited and Chengwei Evergreen Capital LP is interested in the 46,109,084 Shares held by Renaissance Greenhouse HK Limited.

4. Bamboo Green is wholly-owned by Sequoia Capital China Growth Fund III, L.P. The general partner of Sequoia Capital China Growth Fund III, L.P. is SC China Growth III Management, L.P., whose general partner is SC China Holding Limited. SC China Holding Limited is a wholly-owned subsidiary of SNP China Enterprises Limited, whose sole shareholder is Mr. Neil Nanpeng Shen. Under the SFO, each of Sequoia Capital China Growth Fund III, L.P., SC China Growth III Management, L.P., SC China Holding Limited, SNP China Enterprises Limited and Mr. Neil Nanpeng Shen is deemed to be interested in the 34,565,216 Shares held by Bamboo Green.

5. Greenhouse CR Holdings Co., Ltd. is wholly-owned by Trustbridge Partners IV L.P., whose general partner is TB Partners GP4, L.P.. The general partner of TB Partners GP4, L.P. is TB Partners GP Limited, whose sole shareholder is Mr. Li Shujun. Greenhouse CR Holdings II Co., Ltd. is wholly-owned by Trustbridge Partners V L.P., whose general partner is TB Partners GP5, L.P.. The general partner of TB Partners GP5, L.P. is TB Partners GP5 Limited, whose sole shareholder is Mr. Li Shujun. Under the SFO, Mr. Li Shujun is deemed to be interested in the 20,000,000 Shares held by Greenhouse CR Holdings Co., Ltd. and the 15,652,172 Shares held by Greenhouse CR Holdings II Co., Ltd. in the capacity of holders of interests in controlled corporations as opposed to beneficial owners.

6. The entire share capital of Sky Allies Development Limited is held by Infiniti Trust (Hong Kong) Limited as trustee of Sky Allies Trust Scheme for the benefit of selected employees. Sky Allies Development Limited holds the subject shares in our Company as nominee in trust for Infiniti Trust (Hong Kong) Limited as trustee of Sky Allies Trust Scheme.

SHARE OPTION SCHEMES

1. Employee's Share Option Plan

The Company has adopted an ESOP prior to Listing. The purpose of the ESOP is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, directors and consultants and to promote the success of the Company's business by offering these individuals an opportunity to acquire a proprietary interest in the success of the Company or to increase this interest, by issuing them Shares or by permitting them to purchase Shares. The terms of the ESOP are not subject to the provision of Chapter 17 of the Listing Rules as we will not grant any options under the ESOP for subscription of ordinary shares with a par value of US$0.000025 each after the Listing.

OTHER INFORMATION (CONTINUED)

2. **RSU Plan**

A restricted share unit plan (the "**RSU Plan**") was approved by the Board on June 15, 2018.

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

As of the date of this report, the Company had not granted any RSUs to any grantee.

Further details of the ESOP and the RSU Plan are set out in the "Appendix IV—Statutory and General Information Section" of the Prospectus and note 30 to the condensed consolidated financial statements for the six months ended June 30, 2018.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company was incorporated in the Cayman Islands on July 13, 2011 with limited liability, and the shares of the Company were listed on the Main Board of the Stock Exchange on September 27, 2018 (i.e. the Listing Date).

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

As the Shares were not yet listed on the Stock Exchange as of June 30, 2018, the principles and code provisions of the CG Code contained in Appendix 14 to the Listing Rules were not applicable to the Company during the Reporting Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding the Directors' dealings in the securities of the Company. The provisions under the Listing Rules in relation to compliance with the Model Code by the Directors regarding securities transactions have been applicable to the Company since the Listing Date. As the Shares were not yet listed on the Stock Exchange as of June 30, 2018, the Model Code was not applicable to the Company during the Reporting Period.

Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code throughout the period from the Listing Date up to the date of this interim report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Since the Company was not listed on the Stock Exchange during the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange during the Reporting Period.

OTHER INFORMATION (CONTINUED)

USE OF PROCEEDS FROM SUBSCRIPTIONS

On June 5, 2018, pursuant to exercise of options granted under the ESOP, the Company issued 1,060,000 ordinary shares to CR Partners (for an aggregated consideration of US$2.7 million), 1,993,500 ordinary shares to Honor Equity Limited (for an aggregated consideration of US$2.5 million) and 766,000 ordinary shares to Sky Allies Development Limited (for an aggregated consideration of US$0.9 million), respectively. The proceeds for the exercise of the options (of a total amount of approximately US$6.1 million) are used for general working capital purposes and had not been utilized as of June 30, 2018.

On June 15, 2018, the Company further issued 10,000,000 ordinary shares to Honor Equity Limited and Sky Allies Development Limited (the "**Trusts**") for the purpose of future distribution of RSUs. The Company has control over the Trusts and waived the consideration for shares issued.

The Group has fully utilized and therefore has not brought over any of the proceeds of issue of equity securities (or securities convertible into equity securities) during the year ended December 31, 2017.

USE OF PROCEEDS FROM LISTING

With the Shares of the Company listed on the Stock Exchange on September 27, 2018, the estimated net proceeds from the initial public offering of the Company were approximately HK$2,529.4 million (assuming no exercise of the Over-allotment Option, after deducting underwriting commissions and other estimated expenses paid and payable by the Company for the initial public offering of approximately HK$173.9 million), which will be utilized for the purposes as set out in the Prospectus.

CHANGE IN THE BOARD AND DIRECTOR'S INFORMATION

There were no changes in the Board and the information of the Directors since the date of the Prospectus.

The Company is not aware of other information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

With the Shares of the Company listed on the Stock Exchange on September 27, 2018, the Company did not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules during the Reporting Period.

CARRIED INTEREST DISTRIBUTION DURING THE REPORTING PERIOD

During the six months ended June 30, 2018, the Group did not make any distribution of carried interest to the Connected Investment Team Members, nor did it receive any carried interest from each of the Relevant Investment Funds (whether or not pursuant to the Carried Interest Distribution Framework Agreement). As disclosed in the section headed "Connected Transactions — Waiver Applications — 1. Carried Interest Distribution Framework Agreement" of the Prospectus, the Company will disclose in its subsequent interim and annual reports: (i) the amount of carried interest received by each of the Connected Investment Team Members (on a named basis) during the relevant reporting period; and (ii) the amount of carried interest that the Group receives from each of the Relevant Investment Funds (save for project funds which will be disclosed on an aggregated basis) during the relevant reporting period.

OTHER INFORMATION (CONTINUED)

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

We have established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal controls system (including risk management) of the Group, review and approve connected transactions and provide advice and comments to the Board. The audit committee consists of three members, namely Ms. Yao Jue, Mr. Ye Junying and Mr. Zhao Yue. Ms. Yao Jue is the chairman of the audit committee.

The audit committee has reviewed the unaudited interim results of the Group for the six months ended June 30, 2018. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and the external auditor of the Company, Deloitte Touche Tohmatsu.

The interim financial report of the Group for the six months ended June 30, 2018 has been reviewed by the audit committee and by the Company's external auditor in accordance with International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*."

OTHER BOARD COMMITTEES

In addition to the audit committee, the Company has also established a nomination committee and a remuneration committee.

IMPORTANT EVENTS AFTER THE REPORTING DATE

Save as disclosed in this interim report or otherwise in the Prospectus, no important events affecting the Company occurred since June 30, 2018 and up to the date of this interim report.

On behalf of the Board

Bao Fan
Chairman

Hong Kong
September 28, 2018

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

INTRODUCTION

We have reviewed the condensed consolidated financial statements of China Renaissance Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 30 to 88, which comprise the condensed consolidated statement of financial position as of June 30, 2018 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

OTHER MATTER

Without qualifying our review conclusion, we draw attention to the fact that the comparative condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period ended June 30, 2017 and the relevant explanatory notes included in these condensed consolidated financial statements have not been reviewed in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
September 28, 2018

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2018

	Notes	Six months ended June 30, 2018 US$'000 (unaudited)	2017 US$'000 (unaudited)
Revenue	6		
Transaction and advisory fees		**76,091**	40,181
Management fees		**24,229**	12,308
Interest income		**8,137**	1,746
Total revenue		**108,457**	54,235
Compensation and benefit expenses		**(64,074)**	(39,134)
Other operating expenses	7	**(24,055)**	(18,203)
Total operating expenses		**(88,129)**	(57,337)
Operating profit (loss)		**20,328**	(3,102)
Other income, gains or losses	8	**(174)**	(882)
Interest expense		**(6,621)**	(2)
Impairment losses on assets		**(521)**	—
Investment income		**19,125**	5,151
Share of results of associates		**(167)**	(399)
Change in fair value of call option	17	**14,100**	—
Change in fair value of convertible notes	27	**100**	(504)
Change in fair value of convertible redeemable preferred shares	28	**(187,830)**	(9,155)
Listing expenses		**(4,148)**	—
Loss before tax		**(145,808)**	(8,893)
Income tax expense	9	**(6,174)**	688
Loss for the period	10	**(151,982)**	(8,205)
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(7,873)**	4,112
Fair value gain, net of expected credit losses on:			
— financial assets at fair value through other comprehensive income		**25**	—
Other comprehensive (expense) income for the period		**(7,848)**	4,112
Total comprehensive expense for the period		**(159,830)**	(4,093)

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

For the six months ended June 30, 2018

	Note	Six months ended June 30, 2018 US$'000 (unaudited)	2017 US$'000 (unaudited)
Loss for the period attributable to:			
— Owners of the Company		**(149,185)**	(3,437)
— Non-controlling interests		**(2,797)**	(4,768)
		(151,982)	(8,205)
Total comprehensive expense for the period attributable to:			
— Owners of the Company		**(154,147)**	(980)
— Non-controlling interests		**(5,683)**	(3,113)
		(159,830)	(4,093)
Loss per share			
Basic	11	**US$(0.62)**	US$(0.01)
Diluted	11	**US$(0.62)**	US$(0.01)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2018

	Notes	**June 30, 2018 US$'000 (unaudited)**	December 31, 2017 US$'000 (audited)
Non-current assets			
Furniture and equipment	13	**8,566**	10,104
Intangible assets	14	**4,026**	4,403
Deferred tax assets		**17,119**	14,336
Investments in associates	15	**50,362**	43,532
Available-for-sale financial assets	16	**—**	36,596
Financial assets at fair value through profit or loss	17	**77,933**	53,024
Financial assets at fair value through other comprehensive income	18	**84,778**	—
Loans to third parties	19	**13,796**	5,050
		256,580	167,045
Current assets			
Accounts and other receivables	20	**84,682**	52,225
Loans to related parties	31	**—**	2,219
Amounts due from related parties	31	**5,650**	4,979
Financial assets at fair value through profit or loss	17	**287,986**	65,111
Term deposits	21	**197,625**	7,363
Cash and cash equivalents	22	**83,279**	442,969
		659,222	574,866
Asset classified as held for sale	15	**2,331**	—
		661,553	574,866
TOTAL ASSETS		**918,133**	741,911
Current liabilities			
Bank borrowing	26	**152,917**	—
Accounts and other payables	24	**119,519**	76,845
Amounts due to related parties	31	**166**	15
Contract liabilities	25	**26,791**	7,189
Income tax payables		**3,883**	5,159
		303,276	89,208
NET CURRENT ASSETS		**358,277**	485,658
TOTAL ASSETS LESS CURRENT LIABILITIES		**614,857**	652,703

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2018

	Notes	June 30, 2018 US$'000 (unaudited)	December 31, 2017 US$'000 (audited)
Non-current liabilities			
Bank borrowing	26	–	150,000
Accounts and other payables	24	–	367
Deferred tax liabilities		**1,997**	650
Convertible notes	27	**82,786**	–
Convertible redeemable preferred shares	28	**450,481**	262,651
		535,264	413,668
NET ASSETS		**79,593**	239,035
Capital and reserves			
Share capital	29	**7**	6
Reserves		**(136,738)**	15,273
(Deficiency in assets) equity attributable to owners of the Company		**(136,731)**	15,279
Non-controlling interests		**216,324**	223,756
		79,593	239,035

The condensed consolidated financial statements on pages 30 to 88 were approved and authorised for issue by the board of directors on September 28, 2018 and were signed on its behalf by.

BAO FAN
CHAIRMAN

XIE YI JING
EXECUTIVE DIRECTOR

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2018

		Attributable to owners of the Company								
	Note	Share capital US$'000	Share premium US$'000	Other reserves US$'000 (note)	Surplus reserve US$'000	Accumulated losses US$'000	Reserves sub-total US$'000	Sub-total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at January 1, 2018 (audited)		**6**	**7,960**	**18,358**	**1,501**	**(12,546)**	**15,273**	**15,279**	**223,756**	**239,035**
Adjustment (see note 3)		**–**	**–**	**12**	**–**	**1,439**	**1,451**	**1,451**	**–**	**1,451**
At January 1, 2018 (restated)		**6**	**7,960**	**18,370**	**1,501**	**(11,107)**	**16,724**	**16,730**	**223,756**	**240,486**
Loss for the period		**–**	**–**	**–**	**–**	**(149,185)**	**(149,185)**	**(149,185)**	**(2,797)**	**(151,982)**
Other comprehensive expense for the period		**–**	**–**	**(4,962)**	**–**	**–**	**(4,962)**	**(4,962)**	**(2,886)**	**(7,848)**
Capital contribution from non-controlling shareholders		**–**	**–**	**(1)**	**–**	**–**	**(1)**	**(1)**	**72**	**71**
Recognition of equity component of convertible notes	27	**–**	**–**	**4,000**	**–**	**–**	**4,000**	**4,000**	**–**	**4,000**
Recognition of equity-settled share-based payment expense	30	**–**	**–**	**6,146**	**–**	**–**	**6,146**	**6,146**	**–**	**6,146**
Share options exercised		**–**	**13,940**	**(7,853)**	**–**	**–**	**6,087**	**6,087**	**–**	**6,087**
Dividends to shareholders and non-controlling shareholders	12	**–**	**–**	**–**	**–**	**(15,413)**	**(15,413)**	**(15,413)**	**(1,696)**	**(17,109)**
Disposal of a subsidiary		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(101)**	**(101)**
Acquisition of additional equity interest from non-controlling shareholders		**–**	**–**	**(133)**	**–**	**–**	**(133)**	**(133)**	**(24)**	**(157)**
Share issued to the Trusts as defined in (note 30)	**29**	**1**	**–**	**(1)**	**–**	**–**	**(1)**	**–**	**–**	**–**
Balance at June 30, 2018 (unaudited)		**7**	**21,900**	**15,566**	**1,501**	**(175,705)**	**(136,738)**	**(136,731)**	**216,324**	**79,593**
Balance at January 1, 2017 (audited)		6	8,236	1,537	1,501	(8,428)	2,846	2,852	74,204	77,056
Loss for the period		–	–	–	–	(3,437)	(3,437)	(3,437)	(4,768)	(8,205)
Other comprehensive income for the period		–	–	2,457	–	–	2,457	2,457	1,655	4,112
Capital contribution from non-controlling shareholders		–	–	–	–	–	–	–	540	540
Recognition of equity-settled share-based payment expense	30	–	–	3,300	–	–	3,300	3,300	–	3,300
Dividends to shareholders and non-controlling shareholders	12	–	–	–	–	(4,150)	(4,150)	(4,150)	(590)	(4,740)
Balance at June 30, 2017 (unaudited)		6	8,236	7,294	1,501	(16,015)	1,016	1,022	71,041	72,063

Note: Other reserves mainly include (1) translation reserve; (2) investment revaluation reserve; (3) equity-settled share-based payment expense; and (4) convertible notes equity reserve.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2018

	Six months ended June 30,	
	2018	2017
	US$'000	US$'000
	(unaudited)	(unaudited)
Cash flows from operating activities		
Loss before tax	**(145,808)**	(8,893)
Adjustments for:		
Depreciation of furniture and equipment	**1,763**	1,443
Amortization of intangible assets	**664**	134
Losses on disposal of furniture and equipment	**12**	55
Interest income	**(9,158)**	(1,896)
Interest expense	**6,621**	2
Change in fair value of convertible notes	**(100)**	504
Change in fair value of convertible redeemable preferred shares	**187,830**	9,155
Change in fair value of call option	**(14,100)**	—
Investment income	**(19,125)**	(5,151)
Impairment losses on assets	**521**	—
Share of results of associates	**167**	399
Share-based payment expenses	**6,146**	3,300
Operating cash flows before movements in working capital	**15,433**	(948)
Increase in accounts and other receivables	**(34,411)**	(31,014)
Increase in amounts due from related parties	**(699)**	(1,421)
Increase in amounts due to related parties	**151**	(864)
Increase in contract liabilities	**19,602**	10,537
Increase in accounts and other payables	**42,760**	7,559
Cash generated from (used in) operations	**42,836**	(16,151)
Interest received	**6,804**	1,700
Income taxes paid	**(8,472)**	(10,004)
Net cash generated from (used in) operating activities	**41,168**	(24,455)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended June 30, 2018

	Six months ended June 30,	
	2018	2017
	US$'000	US$'000
	(unaudited)	(unaudited)
Cash flows from investing activities		
Bank and loans interest received	**256**	147
Purchases of furniture and equipment	**(828)**	(1,831)
Purchases of intangible assets	**(188)**	(105)
Purchases of financial assets at fair value through profit or loss	**(515,835)**	(201,614)
Proceeds from disposal of financial assets at fair value through profit or loss	**284,717**	201,964
Purchases of financial assets at fair value through other comprehensive income	**(344,614)**	—
Proceeds from disposal of financial assets at fair value through other comprehensive income	**293,659**	—
Investments in associates	**(6,532)**	(2,417)
Purchases of term deposits	**(213,955)**	(127,730)
Maturity of term deposits	**25,141**	14,792
Origination of loans receivable	**(8,699)**	—
Repayment of loans receivable	**2,219**	204
Net cash used in investing activities	**(484,659)**	(116,590)
Cash flows from financing activities		
Proceeds from issuance of convertible redeemable preferred shares	**—**	10,000
Proceeds from issuance of convertible notes	**86,000**	—
Proceeds from issuance of ordinary shares for share options exercised	**6,055**	—
Capital contribution from non-controlling shareholders	**71**	540
Acquisition of additional equity interest from non-controlling shareholders	**(157)**	—
Distribution to non-controlling shareholders	**(1,696)**	(354)
Dividends paid to a shareholder	**(3,599)**	(4,150)
Issued cost paid	**(17)**	—
Interest paid	**(4,215)**	(2)
Net cash generated from financing activities	**82,442**	6,034
Net decrease in cash and cash equivalents	**(361,049)**	(135,011)
Cash and cash equivalents at beginning of the period	**442,969**	186,620
Effect of foreign exchange rate changes	**1,359**	2,241
Cash and cash equivalents at end of period	**83,279**	53,850

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2018

1. GENERAL INFORMATION

China Renaissance Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on July 13, 2011. The registered office of the Company is located at the office of Maples Corporate Services Limited of PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company and its subsidiaries (together, the "Group") principally provide investment banking business and investment management services.

These condensed consolidated financial statements are presented in the United States Dollars ("US$"), unless otherwise stated, which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended June 30, 2018 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The condensed consolidated financial statements should be read in conjunction with the historical financial information of the Group presented in the Appendix I to the Prospectus.

3. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2018 are the same as those followed in the preparation of the historical financial information for the three years ended December 31, 2017 and three months ended March 31, 2018 applicable since January 1, 2018 as contained in Appendix I to the Prospectus.

Application of new and amendments to International Financial Reporting Standards ("IFRSs")

In the current interim period, the Group has applied, for the first time, the following IFRS issued by International Accounting Standards Board which are mandatory effective for the annual period beginning on or after January 1, 2018 for the preparation of the Group's condensed consolidated financial statements.

IFRS 9 Financial Instruments

The new IFRS has been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

3.1 Impacts and changes in accounting policies of application on IFRS 9 Financial Instruments

In the current period, the Group has applied IFRS 9 Financial Instruments and the related consequential amendments to other IFRSs. IFRS 9 introduced new requirements for 1) the classification and measurement of financial assets and financial liabilities and 2) expected credit losses ("ECL") for financial assets.

The Group has applied IFRS 9 in accordance with the transition provision set out in IFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognized as of January 1, 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognized as of January 1, 2018. The difference between carrying amounts as of December 31, 2017 and the carrying amounts as of January 1, 2018 are recognized in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 Financial Instruments: Recognition and Measurement.

3.1.1 Summary of effects arising from initial application of IFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets and financial liabilities and other items subject to ECL under IFRS 9 and IAS 39 at the date of initial application, January 1, 2018.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

3.1 Impact and changes in accounting policies of application on IFRS 9 Financial Instruments (continued)

3.1.1 Summary of effects arising from initial application of IFRS 9 (continued)

	Notes	Available-for-sale financial assets ("AFS") US$'000	Financial assets designated at fair value through profit or loss ("FVTPL") US$'000	Financial assets at FVTPL required by IAS 39/ IFRS 9 US$'000	Financial assets at fair value through other comprehensive income ("FVTOCI") US$'000	Amortized cost (previously classified as loans and receivables) US$'000	Financial liabilities at amortized cost US$'000	Financial liabilities at FVTPL US$'000	Other reserves US$'000	Accumulated losses US$'000
Closing balance at December 31, 2017 – IAS 39		36,596	116,781	1,354	–	508,286	173,450	262,651	(18,358)	12,546
Effect arising from initial application of IFRS 9										
Reclassification										
From AFS	(a)	(36,596)	–	4,279	32,317	–	–	–	–	–
From designated at FVTPL	(b)	–	(116,781)	116,781	–	–	–	–	–	–
From loans and receivables	(c)	–	–	–	1,886	(1,886)	–	–	–	–
Remeasurement										
Impairment under ECL model	(d)	–	–	–	–	(486)	–	–	(12)	498
From cost less impairment to fair value	(a)	–	–	1,937	–	–	–	–	–	(1,937)
Opening balance at January 1, 2018		–	–	124,351	34,203	505,914	173,450	262,651	(18,370)	11,107

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

3.1 Impact and changes in accounting policies of application on IFRS 9 Financial Instruments (continued)

3.1.1 Summary of effects arising from initial application of IFRS 9 (continued)

(a) Available-for-sale financial assets

From AFS financial assets to FVTPL

At the date of initial application of IFRS 9, the Group's equity investments of US$4,279,000 were reclassified from available-for-sale financial assets to financial assets at FVTPL. The fair value gains of US$1,937,000 relating to these equity investments previously carried at cost less impairment were adjusted to financial assets at FVTPL and accumulated losses as of January 1, 2018.

From AFS debt investments to FVTOCI

Listed financial bonds with a fair value of US$32,317,000 were reclassified from available-for-sale financial assets to debt instruments at FVTOCI, as these investments are held within a business model whose objective is achieved by both collecting contractual cash flows and selling of these assets and the contractual cash flows of these investments are solely payments of principal and interest on the principal amount outstanding. Related fair value losses of US$170,000 continued to accumulate in the FVTOCI reserve as of January 1, 2018.

(b) Financial assets at FVTPL and/or designated at FVTPL

At the date of initial application, the Group no longer applied designation as measured at FVTPL for the cash management products ("wealth management products purchased from banks"), unlisted investment funds at fair value and investments in the preferred shares of unlisted companies which are managed and their performance is evaluated on a fair value basis, as these financial assets are required to be measured at FVTPL under IFRS 9. As a result, the fair value of these investments of US$116,781,000 were reclassified from financial assets designated at FVTPL to financial assets at FVTPL.

(c) Loans and receivables

Listed financial bonds were reclassified from available-for-sale financial assets to debt instruments at FVTOCI under IFRS 9 and subsequent changes in the carrying amounts for debt instruments at FVTOCI as a result of interest income calculated using the effective interest method are recognized in the carrying amount of debt instruments at FVTOCI. Accordingly the interest income receivables of US$1,886,000 were reclassified from loans and receivables to debt instruments at FVTOCI.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

3.1 Impact and changes in accounting policies of application on IFRS 9 Financial Instruments (continued)

3.1.1 Summary of effects arising from initial application of IFRS 9 (continued)

(d) Impairment under ECL model

The Group applied the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all accounts receivables and amounts due from related parties of trade nature. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Loss allowance for other financial assets at amortized cost mainly comprises of other receivables, loans to the third parties and related parties, are measured on 12m ECL basis and there had been no significant increase in credit risk since initial recognition.

All of the Group's debt instruments at FVTOCI are listed financial bonds that are graded in the top credit rating among rating agencies. Therefore, these investment are considered to be low credit risk investments and the loss allowance is measured on 12m ECL basis.

As of January 1, 2018, the additional credit loss allowance of US$486,000 has been recognized against accumulated losses. The additional loss allowance is charged against the respective asset, except for the debt instruments which is measured at FVTOCI, the loss allowance of US$12,000 for which is recognized against the other reserves.

All loss allowances for financial assets including accounts and other receivables, other financial assets at amortized cost and debt instruments at FVTOCI as of December 31, 2017 reconcile to the opening loss allowance as of January 1, 2018 as follows:

	Accounts and other receivables US$'000	Other financial assets at amortized cost US$'000	Debt instruments at FVTOCI US$'000
At December 31, 2017 – IAS 39	—	—	—
Reclassification	—	—	—
Amounts remeasured through opening accumulated losses/other reserves	(249)	(237)	(12)
At January 1, 2018	(249)	(237)	(12)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

3.2 Impacts on opening condensed consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the entity's accounting policies above, the opening condensed consolidated statement of financial position had to be restated. The following table shows the adjustments recognized for each individual line item.

	December 31, 2017 (Audited) US$'000	IFRS 9 US$'000	January 1, 2018 (After adjustment) US$'000
Non-current assets			
Furniture and equipment	10,104	—	10,104
Intangible assets	4,403	—	4,403
Deferred tax assets	14,336	—	14,336
Investments in associates	43,532	—	43,532
Loans to the third parties	5,050	(101)	4,949
Available-for-sale financial assets	36,596	(36,596)	—
Financial assets at fair value through profit or loss	53,024	6,216	59,240
Financial assets at fair value through other comprehensive income	—	34,203	34,203
	167,045	3,722	170,767
Current assets			
Accounts and other receivables	52,225	(2,135)	50,090
Loans to related parties	2,219	(44)	2,175
Amounts due from related parties	4,979	(92)	4,887
Financial assets at fair value through profit or loss	65,111	—	65,111
Term deposits	7,363	—	7,363
Cash and cash equivalents	442,969	—	442,969
	574,866	(2,271)	572,595
Total assets	741,911	1,451	743,362

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

3.2 Impacts on opening condensed consolidated statement of financial position arising from the application of all new standards (continued)

	December 31, 2017 (Audited) US$'000	IFRS 9 US$'000	January 1, 2018 (After adjustment) US$'000
Current liabilities			
Accounts and other payables	76,845	—	76,845
Amount due to related parties	15	—	15
Contract liabilities	7,189	—	7,189
Income tax payables	5,159	—	5,159
	89,208	—	89,208
Net current assets	485,658	(2,271)	483,387
Total assets less current liabilities	652,703	1,451	654,154
Non-current liabilities			
Bank borrowing	150,000	—	150,000
Accounts and other payables	367	—	367
Deferred tax liabilities	650	—	650
Convertible redeemable preferred shares	262,651	—	262,651
	413,668	—	413,668
Net assets	239,035	1,451	240,486
Capital and reserves			
Share capital	6	—	6
Reserves	15,273	1,451	16,724
Equity attributable to			
owners of the Company	15,279	1,451	16,730
Non-controlling interests	223,756	—	223,756
	239,035	1,451	240,486

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION

The preparation of the condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the preparation of the historical financial information as contained in Appendix I to the Prospectus.

5. SEGMENT INFORMATION

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

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

(i) The investment banking is a segment of the Group's operations whereby the Group provides early to late stage financial advisory, M&A advisory inside and outside China, equity underwriting, sales, trading, and brokerage, and research in Hong Kong and the United States of America (the "USA");

(ii) The investment management is a segment of the Group's operations whereby the Group provides fund and asset management for individual and institutional clients.

(iii) Huajing comprises the Group's recently established investment banking and asset management businesses in the People's Republic China (the "PRC"), which overlap with the other two segments in nature but are otherwise separately operated and focuses on regulated securities market in the PRC and has an independent risk control framework.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

5. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

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

	Six months ended June 30, 2018 (unaudited)				
	Investment banking US$'000	Investment management US$'000	Huajing US$'000	Consolidation adjustments and reconciling items US$'000	Total consolidated US$'000
Transaction and advisory fees	73,191	—	2,900	—	76,091
Management fees	—	24,229	—	—	24,229
Interest income	—	—	8,137	—	8,137
Income from carried interest (note)	—	58,652	—	(58,652)	—
Total Revenue	73,191	82,881	11,037	(58,652)	108,457
Compensation and benefit expenses	(41,341)	(8,239)	(14,494)	—	(64,074)
Carried interest accrued to management team and other parties (note)	—	(39,032)	—	39,032	—
Other operating expenses	(11,426)	(6,853)	(5,776)	—	(24,055)
Operating profit (loss)	20,424	28,757	(9,233)	(19,620)	20,328
Other income, gains or losses					(174)
Interest expense					(6,621)
Impairment losses on assets					(521)
Investment income					19,125
Share of results of associates					(167)
Change in fair value of call option					14,100
Change in fair value of convertible notes					100
Change in fair value of convertible redeemable preferred shares					(187,830)
Listing expenses					(4,148)
Loss before tax					(145,808)
Income tax expense					(6,174)
Loss for the period					(151,982)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

5. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (continued)

	Six months ended June 30, 2017 (unaudited)				
	Investment banking US$'000	Investment management US$'000	Huajing US$'000	Consolidation adjustments and reconciling items US$'000	Total consolidated US$'000
Transaction and advisory fees	36,545	—	3,636	—	40,181
Management fees	—	12,308	—	—	12,308
Interest income	—	—	1,746	—	1,746
Income from carried interest (note)	—	32,930	—	(32,930)	—
Total Revenue	36,545	45,238	5,382	(32,930)	54,235
Compensation and benefit expenses	(20,935)	(5,855)	(12,344)	—	(39,134)
Carried interest accrued to management team and other parties (note)	—	(22,857)	—	22,857	—
Other operating expenses	(9,110)	(4,677)	(4,416)	—	(18,203)
Operating profit (loss)	6,500	11,849	(11,378)	(10,073)	(3,102)
Other income, gains or losses					(882)
Interest expense					(2)
Investment income					5,151
Share of results of associates					(399)
Change in fair value of convertible notes					(504)
Change in fair value of convertible redeemable preferred shares					(9,155)
Loss before tax					(8,893)
Income tax expense					688
Loss for the period					(8,205)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

5. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (continued)

Notes:

Income from carried interest earned based on the performance of the managed funds ("Carried Interest") are a form of variable consideration in their contracts with customers to provide investment management services. Carried Interest are earned based on fund performance during the period, subject to the achievement of minimum return levels, or high water marks, in accordance with the respective terms set out in each fund's governing agreements. The segment results of investment management include the unrealized income from Carried Interest calculated on an as-if liquidation basis in the segment information as it is a key measure of value creation, a benchmark of the Group's performance and a major factor in the Group's decision making of resource deployment. The revenue adjustments represent the unrealized income from Carried Interest, 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 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 varies among reporting periods, it is necessary to make adjustments to amounts presented as income from Carried Interest to reflect either (a) positive performance in the period resulting in an increase in the Carried Interest allocated to the general partners or (b) negative performance in the period that would cause the amounts due to the general partners to be less than the amounts previously presented as revenue, resulting in a negative adjustment to the Carried Interest allocated to the general partners. The proportion of Carried Interest 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, for the six months ended June 30, 2018 and 2017, no income from Carried interest was recognized as revenue and it will not be recognized 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 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 profit or loss represents the results of each segment without allocation of corporate items including other income, gains or losses, interest expense, impairment losses on assets, investment income, share of results of associates, change in fair value of call option, change in fair value of convertible notes, change in fair value of convertible redeemable preferred shares, listing expenses and income tax expense. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

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.

5. SEGMENT INFORMATION (CONTINUED)

Geographical information

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

	Revenue from external customers		Non-current assets (note)	
	Six months ended June 30,		At June 30,	At December 31,
	2018	2017	**2018**	2017
	US$'000	US$'000	**US$'000**	US$'000
	(unaudited)	(unaudited)	**(unaudited)**	(audited)
Mainland China	**79,727**	43,177	**61,626**	56,843
Hong Kong	**26,883**	9,967	**866**	697
USA	**1,847**	1,091	**462**	499
	108,457	54,235	**62,954**	58,039

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

Other segment information

	Six months ended June 30, 2018 (unaudited)				
	Investment banking US$'000	Investment management US$'000	Huajing US$'000	Consolidation adjustments and reconciling items US$'000	Total consolidated US$'000
Amounts included in the measure of segment profit or loss:					
Depreciation and amortization	**757**	**114**	**1,556**	**–**	**2,427**
Losses on disposal of furniture and equipment	**12**	**–**	**–**	**–**	**12**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

5. SEGMENT INFORMATION (CONTINUED)

Other segment information (continued)

	Six months ended June 30, 2017 (unaudited)				
	Investment banking US$'000	Investment management US$'000	Huajing US$'000	Consolidation adjustments and reconciling items US$'000	Total consolidated US$'000
Amounts included in the measure of segment profit or loss:					
Depreciation and amortization	733	87	757	—	1,577
Losses on disposal of furniture and equipment	55	—	—	—	55

6. REVENUE

The Group derives its revenue from transaction and advisory fees arising from its investment banking business at a point in time; management fees arising from its private equity management business over time and interest income arising from its financing and investment business, which is mainly carried out by Huajing.

The Group receives management fees associated with the management services for the funds, at a fixed percentage of the commitment under management. The transaction price allocated to the unsatisfied performance obligations in relation to the management fee amounted to US$26,791,000 and US$7,189,000 as June 30, 2018 and at December 31, 2017, respectively, representing the contract liabilities included as "prepaid management fees" and "advance from related parties" (note 31 (c)).

The management expects that US$26,791,000, US$21,856,000, US$2,095,000, US$1,466,000, US$934,000 and US$440,000 will be recognized as revenue on a straight-line basis over the six-month period ending December 31, 2018, year ending December 31, 2019, 2020, 2021 and 2022 and part of the year ending December 31, 2023, respectively, for the allocation to the unsatisfied contracts as at June 30, 2018; and expected that US$7,189,000, US$3,324,000, US$3,308,000 and US$557,000 would be recognized as revenue on a straight-line basis over the year ending December 31, 2018, 2019 and 2020, respectively, for the allocation to the unsatisfied contracts as at December 31, 2017.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

7. OTHER OPERATING EXPENSES

	Six months ended June 30,	
	2018	2017
	US$'000	US$'000
	(unaudited)	(unaudited)
Professional service fees	**6,768**	5,465
Project related and business development expenses	**5,708**	3,800
Operating lease charges	**3,671**	2,962
Office expenses	**2,039**	1,430
Technology expenses	**1,950**	1,658
Depreciation and amortization	**2,427**	1,577
Auditor's remuneration	**144**	153
Others	**1,348**	1,158
	24,055	18,203

8. OTHER INCOME, GAINS OR LOSSES

	Six months ended June 30,	
	2018	2017
	US$'000	US$'000
	(unaudited)	(unaudited)
Government grants (a)	**847**	202
Bank and loans interest income (b)	**1,021**	150
Exchange loss	**(175)**	(1,158)
Others (c)	**(1,867)**	(76)
	(174)	(882)

Note:

(a) The government grants mainly represent the incentives provided by local government authorities, which primarily include (i) settlement allowances that aim to encourage financial institutions to be incorporated in Shanghai, the PRC, in the six months ended June 30, 2018, and (ii) tax incentive awards granted by local government authorities in Beijing, Shanghai and Tibet Autonomous Region, the PRC, based on the Group's contribution to the development of the local financial sector in the six months ended June 30, 2018 and 2017.

(b) Bank and loans interest income arise from cash and cash equivalents, term deposits and pledged bank deposits of the Group other than financing and investing business, and loans to related parties and third parties.

(c) An aggregated amount of US$860,000 was paid to ICBCI Investment Management in consideration for their agreement to waive and consent to certain conditions in the borrowing agreement that enabled the Company to, amongst other things, issue the convertible notes in May 2018.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

9. INCOME TAX EXPENSE

	Six months ended June 30, 2018 US$'000 (unaudited)	2017 US$'000 (unaudited)
Current tax:		
PRC	**4,655**	1,868
Hong Kong	**2,541**	121
In respect of current period	**7,196**	1,989
Deferred tax:		
In respect of current period	**(1,022)**	(2,677)
Total income tax expense	**6,174**	(688)

PRC

The applicable tax rate of PRC group entities is 25%. Certain group entities incorporated in Tibet Autonomous Region are entitled to enjoy the tax rate of 15% according to the local preferential tax policies from 2011 to 2020 subject to certain restrictions set out in the Notice on the provisions of the preferential policies for investment promotion in Tibet Autonomous Region issued in June 2018. In addition, such entities also enjoyed a special local preferential tax policy which reduced the tax rate to 9% during the six months ended June 30, 2017.

Hong Kong

Group entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% on the assessable profits for the periods presented, based on the existing legislation, interpretations and practices in respect thereof for the period ended June 30, 2017.

From January 1, 2018, Group entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 8.25% on assessable profits up to HK$2,000,000 and 16.5% on any part of assessable profits over HK$2,000,000.

USA

The group entity incorporated in USA is subject to the federal tax rate at progressive rates from 15% to 35% and state income tax rate at 6.5% for the six months ended June 30, 2017. On December 22, 2017, the 2017 Tax Cuts and Jobs Act was enacted, which reduces the federal corporate tax rate to a flat rate at 21% and is effective on January 1, 2018. The state income tax rate and federal corporate tax rate remains at 6.5% and 21% during the six months ended June 30, 2018, respectively.

Cayman Islands and British Virgin Islands ("BVI")

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

10. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended June 30,	
	2018	2017
	US$'000	US$'000
	(unaudited)	(unaudited)
Depreciation of furniture and equipment	**1,763**	1,443
Amortization of intangible assets	**664**	134
Losses on disposal of furniture and equipment	**12**	55
Directors' remuneration:		
— Fees	**140**	140
— Salaries, bonus and other allowances	**1,452**	534
— Retirement benefit scheme contributions	**12**	9
— Equity-settled share-based payments expenses	**2,257**	1,372
Other staff costs:		
— Salaries, bonus and other allowances	**55,258**	34,486
— Retirement benefit scheme contributions	**1,066**	666
— Equity-settled share-based payments expenses	**3,889**	1,927

11. LOSS PER SHARE

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

	Six months ended June 30,	
	2018	2017
	US$'000	US$'000
	(unaudited)	(unaudited)
Loss attributable to owners of the Company:		
Loss for the purpose of calculating basic and diluted loss per share	**(149,185)**	(3,437)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and dilutive loss per share	**242,194,630**	240,000,000
Basic and diluted loss per share (US$)	**(0.62)**	(0.01)

The calculation of basic and diluted loss per share was based on the loss for the period attributable to the owners of the Company.

The weighted average number of shares for the purpose of basic and diluted loss per share for the six months ended June 30, 2017 and 2018 is calculated based on the assumption that the share subdivision as disclosed in note 35 have been adjusted retrospectively.

The computation of diluted loss per share for the six months ended June 30, 2018 and 2017 has not considered the effect of the convertible redeemable preferred shares, share options and convertible notes given that the effects are anti-dilutive.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

12. DIVIDENDS

	Six months ended June 30,	
	2018	2017
	US$'000	US$'000
	(unaudited)	(unaudited)
Dividends to shareholders of the Company	**15,413**	4,150

A cash dividend of US$3,599,000 for the year of 2017 was approved at the annual general meeting held on March 17, 2018. The above dividend had been recognized as distribution by the Company during the six months ended June 30, 2018.

A special dividend of US$10,870,000 was approved at shareholders' meeting held on May 30, 2018. Based on the special dividend agreement, the Company transferred several overseas investments with fair value amounting to US$10,870,000 to its shareholders as a dividend distribution during the six months ended June 30, 2018. Such deemed distribution was a major non-cash transaction during the six months ended June 30, 2018. In addition, a special cash dividend of US$944,000 was approved at shareholders' meeting held on May 30, 2018. The Company declared cash dividend to its shareholders during the six months ended June 30, 2018 for its shareholders to purchase several domestic investments held by the Group with fair value amounting to US$944,000, such cash dividend was not paid yet as at June 30, 2018. The transfer of above mentioned investments held by the Group has been completed by June 30, 2018 and corresponding receivables amounting to US$944,000 from these shareholders were recognised.

A cash dividend of US$4,150,000 for the year of 2016 was approved at the annual general meeting held on March 3, 2017. The above dividend had been recognized as distribution by the Company during the six months ended June 30, 2017.

13. MOVEMENT IN FURNITURE AND EQUIPMENT

During the current interim period, the Group disposed of certain equipment with an aggregate carrying amount of approximately US$414,000 (for the six months ended June 30, 2017: US$55,000) at a total consideration of approximately US$402,000 (for the six months ended June 30, 2017: US$nil), resulting in a loss on disposal of approximately US$12,000 (a loss for the six months ended June 30, 2017: US$55,000).

In addition, during the current interim period, the Group paid approximately US$828,000 (for the six months ended June 30, 2017: US$1,831,000) for addition of furniture and equipment.

14. MOVEMENT IN INTANGIBLE ASSETS

For the six months ended June 30, 2018 and 2017, the Group did not dispose of any intangible assets. In addition, during the current interim period, the Group paid approximately US$188,000 (for the six months ended June 30, 2017: US$105,000) on addition of office software for the purpose of daily operation.

No impairment indicator was noted as of June 30, 2018. During the six months ended June 30, 2018 and 2017, there is no impairment of intangible assets recognized.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

15. INVESTMENTS IN ASSOCIATES/ASSET CLASSIFIED AS HELD FOR SALE

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
Investments in unlisted companies (a)	**2,470**	4,972
Investments in funds (b)	**47,892**	38,560
	50,362	43,532

(a) Investments in unlisted companies

Name of entity	Country of registration	Principal place of business	Proportion of ownership interest held by the Group At **June 30, 2018**	Proportion of ownership interest held by the Group At December 31, 2017	Proportion of voting rights held by the Group At **June 30, 2018**	Proportion of voting rights held by the Group At December 31, 2017	Principal activity
Shanghai Genus Information Technology Limited ("Genus")	PRC	PRC	**4.98%**	4.98%	**4.98% (Note 1)**	4.98% (Note1)	Technology Development
Fountainhead Partners Holding Company Limited ("Fountainhead")	Cayman Islands	Cayman Islands	**11.80%**	11.80%	**11.80% (Note 2)**	11.80% (Note 2)	Wealth management
Shanghai Fan Run Technology Co., Ltd ("SHFR")	PRC	PRC	**30.00% (Note 3)**	30.00%	**30.00% (Note 3)**	30.00%	Technology Development
Guangzhou Zhan Ze Investment Management Limited ("GZZZ")	PRC	PRC	**20.00%**	N/A	**20.00%**	N/A	Investment management

Notes:

1) The Group is able to exercise significant influence over Genus because it has the power to appoint one out of the five directors of Genus under the Articles of Association of Genus.

2) The Group is able to exercise significant influence over Fountainhead because it has the power to appoint one out of the five directors of Fountainhead under the Articles of Association of Fountainhead.

3) On May 22, 2018, the Group entered into a series of agreements to dispose of its 30% equity interest in SHFR to third parties to exchange equity interests in Sumscope Inc. The transaction has been completed on July 2, 2018. As of June 30, 2018, the 30% equity interests in SHFR is reclassified from investment in associates to assets classified as held for sale amounting to US$2,331,000 on May 22, 2018 and separately presented in the condensed consolidated statement of financial position. The potential investment in Sumscope Inc. is expected to exceed the net carrying amount of the investment in SHFR, accordingly, no impairment loss has been recognized.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

15. INVESTMENTS IN ASSOCIATES/ASSET CLASSIFIED AS HELD FOR SALE (CONTINUED)

(a) Investments in unlisted companies (continued)

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
Cost of unlisted investments in associates	**2,066**	5,101
Share of post-acquisition profit or loss and other comprehensive income	**404**	(129)
	2,470	4,972

(b) Investments in funds

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

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
Cost of investments in funds	**30,795**	24,251
Fair value changes on funds (note)	**17,017**	13,908
Exchange adjustments	**80**	401
	47,892	38,560

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

		Ownership interest held	
	Place of incorporation	**As of June 30, 2018**	As of December 31, 2017
Material Funds			
Shanghai Huasheng Lingshi Venture Capital Partnership (Limited Partnership)	PRC	**1.94%**	1.94%
Shanghai Huasheng Lingfei Equity Investment Partnership (Limited Partnership)	PRC	**1.02%**	1.02%
Huaxing Capital Partners, L.P	Cayman Islands	**9.33%**	9.13%
Huaxing Capital Partners, II L.P	Cayman Islands	**5.58%**	3.17%

15. INVESTMENTS IN ASSOCIATES/ASSET CLASSIFIED AS HELD FOR SALE (CONTINUED)

(b) Investments in funds (continued)

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

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
Funds		
Shanghai Huasheng Lingshi venture capital partnership (Limited Partnership)		
Net asset value	**273,461**	279,832
Total comprehensive income for the period	**8,998**	43,040
Shanghai Huasheng Lingfei equity investment partnership (Limited Partnership)		
Net asset value	**1,226,098**	1,060,210
Total comprehensive income for the period	**185,530**	191,627
Huaxing Capital Partners, L.P.		
Net asset value	**159,754**	156,595
Total comprehensive income for the period	**6,359**	41,767
Huaxing Capital Partners, II L.P.		
Net asset value	**200,602**	164,221
Total comprehensive income for the period	**29,478**	17,972

Aggregate information of fund investments that are not individually material

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
Fair value change on funds	**94**	79
Carrying amount of the Group's investments in funds	**6,171**	3,647

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

16. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	At December 31, 2017 US$'000 (audited)
Measured at fair value:	
Listed—Financial bonds (note i)	32,317
Measured at cost:	
Unlisted—equity investment (note ii)	4,279
	36,596

Notes:

i. These financial bonds bear fixed interest rates ranging from 3% to 7% and can be traded in the public bonds market at any time and settled at the prevailing market prices. The total cost of the financial bonds as of December 31, 2017 was US$32,487,000 and the fair value as of December 31, 2017 was US$32,317,000 and with changes in fair value recorded in the other comprehensive expense in the condensed consolidated statement of profit or loss and other comprehensive income.

   On January 1, 2018, the Group adopted IFRS 9 "Financial Instruments," the financial bonds held by the Group were managed within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments. Thus these financial bonds were subsequently measured at FVTOCI which are included in note 18.

ii. As of December 31, 2017, the above equity investments were measured at cost less impairment at the end of the year because these investments did not have a quoted market price in an active market and their fair value could not be reliably measured. The interest of equity investments held by the Group ranged from 0.07% to 20.00%, without any right to nominate directors, thus the Group does not have significant influence on the equity investees.

   Managements of the Group reviewed the investments and performed impairment test at the end of reporting periods. The impairment loss amounting to US$949,000 was recognized for the year ended December 31, 2017.

   On January 1, 2018, the Group adopted IFRS 9 "Financial Instruments," thus the above equity investments held by the Group were subsequently measured at FVTPL which are included in note 17. The fair value of above equity investment on January 1, 2018 amounted to US$6,216,000.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Derivative

	At December 31, 2017 US$'000 (audited)
Non-current	
Interest rate cap (Note i, vi)	1,354
	1,354

(b) Financial assets designated at FVTPL

	At December 31, 2017 US$'000 (audited)
Current	
Cash management products, unlisted (Note ii, vi)	65,111
	65,111

	At December 31, 2017 US$'000 (audited)
Non-current	
Unlisted investment funds at fair value (Note iii, vi)	36,962
Investments in the unlisted companies in the form of preferred shares (Note iv, vi)	14,708
	51,670

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

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

(c) Investments mandatorily measured at fair value through profit or loss

	At June 30, 2018 US$'000 (unaudited)
Current	
Cash management products, unlisted (Note ii, vi)	**287,986**
	287,986
Non-current	
Unlisted investment funds at fair value (Note iii, vi)	**40,856**
Investments in the unlisted companies in the form of preferred shares (Note iv, vi)	**13,368**
Interest rate cap (Note i, vi)	**2,440**
Unlisted equity investments (Note v)	**7,169**
Call option for obtaining non-controlling interests (Note vii)	**14,100**
	77,933

Note i: As disclosed in note 26, the Group entered into a borrowing agreement on October 23, 2017, with a variable interest rate based on London Interbank Offered Rate ("LIBOR") plus 6%. In order to hedge its exposure to interest rate risk above the LIBOR, the Group entered into an interest rate cap agreement. The total consideration of the interest rate cap was US$1,275,000 and the fair values as of June 30, 2018 and December 31, 2017 were US$2,440,000 and US$1,354,000, respectively, with the change in the fair value recorded in the investment income in the condensed consolidated statement of profit or loss and other comprehensive income.

Note ii: The Group purchased cash management products with expected rates of return per annum ranging from 3.31% to 4.65% as of June 30, 2018 and 2.93% to 5.30% as of December 31, 2017, respectively. The Group managed and evaluated the performance of investments on a fair value basis, in accordance with the Group's risk management and investment strategy, and thus designated at FVTPL as of December 31, 2017. The fair values are based on cash flow discounted using the expected return based on management judgement and are within level 2 of the fair value hierarchy.

Note iii: 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 Group managed and evaluated the performance of investments on a fair value basis, in accordance with the Group's risk management and investment strategy, and thus designated at FVTPL as of December 31, 2017. The fair value changes are recorded in the investment income in the condensed consolidated statement of profit or loss and other comprehensive income.

Note iv: The Group managed and evaluated the performance of such investments on a fair value basis, in accordance with the Group's risk management and investment strategy, and thus designated at FVTPL as of December 31, 2017. The fair value changes are recorded in the investment income in the condensed consolidated statement of profit or loss and other comprehensive income.

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

(c) Investments mandatorily measured at fair value through profit or loss (continued)

Note v: Upon the adoption of IFRS 9 "Financial Instruments" on January 1, 2018, the equity investments recorded as "available-for-sale financial assets" before January 1, 2018 were subsequently mandatorily measured at FVTPL. The accumulated impact as of January 1, 2018 was recorded as an adjustment to the accumulated loss as of January 1, 2018, and subsequent fair value change of the investments are recorded in the investment income in the condensed consolidated statement of profit or loss and other comprehensive income.

Note vi: Upon the adoption of IFRS 9 "Financial Instruments" on January 1, 2018, these investments are mandatorily measured at FVTPL.

Note vii: The Group is entitled to a call option to acquire certain non-controlling interests from one non-controlling shareholder of a subsidiary of the Group, China Renaissance Securities (China) Co. Ltd. ("Huajing Securities"), at the book value of the non-controlling interests any time when the call option is exercisable. Such call option was not substantially exercisable as governed by laws and regulations and the fair value was insignificant. Pursuant to the Special Administrative Measures for Access of Foreign Investment (Negative List) (2018 Edition), which was promulgated on June 28, 2018, the ownership percentage cap for foreign investors in a securities company increased from 49% to 51%. The call option becomes substantially exercisable as of June 30, 2018, and is mandatorily measured at FVTPL as a derivative. The fair value as of June 30, 2018 and December 31, 2017 were US$14,100,000 and nil respectively, with the change in the fair value recorded in the condensed consolidated statement of profit or loss and other comprehensive income. The call option is not traded in an active market and the respective fair value is determined by using valuation technique, such fair values have been determined in accordance with Black Scholes models based on the exercise price and the fair value of Huajing Securities by reference to the recent transaction price.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	At June 30, 2018 US$'000 (unaudited)
Listed—Financial Bonds	**84,778**

The balance represents financial bonds held by the Group as disclosed in note 16. The total cost of the financial bonds as of June 30, 2018 was US$84,905,000 and the fair value as of June 30, 2018 was US$84,778,000 and with changes in fair value recorded in the other comprehensive expense in the condensed consolidated statement of profit or loss and other comprehensive income. The impairment loss allowance of financial bonds amounting to US$16,000 as of June 30, 2018 was recognized in other reserves.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

19. LOANS TO THIRD PARTIES

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
Ningbo Free Trade Zone YingWeiLi Management LP ("YWL") (note a)	**5,187**	5,050
Winsor Holdings LLC ("WH") (note b)	**4,178**	—
Beijing Yuanjing Mingde Management Advisory Co., Ltd. ("YJMD") (note c)	**4,713**	—
Less: Impairment loss allowance	**(282)**	—
	13,796	5,050

Notes:

a. In December 2017, the Group entered into a loan agreement with YWL, a third party. A loan amounted to RMB33,000,000 (approximately US$4,988,000 and US$5,050,000 as of June 30, 2018 and December 31, 2017, respectively) 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 will be repaid on the third anniversary of the loan origination unless otherwise agreed by the Group and YWL.

b. In January 2018, the Group entered into a loan agreement with WH, a third party. Pursuant to the agreement, a loan amounted to US$3,983,000 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.

c. In May 2018, the Group entered into a loan agreement with YJMD, a third party. A loan amounted to RMB30,991,000 (approximately US$4,684,000 as of June 30, 2018) 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

20. ACCOUNTS AND OTHER RECEIVABLES

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
Accounts receivable (Note i)	**19,754**	24,252
Open trade receivable (Note ii)	**52,723**	12,035
Advance to suppliers	**4,239**	3,844
Rental and other deposits	**5,626**	7,153
Interest receivables	**—**	1,886
Value-added tax recoverable	**1,753**	2,675
Others	**713**	380
Deferred issue costs	**537**	—
Subtotal	**85,345**	52,225
Less: Impairment loss allowance	**(663)**	—
Total	**84,682**	52,225

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

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
0-30 days	**11,054**	15,872
31-60 days	**789**	611
61-90 days	**5,110**	1,684
91-180 days	**18**	3,319
181-360 days	**1,317**	—
>360 days	**1,466**	2,766
	19,754	24,252

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.

Details of the impairment assessment are set out in Note 23.

21. TERM DEPOSITS

Term deposits represent short-term bank deposits at effective interest rates ranging from 0.30% to 2.64% as of June 30, 2018 and 0.30% to 1.50% as of December 31, 2017.

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise bank balances and cash held by the Group with maturity within three months and accrued interest at prevailing market interest rates ranging from 0.3% to 1.58% per annum.

23. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO ECL MODEL

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognized financial assets as stated in the condensed consolidated statements of financial position.

As part of the Group's credit risk management, the Group develops and maintains the Group's other receivables and other non-current assets credit risk gradings to categorize exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the credit management team uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework in respect of other receivables, and non-current assets comprises the following categories:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12m ECL
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ELC-not credit impaired
In default	There is evidence indicating the asset is credit-impaired	Lifetime ELC-credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

23. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO ECL MODEL (CONTINUED)

The carrying amount of the Group's financial assets at FVTPL as disclosed in note 17 best represents their respective maximum exposure to credit risk. The Group holds no collateral over any of these balances.

For the loans to third parties and related parties, the Group has identified multiple economic scenarios to consider the risk or probability that a credit loss occurs by weighting these different scenarios. Different economic scenarios will lead to a different probability of default.

For accounts receivables and amounts due from related parties of trade nature, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The following table details the risk profile of accounts receivables and amounts due from related parties of trade nature based on the Group's provision matrix as of June 30, 2018. As the Group's historical credit loss experience show significantly different loss patterns for different customer portfolio (including higher risk, normal risk and lower risk type), the provision for loss allowance based on past due status is further distinguished among the Group's customer portfolio of different risk type.

	Accounts receivables, and amounts due from related parties of trade nature			
High risk type customers	0-180 days	181-360 days	Over 360 days	Total
Total gross carrying amount impacted (US$'000)	707	349	—	1,056
Lifetime ECL(US$'000)	(35)	(349)	—	(384)
	672	—	—	672

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

23. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO ECL MODEL (CONTINUED)

	Accounts receivables, and amounts due from related parties of trade nature			
Normal risk type customers	0-180 days	181-360 days	Over 360 days	Total
Total gross carrying amount impacted (US$'000)	10,699	892	1,466	13,057
Lifetime ECL(US$'000)	—	(45)	(147)	(192)
	10,699	847	1,319	12,865

	Accounts receivables, and amounts due from related parties of trade nature			
Low risk type customers	0-180 days	181-360 days	Over 360 days	Total
Total gross carrying amount impacted (US$'000)	61,785	2,043	207	64,035
Lifetime ECL(US$'000)	–	(50)	(12)	(62)
	61,785	1,993	195	63,973

Allowance for impairment

The movement in the allowance for impairment during the current interim period was as follows.

	Accounts and other receivables US$'000	Loans to third parties US$'000	Loans to related parties US$'000	Amounts due from related parties US$'000	Financial assets at FVTOCI US$'000	Total
Balance at January 1, 2018 (restated)*	**(249)**	**(101)**	**(44)**	**(92)**	**(12)**	**(498)**
Net remeasurement of loss allowance	**(414)**	**(181)**	**—**	**32**	**(4)**	**(567)**
Reversal	**—**	**—**	**44**	**—**	**—**	**44**
Balance at June 30, 2018	**(663)**	**(282)**	**—**	**(60)**	**(16)**	**(1,021)**

* The Group has initially applied IFRS 9 at January 1, 2018. Under the transition method chosen, comparative information is not restated.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

24. ACCOUNTS AND OTHER PAYABLES

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
Open trade payable	**52,723**	12,035
Salaries, bonus and other benefit payables	**41,514**	49,477
Payables to interest holders of consolidated structured entities	**10,424**	5,274
Other payables	**4,712**	4,469
Interest payables	**—**	1,397
Dividends payable	**944**	—
Other tax payables	**1,326**	1,663
Consultancy fee payables	**2,635**	1,460
Accrued expenses	**1,231**	1,437
Accrued listing expenses and issue costs	**4,010**	—
	119,519	77,212
Less: non-current portion	**—**	(367)
	119,519	76,845

25. CONTRACT LIABILITIES

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
Prepaid management fees	**6,766**	4,552
Advance from related parties (note 31)	**20,025**	2,637
	26,791	7,189

26. BANK BORROWING

The Group

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
Secured bank borrowing at floating rates	**152,917**	150,000

The amounts due are based on scheduled repayment dates set out in the borrowing agreements. As of the end of each reporting period, no bank borrowings contained any repayment on demand clause.

On 8 May 2017, the Group entered into a borrowing agreement with Bank of Hangzhou for a total cash amount of RMB13,000,000 (approximately US$1,928,000) at a fixed rate of 3.99%. The Group repaid the principal and the interests within one month.

On October 23, 2017, the Group entered into a borrowing agreement with ICBCI Investment Management for total facilities of US$200,000,000 (the "ICBCI Loan"). The Group utilized loan of US$150,000,000 on November 17, 2017 ("First Utilization Date"). The term of the borrowing is three years with a floating interest rate based on LIBOR plus 6%. The Group has the option to extend the final repayment date by 12 months after the third and fourth anniversary of the First Utilization Date, respectively. The actual interest rate of such loan is 7.62% per annum from November 17, 2017 to May 16, 2018 and 7.65% per annum from May 17, 2018 to June 30, 2018.

Upon completion of an Initial Public Offering ("IPO") at any time on or before the final repayment date of the ICBCI Loan, the facilities will be cancelled and all outstanding borrowings, together with accrued interest thereon and all other amounts outstanding, shall become due and payable within ten business days after the listing date under the IPO.

29,950,000 ordinary shares of the Company held by CR Partners Limited, and 100% equity of three subsidiaries of the Company were pledged for the Group's ICBCI Loan.

As of June 30, 2018 and December 31, 2017, the bank borrowing shall be repaid by the Company at a price equal to the principal, plus all accrued but unpaid interests, within a period of less than one year , and more than two years but not exceeding three years, respectively.

27. CONVERTIBLE NOTES

(1) Convertible notes issued in 2018

On 8 May 2018, the Company issued convertible notes with an aggregate principal amount of US$86,000,000 to certain persons and entities. The convertible notes are denominated in United States dollars. Interest will accrue at a coupon rate of 5% per annum, from the issuance date to the date that is twenty-four months following the issuance date ("Original Maturity Date") or when any of the default events occurs. In the event that the Original Maturity Date is extended, interest will accrue at a coupon rate of 8% per annum from the Original Maturity Date to the extended maturity date or when any of the default events occurs, provided that no interest shall accrue if the convertible notes are converted into ordinary shares pursuant to the agreement.

Conversion

The convertible notes shall be automatically converted into ordinary shares of the Company prior to its IPO. Such convertible notes could be converted into 5,945,920 ordinary shares at an initial conversion price of US$14.4637 per share, and subject to adjustment of the applicable conversion price (the "Mandatory Conversion"). The Mandatory Conversion cannot be utilized until the IPO is completed.

Extension right

In the event that: (i) the ICBCI Loan (note 26) has not been fully settled by the Company as of the Original Maturity Date, the Original Maturity Date shall automatically be extended by seven months or a longer period not exceeding twelve months as determined by the Company; or alternatively (ii) the ICBCI Loan has been fully settled by the Company as of the Original Maturity Date, the Company may extend the Original Maturity Date for a period not exceeding twelve months.

At initial recognition, the equity component of convertible notes was separated from the liability component. The convertible notes equity reserve of US$4,000,000 represents equity component (conversion right) of convertible notes issued by the Company. Items included in convertible notes equity reserve will not be reclassified subsequently to profit of loss.

The effective interest rate of the liability component is 7.47%. The extension right is measured at fair value with changes in fair value recognized in profit or loss.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

27. CONVERTIBLE NOTES (CONTINUED)

(1) Convertible notes issued in 2018 (continued)

Extension right (continued)

The movement of convertible notes is set out as below:

	US$'000
Carrying amount at January 1, 2018	**–**
Issuance of convertible notes	**82,000**
Interest charge	**886**
Changes in fair value of extension right	**(100)**
As of June 30, 2018 (unaudited)	**82,786**

(2) Convertible notes issued in 2016

The Company issued convertible notes with an aggregate principal amount of US$20,000,000 on June 15, 2016. The convertible notes are denominated in United States dollars. The notes entitle the holders to convert them into convertible redeemable preferred shares of the Company upon automatic conversion events occurred or at any time after the earlier of 12 months after the issuance date or any default events occurred. Such convertible notes could be converted into 3,260,868 convertible redeemable preferred shares with par value of US$0.0001 at a conversion price of US$6.13333. The holders have the options to require the Company to redeem all or some of the convertible notes at par value plus accrued interest on or after June 26, 2016. If the notes have not been converted, they will be redeemed on June 15, 2017 at par value and interest of 8% will be paid annually up until the settlement date.

The Company, at initial recognition, irrevocably designated the convertible notes as a financial liability measured at fair value through profit or loss.

The convertible notes were fully converted into 3,260,868 Series B convertible redeemable preferred shares (note 28) upon the shareholder resolution dated April 26, 2017 as the automatic conversion event that a subsidiary of the Group obtained the License of Securities Business from the China Securities Regulatory Commission occurred.

The movement of the convertible notes is set out as below:

	US$'000
At January 1, 2017	22,600
Changes in fair value up to April 26, 2017	504
Conversion of convertible notes to Series B convertible redeemable preferred shares	(23,104)
At December 31, 2017 (audited)	–

28. CONVERTIBLE REDEEMABLE PREFERRED SHARES

On November 4, 2011, the Company and two third party investors — CW Renaissance Limited ("CW") and TBP Greenhouse Holdings Co., Ltd. ("TBP") (collectively, the "Series A Investors") entered into a purchase agreement whereby the Company issued in aggregate 15,000,000 Series A preferred shares ("Series A Preferred Shares") for gross proceeds of US$30,000,000.

On August 10, 2015, the Company and four third party investors-Bamboo Prime, L.P. ("Bamboo"), Greenhouse CR Holdings II Co., Ltd. ("Greenhouse"), JenCap CR ("JenCap") and Smart Group Global Limited ("Smart Group") (collectively, the "Series B Investors") entered into a purchase agreement whereby the Company issued in aggregate 16,304,348 Series B preferred shares ("Series B Preferred Shares") for gross proceeds of US$100,000,000. The Series B Preferred Share Subscription Agreement, also signed by holders of Series A Preferred Shares, modified the dividend payment and redemption rights policy of Series A Preferred Shares. On Series B Preferred Shares issuance date, the dividend right of Series A Preferred Shares was removed, the interest rate of redemption price of Series A Preferred Shares was modified from 6% to 8% per annum and the redemption date of Series A Preferred Shares was extended to the redemption date of Series B Preferred Shares.

On 18 May 2016, Bamboo distributed 6,521,739 Series B Preferred Shares to Bamboo Green, Ltd. and 4,891,305 Series B Preferred Shares to Gopher China Harvest Fund LP upon Bamboo's dissolution.

On April 26, 2017, the Company and CW further entered into a purchase agreement whereby the Company issued 1,527,271 Series B Preferred Shares for gross proceeds of US$10,000,000. In addition, as disclosed in note 27, the convertible notes were fully converted into 3,260,868 Series B Preferred Shares.

Major terms of the Series A Preferred Shares and Series B Preferred Shares are set out in Appendix I to the Prospectus.

The movement of the convertible redeemable preferred shares is set out as below:

	US$'000
Fair value of Preferred Shares as of January 1, 2017	203,817
Issuance of Series B Preferred Shares	10,000
Conversion of convertible notes to Series B Preferred Shares	23,104
Changes in fair value	25,730
At December 31, 2017 (audited)	262,651
Fair value of Preferred Shares as of January 1, 2018	**262,651**
Changes in fair value	**187,830**
At June 30, 2018 (unaudited)	**450,481**

28. CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

As of June 30, 2018 and December 31, 2017, the issued Series A and Series B Preferred Shares shall be redeemed by the Company at the amount equal to the initial issuance price, plus interests and all declared but unpaid dividends, with a period of more than two years but not exceeding five years, respectively.

Discounted cash flow method was used to determine the underlying equity value of the Group and equity allocation model was adopted to determine the fair value of the convertible redeemable preferred shares.

Key assumptions used to determine the fair value of convertible redeemable preferred shares are as follows:

	At June 30, 2018	At December 31, 2017
Discount rate	**15.00%**	17.00%
Risk-free interest rate	**1.55%**	2.84%
Expected volatility	**32.00%**	33.00%
DLOM	**10.00%**	20.00%

Discount rate was estimated by weighted average cost of capital as of each valuation date. The Group estimated the risk-free interest rate based on the market yield of 5-year US Treasury Curve plus country default risk. The DLOM was estimated based on the option-pricing method. Under the option-pricing method, the cost of put option, which can hedge the price change before the private held share can be sold, was considered as a basis to determine the lack of marketability discount. Volatility was estimated based on the historical volatility of guideline companies' shares. Probability weight under each of the redemption feature and liquidation preference was based on the Group's best estimates. In addition to the assumptions adopted above, the Group's projections of future performance were also factored into the determination of the fair value of the convertible redeemable preferred shares on each valuation date.

The management considered that fair value changes in the convertible redeemable preferred shares that are attributable to changes of the Company's credit risk of these liabilities are not significant.

29. SHARE CAPITAL

The authorized share capital of the Company is US$50,000 made up of 500,000,000 ordinary shares, consisting of 455,000,000 ordinary shares, 20,000,000 Series A preferred shares, and 25,000,000 Series B preferred shares.

Details of the movement of share capital of the Company are as follows:

	Number of shares	Nominal value Per share US$	Share capital US$
Authorized			
At January 1, 2017, June 30, 2017, January 1, 2018 and June 30, 2018	**500,000,000**	**0.0001**	**50,000**
Issued			
At January 1, 2017, June 30, 2017, and January 1, 2018	**60,000,000**	**0.0001**	**6,000**
Shares issued to the Trusts (as defined in note 30)	**10,000,000**	**0.0001**	**1,000**
Exercise of share options	**3,819,500**	**0.0001**	**382**
At June 30, 2018	**73,819,500**	**0.0001**	**7,382**

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
Presented as	**7**	6

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

30. SHARE-BASED PAYMENTS

The employee share option scheme of the Company (the "Scheme") was adopted pursuant to a resolution passed on December 31, 2012 for the primary purpose of providing incentives to eligible employees. The maximum number of shares that may be issued under the Scheme shall be 18,750,000 ordinary shares. Subsequently in 2015, the maximum number was approved to be expanded to 22,826,087 ordinary shares.

The 2018 Restricted Share Unit ("RSU") Plan of the Company (the "RSU Plan") was adopted pursuant to a resolution passed on June 15, 2018 for the primary purpose of providing incentives to eligible employees, directors and consultants. 10,000,000 shares have been issued to Honor Equity Limited and Sky Allies Development Limited (the "Trusts") for distribution of shares corresponding to RSUs. The Company has control over the Trusts and waived the consideration for shares issued. No RSUs have been granted during the current interim period.

Details of specific categories of options are as follows:

Date of grant	Number of shares	Exercise price
01.01.2013	575,000	US$1.0(note)
29.03.2013	150,000	US$1.0(note)
13.05.2013	750,000	US$1.0(note)
01.01.2014	1,375,000	US$1.0(note)
01.01.2015	7,475,000	US$1.0
01.10.2015	50,000	US$1.0
01.01.2016	125,000	US$1.0
01.01.2016	1,450,000	US$2.5
01.07.2016	2,550,000	US$2.5
01.01.2017	800,000	US$2.5
01.04.2017	7,780,000	US$2.5
01.10.2017	200,000	US$2.5
01.04.2018	3,195,000	US$3.0

Note: As of January 1, 2015, the Company modified the exercise price of 2,850,000 share options that had been issued up to December 31, 2014 from US$1.50 per share to US$1.00 per share. The incremental fair value of US$448,000 was recognized immediately for the vested share options in the profit or loss and other comprehensive income, and the incremental fair value of US$293,000 would be recognized over the remaining vesting period for the unvested share options.

The share options shall be subject to a five year vesting schedule and shall vest twenty percent on each anniversary from the vesting commencement date and on the same day in subsequent year, subject to the participant continuing to be an employee through each vesting date. The contractual life of the share options is 10 years.

30. SHARE-BASED PAYMENTS (CONTINUED)

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

	Number of share options
Outstanding as of January 1, 2018	**16,230,000**
Granted during the period	**3,195,000**
Forfeited during the period	**(400,000)**
Exercised during the period	**(3,819,500)**
Cancelled during the period	**(840,000)**
Outstanding as of June 30, 2018	**14,365,500**

In the current interim period, share options were granted on April 1, 2018. The valuation of the share option was performed by an independent qualified professional valuation firm. Options were priced using a binomial option-pricing model. The main inputs used in the model include fair value of the Company's share as of the grant date, exercise price, expected volatility, expected life, risk-free interest rate and the expected dividend yield.

	April 1, 2018
Grant date share price	**US$8.49**
Exercise price	**US$3.00**
Expected life	**10 years**
Expected volatility	**39%**
Risk-free interest rate	**1.91%**
Expected dividend yield	**0.00%**

Share-based compensation expenses of US$6,146,000 has been recognized in profit or loss for the six months ended June 30, 2018 (six months ended June 30, 2017: US$3,300,000).

31. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Loans to related parties

	Notes	**As of June 30, 2018 US$'000 (unaudited)**	As of December 31, 2017 US$'000 (audited)
Genus	i	–	689
Shenzhen Huasheng Lingzhi Equity Investment Partnership (Limited Partnership)	ii	–	1,530
		–	2,219

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

31. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Amounts due from related parties

Amounts due from related parties — trade nature

	Notes	**As of June 30, 2018 US$'000 (unaudited)**	As of December 31, 2017 US$'000 (audited)
Huaxing Yihui LLC	iii	**156**	—
Huaxing Capital Partners, L.P.	iii	**1,242**	885
Huaxing Capital Partners II, L.P.	iii	**3,114**	3,666
Evergreen Enterprises Holdings Limited	iii	**—**	383
CR HB XI Venture Feeder, LP	iii	**35**	38
Green Galaxy LLC	iii	**55**	—
Dazi Chonghua Enterprises Business Management Co.,Ltd.	iv	**910**	—
SHFR	v	**159**	—
Less: Impairment loss allowance		**(60)**	—
		5,611	4,972

The Group generally grants a credit period of 180 days to its related parties. Aging of amounts due from related parties-trade nature, based on invoice dates, are as follows:

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
0-30 days	**1,514**	269
31-60 days	**405**	395
61-90 days	**406**	455
91-180 days	**1,173**	1,187
181-360 days	**2,113**	2,666
	5,611	4,972

31. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Amounts due from related parties (continued)

Amounts due from related parties — non-trade nature

	Note	**As of June 30, 2018 US$'000 (unaudited)**	As of December 31, 2017 US$'000 (audited)
Huaxing Yihui LLC	vi	**—**	5
Huaxing Capital Partners II, L.P.	vi	**3**	2
Shenzhen Huasheng Lingzhi Equity Investment Partnership (Limited Partnership)	vi	**15**	—
Dazi Huashun Venture Capital Partnership L.P.	vi	**5**	—
CR HB XI Venture Feeder, LP	vi	**4**	—
Ningbo Meishan Bonded Port Area Huaxingyue Feng Investment Management Partnership (Limited Partnership)	vi	**2**	—
Ningbo Meishan Bonded Port Area Huaxingyun Kun Investment Management Partnership (Limited Partnership)	vi	**2**	—
Ningbo Meishan Bonded Port Area Huaxingyun Rong Investment Management Partnership (Limited Partnership)	vi	**2**	—
Tianjin Ruijian Business Management Co., Ltd.	vi	**2**	—
Ningbo Meishan Bonded Port Area Huahe Investment Management Partnership (Limited Partnership)	vi	**2**	—
Ningbo Meishan Bonded Port Area Huarui Investment Management Partnership (Limited Partnership)	vi	**2**	—
		39	7

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

31. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(c) Amounts due to related parties

Amounts due to related parties — trade nature

	Notes	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
SHFR	vii	**15**	15
Shanghai Huasheng Lingfei Equity Investment Partnership (Limited Partnership)	xi	**151**	—
		166	15

The credit period granted by the related parties is ranging from 30 to 180 days. Aging of amounts due to related parties-trade nature are as follows:

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
0-30 days	**151**	—
91-180 days	**15**	15
	166	15

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

31. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(c) Amounts due to related parties (continued)

Advance from related parties

	Note	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
Shanghai Huasheng Lingshi Venture Capital Partnership (Limited Partnership)	ix	1,592	23
Shenzhen Huasheng Lingfu Equity Investment Partnership (Limited Partnership)	ix	—	2,614
Shanghai Huasheng Lingfei Equity Investment Partnership (Limited Partnership)	ix	8,256	—
Ningbo Meishan Bonded Port Area Huaxing Lingyun Equity Investment Partnership (Limited Partnership).	ix	6,769	—
Ningbo Meishan Bonded Port Area Huaxing Linghong Equity Investment Partnership (Limited Partnership)	ix	1,419	—
Huajie (Tianjin) Health Investment Partnership (Limited Partnership)	ix	1,542	—
Ningbo Meishan Bonded Port Area Huahao Investment Management Partnership (Limited Partnership)	ix	244	—
Shanghai Peixi Investment Management Partnership (Limited partnership)	ix	196	—
Evergreen Enterprises Holdings Limited	ix	7	—
		20,025	2,637

Advance from related parties are included in contract liabilities (note 25).

(d) The transactions with related parties are listed out below:

	Note	Six months ended June 30, 2018 US$'000 (unaudited)	2017 US$'000 (unaudited)
IT technology service from:			
SHFR	vii	210	44

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

31. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(d) The transactions with related parties are listed out below: (continued)

	Note	Six months ended June 30, 2018 US$'000 (unaudited)	2017 US$'000 (unaudited)
Fund raising commission to:			
Dazi Huasheng Venture Investment Partnership (Limited Partnership)	viii	**65**	4

	Notes	Six months ended June 30, 2018 US$'000 (unaudited)	2017 US$'000 (unaudited)
Due diligence service to:			
Genus	i	**155**	—
Shenzhen Huasheng Lingfeng Equity Investment Partnership (Limited Partnership)	x	**—**	11
Huajie (Tianjin) Health Investment Partnership (Limited Partnership)	x	**15**	—
Ningbo Meishan Bonded Port Area Huaxing Lingyun Equity Investment Partnership (Limited Partnership)	x	**6**	—
		176	11

31. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(d) The transactions with related parties are listed out below: (continued)

	Note	Six months ended June 30, 2018 US$'000 (unaudited)	2017 US$'000 (unaudited)
Management fees from:			
Huaxing Capital Partners L.P	iii	**516**	516
Huaxing Capital Partners II, L.P	iii	**1,663**	1,103
Shanghai Huasheng Lingshi Venture Capital Partnership (Limited Partnership)	iii	**1,511**	1,443
Shanghai Huasheng Lingfei Equity Investment Partnership (Limited Partnership)	iii	**7,940**	7,384
Huajie (Tianjin) Health Investment Partnership (Limited Partnership)	iii	**1,497**	338
Ningbo Meishan Bonded Port Area Huaxing Lingyun Equity Investment Partnership (Limited Partnership)	iii	**6,707**	—
Ningbo Meishan Bonded Port Area Huaxing Linghong Equity Investment Partnership (Limited Partnership)	iii	**1,617**	—
Shenzhen Huasheng Lingyou Equity Investment Partnership (Limited Partnership)	iii	**—**	1,088
Evergreen Enterprises Holdings Limited	iii	**190**	190
Green Galaxy LLC	iii	**54**	—
Huaxing Yihui LLC	iii	**156**	—
Shanghai Peixi Investment Management Partnership (Limited Partnership)	iii	**59**	—
CR HB XI Venture Feeder, LP	iii	**23**	8
Ningbo Meishan Bonded Port Area Huahao Investment Management Partnership (Limited Partnership)	iii	**27**	—
		21,960	12,070

Notes:

i. a. In June 2017, the Group entered into an agreement with Genus, the Group's associate as described in note 15. A loan amounting to RMB4,500,000 (approximately US$689,000) at an interest rate of 8% per annum was originated to Genus. The principal together with relevant interests was received in February 2018.

b. The Group provided due diligent service to Genus during the six months ended June 30, 2018.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

31. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(d) The transactions with related parties are listed out below: (continued)

ii. In December 2017, the Group entered into an agreement with Shenzhen Huasheng Lingzhi Equity Investment Partnership (Limited Partnership) ("HSLZ"), a entity managed by the Group. Pursuant to the agreement, a loan of RMB10,000,000 (approximately US$1,530,000) was made to HSLZ in December 2017. The loan was interest-free, unsecured and repayable on demand. In January 2018, the loan was repaid.

iii. Funds or entities managed by the Group which the Group has significant influence, the trade balance represents the receivable in relation to the management service provided by the Group, which is non-interest bearing.

iv. An entity controlled by shareholders of the Group, and the balance represents amount due from the entity in relation to certain investments disposed by the Group.

v. SHFR, the Group's associate as described in note 15, the balance represents amount due from the entity in relation to furniture and equipment disposed by the Group.

vi. Funds or entities managed by the Group which the Group has significant influence and the balances are all unsecured, interest free and repayable on demand.

vii. SHFR, the Group's associate as described in note 15, provides design, installation, commissioning and maintenance of computer system integration and related technical consulting services to the Group.

viii. An entity managed by the Group which the Group has significant influence, and the balance represents amount due to the entity in relation to the fund raising services provided to the Group.

ix. Funds managed by the Group which the Group has significant influence and the balances represent advance payment of management fee from related parties in relation to the fund management services provided by the Group.

x. The Group provided due diligent service to the funds managed by the Group which the Group has significant influence, during the six months ended June 30, 2018 and 2017.

xi. The Group's capital commitment payable to the fund managed by the Group.

Other related party transactions

In addition to the above, the Group has other related party transactions as follows:

(1) CR Partners Limited, an ordinary shareholder of the Company, pledged its 29,950,000 ordinary shares of the Company to secure the Company's ICBCI Loan in October 2017 (note 26).

(2) Mr. Bao is the Chief Executive Officer of the Company. A close member of Fan Bao's family has significant influence over Pengyang Asset Management Co., Ltd ("Pengyang"). During the six months ended June 30, 2018, the Group purchased cash management products at market price from Pengyang. The cash management products balances held by the Group were US$122,571,000 and nil as of June 30, 2018 and December 31, 2017, respectively.

32. STRUCTURED ENTITIES

32.1 Consolidated structured entities

The consolidated structured entities of the Group mainly included general partners of investment funds. As of June 30, 2018 and December 31, 2017, the total net assets of the consolidated structured entities amounted to US$26,495,000 and US$22,000,000, respectively.

Being the general partner and having majority interests in these structured entities, the Group considers it has control over such structured entities and those structured entities should be consolidated by the Group.

32.2 Unconsolidated structured entities

(1) Structured entities managed by third party institutions in which the Group holds an interest

The Group holds an interest in these structured entities managed by third party institutions through investments in the beneficial rights or plans issued relating to these structured entities. The Group does not consolidate these structured entities. Such structured entities include cash management products issued by financial institutions and investments in fund managed by third parties.

The following tables set out an analysis of the gross carrying amounts of interests held by the Group as of June 30, 2018 and December 31, 2017 in the structured entities managed by third party institutions.

	As of June 30, 2018 (unaudited)		
	FVTPL	**Maximum Risk exposure (note)**	**Type of income**
Cash management products	**287,986**	**287,986**	**Investment income**
Unlisted investment funds at fair value	**40,856**	**40,856**	**Investment income**
	328,842	**328,842**	

	As of December 31, 2017 (audited)		
	FVTPL	Maximum Risk exposure (note)	Type of income
Cash management products	65,111	65,111	Investment income
Unlisted investment funds at fair value	36,962	36,962	Investment income
	102,073	102,073	

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

32. STRUCTURED ENTITIES (CONTINUED)

32.2 Unconsolidated structured entities (continued)

(1) Structured entities managed by third party institutions in which the Group holds an interest (continued)

Note: As of June 30, 2018 and December 31, 2017, all of these unconsolidated structured entities are recorded in financial assets at fair value through profit or loss. The maximum exposures to loss in the above investments are the carrying amounts of the assets held by the Group at the end of each reporting period.

(2) Unconsolidated structured entities managed by the Group

The types of unconsolidated structured entities managed by the Group include funds where it acts as the general partner. The purpose of managing these structured entities is to generate fees from managing assets on behalf of the funds.

For the six months ended June 30, 2018 and 2017, the management fee recognized amounting to US$24,229,000 and US$12,308,000, respectively.

As of June 30, 2018 and December 31, 2017, the Group's interests in these funds amounted to US$47,892,000 and US$38,560,000, respectively. (note 15)

For the six months ended June 30, 2018 and 2017, the investment income derived from the Group's interests in these funds amounted to US$3,104,000 and US$2,561,000, respectively.

As of June 30, 2018 and December 31, 2017, the amount of assets held by the funds managed by the Group amounted to US$3,326 million and US$2,660 million, respectively.

33. COMMITMENTS

(a) Operating lease commitments

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
Within one year	**7,138**	6,907
From the second to fifth year, inclusive	**14,745**	16,965
	21,883	23,872

Operating lease commitments represent rental payables by the Group for its office premises.

33. COMMITMENTS (CONTINUED)

(b) Capital commitments

At the end of each reporting period, the Group had commitments for future minimum investments in the funds managed or invested by the Group as follows:

	As of June 30, 2018 US$'000 (unaudited)	As of December 31, 2017 US$'000 (audited)
Committed investments	**22,453**	25,048

34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

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

	Fair value as of June 30, 2018 US$'000	Fair value as of December 31, 2017 US$'000	Fair value Hierarchy	Valuation technique and key input	Significant unobservable input(s)
Unlisted investment funds at fair value	**40,856**	36,962	Level 3	Note (1)	Note (1)
Investments in the preferred shares of unlisted companies	**13,368**	14,708	Level 2	Recent transaction price	N/A
Interest rate cap	**2,440**	1,354	Level 3	Note (2)	Note (2)
Call option for obtaining non-controlling interests	**14,100**	–	Level 3	Note (3)	Note (3)
Financial bonds	**84,778**	32,317	Level 1	Quoted price in active market	N/A
Cash management products	**287,986**	65,111	Level 2	Discounted cash flow-future cash flow are estimated based on expected return, and discounted at a rate that reflects the risk of underlying investments	N/A
Unlisted equity investments	**7,169**	N/A	Level 2	Recent transaction price	N/A
Associates measured at fair value	**47,892**	38,560	Level 3	Note (4)	Note (4)
Convertible redeemable preferred shares	**450,481**	262,651	Level 3	Note (5)	Note (5)
Extension right embedded in the convertible notes	**400**	N/A	Level 3	Note (6)	Note (6)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Notes:

(1) The Group's investments in unlisted investment funds which were classified as financial assets at FVTPL under level 3 hierarchy amounted to US$40,856,000 and US$36,962,000 as of June 30, 2018 and December 31, 2017 respectively. The significant unobservable input is the net assets value of the underlying investments made by the funds. The higher the net assets value of the underlying investments, the higher the fair value of the financial assets at FVTPL will be. A 5% increase/decrease in the net assets value of the underlying investments, holding all other variables constant, would increase/decrease the carrying amounts of these investments by US$2,043,000, and US$1,848,000 as of June 30, 2018 and December 31, 2017, respectively.

(2) The Group's interest rate cap classified as financial assets at FVTPL amounting to US$2,440,000 and US$1,354,000 as of June 30, 2018 and December 31 2017, respectively is under level 3 hierarchy. The fair value was determined by binomial model. The significant unobservable input to the binomial model being the volatility of interest rate. The higher the volatility of interest rate, the higher the fair value of the interest rate cap will be. A 5% increase/decrease in the volatility of the interest rate, holding all other variables constant, would increase/decrease the carrying amount of the interest rate cap of the Group by US$210,000 and US$180,000 as of June 30, 2018 and December 31, 2017, respectively.

(3) The Group's call option to obtain non-controlling interests amounting to US$14,100,000 and nil as of June 30, 2018 and December 31 2017, respectively is under level 3 hierarchy. The fair value was determined by Black Scholes model based on the fair value and book value of the underlying net assets of Huajing Securities. The significant unobservable input is the fair value of Huajing Securities. The higher the fair value, the higher the fair value of the call option will be. A 5% increase/decrease in the fair value, holding all other variables constant, would increase/decrease the carrying amount of the call option of the Group by US$1,100,000 and nil as of June 30, 2018 and December 31, 2017, respectively.

(4) The Group's associates measured at fair value amounted to US$47,892,000 and US$38,560,000 as of June 30, 2018 and December 31, 2017 respectively are under level 3 hierarchy. The significant unobservable input is the net assets value of the underlying investments made by the funds managed by the Group. The higher the net assets value of the underlying investments, the higher the fair value of the investments in associates will be. A 5% increase/decrease in the net assets value of the underlying investments, holding all other variables constant, would increase/decrease the carrying amount of the investments in associates of the Group by US$2,395,000 and US$1,928,000 as of June 30, 2018 and December 31, 2017, respectively.

(5) The Group's convertible redeemable preferred shares amounted to US$450,481,000 and US$262,651,000, and was accounted for as financial liabilities measured at FVTPL as of June 30, 2018 and December 31, 2017 respectively and under level 3 fair value hierarchy. Discounted cash flow method was used to determine the underlying share value of the Group and equity allocation model was adopted to determine the fair value of the convertible redeemable preferred shares. The inputs include estimated cash flows, an appropriate discount rate, risk-free interest rate, expected volatility and DLOM, which are disclosed in note 28. The fair value of convertible redeemable preferred shares is most significantly affected by estimated cash flows and the discount rate. The higher the estimated cash flows, the higher the fair value of the financial liabilities at FVTPL will be. A 5% increase/decrease in the estimated cash flows, holding all other variables constant, would increase/decrease the carrying amount of the financial liabilities at FVTPL by US$16,257,000 and US$5,628,000 as of June 30, 2018 and December 31, 2017, respectively. The higher the discount rate, the lower the fair value of the financial liabilities at FVTPL will be. A 5% increase/decrease in the discount rate, holding all other variables constant, would decrease/increase the carrying amount of the financial liabilities at FVTPL by US$22,887,000 and US$7,789,000 as of June 30, 2018 and December 31, 2017, respectively.

(6) The Group's extension right embedded in the convertible notes amounting to US$400,000 was accounted for as financial liabilities measured at FVTPL as of June 30, 2018 which is under level 3 fair value hierarchy. The fair value was determined by discount cash flow method under income approach using the inputs including estimated cash flows and an appropriate discount rate. The significant unobservable input to the discount cash flow method is the discount rate. The higher the discount rate, the higher the fair value of the extension right will be.

34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Reconciliation of level 3 fair value measurements of financial assets is as below:

	Unlisted investment funds at fair value US$'000
At January 1, 2017 (audited)	27,764
Capital contribution	4,714
Distribution	(246)
Changes in fair value	3,823
Effect of exchange rate change	907
Balance at December 31, 2017 (audited)	36,962
At January 1, 2018 (audited)	**36,962**
Capital contribution	**3,250**
Disposal	**(8,075)**
Distribution	**(216)**
Changes in fair value	**9,221**
Effect of exchange rate change	**(286)**
Balance at June 30, 2018 (unaudited)	**40,856**

	Associates measured at fair value US$'000
At January 1, 2017 (audited)	27,527
Capital contribution	4,797
Distribution	(89)
Changes in fair value	5,523
Effect of exchange rate change	802
Balance at December 31, 2017 (audited)	38,560
At January 1, 2018 (audited)	**38,560**
Capital contribution	**6,623**
Distribution	**(79)**
Changes in fair value	**3,089**
Effect of exchange rate change	**(301)**
Balance at June 30, 2018 (unaudited)	**47,892**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Reconciliation of level 3 fair value measurements of financial assets is as below: (continued)

	Interest rate cap US$'000
At January 1, 2017 (audited)	—
Purchase	1,275
Change in fair value	79
Balance at December 31, 2017 (audited)	1,354
At January 1, 2018 (audited)	**1,354**
Change in fair value	**1,086**
Balance at June 30, 2018 (unaudited)	**2,440**

	Call option for obtaining non-controlling interests US$'000
At January 1, 2017 and 2018 (audited)	**—**
Change in fair value	**14,100**
Balance at June 30, 2018 (unaudited)	**14,100**

Reconciliation of level 3 fair value measurements of financial liabilities are set in note 27 and note 28 respectively.

Valuation techniques and assumptions applied for the purposes of measuring fair value

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2018

35. EVENTS AFTER THE END OF THE REPORTING PERIOD

On May 22, 2018, the Group entered into a series of agreements to (i) subscribe for new shares in Sumscope Inc. for an aggregate consideration of approximately US$10 million, and (ii) subscribe for a warrant to acquire additional shares in Sumscope Inc. for up to a total investment amount of US$14 million (the "Sumscope Warrant"). On the same date, the Group entered into a series of agreements to dispose of its 30% equity interest in SHFR (note 15) to exchange equity interest in Sumscope Inc. As a result of these transactions, and assuming the Sumscope Warrant is not exercised, the Group will be holding 6.4581% of the share capital of Sumscope Inc. Assuming the Sumscope Warrant is fully exercised at the pre-determined price without adjustment and no new shares are issued by Sumscope Inc. other than pursuant to the exercise of the Sumscope Warrant, the Group will be holding 9.5164% of the share capital of Sumscope Inc. on a fully converted and diluted basis, including the shares of Sumscope Inc. issued pursuant to the exercise of the Sumscope Warrant. The transaction was approved by the shareholders of Sumscope on June 26, 2018 and has been completed on July 2, 2018.

As of June 30, 2018, the Company has an authorised share capital of US$50,000 made up of 500,000,000 shares divided into (a) 455,000,000 Ordinary shares with a par value of US$0.0001 each, (b) 20,000,000 Series A preferred shares with a par value of US$0.0001 each and (c) 25,000,000 Series B preferred shares with a par value of US$0.0001 each. On August 10, 2018, the Company conducted a share subdivision pursuant to which each authorised issued and unissued share with a par value of US$0.0001 in the Company be subdivided into 4 shares with a par value of US$0.000025 each (the "Share Subdivision"), such that immediately following the Share Subdivision, the authorised share capital of the Company will be US$50,000 made up of 2,000,000,000 shares divided into (a) 1,820,000,000 Ordinary shares with a par value of US$0.000025 each, (b) 80,000,000 Series A preferred shares with a par value of US$0.000025 each and (c) 100,000,000 Series B preferred shares with a par value of US$0.000025 each.

On July 25, 2018, Grand Eternity Limited, a wholly-owned subsidiary of the Group, entered into a series of agreements, pursuant to which it agreed to (i) subscribe for non-voting participatory shares in Starwick Investments Limited ("Starwick") for an aggregate consideration of US$9,500,000, and (ii) subscribe for non-voting participatory shares in East Image Limited ("East Image") for an aggregate consideration of US$20,500,000 (together, the "Company A Investments"). Starwick and East Image are both special purpose vehicles used for the sole purpose of investing in convertible bonds of Company A (the "Company A Convertible Bonds"). Starwick is managed by Helix Capital Partners, a subsidiary of our Company. As a result of the Company A Investments, the shares of Company A to be converted from the Company A Convertible Bonds at the pre-determined price without adjustment account for approximately 7.77% of the issued share capital of Company A. Company A is a leading medical technology company that develops, manufactures and sells high-end interventional medical devices.

On September 27, 2018, the Company listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code 1911), and issued 85,008,000 shares on the offer price of HK$31.80 per share (the "Global Offering"). The net proceeds from the Global Offering received by the Company, after deduction of the underwriting commissions and other estimated expenses in connection with the Global Offering, amounted approximately US$322.4 million (approximately HK$2,529.4 million).

DEFINITIONS

"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"AUM" or "asset under management"	the value of assets managed by a fund manager, including the fair value of investments held by the funds, plus the capital contributed but not invested, the capital that the fund manager is entitled to call from the investors pursuant to the terms of their respective capital commitments; which, when used to refer to our AUM or asset under management, shall exclude that of our project funds from which we do not derive management fees and income from carried interest
"Board"	the board of directors of our Company
"Carried Interest Distribution Framework Agreement"	the framework agreement entered into by, among others, the Company and Huagan Shanghai on June 15, 2018 (and amended and restated on September 11, 2018) in relation to the distribution of carried interest to the designated individuals of the Group's investment funds, the details of which are set out in the section headed "Connected Transactions" of the Prospectus
"CG Code"	the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules
"China" or "PRC"	the People's Republic of China, and for the purpose of this report only, except where the context requires otherwise, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Company", "our Company" or "the Company"	China Renaissance Holdings Limited (華興資本控股有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on July 13, 2011
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Connected Investment Team Members"	has the same meaning as defined in the section headed "Connected Transactions" of the Prospectus
"connected transactions"	has the meaning ascribed to it under the Listing Rules
"Consolidated Affiliated Entities"	Shanghai Quanyuan, Dazi Hualing, Dazi Huafeng, and Dazi Huashi
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Bao, FBH Partners, and CR Partners
"CR Partners"	CR Partners Limited, a company incorporated in the British Virgin Islands with limited liability on July 5, 2011 and one of our Controlling Shareholders
"Dazi Huafeng"	Dazi Huafeng Investment Consultants Co., Ltd. (達孜鏵峰投資顧問有限公司), a company incorporated with limited liability in China on August 28, 2015, and one of our Consolidated Affiliated Entities

Note: Unless otherwise defined in this interim report, capitalised terms used herein bear the same meanings as defined in the Prospectus.

DEFINITIONS (CONTINUED)

"Dazi Hualing"	Dazi Hualing Investment Consultants Co., Ltd. (達孜鏵瓴投資顧問有限公司), a company incorporated with limited liability in China on December 30, 2015, and one of our Consolidated Affiliated Entities
"Dazi Huashi"	Dazi Huashi Entrepreneurship Investment Management Co., Ltd. (達孜鏵石創業投資管理有限公司), a company incorporated with limited liability in China on October 20, 2014, and one of our Consolidated Affiliated Entities
"Director(s)"	the director(s) of our Company
"ESOP"	the employees' share option plan of the Company as approved by the Board on August 24, 2012, which was amended and restated on March 1, 2013, April 27, 2015, and June 5, 2018
"FBH Partners"	FBH Partners Limited, our Controlling Shareholder, a company incorporated in the British Virgin Islands with limited liability on March 12, 2004 as an investment vehicle controlled by Mr. Bao, a Founder of our Group
"Founder"	each of Mr. Bao and Mr. Xie Yi Jing
"Group", "our Group", "the Group", "we", "us" or "our"	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Huagan Shanghai"	Huagan (Shanghai) Business Consultants Co., Ltd. (鏵淦(上海)商務諮詢有限公司), a wholly foreign-owned enterprise incorporated with limited liability in China on May 27, 2017 and an indirectly wholly-owned subsidiary of the Company
"Huajing Securities"	China Renaissance Securities (China) Co., Ltd. (華菁證券有限公司), a company incorporated in China, with limited liability on August 19, 2016 and an indirect subsidiary of the Company
"Huasheng Xinhang"	Shanghai Huasheng Xinhang Capital Management Center, L.P. (上海華晟信航股權投資管理中心(有限合夥), a limited partnership registered in China on August 19, 2015, which is the general partner of Huaxing Growth Capital RMB Fund II
"Huaxing Growth Capital"	Huaxing Growth Capital includes Huaxing Growth Capital USD Fund I, Huaxing Growth Capital USD Fund II, Huaxing Growth Capital USD Fund III, Huaxing Growth Capital RMB Fund I, Huaxing Growth Capital RMB Fund II and Huaxing Growth Capital RMB Fund III
"Huaxing Growth Capital USD Fund I"	Huaxing Capital Partners, L.P., the general partner of which is Huaxing Associates, L.P.

DEFINITIONS (CONTINUED)

"Huaxing Growth Capital USD Fund II"	Huaxing Capital Partners II, L.P., the general partner of which is Huaxing Associates II, L.P.
"Huaxing Growth Capital USD Fund III"	Huaxing Growth Capital III, L.P., the general partner of which is Huaxing Associates III, L.P.
"Huaxing Growth Capital RMB Fund I"	formerly known as Huasheng Capital RMB Fund I, Shanghai Huasheng Lingshi Venture Investment Partners, L.P. (上海華晟領勢創業投資合夥企業 (有限合夥)), a limited partnership registered in China on December 29, 2014, the general partner of which is Huasheng Xinxuan
"Huaxing Growth Capital RMB Fund II"	formerly known as Huasheng Capital RMB Fund II, Shanghai Huasheng Lingfei Capital Partners, L.P. (上海華晟領飛股權投資合夥企業 (有限合夥)), a limited partnership registered in China on September 25, 2015, the general partner of which is Huasheng Xinhang
"Huaxing Growth Capital RMB Fund III"	Ningbo Meishan Bonded Port Huaxing Lingyun Capital Partners, L.P. (寧波梅山保税港區華興領運股權投資合夥企業 (有限合夥)), a limited partnership registered in China on May 16, 2017, the general partner of which is Ningbo Xinshou
"ICBCI Investment Management"	ICBC International Investment Management Limited
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"LIBOR" or "London Interbank Offer Rate"	the global reference rate for unsecured short-term borrowing in the interbank market
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	September 27, 2018 the date on which the Shares are listed and on which dealings in the Shares are first permitted to take place on the Stock Exchange
"Listing Rules"	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules
"Mr. Bao"	Mr. Bao Fan (包凡), our Chairman, Executive Director and Controlling Shareholder
"Ningbo Huajie"	Ningbo Meishan Bonded Port Huajie Capital Management Co., Ltd (寧波梅山保税港區鏵傑股權投資管理有限公司), a company incorporated with limited liability in China on February 23, 2017 and the management company of the Huaxing Healthcare Capital RMB Fund I

DEFINITIONS (CONTINUED)

"Ningbo Xinshou"	Ningbo Meishan Bonded Port Huaxing Xinshou Capital Management Center, L.P. (寧波梅山保税港區華興信守股權投資管理中心（有限合夥）), a limited partnership registered in China on April 11, 2017. Ningbo Xinshou is the general partner of Huaxing Growth Capital RMB Fund III
"Prospectus"	The prospectus of the Company dated September 14, 2018
"RMB" or "Renminbi"	Renminbi, the lawful currency of PRC
"Relevant Investment Funds"	has the same meaning as defined in the section headed "Connected Transactions" of the Prospectus
"Reporting Period"	the six months ended June 30, 2018
"RSU Plan"	the China Renaissance Holdings Limited 2018 Restricted Share Unit Plan as approved by Board on June 15, 2018
"RSUs"	restricted share units
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Huasheng"	Shanghai Huasheng Capital Management Co., Ltd. (上海華晟股權投資管理有限公司), a company incorporated with limited liability in China on November 25, 2014 and a subsidiary of the Company
"Shanghai Quanyuan"	Shanghai Quanyuan Investment Co., Ltd. (上海全源投資有限公司), a company incorporated with limited liability in China on October 28, 2014, and one of our Consolidated Affiliated Entities
"Share(s)"	ordinary share(s) in the share capital of our Company, currently with a par value of US$0.000025 each
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"Tianjin Huajie"	Tianjin Huajie Enterprise Management Advisors Partners, L.P. (天津華傑企業管理諮詢合夥企業（有限合夥）), a limited partnership registered in China on December 26, 2016, which is the general partner of Huaxing Healthcare Capital RMB Fund I
"Tianjin Huaqing"	Tianjin Huaqing Enterprise Management Advisors Co., Ltd. (天津華清企業管理諮詢有限公司), a limited liability company incorporated with limited liability in China on December 23, 2016 and is the general partner of Tianjin Huajie
"United States" or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars", "U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"%"	per cent