中澤豐國際有限公司
RENZE HARVEST INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01282)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board of directors (the "**Board**" or the "**Director(s)**") of Renze Harvest International Limited (the "**Company**") would like to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2024 (the "**Period**"), which has been reviewed by the audit committee of the Company (the "**Audit Committee**").

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		For the six months ended 30 June	
		2024	2023
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*5*	**379,435**	333,918
Cost of sales		**(256,621)**	(281,446)
Gross profit		**122,814**	52,472
Other (losses)/gains — net		**(60,107)**	2,745
Other income		**3,230**	3,084
Fair value gain/(loss) on investment properties		**32,228**	(1,205)
Gain on bargain purchase arising from the acquisition of a subsidiary		**–**	553,878
(Provision for)/reversal of impairment losses on financial assets — net		**(68,995)**	252,213
Write-down of inventories of properties		**(67,952)**	(79,665)
Distribution costs		**(8,891)**	(12,187)
Administrative expenses		**(72,536)**	(84,907)
(Loss)/profit from operations		**(120,209)**	686,428

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2024

		For the six months ended 30 June	
		2024	2023
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Finance costs — net	*7*	**(11,101)**	(30,954)
Share of results of associates		**(31,347)**	(3,913)
(Loss)/profit before income tax		**(162,657)**	651,561
Income tax credit/(expense)	*8*	**19,438**	(23,877)
(Loss)/profit for the period	*6*	**(143,219)**	627,684
(Loss)/profit attributable to:			
Owners of the Company		**(79,768)**	648,690
Non-controlling interests		**(63,451)**	(21,006)
(Loss)/profit for the period		**(143,219)**	627,684

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June 2024 HK$'000 (Unaudited)	2023 HK$'000 (Unaudited)
Other comprehensive expense:			
Items that may be reclassified to profit or loss:			
Currency translation differences		**(45,975)**	(267,140)
Share of other comprehensive income of associates		**(10,278)**	(5,457)
Item that will not be reclassified to profit or loss:			
Net changes in the fair value of equity instruments designated at fair value through other comprehensive income		**(4,055)**	(56,351)
Other comprehensive expense for the period		**(60,308)**	(328,948)
Total comprehensive (expense)/income for the period		**(203,527)**	298,736
Total comprehensive (expenses)/income for the period attributable to:			
Owners of the Company		**(123,423)**	411,761
Non-controlling interests		**(80,104)**	(113,025)
		(203,527)	298,736
(Loss)/earnings per share			
Basic *(HK cents)*	9	**(2.98)**	37.22
Diluted *(HK cents)*	9	**(2.98)**	37.22

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	**As at 30 June 2024** ***HK$'000*** **(Unaudited)**	As at 31 December 2023 *HK$'000* (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**352,914**	479,882
Investment properties		**5,494,002**	5,465,774
Intangible assets		**151,175**	151,199
Investments in associates		**–**	97,529
Financial assets at fair value through other comprehensive income	*11*	**34,021**	38,076
Finance lease receivables		**245**	840
Deferred tax assets		**18,603**	19,662
		6,050,960	6,252,962
Current assets			
Inventories		**51,415**	48,652
Properties under development		**1,425,952**	1,600,065
Completed properties held for sale		**1,227,556**	1,284,471
Loans and advances	*12*	**140,461**	132,339
Trade receivables	*13*	**282,220**	80,432
Contract assets		**23,339**	14,344
Finance lease receivables		**638**	1,113
Prepayments, deposits and other receivables		**910,122**	838,110
Current tax recoverable		**30,854**	38,893
Financial assets at fair value through profit or loss	*14*	**168,063**	141,807
Client trust bank balances		**107,358**	132,285
Pledged bank deposits and restricted deposits		**265,674**	515,367
Cash and cash equivalents		**608,160**	562,293
		5,241,812	5,390,171
Total assets		**11,292,772**	11,643,133

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2024

	Notes	As at 30 June 2024 HK$'000 (Unaudited)	As at 31 December 2023 HK$'000 (Audited)
Current liabilities			
Trade and bills payables	15	**1,061,244**	1,119,629
Contract liabilities		**947,601**	530,471
Accruals and other payables		**293,025**	473,242
Borrowings		**618,764**	1,090,562
Lease liabilities		**3,268**	1,278
Current tax liabilities		**186,542**	189,300
		3,110,444	3,404,482
Net current assets		**2,131,368**	1,985,689
Total assets less current liabilities		**8,182,328**	8,238,651
Non-current liabilities			
Other payables		**13,822**	13,921
Borrowings		**918,930**	632,831
Lease liabilities		**2,834**	1,442
Deferred tax liabilities		**378,658**	491,205
		1,314,244	1,139,399
Total liabilities		**4,424,688**	4,543,881
NET ASSETS		**6,868,084**	7,099,252
EQUITY			
Share capital		**26,800**	26,800
Reserves		**4,899,763**	5,050,827
Equity attributable to owners of the company		**4,926,563**	5,077,627
Non-controlling interests		**1,941,521**	2,021,625
TOTAL EQUITY		**6,868,084**	7,099,252

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. GENERAL INFORMATION

Renze Harvest International Limited (the "**Company**", together with its subsidiaries, the "**Group**") was incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is Room 2308, 23/F, China Resources Building, Wanchai, 26 Harbour Road Hong Kong.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

These interim condensed consolidated financial statements are presented in thousands of units of Hong Kong dollars, unless otherwise stated.

These interim condensed consolidated financial statements have been reviewed by the audit committee of the Company.

2. BASIS OF PREPARATION

Statement of Compliance

These interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

3. ACCOUNTING POLICIES

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, and Interpretations.

The adoption of the new HKFRSs and amendments to HKFRSs has no material impact on the Group's interim condensed consolidated financial statements.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is yet in a position to state whether these new HKFRSs would have a material impact to the Group's results and financial position.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the interim condensed consolidated financial statements, the management requires to make significant judgements, estimates and assumptions in applying the accounting policies and key sources of estimation uncertainty. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023. Actual results may differ from these estimates.

5. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer of the Company (the "**CEO**") that are used to make strategic decisions.

The reportable segments of the Group are classified as follows:

— Automation segment represents the trading of automated production related equipment trading business in Hong Kong and the People's Republic of China (the "**PRC**");

— Financial Services segment represents regulated business activities in respective to financial services under the Hong Kong Securities and Futures Ordinance in Hong Kong;

— Property Investment and Development segment represents the properties investment activities, property development projects, hotel and restaurant operations and provision of construction works in Hong Kong and the PRC; and

— Securities Investment segment represents the investment activities through direct investments in listed and unlisted securities.

5. SEGMENT INFORMATION (CONTINUED)

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

	Automation *HK$'000*	Financial Services *HK$'000*	Property Investment and Development *HK$'000*	Securities Investment *HK$'000*	Total *HK$'000*
Six months ended 30 June 2024 (Unaudited)					
Revenue	**229,568**	**26,351**	**126,444**	**2,051**	**384,414**
Inter-segment revenue	**(1,159)**	**(1,522)**	**(2,298)**	**–**	**(4,979)**
Revenue from external customers	**228,409**	**24,829**	**124,146**	**2,051**	**379,435**
Segment results	**16,825**	**19,150**	**(54,504)**	**(2,965)**	**(21,494)**
Share of results of associates					**(31,347)**
Unallocated provision for impairment losses on financial assets and contract assets – net					**(68,995)**
Unallocated other loss – net					**(60,107)**
Unallocated other income					**75**
Unallocated administrative expenses					**(9,216)**
Unallocated finance costs net					**28,427**
Loss before income tax					**(162,657)**

5. SEGMENT INFORMATION (CONTINUED)

	Automation *HK$'000*	Financial Services *HK$'000*	Property Investment and Development *HK$'000*	Securities Investment *HK$'000*	Total *HK$'000*
Six months ended 30 June 2023 (Unaudited)					
Revenue	213,045	32,245	149,473	(56,390)	338,373
Inter-segment revenue	–	(1,679)	(2,776)	–	(4,455)
Revenue from external customers	213,045	30,566	146,697	(56,390)	333,918
Segment results	13,490	101,285	(108,166)	(49,507)	(42,898)
Gain on bargain purchase arising from the acquisition of a subsidiary					553,878
Share of results of associates					(3,913)
Unallocated reversal of impairment losses on financial assets and contract assets – net					156,724
Unallocated other gains – net					1,682
Unallocated other income					137
Unallocated administrative expenses					(20,123)
Unallocated finance costs net					6,074
Profit before income tax					651,561

5. SEGMENT INFORMATION (CONTINUED)

Disaggregation of the Group's revenue from major products or service lines:

	For the six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
— Sale of goods	**218,445**	205,479
— Sale of properties	**43,464**	75,015
— Installation and maintenance income	**3,072**	2,201
— Commission and brokerage income	**2,803**	5,242
— Management fee and performance fee income	**1,493**	2,527
— Others	**3,359**	2,751
	272,636	293,215
Revenue from other sources		
— Securities investment gain/(loss)	**17,215**	(72,429)
— Interest income	**5,663**	38,830
— Rental income	**83,921**	74,302
	106,799	40,703
	379,435	333,918

5. **SEGMENT INFORMATION (CONTINUED)**

	For the six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
At a point in time	**268,071**	288,487
Transferred over time	**4,565**	4,728
	272,636	293,215

6. **(LOSS)/PROFIT FOR THE PERIOD**

(Loss)/profit for the period is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Amortisation of intangible assets	**24**	24
Cost of inventories and inventories of properties recognised as expenses	**232,466**	281,446
Depreciation of property, plant and equipment	**9,965**	18,679
Directors' and chief executive's emoluments	**2,060**	3,409
Employee benefit expenses	**34,693**	36,222
Net foreign exchange gains	**(4,453)**	(1,787)
Short-term lease expenses	**2,621**	3,610
(Reversal of)/provision for impairment losses on financial assets — net:		
— loans and advances	**(30,289)**	(252,213)
— trade receivables	**12,660**	–
— other receivables	**86,624**	–
	68,995	(252,213)

7. FINANCE COSTS — NET

	For the six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Finance income:		
— Interest income on bank deposits	**17,383**	2,355
— Interest income on financial assets at amortised cost	**36,563**	18,050
	53,946	20,405
Finance costs:		
— Bank loans	**(8,676)**	(1,735)
— Corporate bonds	**(9,384)**	(3,765)
— Other loans	**(46,706)**	(38,603)
— Trust receipt loans	**(33)**	(86)
— Lease liabilities	**(248)**	(112)
— Significant financing component of contract liabilities	**–**	(7,058)
	(65,047)	(51,359)
	(11, 101)	(30,954)

8. INCOME TAX (CREDIT)/EXPENSE

	For the six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax		
— Hong Kong Profits Tax	**149**	12,495
— PRC enterprise income tax	**2,275**	10,481
— PRC LAT	**1,841**	–
	4,265	22,976
Over-provision in prior year	**1,605**	–
	5,870	22,976
Deferred tax	**(25,308)**	901
	(19,438)	23,877

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 30 June 2024 and 2023, except for one subsidiary of the Company which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The statutory income tax rate applicable to entities operating in the PRC is 25% for the six months ended 30 June 2024 and 2023.

9. (LOSS)/EARNINGS PER SHARE

The basic (loss)/earnings per share for the period is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue of approximately 2,680,000,000 (six months ended 30 June 2023: 1,742,707,000 (adjusted)) during the period. There were no potential dilutive ordinary share outstanding for both periods and therefore the dilutive (loss)/earnings per share is the same as basic (loss)/earnings per share.

The calculation of the basic (loss)/earnings per share attributable to owners of the Company is based on the following data:

Number of shares

	For the six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue during the period for basic (loss)/earnings per share	**2,680,000**	1,742,707

(Loss)/earnings

The calculation of the basic (loss)/earnings per share attributable to owners of the Company is based on the following:

	For the six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company	**(79,768)**	648,690

10. DIVIDEND

No interim dividend was proposed by the board of directors for the six months ended 30 June 2024 and 2023.

No final dividend in respect of the previous financial year was approved or paid during the six months ended 30 June 2024 and 2023.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	As at 30 June 2024	As at 31 December 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Equity investments designated at FVOCI		
Listed shares:		
— Equity securities — Norway	**2,873**	5,776
— Equity securities — the United States of America	**29**	37
— Equity securities — Hong Kong	**26,913**	28,057
	29,815	33,870
Unlisted shares	**4,206**	4,206
	34,021	38,076

The above equity investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

Changes in fair value of the above equity securities are recognised in other comprehensive income and accumulated within the financial assets at FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

12. LOANS AND ADVANCE

	As at 30 June 2024 *HK$'000* **(Unaudited)**	As at 31 December 2023 *HK$'000* (Audited)
Loans and advances *(Note (a))*	**764,977**	802,190
Margin loan receivables *(Note (b))*	**60,038**	51,761
	825,015	853,951
Less: Provision for impairment	**(684,554)**	(721,612)
	140,461	132,339

Notes:

(a) As at 30 June 2024, the loans and advances of approximately HK$759,687,000 (31 December 2023: HK$442,055,000) are secured by charges over the properties and listed securities of the borrowers, and/or backed by guarantee. Credit limits are set for borrowers based on the quality of collaterals held and the financial background of the borrower. The carrying amounts of loans and advances are interest bearing at a range from 5% to 18% (2023: 5% to 18%) per annum.

(b) The credit facility limits granted to margin clients are determined by the discounted market value of the collateral securities accepted by the Group.

The loans to margin clients are secured by the underlying pledged securities and are interest bearing. The Group maintains a list of approved stocks for margin lending at a specified loan to collateral ratio. Any excess in the lending ratio will trigger a margin call and the clients have to make good the shortfall.

As at 30 June 2024, margin loan receivables were secured by securities pledged by the clients to the Group as collaterals with undiscounted market value of HK$146,251,000 (31 December 2023: HK$284,470,000).

13. TRADE RECEIVABLES

	As at 30 June 2024 *HK$'000* (Unaudited)	As at 31 December 2023 *HK$'000* (Audited)
Trade receivables	**308,039**	93,591
Less: Provision for impairment	**(25,819)**	(13,159)
	282,220	80,432

The ageing analysis of gross trade receivables based on invoice date is as follows:

	As at 30 June 2024 *HK$'000* (Unaudited)	As at 31 December 2023 *HK$'000* (Audited)
0 to 30 days	**38,778**	30,147
31 to 60 days	**7,889**	6,223
61 to 90 days	**8,534**	2,031
91 to 120 days	**199,060**	12,228
Over 120 days	**53,778**	42,962
	308,039	93,591

14. FINANCIAL ASSETS AT FAIR VALUE THROUGHT PROFIT OR LOSS ("FVTPL")

	As at 30 June 2024 *HK$'000* (Unaudited)	As at 31 December 2023 *HK$'000* (Audited)
Listed securities:		
— Equity securities — Hong Kong	**15,006**	12,957
Debt investments at FVTPL	**153,057**	128,850
	168,063	141,807

The fair values of listed securities are based on their current bid prices in an active market.

15. TRADE AND BILLS PAYABLES

	As at 30 June 2024 *HK$'000* (Unaudited)	As at 31 December 2023 *HK$'000* (Audited)
Trade payables	**1,036,043**	1,076,783
Bills payables	**25,201**	42,846
	1,061,244	1,119,629

The ageing analysis of the trade and bills payables based on invoice date is as follows:

	As at 30 June 2024 *HK$'000* (Unaudited)	As at 31 December 2023 *HK$'000* (Audited)
0 to 30 days	**927,258**	207,664
31 to 60 days	**16,267**	2,991
61 to 90 days	**8,135**	4,996
91 to 120 days	**7,438**	2,961
Over 120 days	**102,146**	901,017
	1,061,244	1,119,629

MARKET OVERVIEW

Following the end of the three-year COVID-19 pandemic last year, the economy of the Mainland China and Hong Kong have gradually resumed their normal business activities. Nevertheless, the road to full recovery is full of difficulties. The United States has been raising its interest rate over the past few years with a view to bringing the inflation under control, leading to a depreciation to the global currency and an inflation to commodity prices. The whole global economy was inevitably turned into a critical condition.

Hong Kong has experienced volatility in 2024 and has been under the influence of uncertainty brought by the current global economic outlook. The high interest rate environment weakens the market sentiment in the property market and stock market, which in turn leads to a sharp fall of property prices and stock prices. Although it has been repeatedly indicated in the United States the possibility of an interest rate reduction, there is still no certain timetable on this. In the short run, corporations and individuals in Hong Kong are expected to experience a decline in wealth, an impairment to asset and economic recession.

As a fully market-oriented enterprise, the business operations and financial conditions of the Group will definitely be affected. Nonetheless, the Group remains optimistic about the prospects for its business operations in the long run. Looking forward, the Group will continuously undergo proactive deployment to its business opportunities so as to create higher value for the shareholders of the Company.

OVERVIEW OF AUTOMATION BUSINESS

The Group, through its wholly-owned subsidiary, Gallant Tech Limited ("**Gallant Tech**"), focuses on the sale and technical services of high-end intelligent manufacturing equipment, including SMT and semiconductor production equipment, as well as the provision of ancillary services such as finance leasing and operating leasing, and is one of the major suppliers of SMT production equipment and semiconductor packaging and testing equipment in the PRC market.

During the first half of the year, uncertainties in the global macroeconomic and geopolitical environments have made the global economic recovery more fragile, resulting in continued sluggish demand in the global consumer electronics market, and manufacturers of consumer electronics products have been cautious in expanding investments in manufacturing equipment.

For the six months ended 30 June 2024, the revenue of the automation segment was approximately HK$228.4 million (30 June 2023: approximately HK$213.0 million), accounting for approximately 60.2% (30 June 2023: approximately 63.8%) of the Group's total revenue. The operating profit increased by 24.4% to approximately HK$16.8 million (30 June 2023: approximately HK$13.5 million). The growth in revenue was mainly due to the development of new product categories and increased sources of revenue. The increase in operating profit was mainly due to the increase in fair value gain on investment properties and the decrease in distribution costs in the first half of 2024 as compared to the same period last year.

The customers of Gallant Tech are mainly well-known manufacturers in the telecommunications, computer, automotive electronics, photovoltaic inverters, new energy, integrated circuit and other electronics and information technology industries. Gallant Tech is the brand agent of Fuji laminating machine, Speedline printing machines and Koh Young inspection systems, all of them are top sellers among similar brands in China. Intelligent manufacturing is a key driver for the future of the manufacturing industry. As we continue to encounter artificial intelligence, intelligent and automated production modes will proliferate more deeply into wider areas of the electronics manufacturing industry, and the demand for advanced intelligent manufacturing equipment by manufacturers will further increase. As some of the suppliers will be updating their SMT machines with newer technologies and efficiencies for the smart factory, and as the application of artificial intelligence is becoming more and more widespread, a new wave of SMT machine replacements is expected to occur in the next few years.

Gallant Tech launched its finance leasing and operating leasing business through its wholly-owned subsidiary, Shenzhen Gallant Financial Leasing Co., Ltd*, which provides customers with competitive and flexible service solutions to support the sales of the Company's intellectual manufacturing equipment and to assist in the development of customers' businesses. Gallant Tech's diversified product portfolio and business model enable the Group to leverage a full range of solutions to cater for industry cycles, and continue to create value for customers and shareholders.

Thanks to the Group's "dual-core driven development strategy of intellectual technology and industrial parks, with integration of industry and city, integration of industry and finance, and integration of industry and investment", Gallant Tech's intelligent manufacturing technology business and the Group's industrial parks business complement each other and create synergies. Some of Gallant Tech's upstream and downstream partners are also tenants in the Group's industrial parks, and the Group's industrial parks are home to a large number of hi-tech enterprises, which brings an "augmenting effect" to the Gallant Tech's business, generating more opportunities and benefits.

With the ongoing decoupling between the United States and China as well as other geopolitical factors, some customers have relocated their production bases to places outside of China. Gallant Tech has also increased its efforts in expanding its overseas markets, demonstrating a substantial increase in sales in overseas markets for the current year as compared to the same period last year. It is also planning to set up service networks in Southeast Asian countries, including Vietnam and Indonesia, in order to better serve its customers.

OVERVIEW OF PROPERTY INVESTMENT AND BUSINESS DEVELOPMENT

In the first half of 2024, despite a series of stimulus policies for the mainland's property market launched by the PRC government, the market showed no obvious signs of recovery due to the lack of overall economic development momentum with the overall property market remained at a low level. The overall property market remained at a low level. In the first half of the year, the commercial and office market in Mainland China remained relatively sluggish. The number of new construction projects across the country dropped significantly year-on-year, and the transaction volume of commercial buildings and shops also remained relatively quiet. At the same time, the supply and demand of commercial land also showed a low level rarely seen in recent years. There were few bidders at the land auctions, and the transaction prices were much lower than the market expected.

In contrast to the sales and purchase market, demand in the commercial leasing market has picked up slightly. New leasing demand led by high-tech enterprises, such as artificial intelligence, aerospace and intelligent manufacturing, brought new hope and impetus to the commercial office market.

For the six months ended 30 June 2024, the revenue of the property investment and development segment was approximately HK$124.1 million (30 June 2023: approximately HK$146.7 million), accounting for approximately 32.7% (30 June 2023: approximately 43.9%) of the Group's total revenue.

For the six months ended 30 June 2024, the operating loss of the property investment and development segment was approximately HK$54.5 million, compared to approximately HK$108.2 million recorded in the corresponding period in 2023. The decrease in operating loss was primarily due to the increase in fair value gain on investment properties by approximately HK$22.4 million and the decrease in distribution and administrative costs in the first half of 2024 as compared to the same period last year.

Shenzhen Bangkai Science and Technology Industrial Park Project

Located in the core commercial area of Guangming District of Shenzhen, the Group's Bangkai Science and Technology Industrial Park project has a total gross floor area of 550,000 square metres, of which approximately 210,000 square metres of area has been completed and in operation, while the offices, research and development buildings, talents' apartments, and commercial supporting facilities of Phase III are under construction.

In the first half of 2024, the occupancy rate of Bangkai Technology Industrial Park was 93.96%, the occupancy level of which is at the top level of industrial parks in Guangming district of Shenzhen. Discounting the seasonal and structural fluctuations of the tenants' occupancy, the park basically reached a fully occupied status. With intelligent manufacturing as the main industry in Bangkai Technology Industrial Park, it has accumulated a number of key enterprises in industry-leading intelligent manufacturing including R&D in semiconductor, lithography, energy storage and others, demonstrating an initial realization of industrial cluster. In the first half of the year, with Guangming District's headquarters base adjacent to Bangkai Industrial Park coming into operation, the competition for office leasing in the second half of the year will be relatively intense.

The construction of Phase III of Bangkai Technology Industrial Park officially commenced at the end of 2023. At present, the construction of the office buildings have basically topped out and those of the talents' apartments are close to topping out. Phase III is expected to be operational no earlier than 2025.

Ganzhou Project

The Group holds over 100,000 square metres of commercial properties such as hotels, offices and centralised businesses projects in Ganzhou City, Jiangxi Province. At the end of 2023 and the beginning of 2024, under the active promotion of the Group's management, two hotels in Ganzhou have been sold through public auction and the offices have been sold as a package deal. Under the current downturn in the property market, the realisation of Ganzhou properties will effectively reduce the Group's liabilities and reserve cash for the development of its main business. At present, the Group still holds and operates two large commercial plazas in Ganzhou, with an operating area of over 60,000 square metres.

Shantou Project

In the first half of 2024, the leasing situation of the Shantou Project remained stable with an occupancy rate of over 70%, but property sales were relatively poor. Currently, the Shantou project is mainly focusing on the settlement with the main contractor, China Construction Second Engineering Bureau Ltd. (中建二局).

OVERVIEW OF FINANCIAL SERVICES BUSINESS

For the six months ended 30 June 2024, the financial services segment has netted approximately HK$24.8 million in revenue (30 June 2023: approximately HK$30.6 million in revenue), accounting for approximately 6.5% of the Group's total revenue (30 June 2023: 9.2%). The operating profit amounted to approximately HK$19.2 million (30 June 2023: approximately HK$101.3 million).

Securities Brokerage Services

Over the past years, the securities brokerage team is committed to providing more comprehensive professional and convenient services to its clients, including: agency securities trading, margin financing services, placing and underwriting services for listed issuers, financial products business and one-stop integrated investment and financing services for high net-worth clients, etc.

During the period under review, the investment market continued to face a series of uncertainties, including high interest rates, slowing economic growth and rising geopolitical tensions. The volatile performance of the Hong Kong Hang Seng Index (HSI) started at 16,624 in early 2024, fell to a low of 14,994, then recovered to 19,602, and finally closing at 17,716 at the end of June, with a 28% upward and downward fluctuation. The continued downturn in the market has dampened investors' desire to enter the market, resulting in decrease in the industry's overall commission income. The higher costs of capital also led to a decline in spread income, resulting in a drop in revenue from the securities business during the period under review as compared with the same period last year.

Asset Management Business

The asset management team provides an array of services including fund management, discretionary account management and investment advisory services to high-net-worth individuals, corporations, and institutional clients in global markets. As at the date of this announcement, it acts as the investment manager for 2 segregated portfolio company funds with 3 segregated portfolios. Further, it also provided investment advisory services to institutional clients on a wide range of investment products in the financial markets. As at 30 June 2024, the total assets under management amounts to approximately HK$105 million.

Money-lending Business

The Group, through its wholly owned subsidiary, namely Glory Sun Credit Limited ("**Glory Sun Credit**"), engaged in the money lending business primarily on the provision of short-term and long-term share mortgage loans and property mortgage loans to customers in Hong Kong under the Money Lenders Ordinance (Cap. 163) (the "**MLO**").

In light of the challenging economic and property environment, Glory Sun Credit has adopted stringent credit control to conduct its share mortgage loan and property mortgage loan business to reduce associated credit risks. As at 30 June 2024, the overall weighted average loan-to- value ratio of its loan portfolio was at 65.4% (31 December 2023: 68%).

Compliance with Ordinances and Regulations

Glory Sun Credit has strictly complied with all relevant laws and regulations. The MLO and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) (the "**AMLO**") have a significant influence on the money lending business during the current year.

The MLO acts as the principal ordinance governing the money lending business in Hong Kong while the AMLO governs the matters in relation to the money laundering and terrorist financing. During the current year, Glory Sun Credit did not receive any objection from the Registrar of Money Lenders (the "**Registrar**") nor the Commissioner of Police regarding the renewal of the money lenders licence. Glory Sun Credit has also established policies and procedures to strictly follow the Guideline on Compliance of Anti-Money Laundering and Counter-Terrorist Financing Requirements for Licensed Money Lenders (the "**AML-CTF Guideline**") issued by the Registrar for the money lending business operations to mitigate the risks of money laundering and terrorist financing.

To the best of its knowledge, Glory Sun Credit has complied with the MLO and AMLO in all material aspects, and that it is not aware of any matter that might come to its attention that the money lenders licence would be suspended, terminated or would not be renewed in foreseeable future.

Business Model and Loan Portfolios

Glory Sun Credit mainly offers share mortgage loans and property mortgage loans.

For share mortgage loans, Glory Sun Credit granted secured loans to customers and held collaterals against loan receivables in the form of mortgages over listed shares owned by these customers. All of these collaterals were listed in Hong Kong. The gross share mortgage loans receivable was accounted for approximately 59.77% of the entire gross loan receivable of Glory Sun Credit as at 30 June 2024 (31 December 2023: 64.1%). The interest rates of the share mortgage loans, mainly determined with reference to factors such as the quality and liquidity of the collaterals provided by the customers, loan-to-value ratios, loan amounts, tenors, and customers' net worth, ranged from 13.2% to 18.0% (31 December 2023: 8.0% to 18.0%).

For property mortgage loans, Glory Sun Credit granted secured loans to customers and held collaterals against loan receivables in the form of mortgages over properties owned by these customers. All of these collaterals were located in Hong Kong, of which more than 0.00% of them were residential properties. The gross property mortgage loans receivable was accounted for approximately 20.85% of the entire gross loan receivable of Glory Sun Credit as 30 June 2024 (31 December 2023: 32.6%). The interest rates of the property mortgage loans, mainly determined with reference to factors such as the quality, type and location of the collaterals provided by the customers, type of mortgages, loan-to-value ratios, loan amounts, tenors, and customers' net worth, ranged from 8.00% to 8.00% (31 December 2023: 6.0% to 9.5%).

During the current year, the customers comprised individuals and corporations in Hong Kong and were all independent third parties (within the meaning of Chapter 14A of the Listing Rules).

As at 30 June 2024, Glory Sun Credit had 5 (31 December 2023: 7) active accounts, of which 1 (31 December 2023: 3) of them were individual customers and the remaining of 4 (31 December 2023: 4) were corporate customers; and of which 2 (31 December 2023: 3) of them were share mortgage loan customers and 1 (31 December 2023: 3) of them were property mortgage loan customers.

During the period, the top five customers (as determined by interest income generated) accounted for approximately 100% (31 December 2023: 99.8%) of the total revenue of Glory Sun Credit, and the single largest customer accounted for approximately 50.95% (31 December 2023: 79.1%).

As at 30 June 2024, the largest and top five customers (as determined by loan receivable balance) of the total gross loan receivables balance accounted for 53.80% (31 December 2023: 50.8%) and 100% (31 December 2023: 95.6%) respectively.

Credit Approval Processes and Credit Risk Assessment Policies

All information and data provided by customers for loan applications will have to go through credit assessment and approval procedures in accordance with credit risk policies.

Prior to the acceptance of any loan application submitted by customers, Glory Sun Credit will carry out know-your-customer procedures ("**KYC procedures**") to verify the identities of customers and assess the credit risk associated with these customers by referring to documents, data and information available from reliable and independent sources, such as government and public authorities. It will also assess the risk of money laundering and terrorist financing associated with the customers in accordance with its established policy and the AML-CTF Guideline.

Glory Sun Credit will verify the ownership of the collaterals provided by the customers and confirm if there is any incumbency on them.

With reference to the application information and the results of the KYC procedures, the credit team would make recommendations to the management on the proposed terms of the loan. Here are the main factors being taken into consideration during the loan approval stage:

(i) For property mortgage loan applications

- the quality, type and location of the properties provided by customers as collaterals;
- type of mortgages (i.e. first mortgage or second mortgage);
- loan-to-value ratios;
- loan amounts;
- tenors; and
- customers' net worth.

(ii) For share mortgage loan applications

- the quality and liquidity of the collaterals provided by customers;
- loan-to-value ratios;
- loan amounts;
- tenors; and
- customers' net worth.

Loan Impairment Assessment

The Group has developed policies and procedures to appropriately assess and measure the expected credit loss ("**ECL**") in accordance with impairment requirements of HKFRS 9. Details of the movement of provision for impairment and written-off of loan and interest receivables are disclosed in Note 12.

SECURITIES INVESTMENT

The Group has been investing in listed shares in Hong Kong and foreign countries and adjusting its investment strategy to ensure that it is sufficiently prudent to cope with the uncertainties in the financial market. For the six months ended 30 June 2024, the securities investment business generated a profit of approximately HK$2.1 million (30 June 2023: a loss of approximately HK$56.4 million). The operating loss of the segment amounted to approximately HK$3.0 million (30 June 2023: approximately HK$49.5 million).

OTHER INVESTMENT

As at 30 June 2024, the Company held 32% equity interest in Yunnan International Holding Group Limited, an associate principally engaged in the business of clean energy, health, investment management, new energy and financial services. The associate was established to participate in the strategic construction brought by The Belt and Road Initiative.

PROSPECT

Prospect of Automation Business

Looking ahead, manufacturers will continue to invest in integrated platforms in the territory of intelligent manufacturing. While SMT manufacturing equipment sales will continue to face a market slowdown in the near term, a modest recovery in the mobile phone market will lead the growth of the consumer electronics industry. Data shows that global mobile phone sales have now grown year-on-year for three consecutive quarters, and the global smartphone market is expected to demonstrate growth by 2024. In the medium to long term, demand for AI-enabled smart terminals is expected to accelerate replacement of mobile phones and computers, giving rise to more AI-enabled terminals. There will also be a surge in demand for data centres, smart grids, green energy and other ancillary facilities, most of which require the use of SMT equipment and semiconductor equipment for manufacturing. With its rich product portfolio and continuous innovation, the Group remains optimistic about the prospects and growth potential of the automation segment and believes that the segment will be in a favourable competitive position in the era of artificial intelligence.

The Company's customers include most of the major communications and high-end electronics manufacturers in China, and the business networks of some of these customers tend to be globally distributed. As China's manufacturers become more competitive globally and set up production bases overseas, the Company will follow the lead of its customers to accelerate the provision of corresponding intelligent manufacturing and service solutions overseas.

Prospect of Property Investment and Development Business

At present, the Group has implemented a total of three property investment projects in Shenzhen, Ganzhou and Shantou respectively.

The Shenzhen Development Project

The Shenzhen Development Project (also commonly known as Bangkai Science and Technology Industrial Park) is poised to enhance its property investment strategy by focusing on rental promotion and efficient rental collection. The objective is to improve the occupancy rate and the rate of receivables collection for this property investment, while also accelerating the construction of Phase III. The Group will continue to bolster the brand value of the Park, aiming to attract high-quality national high-tech enterprises to the park, ensuring that it remains a premier destination for industry and innovation.

The Ganzhou Development Project

In respect of the sale and rental of the Ganzhou Development Project (also commonly known as Baoneng Taigu Plaza and Baoneng Century Plaza), the Group will change its sales strategy in response to current market dynamics, with a strategic focus on expanding the customer base for office spaces and pursuing comprehensive underwriting deals for office buildings as well as hotel sales within the Ze Feng Biz Hub (澤豐中心). Regarding parking space sales, the project will introduce preferential offers to potential buyers to boost sales rate.

In respect of the commercial aspect of the Ganzhou Development Project, the Group is dedicated to enhancing the unique appeal of the Universal Square (環球匯), by refurbishing its ancient tree plaza to distinguish the Universal Square from competing projects and creating a customer magnet effect that will extend its influence to neighboring shops, thereby stimulating customer flow throughout the entire project. Additionally, the Group will align investment promotion and business planning with market demands, aiming to attract large-scale children's entertainment and catering companies, which will further enrich the business environment of the project.

The Shantou Development Project

The Group is streamlining the sale and rental strategies of the Shantou Development Project (also commonly known as the Shantou Times Bay Development Project) to meet market demands. The Group is focused on two key objectives: boosting sales and delivering completed buildings on time. Concentrating on existing properties, the Group are tapping into the Southern District's potential by leveraging existing tenant networks to uncover new sales leads and are working to quickly close large-scale deals. The Group is also pursuing contract renewals with major and government clients to maintain essential partnerships and are also disseminating project details and policy benefits to attract new customers and closely monitoring market trends to adapt their promotional tactics.

Prospect of Financial Services Business

Despite the uncertainties plaguing the global economic outlook, the Group will continue to capture opportunities brought about by the economic recovery in the financial markets proactively, and continue to optimise the trading experience of its customers to enhance its competitiveness in the market segment. At the same time, the Group will adhere to its prudent approach by reviewing its financing services and adopting appropriate strategies to mitigate downside risks to maintain stable business development.

FINANCIAL REVIEW

Revenue

The Group's revenue for the six months ended 30 June 2024 increased by 13.6% to approximately HK$379.4 million (30 June 2023: approximately HK$333.9 million). The revenue analysis by segment is presented as follows:

	For the six months ended 30 June				
	2024		2023		
	HK$' million	**Proportion to total revenue**	*HK$' million*	Proportion to total revenue	% change
Automation	**228.4**	**60.2%**	213.0	63.8%	7.2%
Financial Services	**24.8**	**6.5%**	30.6	9.2%	(19.0)%
Property Investment and Development	**124.1**	**32.7%**	146.7	43.9%	(15.4)%
Securities Investment	**2.1**	**0.6%**	(56.4)	(16.9)%	103.7%
	379.4	**100%**	333.9	100.0%	13.6%

During the Period, automation segment and property investment and development segments were the major source of revenue for the Group, accounting for 60.2% and 32.7% of total revenue, respectively.

Gross Profit and Margin

The gross profit increased by 133.9% to approximately HK$122.8 million (30 June 2023: approximately HK$52.5 million), while the gross profit margin increased to 32.4% (30 June 2023: 15.7%). The increase in gross profit and gross margin in year 2024 was mainly due to the significant difference between the gross profit on securities investment of approximately HK$2.0 million for the period ended 30 June 2024 and gross loss on securities investment of approximately HK$56.4 million for the period ended 30 Jun 2023. The difference was mainly arisen from the significant decrease in fair value of fund portfolio of the Group due to the PRC financial market downturn for the six months ended 30 June 2023.

The difference has resulted in an increase in the group's gross profits margin to 32.4% for 2024 from 15.7% for 2023. If excluding such difference, the gross profits margin for the period ended 30 June 2024 would have been adjusted to 32.0% and 27.9% for the period ended 30 June 2023.

Other (Losses)/Gains — Net

The net other losses for the Period was approximately HK$60.1 million (30 June 2023: net other gains of approximately HK$2.7 million). The turnaround was mainly attributable to the loss on disposal of property, plant and equipment for the six months ended 30 June 2024 amounting to approximately HK$60.6 million.

Other Income

The other income increased by 3.2% to approximately HK$3.2 million (30 June 2023: approximately HK$3.1 million).

Distribution Costs

The distribution costs decreased by 27.0% to approximately HK$8.9 million (30 June 2023: approximately HK$12.2 million), accounting for 2.3% (30 June 2023: 3.6%) of the total revenue. The decrease in distribution costs was mainly due to the decrease in advertising, promotion and exhibition expenses and commission expenses of approximately HK$4.0 million.

Administrative Expenses

The administrative expenses decreased by 14.6% to approximately HK$72.5 million (30 June 2023: approximately HK$84.9 million), owing to the effective implementation of cost control policy to reduce the routine administrative expenses and increase in net foreign exchange gains.

Finance Costs — Net

The net finance cost was approximately HK$11.1 million (30 June 2023: approximately HK$31.0 million). The turnaround was because of the increase in interest income on bank deposits.

Income Tax Credit/(Expense)

The income tax credit was approximately HK$19.4 million (30 June 2023: income tax expense of approximately HK$23.9 million) due to the substantial increase in deferred tax assets derived from the revaluation of investment properties.

(Loss)/Profit Attributable to Owners of the Company

The Company recorded a loss attributable to owners of the Company of approximately HK$79.8 million (30 June 2023: profit of approximately HK$648.7 million). The decrease was mainly due to the gain on bargain purchase arising from the acquisition of a subsidiary for the six months ended 30 June 2023 amounting to approximately HK$553,878,000, where the corresponding amount for the six months ended 30 June 2024 is nil.

FINANCIAL RESOURCES REVIEW

Liquidity and Financial Resources

By adopting a prudent financial management approach, the Group continued to maintain a healthy financial position. As at 30 June 2024, the Group's cash and cash equivalents totaled approximately HK$608.2 million (31 December 2023: approximately HK$562.3 million). The working capital represented by net current assets amounted to approximately HK$2,131.4 million (31 December 2023: approximately HK$1,985.7 million). The current ratio was approximately 1.7 (31 December 2023: approximately 1.6). The gearing ratio, which is calculated at borrowings divided by net asset value, was 22.4% (31 December 2023: 24.3%).

The borrowings of the Group as at 30 June 2024 included corporate bonds of approximately HK$290 million (31 December 2023: approximately HK$313 million), bank loans of approximately HK$452.3 million (31 December 2023: approximately HK$422.8 million), and other loans of approximately HK$795.4 million (31 December 2023: approximately HK$987.6 million).

Charge of Assets

The borrowings as at 30 June 2024 were secured by (i) guarantees provided by the Company, shareholder of the Company, certain of its subsidiaries and related parties; (ii) property, plant and equipment of approximately HK$118.4 million (31 December 2023: approximately HK$149.1 million); (iii) investment properties of approximately HK$2,120.7 million (31 December 2023: approximately HK$1,847.8 million); and (iv) pledged bank deposit of approximately HK$237.8 million (31 December 2023: approximately HK$237.8 million).

As at 30 June 2024, the carrying amount of properties held for sale amounting to approximately HK$263.3 million (31 December 2023: HK$265.2 million) were pledged as security for a bank borrowing in favour of a financial institution located in the PRC for interest bearing borrowings granted to a related party.

Capital and Other Commitments

As at 30 June 2024, the Group had contracted but not provided for capital and other commitments of approximately HK$215.2 million, HK$3,458.4 million and HK$1,069.1 million (31 December 2023: approximately HK$215.2 million, HK$3,585.1 million and HK$1,255.0 million) related to the investment in an associate and investment properties and property development expenditures, and the second tranche acquisition payment of the equity interest of Shantou Taisheng respectively.

Currency Exposure and Management

During the Period, the Group's receipts were mainly denominated in Hong Kong dollars, Renminbi ("**RMB**"), and US dollars. The Group's payments were mainly made in Hong Kong dollars, RMB and US dollars.

As the business activities of the Group's automation and property investment and development segments were mainly conducted in Mainland China, most of the Group's property development costs and labour costs were settled in RMB. As such, fluctuation of the RMB exchange rate will have an impact on the Group's profitability. The Group will closely monitor movements of the RMB and, if necessary, consider entering into foreign exchange forward contracts with reputable financial institutions to reduce potential exposure to currency fluctuations. During the Period, the Group did not enter into any foreign exchange forward contract.

Future Plans for Capital Investment and Expected Source of Funding

The Group finances its operating and capital expenditures mainly by internal resources such as operating cash flow, owners' equity and banking facilities. The Group expects to have sufficient resources and banking facilities to meet its capital expenditure and working capital requirement.

Fund Raising for Future Business Development

When the Group considers that there are funding needs for the expansion of its business and development of new business, it will explore possible fund raising methods, such as debt financing, placing of new shares or issuance of corporate bonds.

Employees and Remuneration Policies

As at 30 June 2024, the Group had 306 (31 December 2023: 406) full-time employees in Hong Kong and the PRC. Employees' remuneration is determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay level. Staff benefits include medical insurance, provident funds and other competitive fringe benefits.

To provide incentives or rewards to the staff, the Company adopted a share option scheme on 2 June 2020 and share options will be granted to eligible employees in accordance with the share option scheme.

Events after the Reporting Period

Second Tranche Acquisition of Shantou Taisheng Technology Limited

By around mid-May 2024, Shenzhen Baokai Investment Holding Company Limited* (深圳寶開投資控股有限公司) ("**the Purchaser**"), a company established in the PRC and an indirect wholly-owned subsidiary of the Group proposed to Shenzhen Hong Jia Xin Technology Limited* (深圳宏佳新科技有限公司) ("**the Vendor**"), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of Glory Sun Land Group Limited (寶新置地集團有限公司) to downsize the Original 2nd Tranche Acquisition from 49% to 42.33% of the total equity interest and actual paid-up registered capital of the Shantou Taisheng Technology Limited* (汕頭市泰盛科技有限公司) ("**Target Company**"), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company upon the 1st Tranche Completion. After arm's length negotiations between the parties to the Sale and Purchase Agreement, on 31 July 2024, the Purchaser and the Vendor entered into the Second Supplemental Agreement to amend certain terms and conditions under the Sale and Purchase Agreement, details of the major amendments are set forth as follows:

(1) the Original 2nd Tranche Acquisition shall be downsized from 49% to 42.33% of the total equity interest and actual paid-up registered capital of the Target Company (i.e. the Revised 2nd Tranche Sale Equity Interest), and;

(2) as a result of the downsizing of the Original 2nd Tranche Acquisition, the consideration shall be lowered from the Original 2nd Tranche Consideration in the amount of RMB1,129.45 million to the Revised 2nd Tranche Consideration in the amount of approximately RMB975.69 million.

The Second Tranche Shantou Taisheng Acquisition has not been completed as at the date of this announcement. Please refer to the announcements of the Company dated 3 October 2022, 21 March 2023, 22 March 2023, 22 March 2024 and 31 July 2024 for more details of the Second Tranche Shantou Taisheng Acquisition.

Acquisition of Debt Receivables

On 31 July 2024, the Company entered into a sale and purchase agreement with Right Dimension Limited (正維有限公司), a BVI company with limited liability and an independent third party to the Company, and Forever Assiduous Group Limited (永勤集團有限公司), a BVI company with limited liability and an independent third party to the Company, (collectively referred to as the "**Transferors**") in relation to the acquisition by the Company of certain debt receivables (the "**Debt Receivables**") from the Transferors in an aggregate amount of RMB78,346,000 for a total consideration of approximately RMB62,677,000. Upon completion of such acquisition, the Company intends to apply the Debt Receivables in off-setting part of the consideration payable by the Company to Shenzhen Hong Jia Xin under the Second Tranche Shantou Taisheng Acquisition. Please refer to the announcements of the Company dated 31 July 2024 and 12 August 2024 for more details of the acquisition of the Debt Receivables.

Expect for the transaction mentioned above, there is not any other events after the reporting period.

KEY RISKS AND UNCERTAINTIES

The Group's financial conditions, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The key risks and uncertainties identified by the Group are discussed in this section. There may be other risks and uncertainties in addition to those illustrated below, which are not known to the Group or which may not be material now but could become material in the future. Furthermore, risks can never be eliminated completely due to inherent limitations in measures taken to address them. Nevertheless, risks may be accepted for strategic reasons or if they are deemed not cost-effective to mitigate.

Operational Risk

Operational risk is the risk of financial loss or reputational damage resulting from inadequate or failed internal processes and systems as well as the performance of people. Responsibility for the management of operational risks in the Group rests with every function at both divisional and departmental levels.

Key functions in the Group are guided by standard operating procedures, limits of authority and a reporting framework. The Group identifies and assesses key operational exposure and reports such risk issues to senior management as early as possible so that appropriate risk control measures can be taken.

Industry Risk

The financial services business of the Group is subject to extensive regulatory requirements. Among others, operating subsidiaries such as Glory Sun Securities Limited and Atlantic Asset Management Limited are obliged to operate in compliance with the Securities and Futures Ordinance (Cap. 571). The Group is required to ensure consistent compliance with all applicable laws, regulations and guidelines and satisfy the relevant regulatory authorities that it remains fit and proper to be licensed. If there is any change or restriction of relevant laws, regulations and guidelines, the Group would then face a higher compliance requirement for its business activities. In addition, if the Group fails to comply with the applicable rules and regulations on any occasion, it may face fines or restrictions on its business activities or even suspension or revocation of some or all of its licenses for operating the financial services business. Furthermore, the financial services business, like all other businesses of the Group, is not immune from market changes. Any downturn in the financial markets may also adversely affect the financial services business of the Group.

The property investment and development business of the Group is subject to fluctuations in market conditions, economic performance and government policies. If the real estate market in the PRC and Hong Kong performs badly, it would have a direct negative impact upon that business of the Group. The Group will pay close attention to market conditions and will implement appropriate plans to respond to shifts in market conditions and government policies.

The automation business of the Group is inevitably affected by the COVID-19. The Group is prepared to pay close attention to market conditions and will formulate a contingency plan if the pandemic persists over a period of time.

The securities investment business of the Group is sensitive to market conditions and fluctuations in the prices of the securities that it holds. Any significant downturn in the securities market may affect the market value of the Group's securities investments and may adversely affect its results.

Financial Risk

In the course of its business activities, the Group is exposed to various financial risks, including market, liquidity and credit risks. The changes in the currency environment and interest rates cycles may significantly affect the Group's financial condition and results of operations in the PRC.

The Group's earnings and capital or its ability to meet its business objectives may be adversely affected by movements in foreign exchange rates, interest rates and equity prices. The Group closely monitors the relative foreign exchange positions of its assets and liabilities and allocates its holdings of different currencies accordingly in order to minimize foreign currency risk.

The Group may be subject to liquidity risk if it is unable to obtain adequate funding to finance its operations. In managing liquidity risk, the Group monitors its cash flows and maintains an adequate level of cash and credit facilities to enable it to finance its operations and reduce the effects of fluctuations in cash flows.

The Group is subject to credit risk from its clients. To minimize risk, new clients will undergo stricter credit evaluation, while the Group continuously monitors its existing clients to further improve its risk control measures.

Manpower and Retention Risk

The competition for human resources in the countries where the Group operates may result in not being able to attract and retain key personnel with the desired skills, experience and levels of competence. The Group will continue to provide remuneration packages and incentive plans to attract, retain and motivate suitable candidates and personnel.

Business Risk

The Group constantly faces the challenge of gauging and responding promptly to market changes within the sectors that it operates. Any failure to interpret market trends properly and adapt its strategy to such changes accordingly may have a materially adverse effect on the Group's business, financial position, results of operations and prospects.

USE OF PROCEEDS FROM SHARE SUBSCRIPTION IN JULY 2019

On 10 July 2019, the Company entered into a subscription agreement with Bao Xin Development Limited (the "**BXD**") in relation to the subscription of 4,000,000,000 new shares of the Company (the "**Share(s)**") at a subscription price of HK$0.25 per Share (the "**BXD Share Subscription**"). Please refer to the announcement of the Company dated 10 July 2019 and the circular of the Company dated 10 October 2019 (the "**2019 Circular**") for more details regarding the BXD Share Subscription.

On 17 December 2019, the Company issued and allotted 2,400,000,000 new Shares to BXD and received a proceeds of HK$600 million. On 8 May 2020, the Company issued and allotted 1,600,000,000 new Shares to the BXD and received a proceeds of HK$400 million. The net proceeds of the BXD Share Subscription were approximately HK$999.4 million and have been fully used for uses as set out in the table below:

			HK$' million
1.	Provision of brokerage service and corporate finance		
	(i)	securities brokerage and margin financing;	130.0
	(ii)	investment; and	57.1
	(iii)	corporate finance division	26.7
2.	Expansion of asset management business		180.0
3.	Expansion of money lending business		250.0
4.	General working capital		355.6
			999.4

USE OF PROCEEDS FROM SHARE SUBSCRIPTION IN APRIL 2023

On 20 April 2023, the Company entered into a subscription agreement with China Grand Developments Limited ("**China Grand**") in relation to the subscription of 800,000,000 new shares of the Company at a subscription price of HK$0.281 per Share (the "**China Grand Share Subscription**"). Please refer to the announcement of the Company dated 20 April 2023 and the circular of the Company dated 2 June 2023 for more details regarding the China Grand Share Subscription.

On 26 July 2023, the Company issued and allotted 800,000,000 new Shares to China Grand and received proceeds of HK$224.8 million. The net proceeds of the China Grand Share Subscription were approximately HK$224.7 million, approximately 90% of which will be applied for the repayment of maturing indebtedness and the rest will be applied as general working capital of the Group. The net proceeds designated for general working capital will be utilised for the (i) distribution costs of the Group including but not limited to staff costs, advertising, promotion and exhibition expenses and (ii) administrative expenses of the Group including but not limited to utilities expenses.

Out of the net proceeds from the China Grand Share Subscription, the amount of approximately HK$134.0 million and HK$8.6 million, dedicated to the repayment of maturing indebtedness and general working capital of the Group, respectively, remained unutilised. The unutilised net proceeds which have been deposited with the banks in Hong Kong is expected to be utilised by 31 December 2024. The table below demonstrates the breakdown and description of the utilisation of the net proceeds from the China Grand Share Subscription:

			HK$' million
1.	Repayment of maturing indebtedness		68.23
2.	General working capital		
	(i)	distribution costs of the Group including but not limited to staff costs, advertising, promotion and exhibition expenses	9.70
	(ii)	administrative expenses of the Group including but not limited to utilities expenses	4.17
			82.10

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the Period (2023 interim dividend: HK$ nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities during the Period.

CHANGE IN INFORMATION OF DIRECTORS

There has not been any change in the information of the Directors of the Company since the publication of the 2023 annual report of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

The biographical details of the directors and senior management of the Company are set out in the Company's website.

CORPORATE GOVERNANCE

The Company maintains a high standard of corporate governance with a view to enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. For the six months ended 30 June 2024, the Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") in Appendix C1 to the Listing Rules, except the deviations disclosed herein.

According to the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Huang Wansheng ("**Mr. Huang**") currently assumes the roles of both the chairman and the chief executive officer of the Company. The Company deviates from this provision as it believes that by holding both roles, Mr. Huang will be able to provide the Group with strong and consistent leadership. It allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. As such, the structure is beneficial to the business prospects of the Group. Furthermore, the Company's present management structure comprises sufficient number of independent non-executive directors and all major decisions are made after consultation with the Board, appropriate Board Committees and key personnel. The Board, therefore, believes that a balance of power and authority have been and will continue to be maintained.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopts the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as the code of conduct of the Group regarding securities transactions of the Directors. All Directors have confirmed that throughout the six months ended 30 June 2024, they have complied with the provisions of the Model Code.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") on 28 November 2009 with written terms of reference in compliance with the Listing Rules. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting matters, risk management and internal control procedures. The Audit Committee comprises one non-executive director, namely Mr. Zhang Chi and two independent non-executive directors, namely Ms. Zhang Juan and Mr. Chan Manwell. The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed with the management of the Company on financial reporting matters including a review of the unaudited interim financial information of the Group for the six months ended 30 June 2024.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hk1282.com). The 2024 interim report will be dispatched to the Shareholders and available on the same websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our appreciation to the management team and staff of the Group for their contribution during the Period and also to give our sincere gratitude to all our shareholders and business partners for their continuous support.

By order of the Board
Renze Harvest International Limited
Huang Wansheng
Chairman and Chief Executive Officer

Hong Kong, 30 August 2024

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Huang Wansheng and Mr. Li Minbin; one non-executive Director, namely Mr. Zhang Chi; and three independent non-executive Directors, namely Ms. Zhao Yizi , Ms. Zhang Juan and Mr. Chan Manwell.