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2025 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the “**Board**”) of Renze Harvest International Limited (the “**Company**”) would like to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	4	1,018,132	1,142,968
Cost of sales		(729,464)	(780,130)
Gross profit		288,668	362,838
Other (losses)/gains — net	5	(84,841)	28,783
Other income	5	7,602	4,606
Fair value loss on investment properties		(43,147)	(280,741)
Impairment losses on financial assets and contract assets — net		(29,428)	(20,839)
Write-down of inventories of properties		(873)	(151,329)
Distribution costs		(46,531)	(43,563)
Administrative expenses		(137,304)	(217,669)
Loss from operations		(45,854)	(317,914)
Finance costs — net	7	(46,115)	(59,741)
Share of results of associates		—	(12,235)
Loss before income tax		(91,969)	(389,890)
Income tax (expense)/credit	8	(25,185)	70,300
Loss for the year	6	(117,154)	(319,590)

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

For the year ended 31 December 2025

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
(Loss)/profit attributable to:			
Owners of the Company		(119,849)	(227,171)
Non-controlling interests		<u>2,695</u>	<u>(92,419)</u>
		<u>(117,154)</u>	<u>(319,590)</u>
Loss for the year		<u>(117,154)</u>	<u>(319,590)</u>
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences		110,919	(146,228)
Share of other comprehensive income of associates		10,929	11,147
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net changes in the fair value of equity instruments designated at fair value through other comprehensive income (“FVTOCI”)		<u>5,383</u>	<u>(924)</u>
Other comprehensive income/(loss) for the year		<u>127,231</u>	<u>(136,005)</u>
Total comprehensive income/(loss) for the year		<u>10,077</u>	<u>(455,595)</u>
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		(3,611)	(430,095)
Non-controlling interests		<u>13,688</u>	<u>(25,500)</u>
		<u>10,077</u>	<u>(455,595)</u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share			
— Basic and diluted	10	<u>(3.96)</u>	<u>(8.48)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		133,383	351,704
Investment properties		5,336,776	4,919,531
Intangible assets		116,159	133,356
Investments in associates		10,929	–
Financial assets at FVTOCI	<i>11</i>	14,902	23,312
Finance lease receivables		7,040	245
Deferred tax assets		19,727	19,242
		5,638,916	5,447,390
Current assets			
Inventories		106,984	48,189
Properties under development		1,605,667	1,597,328
Completed properties held for sale		517,184	777,221
Loans and advances	<i>12</i>	155,348	147,301
Trade receivables	<i>13</i>	312,952	268,160
Contract assets		24,354	17,445
Finance lease receivables		7,349	8,348
Prepayments, deposits and other receivables		351,170	290,154
Current tax recoverable		13,649	36,304
Financial assets at fair value through profit or loss (“FVTPL”)	<i>14</i>	136,130	198,353
Client trust bank balances		87,717	169,812
Pledged bank deposits and restricted deposits		34,891	35,973
Short-term time deposits		–	110,100
Cash and cash equivalents		833,412	777,707
		4,186,807	4,482,395
Total assets		9,825,723	9,929,785

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Current liabilities			
Trade and bills payables	15	1,006,010	1,066,430
Contract liabilities		413,721	416,881
Accruals and other payables		221,025	653,232
Borrowings		935,899	1,276,997
Lease liabilities		1,151	2,154
Current tax liabilities		198,657	192,220
		<u>2,776,463</u>	<u>3,607,914</u>
Net current assets		<u>1,410,344</u>	<u>874,481</u>
Total assets less current liabilities		<u>7,049,260</u>	<u>6,321,871</u>
Non-current liabilities			
Other payables		13,967	13,623
Borrowings		758,335	332,896
Lease liabilities		–	2,834
Deferred tax liabilities		382,602	382,229
		<u>1,154,904</u>	<u>731,582</u>
Total liabilities		<u>3,931,367</u>	<u>4,339,496</u>
NET ASSETS		<u><u>5,894,356</u></u>	<u><u>5,590,289</u></u>
EQUITY			
Share capital		50,000	26,800
Reserves		<u>5,334,018</u>	<u>5,066,839</u>
Equity attributable to owners of the Company		5,384,018	5,093,639
Non-controlling interests		<u>510,338</u>	<u>496,650</u>
TOTAL EQUITY		<u><u>5,894,356</u></u>	<u><u>5,590,289</u></u>

NOTES

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 the 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 principal place of business is Room 2308, 23/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

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

2. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). These consolidated financial statements also include applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

The HKICPA has issued certain new and amendments to HKFRS Accounting Standards which are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in the consolidated financial statements.

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries and the Group’s interests in associates.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”), which is the Company’s functional and presentation currency.

2. BASIS OF PREPARATION (Continued)

(b) Basis of preparation of the consolidated financial statements (Continued)

The preparation of the consolidated financial statements in accordance with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. ADOPTION OF HKFRS ACCOUNTING STANDARDS

3.1 Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

The HKICPA has issued the following amendments to an HKFRS Accounting Standard that are first effective for the current accounting period of the Group.

Amendments to HKAS 21	Lack of Exchangeability
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The adoption of the above amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial performance and position for the current and prior periods and/or the disclosures set out in the consolidated financial statements.

3. ADOPTION OF HKFRS ACCOUNTING STANDARDS (Continued)

3.2 Amendments to HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of this announcement, the HKICPA has issued a number of new or amendments to HKFRS Accounting Standards, which are not yet effective for the year ended 31 December 2025 and which have not been early adopted in the consolidated financial statements. These developments include the following which may be relevant to the Group.

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. ADOPTION OF HKFRS ACCOUNTING STANDARDS (Continued)

3.2 Amendments to HKFRS Accounting Standards in issue but not yet effective (Continued)

HKFRS 18 Presentation and Disclosure of Financial Statements

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. Whilst many of the requirements will remain consistent, the new standard introduces new requirements to present specified categories and defined subtotals in the consolidated statement of profit or loss and other comprehensive income; provide disclosures on management-defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the primary financial statements and the notes. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the structure and presentation of the consolidated statement of profit or loss and other comprehensive income based on new defined subtotals and disclosures in the future financial statements. The Group is currently assessing the impact that HKFRS 18 will have on the Group's consolidated financial statements.

4. SEGMENT INFORMATION AND REVENUE

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 were 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 respect to financial services under the Securities and Futures Ordinance ("SFO") in Hong Kong;
- Property investment and development segment represents the properties investment activities, property development project, 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.

The revenue from external parties is measured in a manner consistent with that in the consolidated financial statements.

Inter-segment pricing is based on similar terms as those available to other external parties.

4. SEGMENT INFORMATION AND REVENUE (Continued)

Revenue from automation segments are derived from the sales of automated production related products net of returns and installation and maintenance income. Revenue from securities investment segment is derived from realised and unrealised gains/(losses) of financial assets at FVTPL and interest income from investment. Revenue from financial services segment includes commission and brokerage income on dealings in securities, interest income from money lending, management fee and performance fee income from financial services. Revenue from property investment and development segment is derived from the sale of properties, rental income and property management income.

The CEO assesses the performance of the operating segments based on a measure of operations, which is in a manner consistent with that of the consolidated financial statements. The measurement of segment results excludes the effect of unallocated corporate income and expenses, as these type of activities are managed by central finance and accounting function, which manages the working capital of the Group. In addition, share of results of associates, impairment losses on financial assets and contract assets, and finance income or costs-net are not allocated to segments.

4. SEGMENT INFORMATION AND REVENUE (Continued)

Segment revenue and results

	Automation <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Property investment and development <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 December 2025					
Revenue	762,651	54,662	183,015	24,431	1,024,759
Inter-segment revenue	<u>(3,616)</u>	<u>(3,011)</u>	<u>-</u>	<u>-</u>	<u>(6,627)</u>
Revenue from external customers	<u>759,035</u>	<u>51,651</u>	<u>183,015</u>	<u>24,431</u>	<u>1,018,132</u>
Segment results	<u>52,027</u>	<u>15,357</u>	<u>(121,099)</u>	<u>29,890</u>	<u>(23,825)</u>
Unallocated provision for impairment losses on financial assets and contract assets — net					(8,281)
Unallocated other losses — net					(17,037)
Unallocated other income					4,061
Unallocated administrative expenses					(46,304)
Unallocated finance costs — net					<u>(583)</u>
Loss before income tax					<u>(91,969)</u>

4. SEGMENT INFORMATION AND REVENUE (Continued)

Segment revenue and results (Continued)

	Automation <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Property investment and development <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 December 2024					
Revenue	511,142	57,309	548,444	33,892	1,150,787
Inter-segment revenue	<u>(2,317)</u>	<u>(3,205)</u>	<u>(2,297)</u>	<u>–</u>	<u>(7,819)</u>
Revenue from external customers	<u>508,825</u>	<u>54,104</u>	<u>546,147</u>	<u>33,892</u>	<u>1,142,968</u>
Segment results	<u>42,436</u>	<u>27,327</u>	<u>(425,582)</u>	<u>(22,195)</u>	(378,014)
Share of results of associates					(12,235)
Unallocated reversal of impairment losses on financial assets and contract assets — net					9,731
Unallocated other gains — net					1,450
Unallocated other income					1,898
Unallocated administrative expenses					(46,661)
Unallocated finance costs — net					<u>33,941</u>
Loss before income tax					<u>(389,890)</u>

4. SEGMENT INFORMATION AND REVENUE (Continued)

Revenue

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Revenue from contracts with customers within the scope of HKFRS 15</i>		
— Sale of goods	722,969	479,580
— Sale of properties	32,865	377,890
— Installation and maintenance income	7,115	5,904
— Commission and brokerage income	30,355	13,492
— Management fee and performance fee income	11,051	1,061
— Others	1,377	4,067
	<u>805,732</u>	<u>881,994</u>
<i>Revenue from other sources</i>		
— Securities investment gain	13,727	21,508
— Interest income	21,453	56,219
— Rental income	177,220	183,247
	<u>212,400</u>	<u>260,974</u>
Total revenue	<u>1,018,132</u>	<u>1,142,968</u>
Timing of revenue recognition		
At a point in time	787,566	875,029
Over time	18,166	6,965
	<u>805,732</u>	<u>881,994</u>

5. OTHER (LOSSES)/GAINS — NET AND OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other (losses)/gains — net		
Loss on settlement of trade payables (<i>Note (a)</i>)	(20,123)	—
Loss on revaluation of properties transfer	(24,161)	—
(Loss)/gain on disposal of property, plant and equipment	(20,211)	45,129
Impairment loss on goodwill and license	(17,149)	(17,795)
Gain on disposal of a subsidiary	—	476
Loss on derecognition of subsidiaries	—	(2,643)
Others	(3,197)	3,616
	<u>(84,841)</u>	<u>28,783</u>
Other income		
Dividend income	2,119	762
Government subsidies (<i>Note (b)</i>)	8	23
Other sundry income	5,475	3,821
	<u>7,602</u>	<u>4,606</u>

Notes:

- (a) During prior years, the Group entered into an arrangement with the former contractor of a property development project of Shantou Taisheng. Pursuant to which, both parties agreed the transfer of completed properties held for sale of Shantou Taisheng with carrying amount of approximately HK\$352,684,000 to settle trade payables of approximately RMB332,714,000 (approximately HK\$332,561,000 after tax) owed to the contractor, resulting in a loss of approximately HK\$20,123,000 recognised in profit or loss. The registration of the relevant properties was completed during the year ended 31 December 2025, so related trade payables and completed properties held for sale were derecognised during the year.
- (b) For the years ended 31 December 2025 and 2024, the government subsidies represented the support of the Group's automation business from the relevant government authorities. The Group has complied with the requirements set out in the subsidy notice or relevant law and regulations.

6. LOSS FOR THE YEAR

Loss for the year is stated after charging/(crediting):

	2025	2024
	HK\$'000	HK\$'000
Auditor's remuneration		
— Audit services	2,220	2,800
— Other services	380	530
Cost of inventories and inventories of properties recognised as expenses	647,180	695,492
Amortisation of intangible assets, included in administrative expenses	48	48
Depreciation of property, plant and equipment	11,247	16,800
Directors and chief executives emoluments	3,388	4,040
Employee benefit expenses	70,722	79,989
Foreign exchange (gain)/loss	(19,927)	28,531
Short-term lease expenses	3,764	3,012
Write-down of inventories of properties		
— properties under development	—	—
— completed properties held for sale	873	151,329
Impairment loss on financial assets and contract assets — net	29,428	20,839

7. FINANCE COSTS — NET

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Finance income:		
— Interest income on bank deposits	18,829	42,763
— Interest income on financial assets at amortised cost	4,415	23,556
	<u>23,244</u>	<u>66,319</u>
Finance costs:		
— Bank loans	(55,916)	(10,388)
— Corporate bonds	(32,357)	(21,079)
— Other loans	(43,132)	(94,313)
— Lease liabilities	(172)	(280)
	<u>(131,577)</u>	<u>(126,060)</u>
Total borrowing costs	<u>(131,577)</u>	<u>(126,060)</u>
Less: Borrowing costs capitalised into investment properties	<u>62,218</u>	<u>—</u>
	<u>(69,359)</u>	<u>(126,060)</u>
Finance costs — net	<u>(46,115)</u>	<u>(59,741)</u>

8. INCOME TAX EXPENSE/(CREDIT)

Income tax has been recognised in profit or loss as following:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
— Hong Kong Profits Tax	2,701	656
— PRC Enterprise Income Tax	6,495	5,314
— PRC Land Appreciation Tax	3,085	18,879
	<u>12,281</u>	<u>24,849</u>
Under/(over) provision in prior years	10,512	(276)
	<u>22,793</u>	<u>24,573</u>
Deferred tax	2,392	(94,873)
	<u>25,185</u>	<u>(70,300)</u>

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the reporting period, nor has any dividend been proposed since the end of the reporting period (2024: nil).

10. LOSS PER SHARE

The basic loss per share for the year is calculated by dividing the loss for the year attributable to owners of the Company of HK\$119,849,000 (2024: HK\$227,171,000) by the weighted average number of ordinary shares in issue of 3,023,233,000 (2024: 2,680,000,000) during the year. There were no potential dilutive ordinary share outstanding for both years and therefore the dilutive loss per share is the same as basic loss per share.

11. FINANCIAL ASSETS AT FVTOCI

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Equity investments designated at FVTOCI		
Listed shares:		
— Equity securities the USA	1,701	110
— Equity securities Hong Kong	<u>2,414</u>	<u>18,996</u>
	4,115	19,106
Unlisted shares	<u>10,787</u>	<u>4,206</u>
	<u>14,902</u>	<u>23,312</u>

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

The fair values of listed securities are determined on the basis of their quoted market prices at the end of reporting period.

As at 31 December 2025, unlisted securities which quoted market price is not available of aggregated carrying amount of approximately HK\$10,787,000 (2024: approximately HK\$4,206,000) are measured at fair value and determined by market approach using back solve method which are not based on observable inputs.

12. LOANS AND ADVANCES

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loans and advances	779,984	768,050
Margin loans receivables	82,214	78,234
	862,198	846,284
Less: Provision for impairment	(706,850)	(698,983)
	155,348	147,301

The gross amounts of loans and advances of approximately HK\$396,598,000 (2024: HK\$366,838,000) 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 collateral held and the financial background of the borrowers. There is no significant changes in the quality of those collaterals as a result of deterioration or changes in the collateral policies of the entity during both reporting periods.

The loans and advances are interest bearing at fixed rates, ranging from 5% to 18% (2024: 5% to 18%) per annum.

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 at fixed rates, ranging from 5.6% to 18% (2024: 5.6% to 18%) per annum. 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 31 December 2025, margin loan receivables were secured by securities pledged by the clients to the Group as collateral with undiscounted market value of approximately HK\$285,973,000 (2024: approximately HK\$231,009,000). There is no significant change in the quality of those collaterals as a result of deterioration or changes in the collateral policies of the entity during both reporting periods.

13. TRADE RECEIVABLES

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	325,157	282,795
Less: Provision for impairment	(12,205)	(14,635)
	<hr/>	<hr/>
Trade receivables net	<u>312,952</u>	<u>268,160</u>

For customers of automation segment, a credit period ranging from 30 days to 180 days (2024: 30 days to 180 days) after acceptance is generally granted with exception of some trade customers where the credit period of 6 to 12 months (2024: 6 to 12 months) are granted. For customers of property investment and development segment, the balances are due upon issuance of invoices or within 2 days (2024: upon issuance of invoices or within 2 days). The Group does not hold any collateral over these balances.

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

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 30 days	207,422	79,560
31 to 60 days	29,675	25,087
61 to 90 days	10,811	12,792
91 to 120 days	10,613	125,348
Over 120 days	66,636	40,008
	<hr/>	<hr/>
	<u>325,157</u>	<u>282,795</u>

14. FINANCIAL ASSETS AT FVTPL

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Listed securities:		
— Equity securities — Hong Kong	29,987	20,585
Debt investments at FVTPL	<u>106,143</u>	<u>177,768</u>
	<u>136,130</u>	<u>198,353</u>

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

The fair value of debt instruments without active market quotes is determined using observable quotes for comparable assets.

15. TRADE AND BILLS PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	967,033	1,053,031
Bills payables	<u>38,977</u>	<u>13,399</u>
	<u>1,006,010</u>	<u>1,066,430</u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	355,319	212,588
31 to 60 days	2,145	10,266
61 to 90 days	5,455	3,731
91 to 120 days	2,580	5,440
Over 120 days	<u>640,511</u>	<u>834,405</u>
	<u>1,006,010</u>	<u>1,066,430</u>

The average credit period of trade payables ranged from 30 days to 60 days (2024:30 days to 60 days) for suppliers of automation segment; ranged from 1 day to 2 days (2024: 1 day to 2 days) after the trade date where the transactions are executed in relation to provision of securities brokerage services; and ranged from 180 days to 365 days (2024:180 days to 365 days) in relation to property investment and development segment.

MARKET OVERVIEW

In 2025, amid complicated and changing domestic and international landscape, China's GDP exceeded RMB140 trillion for the first time, representing a 5.0% increase over the previous year. The industrial growth was relatively robust, with a year-on-year increase of 9.2% in the added value of the equipment manufacturing sector. New forms of productive capacity have emerged at a faster pace, driving the industrial economy toward innovative and higher-quality development. The real estate market in Mainland China remained in an adjustment phase, with both property development investment and sales of new properties declining as compared to the previous year. Although the policies on real estate facilitated the stabilization of the market, it would take time for the market to resume its growth. In 2025, Hong Kong's economy maintained its growth momentum. The Hong Kong SAR Government expected an annual GDP growth of 3.5% for 2025, with total import and export of goods surging by 12%, and Hong Kong continued to be ranked among the world's freest economies. The city's consumer market saw a moderate recovery, while the property market rebounded with both transaction volumes and prices rising. The capital market particularly delivered impressive performance, with the Hong Kong equity financing market experiencing an explosive growth. Notably, the IPO market reclaimed its position as the world's largest, fully demonstrating the international capital's unwavering confidence in the Hong Kong market.

Automation Business

Benefits from the sustained growth of electronics manufacturing sector, the rapid expansion of artificial intelligence ("AI") applications and related products in China, the Group's automation business enjoyed a significant revenue increase in 2025. In 2025, the consumer electronics market showed a steady growth, with increased demand for smartphones, automotive electronics and AI-related products. Global smartphone shipments reached approximately 1.26 billion units, representing a year-on-year increase of approximately 2% as compared to 2024. Despite adverse factors stemming from geopolitical tensions and tariff policies, the restructuring of global supply chains and the expansion of overseas investments by electronics manufacturing customers have created new business opportunities for the Company's automation business. The rapid development of AI technology has accelerated the implementation of AI applications. As AI applications are witnessing explosive growth, and the demand for equipment and end products across the AI industry chain is growing rapidly, various manufacturers are actively exploring new development opportunities to integrate with AI. The rapidly growing demand for application scenarios and smart terminal products will drive demand for related manufacturing equipment. It is expected that the Company's automation business will continue to benefit from the growing demand for intelligent manufacturing equipment in the electronics industry in the coming years.

Property Investment and Development Business

2025 marks a pivotal year for the China’s real estate market as it transitions from a deep adjustment cycle into a phase of stabilization and recovery. Policy direction has shifted from “support and relief” towards “optimization and stimulus”, while the overarching framework of “city-specific measures” remains in place. Since the beginning of the year, measures continued to focus on “safeguarding project delivery, stabilizing demand, and mitigating risks”. By the middle of the year, however, the policy focus has clearly shifted towards restoring market confidence and facilitating reasonable housing demand.

Data show that national real estate development investment amounted to RMB8,278.8 billion, representing a year-on-year decrease of 17.2%. The sales floor area of new commercial housing reached 881 million square meters, representing a year-on-year decrease of 8.7%, while sales value totalled RMB8.39 trillion, representing a year-on-year decrease of 12.6%. The sharper decrease in sales value relative to sales floor area indicates a trend of “boosting transactions with lower prices”. Second-hand residential properties’ prices across 100 cities recorded a cumulative decline of 8.36%. The prices of new home sales rose by 2.58%, supported by the improvement of real estate in certain core cities. Market performance diverged significantly across cities: resilience remained stronger in core first-tier cities as well as second-tier cities such as Beijing, Shanghai, Shenzhen, Hangzhou, Chengdu and Xi’an. By comparison, third-tier and fourth-tier cities continued to face significant inventory pressure and prolonged turnover cycles.

In 2026, the Government Work Report has made a stance on the real estate sector with the goal of “striving to stabilize the real estate market”. The policy framework has become more clearly defined, with the core principles of “controlling increments, reducing inventory, and optimizing supply”. This signals a shift in supply principle from “incremental expansion” to “inventory optimization”, with new residential and commercial land supply significantly tightened. Urban renewal and revitalization of existing inventory are expected to become the primary focus. Real estate developers will be required to reshape their business pattern, moving away from “high leverage, high turnover” model towards becoming “service providers” that focus on core cities, improve product quality, and participate in inventory management. It is expected that the overall real estate market will exhibit a pattern of “structural recovery with overall pressure” in 2026. Core first-tier and second-tier cities, supported by industrial and demographic advantages, are likely to stabilize and recover first, while third-tier and fourth-tier cities continue to face high inventory levels, weak demand, and significant adjustment pressure.

The Group has anticipated the development trend of China’s real estate industry. Since 2024, the overall strategy for property investment and development business has been established as strategic contraction and expansion. For properties in non-core cities, it has accelerated revitalization and disposal of properties, while focusing core property investment in core cities. Initial results have been achieved in 2025.

Financial Services Business

In 2025, the global financial services industry operated within a transformed landscape, characterized by the long-awaited stabilization and gradual decline of global interest rates and a measured recovery in risk asset valuations. While geopolitical realignments and varying paces of economic growth across major markets persisted, investor sentiment improved markedly compared to the previous year. The Hong Kong stock market experienced a remarkable resurgence, with the Stock Exchange ranking as the world’s top IPO venue by funds raised in 2025. The Government continued its efforts to reinforce the city’s competitive position as an international financial centre.

The Group remains optimistic about Hong Kong’s economic trajectory. The city’s unique position as the definitive gateway between Mainland China and global markets is expected to drive sustained growth. With a more accommodative monetary policy environment anticipated in 2026, coupled with Hong Kong’s continuous efforts to build a diversified, sustainable, and dynamic financing platform, the Group is well-positioned to navigate the evolving cycle and capture emerging opportunities.

BUSINESS REVIEW

Established in 2009 and listed on the main board of The Stock Exchange of Hong Kong Limited in December 2010, the Group is principally engaged in the business of automation, property investment and development, financial services and securities investment. Over the past years, the Group has been adhering to its philosophy of “sustainable development and giving back to the community” with its commitment to provide all-rounded quality products and services to maximise return for its shareholders and contribute to the well-being of the society. In the face of a challenging business environment, the Group will strive to improve its business planning and operating performance in 2026 to promote its long-term growth.

AUTOMATION BUSINESS

For the year ended 31 December 2025, the automation segment recorded revenue of approximately HK\$759.0 million (2024: approximately HK\$508.8 million), representing an increase of 49.2% over last year and accounting for approximately 74.6% (2024: approximately 44.5%) of the Group's total revenue. The operating profit increased by 22.6% to approximately HK\$52.0 million (2024: approximately HK\$42.4 million). The growth in revenue and operating profit was primarily due to the continuous growth in sectors such as consumer electronics, automotive electronics and AI, as well as the increased investment by Chinese manufacturing customers in their overseas manufacturing bases. In addition, the replacement of Fuji SMT pick-and-place machines with new models, of which the Company was the brand agent, stimulated customers to purchase new equipment.

Gallant Tech Limited (“**Gallant Tech**”), a subsidiary of the Group, is committed to providing customers with a full range of solutions for electronics “smart manufacturing”, focusing on delivering advanced and appropriate electronic assembly equipment, semiconductor equipment and related services, and is one of the leading integrated service providers of electronics manufacturing equipment in China. As Gallant Tech implemented the strategy for overseas expansion earlier, it has shown its competitive advantages in serving Chinese manufacturers abroad since these manufacturers embarked on expanding overseas markets. In 2025, Gallant Tech actively supported its customers' overseas expansion by providing a full range of smart manufacturing solutions to help them establish manufacturing bases overseas. Gallant Tech has expanded its operations to a number of foreign countries. In particular, it has established a subsidiary and a local sales and service network in Vietnam, by operating in local language to aggressively expand its overseas market presence, and its strategy for overseas expansion has proven highly effective, with overseas sales revenue accounting for over 30% of annual revenue of the Company. Given the impact of geopolitical and trade policies, as well as driven by the strategy for global expansion of our customers, the overseas revenue is expected to maintain growth momentum. Gallant Tech will continue to enlarge its overseas sales and service network and expand its service team to provide strong support to customers.

Keeping abreast of the development trend of the electronics and information technology industry, the Company strives to provide cutting-edge and appropriate products and services in the intelligent manufacturing sector, and works with upstream and downstream partners to build a synergistic ecosystem, to support our customers in achieving breakthrough growth. The Company boasts a professional team with over 20 years of sales and service experience, and its service network spans major regions across China and Southeast Asia, enabling us to thoroughly understand our customers' needs and respond to their requirements immediately.

Through Shenzhen Gallant Financial Leasing Co., Ltd., the Company provides finance leasing, operating leasing and other services to meet the diverse needs of its customers. In 2025, given the increasing uncertainties arising from the trade war, many customers opted to lease equipment to expand their production capacity. In response to market demand, the Company adopted a business strategy to increase the investment in equipment operating leasing and strengthen the cooperation with peers. Flexible “combined leasing and sales” solutions with competitive pricing, empowered by the combination of equipment distribution and financial leasing businesses, resulted in a significant increase in revenue from the equipment operating leasing as compared to 2024.

Upholding an innovative spirit, the Company collaborates with our outstanding partners to empower customers to build smart factories through an intelligent equipment matrix, digital solutions and a customized service system, so as to help customers embrace the new era of Industry 4.0.

The deep integration of AI technology into manufacturing is an inevitable trend. As the “AI + Manufacturing” initiative further advances, the intelligent applications will become more popular. To meet customers’ demand for end-to-end intelligent manufacturing, Gallant Tech has strengthened and refined the development of MES (Manufacturing Execution System) service modules through in-house R&D and collaboration with leading industry partners, leading to increased adoption of its independently developed GT LINK MES system by its customers. The software service has become one of the company’s new revenue sources. Through continuous development and improvement of the MES system to empower intelligent manufacturing, Gallant Tech will provide customers with superior customized services and more intelligent production line management solutions in hardware and software.

PROPERTY INVESTMENT AND DEVELOPMENT BUSINESS

For the year ended 31 December 2025, the revenue of the property investment and development segment was approximately HK\$183.0 million (2024: approximately HK\$546.1 million), accounting for approximately 18.0% (2024: approximately 47.8%) of the Group’s total revenue. The decrease in revenue was due to sale of properties of Ganzhou Real Estate Project in 2024, as the other projects were fully sold, no sales are recorded in which reduces the difference.

For the year ended 31 December 2025, the operating loss of the property investment and development segment was approximately HK\$121.1 million, compared to the operating loss of approximately HK\$425.6 million recorded in the previous year. The decrease of operating loss was primarily due to decrease of fair value in investment properties and write-off of inventories were comparatively significantly smaller in 2025 as comparing to the year.

Shenzhen Bangkai Science and Technology Industrial Park Project

Bangkai Science and Technology Industrial Park, located at Fenghuang Town Industrial Zone in the hinterland of Guangming Science City in Guangming District, Shenzhen, is one of the 18 key development zones in Shenzhen. It is adjacent to Fenghuang Town Station of Metro Line 6 and Guangmingcheng Railway Station, and 1 km away from Guangming Exit of Longda Expressway. Occupying an area of 114,502 square meters and with a total construction area of 547,850 square meters, this project plans to build an industry-city complex integrating science and technology research and development, pilot plant, headquarters base, business office, smart apartment and leisure and business. The project consists of three phases, of which Phases I and II, consisting a total of seven buildings, have been completed, with a total area of 187,199 square meters in property ownership certificates and a rentable area of 187,379 square meters. The property mix includes office, R&D plant, apartments, hotel and ancillary commercial business.

Affected by the fluctuations in the overall economic environment in 2024, Bangkai Science and Technology Industrial Park suffered certain impacts in 2025, illustrated in relocation of enterprises and operational difficulties of tenants arising from economic volatility. In face of these challenges, the management team of Bangkai Science and Technology Industrial Park, with the support of the Guangming District Government, actively leveraged its advantageous geographical location and comprehensive industrial support services of the park to provide multi-dimensional services to enterprises. The average occupancy rate of the park was maintained at 83.6% throughout the year of 2025, ranking among the highest occupancy rates in Shenzhen Guangming District's key industrial parks.

In 2025, with the strong push of the Group, Bangkai Science and Technology Industrial Park conduct in-depth cooperation with Bank of China, Shenzhen Branch, pursuant to which Bank of China agreed to provide bank loans of up to RMB625 million for the construction of the industrial park. With the strong support of Bank of China, the construction of Phase III of the park will be further accelerated. Phase III of Bangkai Science and Technology Industrial Park has a total construction area of approximately 240,000 square meters, comprising apartments, industrial R&D premises, commercial and underground activity space. It is expected to be completed and gradually put into operation in 2026.

Ganzhou Real Estate Project

The Company has developed two large-scale comprehensive real estate projects in Ganzhou, Jiangxi, namely Century Plaza and Taigu Plaza. The residential buildings, apartments, office buildings and hotels of the two projects have been fully disposed of. The shopping malls of the two projects, namely Universal Square* (環球匯) and Joyous Square* (歡樂匯), are operated by the company in Ganzhou. In 2025, the operations of Ganzhou Universal Square and Joyous Square remained stable, with Universal Square housing a number of renowned brands, delivering satisfactory performance and being a popular integrated shopping centre in Ganzhou as well as a popular destination for visitors.

Shantou Real Estate Project

In 2024, the Group completed the acquisition of 42.33% equity interest in Shantou Taisheng Technology Limited (“**Shantou Taisheng**”), and is currently holding 93.33% equity interest in Shantou Taisheng. Shantou Taisheng is engaged in the development of a real estate construction project – Shantou Times Bay* (汕頭時代灣) located at Longhu District, Shantou City, Guangdong Province, the PRC. The project encompasses a total land area of approximately 167,000 sq.m. and a gross floor area of approximately 951,000 sq.m. It is divided into three zones: South, Central and North, featuring office and commercial buildings, residential units and loft apartments.

In 2025, benefiting from the robust development of the cultural and tourism industry in Shantou, the commercial property and hotel industries in Shantou City witnessed a certain degree of recovery. Notably, hotels in Shantou experienced strong demand during the Chinese New Year holiday in 2026. In 2025, with the strong support of Shantou government, Shantou Taisheng resumed construction of approximately 350,000 square meters of commercial and residential properties in the North Zone. During the National People’s Congress and the Chinese People’s Political Consultative Conference in 2026, the leaders of the Guangdong Provincial Party Committee continued to provide support for the cultural tourism development in Shantou. It is expected that the tourism industry in Shantou will remain prosperous in 2026, and Shantou Taisheng will promote the commercial and residential properties in the North Zone to the market in due course. With the sustained growth of Shantou’s cultural tourism industry, the real estate industry is expected to gradually bottom out.

In terms of investment promotion and operation, with the moving in of Shantou Rastar Group and Shantou Branch of China Minsheng Bank, a more vibrant commercial atmosphere has gradually taken shape in the South Zone business district of Shantou Times Bay. Benefiting from its superior geographical environment, the adjacent Jinwan Park and seaside promenade have become popular destinations for trendy tourism and influencer check-in during weekends and holidays, thereby enhancing the commercial value of the Times Bay project. The team will continue to adjust leasing and renewal policies in a timely manner in response to market conditions and customer needs to rejuvenate business vitality, further broadening the park's business base and attracting more customer flow.

The Company also holds certain investment properties in Hong Kong for rental purposes, which are currently vacant.

FINANCIAL SERVICES BUSINESS

The Group continues to provide comprehensive financial services in Hong Kong through its subsidiaries, adhering to its operational philosophy of prudence, professionalism and client-centric innovation, the Group contributes to the economy by delivering all-aspect financial solutions to its clients. For the year ended 31 December 2025, the financial services segment generated approximately HK51.7 million in revenue (2024: approximately HK\$54.1 million revenue), representing a slight decrease of approximately 4.4% and accounting for approximately 5.0% of the Group's total revenue (2024: 4.7%). The operating profit amounted to approximately HK15.4 million (2024: approximately HK27.3 million operating profit).

Securities Brokerage Services

In 2025, the Hong Kong stock market experienced a gradual improvement following a challenging 2024. Although overall trading activities remained subdued relative to historical levels due to lingering macroeconomic uncertainties and cautious investor sentiment, market volatility moderated as expectations of global monetary easing strengthened and Mainland China introduced market-supportive measures. The Group's securities brokerage business remained committed to providing professional and comprehensive services, including securities dealing and trading, margin financing, placing and underwriting, distribution of financial products and providing one-stop integrated investment and financing solutions for institutional investors, high-net-worth individuals and listed companies.

Despite market headwinds, the brokerage team demonstrated resilience and adaptability. The Group adopted a disciplined approach to cost management, strengthened operational efficiency and enhanced digital trading infrastructure to maintain service quality. Key developments during the year included: upgrading electronic trading systems to improve execution speed, platform stability and cyber-security protection, expanding the range of investment products to meet growing client demand for fixed-income solutions, alternative assets and cross-border investment products, deepening engagement with institutional and high-net-worth clients through bespoke investment solutions, reinforcing risk-management and compliance capabilities in response to evolving regulatory standards.

Looking ahead, with global interest rates expected to trend downward and potential easing of geopolitical tensions, the Group anticipates a steady recovery in investor confidence and trading activities. The brokerage team will continue to focus on technology enhancement, product diversification and client acquisition to capture new opportunities and reinforce the Group's market position.

Asset Management Services

As we progress into 2026, Hong Kong's asset management industry continues to demonstrate resilience and growth amid a dynamic global environment. The city's strategic role as a leading financial hub in Asia is bolstered by ongoing reforms and efforts to attract international capital. While geopolitical tensions, trade uncertainties, and U.S. policy shifts persist in creating market volatility, positive momentum has emerged from robust capital inflows, a strong rebound in equity markets (such as the Hang Seng Index), and significant IPO activity. The asset and wealth management sector has seen substantial expansion, with total AUM in Hong Kong rising notably in recent years, driven by net inflows, improved investor awareness of professional services, and enhanced distribution channels.

Hong Kong's progressive yet regulated approach to virtual assets remains a key highlight, with the Securities and Futures Commission ("SFC") continuing to foster a robust ecosystem for digital assets while prioritizing investor protection and market integrity. In response to evolving regulatory clarity and market demand, Atlantic Asset Management Limited, a subsidiary of the Group, proposes to expand its offerings by providing virtual assets advisory services and managing one or more portfolios that invest more than 10% of the gross asset value in virtual assets, subject to obtaining necessary SFC approvals and meeting all relevant regulatory standards.

We provide asset management and investment advisory services to high-net-worth individuals, corporations, and institutional clients across global markets. As of the date of this report, we act as the investment manager for two segregated portfolio company funds with three segregated portfolios, with total assets under management at around HK\$3,952 million.

In 2025, our funds delivered solid performance, reflecting the effectiveness of our adaptive investment strategies amid improving market conditions. Looking ahead in 2026, our investment focus will shift toward high-quality, fundamentally strong companies and industries, as well as precious metals, for long-term holding. This approach emphasizes sustainable growth potential, resilient business models, and exposure to sectors benefiting from structural trends such as technological advancement, resource security, and economic stability, while incorporating precious metals as a hedge against inflation and geopolitical risks. We will maintain disciplined risk management and selective position-taking to capitalize on these opportunities in a maturing market cycle.

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, property mortgage loans and collateral 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 31 December 2025, the overall weighted average loan-to-value ratio of its loan portfolio was at 94.3% (2024: 96.6%).

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, property mortgage loans and collateral 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 nil of the entire gross loan receivable of Glory Sun Credit as at 31 December 2025 (2024: nil). 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 nil to nil (2024: 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 100% (2024: more than 66.6%) of them were residential properties. The gross property mortgage loans receivable was accounted for approximately 45.5% of the entire gross loan receivable of Glory Sun Credit as at 31 December 2025 (2024: nil). 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 6.5% to 6.5% (2024: 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 31 December 2025, Glory Sun Credit had 2 (2024: 2) active accounts, of which 1 (2024: 0) of them were individual customers and the remaining of 1 (2024: 2) were corporate customers; and of which nil (2024: nil) of them were share mortgage loan customers and 1 (2024: nil) of them were property mortgage loan customers.

During the current year, the top five customers (as determined by interest income generated) accounted for approximately 100% (2024: 100%) of the total revenue of Glory Sun Credit, and the single largest customer accounted for approximately 76.8% (2024: 52.7%) of the total revenue.

As at 31 December 2025, the largest and top five customers (as determined by loan receivable balance) of the total gross loan receivables balance accounted for 54.5% (2024: 76.7%) and 100% (2024: 100%) 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.

IMPAIRMENT LOSS ON LOANS AND ADVANCES RECEIVABLES

As at 31 December 2025, the Group recognised impairment loss on loans and advances receivables of approximately HK\$706,850,000 (the “**Impairment Loss**”). The Group engaged an independent professional qualified valuer (the “**Valuer**”) to carry out a valuation of the ECL as at 31 December 2025 (the “**Valuation Report**”). The movement of impairment loss for the year ended 31 December 2025 is illustrated as below:

	<i>HK\$'000</i>
At 1 January 2024	721,612
Recovery of impairment losses	<u>(22,629)</u>
At 31 December 2024 and 1 January 2025	698,983
Provision of impairment losses	<u>7,867</u>
At 31 December 2025	<u><u>706,850</u></u>

Save as disclosed in this announcement, further information regarding the Impairment Loss is set out below:

Nature of the Impairment Loss

The balance of loans and advances receivables represents the outstanding principals and interests from customers of the Group on financial services segment (the “**Financial Services Segment**”) and unallocated business units. As at 31 December 2025, accumulated impairment loss on loans and advances receivables of the financial services segment of approximately HK\$190,480,000 (2024: approximately HK\$191,560,000) was recognised and loans and advances receivables of the unallocated business units of approximately HK\$516,370,000 (2024: approximately HK\$507,423,000) was recognised.

Details on the Circumstances and Reasons for the Impairment Loss

The debtors of the Group in the financial services segment and unallocated business units faced unexpected cash flow issues due to the downturn of the Chinese economy in the past few years resulting serious disruption and adverse impact to the macro-economic environment. Therefore, the probability of recovery of outstanding debts from these debtors is questionable. The Group carried out an assessment of the ECL of loan and advance receivables of the financial services segment and unallocated business units with reference to the Valuation Report performed by the Valuer, which was based on certain key assumptions. Key assumptions used by the Valuer included probability of default (“**PD**”) of 100% considering defaulted status of loan and advance receivables without repayment and loss given default (“**LGD**”) of over 90% with reference to post-default market bond price movements. Based on the Valuation Report, the management of the Group considered the recoverability to be low. The Group has been following up the status and the Group has taken and/or is planning to take legal actions against the legal representative of the such customers.

Movement of impairment losses on loans and advances

For events and circumstances that lead to the Company in recognising or further making impairment of its loans, factors would normally include (a) delay in settlement of loan interest or loan principal amounts by the borrowers on the due date; (b) legal actions being taken by the Company against the borrowers; (c) decrease in value of the collaterals due to the decline in the global equity market in general; and (d) the decrease in confidence in the properties development industry in China considering some of the borrowers of the Company are in this industry.

During the year ended 31 December 2025, an impairment loss of approximately HK\$7.9 million was recognised (2024: recovery of impairment loss of approximately HK\$22.6 million), of which HK\$4.0 million of impairment loss (2024: HK\$19.4 million of recovery of impairment loss) was related to other loan receivables (“**Impairment of Other Loan Receivables**”) apart from regular money lending business. The recovery of impairment losses was mainly related to certain borrowings recovered from disposal of the pledged assets. The other loans were considered an attempt by the Group to establish business relationships with the debtors, given that the debtors are the owners of property development projects in the PRC. The Group might consider investing in the projects if the developments gone well and the Group assessed the possibility to convert the other loans to equity in the projects. By way of granting loans instead of capital injection at the early stage of project provides an exit strategy to the Group if the project development did not proceed as expected. Either way is in line with the Group’s business strategy in diversifying investments, and to generate profits for the Group, whether in short-term as loan interest income, or in long-term as revenue from property segment.

Notwithstanding that these borrowings were secured by corporate guarantee and equity interests, taken into consideration that (i) the borrowers are principally engaged in property development business in China and the property sector in China over the past few years has been thrust into a severe debt crisis; (ii) failure of borrowers in making timely loan settlement to the subsidiary of the Company on the loan maturity date; and (iii) legal proceedings have already been instituted by the Group against the PRC project companies, impairments were recognised on their overdue loans outstanding during the year ended 31 December 2025 and 2024.

Due to the above factors, the business strategy has not been materialised, not owing to the strategy itself but the fact that PRC property development projects or other related opportunities are not the best investment options for the time being given the current macro environment. Depending on the worthiness and potential of the investment projects themselves, the Group may revisit the said strategy in the future.

SECURITIES INVESTMENT

The Group continued to adopt a prudent investment strategy, adjusting its portfolio allocation in listed securities across Hong Kong, Mainland China and overseas markets in response to market conditions. For the year ended 31 December 2025, the securities investment segment recorded a gain of approximately HK\$24.4 million (2024: approximately HK\$33.9 million). The segment reported an operating profit of approximately HK\$29.9 million (2024: operating loss of approximately HK\$22.2 million).

OTHER INVESTMENTS

As at 31 December 2025 and 31 December 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. Through the cooperation with the shareholders of the associate, the Company vigorously participated in the strategic construction brought by The Belt and Road Initiative.

PROSPECT

Looking ahead to 2026, following the pace of global economic recovery in the post-epidemic era, the Company will shift the focus of industrial development from quantitative to qualitative growth, seeking innovation while maintaining stability, and supporting the country's development direction of new productive forces. The Company will actively and steadily promote the development of its various business segments to maintain Hong Kong's unique status as an international financial center.

Prospects of Automation Business

Looking into 2026, the international landscape and market environment remained volatile. The ongoing Russia-Ukraine war, renewed hostilities between the United States, Israel and Iran, and tensions in the Middle East pushed up energy prices and intensified inflationary pressures, which will adversely affect the global economy. As the sharp rise in memory chip price had an impact on the consumer electronics industry, some institutions predicted a potential decline in annual shipments of terminal consumer electronics products such as smartphones. These factors presented challenges for our automation business.

Meanwhile, AI-related products are experiencing rapid growth; in particular, the explosive growth in demand for AI server computing power is driving overall growth across the industry chain. The global electronics market is expected to maintain moderate growth, and the manufacturing customers continue to increase overall capital expenditures, which will provide strong support to the sustained demand for SMT equipment and semiconductor manufacturing equipment.

2026 marks the first year of China's 15th Five-Year Plan. With strong growth momentum, the electronics and information technology manufacturing is a key sector for strengthening new forms of productive capacity. General-purpose technologies, represented by AI, will provide strong impetus for the industrial development in this sector and generate new demand for high-end hardware. During the 15th Five-Year Plan period, the electronics and information technology manufacturing industry will deliver products in larger scales and with higher qualities, driving high-quality economic and social development.

Our product lines are closely correlated with various sectors of the electronics and information technology manufacturing industry. To better capitalize on market opportunities, the Company will further optimize and diversify its product mix, continue to develop new products in the areas of semiconductor equipment, other automation equipment and related materials, and secure more supplier agency licenses.

Since the trend of establishing production bases overseas by Chinese manufacturing customers is expected to continue, it is the Company's strategy to follow the footsteps of its customers to align overseas market layouts and formulate long-term plans with a localized operation mindset. We have established a solid sales and service network in Southeast Asia, enabling our provision of efficient and flexible services to support our customers' production operations in the region. In 2026, the Company will further increase overseas investment, expand its business network in Southeast Asia, and launch equipment leasing services. It will also establish training centers to cultivate local professional talents tailored for customers, and enhance the cooperation with local suppliers and agents in Southeast Asia.

Prospects of Property Investment and Development Business

Over the past two years, the Group anticipated the prolonged downturn in China's real estate industry and proactively established an overall strategy of "strategic contraction and expansion". The Group swiftly revitalized and disposed of properties in non-core regions, while concentrating resources on the development of properties in core areas. This strategy achieved results in 2025, alleviating the Group's overall gearing ratio and optimizing its capital structure.

Looking ahead to 2026, China's real estate industry is expected to continue to exhibit a pattern of "structural recovery with overall pressure". Core first-tier and second-tier cities, supported by industrial and demographic advantages, are likely to stabilize and recover first, while third-tier and fourth-tier cities continue to face significant adjustment pressure due to weak demand. The Group has already made early arrangements, with approximately 240,000 square meters of properties at Bangkai Science and Technology Industrial Park in Shenzhen Guangming District will be launched to the market at the end of the year, comprising industrial R&D premises, commercial and residential properties and underground activity space, which is expected to align with the recovery momentum of core first-tier cities. The construction progress of the Shantou Times Bay will also be aligned with the overall local real estate environment.

Prospects of Financial Services Business

Looking ahead to 2026, the Group's securities brokerage team is well-positioned to build on the momentum of the past year. We will continue to proactively capitalize on opportunities arising from the more favorable interest rate environment and the ongoing integration of global financial markets. Our immediate priorities include further optimizing the digital trading experience for our clients to solidify our competitive position. Concurrently, the team will maintain its prudent approach to reviewing margin financing portfolios and underwriting risks, ensuring stable and sustainable business development even as markets evolve.

In 2025, the macro-environment accelerated toward greater global market integration amidst ongoing geopolitical realignments. The Company's investment team will continue to employ scientifically rigorous, data-driven investment analysis strategies to screen global opportunities. By evaluating intrinsic value and implementing strategic asset rebalancing based on regional market characteristics, we aim to optimize returns. Leveraging Hong Kong's unassailable position as an international financial center, the Company will continue to focus on capturing the most compelling investment opportunities within the Greater China region for both its proprietary book and its valued clients.

FINANCIAL REVIEW

The total liabilities of the Group as at 31 December 2025 decreased by 9.4% to approximately HK\$3,931.4 million due to i) carrying amounts of accruals and other payables and trade and bill payables as at 31 December 2025 were decreased by approximately HK\$431.9 million and HK\$60.4 million respectively, when compared to 31 December 2024; and ii) carrying amounts of borrowings as at 31 December 2025 was increased by approximately HK\$84.3 million when compared to 31 December 2024. The gearing ratio, which is calculated at borrowings divided by net assets value was increased to 28.7% (2024: 28.8%).

Revenue

The Group's revenue for the year ended 31 December 2025 decreased by approximately 10.9% (2024: increased by approximately 54.4%) to approximately HK\$1,018.1 million (2024: approximately HK\$1,142.9 million). The revenue analysis by segment is presented as follows:

	2025		2024		
	HK\$'	Proportion	HK\$'	Proportion	%
	million	to total	revenue	to total	change
		million		revenue	
Automation	759.0	74.6%	508.8	44.5%	49.2%
Financial services	51.7	5.0%	54.1	4.7%	-4.4%
Property investment and development	183.0	18.0%	546.1	47.8%	-66.5%
Securities investment	24.4	2.4%	33.9	3.0%	-28.0%
	1,018.1	100%	1,142.9	100%	-10.9%

During the year, automation and property investment and development segments were the major source of revenue for the Group, accounting for approximately 74.6% (2024: 44.5%) and approximately 18.0% (2024: 47.8%) of total revenue, respectively.

Gross Profit and Margin

The gross profit for the year has decreased by approximately 20.4% (2024: increased by approximately 161.8%) to approximately HK\$288.7 million (2024: approximately HK\$362.8 million), while the gross profit margin slightly decreased to 28.4% (2024: 31.7%). The change was mainly due to the increase in competition of automation segment in the Year which lowers the gross margin achievable as compared with those in 2024 and decrease in sales revenue amounting to approximately HK\$363.1 million (2024: increase in sales revenue amounting to approximately HK\$191.4 million) in property investment and development segment.

Other Losses/Gains — Net

The net other losses during the year was approximately HK\$84.8 million (2024: the net other gains of approximately HK\$28.8 million), which was mainly due to loss on disposal of property, plant and equipment amounting to approximately HK\$20.2 million (2024: gain on disposal amounting to approximately HK\$45.1 million) during the Year, loss on settlement of trade payables amounting to approximately HK\$20.1 million (2024: nil). Loss on revaluation of properties transfer amounting to approximately HK\$24.2 million (2024: nil) and impairment loss on intangible assets amounting to approximately HK\$17.1 million (2024: approximately HK\$17.8 million).

Other Income

The other income increased by approximately 65.2% (2024: decreased by approximately 69.7%) to approximately HK\$7.6 million (2024: decreased by approximately HK\$10.6 million) due to the increase in dividend income from investment from approximately HK\$0.8 million in 2024 to approximately HK\$2.1 million in 2025 and sundry income from approximately HK\$3.8 million in 2024 to approximately HK\$5.5 million in 2025.

Distribution Costs

The distribution costs increased by approximately 6.7% (2024: approximately 116.5%) to approximately HK\$46.5 million (2024: approximately HK\$43.6 million), accounting for 4.6% (2024: 3.8%) of the total revenue, owing to the increase in sales of automation equipment.

Administrative Expenses

The administrative expenses decreased by approximately 36.9% (2024: approximately 11.0%) to approximately HK\$137.3 million (2024: approximately HK\$217.7 million), owing to the decrease in depreciation of property, plant and equipment of approximately HK\$5.6 million, decrease in exchange loss of approximately HK\$48.5 million and decrease in staff cost of HK\$26.5 million.

Finance Costs — Net

The net finance costs during the Year was approximately HK\$46.1 million (2024: approximately HK\$59.7 million). The decrease in net finance costs was because of the borrowing costs capitalized of approximately HK\$62.2 million (2024: nil) in the Year.

Income Tax Expense/Credit

During the year ended 31 December 2025, the Group recorded an income tax expense of approximately HK\$25.2 million (2024: income tax credit of approximately HK\$70.3 million) which was mainly due to the temporary differences arising from fair value loss of investment properties and write-down of inventories.

Loss Attributable to Owners of the Company

For the year ended 31 December 2025, the Company recorded a loss attributable to the owners of the Company of approximately HK\$119.8 million (2024: approximately HK\$227.2 million).

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 31 December 2025, the Group's cash and cash equivalents of approximately HK\$833.4 million (2024: approximately HK\$777.7 million). The working capital represented by net current assets amounted to approximately HK\$1,410.3 million (2024: approximately HK\$874.5 million). The current ratio was approximately 1.5 (2024: approximately 1.2). The gearing ratio, which is calculated at borrowings divided by net asset value, was 28.7% (2024: 28.8%). The borrowings of the Group as at 31 December 2025 included corporate bonds of approximately HK\$445.4 million (2024: approximately HK\$290.0 million), bank loans of approximately HK\$1,221.8 million (2024: approximately HK\$195.9 million), and other loans of approximately HK\$27.0 million (2024: approximately HK\$1,124.0 million). The borrowings as at 31 December 2025 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\$17.4 million (2024: approximately HK\$149.9 million); (iii) investment properties of approximately HK\$3,037.4 million (2024: approximately HK\$1,740.4 million); and (iv) pledged bank deposit of approximately HK\$14.7 million (2024: approximately HK\$14.4 million).

Capital and Other Commitments

As at 31 December 2025, the Group had contracted but not provided for capital commitments of approximately HK\$220.6 million and HK\$4,260.1 million relating to the investment in an associate and investment properties and property development expenditures respectively (2024: approximately HK\$215.2 million and HK\$3,389.4 million relating to the investment in an associate and investment properties and property development expenditures).

Currency Exposure and Management

During the year, 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 the mainland China, most of the Group's labour costs and manufacturing overheads were settled with the 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 year, 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 and shareholders' equity and bank facilities. The Group expects to have sufficient internal 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 businesses and development of new businesses, it will explore possible fund raising methods, such as debt financing, placing of new shares or issuance of corporate bonds.

Employees and Remuneration Policy

As at 31 December 2025, the Group had 275 (2024: 270) 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.

USE OF PROCEEDS FROM PLACING OF SHARES UNDER SPECIFIC MANDATE IN NOVEMBER 2025

On 26 August 2025, the Company entered into a placing agreement with a placing agent and arrangement was made for a placement of 2,320,000,000 ordinary shares of HK\$0.01 each of the Company at a price of HK\$0.128 per ordinary share.

The placing was completed on 7 November 2025. Share capital and share premium amounting to approximately HK\$23.2 million and HK\$270.8 million, respectively, are recognised by the Company, after deducting the issue costs amounting to HK\$0.3 million from share premium. The net proceeds, amounting to HK\$293.7 million were used to repay the maturing indebtedness and to provide additional working capital for the Company. Please refer to the announcement of the Company dated 26 August 2025, the circular of the Company dated 23 September 2025 and the completion announcement dated 7 November 2025 for more details regarding the placing of shares under specific mandate.

The table below demonstrates the breakdown and description of the utilisation of the net proceeds from the placing of shares under specific mandate:

	<i>HK\$' million</i>
1. Repayment of maturing indebtedness	235.2
2. General working capital – administrative expenses of the Group including but not limited to utilities expenses	<u>6.2</u>
	<u><u>241.4</u></u>

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no material contingent liabilities (2024: nil).

SHARE OPTION SCHEME OF THE COMPANY

The Company adopted a share option scheme (the “**Share Option Scheme**”) pursuant to a resolution in writing passed by the shareholders of the Company on 2 June 2020. As at the date of this announcement, the total number of shares of the Company available for issue under the Share Option Scheme is 156,937,561, representing approximately 3.14% of the entire issued share capital of the Company as at the date of this announcement.

As at the date of this announcement, no option had been granted by the Company under the Share Option Scheme.

FINAL DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 December 2025 (2024: nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods for determining eligibility to attend and vote at the 2026 annual general meeting:

Latest time to lodge transfer documents for registration:	4:30 p.m., Tuesday, 2 June 2026
Closure of register of members:	Wednesday, 3 June 2026 to Monday, 8 June 2026 (both days inclusive)
Record Date:	Monday, 8 June 2026

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 year ended 31 December 2025.

PUBLIC FLOAT

Based on the information that was publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, there was sufficient public float of not less than 25% of the Company’s issued shares as required under the Listing Rules.

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. During the year under review, 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.

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 year ended 31 December 2025, they have complied with the provisions of the Model Code.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) 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, of which Ms. Zhang Juan is the Chairman. The Audit Committee has reviewed and approved the preliminary announcement of the Group’s results for the year ended 31 December 2025.

SCOPE OF WORK OF INDEPENDENT AUDITORS

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 December 2025 have been agreed with the Group’s auditors, Moore CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore CPA Limited on the preliminary announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is expected to be held on Monday, 8 June 2026 and notice of the annual general meeting will be published and dispatched to the Shareholders in the manner as required by the Listing Rules.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hk1282.com). The 2025 annual report will be dispatched to the Shareholders and available on the same websites in due course.

APPRECIATION

I would like to take this opportunity to express my appreciation to fellow members of the Board, and the entire workforce for their dedication and hard work over the past year. I wish to also thank all of the Group's shareholders and stakeholders for their unwavering support. Looking forward, the Group will embrace each and every challenge with our consistent adherence to the spirit of "Create, Blend and Share Together" to create stable and satisfactory return for the Shareholders with our utmost endeavour to maximize the value for each and every Shareholder and investors of the Company alike so that we can create better return together.

By order of the Board
Renze Harvest International Limited
Zhang Chi
Acting Chairman

Hong Kong, 30 March 2026

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Li Minbin and Ms. Liu Jiaxin; 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.

*The English transliteration of the Chinese name(s) in this announcement, where indicated with *, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*