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 2023

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 2023 (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 2023

		For the six months ended 30 June	
		2023	2022
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Unaudited)
Revenue	*5*	**333,918**	400,490
Cost of sales		**(281,446)**	(302,579)
Gross profit		**52,472**	97,911
Other gains — net		**2,745**	345
Other income		**3,084**	19,201
Fair value loss on investment properties		**(1,205)**	(290,079)
Gain on bargain purchase arising from the acquisition of a subsidiary	*16*	**553,878**	–
Reversal of/(provision for) impairment losses on financial assets — net		**252,213**	(73,908)
Write-down of inventories of properties		**(79,665)**	–
Distribution costs		**(12,187)**	(10,825)
Administrative expenses		**(84,907)**	(107,514)
Profit/(loss) from operations		**686,428**	(364,869)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023

		For the six months ended 30 June	
		2023	2022
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Unaudited)
Finance costs — net	*7*	**(30,954)**	45,914
Share of results of associates		**(3,913)**	2,172
Profit/(loss) before income tax		**651,561**	(316,783)
Income tax (expense)/credit	*8*	**(23,877)**	58,592
Profit/(loss) for the period	*6*	**627,684**	(258,191)
Profit/(loss) attributable to:			
Owners of the Company		**648,690**	(233,598)
Non-controlling interests		**(21,006)**	(24,593)
Profit/(loss) for the period		**627,684**	(258,191)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Notes	For the six months ended 30 June 2023 HK$'000 (Unaudited)	2022 HK$'000 (Unaudited)
Other comprehensive expense:			
Items that may be reclassified to profit or loss:			
Currency translation differences		**(267,140)**	(304,339)
Share of other comprehensive income of associates		**(5,457)**	(20,248)
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		**(56,351)**	(161,745)
Other comprehensive expense for the period		**(328,948)**	(486,332)
Total comprehensive income/(expense) for the period		**298,736**	(744,523)
Total comprehensive income/(expense) for the period attributable to:			
Owners of the Company		**411,761**	(711,591)
Non-controlling interests		**(113,025)**	(32,932)
		298,736	(744,523)
Earnings/(loss) per share			(Adjusted)
— Basic (HK cents)	*9*	**37.22**	(14.88)
— Diluted (HK cents)	*9*	**37.22**	(14.88)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	As at 30 June 2023 HK$'000 (Unaudited)	As at 31 December 2022 HK$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**395,317**	410,824
Investment properties		**5,488,005**	3,471,220
Intangible assets		**151,223**	151,247
Investments in associates		**126,615**	135,985
Financial assets at fair value through other comprehensive income	*11*	**77,406**	122,578
Finance lease receivables		**1,387**	2,866
Prepayments, deposits and other receivables		**911**	3,440
Deferred tax assets		**19,510**	20,138
		6,260,374	4,318,298
Current assets			
Inventories		**57,064**	60,750
Properties under development		**1,682,288**	–
Completed properties held for sale		**1,129,733**	547,031
Loans and advances	*12*	**593,830**	1,929,023
Trade receivables	*13*	**122,432**	154,221
Contract assets		**16,392**	20,515
Finance lease receivables		**6,542**	16,610
Prepayments, deposits and other receivables		**911,449**	87,008
Current tax recoverable		**32,692**	1,905
Financial assets at fair value through profit or loss	*14*	**66,977**	147,735
Client trust bank balances		**106,727**	150,024
Pledged bank deposits and restricted deposits		**22,642**	21,053
Cash and cash equivalents		**536,064**	486,342
		5,284,832	3,622,217
Total assets		**11,545,206**	7,940,515

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2023

	Notes	As at 30 June 2023 HK$'000 (Unaudited)	As at 31 December 2022 HK$'000 (Audited)
Current liabilities			
Trade and bills payables	*15*	**1,032,608**	510,640
Contract liabilities		**562,927**	23,280
Accruals and other payables		**582,136**	477,316
Borrowings		**1,304,770**	1,383,664
Lease liabilities		**1,376**	2,378
Current tax liabilities		**192,314**	173,874
		3,676,131	2,571,152
Net current assets		**1,608,701**	1,051,065
Total assets less current liabilities		**7,869,075**	5,369,363
Non-current liabilities			
Other payables		**14,922**	10,133
Borrowings		**6,200**	24,800
Lease liabilities		**1,381**	1,962
Deferred tax liabilities		**508,472**	221,044
		530,975	257,939
Total liabilities		**4,207,106**	2,829,091
NET ASSETS		**7,338,100**	5,111,424
EQUITY			
Share capital		**18,800**	3,138,751
Reserves		**5,303,455**	1,666,131
Equity attributable to owners of the Company		**5,322,255**	4,804,882
Non-controlling interests		**2,015,845**	306,542
TOTAL EQUITY		**7,338,100**	5,111,424

NOTES

1 GENERAL INFORMATION

Renze Harvest International Limited (formerly known as Glory Sun Financial Group Limited) (the "**Company**") 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 Unit 1908, 19/F, Tower Two, Lippo Centre, No. 89 Queensway, Admiralty, Hong Kong. The Company changed its name from "Glory Sun Financial Group Limited" to "Renze Harvest International Limited" from 11 July 2023.

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 2023 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 2022.

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 2023. 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 2022. 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 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 from 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)

	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 2022 (Unaudited)					
Revenue	260,709	(12,121)	147,949	4,279	400,816
Inter-segment revenue	–	(326)	–	–	(326)
Revenue from external customers	260,709	(12,447)	147,949	4,279	400,490
Segment results	15,690	(86,701)	(251,206)	5,092	(317,125)
Share of results of associates					2,172
Unallocated impairment losses on financial assets and contract assets — net					(41,264)
Unallocated other income					174
Unallocated administrative expenses					(12,965)
Unallocated finance costs — net					52,225
Loss before income tax					(316,783)

5 SEGMENT INFORMATION (CONTINUED)

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

	For the six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
— Sale of goods	**205,479**	252,042
— Sale of properties	**75,015**	75,901
— Installation and maintenance income	**2,201**	2,206
— Commission and brokerage income	**5,242**	35,982
— Management fee and performance fee income	**2,527**	19,688
— Others	**2,751**	3,750
	293,215	389,569
Revenue from other sources		
— Securities investment loss	**(72,429)**	(108,029)
— Interest income	**38,830**	44,191
— Rental income	**74,302**	74,759
	40,703	10,921
	333,918	400,490

5 SEGMENT INFORMATION (CONTINUED)

	For the six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
At a point in time	**288,487**	369,881
Transferred over time	**4,728**	19,688
	293,215	389,569

6 PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Amortisation of intangible assets	**24**	3,137
Cost of inventories and inventories of properties recognised as expenses	**281,446**	302,579
Depreciation of property, plant and equipment	**18,679**	14,505
Directors' and chief executive's emoluments	**3,409**	3,714
Employee benefit expenses	**36,222**	43,333
Net foreign exchange (gains)/losses	**(1,787)**	12,604
Short-term lease expenses	**3,610**	9,848
(Reversal of)/provision for impairment losses on financial assets — net:		
— loans and advances	**(252,213)**	73,847
— trade receivables	**–**	61
	(252,213)	73,908

7 FINANCE COSTS — NET

	For the six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Finance income:		
— Interest income on bank deposits	**2,355**	36,182
— Interest income on financial assets at amortised cost	**18,050**	31,790
	20,405	67,972
Finance costs:		
— Bank loans	**(1,735)**	(16,250)
— Corporate bonds	**(3,765)**	(13,315)
— Margin loans	–	(606)
— Obligation under repurchase agreements	–	(2,193)
— Other loans	**(38,603)**	–
— Trust receipt loans	**(86)**	–
— Lease liabilities	**(112)**	(1,736)
— Significant financing component of contract liabilities	**(7,058)**	–
	(51,359)	(34,100)
Less: Interest capitalised on		
— investment properties under construction *(Note)*	–	12,042
	(51,359)	(22,058)
	(30,954)	45,914

Note:

The weighted average capitalisation rate for the six months ended 30 June 2022 on fund's borrowed was at a rate of 5.61% per annum.

8 INCOME TAX EXPENSE/(CREDIT)

	For the six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax		
— Hong Kong Profits Tax	**12,495**	7,517
— PRC enterprise income tax	**10,481**	3,365
	22,976	10,882
Over-provision in prior year	**–**	(7,418)
	22,976	3,464
Deferred tax	**901**	(62,056)
	23,877	(58,592)

9 EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share for the period is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue of approximately 1,742,707,000 (2022: 1,569,376,000 (adjusted)) during the period. There were no potential dilutive ordinary share outstanding for both periods and therefore the dilutive earnings/(loss) per share is the same as basic earnings/(loss) per share.

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the period ended 30 June 2022 had been adjusted, taking into account the event of share consolidation in November 2022 and assuming the event has been completed on 1 January 2022.

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

Number of shares

	For the six months ended 30 June	
	2023	2022
	'000	*'000*
		(Adjusted)
Weighted average number of ordinary shares in issue during the period for basic earnings/(loss) per share	**1,742,707**	1,569,376

Earnings/(loss)

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

	For the six months ended 30 June	
	2023	2022
	HK$'000	*HK$'000*
Profit/(loss) attributable to owners of the Company	**648,690**	(233,598)

10 DIVIDEND

(a) No interim dividend was proposed by the board of directors for the six months ended 30 June 2023 and 2022.

(b) No final dividend in respect of the previous financial year was approved or paid during the six months ended 30 June 2023 and 2022.

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

	As at 30 June 2023	As at 31 December 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Equity investments designated at FVOCI		
Listed shares:		
— Equity securities — Norway	**7,094**	10,717
— Equity securities — the United States of America	**660**	518
— Equity securities — Hong Kong	**65,446**	107,137
	73,200	118,372
Unlisted shares	**4,206**	4,206
	77,406	122,578

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

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 ADVANCES

	As at 30 June 2023	As at 31 December 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loans and advances *(Note (a))*	**904,115**	2,469,388
Margin loan receivables *(Note (b))*	**66,846**	88,978
	970,961	2,558,366
Less: Provision for impairment	**(377,131)**	(629,343)
	593,830	1,929,023

Notes:

(a) As at 30 June 2023, the loans and advances of approximately HK$904,115,000 (31 December 2022: HK$783,466,000) 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% (2022: 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 2023, margin loan receivables were secured by securities pledged by the clients to the Group as collaterals with undiscounted market value of approximately HK$594,440,000 (31 December 2022: HK$284,470,000).

13 TRADE RECEIVABLES

	As at 30 June 2023 *HK$'000* (Unaudited)	As at 31 December 2022 *HK$'000* (Audited)
Trade receivables	**125,586**	157,358
Less: Provision for impairment	**(3,154)**	(3,137)
	122,432	154,221

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

	As at 30 June 2023 *HK$'000* (Unaudited)	As at 31 December 2022 *HK$'000* (Audited)
0 to 30 days	**43,958**	60,467
31 to 60 days	**15,407**	25,623
61 to 90 days	**15,850**	17,972
91 to 120 days	**7,281**	12,468
Over 120 days	**43,090**	40,828
	125,586	157,358

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

	As at 30 June 2023 *HK$'000* (Unaudited)	As at 31 December 2022 *HK$'000* (Audited)
Listed securities:		
— Equity securities — Hong Kong	**13,405**	23,368
Debt investment at FVTPL	**53,572**	124,367
	66,977	147,735

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

15 TRADE AND BILLS PAYABLES

	As at 30 June 2023	As at 31 December 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables	**1,023,891**	500,374
Bills payables	**8,717**	10,266
	1,032,608	510,640

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

	As at 30 June 2023	As at 31 December 2022
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 30 days	**884,564**	459,025
31 to 60 days	**23,273**	3,883
61 to 90 days	**16,036**	8,011
91 to 120 days	**5,538**	3,851
Over 120 days	**103,197**	35,870
	1,032,608	510,640

16 ACQUISITION OF A SUBSIDIARY

On 22 March 2023, the Group completed the 1st tranche acquisition by acquiring 51% of the equity interest in Shantou Taisheng Technology Limited (“汕頭市泰盛科技有限公司”) (“**Taisheng**”), a subsidiary of Glory Sun Land Group Limited (“**GSLG**”) which is a company listed on the Main Board of the Stock Exchange for the acquisition of 100% its property investment and development portfolio, with limited liability based in the PRC and specialises in property investment and development, with an objective to participate in the property project adheres to the Group’s business strategies in further expanding. The acquisition has been accounted for using the acquisition method.

The interim condensed consolidated financial statements include the financial results of Taisheng for approximate three-month period from the acquisition date.

The following summarises the consideration transferred and the amounts of the assets acquired and liabilities assumed, as well as the amount of non-controlling interest recognised at the date of acquisition:

	Consideration
	HK$’000
Liability assumed for the 1st tranche acquisition	16,285
Set-off against loan to GSLG	1,326,544
Total consideration transferred for the 1st tranche acquisition	1,342,829

16 ACQUISITION OF A SUBSIDIARY (CONTINUED)

	Fair value recognised on acquisition
	HK$'000
Assets	
Property, plant and equipment	8,124
Investment properties	2,078,434
Properties under development	1,669,267
Completed properties held for sale	943,945
Trade receivables	7,651
Prepayments, deposits and other receivables	826,190
Current tax recoverable	24,992
Pledged bank deposits and restricted deposits	21,447
Cash and cash equivalents	3,525
	5,583,575
Liabilities	
Trade and bills payables	(869,612)
Contract liabilities	(594,427)
Accruals and other payables	(99,665)
Deferred tax liabilities	(300,836)
	(1,864,540)
Total identifiable net assets at fair value	3,719,035
Less: Non-controlling interest	(1,822,328)
Gain on bargain purchase arising from the acquisition	(553,878)
Total consideration transferred for the 1st tranche acquisition	1,342,829

Analysis of net cash flows on acquisition:

	HK$'000
Net cash acquired (included in cash flows from investing activities)	3,525
Net cash inflow on acquisition	3,525

16 ACQUISITION OF A SUBSIDIARY (CONTINUED)

The fair values of investment properties, properties under development and completed properties held for sale at acquisition date are approximately HK$2,078,434,000, HK$1,669,267,000 and HK$943,945,000 respectively while their net book values are approximately HK$1,983,053,000, HK$1,357,419,000 and HK$761,415,000 respectively. The Group has engaged a professional valuer to evaluate the fair values of these properties at the date of acquisition and the difference represents the fair value over their net book values at the acquisition date.

The fair values of trade receivables and prepayments, deposits and other receivables at acquisition date are approximately HK$7,651,000 and HK$826,191,000 respectively. The gross amounts of trade receivables and prepayments, deposits and other receivables are approximately HK$8,065,000 and HK$827,435,000 respectively. The difference between these fair values and the carrying amounts is the result of the expected credit loss for counterparty credit risk.

Transaction costs of approximately HK$1,500,000 have been excluded from the consideration transferred and included in "Administrative expenses" in the condensed consolidated statement of comprehensive income and are part of cash flows from operating activities in the condensed consolidated statement of cash flows.

The gain on bargain purchase of approximately HK$553,878,000 is attributable to the Group's bargaining power and ability in negotiating the agreed terms of the transaction with its counterparty and is immediately recognised in the condensed consolidated statement of comprehensive income.

The interim condensed consolidated financial statements include the results of Taisheng for approximately three-month period from the acquisition date. Since acquisition, the acquired business has contributed revenue of approximately HK$36,471,000 and loss of approximately HK$49,185,000 to the revenue and net profit of the Group respectively. It is impracticable to disclose the contributions to revenue and net profit of the Group for the interim period as though the above acquisition had been taken place at the beginning of the period as the revenue and results of the business for the interim period from the beginning of the period to the date of acquisition was not obtainable.

MARKET OVERVIEW

Since the outbreak of the COVID-19 pandemic in 2020, Hong Kong and global economies have been seriously affected. Following the announcement made by the Hong Kong government in February 2023, the three-year pandemic has finally come to an end and the society has resumed normalcy in full. Although the global economy is in a recovery cycle, there are still a lot of issues remaining to be solved. During the pandemic, the supply chains among the countries were wrecked, leading to a sharp rise in the costs in every industry. The soaring costs not only worsen the inflation problem but also the costs of living due to the increase in the commodity prices. Further, the war between Russia and Ukraine started in February 2022 shows no sign of easing, resulting in a rally in the energy prices and a hinder to the progress of global economy recovery. With the current global outlook with uncertainties, the Group expect that corporate actions and personal consumption shall remain conservative and the recovery of Hong Kong economy is expected to take a longer time.

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.

CHANGE OF COMPANY NAME

Starting from 11 July 2023, the English name of the Company has been changed from "Glory Sun Financial Group Limited" to "Renze Harvest International Limited" and the dual foreign name has been changed from "寶新金融集團有限公司" to "中澤豐國際有限公司". The Group considered that the new company name will refresh its corporate image which can be beneficial its future business development.

OVERVIEW OF AUTOMATION BUSINESS

For the six months ended 30 June 2023, the revenue of the automation segment was approximately HK$213.0 million (30 June 2022: approximately HK$260.7 million), accounting for approximately 63.8% (30 June 2022: approximately 65.1%) of the Group's total revenue. The operating profit decreased by 14.0% to approximately HK$13.5 million (30 June 2022: approximately HK$15.7 million). The decrease in revenue and operating profit was primarily due to the sharp decline in the sales volume of smartphones in the first half of 2023, the slowdown in clients' equipment procurement plans, and the delivery delay for some equipment as a result of chip shortages.

Gallant Tech Limited ("**Gallant Tech**"), a wholly-owned subsidiary of the Group, focuses on the sales 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 equipment rental, and is one of the top three major suppliers of SMT production equipment and semiconductor packaging and testing equipment in the PRC market.

Gallant Tech's business model is to respond quickly to the rapidly changing technological environment and customer needs by providing the world's highest level of intelligent manufacturing equipment and technology, while maintaining a strategy based on continuous advancements in product competitiveness and technology.

The customers of Gallant Tech are mainly well-known manufacturers in the telecommunications, computer, automotive battery, smart charging station, new energy, integrated circuit and other electronics and information technology industries. The company is the brand agent of Speedline printing machines, Koh Young inspection systems and Fuji SMT pick-and-place machines, all of them are top sellers among similar brands in China. From the early days of computers and monitors, to mobile phones, smart home appliances, and now the booming new energy vehicles, 5G, photovoltaic and other industries, Gallant Tech has accompanied every industrial development and industrial upgrading of China's electronics 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 Chinese enterprises will further increase.

Gallant Tech has been closely following every generation in the development of China's electronics manufacturing industry, and has accompanied its suppliers and customers to achieve leapfrog development. With the advent of the Industrial Internet era, the needs and requirements of enterprises for high-end intelligent manufacturing equipment are constantly rising. Together with top international partners, Gallant Tech will provide advanced intelligent and automated production equipment as well as digital solutions and customised service solutions, striving to promote the building of intelligent factories and help the customers move towards the era of Industry 4.0.

In the smart manufacturing technology business, the Group's vision is to become a leading supplier of high-end smart manufacturing equipment and solutions in the electronics manufacturing industry in China, and the most trusted partner in smart manufacturing, by making smart manufacturing simpler and more added values.

OVERVIEW OF PROPERTY INVESTMENT AND BUSINESS DEVELOPMENT

For the six months ended 30 June 2023, the revenue of the property investment and development segment was approximately HK$146.7 million (30 June 2022: approximately HK$147.9 million), accounting for approximately 43.9% (30 June 2022: approximately 36.9%) of the Group's total revenue.

For the six months ended 30 June 2023, the operating loss of the property investment and development segment was approximately HK$108.2 million, compared to approximately HK$251.2 million recorded in the corresponding period in 2022. The decrease in operating loss was primarily due to the decrease in fair value loss on investment properties by approximately HK$288.8 million, offset by the increase in write-down of inventories of properties of approximately HK$79.7 million.

Shenzhen Bangkai Science and Technology Industrial Park Project

The Group holds a large industrial real estate project — Bangkai Science and Technology Industrial Park — in Guangming District of Shenzhen. With a total construction area of 550,000 square meters, this project plans to build an industry-city complex integrating science and technology research and development, professional industrial space, business office, smart apartment, leisure and business in line with the standard for world-class science city. The project consists of three phases. Phases I and II have been put into use, while the office buildings, research and development buildings, talent apartments and commercial supporting facilities of Phase III are under construction.

Since 2022, closely focusing on the government's industrial policy orientation, the park, based on the spatial characteristics, has actively introduced relevant institutions and enterprises to move in with intelligent manufacturing as the leading industry. Although the business activities of customers in the park have been restricted to some extent due to the impact of epidemic control, as the epidemic has developed towards a good direction since the beginning of the year, and the management team has actively taken responsive measures, including adopting flexible lease portfolio policies and improving the property service quality in the park, more than 100 enterprises have settled in Phase I and Phase II of the park as of June 2023, with the annual rental income exceeding RMB100 million and the occupancy rate over 95%, including some outstanding listed companies that set up headquarters here.

Other Property Management Projects

The Company holds the business forms such as hotels, office buildings, and centralized business in Ganzhou City of Jiangxi Province.

With the recovery of post-epidemic consumption, the operation of centralized businesses has returned to the pre-epidemic level. The annual occupancy rate was expected to exceed 70%, which would generate stable rental income for the Group.

In the first half of 2023, the Group completed the acquisition of 51% interest in the Shantou Taisheng Science and Technology Industrial Park project which is located in Shantou East Coast New City, an Overseas Chinese Economic and Cultural Pilot Zone in Shantou specially approved by the State Council. The project covers high-rise condominiums, office buildings, shops, large centralized businesses, hotels, cultural centers and other product forms, with a total construction area of over 1 million square meters. The Group's land bank and sustainable operating property area increase significantly, enriching the Group's property portfolio.

The southern district of the project has a total construction area of about 260,000 square meters and has been completed and put into use. 40,000 square meters of T3 office building are self-operated. Up to now, several well-known enterprises and public institutions, such as Overseas Chinese Pilot Zone Management Committee, the Digital Science and Technology Industrial Base of Shantou Pilot Zone, International Overseas Chinese Talent Hub and China Banking Regulatory Commission Shantou Branch, have moved in.

The central district has a total construction area of about 230,000 square meters, including office buildings, hotels and podium shops. The basement structure construction has been generally completed, and there is no subsequent development plan for the time being. The north district has a total construction area of about 500,000 square meters, including office buildings and high-rise apartments with commercial facilities. Substantial operating revenue is expected to the generated for the Group in the future.

OVERVIEW OF FINANCIAL SERVICES BUSINESS

For the six months ended 30 June 2023, the financial services segment has netted approximately HK$30.6 million in revenue (30 June 2022: approximately HK$-12.4 million in revenue), accounting for approximately 9.2% of the Group's total revenue (30 June 2022: -3.1%). The operating profit amounted to approximately HK$101.3 million (30 June 2022: operating loss of approximately HK$86.7 million).

Securities Brokerage Services

The securities brokerage team is committed to providing its clients with comprehensive, professional and convenient services over the past years to enlarge the Group's market share, and therefore, trading volume of securities in the market rises year by year. It continued to adjust its marketing strategies and allocated resources on the compilation of research and analysis reports to seize the opportunities presented by the securities market. With more popular functions added to the eTrading mobile application, clients tended to conduct more trades online as a result of better investment experience.

Asset Management Business

The asset management team provided 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 2023, the total assets under management amounts to approximately HK$105 million.

Credit Business

The Group holds a money lender's licence and is a member of TransUnion Limited. It provided long-term secured loans such as share mortgage and property mortgage and short-term unsecured term loans. In 2023, the Group will continue to optimize its money lending business structure by adopting a conservative approach and tightened loan approval procedures to strengthen its risk and capital management.

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 2023, the securities investment business generated a loss of approximately HK$56.4 million (30 June 2022: a profit of approximately HK$4.3 million). The operating loss of the segment amounted to approximately HK$49.5 million (30 June 2022: operating profit of approximately HK$5.1 million).

OTHER INVESTMENT

As at 30 June 2023, 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 wishes to participate in the strategic construction brought by The Belt and Road Initiative.

PROSPECT

With the impact of the COVID-19 pandemic easing and the market gradually returning to normal, it is expected that China will focus on promoting its economy in a high-quality development mode. Therefore, the Group will seize the opportunity to leverage on the Group's resources in Hong Kong and the Mainland, and make full use of the Group's deep-rooted experience in operating on both sides of the border, to optimise the Group's structural layout, and to proactively promote the steady development of the Group's various business segments.

In the smart manufacturing technology business segment, the maturing business model of 5G applications, coupled with China's proposal to accelerate the progress of the construction of new infrastructures represented by 5G, Artificial Intelligence, Industrial Internet, and Internet of Things, will bring new momentum to the development of this segment. The Group's vision in the smart manufacturing technology business is to become a leading supplier of high-end smart manufacturing equipment and solutions in China's electronics manufacturing industry, and the most trusted partner in smart manufacturing, making it simpler and come with more added-values, and helping our customers move towards the era of Industry 4.0.

In the segment of industrial park development and operation, Bangkai Technology Industrial Park will closely follow the government's policy direction, continue to focus on the leading smart manufacturing industry, together with the supporting technology information services and the technological financial industry, by introducing more high-quality high-tech enterprises and specialised new enterprises to the park, so as to increase its total output value and enhance its quality of services. By consolidating Bangkai Technology Industrial Park's position as a leading specialized industrial park in Guangming New District, it aims to establish an important role as a model of industrial projects in the Greater Bay Area of Guangdong, Hong Kong and Macao. The project in Ganzhou will continue to improve the quality of its services. The Ganzhou project will continue to improve centralised commercial operations and bring stable cash flow to the Group. The Shantou Taisheng Technology Park project will further enrich the Group's property portfolio and generate substantial operating income for the Group.

In the financial business and asset management business segment, with the Hong Kong Government continuing to optimise the existing system and implement more policies directly or indirectly promoting the development of Hong Kong's asset management industry, Hong Kong's asset management and other financial industries are bound to usher in a new round of growth. The Group will promote asset management and other related businesses, providing securities advisory and asset management services to high net worth individuals, corporations, funds and family trusts to meet the needs of different investors.

Looking ahead to the second half of 2023, the new management team of the Group is tasked with the important responsibility of restructuring and reorganising the listed Company. With focus on the spirit of "Leveraging on the industry to seize opportunities and deeply explore the smart manufacturing industry for steady growth", the team will coordinate the Group's resources to carry out strategies and operations by maximising its own strengths. The Group's overall development plan is to maintain the sustainable development of its financial, securities and asset management business segments, and to focus on the smart manufacturing sector as the main line of development, supplemented by the construction of industrial parks, to form a three-dimensional development model of "industry and investment integration" and "industry and finance integration". Based on the Group's own fund and incremental funds from Shareholders combined with external financing, the Group will use the Technology Industrial Park as a carrier to develop its businesses upstream and downstream of the smart manufacturing sector. The depth and breadth of Group's industrial chain will be extended by introducing and supporting the target enterprises to set up their operations in the Park through participation in shareholdings, mergers and acquisitions, and financing, among other means.

In 2023, the Company will capitalise on growth opportunities to create greater returns for Shareholders.

FINANCIAL REVIEW

Revenue

The Group's revenue for the six months ended 30 June 2023 decreased by 16.6% to approximately HK$333.9 million (30 June 2022: approximately HK$400.5 million). The revenue analysis by segment is presented as follows:

	For the six months ended 30 June				
	2023		2022		
	HK$' million	**Proportion to total revenue**	*HK$' million*	Proportion to total revenue	% change
Automation	**213.0**	**63.8%**	260.7	65.1%	(18.3)%
Financial Services	**30.6**	**9.2%**	(12.4)	(3.1)%	(346.8)%
Property Investment and Development	**146.7**	**43.9%**	147.9	36.9%	(0.8)%
Securities Investment	**(56.4)**	**(16.9)%**	4.3	1.1%	(1,411.6)%
	333.9	**100.0%**	400.5	100.0%	(16.6)%

During the Period, automation segment and property investment and development segments were the major source of revenue for the Group, accounting for 63.8% and 43.9% of total revenue, respectively.

Gross Profit and Margin

The gross profit decreased by 46.4% to approximately HK$52.5 million (30 June 2022: approximately HK$97.9 million), while the gross profit margin decreased to 15.7% (30 June 2022: 24.4%).

Other Gains — Net

The net other gains for the Period was approximately HK$2.7 million (30 June 2022: approximately HK$0.3 million).

Other Income

The other income decreased by 83.9% to approximately HK$3.1 million (30 June 2022: approximately HK$19.2 million).

Distribution Costs

The distribution costs increased by 12.6% to approximately HK$12.2 million (30 June 2022: approximately HK$10.8 million), accounting for 3.6% (30 June 2022: 2.7%) of the total revenue. The increase in distribution costs was mainly due to the increase in advertising, promotion and exhibition expenses of approximately HK$2.0 million.

Administrative Expenses

The administrative expenses decreased by 21.0% to approximately HK$84.9 million (30 June 2022: approximately HK$107.5 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$31.0 million (30 June 2022: net finance income of approximately HK$45.9 million). The turnaround was because of the decrease in interest income on bank deposits and financial assets at amortised cost.

Income Tax (Expense)/Credit

The income tax (expense)/credit was approximately HK$23.9 million (30 June 2022: income tax credit of approximately HK$58.6 million) due to the substantial decrease in deferred tax assets derived from the revaluation of investment properties.

Profit/(Loss) Attributable to Owners of the Company

The Company recorded a profit attributable to owners of the Company of approximately HK$648.7 million (30 June 2022: loss of approximately HK$233.6 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 30 June 2023, the Group's cash and cash equivalents totaled approximately HK$536.1 million (31 December 2022: approximately HK$486.3 million). The working capital represented by net current assets amounted to approximately HK$1,608.7 million (31 December 2022: approximately HK$1,051.1 million). The current ratio was approximately 1.4 (31 December 2022: approximately 1.4). The gearing ratio, which is calculated at borrowings divided by net asset value, was 17.9% (31 December 2022: 27.6%).

The borrowings of the Group as at 30 June 2023 included corporate bonds of approximately HK$318.0 million (31 December 2022: approximately HK$341.0 million), trust receipt loans of approximately HK$6.8 million (31 December 2022: approximately HK$8.8 million), bank loans of approximately HK$254.6 million (31 December 2022: approximately HK$966.2 million), and other loans of approximately HK$731.5 million (31 December 2022: approximately HK$92.5 million).

Charge of Assets

The borrowings as at 30 June 2023 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$147.1 million (31 December 2022: approximately HK$216.5 million); and (iii) investment properties of approximately HK$1,850.4 million (31 December 2022: approximately HK$1,749.3 million).

As at 30 June 2023, the carrying amount of investment properties amounting to approximately HK$762.3 million (31 December 2022: nil) 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 2023, the Group had contracted but not provided for capital and other commitments of approximately HK$215.2 million and HK$4,029.7 million (31 December 2022: approximately HK$215.2 million and HK$424.1 million) related to the investment in an associate and investment properties and property development expenditures, 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 2023, the Group had 397 (31 December 2022: 292) 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

On 26 July 2023, the Company issued and allotted 800,000,000 new shares, at a subscription price of HK$0.281 per share (the "**China Grand Share Subscription**") to China Grand Developments Limited and received proceeds of approximately HK$224,800,000. The net proceeds of the China Grand Share Subscription were approximately HK$224,700,000, 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. The Company expects that the net proceeds of the China Grand Share Subscription will be fully utilised by 31 December 2023.

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, HK$943.1 million of which had been utilised as follows:

			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	56.0
2.	Expansion of asset management business		180.0
3.	Expansion of money lending business		250.0
4.	General working capital		300.0
			943.1

Out of the net proceeds of HK$999.4 million from the BXD Share Subscription, the unutilised amount of HK$56.3 million will be utilised by 31 December 2024. Save as disclosed above, all net proceeds of the BXD Share Subscription have been used for the intended uses as set out in the 2019 Circular.

USE OF PROCEEDS FROM PLACING IN FEBRUARY 2023

On 27 February 2023, the Company entered into a placing agreement with Glory Sun Securities Limited (the "**Placing Agent**"), pursuant to which the Placing Agent will procure on a best effort basis not less than six placees to subscribe for up to 313,875,122 new shares of the Company at a placing price of HK$0.34 per placing share (the "**Placing**"). The placing shares will be allotted and issued pursuant to the general mandate approved in the annual general meeting in June 2022. Please refer to the announcement of the Company dated 27 February 2023 for more details regarding the Placing.

On 22 March 2023, the Company issued and allotted 310,624,390 new Shares to the placees and received proceeds of approximately HK$105,612,293. The net proceeds of the Placing were approximately HK$104,412,293, 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. As at the date of this announcement, the net proceeds of approximately HK$104,412,293 have been fully utilised as intended.

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. The Company expects that the net proceeds of the China Grand Share Subscription will be fully utilised by 31 December 2023. Any net proceeds that have yet to be applied will be deposited with the banks in Hong Kong.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the Period (2022 interim dividend: 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

The change in the information of the Directors of the Company since the publication of the 2022 annual report of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

Name of Directors	**Details of Changes**
Executive Director	
Mr. Yao Jianhui	Resigned as an executive Director and ceased to be the chairman of each of the Nomination Committee, Strategic Committee and Investment Committee and a member of the Remuneration Committee with effect from 20 April 2023
Mr. Huang Wansheng	Appointed as an executive Director, the chairman of each of the Nomination Committee, Strategic Committee and Investment Committee and a member of the Remuneration Committee with effect from 20 April 2023
Mr. Huang Wei	Resigned as an executive Director and ceased to be a member of the Investment Committee with effect from 31 July 2023
Independent Non-executive Director	
Mr. Wong Chun Bong	Resigned as an independent non-executive Directors and ceased to be the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee with effect from 31 July 2023
Professor Lee Kwok On, Matthew	Resigned as an independent non-executive Directors and ceased to be the chairman of Remuneration Committee and a member of each of the Audit Committee and the Strategic Committee with effect from 31 July 2023
Ms. Zhang Juan	Appointed as an independent non-executive Directors and the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee with effect from 1 August 2023

Save as disclosed above, there is no other information 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 2023, 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 14 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.

Pursuant to Rule 3.10 of the Listing Rules, the board of a listed issuer must include at least three independent non-executive directors. Pursuant to Rule 3.21 of the Listing Rules, the audit committee of a listed issuer must comprise a minimum of three members and the majority of the audit committee members must be independent non-executive directors. Pursuant to Rule 3.25 of the Listing Rules, the remuneration committee of a listed issuer must be chaired by an INED and comprise a majority of independent non-executive directors. Following the resignation of Professor Lee Kwok On Matthew with effect from 31 July 2023, the number of independent non-executive Directors and the composition of the Audit Committee and the Remuneration Committee have failed to meet the relevant requirements under the Listing Rules. The Board will make its best endeavours to identify an appropriate person for appointment as independent non-executive Director and a member of each of the Audit Committee and Remuneration Committee within three months from 31 July 2023 pursuant to Rules 3.11, 3.23 and 3.27 of 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 10 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 2023, 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 one independent non-executive director, namely Ms. Zhang Juan. 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 2023.

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 2023 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, 31 August 2023

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 two independent non-executive Directors, namely Ms. Zhao Yizi and Ms. Zhang Juan.