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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01282)

2023 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 2023 (the "**Year**") together with the comparative figures for 2022.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	**2023** **HK$'000**	2022 *HK$'000*
Revenue	*4*	**740,268**	811,389
Cost of sales		**(601,688)**	(629,214)
Gross profit		**138,580**	182,175
Other (loss)/gains — net	*5*	**(7,391)**	53,799
Other income	*5*	**15,218**	52,780
Fair value (loss)/gain on investment properties		**(20,704)**	8,240
Recovery of impairment losses on financial assets arising from acquisition of a subsidiary	*12(b)*	**259,117**	–
Gain on bargain purchase from acquisition of a subsidiary	*16*	**550,515**	–
Impairment losses on financial assets and contract assets — net	*6*	**(382,958)**	(283,821)
Write-down of inventories of properties	*6*	**(170,009)**	(106,203)
Distribution costs		**(20,121)**	(19,562)
Administrative expense		**(244,617)**	(327,426)
Profit/(loss) from operations		**117,630**	(440,018)
Finance costs — net	*7*	**(31,061)**	41,548
Share of results of associates		**(18,472)**	(109,490)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Profit/(loss) before income tax		**68,097**	(507,960)
Income tax expense	*8*	**(12,816)**	(29,392)
Profit/(loss) for the year		**55,281**	(537,352)
Profit/(loss) attributable to:			
Owners of the Company		**102,497**	(551,522)
Non-controlling interests		**(47,216)**	14,170
		55,281	(537,352)
Other comprehensive expense:			
Items that may be reclassified to profit or loss:			
Currency translation differences		**(147,273)**	(270,107)
Share of other comprehensive income of associates		**(19,984)**	(50,020)
Items 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 ("**FVTOCI**")		**(52,937)**	(220,086)
Other comprehensive expense for the year		**(220,194)**	(540,213)
Total comprehensive expense for the year		**(164,913)**	(1,077,565)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(57,667)**	(1,090,016)
Non-controlling interests		**(107,246)**	12,451
		(164,913)	(1,077,565)
		2023 ***HK cents***	2022 *HK cents*
Earnings/(losses) per share	*10*		
— Basic and diluted		**4.74**	(35.14)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**479,882**	410,824
Investment properties		**5,465,774**	3,471,220
Intangible assets		**151,199**	151,247
Investments in associates		**97,529**	135,985
Financial assets at FVTOCI	*11*	**38,076**	122,578
Finance lease receivables		**840**	2,866
Prepayments, deposits and other receivables		**–**	3,440
Deferred tax assets		**19,662**	20,138
		6,252,962	4,318,298
Current assets			
Inventories		**48,652**	60,750
Properties under development		**1,600,065**	–
Completed properties held for sale		**1,284,471**	547,031
Loans and advances	*12*	**132,339**	1,929,023
Trade receivables	*13*	**80,432**	154,221
Contract assets		**14,344**	20,515
Finance lease receivables		**1,113**	16,610
Prepayments, deposits and other receivables		**838,110**	87,008
Current tax recoverable		**38,893**	1,905
Financial assets at fair value through profit or loss ("**FVTPL**")	*14*	**141,807**	147,735
Client trust bank balances		**132,285**	150,024
Pledged bank deposits and restricted deposits		**515,367**	21,053
Cash and cash equivalents		**562,293**	486,342
		5,390,171	3,622,217
Total assets		**11,643,133**	7,940,515

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Current liabilities			
Trade and bills payables	15	**1,119,629**	510,640
Contract liabilities		**530,471**	23,280
Accruals and other payables		**473,242**	477,316
Borrowings		**1,090,562**	1,383,664
Lease liabilities		**1,278**	2,378
Current tax liabilities		**189,300**	173,874
		3,404,482	2,571,152
Net current assets		**1,985,689**	1,051,065
Total assets less current liabilities		**8,238,651**	5,369,363
Non-current liabilities			
Other payables		**13,921**	10,133
Borrowings		**632,831**	24,800
Lease liabilities		**1,442**	1,962
Deferred tax liabilities		**491,205**	221,044
		1,139,399	257,939
Total liabilities		**4,543,881**	2,829,091
NET ASSETS		**7,099,252**	5,111,424
EQUITY			
Share capital		**26,800**	3,138,751
Reserves		**5,050,827**	1,666,131
Equity attributable to owners of the Company		**5,077,627**	4,804,882
Non-controlling interests		**2,021,625**	306,542
TOTAL EQUITY		**7,099,252**	5,111,424

NOTES

1. GENERAL INFORMATION

Renze Harvest International Limited (the "**Company**") 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, and its principal place of business is Unit 1908, 19/F, Tower Two, Lippo Centre, No. 89 Queensway, Admiralty, 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 Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and amendments to HKFRSs 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 these consolidated financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "**Group**") 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 ("**HKD**"), which is the Company's functional and presentation currency.

2. BASIS OF PREPARATION (Continued)

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

The preparation of financial statements in accordance with HKFRSs 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 HONG KONG FINANCIAL REPORTING STANDARDS

3.1 New and amendments to HKFRSs that are mandatorily effective for the current year

The HKICPA has issued several new and amendments to HKFRSs that are first effective for the current accounting period of the Group.

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except for the below, the application of the above new or amendments and HKFRSs 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 these consolidated financial statements.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

3.2 Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

		Effective for annual periods beginning on or after
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Related Amendments to Hong Kong Interpretation 5 (2020)	1 January 2024
Amendments to HKAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025

The directors of the Company have concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. 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 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 respective to financial services under the Securities and Future 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.

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 commission income on dealing in securities. Revenue from Financial Services segment includes commission and brokerage income on dealings in securities and future contracts, 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, property management income and rental 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, gain on bargain purchase from acquisition of a subsidiary, recovery of impairment losses on financial assets arising from acquisition of a subsidiary are not allocated to segments.

4. SEGMENT INFORMATION (Continued)

Segment revenue and results

	Automation *HK$'000*	Financial Services *HK$'000*	Property Investment and Development *HK$'000*	Securities Investment *HK$'000*	Total *HK$'000*
Year ended 31 December 2023					
Revenue	**440,433**	**40,526**	**360,068**	**(84,445)**	**756,582**
Inter-segment revenue	**(8,586)**	**(2,347)**	**(5,381)**	**–**	**(16,314)**
Revenue from external customers	**431,847**	**38,179**	**354,687**	**(84,445)**	**740,268**
Segment results	**12,598**	**(70,531)**	**(249,479)**	**(86,120)**	**(393,532)**
Share of results of associates					**(18,472)**
Unallocated impairment losses on financial assets and contract assets — net					**(252,640)**
Unallocated other gains — net					**1,802**
Unallocated other income					**1,158**
Unallocated administrative expenses					**(33,128)**
Unallocated finance costs — net					**48,779**
Gain on bargain purchase from acquisition of a subsidiary					**550,515**
Recovery of impairment losses on financial assets arising from acquisition of a subsidiary					**163,615**
Profit before income tax					**68,097**

4. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

	Automation *HK$'000*	Financial Services *HK$'000*	Property Investment and Development *HK$'000*	Securities Investment *HK$'000*	Total *HK$'000*
Year ended 31 December 2022					
Revenue	574,660	49,650	261,162	(70,033)	815,439
Inter-segment revenue	–	(2,170)	(1,880)	–	(4,050)
Revenue from external customers	574,660	47,480	259,282	(70,033)	811,389
Segment results	25,655	(118,439)	(82,400)	(71,192)	(246,376)
Share of results of associates					(109,490)
Unallocated impairment losses on financial assets and contract assets — net					(254,080)
Unallocated other gains — net					53,742
Unallocated other income					604
Unallocated administrative expenses					(47,923)
Unallocated finance costs — net					95,563
Loss before income tax					(507,960)

4. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

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

	2023	2022
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
— Sale of goods	**413,499**	558,509
— Sale of properties	**196,149**	112,704
— Installation and maintenance income	**4,653**	5,011
— Commission and brokerage income	**12,992**	38,884
— Management fee and performance fee income	**533**	25,261
— Others	**1,579**	1,569
	629,405	741,938
Revenue from other sources		
— Securities investment loss	**(99,035)**	(190,892)
— Interest income	**42,925**	111,836
— Rental income	**166,973**	148,507
	110,863	69,451
Total revenue	**740,268**	811,389
Timing of revenue recognition		
At a point in time	**624,219**	711,666
Transferred over time	**5,186**	30,272
	629,405	741,938

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

	2023	2022
	HK$'000	*HK$'000*
Other (loss)/gains — net		
Gain on disposal of property, plant and equipment	**28**	48
Recovery of bad debt written off in prior years	**–**	53,307
Loss on disposal of subsidiaries	**(618)**	–
Loss allowance on financial guarantee contract	**(9,517)**	–
Others	**2,716**	444
	(7,391)	53,799
Other income		
Dividend income	**65**	1
Government subsidies *(Note(a))*	**3,031**	3,295
Sundry income	**12,122**	49,484
	15,218	52,780

Note:

(a) For the years ended 31 December 2023 and 2022, 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. PROFIT/(LOSS) FOR THE YEAR

	2023	2022
	HK$'000	*HK$'000*
Auditor's remuneration		
— Audit services	**3,328**	2,200
Cost of inventories and inventories of properties recognised as expenses	**563,394**	573,233
Amortisation of intangible assets	**48**	6,359
Depreciation of property, plant and equipment	**56,180**	40,030
Directors and chief executives emoluments	**6,399**	7,448
Employee benefit expenses	**94,164**	88,123
Foreign exchange loss	**22,462**	60,440
Short-term lease expenses	**2,535**	6,234
Written off of loans and advances	**–**	53,397
Written off of intangible assets	**–**	8,100
Write-down of inventories of properties:	**(170,009)**	(106,203)
— properties under development	**(54,229)**	–
— completed properties held for sale	**(115,780)**	(106,203)
Impairment losses on financial assets and contract assets — net:	**382,958**	283,821
— receivables from non-controlling interest	**16,168**	–
— loans and advances	**351,386**	292,567
— trade receivables	**10,022**	189
— other receivables	**5,413**	(8,925)
— contract assets	**(31)**	(10)

7. FINANCE COSTS — NET

	2023	2022
	HK$'000	*HK$'000*
Finance income:		
— Interest income on bank deposits	**35,608**	1,222
— Interest income on financial assets at amortised cost	**26,185**	138,413
	61,793	139,635
Finance costs:		
— Bank loans	**(7,760)**	(53,294)
— Obligation under repurchase agreements	**(1,513)**	(2,799)
— Corporate bonds	**(16,477)**	(30,396)
— Other loans	**(66,484)**	(8,959)
— Lease liabilities	**(620)**	(2,639)
	(92,854)	(98,087)
Finance costs — net	**(31,061)**	41,548

8. INCOME TAX EXPENSE

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

	2023	2022
	HK$'000	*HK$'000*
Current tax		
— Hong Kong Profits tax	**7,931**	4,504
— PRC enterprise income tax	**1,581**	2,097
— PRC land appreciation tax ("**LAT**")	**13,388**	30,628
	22,900	37,229
(Over)/under provision in prior years	**(18)**	4,618
	22,882	41,847
Deferred tax	**(10,066)**	(12,455)
	12,816	29,392

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company (the "**Shareholders**") during the reporting period, nor has any dividend been proposed since the end of the reporting period (2022: nil).

10. EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share for the year is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue of 2,160,411,000 (2022: 1,569,376,000 (restated)) during the year. There were no potential dilutive ordinary share outstanding for both years 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 year ended 31 December 2022 had been adjusted, taking into account the effect of share consolidation approved in November 2022, and assuming the event has been completed on 1 January 2022. The weighted average number of ordinary shares applied in the calculation of earnings per share in the published consolidated financial statements for the year ended 31 December 2022 were 31,387,512.

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

	2023	2022
	'000	*'000*
		(restated)
Weighted average number of ordinary shares in issue (excluding treasury shares held by the Group) during the year for basic earnings/loss per share	**2,160,411**	1,569,376

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

	2023	2022
	HK$'000	*HK$'000*
Profit/(loss) attributable to owners of the Company	**102,497**	(551,522)

11. FINANCIAL ASSETS AT FVTOCI

	2023	2022
	HK$'000	*HK$'000*
Equity investments designated at FVTOCI		
Listed shares:		
— Equity securities — Norway	**5,776**	10,717
— Equity securities — the USA	**37**	518
— Equity securities — Hong Kong	**28,057**	107,137
	33,870	118,372
Unlisted shares	**4,206**	4,206
	38,076	122,578

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

As at 31 December 2023, unlisted securities which quoted market price is not available of aggregated carrying amount of approximately HK$4,206,000 (2022: HK$4,206,000) are measured at fair value and determined by market approach using backsolve method which are not based on observable inputs.

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

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

12. LOANS AND ADVANCES

	Notes	2023 HK$'000	2022 HK$'000
Loans and advances	(a), (b)	**802,190**	2,469,388
Margin loans receivables	(c)	**51,761**	88,978
		853,951	2,558,366
Less: Provision for impairment		**(721,612)**	(629,343)
		132,339	1,929,023

Notes:

(a) The gross amounts of loans and advances of approximately HK$442,055,000 (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 collateral held and the financial background of the borrowers. 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.

The loans and advances are interest bearing at fixed rates, ranging from 5% to 18% (2022: 5% to 18%) per annum.

(b) Balance at 31 December 2022 included an unsecured term loan at interest rate of 8% or 12% per annum to a related party. The loan was due on 18 December 2022 which comprised RMB denominated loans with principal amount of approximately RMB537.1 million and Hong Kong dollars-denominated loans with principal amount of HK$523.0 million. The loan principal balances due together with the corresponding interest accrued (Note 16) were agreed by the Group and the Vendor (defined in note 16) to be offset against the consideration payable by the Group for acquisition of a company engaging in property development and investment in the PRC (Note 16). As a result of the acquisition, the Group reversed an impairment loss made in prior years of HK$259,117,000 and recognized it in the consolidated profit or loss for the year.

(c) 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% (2022: 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 2023, margin loan receivables were secured by securities pledged by the clients to the Group as collateral with undiscounted market value of approximately HK$490,118,000 (2022: HK$284,470,000). 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.

12. LOANS AND ADVANCES (Continued)

(d) Loans and advances and margin loans receivables are denominated in the following currencies:

	2023	2022
	HK$'000	*HK$'000*
US dollar	**12**	187
Hong Kong dollar	**207,018**	820,767
RMB	**646,921**	1,737,412
	853,951	2,558,366

(e) Movements on the provision for impairment of loans and advances and margin loans receivables are as follows:

	HK$'000
At 1 January 2022	375,743
Provision for impairment	292,567
Written off	(38,967)
At 31 December 2022 and 1 January 2023	629,343
Provision for impairment	351,386
Recovery of impairment losses on financial assets arising from acquisition of a subsidiary *(Note (b))*	(259,117)
At 31 December 2023	721,612

13. TRADE RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Trade receivables	**93,591**	157,358
Less: Provision for impairment	**(13,159)**	(3,137)
Trade receivables — net	**80,432**	154,221

For customers of Automation, a credit period ranging from 30 days to 60 days (2022: 30 days to 60 days) after acceptance is generally granted with exception of some trade customers where the credit period of 6 to 12 months (2022: 6 to 12 months) are granted. For customers of Property Investment and Development, the balances are due upon issuance of invoices or within 2 days (2022: 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:

	2023	2022
	HK$'000	*HK$'000*
0 to 30 days	**30,147**	60,467
31 to 60 days	**6,223**	25,623
61 to 90 days	**2,031**	17,972
91 to 120 days	**12,228**	12,468
Over 120 days	**42,962**	40,828
	93,591	157,358

14. FINANCIAL ASSETS AT FVTPL

	2023	2022
	HK$'000	*HK$'000*
Listed securities:		
— Equity securities — Hong Kong	**12,957**	23,368
Debt investments at FVTPL	**128,850**	124,367
	141,807	147,735

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

15. TRADE AND BILLS PAYABLES

	2023	2022
	HK$'000	*HK$'000*
Trade payables	**1,076,783**	500,374
Bills payables	**42,846**	10,266
	1,119,629	510,640

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

	2023	2022
	HK$'000	*HK$'000*
0 to 30 days	**207,664**	459,025
31 to 60 days	**2,991**	3,883
61 to 90 days	**4,996**	8,011
91 to 120 days	**2,961**	3,851
Over 120 days	**901,017**	35,870
	1,119,629	510,640

The average credit period of trade payables ranged from 30 days to 60 days (2022: 30 days to 60 days) for suppliers of Automation; ranged from 1 day to 2 days (2022: 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 (2022: 180 days to 365 days) in relation to Property Investment and Development.

16. ACQUISITION OF A SUBSIDIARY

Acquisition of Shantou Taisheng Technology Limited* (汕頭市泰盛科技有限公司) (the "Shantou Taisheng")

On 19 October 2022, the Company procured Shenzhen Baokai Investment Holding Company Limited*, an indirectly wholly-owned subsidiary of the Company (深圳寶開投資控股有限公司) (the "**Purchaser**") and Glory Sun Land Group Limited ("**GSLG**") procured Shenzhen Hong Jia Xin Technology Limited*, an indirectly wholly-owned subsidiary of Glory Sun Land Group (深圳宏佳新科技有限公司) (the "**Vendor**") to enter into an agreement, pursuant to which the Purchaser conditionally agrees to acquire, and the Vendor conditionally agrees to sell, 100% of the total equity interest and actual paid-up registered capital of Shantou Taisheng in two tranches. The 1st tranche acquisition (representing 51% of the total equity interest and actual paid-up registered capital of the Shantou Taisheng) was completed on 22 March 2023.

2nd tranche acquisition is subject to the satisfaction (or waiver, as the case may be) of the conditions precedent set forth in the aforementioned agreement, the Vendor shall dispose the 2nd tranche sale equity interest (representing the remaining 49% of the total equity interest and actual paid-up registered capital of the Shantou Taisheng held by the Vendor) to the Purchaser within twelve months from 1st tranche completion.

The 1st and 2nd tranche considerations are amounting to RMB1,175,550,000 and RMB1,129,450,000 respectively.

The 1st tranche consideration should be paid by cash and set-off loans by the Group to GSLG, including the loans principal and the corresponding interest payable, with the amount of RMB12,100,000 and RMB1,163,400,000 respectively.

Shantou Taisheng has certain balances due from subsidiaries of GSLG ("**GSLG Group**"). As at the date of agreement, the balance outstanding was RMB415,000,000. In addition, Shantou Taisheng has granted a land charge ("**Land Charge**") to Xiamen International Trust Co., Ltd. for securing the loan of RMB360,000,000 ("**Secured Loan**") granted to GSLG Group which shall be mature on 19 October 2026. Pursuant to the agreement, the 2nd tranche consideration should be offset with the amount due from GSLG Group and the Group shall direct the payment of consideration to repay the Secured Loan and the corresponding interest.

Shantou Taisheng is a company established in the PRC with limited liability and is solely engaged in a development and construction project located at Longhu District, Shantou City, Guangdong Province, the PRC, with total land area of approximately 167,000 sq.m. which involve office and commercial buildings, residential units and loft apartments.

On 22 March 2024, since additional time is required for the satisfaction of the conditions precedent set forth in the "Sale and Purchase Agreement – Conditions precedent – 2nd Tranche Acquisition" in the letter from the Board in the Circular, the Purchaser and the Vendor have mutually agreed to an extension of the 2nd Tranche Completion to 30 June 2024.

For details, please refer to the announcements of the Company dated 3 October 2022, 22 March 2023 and 22 March 2024 and the circular of the Company dated 28 February 2023. The shareholders of the Company have approved the acquisition 100% equity interest in Shantou Taisheng in March 2023.

16. ACQUISITION OF A SUBSIDIARY (Continued)

Fair value of net identifiable assets acquired and liabilities assumed on date of acquisition were as follows:

	HK$'000
Investment properties	2,078,434
Properties under development	1,669,266
Properties held for sales	943,945
Amount due from GSLG Group	
— settlement arrangement under the 2nd tranche consideration *(Note (a))*	496,447
Prepayment for construction	329,744
Prepayment for LAT	24,992
Cash and cash equivalents	21,861
Others	18,886
Total assets	**5,583,575**
Trade and other payables, accruals and bill payable	(969,278)
Contract liabilities	(594,427)
Deferred tax liabilities	(300,836)
Financial guarantee issued *(Note (b))*	(6,595)
Total liabilities	**(1,871,136)**
Net identifiable assets and acquired liabilities assumed	**3,712,439**
Less: Non-controlling interest (49%)	1,819,095
Attributed to the Group	**1,893,344**
Consideration transfer	
Cash consideration	16,285
Set off against loan receivable from GSLG and interest accrued	1,326,544
Total consideration	**1,342,829**
Gain on bargain purchase	**550,515**

Notes:

(a) Shantou Taisheng has an amount due from GSLG Group of RMB415,000,000 on the date of entering into the acquisition. The counterparties have agreed to have this balance being considered as part of the settlement for the 2nd tranche acqiuisition. The management of the Group considered the fair value of the amount due is approximate to the amount agreed to offset.

The amount due from GSLG Group as at 31 December 2023 is included in other receivables.

16. ACQUISITION OF A SUBSIDIARY (Continued)

Notes: (Continued)

(b) Balance represents financial guarantees issued by Shantou Taisheng for the Secured Loan. Fair value of the financial guarantees on acquisition date was determined by AP Appraisal Limited, a firm of professional valuer. The counterparties have agreed to have the consideration payable by the Group for the 2nd tranche acquisition to be directed to the relevant lenders.

17. COMPARATIVE AMOUNTS

Certain comparative amounts have been represented to conform to the current year's presentation and disclosures.

MARKET OVERVIEW

The global market was an ever-changing landscape in 2023. Although the COVID-19 pandemic has come to an end, the global economy continues to experience a slow recovery as a result of its aftermath, geopolitical tensions and uncertainties. Hong Kong has experienced volatility in 2023. During the economic downturn, the property market returned to the level of 2018 and the stock market returned to the level of 1997. The decline in the share prices of majority of the shares listed in Hong Kong has shrunk investors' assets and diminish their desire to invest, leading to a continuous slump of turnover. The overall market sentiment has been affected and Hong Kong stocks have continuously slumped in 2023.

Automation Business

In 2023, the consumer electronic market was weak, and global smartphone shipments declined compared to 2022. This has led manufacturers to be more prudent in their investments in automation equipment. As the economy further recovered, inventory conditions of manufacturers improved and new products were launched, the consumer electronics market has gradually reversed its downturn at a slow and steady pace since the third quarter of 2023. With the gradual perfection of the intelligent manufacturing system, the era of Industrial 4.0 represented by artificial intelligence, big data, 5G and other technologies has arrived. The AI wave will usher in industry innovation and various electronic product manufacturers are actively exploring new opportunities for integration and development of AI large models. The rapidly growing computational power requirements will drive demand for related equipment, and it is expected that the market demand for electronic manufacturing equipment will continue to rise in the future. With the continuous upgrading of industrial structure and the increasing cost of labor, major manufacturing companies are increasingly demanding automation equipment. More manufacturing companies place emphasis on intelligent manufacturing, which has driven the growth in demand for SMT equipment.

Property Investment and Development Business

In 2023, the real estate market in the PRC continued to adjust at the bottom. The Central Government adopted a stable policy before relaxing, with the Politburo's meeting in July serving as a turning point by stating that "there has been a significant shift in the supply and demand in the industry". The policy focus has been gradually shifting towards a combination of support and utilization. In particular, on the demand side, policies such as reducing down payment, lowering interest rates, grant of loans based on buyers' houses and tax refund for deferred housing replacement have successively been implemented to support purchases of properties by mortgage loans. On the supply side, relief measures such as the extension of "16 financial policies", "three no lowers" and the "white list of real estate enterprises" have been introduced to alleviate the liquidity pressure on property enterprises. The relaxation of local policies has accelerated, by loosening policies 622 times in 273 provinces and cities from third- and fourth-tier cities to core first- and second-tier cities, and almost all restrictive administrative measures have been lifted.

The Central Government mentioned the "Three Major Projects" for the first time in 2023, namely planning and construction of affordable housing, renovation of urban villages and public infrastructure for ordinary and urgent uses. The "Three Major Projects" were highlighted at the Politburo's meetings both in April and July 2023. In July 2023, the State Council issued a document to promote the renovation of urban villages, which mainly targeted 22 super- and mega-cities with urban population of more than 5 million. In August 2023, the Standing Committee of the State Council considered and approved the "Guiding Opinions on Planning and Construction of Affordable Housing", striving to build a new housing supply pattern of "Ensure rigid demand being satisfied and sufficient supply for housing improvement being available". It specifies that the affordable housing targets at wage earners, and shall be sold based on the pricing principle of capital preservation with moderate profits.

Financial Services Business

In 2023, the asset management sector is experiencing significant growth in the global financial industry, from actively managed products aiming to achieve market alpha and passive funds like exchange-traded funds (ETFs). The Hong Kong Government took proactive measures to enhance this sector by implementing various measures and revitalizing investment schemes. These initiatives were designed to attract more family offices and high-net-worth individuals to Hong Kong. It is expected that long-term macro factors, such as the expansion of the capital market, increasing investor awareness and recognition of professional asset management services, and enhanced distribution efforts, will contribute to the continuous growth of the industry.

Looking ahead, the Company wishes that the Hong Kong's economy will get back on track for stable growth. Building a diversified, sustainable and dynamic financing platform has always been the direction of Hong Kong's efforts to enhance its competitiveness. In addition to consolidating and leveraging Hong Kong's advantages as an international financial hub, China's move to expand domestic demand will provide new growth impetus for Hong Kong's economic development.

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 2024 to promote its long-term growth.

AUTOMATION BUSINESS

For the year ended 31 December 2023, the revenue of the automation segment recorded approximately HK$431.8 million (2022: approximately HK$574.6 million), representing a decrease of 24.9% over the last year and accounting for approximately 58.3% (2022: approximately 70.8%) of the Group's total revenue. The operating profit decreased by 51.0% to approximately HK$12.6 million (2022: approximately HK$25.7 million). The decrease in revenue and operating profit were primarily due to decline in orders of machineries as the China's manufacturing sector is experiencing the impact of post-pandemic and economic uncertainties, thus have a longer delivery cycle of suppliers and a sluggish consumer electronics market.

Gallant Tech Limited ("**Gallant Tech**"), a wholly-owned subsidiary of the Group, focuses on the sales of high-end intelligent manufacturing equipment, such as SMT and semiconductor production equipment, and provides ancillary services for the equipment sold, including technical support and equipment rental. Currently, Gallant Tech 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 vision is to become a leading supplier of high-end smart manufacturing equipment and solution provider in the electronics manufacturing industry in China, as well as the most trusted partner in smart manufacturing, making smart manufacturing simpler with more added values.

In order to provide customers with world-class intelligent manufacturing equipment and technical services, Gallant Tech's business model will be based on the objective of timely response to the rapidly changing technological environment and customer needs, and adopting the strategy of maintaining product competitiveness and upgrading core technologies, while setting the standards of comprehensively improving product quality, service level and personnel quality. 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 ITW MPM printing machines, Koh Young inspection systems and Fuji SMT pick-and-place machines, all of which are top sellers among similar brands in China. Starting from the early days of computers and displays industries, developing into mobile phones and smart home appliances, and now the booming new energy vehicles, 5G, photovoltaic and others, Gallant Tech has accompanied every industrial development and industrial upgrading of China's electronics manufacturing industry. As artificial intelligence continues to expand into peoples' horizons, intelligent and automated production modes will further proliferate deeply into a more extended scope 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 demand and requirements of enterprises for high-end intelligent manufacturing equipment are constantly rising. Together with top international partners, Gallant Tech is committed to assist customers in building intelligent factories and help them move towards the era of Industry 4.0 by providing advanced intelligent and automated production equipment as well as digital solutions and customized service solutions.

Looking back to 2023, Gallant Tech has strengthened and improved the development of MES (Manufacturing Execution System) service modules. In the market environment with rapid product update and iteration today, it is increasingly common to see the corporate production mode of multi product varieties, small quantities and short cycles. Against this backdrop, the advantages of MES in manufacturing to improve production efficiency and standardize production process will make the enterprises' production more transparent and production management more efficient. It has become a trend to develop a tailor-made MES according to the industrial form and specific needs of enterprises. To actively respond to this trend, Gallant Tech has set up an MES execution department, and developed the GT LINK MES system at the end of 2023. GT LINK system is a one-stop, integrated system that collects, records and aggregates real-time production data from the customers' workshops by linking up the intelligent equipment that Gallant Tech carries. By consistently improving and developing the GT LINK system, Gallant Tech will provide customers with better customized services and more intelligent solutions for production lines management.

PROPERTY INVESTMENT AND DEVELOPMENT BUSINESS

For the year ended 31 December 2023, the revenue of the property investment and development segment was approximately HK$354.7 million (2022: approximately HK$259.3 million), accounting for approximately 47.9% (2022: approximately 31.9%) of the Group's total revenue. The increase in revenue was mainly due to the increase in scale of property sales made handover to the customers during the Year as compared with those in 2022.

For the year ended 31 December 2023, the operating loss of the property investment and development segment was approximately HK$249.5 million, compared to the operating loss of approximately HK$82.4 million recorded in the previous year. The increase of the operating loss was primarily due to the recognition of the write down of inventory properties amounting to approximately HK$170 million provided during the Year 2023.

Shenzhen Bangkai Science and Technology Industrial Park Project

Bangkai Science and Technology Industrial Park (formerly known as "Baoxin 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, including office, R&D plant, apartments, hotel and ancillary business. The Phase III of the project is currently under construction, and has been included in the list of major industrial projects in Shenzhen.

In 2023, closely focusing on the government's policy orientation, the park, based on the spatial characteristics, actively introduced relevant institutions and enterprises to move in with intelligent manufacturing as the leading industry, and science & technology finance and information service industry as the auxiliary industries. Thanks to superior geographical location and comprehensive industrial supporting services, the park has attracted more than 100 enterprises to move in so far. As of 31 December 2023, the occupancy rate of the project was 94.92%, and there were more than 1,000 customers with various project sizes in various business forms that have moved into the park, including approximately 900 apartments and more than 100 corporate customers, which included 1 company listed on the STAR Market, 14 national high-tech enterprises, 7 small and medium-sized science and technology enterprises, 1 giant specialized new enterprise, 6 small and medium-sized specialized new enterprises in Shenzhen, 8 small and medium-sized innovative enterprises and 11 supporting service businesses in Shenzhen.

In 2023, with the efforts of the team, the park achieved satisfactory business performance while also facing some challenges: (1) due to the sluggish property industry and the continuously severe economic situation throughout the year, many customers in the park were affected to different extents; (2) due to the post-epidemic effect and the national policy, the economic development slowed down, and the market demand for properties decreased sharply, thus there were many difficulties in selling out inventories and reserving customers; and (3) the rental prices of properties have decreased due to fierce market competition as a large number of similar properties in the surrounding areas have been introduced to the market.

In response to these difficulties, Bangkai team has taken the following steps, including (1) adopting a flexible rental portfolio policy to strengthen customer stickiness and drive investment promotion by key customers, and the investment promotion personnel took the initiative to preach from door to door, thus speeding up the progress of investment promotion and inventory sold-out; (2) organizing a variety of activities, both online and offline, to promote the project brand image; (3) advancing the education of service awareness of team members to improve the quality of property services in the park, establishing comprehensive information files for enterprises in the park to provide policy interpretation and declaration assistance for them, and assisting many companies to declare rent subsidies of the science and technology innovation industrial park; and (4) through self-built declaration channels and investment introduction, building a multi-dimensional industrial space to meet the needs at different stages from start-up teams, small and micro science and technology enterprises, national high-tech enterprises to intelligent manufacturers.

Ganzhou Real Estate Project

The Company develops two large-scale comprehensive real estate projects in Ganzhou, Jiangxi, namely Century Plaza and Taigu Plaza. The residential buildings and apartments of the two projects were all sold out. Currently, office buildings and parking lots are available for sale while hotels and office buildings are available for rent. 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 2023, the main tenants of Ganzhou Century Plaza are in the business forms of hotels, real estate industry, financial industry, department store industry and e-commerce industry. The main operating business forms of Ganzhou Taigu Plaza are commercial buildings and hotels. In terms of investment promotion, Ganzhou team positioned the operation of two business projects in March 2023, and decided to recommence investment promotion and marketing on the premise of cost reduction and efficiency improvement. In 2023, the Universal Square* (環球匯) and Joyous Square* (歡樂匯) projects successfully attracted several well-known brands to settle in, recording good business performance and becoming popular comprehensive shopping centres in the local area of Ganzhou.

The Shantou Property Project

In March 2023, the Group completed the acquisition of 51% equity interest in Shantou Taisheng Technology Limited ("**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, with a total land area of approximately 167,000 sq.m. and a gross floor area of approximately 951,000 sq.m., which is divided into three zones, and involve office and commercial buildings, residential units and loft apartments.

In 2023, although the Shantou Taisheng team encountered a number of challenges in terms of sales, the team focused on the sales of the existing office buildings in the Southern District of the project. The team also made full efforts to expand to potential customer groups to increase customer sources and develop targeted sales policies to promote sales transactions.

As for business solicitation, the team timely adjusted its policies on new leases, lease renewals and team incentives in accordance with the market situation and customers' circumstances to reduce customers' resistance and facilitate leasing transactions. In addition, the team actively approached the government for assistance to attract enterprises, and explored the upstream and downstream entities to facilitate office leasing transactions through various activities such as segmented marketing activities, revitalizing the business, further broadening the park's business base and attracting more customers flow.

The Company also has certain investment properties in Hong Kong for the purpose of leasing. Currently, these properties have no vacancies.

FINANCIAL SERVICES BUSINESS

The Group provides comprehensive financial services in Hong Kong through its subsidiaries, and has been striving to connect the capital markets onshore and offshore over the years. The Group makes contribution to the economy through financial services and offers all-aspect financial services to its customers based on its operational concept of being stable and innovative.

For the year ended 31 December 2023, the financial services segment netted approximately HK$38.2 million in revenue (2022: approximately HK$47.5 million), representing a year-on- year decrease of approximately 19.6% and approximately 5.2% of the Group's total revenue (2022: 5.9%). The operating loss amounted to approximately HK$70.5 million (2022: approximately HK$118.4 million).

Securities Brokerage Services

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

During the period under review, the Hong Kong Hang Seng Index (HSI) fell from 19,781 points at the close of 2022 to 17,047 points at the close of 2023, a decline of 13.8%, as the investment market continued to face multiple impacts of rising global interest rates, high inflation and slowing economic growth. The continued downturn in the market has dampened investors' desire to enter the market, resulting in a decrease in the industry's overall commission income. The high cost of capital has also led to a decline in spread income, resulting in a decrease in revenue from the securities brokerage business during the period under review as compared to the same period last year.

Asset Management Services

Atlantic Asset Management Limited, a wholly owned subsidiary of the Group, manages its own funds and provides 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 which encompass 3 segregated portfolios with total assets under management at around HK$165 million.

Wealth Management Services

For Year 2023, following the disposal of the subsidiaries operating wealth management business in May 2023, the Group ceased to provide wealth management services (2022: In 2022, the Company provided diversified wealth management service to its client so as to fulfill their different wealth management needs).

Money-lending Business

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

In light of the challenging economic and property environment, Glory Sun Credit has adopted stringent credit control to conduct its share mortgage loan and property mortgage loan business to reduce associated credit risks. As at 31 December 2023, the overall weighted average loan-to-value ratio of its loan portfolio was at 68.0% (2022: 95.4%).

Compliance with Ordinances and Regulations

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

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

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

Business Model and Loan Portfolios

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

For share mortgage loans, Glory Sun Credit granted secured loans to customers and held collaterals against loan receivables in the form of mortgages over listed shares owned by these customers. All of these collaterals were listed in Hong Kong. The gross share mortgage loans receivable was accounted for approximately 64.1% of the entire gross loan receivable of Glory Sun Credit as at 31 December 2023 (2022: 15.4%). 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 8.0% to 18.0% (2022: 8.0% to 18.0%).

For property mortgage loans, Glory Sun Credit granted secured loans to customers and held collaterals against loan receivables in the form of mortgages over properties owned by these customers. All of these collaterals were located in Hong Kong, of which more than 34.0% of them were residential properties. The gross property mortgage loans receivable was accounted for approximately 32.6% of the entire gross loan receivable of Glory Sun Credit as at 31 December 2023 (2022: 5.3%). 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 6.0% to 9.5% (2022: 9.5% 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 2023, Glory Sun Credit had 7 (2022: 6) active accounts, of which 3 (2022: 1) of them were individual customers and the remaining of 4 (2022: 5) were corporate customers; and of which 3 (2022: 2) of them were share mortgage loan customers and 3 (2022: 1) of them were property mortgage loan customers.

During the current year, the top five customers (as determined by interest income generated) accounted for approximately 99.8% (2022: 97.8%) of the total revenue of the Group, and the single largest customer accounted for approximately 79.1% (2022: 85.5%) of the total revenue.

As at 31 December 2023, the largest and top five customers (as determined by loan receivable balance) of the total gross loan receivables balance accounted for 50.8% (2022: 77.3%) and 95.6% (2022: 99.8%) respectively.

Credit Approval Processes and Credit Risk Assessment Policies

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

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

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

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

(i) For property mortgage loan applications

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

(ii) For share mortgage loan applications

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

Loan Impairment Assessment

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

SECURITIES INVESTMENT

The Group has been investing in listed shares in Hong Kong, the PRC 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 year ended 31 December 2023, the securities investment business generated a loss of approximately HK$84.4 million (2022: approximately HK$70.0 million). The operating loss of the segment amounted to approximately HK$86.1 million (2022: approximately HK$71.2 million).

OTHER INVESTMENTS

As at 31 December 2023 and 31 December 2022, 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 2024, 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

The automation segment has been providing automation manufacturing devices and services for the industries of smartphones, Internet of Things, semi-conductors, automobile electronics in the PRC. The application of automation manufacturing equipment, including SMT production equipment, in key industries in the PRC is still in the rising stage of development. Following the gradual sophistication of 5G application business regimes together with the accelerating progress proposed by China in terms of the new infrastructure facilities construction as representative of 5G, Artificial Intelligence, Industrial Internet and Internet of Things, there will be a new source of vitality to benefit the development of the automation segment.

To enhance sales revenue and market competitiveness, the Company will further enrich its product portfolio by continuing to develop new products in terms of semiconductor equipment, other automation equipment and related materials. It will also seek to obtain more authorisations to act as suppliers' agent. Considering the increasing number of manufacturing clients establishing production bases overseas, the Company will conduct business with a global mindset and implement overseas market strategies in a timely manner. In terms of overseas market expansion, the Company will follow the footsteps of its clients to align with their overseas market layouts and provide long-term service planning.

The Company will focus on leveraging its core strengths, combining market demand with technological development trends, and strategically positioning itself in business areas with growth potential. It aims to create competitive new products and services to meet the diverse needs of customers. By enhancing its R&D capabilities and strengthening collaborations with intelligent manufacturing industry partners, the Company will gradually transform from a distribution-based enterprise to a technology manufacturing enterprise.

Prospects of Property Investment and Development Business

In 2024, the Bangkai Science and Techndogy Industrial Park will focus on investment promotion and payment collection, striving to improve the overall occupancy rate and collection rate of receivables of the properties and speed up the construction of Phase III. In terms of industries, by closely following the government policy guidance, the park will continue to focus on dominant industries, introduce national high-tech enterprises with better quality and specialized new enterprises, and improve the total output value of the park, as well as strengthen the service quality of the park, so as to further enhance the property brand value of the park.

In 2024, the Ganzhou project will adjust the policy on office sales in a timely manner in accordance with market conditions, increase efforts to expand office customers and seek the overall underwriting of office buildings and the sales of hotels in Ze Feng Biz Hub* (澤豐中心). In terms of parking space sales, the policies in relation to sales of parking space will be adjusted, and preferential sales policies will be released in due course, to promote some wait-and-see buyers to make deals. In the commercial sector, Ganzhou team will focus on building the characteristics of the ancient tree plaza of the Universal Square* (環球匯) to differentiate the competing projects, making the project form a customer gathering effect and extend to the surrounding shops, so as to drive the mobility of customers all over the project. It will also adjust investment promotion direction and business planning in line with the market, and introduce large-scale children play and catering companies to move in, enhancing the business atmosphere of the project.

In 2024, the Shantou project will focus on the two major objectives of sales and timely delivery of completed buildings, concentrating in the sales of existing buildings, and making every effort to optimize sales and deliver buildings. The team will expand new sales in the Southern District through multiple channels, with the whole team focusing on exploring partners from occupied units whose upstream and downstream connections may provide opportunities for transactions, as well as expedite the progress of large transactions and new transactions related to existing customers. As for the business solicitation team, they will focus on broadening the customer pipeline, taking measures including (1) actively participating in renewing the tenders with existing major customers and government customers and secure contract renewal; (2) releasing project product information and policy advantage to tap potential customers; (3) improving market tracking and policy updates to timely adjust the investment promotion direction and strategy; and (4) increasing the number of events in the park to enhance the sense of belonging of the resident enterprises and to facilitate the increase in the ratio of bringing in new customers from existing occupants.

Prospects of Financial Services Business

Notwithstanding the uncertainties plaguing the global economic outlook, the Group's securities brokerage team will continue to capitalise on the opportunities brought about by the economic recovery in the financial markets in 2024 proactively, and continue to optimise the trading experience of its clients in order to enhance the competitiveness of its market segments. At the same time, the securities brokerage team will adhere to its prudent approach in reviewing its financing services and adopting appropriate strategies to minimise downside risks, with a view to maintaining stable business development.

In 2024, under the macro-environment of accelerating global market integration and constant geopolitical events, the asset management team of the Company will continue to adopt scientific and rational investment analysis strategies to screen investment targets in the global market and evaluate their investment value, and implement rebalancing strategies for major assets based on regional market characteristics. The Company will continue to rely on the advantages of Hong Kong as an international financial center to focus on investment opportunities in the Greater China region.

In 2024, the Group will continue to capture the development opportunities and strive to to create better returns to its shareholders.

FINANCIAL REVIEW

The total liabilities of the Group as at 31 December 2023 increased by 60.6% to approximately HK$4,543.9 million due to the acquisition of a subsidiary during the Year (2022: approximately HK$2,829.1 million). The gearing ratio, which is calculated at borrowings divided by net assets value was decreased to 24.3% (2022: 27.6%).

Revenue

The Group's revenue for the year ended 31 December 2023 decreased by approximately 8.8% (2022: 69.0%) to approximately HK$740.3 million (2022: approximately HK$811.4 million). The revenue analysis by segment is presented as follows:

	2023		2022		
	HK$' million	***Proportion to total revenue***	*HK$' million*	*Proportion to total revenue*	**% change**
Automation	**431.8**	**58.3%**	574.6	70.8%	**-24.9%**
Financial Services	**38.2**	**5.2%**	47.5	5.9%	**-19.6%**
Property Investment and Development	**354.7**	**47.9%**	259.3	31.9%	**36.8%**
Securities Investment	**(84.4)**	**(11.4%)**	(70.0)	(8.6%)	**-20.6%**
	740.3	**100%**	811.4	100%	**-8.8%**

During the year, automation and property investment and development segments were the major source of revenue for the Group, accounting for approximately 58.3% (2022: 70.8%) and approximately 47.9% (2022: 31.9%) of total revenue, respectively.

Gross Profit and Margin

The gross profit for the year has decreased by approximately 23.9% to approximately HK$138.6 million (2022: approximately HK$182.2 million), while the gross profit margin decreased to 18.7% (2022: 22.5%). The change was mainly due to the increase in competition of automation segment and property investment and development segment in the Year which narrows the gross margin achievable as compared with those in 2022.

Other loss/Gains — Net

The net other loss during the year was approximately HK$7.4 million (2022: the net other gains during the year was approximately HK$53.8 million), which was mainly due to decrease of recovery of bad debt written off in prior years amounting to approximately HK$53.3 million during the Year 2022.

Other Income

The other income decreased by approximately 71.2% to approximately HK$15.2 million (2022: approximately HK$52.8 million) due to the decrease in sundry income from approximately HK$49.5 million in 2022 to approximately HK$12.1 million in 2023.

Distribution Costs

The distribution costs decreased by approximately 2.9% to approximately HK$20.1 million (2022: approximately HK$19.6 million), accounting for 2.7% (2022: 2.4%) of the total revenue. There was no significant fluctuation comparing with last year.

Administrative Expenses

The administrative expenses decreased by approximately 25.3% to approximately HK$244.6 million (2022: approximately HK$327.4 million), mainly due to the written off of loans and advance has dropped by HK$53 million and foreign exchange loss has dropped by HK$38 million comparing between two years.

Finance Income/(Costs) — Net

The net finance costs during the Year 2023 was approximately HK$31.1 million (2022: net finance income of approximately HK$41.5 million). The increase in net finance costs was because of the decrease in interest income on financial assets at amortised cost of approximately HK$112.2 million in the Year 2022.

Income Tax Expense

During the year ended 31 December 2023, the Group recorded an income tax expense of approximately HK$12.8 million (2022: approximately HK$29.4 million) which was mainly due to the decrease in taxable profits for the Year.

Profit/loss attributable to owners of the Company

For the year ended 31 December 2023, the Company recorded a profit attributable to the owners of the Company of approximately HK$102.5 million (2022: loss of approximately HK$551.5 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 2023, the Group's cash and cash equivalents of approximately HK$562.3 million (2022: approximately HK$486.3 million). The working capital represented by net current assets amounted to approximately HK$1,985.7 million (2022: approximately HK$1,051.1 million). The current ratio was approximately 1.6 (2022: approximately 1.4). The gearing ratio, which is calculated at borrowings divided by net asset value, was 24.3% (2022: 27.6%).

The borrowings of the Group as at 31 December 2023 included corporate bonds of approximately HK$313.0 million (2022: approximately HK$341.0 million), trust receipt loans of approximately HK$nil (2022: approximately HK$8.8 million) and bank loans of approximately HK$422.8 million (2022: approximately HK$966.2 million), and other loans of approximately HK$987.6 million (2022: approximately HK$92.5 million).

The borrowings as at 31 December 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$198.3 million (2022: approximately HK$199.6 million); (iii) investment properties of approximately HK$1,832.5 million (2022: approximately HK$1,749.3 million); and (iv) pledged bank deposit of approximately HK$237.8 million (2022: HK$nil).

Capital and Other Commitments

As at 31 December 2023, the Group had contracted but not provided for capital commitments of approximately HK$215.2 million, HK$3,585.1 million and HK$1,129.5 million relating to the investment in an associate and investment properties and property development expenditures and the second tranche acquisition payment of the equity interest of Shantou Taisheng, respectively (2022: approximately HK$215.2 million and HK$424.1 million relating to the investment in an associate and investment properties and property development expenditures, respectively).

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 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 2023, the Group had 406 (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.

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$600.0 million. On 8 May 2020, the Company issued and allotted 1,600,000,000 new Shares to BXD and received a proceeds of HK$400.0 million. The net proceeds of the BXD Share Subscription were approximately HK$999.4 million, HK$943.8 million of which had been utilised as follows:

		HK$' million
1.	Provision of brokerage service and corporate finance	
	(i) securities brokerage and margin financing; and	130.0
	(ii) investment	57.1
	(iii) corporate finance division	26.7
2.	Expansion of asset management business	180.0
3.	Expansion of money lending business	250.0
4.	General working capital	300.0
		943.8

As at the date of this announcement, out of the net proceeds of HK$999.4 million from the BXD Share Subscription, the amount of HK$55.6 million, dedicated to the corporate finance division, remained unutilised. Following the cessation of the operation of the corporate finance business by the end of 31 December 2023, the Company has applied such amount for the repayment of maturing indebtedness, with a view to reducing the costs of borrowings. 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.

As at the date of this announcement, out of the net proceeds of HK$224.7 million from the China Grand Share Subscription, the amount of approximately HK$134.0 million and HK$8.6 million, dedicated to the repayment of maturing indebtedness and general working capital of the Group, respectively, remained unutilised. The unutilised net proceeds were deposited with the banks in Hong Kong.

CONTINGENT LIABILITIES

As at 31 December 2023, the Group had no material contingent liabilities (2022: 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 5.86% of the entire issued share capital of the Company as at the date of the adoption of the Share Option Scheme.

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 2023 (2022: 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 2023 annual general meeting:

Latest time to lodge transfer documents for registration:	4:30 p.m., Friday, 31 May 2024
Closure of register of members:	Monday, 3 June 2024 to Thursday, 6 June 2024 (both days inclusive)
Record Date:	Thursday, 6 June 2024

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 2023.

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 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 assumed 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 ("**INED(s)**"). 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 INEDs. 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 INEDs. Following the resignation of Professor Lee Kwok On, Matthew with effect from 31 July 2023, the number of INEDs and the composition of the Audit Committee and the Remuneration Committee have failed to meet the relevant requirements under the Listing Rules.

Following the appointment of Mr. Chan Manwell, the number of INEDs and the composition of the Audit Committee and the Remuneration Committee have complied with the relevant requirements under the Listing Rules.

Following the resignation of Mr. Ho Lik Kwan, Luke as the company secretary (the "**Company Secretary**") and authorised representative (the "**Authorised Representative**") of the Company, the Company shall have no Company Secretary, and will not be able to meet the requirements under Rule 3.28 of the Listing Rules and the requirement that an issuer should appoint two authorized representatives under Rule 3.05 of the Listing Rules.

Following the appointment of Mr. Yuen Kit Wai as the Company Secretary and Authorised Representative, the relevant requirements under the Listing Rules have been complied with.

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 year ended 31 December 2023, 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 nonexecutive 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 2023.

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 2023 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.

EVENTS AFTER THE REPORTING PERIOD

Disposal of properties in the PRC

References are made to the announcement of the Company dated 8 December 2023 and the circular of the Company dated 29 February 2024 in relation to, among others, the disposal of (i) the hotel, restaurants and offices located on the fifth to twenty-third floor of Baoneng Taigu Plaza, East Jiangyuan Avenue, Ganzhou City, Jiangxi Province, the PRC* (中國江西省贛州市東江源大道寶能太古城) and (ii) the 134 parking lots located at the Baoneng Taigu Plaza, East Jiangyuan Avenue, Ganzhou City, Jiangxi Province, the PRC* (中國江西省贛州市東江源大道寶能太古城). Unless otherwise defined, capitalised terms used herein shall have the same meaning as those defined in the circular dated 29 February 2024.

The Disposal was duly passed by the shareholders of the Company by way of poll at the extraordinary general meeting held on 22 March 2024. Subject to the fulfilment of the conditions precedent set forth in the Sale and Purchase Agreement, Completion shall take place upon the full and final settlement of the Consideration by the Purchaser. Upon Completion, the Vendor shall deliver possession of the Disposal Properties to the Purchaser on an "as is" basis. All the rights to generate income (including but not limited to rental income) and any management and decision making power in relation to the Disposal Properties shall be transferred to the Purchaser the day after the Purchaser makes the full and final settlement of the Consideration. Please refer to the circular dated 29 February 2024 for more information of the Disposal.

Other than the disclosure above and elsewhere in this announcement, the Group had no significant event after the reporting period.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is expected to be held on Thursday, 6 June 2024 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 2023 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
Huang Wansheng
Chairman and Chief Executive Officer

Hong Kong, 28 March 2024

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

*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).*