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中澤豐國際有限公司

RENZE HARVEST INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01282)

**CLARIFICATION ANNOUNCEMENT
IN RELATION TO
THE ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022
AND
THE 2022 ANNUAL REPORT**

Reference is made to the annual results announcement for the year ended 31 December 2022 (the “**Annual Results Announcement**”) of Renze Harvest International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 19 April 2023 and the annual report of the Company for the year ended 31 December 2022 published on 11 May 2023 (“**Annual Report**”). Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Annual Results Announcement and the Annual Report.

The Company wishes to clarify that:

- (i) page 3 of the Annual Results Announcement shall be amended as follows (with amendments underlined):

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss for the year		(537,352)	(68,762)
Other comprehensive (loss)/income:			
<i>Items that may be reclassified to profit or loss:</i>			
Currency translation differences		<u>(270,107)</u>	358,307
Release of exchange reserve upon disposal of subsidiaries		—	3,564
Release of exchange reserve upon distribution in specie		—	(64,977)
Share of other comprehensive income of associates		<u>(50,020)</u>	(9,684)
<i>Items that will not be reclassified to profit or loss:</i>			
Net changes in the fair value of equity instruments designated at fair value through other comprehensive income		<u>(220,086)</u>	(96,486)
Other comprehensive (loss)/income for the year		<u><u>(540,213)</u></u>	<u>190,724</u>
Total comprehensive (loss)/income for the year		<u><u>(1,077,565)</u></u>	<u>121,962</u>
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		<u>(1,090,016)</u>	(132,784)
Non-controlling interests		<u>12,451</u>	254,746
		<u><u>(1,077,565)</u></u>	<u>121,962</u>
			<i>(Adjusted)</i>
Loss per share from continuing and discontinued operations			
Basic and diluted (HK cents)	<i>10</i>	<u>(35.14)</u>	(12.04)
Loss per share from continuing operations			
Basic and diluted (HK cents)	<i>10</i>	<u>(35.14)</u>	(13.67)
Earnings per share from discontinued operations			
Basic and diluted (HK cents)	<i>10</i>	<u>—</u>	<u>1.63</u>

- (ii) note 10 on page 17 of the Annual Results Announcement shall be amended as follows (with amendments underlined):

10. LOSS PER SHARE

The basic loss per share for the year is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue (excluding treasury shares held by the Group) of 1,569,376,000 (2021: 1,569,376,000 (adjusted)) during the year. There were no potential dilutive ordinary share outstanding for both years and therefore the dilutive loss per share is the same as basic loss per share.

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year ended 31 December 2021 had been adjusted, taking into account the event of share consolidation in November 2022, and assuming the event has been completed on 1 January 2021.

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

	2022 '000	2021 '000 (Adjusted)
Weighted average number of ordinary shares in issue (excluding treasury shares held by the Group) during the year for basic loss per share	<u><u>1,569,376</u></u>	<u><u>1,569,376</u></u>

(iii) Page 7 of the Annual Report shall be amended as follows (with amendments underlined):

	As of 31 December				
	2022	2021	2020	2019	2018
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
FINANCIAL POSITION					
Total assets	7,940.5	9,884.2	33,124.2	29,439.1	10,781.2
Net assets	5,111.4	6,334.0	10,862.1	10,761.3	6,964.8
Net current assets	1,051.1	1,765.4	7,789.3	4,235.6	1,456.4
KEY STATISTICS					
Gross profit margin (<i>Note 1</i>)	22%	23%	21%	18%	35%
Operating profit/(loss) margin (<i>Note 1</i>)	(54%)	3%	(13%)	17%	60%
Net (loss)/profit margin	(66%)	(1%)	(7%)	9%	46%
Return on equity	(11%)	(1%)	(5%)	9%	10%
Interest coverage (<i>Note 4</i>)	(13.2)	(0.8)	(9.4)	3.7	11.1
(Loss)/earnings per share (<i>HK cents</i>)					
		<u>(Re-presented)</u>	<u>(Re-presented)</u>	<u>(Re-presented)</u>	<u>(Re-presented)</u>
— Basic	<u>(35.14)</u>	<u>(12.04)</u>	<u>(13.84)</u>	<u>43.60</u>	<u>42.74</u>
— Diluted	<u>(35.14)</u>	<u>(12.04)</u>	<u>(13.84)</u>	<u>43.60</u>	<u>42.74</u>
Dividend per share (<i>HK cent</i>)	–	–	–	–	0.20
Current ratio	1.4	1.5	1.6	1.3	1.4

Notes:

1. The revenue, gross profit, EBITDA, EBIT, (loss)/profit from operations, gross profit margin and operating (loss)/profit margin in 2022 and 2021 represent the operating results from continuing operations.
2. EBITDA is calculated at (loss)/profit before income tax from continuing operations subtracted by finance costs – net and adding back depreciation of property, plant and equipment and amortisation of intangible assets.
3. EBIT is calculated at (loss)/profit before income tax from continuing operations subtracted by finance costs – net.
4. Interest coverage is calculated at (loss)/profit before income tax from continuing operations subtracted by finance costs – net and divided by finance cost of the Group.

(iv) page 73 of the Annual Report shall be amended as follows (with amendments underlined):

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss for the year		(537,352)	(68,762)
Other comprehensive (loss)/income:			
<i>Items that may be reclassified to profit or loss:</i>			
Currency translation differences		(270,107)	358,307
Release of exchange reserve upon disposal of subsidiaries	42	—	3,564
Release of exchange reserve upon distribution in specie		—	(64,977)
Share of other comprehensive income of associates	19	(50,020)	(9,684)
<i>Items that will not be reclassified to profit or loss:</i>			
Net changes in the fair value of equity instruments designated at fair value through other comprehensive income		<u>(220,086)</u>	<u>(96,486)</u>
Other comprehensive (loss)/income for the year		<u>(540,213)</u>	<u>190,724</u>
Total comprehensive (loss)/income for the year		<u>(1,077,565)</u>	<u>121,962</u>
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		(1,090,016)	(132,784)
Non-controlling interests		<u>12,451</u>	<u>254,746</u>
		<u>(1,077,565)</u>	<u>121,962</u>
			<u>(Adjusted)</u>
Loss per share from continuing and discontinued operations			
– Basic and diluted (HK cents)	15	<u>(35.14)</u>	<u>(12.04)</u>
Loss per share from continuing operations			
– Basic and diluted (HK cents)	15	<u>(35.14)</u>	<u>(13.67)</u>
Earnings per share from discontinued operations			
– Basic and diluted (HK cents)	15	<u>—</u>	<u>1.63</u>

(v) page 163 of the Annual Report shall be amended as follows (with amendments underlined):

15. LOSS PER SHARE

The basic loss per share for the year is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue (excluding treasury shares held by the Group) of 1,569,376,000 (2021: 1,569,376,000 (adjusted)) during the year. There were no potential dilutive ordinary share outstanding for both years and therefore the dilutive loss per share is the same as basic loss per share.

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year ended 31 December 2021 had been adjusted, taking into account the event of share consolidation in November 2022, and assuming the event has been completed on 1 January 2021.

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

	2022 '000	2021 '000 <u>(Adjusted)</u>
Weighted average number of ordinary shares in issue (excluding treasury shares held by the Group) during the year for basic loss per share	<u>1,569,376</u>	<u>1,569,376</u>

(a) From continuing and discontinued operations

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

	2022 HK\$'000	2021 HK\$'000
Loss attributable to owners of the Company	<u>(551,522)</u>	<u>(188,957)</u>

(vi) note 35 on page 213 of the Annual Report shall be amended as follows (with amendments underlined):

35. SHARE CAPITAL

	<u>2022</u>		<u>2021</u>	
	<u>Number of</u> <u>shares</u> <u>(thousand)</u>	<u>Share capital</u> <u>HK\$'000</u>	<u>Number of</u> <u>shares</u> <u>(thousand)</u>	<u>Share</u> <u>HK\$'000</u>
<u>Ordinary shares of HK\$0.1</u> <u>each at 1 January 2021,</u> <u>31 December 2021</u> <u>and 1 January 2022;</u> <u>and HK\$2.0 each at</u> <u>31 December 2022</u>				
<u>Authorised:</u>				
<u>At 1 January</u>	<u>500,000,000</u>	<u>50,000,000</u>	<u>500,000,000</u>	<u>50,000,000</u>
<u>Share consolidation</u> <u>(Note)</u>	<u>(475,000,000)</u>	<u> =</u>	<u> =</u>	<u> =</u>
<u>At 31 December</u>	<u>25,000,000</u>	<u>50,000,000</u>	<u>5,000,000,000</u>	<u>50,000,000</u>
<u>Issued and fully paid:</u>				
<u>At 1 January</u>	<u>31,387,512</u>	<u>3,138,751</u>	<u>31,387,512</u>	<u>3,138,751</u>
<u>Share consolidation</u> <u>(Note)</u>	<u>(29,818,136)</u>	<u> =</u>	<u> =</u>	<u> =</u>
<u>At 31 December</u>	<u>1,569,376</u>	<u>3,138,751</u>	<u>31,387,512</u>	<u>3,138,751</u>

Note:

Pursuant to a special resolution of the Company passed on 24 November 2022, a capital reorganisation was approved. The Company implemented the share consolidation on the basis that every twenty issued and unissued existing shares of par value of HK\$0.1 each in share capital of the Company be consolidated into one consolidated share of par value of HK\$2.0 each in the share capital of the Company. The share consolidation was effective on 28 November 2022.

This clarification announcement is supplemental to and shall be read in conjunction with the Annual Results Announcement and Annual Report.

Save as disclosed in this announcement, the Board confirms that the above amended information close not affect the other information contained in the Annual Results Announcement and Annual Report and the contents of the Annual Results Announcement and Annual Report remain unchanged.

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

Hong Kong, 31 October 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 three independent non-executive Directors, namely Ms. Zhao Yizi, Ms. Zhang Juan and Mr. Chan Manwell.