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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board of directors (the “**Board**” or the “**Director(s)**”) of Renze Harvest International Limited (the “**Company**”) would like to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”), which has been reviewed by the audit committee of the Company (the “**Audit Committee**”).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	5	456,539	379,435
Cost of sales		(333,672)	(256,621)
Gross profit		122,867	122,814
Other gains/(losses) – net		160	(60,107)
Other income		5,377	3,230
Fair value gain on investment properties		19,746	32,228
Impairment losses on financial assets – net		(60,488)	(68,995)
Write-down of inventories of properties		(7,208)	(67,952)
Distribution costs		(10,492)	(8,891)
Administrative expenses		(68,687)	(72,536)
Profit/(Loss) from operations		1,275	(120,209)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Finance costs — net	7	(38,931)	(11,101)
Share of results of associates		—	(31,347)
Loss before income tax		(37,656)	(162,657)
Income tax (expense)/credit	8	(11,037)	19,438
Loss for the period	6	(48,693)	(143,219)
Loss attributable to:			
Owners of the Company		(47,714)	(79,768)
Non-controlling interests		(979)	(63,451)
Loss for the period		(48,693)	(143,219)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
	Note	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Other comprehensive income/(expense):			
<i>Items that may be reclassified to profit or loss:</i>			
Currency translation differences		88,894	(45,975)
Share of other comprehensive expense of associates		–	(10,278)
<i>Item 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		6,071	(4,055)
Other comprehensive income/(expense) for the period		94,965	(60,308)
Total comprehensive income/(expense) for the period		46,272	(203,527)
Total comprehensive income/(expense) for the period attributable to:			
Owners of the Company		40,449	(123,423)
Non-controlling interests		5,823	(80,104)
		46,272	(203,527)
Loss per share			
Basic (HK cents)	9	(1.78)	(2.98)
Diluted (HK cents)	9	(1.78)	(2.98)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		363,084	351,704
Investment properties		5,015,989	4,919,531
Intangible assets		133,356	133,356
Financial assets at fair value through other comprehensive income (“FVOCI”)	11	17,854	23,312
Finance lease receivables		4,614	245
Deferred tax assets		22,107	19,242
		<u>5,557,004</u>	<u>5,447,390</u>
Current assets			
Inventories		68,265	48,189
Properties under development		1,597,661	1,597,328
Completed properties held for sale		769,590	777,221
Loans and advances	12	85,644	147,301
Trade receivables	13	333,589	268,160
Contract assets		17,281	17,445
Finance lease receivables		7,866	8,348
Prepayments, deposits and other receivables		325,943	290,154
Current tax recoverable		13,519	36,304
Financial assets at fair value through profit or loss (“FVTPL”)	14	209,867	198,353
Client trust bank balances		165,401	169,812
Pledged bank deposits and restricted deposits		36,566	146,073
Cash and cash equivalents		981,269	777,707
		<u>4,612,461</u>	<u>4,482,395</u>
Total assets		<u><u>10,169,465</u></u>	<u><u>9,929,785</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2025

		As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
	Note		
Current liabilities			
Trade and bills payables	15	1,075,985	1,066,430
Contract liabilities		440,420	416,881
Accruals and other payables		634,712	653,232
Borrowings		1,068,813	1,276,997
Lease liabilities		1,056	2,154
Current tax liabilities		194,926	192,220
		<u>3,415,912</u>	<u>3,607,914</u>
Net current assets		<u>1,196,549</u>	<u>874,481</u>
Total assets less current liabilities		<u>6,753,553</u>	<u>6,321,871</u>
Non-current liabilities			
Other payables		13,834	13,623
Borrowings		714,898	332,896
Lease liabilities		2,834	2,834
Deferred tax liabilities		385,426	382,229
		<u>1,116,992</u>	<u>731,582</u>
Total liabilities		<u>4,532,904</u>	<u>4,339,496</u>
NET ASSETS		<u><u>5,636,561</u></u>	<u><u>5,590,289</u></u>
EQUITY			
Share capital		26,800	26,800
Reserves		<u>5,107,288</u>	<u>5,066,839</u>
Equity attributable to owners of the company		5,134,088	5,093,639
Non-controlling interests		<u>502,473</u>	<u>496,650</u>
TOTAL EQUITY		<u><u>5,636,561</u></u>	<u><u>5,590,289</u></u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

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

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

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

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

2. BASIS OF PREPARATION

Statement of Compliance

These interim condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024.

3. ACCOUNTING POLICIES

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (the “**HKFRSs**”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, and Interpretations.

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the interim condensed consolidated financial statements, the management requires to make significant judgements, estimates and assumptions in applying the accounting policies and key sources of estimation uncertainty. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024. Actual results may differ from these estimates.

5. SEGMENT INFORMATION

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

The reportable segments of the Group are classified as follows:

- Automation segment represents the trading of automated production related equipment trading business in Hong Kong and the People’s Republic of China (the “**PRC**”);
- Financial Services segment represents regulated business activities in respect to financial services under the Hong Kong Securities and Futures Ordinance in Hong Kong;
- Property Investment and Development segment represents the properties investment activities, property development projects, hotel and restaurant operations and provision of construction works in Hong Kong and the PRC; and
- Securities Investment segment represents the investment activities through direct investments in listed and unlisted securities.

5. SEGMENT INFORMATION (CONTINUED)

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

	Automation <i>HK\$'000</i>	Financial Services <i>HK\$'000</i>	Property Investment and Development <i>HK\$'000</i>	Securities Investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2025					
(Unaudited)					
Revenue	355,022	26,134	86,408	(3,206)	464,358
Inter-segment revenue	(2,317)	(3,205)	(2,297)	–	(7,819)
Revenue from external customers	<u>352,705</u>	<u>22,929</u>	<u>84,111</u>	<u>(3,206)</u>	<u>456,539</u>
Segment results	<u>19,696</u>	<u>10,516</u>	<u>26,859</u>	<u>2,023</u>	59,094
Unallocated provision for impairment losses on financial assets and contract assets – net					(60,488)
Unallocated other gains – net					299
Unallocated other income					338
Unallocated administrative expenses					(15,464)
Unallocated finance costs – net					<u>(21,435)</u>
Loss before income tax					<u>(37,656)</u>

5. SEGMENT INFORMATION (CONTINUED)

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

5. SEGMENT INFORMATION (CONTINUED)

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

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers within the scope of HKFRS 15</i>		
— Sale of goods	335,059	218,445
— Sale of properties	16,425	43,464
— Installation and maintenance income	3,302	3,072
— Commission and brokerage income	7,245	2,803
— Management fee and performance fee income	1,985	1,493
— Others	928	3,359
	364,944	272,636
<i>Revenue from other sources</i>		
— Securities investment (loss)/gain	(8,269)	17,215
— Interest income	19,356	5,663
— Rental income	80,508	83,921
	91,595	106,799
	456,539	379,435

5. SEGMENT INFORMATION (CONTINUED)

	For the six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
At a point in time	359,657	268,071
Transferred over time	5,287	4,565
	<u>364,944</u>	<u>272,636</u>

6. LOSS FOR THE PERIOD

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

	For the six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Amortisation of intangible assets	–	24
Cost of inventories and inventories of properties recognised as expenses	304,083	232,466
Depreciation of property, plant and equipment	7,892	9,965
Directors' and chief executive's emoluments	1,666	2,060
Employee benefit expenses	33,215	34,693
Net foreign exchange gains	(6,573)	(4,453)
Short-term lease expenses	2,426	2,621
Provision for impairment losses on financial assets — net:	<u>60,488</u>	<u>68,995</u>

7. FINANCE COSTS — NET

	For the six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Finance income:		
— Interest income on bank deposits	11,263	17,383
— Interest income on financial assets at amortised cost	4,382	36,563
	<u>15,645</u>	<u>53,946</u>
Finance costs:		
— Bank loans	(6,880)	(8,676)
— Corporate bonds	(15,055)	(9,384)
— Other loans	(32,258)	(46,706)
— Trust receipt loans	(307)	(33)
— Lease liabilities	(76)	(248)
	<u>(54,576)</u>	<u>(65,047)</u>
	<u><u>(38,931)</u></u>	<u><u>(11,101)</u></u>

8. INCOME TAX EXPENSE/(CREDIT)

	For the six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax		
— Hong Kong Profits Tax	743	149
— PRC enterprise income tax	2,810	2,275
— PRC LAT	362	1,841
	<u>3,915</u>	<u>4,265</u>
Over-provision in prior year	<u>6,790</u>	<u>1,605</u>
	10,705	5,870
Deferred tax	<u>332</u>	<u>(25,308)</u>
	<u>11,037</u>	<u>(19,438)</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 30 June 2025 and 2024, except for one subsidiary of the Company which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The statutory income tax rate applicable to entities operating in the PRC is 25% for the six months ended 30 June 2025 and 2024.

9. LOSS PER SHARE

The basic loss per share for the period is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue of approximately 2,680,000,000 (six months ended 30 June 2024: 2,680,000,000) during the period. There were no potential dilutive ordinary share outstanding for both periods and therefore the dilutive loss per share is the same as basic loss per share.

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

Number of shares

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue during the period for basic loss per share	<u>2,680,000,000</u>	<u>2,680,000,000</u>

Loss

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

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company	<u>(47,714)</u>	<u>(79,768)</u>

10. DIVIDEND

No interim dividend was proposed by the board of directors for the six months ended 30 June 2025 and 2024.

No final dividend in respect of the previous financial year was approved or paid during the six months ended 30 June 2025 and 2024.

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

	As at 30 June 2025 <i>HK\$’000</i> (Unaudited)	As at 31 December 2024 <i>HK\$’000</i> (Audited)
Equity investments designated at FVOCI		
Listed shares:		
— Equity securities — the United States of America	64	110
— Equity securities — Hong Kong	3,932	18,996
	3,996	19,106
Unlisted shares	13,858	4,206
	17,854	23,312

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

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

12. LOANS AND ADVANCE

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Loans and advances (<i>Note (a)</i>)	761,934	768,050
Margin loan receivables (<i>Note (b)</i>)	75,281	78,234
	837,215	846,284
Less: Provision for impairment	(751,571)	(698,983)
	85,644	147,301

Notes:

- (a) As at 30 June 2025, the loans and advances of approximately HK\$380,843,000 (31 December 2024: HK\$366,838,000) are secured by charges over the properties and listed securities of the borrowers, and/or backed by guarantee. Credit limits are set for borrowers based on the quality of collaterals held and the financial background of the borrower. The carrying amounts of loans and advances are interest bearing at a range from 5% to 18% (2024: 5% to 18%) per annum.
- (b) The credit facility limits granted to margin clients are determined by the discounted market value of the collateral securities accepted by the Group.

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

As at 30 June 2025, margin loan receivables were secured by securities pledged by the clients to the Group as collaterals with undiscounted market value of HK\$266,837,400 (31 December 2024: HK\$231,008,800).

13. TRADE RECEIVABLES

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Trade receivables	347,180	282,795
Less: Provision for impairment	(13,591)	(14,635)
	<u>333,589</u>	<u>268,160</u>

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

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
0 to 30 days	84,157	79,560
31 to 60 days	21,631	25,087
61 to 90 days	19,298	12,792
91 to 120 days	15,474	125,348
Over 120 days	206,620	40,008
	<u>347,180</u>	<u>282,795</u>

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Listed securities:		
— Equity securities — Hong Kong	13,087	20,585
Debt investments at FVTPL	196,780	177,768
	<u>209,867</u>	<u>198,353</u>

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

15. TRADE AND BILLS PAYABLES

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Trade payables	1,040,776	1,053,031
Bills payables	35,209	13,399
	1,075,985	1,066,430

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

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
0 to 30 days	221,489	212,588
31 to 60 days	6,110	10,266
61 to 90 days	5,440	3,731
91 to 120 days	2,659	5,440
Over 120 days	840,287	834,405
	1,075,985	1,066,430

MARKET OVERVIEW

In 2025, the global macroeconomy stands at a pivotal juncture marked by complexity and dynamics. A combination of multiple factors is shaping an economic landscape with uncertainties. According to forecasts from international organizations, global economic growth is facing many challenges, and factors such as inflation, policy direction and geopolitical conflicts are influencing the trend of economic development.

Regarding economic growth, there has been a consensus of global economic slowdown. The International Monetary Fund (IMF) forecast a 3.2% global GDP growth rate for 2025, while the United Nations Conference on Trade and Development (UNCTAD) made a more conservative estimate of 2.7%. The inflation situation was also complicated, showing a general downward trend globally but at a slower pace. The global inflation was expected to be 3.6% in 2025, due to the factors including tariffs, supply chain disruption and climate change that are exerting upward pressure on prices. Furthermore, the restructuring of geopolitical and trade landscapes has brought systemic impact to the global economy. As the Trump Government of the US introduced policies for escalating tariffs, which have sparked retaliatory tariff countermeasures worldwide, the World Bank Institute indicated that it would hinder global economic growth. Supply chains are accelerating restructuring, and Vietnam, Mexico and India are gradually emerging as alternative manufacturing hubs. The development of regional trade agreements are accelerating the de-Westernization process. Meanwhile, the risk of energy chain disruption has intensified, while the Russia-Ukraine conflict and the Middle East turbulence have posed great volatility in global energy markets.

Despite the increasing volatility in global economy, the Hong Kong stock market delivered impressive results in the first half of 2025, which continued the strong momentum from 2024 since 2025. According to the data from the HKEx, 42 new listings were completed in Hong Kong in the first half of the year, representing a 40% increase as compared to the same period of last year. The total amount of fund raised through IPOs exceeded HK\$107 billion, which was more than that of HK\$87.6 billion raised throughout last year, demonstrating much more attractiveness of the assets in Hong Kong dollar. However, while the stock market remained active, the real economy in Hong Kong continued to be weak. The tourism and service sectors showed an insignificant growth in the first half of 2025. In addition, according to the statistics released by the Hong Kong Land Registry for the first half of 2025, the total value of property purchase and sale contracts in the first half year decreased by 1.4% year-on-year, showing that the broader property market remained weak and market sentiment was sluggish generally.

As a business-diversified listed company, the Group has made significant progress across all business operations in the first half of 2025 against the backdrop of a complicated and dynamic global economy, as evidenced by an impressive growth of its automation business and significant funding support for its property investment business. Looking forward, the Group will continuously undergo proactive deployment to its business opportunities so as to create higher value for the shareholders of the Company.

OVERVIEW OF AUTOMATION BUSINESS

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

During the first half of the year, China’s macroeconomy and electronic information manufacturing sector showed strong resilience despite the challenging global economic growth, with a 11.1% year-on-year increase in the added value of computers, telecommunications, and other electronic equipment manufacturing sectors of a specified scale or above in the industry of the automation business segment.

For the six months ended 30 June 2025, the revenue of the automation segment was approximately HK\$352.7 million (30 June 2024: approximately HK\$228.4 million), accounting for approximately 77.3% (30 June 2024: approximately 60.2%) of the Group’s total revenue. The revenue increased by 54.4% as compared to the same period last year, with a strong increase of more than 100% in the revenue from overseas market as compared to the same period last year. The operating profit increased by 17.1% to approximately HK\$19.7 million (30 June 2024: approximately HK\$16.8 million). The growth in revenue was mainly due to a significant increase in the revenue from overseas market, the continuous diversification and improvement of product mix and the expansion of customers in new sectors to increase revenue sources. The increase in operating profit was mainly due to the significant increase in overall revenue for the first half of 2025 as compared with the same period last year and the increased revenue from new businesses.

Gallant Tech provides distribution and service for the first-class automation electronic manufacturing equipment manufacturers both at home and abroad, and is the brand agent of top sellers among similar brands in China. The customers of Gallant Tech are mainly well-known manufacturers in the telecommunications, consumer electronics, automotive electronics, photovoltaic inverters, new energy, semiconductor and other electronics and information technology industries. Although the global economy was impacted by the geopolitical tensions, trade policies and other uncertainties, China's electronics manufacturing sector remained booming, which was driven by the recovery in consumer electronics market and the rapid growth in relevant industries such as electric vehicles and artificial intelligence. Amidst restructuring of the global supply chains, a number of Chinese manufacturers are strategically adjusting their layouts by establishing more production bases overseas and increasing investments in automated manufacturing equipment. These factors have contributed to a strong growth in sales of the Company in the first half of the year.

As more and more customers expanded overseas, Gallant Tech actively aligned with its customers in respect of overseas development, by taking overseas market expansion as a key development strategy, and making prospective layouts in overseas markets several years ago to seize the opportunity. At present, Gallant Tech has established sales and service networks around Southeast Asia to provide customers with one-stop services.

The Chinese government is promoting extensive equipment renewal in the industrial sector, which has generated substantial demand for high-end, intelligent and eco-friendly manufacturing equipment, while the widespread application of emerging technologies such as artificial intelligence has lifted the requirements for intelligent manufacturing equipment. In recent years, manufacturers have accelerated equipment upgrades and replacement to support intelligent manufacturing. It is expected that the extensive replacement of SMT, semiconductors and other manufacturing equipment will continue over the next few years.

Gallant Tech's diversified product portfolio and business model enable the Company to cope with industry volatility by leveraging a full range of solutions, so as to maintain steady growth. Gallant Tech conducts its finance leasing and operating leasing business through its wholly-owned subsidiary, Shenzhen Gallant Financial Leasing Co., Ltd. This segment which provides customers with competitive and flexible service solutions, which help them respond to market changes immediately in the current volatile market environment, and support the sales of the Company's intellectual manufacturing equipment as well as assist in the development of customers' businesses.

Thanks to the Group’s “dual-core driven development strategy of intellectual technology and industrial parks, with integration of industry and city, integration of industry and finance, and integration of industry and investment”, Gallant Tech’s intelligent manufacturing technology business and the Group’s industrial parks business complement each other and create synergies. Gallant Tech’s significant upstream and downstream partners are also tenants in the Group’s industrial parks, which have brought customer resources for those industrial parks and boosted local economic output. The Group’s industrial parks are home to a large number of hi-tech enterprises, which brings an “augmenting effect” to the Gallant Tech’s business, generating more opportunities and benefits. Such business model helps the Company to develop unique competitive advantages, delivering greater value to customers and shareholders.

OVERVIEW OF PROPERTY INVESTMENT AND BUSINESS DEVELOPMENT

Since the first half of 2025, local governments and authorities across Mainland China have introduced city-specific measures to stabilize the real estate market. According to the statistical data, such policies and measures have produced remarkable results: Despite the fluctuations in the first half of the year, the real estate market in the Mainland China has moved towards a stable trend generally. The performance of real estate market in the Mainland China are summarized in three key aspects: Firstly, the transaction volume was improved with a narrower decline in commercial housing sales year-on-year; secondly, the decrease in market price slowed down generally, and some cities even saw price increases; thirdly, the sources of funding for the real estate market were improved. Supported by the “white list” policy and the recovery of sales in the real estate market, the debt repayment for property developers are progressing steadily.

For the six months ended 30 June 2025, the revenue of the property investment and development segment was approximately HK\$84.1 million (30 June 2024: approximately HK\$124.1 million), accounting for approximately 18.4% (30 June 2024: approximately 32.7%) of the Group’s total revenue.

For the six months ended 30 June 2025, the operating profit of the property investment and development segment was approximately HK\$26.9 million, compared to operating loss of approximately HK\$54.5 million recorded in the corresponding period in 2024. The decrease in operating loss was primarily due to the decrease in loss on disposal of property, plant and equipment by approximately HK\$63.0 million and the decrease in finance and administrative costs as compared to the same period last year.

Shenzhen Bangkai Science and Technology Industrial Park Project

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

In the first half of 2025, the occupancy rate of Bangkai Technology Industrial Park was approximately 81.6%, the occupancy level of which was at the top level of industrial parks in Guangming district of Shenzhen. The primary reason for the decline in occupancy rate was the gradual renovation of apartments in the park in early 2025. At present, approximately 40,000 square meters of apartments have been renovated and put into use again, the occupancy level of which was expected to gradually recover to previous levels in the second half of the year. The occupancy rate of industrial properties maintained stable year-on-year, while that of office buildings saw a significant decline. By the end of June 2025, the total area of office buildings and properties supplied in Guangming District had increased by more than 300,000 square meters as compared to the same period last year, showing intense competition in office leasing, which was the second reason for the decreased occupancy rate of the park. According to the actual market conditions of office properties, the Group has adjusted its leasing strategies in relation thereto, which was believed to recover in the second half of the year.

In the first half of the year, with the support from major shareholders of the Group, Bangkai Science and Technology Park secured credit facilities in the total amount of up to RMB625 million from the Bank of China Shenzhen Guangming Sub-branch. Currently, the Group has further accelerated the construction of Phase III of the park, in particular, the talent apartments of more than 60,000 square meters will be introduced to the market first, which are expected to be put into use at the end of 2026 at the earliest.

Ganzhou Project

At the end of 2023 and in 2024, under the active promotion of the Group's management, two hotels in Ganzhou have been sold through public auction and the offices have been sold as a package deal to recover funds as soon as possible. At present, the Group still holds and operates two large commercial plazas in Ganzhou, namely Ganzhou Century Plaza and Ganzhou Taigu Plaza, with an operating area of over 60,000 square metres, the leasing performance of which remains stable as compared to the same period last year.

The Group will continue to adhere to its established strategy to further recover funds and provide targeted support for the development of other business segments. Currently, the Group has listed the Joyous Square with an area of approximately 22,867.96 square meters in Ganzhou Taigu Plaza on Alibaba Asset Platform for public auction. It is expected that the Group's financial position will be further improved if the auction is successfully completed.

Shantou Project

In the first half of 2025, the leasing performance of Shantou Taisheng Project remained stable with an occupancy rate of over 70%. However, subject to the sluggish real estate market in Shantou, sales of other properties were relatively poor. Currently, the Shantou project remains focusing on the settlement with the main contractor, the Third Company of China Construction Second Engineering Bureau Ltd.

OVERVIEW OF FINANCIAL SERVICES BUSINESS

For the six months ended 30 June 2025, the financial services segment has netted approximately HK\$22.9 million in revenue (30 June 2024: approximately HK\$24.8 million in revenue), accounting for approximately 5.0% of the Group's total revenue (30 June 2024: 6.5%). The operating profit amounted to approximately HK\$10.5 million (30 June 2024: approximately HK\$19.2 million).

Securities Brokerage Services

In the first half of 2025, the securities brokerage team remained focused on delivering professional, efficient, and client-centric services, including agency securities trading, margin financing, placing and underwriting, financial product distribution, and integrated investment and financing solutions, for listed issuers, institutional and high-net-worth clients.

Despite a modest recovery in global equity markets, investor sentiment remained cautious amid persistent macroeconomic uncertainties. The Hong Kong Hang Seng Index (HSI) exhibited significant volatility, fluctuating between 18,670 and 24,800 before closing at 24,000 at the end of June. While this represented a partial rebound from the lows of 2025, trading volumes remained subdued. In Hong Kong and other Asian markets, elevated interest rates and geopolitical tensions continued to weigh on investor activity. The higher cost of capital compressed margin financing spreads, and commission income remained under pressure due to lower retail participation.

Asset Management Business

The asset management team provides an array of services including fund management, discretionary account management and investment advisory services to high-net-worth individuals, corporations, and institutional clients in global markets. As at the date of this announcement, it acts as the investment manager for 2 segregated portfolio company funds with 3 segregated portfolios. Further, it also provided investment advisory services to institutional clients on a wide range of investment products in the financial markets. As at 30 June 2025, the total assets under management amounts to approximately HK\$3.9 billion.

Money-lending Business

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

In light of the challenging economic and property environment, Glory Sun Credit has adopted stringent credit control to conduct its share mortgage loan and property mortgage loan business to reduce associated credit risks. As at 30 June 2025, the overall weighted average loan-to-value ratio of its loan portfolio was at 96.6% (2024: 65.4%).

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 Period.

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 Period, Glory Sun Credit did not receive any objection from the Registrar of Money Lenders (the “**Registrar**”) nor the Commissioner of Police regarding the renewal of the money lenders licence. Glory Sun Credit has also established policies and procedures to strictly follow the Guideline on Compliance of Anti-Money Laundering and Counter-Terrorist Financing Requirements for Licensed Money Lenders (the “**AML-CTF Guideline**”) issued by the Registrar for the money lending business operations to mitigate the risks of money laundering and terrorist financing.

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

Business Model and Loan Portfolios

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

For share mortgage loans, Glory Sun Credit granted secured loans to customers and held collaterals against loan receivables in the form of mortgages over listed shares owned by these customers. All of these collaterals were listed in Hong Kong. The gross share mortgage loans receivable was accounted for approximately nil of the entire gross loan receivable of Glory Sun Credit as at 30 June 2025 (2024: 59.8%). The interest rates of the share mortgage loans, mainly determined with reference to factors such as the quality and liquidity of the collaterals provided by the customers, loan-to-value ratios, loan amounts, tenors, and customers' net worth, ranged from nil to nil (2024: 13.2% 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 nil (2024: more than 66.6%) were residential properties. The gross property mortgage loans receivable was accounted for approximately nil of the entire gross loan receivable of Glory Sun Credit as at 30 June 2025 (2024: 20.9%). 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 nil to nil (2024: 8.0% to 8.0%).

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

As at 30 June 2025, Glory Sun Credit had 1 (2024: 5) active accounts, of which nil (2024: 1) of them were individual customers and the remaining of 1 (2024: 4) were corporate customers; and of which nil (2024: 2) of them were share mortgage loan customers and nil (2024: 1) of them were property mortgage loan customers.

During the Period, the top five customers (as determined by interest income generated) accounted for approximately 100.0% (2024: 100.0%) of the total revenue of Glory Sun Credit, and the single largest customer accounted for approximately 100.0% (2024: 50.9%) of the total revenue.

As at 30 June 2025, the largest and top five customers (as determined by loan receivable balance) of the total gross loan receivables balance accounted for 100.0% (2024: 53.8%) and 100.0% (2024: 100.0%) respectively.

Credit Approval Processes and Credit Risk Assessment Policies

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

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

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

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

(i) For property mortgage loan applications

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

(ii) For share mortgage loan applications

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

Loan Impairment Assessment

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

SECURITIES INVESTMENT

The Group has been investing in listed shares in Hong Kong and foreign countries and adjusting its investment strategy to ensure that it is sufficiently prudent to cope with the uncertainties in the financial market. For the six months ended 30 June 2025, the securities investment business generated a loss of approximately HK\$3.2 million (30 June 2024: a profit of approximately HK\$2.1 million). The operating profit of the segment amounted to approximately HK\$2.0 million (30 June 2024: an operating loss of approximately HK\$3.0 million).

OTHER INVESTMENT

As at 30 June 2025, the Company held 32% equity interest in Yunnan International Holding Group Limited, an associate principally engaged in the business of clean energy, health, investment management, new energy and financial services. The associate was established to participate in the strategic construction brought by The Belt and Road Initiative.

PROSPECT

Prospect of Automation Business

Looking ahead, manufacturers will continue to invest in integrated platforms in the territory of intelligent manufacturing. The domestic sales of SMT manufacturing equipment may continue to face uncertainties in the near term due to the trade war. However, as the government encourages the development of new quality productivity, the emerging electronics manufacturing industry will continue to grow, and the domestic consumer electronics market is gradually recovering. In addition, the increasingly widespread application scenarios of AI will give rise to more AI-enabled terminals, and there will also be a surge in demand for data centres, smart grids, green energy and other ancillary facilities. The majority of such products require the use of SMT equipment and semiconductor equipment for manufacturing. With its rich product portfolio and continuous innovation, the Group remains optimistic about the prospects and growth potential of the automation segment and believes that the market will have huge development potential in the future.

As China's manufacturers become more competitive globally and set up more production bases overseas, the Company will follow the lead of its customers to accelerate the provision of more comprehensive intelligent manufacturing and service solutions overseas. It is expected that the Company will establish a subsidiary in Vietnam and put it into operation in the second half of the year, which will further improve its strategic layout overseas, enabling it to respond to customer needs immediately and enhancing its market competitiveness.

Gallant Tech will continue to explore the high-end electronics intelligent manufacturing sector, delivering a full range of solutions for electronics manufacturing through advanced manufacturing equipment and premium services to create greater value for clients. The Company will continue to focus on the fast-growing sub-segments in this sector and explore new business opportunities, particularly in the semiconductor and AI-related fields, including but not limited to seeking distribution and investment opportunities along the industry's upstream and downstream sectors.

Prospect of Property Investment and Development Business

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

The Shenzhen Development Project

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

The Ganzhou Development Project

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

The Shantou Development Project

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

Prospect of Financial Services Business

The Group's securities brokerage business delivered a solid performance despite a persistently challenging market environment. Increased trading activity in both the Hong Kong and U.S. equity markets contributed to a notable uplift in commission income and overall profitability. The brokerage team remains committed to providing professional, comprehensive, and convenient services, including agency securities trading, margin financing, placing and underwriting services, financial products, and one-stop integrated investment and financing solutions for institutional investors, high-net-worth individuals, and listed companies.

Looking ahead, the brokerage business will remain focused on deepening client relationships, expanding product capabilities, and pursuing cross-border opportunities. With a disciplined approach and a commitment to innovation, the Group is well-positioned to navigate market complexities and deliver sustainable value to clients and stakeholders. As we continue to adapt to the dynamic market environment, we remain focused on delivering value to our clients and stakeholders, ensuring long-term success for the Group. We are confident that these efforts will position us for sustainable growth and profitability in 2025 and beyond.

FINANCIAL REVIEW

Revenue

The Group's revenue for the six months ended 30 June 2025 increased by 20.3% to approximately HK\$456.5 million (30 June 2024: approximately HK\$379.4 million). The revenue analysis by segment is presented as follows:

	For the six months ended 30 June				
	2025		2024		% change
	<i>HK\$'</i> <i>million</i>	Proportion to total revenue	<i>HK\$'</i> <i>million</i>	Proportion to total revenue	
Automation	352.7	77.3%	228.4	60.2%	54.4%
Financial Services	22.9	5.0%	24.8	6.5%	(7.7)%
Property Investment and Development	84.1	18.4%	124.1	32.7%	(32.2)%
Securities Investment	(3.2)	(0.7)%	2.1	0.6%	(256.3)%
	<u>456.5</u>	<u>100%</u>	<u>379.4</u>	<u>100.0%</u>	<u>20.3%</u>

During the Period, automation segment and property investment and development segments were the major source of revenue for the Group, accounting for 77.3% and 18.4% of total revenue, respectively.

Gross Profit and Margin

The gross profit increased by 0.04% to approximately HK\$122.9 million (30 June 2024: approximately HK\$122.8 million), while the gross profit margin decreased to 26.9% (30 June 2024: 32.4%). The decrease in gross margin during the Period was mainly due to the decrease in rental income from investment properties and gross loss on securities investment for the period ended 30 June 2025.

Other Gains/(Losses) — Net

The net other gains for the Period was approximately HK\$0.2 million (30 June 2024: net other losses of approximately HK\$60.1 million). The decrease was mainly due to the gain on disposal of property, plant and equipment for the six months ended 30 June 2025 amounting to approximately HK\$7,000 (30 June 2024: loss of approximately HK\$60.6 million).

Other Income

The other income increased by 66.5% to approximately HK\$5.4 million (30 June 2024: approximately HK\$3.2 million). The increase was mainly due to the increase in handling fee income of approximately HK\$2.5 million.

Distribution Costs

The distribution costs increased by 18.0% to approximately HK\$10.5 million (30 June 2024: approximately HK\$8.9 million), accounting for 2.3% (30 June 2024: 2.3%) of the total revenue. The increase in distribution costs was mainly due to the increase in commission expenses of approximately HK\$3.1 million.

Administrative Expenses

The administrative expenses decreased by 5.3% to approximately HK\$68.7 million (30 June 2024: approximately HK\$72.5 million), owing to the decrease in depreciation of property, plant and equipment of approximately HK\$2.0 million, and the increase in net foreign exchange gains of approximately HK\$2.1 million.

Finance Costs — Net

The net finance cost was approximately HK\$38.9 million (30 June 2024: approximately HK\$11.1 million). The increase in net finance costs was mainly due to the decrease in interest income on financial assets at amortised cost of approximately HK\$32.2 million during the Period.

Income Tax (Expense)/Credit

The income tax expense was approximately HK\$11.0 million (30 June 2024: income tax credit of approximately HK\$19.4 million) which was mainly due to the temporary differences arising from fair value loss of investment properties and write-down of inventories.

Loss Attributable to Owners of the Company

The Company recorded a loss attributable to owners of the Company of approximately HK\$47.7 million (30 June 2024: approximately HK\$79.8 million). The decrease was mainly due to (i) other losses of approximately HK\$60.1 million mainly attributable to loss on disposal of property, plant and equipment for the corresponding period in 2024, as compared to other gains of approximately HK\$0.2 million during the Period; and (ii) write-down of inventories of properties of approximately HK\$7.2 million for the Period (30 June 2024: HK\$68.0 million).

FINANCIAL RESOURCES REVIEW

Liquidity and Financial Resources

By adopting a prudent financial management approach, the Group continued to maintain a healthy financial position. As at 30 June 2025, the Group's cash and cash equivalents totaled approximately HK\$981.3 million (31 December 2024: approximately HK\$777.7 million). The working capital represented by net current assets amounted to approximately HK\$1,196.5 million (31 December 2024: approximately HK\$874.5 million). The current ratio was approximately 1.4 (31 December 2024: approximately 1.2). The gearing ratio, which is calculated at borrowings divided by net asset value, was 31.6% (31 December 2024: 28.8%).

The borrowings of the Group as at 30 June 2025 included corporate bonds of approximately HK\$402 million (31 December 2024: approximately HK\$290 million), bank loans of approximately HK\$749.9 million (31 December 2024: approximately HK\$195.9 million), and other loans of approximately HK\$631.8 million (31 December 2024: approximately HK\$1,124.0 million).

Charge of Assets

The borrowings as at 30 June 2025 were secured by (i) guarantees provided by the Company, shareholder of the Company, certain of its subsidiaries and related parties; (ii) property, plant and equipment of approximately HK\$149.5 million (31 December 2024: approximately HK\$149.9 million); (iii) investment properties of approximately HK\$1,774.9 million (31 December 2024: approximately HK\$1,740.4 million); and (iv) pledged bank deposit of approximately HK\$237.8 million (31 December 2024: approximately HK\$237.8 million).

As at 30 June 2025, the carrying amount of properties under development amounting to approximately HK\$244.0 million (31 December 2024: HK\$240.3 million) were pledged as security for a bank borrowing in favour of a financial institution located in the PRC for interest bearing borrowings granted to a related party.

Capital and Other Commitments

As at 30 June 2025, the Group had contracted but not provided for capital and other commitments of approximately HK\$4,286.9 million related to investment properties and property development expenditures (31 December 2024: approximately HK\$3,389.4 million and HK\$215.2 million related to the investment properties and property development expenditures and the investment in an associate, respectively).

Currency Exposure and Management

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

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

Future Plans for Capital Investment and Expected Source of Funding

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

Fund Raising for Future Business Development

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

Employees and Remuneration Policies

As at 30 June 2025, the Group had 270 (31 December 2024: 270) full-time employees in Hong Kong and the PRC. Employees' remuneration is determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay level. Staff benefits include medical insurance, provident funds and other competitive fringe benefits.

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

Events after the Reporting Period

On 26 August 2025, the Company and Glory Sun Securities Limited (the "**Placing Agent**"), a wholly-owned subsidiary of the Company, entered into a placing agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent (the "**Placing**"), on a best endeavour basis, up to 2,320,000,000 placing shares (the "**Placing Shares**"), to not less than six placees who and whose ultimate beneficial owners are independent third parties at a price of HK\$0.128 per placing share, representing (i) approximately 86.6% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 46.4% of the issued share capital of the Company as enlarged by the Placing (assuming the maximum number of the Placing Shares is fully placed and there will be no change in the number of issued shares between the date of this announcement and the completion of the Placing).

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

KEY RISKS AND UNCERTAINTIES

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

Operational Risk

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

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

Industry Risk

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

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

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

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

Financial Risk

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

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

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

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

Manpower and Retention Risk

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

Business Risk

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

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the Period (2024 interim dividend: HK\$ nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

CHANGE IN INFORMATION OF DIRECTORS

There has not been any change in the information of the Directors of the Company since the publication of the 2024 annual report of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

CORPORATE GOVERNANCE

The Company maintains a high standard of corporate governance with a view to enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. For the six months ended 30 June 2025, the Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) in Appendix C1 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopts the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as the code of conduct of the Group regarding securities transactions of the Directors. All Directors have confirmed that throughout the six months ended 30 June 2025, they have complied with the provisions of the Model Code.

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) on 28 November 2009 with written terms of reference in compliance with the Listing Rules. The principal duties of the Audit Committee include the review and supervision of the Group’s financial reporting matters, risk management and internal control procedures. The Audit Committee comprises one non-executive director, namely Mr. Zhang Chi and two independent non-executive directors, namely Ms. Zhang Juan and Mr. Chan Manwell. The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed with the management of the Company on financial reporting matters including a review of the unaudited interim financial information of the Group for the six months ended 30 June 2025.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

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

APPRECIATION

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

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

Hong Kong, 28 August 2025

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