粵海廣南(集團)有限公司
GDH GUANGNAN (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability) (於香港註冊成立的有限公司)
(Stock code 股份代號: 01203)

2024
ANNUAL REPORT
年報

Contents

Corporate Information

(As at 21 March 2025)

BOARD OF DIRECTORS

Executive Directors

YANG Zhe *(Acting Chairman and General Manager)*
CHAU Wang Kei *(Chief Financial Officer)*

Non-Executive Directors

WANG Longhai
YU Huijuan (appointed on 5 December 2024)

Independent Non-Executive Directors

Gerard Joseph MCMAHON
LI Kar Keung, Caspar
WONG Yau Kar, David, *GBS, JP*

AUDIT COMMITTEE

Gerard Joseph MCMAHON *(Chairman)*
LI Kar Keung, Caspar
WONG Yau Kar, David

COMPENSATION COMMITTEE

LI Kar Keung, Caspar *(Chairman)*
Gerard Joseph MCMAHON
WONG Yau Kar, David

NOMINATION COMMITTEE

YANG Zhe *(Acting Chairman)*
Gerard Joseph MCMAHON
LI Kar Keung, Caspar
WONG Yau Kar, David

COMPANY SECRETARY

LIU Wai Kin

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

PRINCIPAL BANKERS

DBS Bank Limited
Bank of Communications Co., Ltd.
Bank of China (Hong Kong) Limited
Bank of China Limited
Industrial and Commercial Bank of China (Asia) Limited
Industrial and Commercial Bank of China Limited
China Citic Bank Corporation Limited
Agricultural Bank of China Limited
OCBC Bank (Hong Kong) Limited
Hang Seng Bank Limited

REGISTERED OFFICE

Units 2905–08, 29th Floor, Shui On Centre
6–8 Harbour Road, Wanchai, Hong Kong

Telephone	:	(852) 2828 3938
Facsimile	:	(852) 2583 9288
Website	:	http://www.gdguangnan.com

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

SHARE INFORMATION

Place of Listing	Main Board of The Stock Exchange of Hong Kong Limited
Stock Code	01203
Board Lot	2,000 shares
Financial Year End	31 December

SHAREHOLDERS' CALENDAR

Last Share Registration Date (for attending Annual General Meeting)	10 June 2025
Closure of Register of Members (for attending Annual General Meeting)	11 June 2025 to 16 June 2025
Annual General Meeting	16 June 2025
Last Share Registration Date (for payment of final dividend)	25 June 2025
Closure of Register of Members (for payment of final dividend)	26 June 2025 to 27 June 2025
Final Dividend	HK2.5 cents per share
Payment Date	18 July 2025

Financial Highlights

(Expressed in Hong Kong dollars)

	For the year ended 31 December		
	2024 **$'000**	2023 $'000	Change
Revenue	**11,978,788**	10,385,807	15%
Profit from operations	**236,146**	278,222	-15%
Profit attributable to shareholders	**140,754**	65,924	114%
Basic earnings per share	**15.51 cents**	7.26 cents	114%
Dividend per share			
Interim	**1.00 cent**	1.00 cent	
Proposed final	**2.50 cents**	2.00 cents	
	3.50 cents	3.00 cents	17%

	At 31 December		
	2024 **$'000**	2023 $'000	Change
Total assets	**4,938,314**	4,789,001	3%
Shareholders' equity	**2,592,751**	2,570,014	1%
Net asset value per share[1]	**$2.86**	$2.83	1%
Closing market price per share	**$0.61**	$0.57	
Net cash[2]	**–**	122,355	N/A
Net financial borrowings[3]	**16,127**	–	N/A
Gearing ratio[4]	**0.6%**	N/A	

Notes:

1. $\dfrac{\text{Shareholders' equity}}{\text{Number of ordinary shares in issue}}$

2. Pledged deposits, cash and cash equivalents – borrowings

3. Borrowings – pledged deposits, cash and cash equivalents

4. $\dfrac{\text{Borrowings – pledged deposits, cash and cash equivalents}}{\text{Shareholders' equity}}$

Chairman's Statement

I hereby present to the shareholders that GDH Guangnan (Holdings) Limited (the "Company") and its subsidiaries (the "Group") recorded a consolidated revenue of HK$11,979 million in 2024, representing an increase of HK$1,593 million or 15% from HK$10,386 million in 2023. Consolidated profit attributable to equity shareholders of the Company was HK$141 million, representing an increase of 114% compared with HK$66 million in 2023. The basic earnings per share was HK15.51 cents, representing an increase of 114% from HK7.26 cents in 2023.

The Board of Directors of the Company (the "Board") recommends the payment of a final dividend of HK2.50 cents per share for the year 2024, increased by 25%. The abovementioned final dividend for 2024, subject to the approval by the shareholders of the Company at the annual general meeting, is expected to be paid on 18 July 2025.

BUSINESS DEVELOPMENT

As for the fresh and live foodstuffs business, the Group will, standing on a new development stage to implement new development philosophy, accelerate the business layout in a bid to strengthen, enhance and expand the fresh and live foodstuffs business. Moreover, focusing on the "vegetable basket" market in the Guangdong-Hong Kong-Macao Greater Bay Area, the Group will focus on grasping the development opportunities of the food industry and further consolidate the development foundation of the slaughtering business. The Group will also invest in the construction of an integrated industrial chain operation platform of "livestock and poultry breeding – slaughter and processing – cold chain distribution – fresh marketing", and explore the development in new sectors by shifting from the slaughtering business towards the sale of branded meat and entering into the field of food segmentation and processing to cultivate new profit growth points. The Group will also promote the separation of manufacturing and marketing, establish a multi-level sales channel system and explore new business models such as e-commerce and new food retail, so as to achieve leapfrog development in the entire chain of fresh food products. It will increase the investment in the digital transformation of business to optimise business processes, reduce operating costs, and create a food traceability system covering the whole chain. Guided by market demand and supported by scientific and technological innovation, the Group will accelerate the transformation of the development mode of the food segment, optimise the structural layout of the segment, and enhance the comprehensive production and service capabilities as well as core competitiveness of the fresh and live foodstuffs business.

For new investment and operation projects, in 2024, the Group entered into the cooperation agreement with 佛山市南海區夢里水鄉置業投資有限公司 (Foshan City Nanhai District Mengli Shuixiang Property Investment Co., Ltd.*) for the establishment of a project company, so as to invest in the construction and operation of a slaughterhouse in Lishui Town and create a comprehensive modern agricultural enterprise integrating slaughtering, processing, cold chain distribution, and sales. Meanwhile, the Group continued to expand its retail terminal network in Hong Kong and diversify the category of vegetable and fruit products to further increase the scale of retail business and enhance the brand recognition of its products.

Regarding the associated companies of pig farming, the pig farming industry in Mainland China showed an overall improvement in 2024. Despite challenges posed by low prices and rising production costs at the beginning of the year, the industry's profitability still recorded a significant improvement due to the shift in market supply and demand leading an increased swine price in the second quarter and the reduced breeding costs driven by declining feed prices and enhanced farming efficiency. As a result, one of the associated companies of the Group achieved a turnaround from losses to profits in 2024.

In respect of the tinplating business, the Group adheres to the customer-oriented, innovation-driven development strategy, continues to enhance the core competitiveness of the Group's product in terms of quality, craftsmanship and technology, and builds itself into the most reliable tinplate supply chain service provider for customers. By benchmarking against industry practices and understanding the operation of customers, we can fully satisfy customer needs. While expanding domestic business scale, we intensify overseas market penetration by participating in exhibitions and conducting client visits to optimise production capacity utilisation. Adhering to the profit-oriented marketing strategy, we integrate resources to improve the utilisation rate of tinplate production capacity, analyse business trends, and optimise the business structure. By continuously paying attention to the market conditions, improving the ability to predict, and adjusting the pace of material procurement in a scientific manner, the negative impact of the fluctuation of commodity prices has also been effectively dealt with.

* *The English translation of the Chinese names of the relevant entities and rules included in this Annual Report is prepared for identification purpose only. In the event of any inconsistency, the Chinese name shall prevail.*

PROSPECTS

Looking ahead into 2025, the global macroeconomic landscape is poised to undergo profound transformations. Economic development will be significantly affected by the trend of multipolarity in the international arena, the continued risk of geopolitical conflicts and the accelerated restructuring of the global supply chain. However, underpinned by structural reforms and innovation-driven strategy, the Chinese economy is projected to maintain resilient growth momentum, providing new opportunities and challenges for the Group's strategic development.

In the fresh and live foodstuffs business segment, the Group will focus on slaughtering as the core and extend the food industry chain, steadily progressing from slaughtering to becoming the national leader in fresh meat sales, advancing strategic reforms encompassing business model upgrades, segregation of production and sales, and supply chain digitalisation. We will increase the investment in research and development, optimise product mix, create product's brands, and raise the proportion of high value-added products. Concurrently, we will enhance our operational efficiency in an all-round way through accelerated digital transformation and the establishment of intelligent production systems. In the tinplating business, we will focus on market demand-driven technological innovation and research and development, leveraging product quality, technological strengths, and innovation to improve product competitiveness, stabilise business operations, and consolidate our market leadership.

In response to the complex and ever-changing market environment, the Group will implement the following strategic initiatives. In terms of innovation and expansion, we will explore new business models, study the transformation from slaughtering to meat product sales, build food brands, and cultivate new growth drivers. In terms of risk management, we will improve the comprehensive risk management system, strengthen compliance management, and enhance the modernisation of corporate governance. In terms of capital operations, we will timely carry out strategic investments and mergers and acquisitions, optimising the business layout through vertical integration and horizontal expansion along the industry chain. In terms of regional collaboration, we will deeply integrate into the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, and fully leverage regional policy advantages and industry cluster effects to enhance its market competitiveness.

Leveraging a strong financial structure and sufficient cash flow to provide assurance, the Group will focus on improving asset operation efficiency, optimising capital structure, and ensuring sustained and steady growth in operating performance, thereby creating continuous and stable investment returns for shareholders. At the same time, the Group will actively implement ESG principles, integrating sustainable development into corporate strategy. Through measures such as green production, energy-saving and emission reduction, we aim to achieve an unity of economic and social benefits, driving the high-quality development of the Group.

Last but not the least, on behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our shareholders for their support as well as our dedicated and hardworking management team and employees.

Yang Zhe
Acting Chairman and General Manager

Hong Kong, 21 March 2025

Management Discussion and Analysis

BUSINESS REVIEW

Fresh and Live Foodstuffs

In respect of our operation in Mainland China, benefiting from the layout of our Group's slaughtering business in the Greater Bay Area and in a bid to strengthen, enhance and expand the slaughtering business, the live pig slaughtering volume of the Group was exceed 3 million heads in 2024, enabling the Group to rank among one of the top in terms of slaughtering volume in Guangdong Province. In addition, the Group's food wholesale and retail business in the mainland expand steadily.

In respect of our operation in Hong Kong, with an increased swine price, the sales volume of live pigs increased year-on-year and the overall market share in the live pigs supply into Hong Kong maintained at about 49%. Meanwhile, the Group expanded in the foodstuff wholesale and retail business and our retail stores have expanded up to 15 stores.

As a result of the aforesaid effort, in 2024, the revenue and segment profit (excluding share of profits of associates) of the fresh and live foodstuffs business increased respectively by 22% to HK$9,929 million and by 3% to HK$210 million as compared to last year. In respect of the associates, affected by an increased swine price in 2024, the performance of associated companies that engaged in pig farming and pig trading improved. Share of profits of the associates of the Group amounted to a total of HK$24 million (2023: share of losses of HK$104 million), a turnaround from losses to profits was noted. After addition of the share of profits of the associates, the segment profit of the fresh and live foodstuffs was HK$234 million, increased by HK$134 million or 133%, as compared to that in 2023.

Through continuous expansion strategy of the slaughtering business, and extension of the business chain which includes food processing, cold chain transportation and terminal network, they contributed earnings to the Group.

Tinplating

Currently, the Group's annual production capacity of tinplate products are 490,000 tonnes. In 2024, the intensified competition of the tinplating industry caused a drop in the selling price of our tinplate products as compared to last year and as a result of that, the segment of tinplating recorded a decrease in profit. The Group produced and sold about 290,000 tonnes of tinplate products, at the same level to that in 2023. The revenue was HK$2,032 million, a decrease of HK$219 million or 10% as compared to that in 2023. The revenue of the tinplating business accounted for 17% (2023: 22%) of the Group's revenue. The segment profit was HK$38.51 million, a decrease of HK$46.53 million or 55% as compared to that in 2023.

Due to the intensified market competition, the Group strengthens the supply chain management of raw material procurement, so as to effectively control procurement costs. Meanwhile, the Group strived to enhance product quality and enrich product mix to increase added values, which in return gains customers' recognition. The Group also strived to make every effort in market expansion to enlarge its customer base. Accordingly, profit growth would be attained by leveraging on such marketing strategies covering the whole value chain.

BUSINESS REVIEW (continued)

Property Leasing

The Group's leasing properties comprise the plant and dormitories in Mainland China and the office units in Hong Kong.

In 2024, the property occupancy rate for the property leasing business of the Group was 84%, representing a decrease of 3% as compared to that in 2023. Revenue was HK$18.03 million, a decrease of 10% as compared to that in 2023. The segment profit amounted to HK$8.11 million, a decrease of 18% as compared to that in 2023. In addition, the value of investment properties held by the Group decreased. Valuation losses on investment properties of HK$13.38 million (2023: valuation losses of HK$3.47 million) was recognised in this year.

Yellow Dragon

The liquidation of Yellow Dragon Food Industry Co., Ltd. ("Yellow Dragon") was completed in June 2024 and a gain from liquidation of an associate of HK$30.11 million was recognised during the year.

FINANCIAL POSITION

As at 31 December 2024, the Group's total assets and total liabilities amounted to HK$4,938 million and HK$2,081 million, representing an increase of HK$149 million and HK$88 million respectively when compared with the positions at 31 December 2023. Net current assets increased from HK$1,205 million at 31 December 2023 to HK$1,287 million at 31 December 2024. The current ratio (current assets divided by current liabilities) decreased from 1.88 at 31 December 2023 to 1.84 at 31 December 2024.

Liquidity and Financial Resources

The Group's cash and cash equivalents as at 31 December 2024 was HK$955 million, representing a decrease of 8% when compared with the position at 31 December 2023, of which 79.1% was denominated in Renminbi, 2.2% was denominated in United States Dollars while the remaining balance was mainly denominated in Hong Kong Dollars. Interest income decreased from HK$13.64 million in 2023 to HK$7.63 million in 2024.

As at 31 December 2024, the Group's gearing ratio, calculated by dividing the net borrowings (being borrowings less pledged deposits and cash and cash equivalents) by total equity attributable to equity shareholders of the Company, was 0.6% (31 December 2023: net cash position).

As at 31 December 2024, the Group's available banking facilities which are used for working capital and trade finance purposes amounted to HK$2,746 million, of which HK$813 million was utilised and HK$1,933 million was unutilised. Currently, the cash reserves and available banking facilities, as well as the steady cash flow generated from operations, are sufficient to meet the Group's needs and obligations for business operations.

FINANCIAL POSITION (continued)

Capital Expenditure and Capital Commitments

The Group's capital expenditure in 2024 amounted to HK$54.37 million (2023: HK$261 million). Capital commitments outstanding at 31 December 2024 not provided for in the consolidated financial statements amounted to HK$381 million (2023: HK$37.14 million), mainly for the construction project of a slaughterhouse in Lishui Town and the renovation of production equipment of tinplating business. It is expected that the capital expenditure for 2025 will be approximately HK$302 million.

Acquisitions of Investments

On 27 December 2024, GDH Food (Foshan) Co., Ltd. ("GDH Food Foshan"), being a subsidiary of the Company, entered into a cooperation agreement with Foshan City Nanhai District Mengli Shuixiang Property Investment Co., Ltd. for the establishment of a project company named GDH Lishui Food (Foshan) Co., Ltd. ("GDH Lishui Food"). It's registered capital of RMB90 million shall be contributed by GDH Food Foshan as to 65%. GDH Lishui Food will develop, construct and operate a slaughterhouse in Lishui Town, Nanhai District, Foshan City.

Except for the abovementioned matter, the Group had no other material acquisitions and disposals of investments during the year.

Pledge of Assets

As at 31 December 2024, deposits at bank of HK$9.37 million (2023: HK$9.58 million) were pledged as securities for bills payable.

As at 31 December 2024, banking facilities amounting to HK$281 million (2023: HK$761 million) were secured by mortgages over land and buildings with an aggregate carrying value of HK$160 million (2023: HK$489 million). Other than the above, none of the assets of the Group was pledged.

Contingent Liabilities

As at 31 December 2024, the Group had no material contingent liabilities.

Exchange Rate and Interest Rate Exposures

The Group's operations are mainly conducted in Mainland China and Hong Kong. The Group is exposed to foreign currency risk primarily through purchases from overseas suppliers and export sales to overseas customers that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is mainly the United States Dollars against Renminbi. In respect of trade receivables and payables denominated in currencies other than the functional currency of the operations to which they relate, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates or entering into forward foreign exchange contracts where necessary to address short-term imbalances.

In view of the continuous fluctuation of Renminbi against the United States Dollars, the Group has enhanced research and monitoring of the foreign exchange market in order to reduce the exposure to exchange rate risks, and will take appropriate measures to hedge the risks when necessary. As at 31 December 2024, no forward foreign exchange contract against Renminbi were held by the Group to hedge against currency risk in respect of export sales. As at 31 December 2023, a forward foreign exchange contract of USD0.50 million (equivalent to HK$3.9 million) against Renminbi were held by the Group.

FINANCIAL POSITION (continued)

Exchange Rate and Interest Rate Exposures (continued)

The Group's interest rate risk arises primarily from pledged deposits, cash and cash equivalents, bank loans, loans from a fellow subsidiary, lease liabilities and financial liabilities at amortised cost. Lendings and borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. As the Group considers that its current exposure to interest rate risk is not material, no interest rate hedging has been carried out. The management closely monitors the changes in market interest rates.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had a total of 1,503 full-time employees, a decrease of 17 employees as compared to that of as at 31 December 2023. 301 employees were based in Hong Kong and 1,202 employees were based in Mainland China. Staff remuneration is determined in accordance with the duties, workload, skill requirements, hardship, working conditions and individual performance and with reference to the prevailing industry practices. In 2024, the Group continued to implement control over the headcount, organisational structure and total salaries of each subsidiary. The performance bonus incentive scheme for the management is in place for accruing performance bonus according to various profit rankings and with reference to net cash inflow from operations and profit after taxation based on the assessment of the operating results of each subsidiary. In addition, bonuses are rewarded to the management and key personnel through assessment of individual performance. These incentive schemes have effectively improved the morale of the staff members.

Directors' Profile

(As at 21 March 2025)

EXECUTIVE DIRECTORS

Mr. Yang Zhe, aged 41, was appointed as an Executive Director and the General Manager of the Company in July 2022, and was appointed as the Acting Chairman of the Board and acting chairman of Nomination Committee of the Company on 21 March 2025. He is also a director of certain subsidiaries of the Company. Mr. Yang graduated from the Lancaster University in United Kingdom and holds a Bachelor's degree in Mass Media and obtained a Master degree in Administration from the School of Public Administration of South China University of Technology. Mr. Yang served as a senior expert and deputy general manager of the strategic development department of 廣東粵海控股集團有限公司 (Guangdong Holdings Limited) ("Guangdong Holdings"), the ultimate controlling shareholder of the Company, and GDH Limited ("GDH"), the immediate controlling shareholder of the Company, from December 2021 to June 2022; he served as the head of the audit department of Guangdong Province Guangqing Holding Group Co., Ltd. from October 2016 to December 2021; and worked for Guangdong Airport Authority from December 2013 to October 2016.

Mr. Chau Wang Kei, aged 50, was appointed as an Executive Director and the Chief Financial Officer of the Company in September 2019. He is also a director of certain subsidiaries of the Company. Mr. Chau graduated from the Hong Kong Polytechnic University and holds a Bachelor's degree in Accountancy. He is a member of the Hong Kong Institute of Certified Public Accountants and a Chartered Financial Analyst. Mr. Chau possesses extensive experience in financial management, accounting as well as auditing. He worked for a major certified public accountant firm. Mr. Chau worked for Guangdong Holdings for the period from May 2003 to August 2019 and his last position was senior manager of finance department.

NON-EXECUTIVE DIRECTORS

Mr. Wang Longhai, aged 46, was appointed as a Non-Executive Director of the Company in June 2020. He is also a director of a subsidiary of the Company. Mr. Wang graduated from Jiangxi University of Finance and Economics and holds a Bachelor's degree in Finance. Mr. Wang possesses extensive experience in financial management, investment and capital operation as well as business management. He worked for a certified public accountant firm and a number of large enterprises. Mr. Wang was an investment adviser of China International Capital Corporation Limited from March 2010 to April 2014. He was an assistant vice president of the Mainland Development Department of Hong Kong Exchanges and Clearing Limited from April 2014 to October 2019. Mr. Wang joined Guangdong Holdings and GDH in October 2019 and had acted as the deputy general manager and general manager of the Investment and Capital Operations Department.

Ms. Yu Huijuan, aged 54, was appointed as a Non-Executive Director of the Company in December 2024. Ms. Yu graduated from 中國中央財政金融學院 (the Central Institute of Finance of China), holds a Bachelor's degree in Economics and is qualified as a Certified Public Accountant in China. Ms. Yu has more than 20 years of finance and audit experience and has extensive experience in strategic development, investment decision and industrial research. Ms. Yu currently serves as a senior expert and deputy general manager in the strategic development department of Guangdong Holdings, and concurrently serves as the chairperson of supervisory committee of 粵海永順泰集團股份有限公司 (GDH Supertime Group Company Limited), a subsidiary of Guangdong Holdings. Ms. Yu served as a senior expert and deputy general manager in the audit department of Guangdong Holdings from January 2020 to December 2023; she served as the financial controller of several subsidiaries of Guangdong Holdings from July 2002 to January 2020.

Directors' Profile (continued)

(As at 21 March 2025)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Gerard Joseph McMahon, aged 81, was appointed as an Independent Non-Executive Director of the Company in June 1999. He is also the chairman of the Audit Committee and a member of each of the Compensation Committee and the Nomination Committee of the Company. He was, until end of 1996, an executive director and a member of the Securities and Futures Commission of Hong Kong (the "SFC"), a member of the Hong Kong Takeovers and Mergers Panel and the SFC representative on the Hong Kong Standing Committee on Company Law Reform. Mr. McMahon is also a barrister in Hong Kong. He has been appointed non-executive director of a number of listed companies in Hong Kong, Indonesia and Australia since 1997. Currently, Mr. McMahon is the chairman and a non-executive director of Prodigy Gold NL, a listed company in Australia.

Mr. Li Kar Keung, Caspar, aged 71, was appointed as an Independent Non-Executive Director of the Company in June 1999. He is also the chairman of the Compensation Committee and a member of each of the Audit Committee and the Nomination Committee of the Company. He is a senior executive of a management service company. He had worked in BNP Paribas Peregrine Capital Limited. He had also worked as an investment analyst and head of Citicorp's equity research in Hong Kong. Mr. Li had also held the positions of executive director and chief financial officer of certain listed companies in Hong Kong.

Dr. Wong Yau Kar, David, *GBS, JP,* aged 67, was appointed as an Independent Non-Executive Director of the Company in November 2017. He is also a member of each of the Audit Committee, the Compensation Committee and the Nomination Committee of the Company. Dr. Wong holds a doctorate in Economics from the University of Chicago. He has extensive experience in manufacturing, direct investment and international trade. Dr. Wong actively participates in public services. He was a Hong Kong deputy of the 13th National People's Congress of the People's Republic of China (第十三屆全國人民代表大會). He is also the chairman of the Education Commission in Hong Kong and the chairman of the Council of The Education University of Hong Kong. Dr. Wong is also an independent non-executive director of Sinopec Kantons Holdings Limited and Shenzhen Investment Limited, both being listed companies in Hong Kong. Dr. Wong was an independent non-executive director of Huayi Tencent Entertainment Company Limited (now known as Hony Media Group), a listed company in Hong Kong.

SENIOR MANAGEMENT

As at the date of this report, the senior management of the Group comprises the Executive Directors above, namely, Messrs. Yang Zhe and Chau Wang Kei.

Report of the Directors

The Directors have pleasure in submitting their report together with the audited financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The subsidiaries of the Company are primarily engaged in the distribution and trading of fresh and live foodstuffs, provision of slaughtering service, manufacturing and sales of tinplate products and property leasing. The Group's principal activities are mainly carried out in Hong Kong and in Mainland China.

The analysis of the principal activities and geographical locations of the businesses of the Group during the year are set out in note 3 to the financial statements.

RESULTS AND DIVIDENDS

The Group's consolidated results for the year ended 31 December 2024 and the Group's financial position as at that date are set out in the financial statements on pages 39 to 112.

An interim dividend of HK1.0 cent (2023: HK1.0 cent) per share was paid on 25 October 2024. The Directors recommended the payment of a final dividend of HK2.5 cents (2023: HK2.0 cents) per share for the year ended 31 December 2024.

The proposed final dividend, if approved at the 2025 Annual General Meeting of the Company (the "AGM"), is expected to be paid on Friday, 18 July 2025 to shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on Friday, 27 June 2025.

The register of members of the Company will be closed from Wednesday, 11 June 2025 to Monday, 16 June 2025 (both days inclusive), for the purpose of determining shareholders' eligibility to attend and vote at the AGM, during which period no transfers of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 10 June 2025.

The register of members of the Company will be closed from Thursday, 26 June 2025 to Friday, 27 June 2025 (both days inclusive), for the purpose of determining shareholders' entitlement to the proposed final dividend, during which period no transfers of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at the address as set out above not later than 4:30 p.m. on Wednesday, 25 June 2025.

DIVIDEND POLICY

The Board has approved and adopted a dividend policy to provide Shareholders with regular dividends (the "Dividend Policy").

The Company considers stable and sustainable returns to Shareholders to be our goal and endeavours to maintain its stable Dividend Policy. Under the Dividend Policy, the Company intends to provide Shareholders with semi-annual dividends, and to declare special dividends from time to time. In deciding whether to propose a dividend and in determining the dividend amount, the Board takes into account the Group's earnings performance, financial position, investment requirements and future prospects.

Whilst the Dividend Policy reflects the Board's current views on the financial and cash flow position of the Group, such Dividend Policy will continue to be reviewed from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period. The payment of dividend is also subject to any restrictions under the Laws of Hong Kong and the Company's Articles of Association.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are provided in the Management Discussion and Analysis on pages 6 and 7 and Chairman's Statement on pages 4 and 5 respectively.

Details of the financial risk management of the Group are shown in note 25 to the financial statements.

An analysis of the Group's performance during the year using financial key performance indicators is provided in the Management Discussion and Analysis on pages 7 to 9 of this Annual Report.

The major key performance indicators of the Group's fresh and live foodstuffs business are market share in the live pigs supply to Hong Kong, slaughtering volume, operating revenue and segment results. The operating objectives of the Group's fresh and live foodstuffs business are to ensure the stability of the "vegetable basket" market in the Guangdong-Hong Kong-Macao Greater Bay Area and realise the development of whole food industrial chain through accelerating the transformation and upgrading of the industry and expanding the market share, and generating profits from operating revenue, after the deduction of necessary operating expenses, by satisfying the citizens' food consumption demand.

The major key performance indicators of the Group's tinplating business are production and sales volume of tinplate products, operating revenue and segment results. The operating objectives of the Group's tinplating business are to enhance the production and sales volume and generate profit from sales revenue, after the deduction of necessary operating expenses, through the production of tinplate products and sales to the downstream customers.

The major key performance indicators of the Group's property leasing business are property occupancy rate, operating revenue and segment results. The operating objectives of the Group's property leasing business are to ensure the occupancy of the properties and generate profit from rental income, after the deduction of necessary operating expenses, through satisfying the lessees' leasing demand by leasing out the self-owned properties.

KEY RISK FACTORS

The following section lists out the key risks and uncertainties faced by the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below. Besides, this Annual Report does not constitute a recommendation or an advice for anyone to invest in the securities of the Company and investors are advised to make their own judgement or consult their own investment advisors before making any investment in the securities of the Company.

Risk relating to trade receivables

The Group grants credit in respect of the sales to some customers based on their creditworthiness and industry practices and this leads to trade receivables. However, customers may underperform and experience cash flow problems due to changes in market conditions and their ability to pay may be affected, which may make it more difficult for the Group to collect trade receivables from these customers. The Group has established internal control system and trade receivables management system to constantly monitor customers' creditworthiness and strictly manage the collection of trade receivables. Credit insurance will be arranged when necessary to transfer risks and minimise the risks of bad debts.

Risk relating to production safety

Although the Group spares no effort to ensure high level of safety during the production process, the Group's slaughtering and food processing businesses and tinplating business involve a certain degree of danger relating to the operation of machineries in the course of business. The Group has established a production safety system and set up designated divisions to carry out on-site management and inspection by relevant personnel and management staffs. Education about production safety is in place and infrastructures are improved to ensure the safety of the Group's operation and production.

Risk relating to fluctuations in prices of raw materials

Prices of raw materials are crucial to the production costs of the Group's tinplating business and also play a significant role in the Group's operating results. Major raw materials used in tinplate production are steel coils, steel plate and tin, the demands for which are subject to the fluctuations in macro-economic conditions, which are in turn affected by the global economic environment. In 2024, the ratio of costs of raw materials to total production cost for tinplate is approximately 81%. The Group's profit margin and operating results will be adversely affected if the increased cost caused by the rise in the prices of raw materials cannot be transferred to the customers. The Group keeps abreast of the market prices of raw materials and has established a price prediction model by analysing various factors that affect prices of raw materials in order to assist the formulation of procurement plans. In addition, the Group will strengthen its volume and price management on its supply and sales when there is an abnormal fluctuation on the market.

Risk relating to environmental pollution

The workplaces of slaughtering and food processing businesses and the industrial facilities of the production of tinplate products involve the discharge of contaminants and the storage and disposal of waste and other hazardous materials. These activities may create negative impact and damage on the environment. In this regard, the Group may be liable for any past or future damage or harm to persons or property or environmental pollution resulting from its operations. It will ensure the proper disposal of dangerous and hazardous goods, improve the standard of its environmental protection facilities, boost the capability of monitoring processes, testing and dealing with emergencies, and comply with national regulations regarding the environment.

KEY RISK FACTORS (continued)

Risk relating to the distribution right of the livestock supply to Hong Kong

In July 2007, the Hong Kong government designated the Group as the second national agent for livestock supply to Hong Kong, and this marked an important development milestone of the Group's fresh and live foodstuffs business. The fresh and live foodstuffs business of the Group relies on government policies to a certain extent, and the policy regarding livestock supply to Hong Kong, though stable at present and in the short run, may be subject to adjustments in the future. As such, the Group endeavours to improve its capacity of the market-oriented operation of fresh and live foodstuffs business, identify more suppliers and increase procurement volume in order to reduce the reliance on major suppliers and to avoid any negative impact of policy changes on the ongoing operations of its fresh and live foodstuffs business.

Past performance and forward looking statements

The performance and the results of operations of the Group as set out in this Annual Report are historical in nature and past performance is not a guarantee of future performance. This Annual Report may contain forward-looking statements and opinions that involve risks and uncertainties. Actual result may also differ materially from expectations discussed in such forward-looking statements and opinions. Neither the Group nor the Directors, employees or agents of the Group assume any obligations or liabilities in the event that any of the forward-looking statements or opinions does not materialise or turns out to be incorrect.

PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment, and investment properties of the Group during the year are set out in note 11 to the financial statements.

Particulars of the major investment properties of the Group are set out on page 114.

PRINCIPAL SUBSIDIARIES, A JOINT VENTURE AND ASSOCIATES

Details of the Company's principal subsidiaries, a joint venture and associates as at 31 December 2024 are set out in notes 33 and 34 to the financial statements respectively.

SHARE CAPITAL

Details of share capital of the Company are set out in note 24 to the financial statements. There were no movements during the year.

RESERVES

Profit attributable to shareholders of the Company of HK$141 million (2023: HK$65.92 million) has been transferred to reserves. Movements in reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and note 24(a) to the financial statements respectively.

DISTRIBUTABILITY OF RESERVES

At 31 December 2024, the aggregate amount of reserves available for distribution to equity shareholders of the Company, as calculated under the provisions of Part 6 of the Hong Kong Companies Ordinance (Cap. 622), was HK$547 million (2023: HK$522 million).

EQUITY-LINKED AGREEMENTS

No equity-linked agreement was entered into by the Company during the year.

RETIREMENT BENEFITS SCHEMES

Details of the Group's retirement benefits schemes are set out in note 28 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the largest customer for the year ended 31 December 2024 represented 3.1% of the Group's total sales, and the combined total of sales to the five largest customers accounted for 11.7% of the Group's total sales for the year.

Purchases from the largest supplier for the year ended 31 December 2024 represented 4.3% of the Group's total purchases (not including purchases of capital nature), and the combined total of purchases from the five largest suppliers accounted for 17.9% of the Group's total purchases for the year.

At no time during the year have the Directors, their associates or any shareholders of the Company, who to the knowledge of the Directors, own more than 5% of the Company's share capital, had any interests in the major customers and suppliers.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognises the importance of environmental protection for sustainable corporate development and integrates it into its daily operations. The Group strictly adheres to international, Mainland China and Hong Kong environmental regulations, and upholds the principles of green operation practices. By implementing relevant environmental protection policies and adopting advanced environmental protection technologies, the Group aims to improve resource utilization efficiency and ensure compliance with environmental management standards. In addressing climate change, the Group is committed to reducing greenhouse gas emissions. It identifies, analyzes and assesses climate change risks that may have significant impacts on its fresh and live foodstuffs business as well as its tinplating business, and develops targeted mitigation measures to address those risks.

The management is not aware of any non-compliance with relevant laws and regulations that may have a significant impact on the Company during the year ended 31 December 2024 and up to the date of this report.

For further information about the environmental policies and performance of the Company for this financial year, please refer to the Environmental, Social and Governance Report of the Company.

RELATIONSHIPS WITH STAKEHOLDERS

The Company recognises that our employees, customers and suppliers and business associates are key stakeholders to the Company's success. We strive to achieve corporate sustainability through engaging our employees, providing quality services to our customers, collaborating with business partners (including suppliers and contractors) to deliver quality sustainable products and services and supporting our community.

DONATIONS

During the year, donations made by the Group amounted to HK$99,000 (2023: HK$100,000).

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five years ended 31 December 2024 is set out on pages 115 and 116.

DIRECTORS

The Directors during the year and up to the date of this report are:

Executive Directors
Yang Zhe
Chau Wang Kei
Chen Bengang (resigned on 21 March 2025)

Non-Executive Directors
Wang Longhai
Yu Huijuan (appointed on 5 December 2024)

Independent Non-Executive Directors
Gerard Joseph McMahon
Li Kar Keung, Caspar
Wong Yau Kar, David

RETIREMENT AND RE-ELECTION OF DIRECTORS

In accordance with Article 101 of the Articles of Association of the Company, Mr. Li Kar Keung, Caspar will retire by rotation. In addition, in accordance with Article 92 of the Articles of Association of the Company, Ms. Yu Huijuan and Mr. Wen Yinheng (appointed as a Non-Executive Director upon 24 March 2025) being appointed by the Board after the last annual general meeting, shall hold office until the AGM. All these three retiring Directors, being eligible, have offered themselves for re-election at the AGM.

DIRECTORS OF SUBSIDIARIES

The list of directors who have served on the boards of the subsidiaries of the Company included in the consolidated financial statements during the year ended 31 December 2024 and up to the date of this report is kept at the Company's registered office and is available for inspection by the members of the Company free of charge during business hours.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2024, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be (i) notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executives were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(I) Interests and short positions in the Company

Interests in ordinary shares

Name of Director	Capacity/nature of interests	Number of ordinary shares held	Long/short position	Approximate percentage of interests held (Note)
Li Kar Keung, Caspar	Personal	100,000	Long position	0.011%

Note: The approximate percentage of interests held was calculated on the basis of 907,593,285 ordinary shares of the Company in issue as at 31 December 2024.

(II) Interests and short positions in Guangdong Investment Limited

Interests in ordinary shares

Name of Director	Capacity/nature of interests	Number of ordinary shares held	Long/short position	Approximate percentage of interests held
Yu Huijuan	Personal	208,000	Long position	0.003%

Note: The approximate percentage of interests held was calculated on the basis of 6,537,821,440 ordinary shares of Guangdong Investment Limited in issue as at 31 December 2024.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (continued)

(III) Interests and short positions in Guangdong Land Holdings Limited

Interests in ordinary shares

Name of Director	Capacity/nature of interests	Number of ordinary shares held	Long/short position	Approximate percentage of interests held
Yu Huijuan	Personal & family	1,296,000	Long position	0.08%

Notes:

1. The approximate percentage of interests held was calculated on the basis of 1,711,536,850 ordinary shares of Guangdong Land Holdings Limited in issue as at 31 December 2024.

2. Ms. Yu Huijuan held personal interests in 846,000 ordinary shares as a beneficial owner and family interests in 450,000 ordinary shares held by her spouse.

Save as disclosed above, as at 31 December 2024, none of the Directors or chief executive of the Company and/or their respective close associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries, its holding companies or a subsidiary of its holding companies a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transaction, arrangement or contract to which the Company or any of its subsidiaries, its holding companies or a subsidiary of its holding companies was a party or were parties and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

PERMITTED INDEMNITY PROVISION

Indemnity provision within the meaning of permitted indemnity provision under the Hong Kong Companies Ordinance (Cap. 622) for the benefit of the Directors of the Company is currently in force and was in force throughout the year ended 31 December 2024. In addition, the Company has taken out and kept in force appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Company.

Report of the Directors (continued)

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year, none of the Directors and their respective close associates have an interest in a business, which competes or may compete with the businesses of the Group.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the AGM has a service contract with the Company or any of its subsidiaries that is not determinable by the employing company within one year without payment of compensation (other than statutory compensation).

TRANSACTIONS DISCLOSED IN ACCORDANCE WITH THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED

Details of the transactions disclosed in accordance with the Listing Rules are set out on page 113.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2024, so far as is known to any Directors or chief executives of the Company, the following persons (other than Directors or chief executives of the Company) had, or were taken or deemed to have interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register kept by the Company under Section 336 of the SFO:

Name of shareholder	Capacity	Number of ordinary shares beneficially held	Long/short position	Approximate percentage of interests held (Note 1)
Guangdong Holdings (Note 2)	Interest of controlled corporation	537,198,868	Long position	59.19%
GDH	Beneficial owner	537,198,868	Long position	59.19%

Notes:

1. The approximate percentage of interests held was calculated on the basis of 907,593,285 ordinary shares of the Company in issue as at 31 December 2024.

2. The attributable interest which Guangdong Holdings has in the Company is held through its 100% direct interest in GDH.

Save as disclosed above, as at 31 December 2024, the Company has not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register kept by the Company under Section 336 of the SFO.

SIGNIFICANT CONTRACTS WITH CONTROLLING SHAREHOLDERS OR ITS SUBSIDIARIES

Save as disclosed in the "Transactions Disclosed in Accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited" section on page 113 of this report, neither the Company nor its subsidiaries had any contract of significance with Guangdong Holdings (the ultimate shareholder of the Company) and its subsidiaries.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float as required under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

Facility Letter dated 18 April 2024

Pursuant to a facility letter entered into between the Company and a bank on 18 April 2024 (the "Facility Letter 1") in relation to a committed term loan facility in the principal amount of HK$400 million (the "Facility 1") for a term of one year made available by the bank to the Company, the Company has undertaken to the bank that it shall be:

(i) at least 51% (directly or indirectly) owned by GDH; and

(ii) at least 51% (directly or indirectly) owned by Guangdong Holdings.

If the Company fails to perform any of its obligations under the Facility Letter 1, the bank might by written notice to the Company declare that all sum payable under the Facility Letter 1 including but not limited to the principal outstanding, interest and fees shall be immediate due and payable.

The outstanding principal of the Facility 1 as at 31 December 2024 amounted to HK$40 million.

Facility Letter dated 3 June 2024

Pursuant to a facility letter entered into between the Company and a bank on 3 June 2024 (the "Facility Letter 2") in relation to a HK$250 million committed term loan facility (the "Facility 2") for a term of 364 days made available by the bank to the Company, the Company has undertaken to the bank that it shall:

(i) remain ultimately majority-owned (directly and/or indirectly) by Guangdong Holdings; and

(ii) remain majority-owned (directly and/or indirectly) by GDH.

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES (continued)

Facility Letter dated 3 June 2024 (continued)

If the Company fails to perform any of its obligations under the Facility Letter 2, the bank might by notice to the Company:

(i) cancel the Facility 2 whereupon they shall immediately be cancelled;

(ii) declare that all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the Facility Letter 2 be immediately due and payable, whereupon they shall become immediately due and payable; and/or

(iii) declare that all or part of the loans be payable on demand, whereupon they shall immediately become payable on demand by the bank.

The outstanding principal of the Facility 2 as at 31 December 2024 amounted to HK$50 million.

Facility Letter dated 20 June 2024

Pursuant to a facility letter entered into between the Company and a bank on 20 June 2024 (the "Facility Letter 3") in relation to a HK$400 million revolving term loan facility (the "Facility 3") made available by the bank to the Company. The Facility 3 shall terminate 360 days after the acceptance date of the Facility Letter 3. The Company has undertaken to the bank that it shall:

(i) remain ultimately majority-owned (directly and/or indirectly) by Guangdong Holdings; and

(ii) remain majority-owned (directly and/or indirectly) by GDH.

If the Company fails to perform any of its obligations under the Facility Letter 3, the bank may by notice to the Company terminate the Facility 3 whereupon such Facility 3 (or any part thereof) shall be immediately cancelled and/or declare the total indebtedness to be immediately due and payable to the bank, whereupon it shall become so due and payable.

The outstanding principal of the Facility 3 as at 31 December 2024 amounted to HK$30 million.

PROFIT GUARANTEE

Profit guarantee in relation to subscription of registered capital and capital increase in GDH Food (Guangzhou) Co., Ltd. (formerly known as Guangzhou Rural Fresh Agricultural Technology Co., Ltd.) (the "Target Company")

Pursuant to the capital increase agreement dated 6 November 2023 (as supplemented and amended on 30 December 2024) (the "Agreements"), there was an arrangement of profit guarantee given by Guangzhou Rural Fresh Trading Co., Ltd. (the "Original Shareholder") and Mr. Yang Yihai (the "Warrantor") to GDH Guangnan Investment Company Limited (the "Subscriber", a wholly-owned subsidiary of the Company) that (i) the guaranteed net profit of the Target Company based on the audited financial statements of the Target Company (with unqualified audit opinions prepared in accordance with the PRC GAAP) issued by an accounting firm approved by the Subscriber for the period from the date of subscription completion to 31 December 2024 (the "First Guarantee Period"), and each of the years ending 31 December 2025 and 31 December 2026 shall be not less than RMB120,000, RMB4,050,000 and RMB5,630,000, respectively; (ii) for the period from the date of subscription completion to 31 December 2024 and the year ending 31 December 2025, the actual net profit of the Target Company for the period/year should be at least 80% of the guaranteed net profit for the relevant period/year; and (iii) the cumulative actual net profit of the Target Company for the guaranteed periods shall be not less than RMB9,800,000. If the Target Company fails to achieve the guaranteed net profit, the Original Shareholder and the Warrantor undertake to the Subscriber that they will pay cash compensation to the Subscriber.

PROFIT GUARANTEE (continued)

According to the audited financial statements of the Target Company, the actual net loss for the First Guarantee Period was approximately RMB1,391,000. As such, the Original Shareholder and the Warrantor shall pay cash compensation of approximately RMB617,000 to the Subscriber. The Subscriber has informed the Original Shareholder and the Warrantor in relation to the non-fulfillment of profit guarantee and the payment of the compensation in cash.

Further details were disclosed in the Company's announcements dated 6 November 2023, 8 November 2023, 30 December 2024 and 21 March 2025.

REVIEW OF ANNUAL RESULTS

The annual results of the Group for the year ended 31 December 2024 have been reviewed by the Audit Committee of the Company.

AUDITOR

KPMG retire and, being eligible, offer themselves for reappointment. A resolution for the re-appointment of KPMG as the independent auditor of the Company will be proposed at the AGM. There was no change in auditor of the Company in any of the preceding three years.

By order of the Board

Yang Zhe
Acting Chairman and General Manager

Hong Kong, 21 March 2025

Corporate Governance Report

BUSINESS MODEL

The principal businesses of the Group include the distribution and trading of fresh and live foodstuffs, provision of slaughtering service, manufacturing and sales of tinplate products and property leasing. The Group is committed to consolidating the operational development of its existing businesses in order to generate continuous and steady investment returns for shareholders. The Group draws on various "capitals", namely choice of technology, expertise in operation, financial capital and environmentally-responsible solutions as inputs to provide good quality products.

CORPORATE GOVERNANCE CODE

The Group recognises the importance of achieving and monitoring the high standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders and is fully committed to doing so. It is also with the objectives in mind that the Group has applied the principles on the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules.

The Company has complied with the code provisions and, where appropriate, the applicable recommended best practices set out in the CG Code of the Listing Rules throughout the year ended 31 December 2024 and up to the date of this report, except for the following deviation:

Pursuant to 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 to ensure a balance of power and authority. Mr. Yang Zhe, an Executive Director and the General Manager of the Company, was appointed as the Acting Chairman of the Board with effect from 21 March 2025 until the appointment of the new Chairman of the Board. The Company is already in process of identifying a suitable candidate with appropriate experience as its Chairman.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 of the Listing Rules as the code of conduct regarding Directors' securities transactions. All Directors have confirmed, upon specific enquiry by the Company, that they have complied with the required standard set out in the Model Code during the year ended 31 December 2024.

CHANGES IN DIRECTORS' INFORMATION

There is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

BOARD OF DIRECTORS

As at the date of this report, the Board comprised two Executive Directors, being Mr. Yang Zhe and Mr. Chau Wang Kei, two Non-Executive Directors, being Mr. Wang Longhai and Ms. Yu Huijuan, and three Independent Non-Executive Directors, being Mr. Gerard Joseph McMahon, Mr. Li Kar Keung, Caspar and Dr. Wong Yau Kar, David.

At the board meeting held on 21 March 2025, the Board accepted the resignation of Mr. Chen Benguang as the Chairman and an Executive Director as he had reached his retirement age, and appointed Mr. Yang Zhe as Acting Chairman of the Board. At the said board meeting, the Board also approved the resignation of Mr. Wang Longhai as a Non-Executive Director and the appointment of Mr. Wen Yinheng as a Non-Executive Director with effect from 24 March 2025.

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances. The management was delegated the authority and responsibility by the Board for the day-to-day management of the Group. Major corporate matters that are specifically delegated by the Board to the management include the preparation of interim and annual reports and announcements for approval before publishing, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory and regulatory requirements and rules and regulations.

The Board meets at least quarterly and on other occasions when a Board decision is required on major issues. During the year ended 31 December 2024, the Board held nine meetings. In addition, the Chairman had held a meeting with the Independent Non-Executive Directors without the presence of other Directors in accordance with Code Provision C.2.7 of the CG Code.

Details of Directors' attendance at the Company's general meetings and the meetings of the Board, the Compensation Committee, the Nomination Committee, the Audit Committee and the Chairman and Independent Non-Executive Directors Meeting held during the year ended 31 December 2024 are set out below:

	General Meeting	Board Meeting	Compensation Committee Meeting	Nomination Committee Meeting	Audit Committee Meeting	Chairman and Independent Non-Executive Directors Meeting
Executive Directors						
Chen Benguang	2/2	9/9		2/2		1/1
Yang Zhe	2/2	9/9				
Chau Wang Kei	2/2	9/9				
Non-Executive Directors						
Wang Longhai	2/2	9/9				
Yu Huijuan (appointed on 5 December 2024)	0/0	1/1				
Independent Non-Executive Directors						
Gerard Joseph McMahon	2/2	9/9	2/2	2/2	4/4	1/1
Li Kar Keung, Caspar	2/2	9/9	2/2	2/2	4/4	1/1
Wong Yau Kar, David	2/2	9/9	2/2	2/2	4/4	1/1

BOARD OF DIRECTORS (continued)

For a Director to be considered independent, the Board must be satisfied that the Director does not have any direct or indirect material relationship with the Group. In determining the independence of Directors, the Board follows the requirements set out in the Listing Rules and considers all of the Independent Non-Executive Directors as independent. In addition, the Company has received confirmation of independence from the three Independent Non-Executive Directors, namely Mr. Gerard Joseph McMahon, Mr. Li Kar Keung, Caspar and Dr. Wong Yau Kar, David in accordance with Rule 3.13 of the Listing Rules. The Company has assessed their independence and concluded that all the Independent Non-Executive Directors are independent within the definition of the Listing Rules.

The Board members do not have any financial, business, family or other material/relevant relationships with each other. The balanced board composition also ensures that strong independence exists across the Board. The Directors' profile is set out on pages 10 and 11 to this Annual Report, which demonstrate a diversity of skills, expertise, experience and qualifications.

CHAIRMAN AND GENERAL MANAGER

During year 2024, the Chairman of the Board was Mr. Chen Benguang and the General Manager was Mr. Yang Zhe. Their roles were clearly defined and segregated to ensure independence and proper checks and balances. Mr. Chen Benguang as the Chairman had executive responsibilities, provided leadership to the Board and oversaw its functioning to ensure that it acts in the best interests of the Group and that the Board conducted properly and effectively. Mr. Yang Zhe as the General Manager was accountable to the Board for the overall implementation of the Company's strategies and the co-ordination of operations in fresh and live foodstuffs business and tinplating business respectively. Upon 21 March 2025, Mr. Chen Benguang ceased to be the Chairman of the Board due to retirement and Mr. Yang Zhe was appointed as the Acting Chairman of the Board until the appointment of the new Chairman of the Board.

NON-EXECUTIVE DIRECTORS

All Directors, including Non-Executive Directors, appointed to fill a causal vacancy or as an addition to the existing Board, shall hold office only until the first general meeting after his appointment and shall then be eligible for re-election. Moreover, each Non-Executive Director of the Company will hold office for a specific term expiring on the earlier of either (i) the conclusion of the annual general meeting of the Company in the year of the third anniversary of the appointment or re-election of that Director or (ii) the expiration of the period within which the annual general meeting of the Company is required to be held in the year of the third anniversary of the appointment or re-election of that Director and in any event, subject to earlier determination in accordance with the Articles of Association of the Company and/or applicable laws and regulations.

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

On appointment to the Board, each new Director receives an induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company encourages the Directors to enroll in a wide range of professional development courses and seminars relating to the Listing Rules, Hong Kong ordinances and corporate governance practices so that they can continuously update and further improve their relevant knowledge and skills. Some Directors attended seminars and conferences organised by government authorities, professional bodies and industrial and commercial organisations in relation to corporate governance, updates on laws, rules and regulations, accounting, financial, management or other professional skill.

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT (continued)

Ms. Yu Huijuan was appointed as a director of the Company during the year 2024 and she had obtained the legal advice referred to the corresponding rules of the Listing Rules on 3 December 2024 and 17 March 2025. She had confirmed she understood her obligations as a director of the Company.

According to the records kept by the Company, the current Directors received trainings with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the requirements of the CG Code on continuous professional development during the year ended 31 December 2024.

Participation of Directors as at 31 December 2024 in continuous professional development during the year are as follows:

	Attending training courses and seminars or reading regulatory updates or information relevant to the Company or its business
Chen Benguang	✓
Yang Zhe	✓
Chau Wang Kei	✓
Wang Longhai	✓
Yu Huijuan	✓
Gerard Joseph McMahon	✓
Li Kar Keung, Caspar	✓
Wong Yau Kar, David	✓

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the "Board Diversity Policy") on 22 August 2013 which sets out the approach to achieve diversity on the Board.

The Company recognises and embraces the benefits of having a diversified Board and sees increasing diversity at Board level as an essential element in supporting the attainment of the Company's strategic objectives and sustainable development.

The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The Company will also take into consideration its own business model and specific needs from time to time. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

The Nomination Committee has set the measurable objectives based on five focused areas: gender, age, length of service, professional experience and skills and knowledge for the implementation of Board diversity of the Company. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

BOARD DIVERSITY POLICY (continued)

As at the date of this report, the Board comprises seven Directors. Three of them are Independent Non-Executive Directors, with diverse backgrounds, thereby promoting critical review and control of the management process. The Board has maintained a balanced composition in terms of gender, age, professional experience, skills and knowledge. It has performed effectively by providing sound judgment on strategic issues and effective oversight of and guidance to management.

The Company has achieved a level of gender diversity on the Board in December 2024 in order to enhance gender diversity on the Board.

The Nomination Committee has reviewed the Board Diversity Policy and the structure, size, and composition of the Board, and considered that the Board's composition has complied with the requirement of the Board Diversity Policy.

CORPORATE GOVERNANCE FUNCTIONS

It is the responsibility of the Board to determine the appropriate corporate governance practices applicable to the Company's circumstances and to ensure processes and procedures are in place to achieve the Company's corporate governance objectives.

The duties of the Board performing corporate governance functions under CG Code include:

1. to develop and review the Company's policies and practices on corporate governance;

2. to review and monitor the training and continuous professional development of Directors and senior management of the Company;

3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

4. to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors of the Company; and

5. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the year, the Board considered the following corporate governance issues:

1. compiled the Environmental, Social and Governance Report for the year 2023; and

2. reviewed the effectiveness of the internal control and risk management system of the Company through the Internal Audit Department and the Audit Committee.

EMOLUMENTS OF DIRECTORS

The Company established the Compensation Committee in 1999. Details of the authority and duties of the Compensation Committee are available on the Company's website.

The Compensation Committee comprises the three Independent Non-Executive Directors, Mr. Gerard Joseph McMahon, Mr. Li Kar Keung, Caspar and Dr. Wong Yau Kar, David. Mr. Li Kar Keung, Caspar is the chairman of the Compensation Committee.

EMOLUMENTS OF DIRECTORS (continued)

The Compensation Committee advises on policies in regard to the remuneration of Directors and senior management of the Company and is authorised by the Board to determine the remuneration packages for individual Executive Director and senior management. Remuneration of the Executive Directors and senior management shall be determined by the Compensation Committee with reference to their duties, responsibilities and performance, and the results of the Group. No Director shall be involved in deciding his own remuneration.

The Compensation Committee shall meet at least twice a year. During the year ended 31 December 2024, the Compensation Committee held two meetings to review the remuneration of the Directors and senior management of the Company with comparable companies, and make recommendation to the Board on the remuneration of the new Non-Executive Director.

Details of the Directors' emoluments are set out in note 7 to the financial statements.

NOMINATION OF DIRECTORS

The Company established the Nomination Committee in 2005. The Nomination Committee is responsible for identifying suitable and qualified individuals to become Board members and make recommendation on appointment and re-appointment of Directors. The Board is responsible for considering and approving the appointment of Directors with a view to appointing to the Board suitable individuals with the relevant expertise and experience to enhance the constitution of a strong and diverse Board and to contribute to the functioning of the Board through their continuous participation.

Details of the authority and duties of the Nomination Committee are available on the Company's website.

As at the date of this report, the Nomination Committee comprises the Acting Chairman of the Board, Mr. Yang Zhe and the three Independent Non-Executive Directors, Mr. Gerard Joseph McMahon, Mr. Li Kar Keung, Caspar and Dr. Wong Yau Kar, David. Mr. Yang Zhe is the acting chairman of the Nomination Committee.

The Nomination Committee is responsible for, amongst other things, identifying individuals suitably qualified to become Board members, considering the re-appointment of Directors, succession planning for Directors and making recommendations to the Board in respect of the aforesaid matters.

The Board adopted a nomination policy (the "Nomination Policy") on 29 October 2018 to formally set out the criteria and process in the nomination and appointment of Directors. According to the Nomination Policy, the ultimate responsibility for selection and appointment of Directors rests with the entire Board or the shareholders in general meeting, as the case may be. The Board has delegated the relevant screening and evaluation process to the Nomination Committee, which identifies suitably qualified Director candidates and recommends them to the Board. In assessing the suitability of a proposed candidate, the Nomination Committee takes into consideration the candidate's character and integrity, qualifications, skills, knowledge, experiences relevant to the Company's business and corporate strategy, his/her commitment to enhancing shareholder value and devoting sufficient time to effectively carry out their duties, fulfilment of the independence requirements as set out in the Listing Rules (for Independent Non-Executive Directors) and diversity on the Board. After reaching its decision, the Nomination Committee nominates relevant Director candidates to the Board for consideration. The Board then makes recommendation to shareholders in respect of the proposed appointment/re-election of Directors at general meeting.

NOMINATION OF DIRECTORS (continued)

The meeting of the Nomination Committee shall be held at least once a year and when necessary. During the year ended 31 December 2024, the Nomination Committee held two meetings to nominate new director to the Board, to evaluate the structure, size and composition of the Board, to review the implementation of the Board Diversity Policy, to assess the independence of the Independent Non-Executive Directors and to make recommendations to the Board on the re-election of Directors.

AUDITOR'S REMUNERATION

The remuneration of the Company's auditor, Messrs. KPMG and its other member firms, for services rendered in respect of the year ended 31 December 2024 is set out as follows:

Services rendered	**Fee** HK$'000
Audit services	2,800
Non-audit services	1,237
	4,037

AUDIT COMMITTEE

The Audit Committee of the Company was established in 1999. Details of the authority and duties of the Audit Committee are available on the Company's website.

The Audit Committee comprises the three Independent Non-Executive Directors, Mr. Gerard Joseph McMahon, Mr. Li Kar Keung, Caspar and Dr. Wong Yau Kar, David. Mr. Gerard Joseph McMahon is the chairman of the Audit Committee.

The Audit Committee shall meet at least four times a year. During the year ended 31 December 2024, the Audit Committee held four meetings, inter alia, to review the 2023 annual results, the 2024 interim results and the quarterly results of the Group. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Group's financial results. It also focuses on the Group's system of internal control and risk management including the adequacy of resources, qualifications and experience of staff of the Company's accounting, financial reporting and internal audit function, and their training programmes and budget. During the year ended 31 December 2024, the Audit Committee had a meeting with the external auditor without the presence of the management to discuss any areas of concerns.

Corporate Governance Report (continued)

ACCOUNTABILITY AND AUDIT

The Directors have acknowledged that they are responsible for overseeing the preparation of financial statements, which give a true and fair view of the consolidated financial position of the Group and of its consolidated results and consolidated cash flows in the relevant year. The responsibilities of the external auditor to the shareholders are set out in the Independent Auditor's Report on pages 34 to 38. In preparing the consolidated financial statements for the year ended 31 December 2024, the Directors have selected appropriate accounting policies, applied them consistently in accordance with the accounting principles generally accepted in Hong Kong which are pertinent to its operations and relevant to the financial statements and, made judgements and estimates that are prudent and reasonable, and have prepared the financial statements on a going concern basis.

The Company aims at presenting a balanced, clear and comprehensible assessment of the Group's performance, position and prospects in all communications issued to shareholders, including annual and interim reports, announcements and circulars. The annual and interim results of the Company are announced in a timely manner within three months and two months respectively after the end of the relevant periods in accordance with the Listing Rules. To further enhance the Company's level of corporate governance and transparency, the Company announced its unaudited quarterly financial information during the financial year ended 31 December 2024.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is committed to establish and maintain a sound and effective internal control and risk management system of the Group to protect the shareholders' investment and to safeguard the Group's assets and to achieve corporate objectives. Key components of internal control and risk management of the Group are set out below:

1. A defined organisational structure, with specified limits of authority and lines of responsibility, has been established.

2. Established operating policies and procedures.

3. Delegation of authority — The Directors and/or management are delegated with respective level of authority relating to certain businesses or operational objectives. Committees (e.g. Audit, Compensation and Nomination), of which their decision-making authority has been delegated by the Board, are established where necessary to review, approve and monitor particular aspect of operation of the Group.

4. Budgetary system — (i) Business plans and forecasts are prepared annually and subject to monthly review and approval by the management. With an annual budget and monthly rolling forecasts, the management are able to identify and evaluate the likelihood of the financial impact of significant business risks in the coming year and achieve the business objectives; (ii) A budgetary system in relation to monthly recurrent and major capital expenditure is in place. Any material variances against budgets are investigated, explained and approved by the respective financial controller.

5. Internal Audit Department — In order to further enhance the internal control and risk management of the Group, an internal audit department was established. The internal auditor has unrestricted access to review all aspects of the Group's activities and internal control and risk management (including reviewing the connected transactions of the Group). Any serious internal control and risk management deficiencies or fraud identified would be reported immediately to the Directors or directly to the Audit Committee. The Internal Audit Department reviews once a year the effectiveness of the intend control and risk management system for the period covered the year ended 31 December 2024.

INTERNAL CONTROL AND RISK MANAGEMENT (continued)

6. Review by Audit Committee and the Board — The Directors review major business and operational activities and financial performance of the Group.

7. Comprehensive accounting system — A reliable and comprehensive accounting system is in place for the recording of financial information of the Group.

8. Monthly review by the management — Key operating and financial performance of each business segment are reviewed by the management on monthly basis. Regular meetings are held to review the business and financial performance against forecasts and business strategies to be taken.

With the assistance of Internal Audit Department, the Executive Director and Chief Financial Officer reviews, inter alia, the profile of the significant risks and how these risks have been identified, evaluated and managed, the changes since the last annual assessment in the nature and extent of significant risks, the Company's ability to respond to changes in its business and the external environment, as well as the scope and quality of management's ongoing monitoring of the risk management and internal control system. In addition, they review the work of internal audit function, the extent and frequency of communication of monitoring results to the Audit Committee which enables them to assess control of the Company and the effectiveness of risk management, any significant failings or weaknesses in internal control that have been reported, the necessary actions that are being taken promptly to remedy any significant failings or weaknesses, and the effectiveness of the Company's processes for financial reporting and Listing Rules compliance. They also review the results of the self-assessment on internal control.

There are also procedures including prior approval on dealing in the Group's securities by designated Directors, notification of regular blackout period and securities dealing restrictions to Directors and relevant employees, and dissemination of information for specified purpose and on a need-to-know basis have been implemented to guard against possible mishandling of inside information within the Group.

During the year ended 31 December 2024, a review on the effectiveness and efficiency of material financial, operational and compliance controls and risk management procedures of the Group was made by the Board and the Audit Committee. The Board is generally satisfied with the effectiveness and adequacy of the existing internal control and risk management system of the Group. The Board acknowledges the importance of good corporate governance and will continue its efforts on enhancing the Group's internal control and risk management to support further growth of the Group.

Internal control and risk management system of the Group is designed to provide reasonable, rather than absolute, assurance against unauthorised use or disposition. It could only manage, rather than eliminate, all risks of material misstatement, error, loss or fraud.

COMPLIANCE CULTURE

The Group adheres to the business philosophy of governing enterprises in compliance with the law and is committed to enhancing its corporate governance and compliance management. In order to enrich the compliance culture and comprehensively strengthen compliance management, the Group has formulated and improved relevant policies and supervision mechanisms for compliance management to ensure the Listing Rules and regulatory compliance and further optimise the compliance management system of the Group. In addition, the Group proactively cultivates a compliance culture and enhances the legal and compliance awareness of all employees.

In November 2023, the Company was awarded the GB/T 35770-2022 and ISO 37301:2021 Compliance Management System accreditation by SGS-CSTC Standards Technical Services Co., Ltd. In November 2024, the Company passed the system supervision audit, maintaining the continued validity of the certificate.

COMPANY SECRETARY

Mr. Liu Wai Kin is an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and is a full-time employee of the Company. Mr. Liu confirmed that he has taken no less than 15 hours of relevant professional training during the year under review.

SHAREHOLDERS' RIGHTS

Shareholders convening an extraordinary general meeting

Pursuant to the Hong Kong Companies Ordinance (Cap. 622), shareholders of the Company holding not less than 5% of the total voting rights of all the members having a right to vote at general meeting may request the directors to call a general meeting of the Company. The request must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request may be sent to the Company in hard copy form or in electronic form; and must be authenticated by the person or persons making it. Directors of the Company must call a meeting within 21 days after the date on which they become subject to the requirement. The meeting being called must be held on a date not more than 28 days after the date of the notice convening the meeting. If the directors fail to call the meeting, the shareholders who requested the meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves call a general meeting. The meeting must be called for a date not more than 3 months after the date on which the directors become subject to the requirement to call a meeting.

Shareholders' enquiries and proposals

Shareholders should direct their enquiries about their shareholdings to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or call its hotline at (852) 2862 8555.

About matters other than shares and dividends, the Company Secretary of the Company are designated to respond to enquiries and proposals from the shareholders as well as the public. Enquiries and proposals can be made by mail or by phone. The contact details of the Company are set out in the "Contact Us" section of the Company's website at www.gdguangnan.com. In addition, the Company is committed to maximising the use of its website as a channel to provide updated information in a timely manner and to strengthen the communications with both the shareholders and the public. The Company has formulated the "Shareholders Communication Policy" which enables shareholders to exercise their rights in an informed manner.

CONSTITUTIONAL DOCUMENTS

During the year, there is no change in the Company's constitutional documents. An up-to-date consolidated version of the Company's Articles of Association is available on the Company's website.

By order of the Board

Yang Zhe
Acting Chairman and General Manager

Hong Kong, 21 March 2025

Independent Auditor's Report

Independent auditor's report to the members of
GDH Guangnan (Holdings) Limited
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of GDH Guangnan (Holdings) Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 39 to 112, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (continued)

Valuation of inventories	
Refer to note 16 to the consolidated financial statements and the accounting policies in note 1(l) to the consolidated financial statements.	
The Key Audit Matter	**How the matter was addressed in our audit**
Inventories, which totalled HK$423 million as at 31 December 2024, are stated at the lower of cost and net realisable value. A write-down of inventories in respect of the Group's tinplating segment amounting to HK$7 million was recognised in the consolidated statement of profit or loss for the year ended 31 December 2024. There is a risk that the net realisable value of inventories could be less than their cost at the reporting date due to the price volatility of tinplate products, particularly given the excess supply and intense competition in the industry. Management determines the net realisable value of inventories based on its assessment of the current market situation and historical experience of similar inventories movements. This involves significant management judgement and estimation in estimating future selling prices and the costs of completion of work-in-progress, both of which can be inherently uncertain. We identified the valuation of inventories as a key audit matter because determining an appropriate write-down/reversal of write-down of inventories involves significant management judgement and estimation, particularly in assessing the future selling prices for tinplate products, costs of completion of work-in-progress and costs necessary to make the sale of these products, which can be inherently subjective and increase the risk of error or potential management bias.	Our audit procedures to assess the valuation of inventories included the following: • obtaining an understanding of management's determination of net realisable value and the key estimates adopted, including future selling prices, future costs to complete work-in-progress and costs necessary to make the sales, the basis of calculation and justification for the amount of the write-downs; • assessing management's estimation of the costs of converting raw materials and work-in-progress into finished goods and the related selling expenses by comparing them with actual costs incurred in the current year; • comparing management's estimation of future selling prices for tinplate products with committed sales contracts and selling prices achieved subsequent to the end of the reporting period; and • re-performing the calculations made by management in arriving at their year end assessment of net realisable value and write-down/reversal of write-down of inventories.

Independent Auditor's Report (continued)

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report (continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lam Leong Wai.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

21 March 2025

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	Note	2024 $'000	2023 $'000
Revenue	3	**11,978,788**	10,385,807
Cost of sales		**(11,469,779)**	(9,816,815)
Gross profit		**509,009**	568,992
Other revenue	4	**44,121**	39,996
Other net gains	4	**34,845**	1,360
Selling and distribution costs		**(36,108)**	(40,500)
Administrative expenses		**(236,542)**	(204,354)
Other operating expenses		**(79,179)**	(87,272)
Profit from operations		**236,146**	278,222
Valuation losses on investment properties	11(a)	**(13,378)**	(3,472)
Finance costs	5(a)	**(30,704)**	(26,324)
Share of profit/(loss) of a joint venture		**129**	(50)
Share of profits/(losses) of associates		**24,683**	(127,053)
Reversal of impairment loss on interest in an associate	14(a)	**–**	23,764
Profit before taxation	5	**216,876**	145,087
Income tax	6(a)	**(45,854)**	(52,310)
Profit for the year		**171,022**	92,777
Attributable to:			
Equity shareholders of the Company		**140,754**	65,924
Non-controlling interests		**30,268**	26,853
Profit for the year		**171,022**	92,777
Earnings per share	10		
Basic		**15.51 cents**	7.26 cents
Diluted		**15.51 cents**	7.26 cents

The notes on pages 46 to 112 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 9(a).

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	2024 **$'000**	2023 $'000
Profit for the year	**171,022**	92,777
Other comprehensive income for the year:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of:		
– subsidiaries outside Hong Kong	**(48,629)**	(41,280)
– associates outside Hong Kong	**(3,651)**	(4,312)
– a joint venture outside Hong Kong	**(238)**	190
– tax expense related to a subsidiary outside Hong Kong	**(456)**	(278)
Net-of-tax amount	**(52,974)**	(45,680)
Total comprehensive income for the year	**118,048**	47,097
Attributable to:		
Equity shareholders of the Company	**91,106**	23,349
Non-controlling interests	**26,942**	23,748
Total comprehensive income for the year	**118,048**	47,097

The notes on pages 46 to 112 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2024
(Expressed in Hong Kong dollars)

	Note	2024 $'000	2023 $'000
Non-current assets			
Property, plant and equipment	11	**1,692,000**	1,730,678
Investment properties	11	**187,935**	238,160
		1,879,935	1,968,838
Goodwill	12	**84,576**	85,904
Interest in a joint venture	13	**10,877**	10,986
Interests in associates	14	**150,187**	153,609
		2,125,575	2,219,337
Current assets			
Inventories	16	**423,268**	486,328
Trade and other receivables, deposits and prepayments	17	**1,425,286**	1,037,833
Pledged deposits	18	**9,374**	9,575
Cash and cash equivalents	19	**954,811**	1,035,928
		2,812,739	2,569,664
Current liabilities			
Trade and other payables	20	**965,741**	943,661
Bank loans	22	**327,356**	375,383
Loans from a fellow subsidiary	21	**189,295**	20,177
Lease liabilities	23	**14,296**	8,662
Current tax payable	15(a)	**14,696**	16,926
Financial liability at amortised cost		**14,645**	–
		1,526,029	1,364,809
Net current assets		**1,286,710**	1,204,855
Total assets less current liabilities		**3,412,285**	3,424,192

Consolidated Statement of Financial Position (continued)

At 31 December 2024
(Expressed in Hong Kong dollars)

	Note	2024 $'000	2023 $'000
Non-current liabilities			
Bank loans	22	**159,232**	358,225
Loans from a fellow subsidiary	21	**304,429**	169,363
Deferred revenue		**12,382**	7,606
Financial liability at amortised cost		**–**	14,299
Lease liabilities	23	**12,447**	7,838
Deferred tax liabilities	15(b)	**65,360**	71,216
Provision for long service payments	28(b)	**1,599**	–
		555,449	628,547
NET ASSETS		**2,856,836**	2,795,645
CAPITAL AND RESERVES			
Share capital	24(b)	**459,651**	459,651
Reserves		**2,133,100**	2,110,363
Total equity attributable to equity shareholders of the Company		**2,592,751**	2,570,014
Non-controlling interests		**264,085**	225,631
TOTAL EQUITY		**2,856,836**	2,795,645

Approved and authorised for issue by the board of directors on 21 March 2025.

Yang Zhe
Director

Chau Wang Kei
Director

The notes on pages 46 to 112 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024
(Expressed in Hong Kong dollars)

		Attributable to equity shareholders of the Company								
	Note	Share capital $'000	Exchange reserve $'000	Revaluation reserve $'000	Special capital reserve $'000	Other reserves $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2023		459,651	59,707	15,116	107,440	97,512	1,834,467	2,573,893	210,020	2,783,913
Changes in equity for 2023:										
Profit for the year		–	–	–	–	–	65,924	65,924	26,853	92,777
Other comprehensive income		–	(42,575)	–	–	–	–	(42,575)	(3,105)	(45,680)
Total comprehensive income		–	(42,575)	–	–	–	65,924	23,349	23,748	47,097
Transfer to statutory reserves		–	–	–	–	20,712	(20,712)	–	–	–
Acquisition of a subsidiary		–	–	–	–	–	–	–	2,153	2,153
Dividends paid to non-controlling shareholders		–	–	–	–	–	–	–	(10,290)	(10,290)
Dividends approved in respect of the previous year	9(b)	–	–	–	–	–	(18,152)	(18,152)	–	(18,152)
Dividends declared in respect of the current year	9(a)	–	–	–	–	–	(9,076)	(9,076)	–	(9,076)
Balance at 31 December 2023		459,651	17,132	15,116	107,440	118,224	1,852,451	2,570,014	225,631	2,795,645

		Attributable to equity shareholders of the Company								
	Note	**Share capital $'000**	**Exchange reserve $'000**	**Revaluation reserve $'000**	**Special capital reserve $'000**	**Other reserves $'000**	**Retained profits $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Balance at 1 January 2024		**459,651**	**17,132**	**15,116**	**107,440**	**118,224**	**1,852,451**	**2,570,014**	**225,631**	**2,795,645**
Changes in equity for 2024:										
Profit for the year		**–**	**–**	**–**	**–**	**–**	**140,754**	**140,754**	**30,268**	**171,022**
Other comprehensive income		**–**	**(49,648)**	**–**	**–**	**–**	**–**	**(49,648)**	**(3,326)**	**(52,974)**
Total comprehensive income		**–**	**(49,648)**	**–**	**–**	**–**	**140,754**	**91,106**	**26,942**	**118,048**
Transfer to statutory reserves		**–**	**–**	**–**	**–**	**14,026**	**(14,026)**	**–**	**–**	**–**
Acquisition of a subsidiary		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,000**	**3,000**
Capital injection received from a non-controlling shareholder		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**21,166**	**21,166**
Liquidation of an associate		**–**	**(37,102)**	**–**	**–**	**(11,288)**	**7,249**	**(41,141)**	**–**	**(41,141)**
Dividends paid to non-controlling shareholders		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(12,654)**	**(12,654)**
Dividends approved in respect of the previous year	9(b)	**–**	**–**	**–**	**–**	**–**	**(18,152)**	**(18,152)**	**–**	**(18,152)**
Dividends declared in respect of the current year	9(a)	**–**	**–**	**–**	**–**	**–**	**(9,076)**	**(9,076)**	**–**	**(9,076)**
Balance at 31 December 2024		**459,651**	**(69,618)**	**15,116**	**107,440**	**120,962**	**1,959,200**	**2,592,751**	**264,085**	**2,856,836**

The notes on pages 46 to 112 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	Note	2024 $'000	2024 $'000	2023 $'000	2023 $'000
Operating activities					
Profit before taxation		**216,876**		145,087	
Adjustments for:					
Finance costs	5(a)	**30,704**		26,324	
Interest income	4	**(7,632)**		(13,639)	
Valuation losses on investment properties	11(a)	**13,378**		3,472	
Gain from liquidation of an associate	4	**(30,110)**		–	
Net fair value (gain)/loss on derivative financial instrument	4	**(84)**		77	
Net (gain)/loss on disposals of property, plant and equipment	4	**(1,484)**		136	
Net loss on write-off of property, plant and equipment	4	**1,307**		965	
Expected credit losses recognised on trade receivables	4	**7,070**		–	
Depreciation	11(a)	**126,115**		111,333	
Share of (profit)/loss of a joint venture		**(129)**		50	
Share of (profits)/losses of associates		**(24,683)**		127,053	
Reversal of impairment loss on interest in an associate	14(a)	**–**		(23,764)	
Foreign exchanges loss		**6,734**		15,520	
Net losses on forward foreign exchange contracts	4	**3**		262	
Provision for long service payments		**1,599**		–	
Operating profit before changes in working capital		**339,664**		392,876	
Decrease in inventories		**54,861**		34,303	
Increase in trade and other receivables, deposits and prepayments		**(417,529)**		(124,969)	
Decrease in amounts due from associates		**–**		5,488	
(Increase)/decrease in pledged deposits		**(4)**		9,135	
Increase/(decrease) in trade and other payables		**132,653**		(18,556)	
Increase in amounts due to fellow subsidiaries		**23**		16	
Increase/(decrease) in deferred revenue		**4,776**		(1,511)	
Cash generated from operations		**114,444**		296,782	
Interest received		**7,632**		13,639	
Hong Kong Profits Tax paid, net		**(2,863)**		(9,465)	
PRC income tax paid		**(51,862)**		(41,035)	
Net cash generated from operating activities			**67,351**		259,921

Consolidated Cash Flow Statement (continued)

For the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	Note	**2024** $'000	**2024** $'000	2023 $'000	2023 $'000
Investing activities					
Payment for the purchase of property, plant and equipment		**(76,524)**		(260,987)	
Net cash (used in)/generated from acquisition of subsidiaries		**(6,974)**		363	
Proceeds from disposal of property, plant and equipment		**2,140**		3,502	
Proceeds from liquidation of an associate		**17,462**		–	
Investment in a joint venture		**–**		(10,846)	
Net cash used in investing activities			**(63,896)**		(267,968)
Financing activities					
Capital element of lease rentals paid	19(b)	**(15,311)**		(10,860)	
Interest element of lease rentals paid	19(b)	**(926)**		(498)	
Proceeds from loans from a fellow subsidiary	19(b)	**459,761**		147,957	
Repayment to loans from a fellow subsidiary	19(b)	**(151,524)**		(39,586)	
Proceeds from bank loans	19(b)	**373,254**		280,117	
Repayments of bank loans	19(b)	**(617,256)**		(456,746)	
Interest paid	19(b)	**(30,914)**		(37,481)	
Dividends paid to equity shareholders of the Company		**(27,228)**		(27,228)	
Dividend paid to non-controlling shareholders		**(12,654)**		(10,290)	
Capital injection by non-controlling interest shareholders to a subsidiary		**21,166**		–	
Settlement of consideration payables to former non-controlling shareholder		**(65,802)**		–	
Net cash used in financing activities			**(67,434)**		(154,615)
Net decrease in cash and cash equivalents			**(63,979)**		(162,662)
Cash and cash equivalents at 1 January	19(a)		**1,035,928**		1,211,631
Effect of foreign exchange rate changes			**(17,138)**		(13,041)
Cash and cash equivalents at 31 December	19(a)		**954,811**		1,035,928

The notes on pages 46 to 112 form part of these financial statements.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These 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 ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of Listing Rules. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) 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 financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Group and the Group's interest in associates and a join venture.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair values as explained in the accounting policies set out below:

– investment properties (see note 1(h)); and

– derivative financial instruments (see note 1(g)).

The preparation of financial statements in conformity 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 that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are 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.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

1 MATERIAL ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies

The Group has applied the following new amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* ("2020 amendments") and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants* ("2022 amendments")

- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new amended HKFRSs are discussed below:

Amendments to HKAS 1, *Presentation of financial statements (the 2020 and 2022 amendments, collectively the "HKAS 1 amendments")*

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

Upon the adoption of the amendments, the Group has reassessed the classification of its liabilities as current or non-current and did not identify any reclassification to be made.

Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

1 MATERIAL ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: disclosures – Supplier finance arrangements*

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on these financial statements as the Group has not entered into any supplier finance arrangements.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(p) or 1(q) depending on the nature of the liability.

1 MATERIAL ACCOUNTING POLICIES (continued)

(d) Subsidiaries and non-controlling interests (continued)

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 1(e)).

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses (see note 1(k)(ii)).

(e) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the associate's net assets and any impairment loss relating to the investment which is measured by comparing the recoverable amount of the investment with its carrying amount (see note 1(k)(ii)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the associate and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the associate's other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or the joint venture. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture after applying the expected credit loss ("ECL") model to such other long-term interests where applicable (see note 1(k)(i)).

1 MATERIAL ACCOUNTING POLICIES (continued)

(e) Associates and joint ventures (continued)

Unrealised profits and losses resulting from transactions between the Group and its associate or joint venture are eliminated to the extent of the Group's interest in the associate or the joint venture, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that associate, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former associate at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

In the Company's statement of financial position, investment in an associate or a joint venture is stated at cost less impairment losses (see note 1(k)(ii)).

(f) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(k)(ii)).

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(g) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

1 MATERIAL ACCOUNTING POLICIES (continued)

(h) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 1(j)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 1(u)(iii).

For a transfer from investment properties carried at fair vale to owner-occupied properties, the properties' deemed cost for subsequent accounting in accordance with note 1(i) shall be its fair value at the date of change in use.

(i) Property, plant and equipment

The following items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see note 1(k)(ii)):

– interests in leasehold land and buildings where the Group is the registered owner of the property interest (see note 1(j));

– right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest; and

– items of plant and equipment.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 1(x)).

Construction in progress is stated at cost, which comprises construction expenditure, including interest costs on related borrowed funds, to the extent that they are regarded as an adjustment to interest costs during the construction period, and the cost of related equipment. Capitalisation of these costs ceases and the construction in progress is transferred to relevant categories of other property, plant and equipment when the asset is substantially ready for its intended use, notwithstanding any delays in the issue of the relevant commissioning certificate by the appropriate authorities. No depreciation is provided in respect of construction in progress.

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

1 MATERIAL ACCOUNTING POLICIES (continued)

(i) Property, plant and equipment (continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method, at the following rates per annum:

– The Group's interests in buildings situated on leasehold land and plant are depreciated over the shorter of the unexpired term of lease and the buildings' estimated useful lives, being no more than 50 years after the date of completion.

– Leasehold improvements	20% to 50% per annum
– Machinery, furniture, fixtures and equipment	10% to 20% per annum
– Motor vehicles	20% per annum

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

1 MATERIAL ACCOUNTING POLICIES (continued)

(j) Leased assets (continued)

(i) As a lessee (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(i) and 1(k)(ii)), except for the right-of-use assets that meet the definition of investment property which are carried at fair value in accordance with note 1(h).

The initial fair value of refundable rental deposits is accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in debt securities carried at amortised cost (see notes 1(u)(vi) and 1(k)(i)). Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and presents lease liabilities separately in the consolidated statement of financial position.

1 MATERIAL ACCOUNTING POLICIES (continued)

(j) Leased assets (continued)

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 1(u)(iii).

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("ECLs") on the following items:

– financial assets measured at amortised cost (including pledged deposits, cash and cash equivalents, trade and other receivables, deposits and prepayments).

Other financial assets measured at fair value, including equity securities designated at fair value through other comprehensive income ("FVOCI") (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

– fixed-rate financial assets, trade and other receivables, deposits and prepayments: effective interest rate determined at initial recognition or an approximation thereof; and

– variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

1 MATERIAL ACCOUNTING POLICIES (continued)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Measurement of ECLs (continued)

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

1 MATERIAL ACCOUNTING POLICIES (continued)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk (continued)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 1(u)(vi) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or past due event;

– it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

1 MATERIAL ACCOUNTING POLICIES (continued)

(k) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment, including right-of-use assets;

– goodwill; and

– investments in subsidiaries and associates in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

– *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

– *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– *Reversals of impairment losses*

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition and reversal criteria as it would at the end of the financial year (see notes 1(k)(i) and 1(k)(ii)).

1 MATERIAL ACCOUNTING POLICIES (continued)

(l) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion, if any, and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(m) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 1(u)).

(n) Trade and other receivables, deposits and prepayments

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost, using the effective interest method and including allowance for credit losses (see note 1(k)(i)).

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 1(k)(i).

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

1 MATERIAL ACCOUNTING POLICIES (continued)

(q) Borrowings

Borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 1(x)).

(r) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Further information on the Group's contributions to retirement benefit schemes is set out in note 28.

(ii) Long service payment ("LSP") under the Hong Kong Employment Ordinance

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. For LSP obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

Net interest expense for the year is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plan are recognised in profit or loss.

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(s) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

1 MATERIAL ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 1(h), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the end of the reporting period unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

1 MATERIAL ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  - the same taxable entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

1 MATERIAL ACCOUNTING POLICIES (continued)

(u) Revenue and other income (continued)

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sale of goods

Revenue is recognised when the customer takes possession of and accepts the products. Payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers, but the Group generally provides credit terms to customers within six months upon customer acceptance. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

(ii) Revenue from slaughtering business

Revenue from slaughtering business is recognised over time when the relevant services are rendered.

(iii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(iv) Commission income

Commission income is recognised over time when the relevant services are rendered.

(v) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

(vi) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 1(k)(i)).

(vii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

1 MATERIAL ACCOUNTING POLICIES (continued)

(v) Research and development costs

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

(w) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

1 MATERIAL ACCOUNTING POLICIES (continued)

(y) Financial liability

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss ("FVTPL"). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(z) Related parties

(i) A person, or a close member of that person's family, is related to the Group if that person:

(1) has control or joint control over the Group;

(2) has significant influence over the Group; or

(3) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

(1) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(2) One entity is an associate or a joint venture of the other entity (or an associate or a joint venture of a member of a Group of which the other entity is a member).

(3) Both entities are joint ventures of the same third party.

(4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(6) The entity is controlled or jointly controlled by a person identified in note 1(z)(i).

(7) A person identified in note 1(z)(i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(8) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

1 MATERIAL ACCOUNTING POLICIES (continued)

(aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

The methods, estimates and judgements the directors used in applying the Group's accounting policies have a significant impact on the Group's financial position and operation results. Some of the accounting policies require the Group to apply estimates and judgements on matters that are inherently uncertain. The critical accounting judgements in applying the Group's accounting policies are described below.

(i) Write-down of inventories

The Group reviews the carrying amounts of inventories at the end of each reporting period to determine whether the inventories are carried at the lower of cost and net realisable value in accordance with accounting policy as set out in note 1(l). Management estimates the net realisable value based on the current market situation and historical experience of similar inventories. Any change in the assumptions would increase or decrease the amount of inventories written-down or the related reversals of write-downs made in prior years and affect the Group's net asset value.

(ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2024 was $84,576,000 (2023: $85,904,000). Further details of impairment testing are set out in note 12 to the consolidated financial statements.

(iii) Impairment of other non-current assets

In accordance with accounting policy as set out in note 1(k)(ii), the Group reviews the carrying amounts of other non-current assets at the end of each reporting period to determine whether there is objective evidence of impairment. When an indication of impairment is identified, management prepares discounted cash flow forecasts to assess the differences between the carrying amount and value in use or fair value less costs of disposal (if higher) and provides for any impairment losses. Any change in the assumptions adopted in the cash flow forecasts would increase or decrease the provision for impairment losses and affect the net asset value of the Group.

An increase or decrease in the above impairment loss would affect the results of the Group in future years.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are distribution and trading of fresh and live foodstuffs, provision of slaughtering service, manufacturing and sales of tinplate products and property leasing. Further details regarding the Group's principal activities are disclosed in note 3(b).

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2024 **$'000**	2023 $'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines:		
Sales of goods		
– Fresh and live foodstuffs	**9,753,423**	7,933,711
– Tinplate products	**2,031,751**	2,250,537
	11,785,174	10,184,248
Commission income from the distribution of fresh and live foodstuffs	**75,925**	81,566
Slaughtering service income	**99,662**	100,071
	11,960,761	10,365,885
Revenue from other sources		
Rental income from property leasing	**18,027**	19,922
	11,978,788	10,385,807

Disaggregation of revenue from contracts with customers by geographic location is disclosed in note 3(b)(iii).

The Group's customer base is diversified and includes no (2023: None) customer with whom transactions have exceeded 10% of the Group's revenue. Details of concentrations of credit risk are set out in note 25(a).

3 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by products and services. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

– Fresh and live foodstuffs: this segment distributes, purchases and sells foodstuffs and provides slaughtering services.

– Tinplating: this segment produces and sells tinplates and related products which are mainly used as packaging materials for food and industrial products.

– Property leasing: this segment leases office and industrial premises to generate rental income.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

– Segment profit includes revenue and expenses that are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment profit includes the Group's share of results arising from the activities of the Group's associates.

– Segments assets include all tangible, intangible assets and current assets with the exception of interests in a joint venture and an associate not attributable to any segment and other corporate assets. Segment liabilities include current and non-current liabilities attributable to the business activities of the individual segments.

In addition, management is provided with segment information concerning revenue and other information relevant to the assessment of segment performance and allocation of resources between segments. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

3 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities (continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the year is set out below.

	Fresh and live foodstuffs		Tinplating		Property leasing		Total	
	2024 $'000	2023 $'000	**2024 $'000**	2023 $'000	**2024 $'000**	2023 $'000	**2024 $'000**	2023 $'000
Reportable segment revenue	**9,929,010**	8,115,348	**2,031,751**	2,250,537	**18,027**	19,922	**11,978,788**	10,385,807
Reportable segment profit (including share of profits/(losses) of associates)	**234,035**	100,369	**38,507**	85,032	**8,112**	9,844	**280,654**	195,245
Share of profits/(losses) of associates	**23,995**	(103,741)	**–**	–	**–**	–	**23,995**	(103,741)
Reportable segment assets (including interests in associates)	**2,417,392**	2,148,107	**1,852,465**	1,868,744	**193,330**	263,690	**4,463,187**	4,280,541
Interests in associates	**150,187**	129,860	**–**	–	**–**	–	**150,187**	129,860
Reportable segment liabilities	**1,172,908**	1,135,399	**730,962**	639,096	**37,026**	39,673	**1,940,896**	1,814,168
Depreciation for the year	**61,859**	49,874	**54,554**	55,197	**312**	331	**116,725**	105,402
Interest income	**3,422**	2,746	**2,984**	6,591	**–**	–	**6,406**	9,337
Write-down/(reversal of write-down) of inventories	**–**	–	**7,421**	(6,705)	**–**	–	**7,421**	(6,705)
Expected credit losses recognised on trade receivables	**7,070**	–	**–**	–	**–**	–	**7,070**	–
Additions to non-current segment assets during the year (Note)	**65,171**	260,276	**16,231**	18,859	**–**	–	**81,402**	279,135

Note: The amount includes additions in related to the acquisition of a subsidiary of $5,137,000 (2023: acquisition of a subsidiary of $257,000) during the year.

3 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(ii) Reconciliations of reportable segment profit or loss, assets and liabilities

	2024 $'000	2023 $'000
Profit		
Reportable segment profit derived from the Group's external customers and associates	**280,654**	195,245
Unallocated income and expenses	**(50,707)**	(20,687)
Valuation losses on investment properties	**(13,378)**	(3,472)
Net fair value gain/(loss) on derivative financial instruments	**84**	(77)
Finance costs	**(30,704)**	(26,324)
Share of profit/(loss) of a joint venture not attributable to any segment	**129**	(50)
Share of profit/(loss) of an associate not attributable to any segment	**688**	(23,312)
Reversal of impairment loss on interest in an associate not attributable to any segment	**–**	23,764
Gain from liquidation of an associate not attributable to any segment	**30,110**	–
Consolidated profit before taxation	**216,876**	145,087
Assets		
Reportable segment assets	**4,463,187**	4,280,541
Interest in a joint venture not attributable to any segment	**10,877**	10,986
Interest in an associate not attributable to any segment	**–**	23,749
Unallocated assets	**464,250**	473,725
Consolidated total assets	**4,938,314**	4,789,001
Liabilities		
Reportable segment liabilities	**1,940,896**	1,814,168
Unallocated liabilities	**140,582**	179,188
Consolidated total liabilities	**2,081,478**	1,993,356

3 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(iii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment properties, property, plant and equipment, interest in a joint venture and interests in associates ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, and the location of operations, in the case of deposits and prepayments, interests in associates and interest in a joint venture.

	Revenue from external customers		**Specified non-current assets**	
	2024 **$'000**	2023 $'000	**2024** **$'000**	2023 $'000
Hong Kong (place of domicile)	**1,114,387**	809,087	**406,225**	371,733
Mainland China	**10,365,267**	9,064,873	**1,634,774**	1,761,700
Asian countries (excluding Mainland China and Hong Kong)	**317,495**	297,588	**–**	–
Other countries	**181,639**	214,259	**–**	–
	10,864,401	9,576,720	**1,634,774**	1,761,700
	11,978,788	10,385,807	**2,040,999**	2,133,433

The analysis above includes property rental income from external customers in Hong Kong and in Mainland China of $832,000 (2023: $1,963,000) and $17,195,000 (2023: $17,959,000) respectively.

(iv) The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to all its contracts such that no information regarding revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date is disclosed because either the remaining performance obligation is part of a contract that has an original expected duration of one year or less or the Group recognises revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the Group's performance completed to date.

4 OTHER REVENUE AND NET GAINS

	2024 $'000	2023 $'000
Other revenue		
Interest income on financial assets measured at amortised cost	**7,632**	13,639
Government grants and subsidies received	**27,317**	15,335
Others	**9,172**	11,022
	44,121	39,996

	2024 $'000	2023 $'000
Other net gains		
Net realised and unrealised exchange gain	**10,883**	2,800
Net losses on forward foreign exchange contracts	**(3)**	(262)
Net gain/(loss) on disposal of property, plant and equipment	**1,484**	(136)
Net loss on write-off of property, plant and equipment	**(1,307)**	(965)
Expected credit losses recognised on trade receivables	**(7,070)**	–
Net fair value gain/(loss) on derivative financial instruments	**84**	(77)
Gain from liquidation of an associate	**30,110**	–
Others	**664**	–
	34,845	1,360

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

		Note	2024 $'000	2023 $'000
(a)	**Finance costs**			
	Interest on bank loans		**20,358**	32,707
	Interest on loans from a fellow subsidiary		**10,556**	4,774
	Interest on lease liabilities	19(b)	**926**	498
	Interest on financial liability at amortised cost		**346**	338
	Total interest expense on financial liabilities at amortised cost		**32,186**	38,317
	Less: interest expense capitalised into construction in progress	(i)	**(1,482)**	(11,993)
			30,704	26,324
(b)	**Staff costs**			
	Contributions to defined contribution retirement plans		**25,836**	24,269
	Salaries, wages and other benefits		**313,152**	285,401
			338,988	309,670
(c)	**Other items**			
	Cost of inventories sold	(ii), 16(b)	**11,440,573**	9,787,296
	Auditor's remuneration		**3,900**	4,115
	Depreciation charge	11(a)		
	– Owned property, plant and equipment		**102,968**	93,505
	– Right-of-use assets		**23,147**	17,828
	Variable lease payments not included in the measurement of lease liabilities		**3,682**	3,520
	Research and development costs		**79,179**	87,272
	Rental income from investment properties less direct outgoings of $1,506,000 (2023: $1,553,000)		**(16,521)**	(18,369)

Notes:

(i) The borrowing costs have been capitalised at a rate of 2.45% - 5.69% (2023: 3.00% - 6.34%) per annum.

(ii) Cost of inventories sold includes $198,893,000 (2023: $187,574,000) relating to staff costs, depreciation expense and write-down/reversal of write-down inventories, which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	Note	2024 $'000	2023 $'000
Current tax – Hong Kong			
Provision for the year		**6,309**	3,229
Under-provision in respect of prior years		**1,437**	108
		7,746	3,337
Current tax – the PRC			
Provision for the year		**45,970**	48,815
(Over)/under-provision in respect of prior years		**(1,205)**	675
		44,765	49,490
Deferred tax			
Origination and reversal of temporary differences		**(6,657)**	(517)
	(i)	**45,854**	52,310

Notes:

(i) The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first $2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2023.

Income tax for subsidiaries established and operating in the PRC is calculated using the estimated annual effective rate of 25% that is expected to be applicable in the PRC, except for two subsidiaries that is entitled to tax incentive as a new and high technology enterprise, enjoys 15% annual effective tax rate.

(ii) Dividends declared by the PRC subsidiaries and associates to investors incorporated in Hong Kong are subject to a withholding tax at 5%.

(Expressed in Hong Kong dollars unless otherwise indicated)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2024 $'000	2023 $'000
Profit before taxation	**216,876**	145,087
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	**49,777**	34,488
Tax effect of non-deductible expenses	**17,101**	21,252
Tax effect of non-taxable revenue	**(21,256)**	(4,213)
Under-provision in respect of prior years	**232**	783
Actual tax expense	**45,854**	52,310

7 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2024				
	Directors' fees $'000	Basic salaries, allowances and other benefits $'000	Retirement schemes contributions $'000	Bonus $'000	Total $'000
Executive directors					
Chen Benguang	–	963	502	1,178	2,643
Yang Zhe	–	707	431	961	2,099
Chau Wang Kei	–	1,093	60	276	1,429
Non-executive directors					
Wang Longhai	–	–	–	–	–
Yu Huijuan	–	–	–	–	–
Independent non-executive directors					
Gerard Joseph McMahon	420	–	–	–	420
Li Kar Keung, Caspar	420	–	–	–	420
Wong Yau Kar, David	420	–	–	–	420
Total	1,260	2,763	993	2,415	7,431

7 DIRECTORS' EMOLUMENTS (continued)

	2023				
	Directors' fees $'000	Basic salaries, allowances and other benefits $'000	Retirement schemes contributions $'000	Bonus $'000	Total $'000
Executive directors					
Chen Benguang	–	1,278	847	4,311	6,436
Yang Zhe	–	1,022	410	1,421	2,853
Chau Wang Kei	–	1,093	60	934	2,087
Non-executive director					
Wang Longhai	–	–	–	–	–
Independent non-executive directors					
Gerard Joseph McMahon	420	–	–	–	420
Li Kar Keung, Caspar	420	–	–	–	420
Wong Yau Kar, David	420	–	–	–	420
Total	1,260	3,393	1,317	6,666	12,636

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with highest emoluments, two (2023: three) are directors whose emoluments are disclosed in note 7. The aggregate emoluments in respect of the other three individuals for 2024 (2023: two) are as follows:

	2024 $'000	2023 $'000
Basic salaries, allowances and other benefits	**1,798**	1,201
Retirement schemes contributions	**554**	357
Bonus	**3,876**	2,698
	6,228	4,256

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS (continued)

The emoluments of the three individuals with the highest emolument in 2024 (2023: two) are within the following bands:

	2024 Number of Individuals	2023 Number of Individuals
$Nil – $1,000,000	**–**	–
$1,000,001 – $1,500,000	**–**	–
$1,500,001 – $2,000,000	**1**	–
$2,000,001 – $3,000,000	**2**	2

9 DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year:

	2024 $'000	2023 $'000
Interim dividend declared and paid of 1.0 cent (2023: 1.0 cent) per ordinary share	**9,076**	9,076
Final dividend proposed after the end of the reporting period of 2.5 cents (2023: 2.0 cents) per ordinary share	**22,690**	18,152
	31,766	27,228

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2024 $'000	2023 $'000
Final dividend in respect of the previous financial year, approved and paid during the year, of 2.0 cents (2023: 2.0 cents) per ordinary share	**18,152**	18,152

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of $140,754,000 (2023: $65,924,000) and 907,593,000 (2023: 907,593,000) ordinary shares in issue during the year.

(b) Diluted earnings per share

There were no potential dilutive shares in existence during the years ended 31 December 2024 and 2023.

11 PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES

(a) Reconciliation of carrying amount

	Ownership interests in leasehold land held for own use $'000	Buildings and plant held for own use $'000	Other properties leased for own use $'000	Leasehold improvements $'000	Construction in progress (Note) $'000	Plant, machinery, furniture, fixtures and equipment $'000	Motor vehicles $'000	Sub-total $'000	Investment properties $'000	Total $'000
Cost or valuation:										
At 1 January 2024	230,440	1,414,038	51,253	16,419	8,333	1,199,712	26,938	2,947,133	238,160	3,185,293
Exchange adjustments	(5,731)	(25,343)	(662)	(297)	(128)	(23,785)	(394)	(56,340)	(3,447)	(59,787)
Additions	–	11,992	25,708	5,808	12,192	22,805	1,572	80,077	–	80,077
Disposals	–	–	(8,603)	–	–	(2,926)	(2,430)	(13,959)	–	(13,959)
Write-off	–	–	–	(284)	–	(8,646)	(312)	(9,242)	–	(9,242)
Acquire through acquisition of a subsidiary	–	–	–	2,744	–	1,268	1,125	5,137	–	5,137
Transfer in from investment properties	–	33,400	–	–	–	–	–	33,400	(33,400)	–
Transfer in from construction in progress	–	556	–	898	(15,498)	14,044	–	–	–	–
Fair value adjustment	–	–	–	–	–	–	–	–	(13,378)	(13,378)
Reclassification	49,563	103,138	–	(669)	–	(152,032)	–	–	–	–
At 31 December 2024	274,272	1,537,781	67,696	24,619	4,899	1,050,440	26,499	2,986,206	187,935	3,174,141
Representing:										
Cost	274,272	1,537,781	67,696	24,619	4,899	1,050,440	26,499	2,986,206	–	2,986,206
Valuation – 2024	–	–	–	–	–	–	–	–	187,935	187,935
	274,272	1,537,781	67,696	24,619	4,899	1,050,440	26,499	2,986,206	187,935	3,174,141
Accumulated depreciation and impairment losses:										
At 1 January 2024	67,380	408,459	25,650	4,804	–	695,433	14,729	1,216,455	–	1,216,455
Exchange adjustments	(1,617)	(9,059)	(327)	(80)	–	(15,795)	(248)	(27,126)	–	(27,126)
Charge for the year	6,479	49,771	16,668	3,108	–	45,802	4,287	126,115	–	126,115
Written back on disposals	–	–	(8,603)	–	–	(2,376)	(2,324)	(13,303)	–	(13,303)
Written back on write-off	–	–	–	(73)	–	(7,550)	(312)	(7,935)	–	(7,935)
Reclassification	2,214	5,190	–	–	–	(7,404)	–	–	–	–
At 31 December 2024	74,456	454,361	33,388	7,759	–	708,110	16,132	1,294,206	–	1,294,206
Net book value:										
At 31 December 2024	199,816	1,083,420	34,308	16,860	4,899	342,330	10,367	1,692,000	187,935	1,879,935

Note: The additions of construction in progress during 2024 mainly related to renovation of production equipment of tinplating business and related facilities of slaughterhouse.

11 PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES (continued)

(a) Reconciliation of carrying amount (continued)

	Ownership interests in leasehold land held for own use	Buildings for own use	Other properties leased for own use	Leasehold improvements	Construction in progress (Note)	Plant, machinery, furniture, has fixtures and equipment	Motor vehicles	Sub-total	Investment properties	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost or valuation:										
At 1 January 2023	233,810	1,128,672	47,034	11,988	270,786	1,005,153	28,700	2,726,143	272,878	2,999,021
Exchange adjustments	(3,370)	(14,294)	(415)	(139)	(24,261)	(15,811)	(268)	(58,558)	(2,446)	(61,004)
Additions	–	32,513	6,155	3,948	215,151	19,759	1,609	279,135	–	279,135
Disposals	–	–	(1,521)	–	–	(15,826)	(3,644)	(20,991)	–	(20,991)
Write-off	–	(59)	–	–	–	(6,895)	(699)	(7,653)	–	(7,653)
Acquire through acquisition of a subsidiary	–	–	–	–	–	257	–	257	–	257
Transfer in from Investment properties	–	28,800	–	–	–	–	–	28,800	(28,800)	–
Transfer in from construction in progress	–	238,406	–	622	(453,343)	213,075	1,240	–	–	–
Fair value adjustment	–	–	–	–	–	–	–	–	(3,472)	(3,472)
At 31 December 2023	230,440	1,414,038	51,253	16,419	8,333	1,199,712	26,938	2,947,133	238,160	3,185,293
Representing:										
Cost	230,440	1,414,038	51,253	16,419	8,333	1,199,712	26,938	2,947,133	–	2,947,133
Valuation – 2023	–	–	–	–	–	–	–	–	238,160	238,160
	230,440	1,414,038	51,253	16,419	8,333	1,199,712	26,938	2,947,133	238,160	3,185,293
Accumulated depreciation and impairment losses:										
At 1 January 2023	62,270	369,164	14,479	2,572	–	682,694	13,715	1,144,894	–	1,144,894
Exchange adjustments	(959)	(5,398)	(246)	(25)	–	(10,137)	(145)	(16,910)	–	(16,910)
Charge for the year	6,069	44,731	11,759	2,257	–	42,178	4,339	111,333	–	111,333
Written back on disposals	–	–	(342)	–	–	(13,280)	(2,552)	(16,174)	–	(16,174)
Written back on write-off	–	(38)	–	–	–	(6,022)	(628)	(6,688)	–	(6,688)
At 31 December 2023	67,380	408,459	25,650	4,804	–	695,433	14,729	1,216,455	–	1,216,455
Net book value:										
At 31 December 2023	163,060	1,005,579	25,603	11,615	8,333	504,279	12,209	1,730,678	238,160	1,968,838

Note: The additions of construction in progress during 2023 mainly related to the construction of slaughterhouse and related facilities in Doumen District, Zhuhai City.

11 PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES (continued)

(b) Fair value measurement of properties

(i) *Fair value hierarchy*

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value at 31 December 2024 $'000	**Fair value measurements as at 31 December 2024 categorised into**		
		Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**
Recurring fair value measurement				
Investment properties:				
– Hong Kong	**33,200**	**–**	**–**	**33,200**
– The PRC	**154,735**	**–**	**–**	**154,735**

	Fair value at 31 December 2023 $'000	Fair value measurements as at 31 December 2023 categorised into		
		Level 1 $'000	Level 2 $'000	Level 3 $'000
Recurring fair value measurement				
Investment properties:				
– Hong Kong	69,400	–	–	69,400
– The PRC	168,760	–	–	168,760

(Expressed in Hong Kong dollars unless otherwise indicated)

11 PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES (continued)

(b) Fair value measurement of properties (continued)

(i) Fair value hierarchy (continued)

During the year ended 31 December 2024, there were no transfers between Level 1 and Level 2 or transfers into or out of Level 3 (2023: None). The Group's policy is to recognise transfers between the levels of fair value hierarchy as at the end of the reporting period in which they occur.

Investment properties of the Group situated in Hong Kong with an aggregate value of $33,200,000 (2023: $69,400,000) were revalued at 31 December 2024 by an independent firm of surveyors, Jones Lang LaSalle Limited (31 December 2023: RHL Appraisal Limited), who have among their staff members of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. Investment properties of the Group situated in the PRC totalling $154,735,000 (2023: $168,760,000) were revalued at 31 December 2024 by an independent firm of surveyors, Jones Lang LaSalle Limited (31 December 2023: RHL Appraisal Limited), who have among their staff members of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. During the year, the Group transferred from investment properties to property, plant equipment amounted to $33,400,000 (31 December 2023: $28,800,000) at fair value upon change in use. The chief financial officer has discussions with the surveyors about the valuation assumptions and valuation results when valuations are performed at each interim and annual report date.

(ii) Information about Level 3 fair value measurements

As at 31 December 2024

Investment properties	Valuation techniques	Unobservable input	Range
Hong Kong – Office	Income capitalisation approach	Term yield	2.9% to 3.1%
		Reversionary yield	2.9% to 3.1%
		Market rent per square foot per month	$14.7 to $44.4
The PRC – Retail	Income capitalisation approach	Term yield	4.9% to 5.1%
		Reversionary yield	5.4% to 5.6%
		Market rent per square foot per month	$9.1 to $9.3
The PRC – Land	Market comparison approach	Market price per square foot	$91 to $120
The PRC – Dormitories and plant	Market comparison approach	Market price per square foot	$97 to $176

(Expressed in Hong Kong dollars unless otherwise indicated)

11 PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES (continued)

(b) Fair value measurement of properties (continued)

(ii) Information about Level 3 fair value measurements (continued)

As at 31 December 2023

Investment properties	Valuation techniques	Unobservable input	Range
Hong Kong – Office	Income capitalisation approach	Term yield	2.2% to 2.4%
		Reversionary yield	2.4% to 2.6%
		Market rent per square foot per month	$45 to $49.5
The PRC – Retail	Market comparison approach	Market price per square foot	$1,704 to $1,852
The PRC – Land	Market comparison approach	Market price per square foot	$108 to $135
The PRC – Dormitories and plant	Income capitalisation approach	Term yield	4.9% to 5.1%
		Reversionary yield	5.4% to 5.6%
		Market rent per square foot per month	$0.9 to $1.3

The fair value of investment properties located in Hong Kong is determined by taking into account the net rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the fair value at an appropriate capitalisation rate. The fair value measurement is positively correlated to the market rent per square foot per month, and negatively correlated to the term yield and reversionary yield.

The fair value of investment properties located in the PRC is determined using a market comparison approach by reference to recent sales prices for comparable properties on a price per square metre basis, adjusted for a premium or a discount specific to the quality of the Group's buildings and land compared to the recent sales. Higher premiums for higher quality buildings and land will result in a higher fair value measurement. The fair value of certain investment properties located in the PRC is determined using income capitalisation approach.

The movements during the year in the balance of these Level 3 fair value measurements are set out in note 11(a).

Fair value adjustment of investment properties is recognised in the line item "valuation losses on investment properties" on the face of the consolidated statement of profit or loss.

11 PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES (continued)

(b) Fair value measurement of properties (continued)

(ii) Information about Level 3 fair value measurements (continued)

Exchange adjustment of investment properties is recognised in other comprehensive income in "exchange reserve".

All the losses recognised in profit or loss for the year arise from the properties held by the Group at the end of the reporting period.

(c) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Note	2024 $'000	2023 $'000
Ownership interests in leasehold land held for own use, carried at depreciated cost, with remaining lease term between 10 and 50 years	(i)	**199,816**	163,060
Other properties leased for own use, carried at depreciated cost	(ii)	**34,308**	25,603
Ownership interests in leasehold investment properties, carried at fair value, with remaining lease term of:			
– 50 years or more		**33,200**	69,400
– between 10 and 50 years		**154,735**	168,760
		187,935	238,160
		422,059	426,823

11 PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES (continued)

(c) Right-of-use assets (continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2024 **$'000**	2023 $'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Ownership interests in leasehold land for own use	**6,479**	6,069
Other properties leased for own use	**16,668**	11,759
	23,147	17,828
Interest on lease liabilities (note 5(a))	**926**	498
Expense relating to short-term leases	**2,875**	3,634
Variable lease payments not included in the measurement of lease liabilities	**3,682**	3,520

During the year ended 31 December 2024, additions to right-of-use assets were $25,708,000, which related to the acquisition of subsidiaries and capitalised lease payments payable under new tenancy agreements (2023: $6,155,000 related to the acquisition of subsidiaries and capitalised lease payments payable under new tenancy agreements).

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 19(c) and 25(b), respectively.

(i) Ownership interests in leasehold land held for own use

The Group is the registered owner of the land on which industrial buildings for its tinplating business and slaughtering business are located. Lump sum payments were made upfront to acquire these property interests from the relevant government authorities, and there are no ongoing payments to be made under the terms of the land lease.

(ii) Other properties leased for own use

The Group has obtained the right to use other properties as its office and fresh and live foodstuffs distribution centre through tenancy agreements. The leases typically run for an initial period of 3 to 5 (2023: 3 to 5) years.

11 PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES (continued)

(d) Investment property

The Group leases out investment property under operating leases. The leases typically run for an initial period of 1 to 5 years (2023: 1 to 10 years), with an option to renew the leases upon expiry at which time all terms are renegotiated. None of the leases includes variable lease payments.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2024 **$'000**	2023 $'000
Within 1 year	**9,820**	9,453
After 1 year but within 2 years	**4,942**	7,322
After 2 years but within 3 years	**4,543**	1,673
After 3 years but within 4 years	**2,690**	875
After 4 years but within 5 years	**663**	666
	22,658	19,989

12 GOODWILL AND BUSINESS COMBINATION

	2024 **$'000**	2023 $'000
Acquisition of:		
– GDH Food (Foshan) Company Limited	**1,415**	1,415
– Brilliant Food Products Limited ("Brilliant Food")	**22,390**	22,390
– GDH Food (Zhuhai) Company Limited ("GDH Food Zhuhai")*	**59,424**	60,722
– GDH Food (Guangzhou) Company Limited ("GDH Food Guangzhou")*	**1,347**	1,377
Cost and carrying amount at 31 December	**84,576**	85,904

* The movement solely represented the exchange difference.

12 GOODWILL AND BUSINESS COMBINATION (continued)

Impairment tests for cash-generating units ("CGUs") containing goodwill:

a) Brilliant Food

The recoverable amount of Brilliant Food is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The cash flows are discounted using a pre-tax discount rate of 13.7% (2023: 13.8%). The revenue growth rates applied to the cash flow projections ranges from 2.5% to 35% (2023: from 0% to 25.2%). The gross margins applied to the cash flow projections ranges from 5.9% to 6.1% (2023: from 8.2% to 10.1%).

As at 31 December 2024, the recoverable amount of Brilliant Food was determined to be higher than its carrying amount. Accordingly, no impairment loss was recognised during the year for goodwill arising from the acquisition.

b) GDH Food Zhuhai

The recoverable amount of GDH Food Zhuhai is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The cash flows are discounted using a pre-tax discount rate of the range from 11.8% to 12.9% (2023: 12.3% to 13.4%). The revenue growth rates applied to the cash flow projections ranges from 3.4% to 15.5% (2023: from 5.7% to 101.8%). The gross margins applied to the cash flow projections ranges from 2.9% to 4.3% (2023: from 3.5% to 6.0%).

As at 31 December 2024, the recoverable amount of GDH Food Zhuhai was determined to be higher than its carrying amount. Accordingly, no impairment loss was recognised during the year for goodwill arising from the acquisition.

13 INTEREST IN A JOINT VENTURE

On 25 April 2023, GDH Guangnan Investment Company Limited, a direct wholly-owned subsidiary of the Company, entered into the partnership agreement with GDH Private Equity Investment Fund Management Co., Ltd etc. Pursuant to the partnership agreement, the limited partnership was formed to invest principally in non-listed corporations engaging in the areas of prefabricated dishes, fresh and live foodstuffs retailing, advanced food processing, agricultural, food and catering supply chain, and agricultural technologies. The committed total capital contribution to the limited partnership by all partners was RMB100 million (equivalent to approximately HK$108,460,000), of which the capital contribution of GDH Guangnan Investment Company Limited was RMB10 million (equivalent to approximately HK$10,846,000).

Details of the joint venture are set out in note 34.

The joint venture is accounted for using the equity method in the consolidated financial statements.

13 INTEREST IN A JOINT VENTURE (continued)

The information of the joint venture that is not individually material:

	2024 $'000	2023 $'000
Carrying amount of individually immaterial joint venture in the consolidated financial statements	**10,877**	10,986
Amount of the Group's share of the joint venture's		
– Profit/(loss) for the year	**129**	(50)
– Other comprehensive income	**(238)**	190
– Total comprehensive income	**(109)**	140

14 INTERESTS IN ASSOCIATES

Details of the associates are set out in note 34.

All of the associates are accounted for using the equity method in the consolidated financial statements.

(a) Reversal of impairment loss on interest in an associate

During the year ended 31 December 2023, the recoverable amount of the Group's investment in Yellow Dragon was determined based on the expectation of receiving the residual funds after completion of the liquidation. As the recoverable amount of Yellow Dragon was greater than the carrying amount, a reversal of impairment loss of $23,764,000 was recorded.

The liquidation of Yellow Dragon was completed in June 2024 and a gain from liquidation of an associate of $30,110,000 was recognised in profit or loss.

14 INTERESTS IN ASSOCIATES (continued)

(b) Summarised financial information of associates

Summarised financial information of the material associates, adjusted for any differences in accounting policies and reconciled to the carrying amounts in the consolidated financial statements, is disclosed below:

	GDF Baojin Agricultural Technology Co., Ltd. ("Guangdong Baojin")	
	2024	2023
	$'000	$'000
Gross amounts of the associate's		
Current assets	**1,057,835**	998,292
Non-current assets	**762,559**	751,629
Current liabilities	**(894,703)**	(867,942)
Non-current liabilities	**(453,117)**	(494,537)
Shareholders' equity	**472,574**	387,442
Revenue	**1,717,234**	883,452
Profit/(loss) for the year	**95,739**	(248,945)
Other comprehensive income	**(10,607)**	(85,630)
Total comprehensive income	**85,132**	(334,575)
Reconciled to the Group's interests in the associate		
Gross amounts of net assets of the associate	**472,574**	387,442
Less: Non-controlling interest	**(30,848)**	(39,416)
Group's effective interest	**34%**	34%
Group's share of net assets of the associate	**150,187**	118,328
Carrying amount in the consolidated financial statements	**150,187**	118,328

Aggregate information of associate that is not individually material:

	2024	2023
	$'000	$'000
Aggregate carrying amount of individually immaterial associate in the consolidated financial statements	**–**	11,532
Aggregate amounts of the Group's share of the associate's		
– Loss for the year	**(10,827)**	(19,100)
– Other comprehensive income	**–**	(90)
– Total comprehensive income	**(10,827)**	(19,190)

As at 31 December 2024, the Group has not recognised the share of loss from associate of $11,696,000 (2023: $Nil) as the carrying amount of that associate is already reduced to nil.

15 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2024 $'000	2023 $'000
Provision for Hong Kong Profits Tax for the year	6,309	3,229
Provisional Profits Tax paid	(1,095)	(2,898)
	5,214	331
Taxation outside Hong Kong	9,482	16,595
	14,696	16,926
Representing:		
Current tax payable	14,696	16,926

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax liabilities/(assets) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Right-of-use assets $'000	Lease liabilities $'000	Depreciation allowances in excess of the related depreciation $'000	Revaluation of investment properties and other property, plant and equipment $'000	Write-down of inventories $'000	Withholding tax on undistributed profits of PRC subsidiaries and associates $'000	Tax loss $'000	Others $'000	Total $'000
Deferred tax arising from:									
At 1 January 2024	5,612	(3,277)	7,527	51,517	(1,522)	13,946	(3,700)	1,113	71,216
Exchange adjustments	(115)	(36)	(6)	854	10	(252)	38	764	1,257
Charged/(credited) to profit or loss	1,452	(1,714)	(1,620)	(2,167)	1,246	(69)	–	(3,785)	(6,657)
Credited to exchange reserve	–	–	–	–	–	–	–	(456)	(456)
At 31 December 2024	6,949	(5,027)	5,901	50,204	(266)	13,625	(3,662)	(2,364)	65,360
At 1 January 2023	7,324	(4,683)	7,590	53,694	(2,555)	15,479	(3,726)	1,066	74,189
Exchange adjustments	(40)	108	(192)	(1,881)	27	(182)	26	(44)	(2,178)
(Credited)/charged to profit or loss	(1,672)	1,298	129	(296)	1,006	(1,351)	–	369	(517)
Credited to exchange reserve	–	–	–	–	–	–	–	(278)	(278)
At 31 December 2023	5,612	(3,277)	7,527	51,517	(1,522)	13,946	(3,700)	1,113	71,216

15 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(b) Deferred tax assets and liabilities recognised: (continued)

(ii) Reconciliation to the consolidated statement of financial position

	2024 $'000	2023 $'000
Net deferred tax liabilities recognised in the consolidated statement of financial position	**65,360**	71,216

(c) Deferred tax assets not recognised:

In accordance with the accounting policy set out in note 1(s), the Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately $2.0 billion (2023: approximately $2.0 billion) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdictions and entities. The tax losses do not expire under the current tax legislation.

16 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	2024 $'000	2023 $'000
Raw materials, spare parts and consumables	**245,027**	213,166
Work in progress	**33,421**	46,641
Finished goods	**144,820**	226,521
	423,268	486,328

(b) An analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2024 $'000	2023 $'000
Carrying amount of inventories sold	**11,433,152**	9,794,001
Write-down/(reversal of write-down) of inventories	**7,421**	(6,705)
	11,440,573	9,787,296

17 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 $'000	2023 $'000
Trade debtors	**601,051**	350,842
Bills receivable	**267,213**	340,271
Other receivables, deposits and prepayments	**557,022**	346,713
Derivative financial instruments (note 25(e))	**–**	7
Trade and other receivables, deposits and prepayments (note (i))	**1,425,286**	1,037,833

Note:

(i) All of the trade and other receivables, deposits and prepayments of the Group are expected to be recovered or recognised as expense within one year for both years.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable, based on the past due date and net of loss allowance is as follows:

	2024 $'000	2023 $'000
Current or less than 1 month past due	**816,772**	685,083
1 to 3 months past due	**7,032**	1,655
Over 3 months to 1 year past due	**46,211**	4,028
Over 1 year past due	**5,319**	347
	875,334	691,113
Less: Expected credit losses	**(7,070)**	–
	868,264	691,113

The Group maintains a defined policy with credit periods ranging from advance payment to not more than 180 days.

Further details on the Group's credit policy and credit risk arising from trade debtors and bills receivable are set out in note 25(a).

18 PLEDGED DEPOSITS

As at 31 December 2024, deposits at banks of $9,374,000 (2023: $9,575,000) were pledged as securities for bills payable.

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	2024 **$'000**	2023 $'000
Deposits with banks	**238,620**	170,490
Cash at bank and on hand	**716,191**	865,438
Cash and cash equivalents in the consolidated statement of financial position and the consolidated cash flow statement	**954,811**	1,035,928

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank loans (note 22) $'000	**Loans from a fellow subsidiary (note 21) $'000**	**Lease liabilities (note 23) $'000**	**Total $'000**
At 1 January 2024	**733,608**	**189,540**	**16,500**	**939,648**
Changes from financing cash flows:				
Capital element of lease rentals paid	**–**	**–**	**(15,311)**	**(15,311)**
Interest element of lease rentals paid	**–**	**–**	**(926)**	**(926)**
Proceeds from loans from a fellow subsidiary	**–**	**459,761**	**–**	**459,761**
Repayment to loans from a fellow subsidiary	**–**	**(151,524)**	**–**	**(151,524)**
Proceeds from bank loans	**373,254**	**–**	**–**	**373,254**
Repayment of bank loans	**(617,256)**	**–**	**–**	**(617,256)**
Interest paid	**(20,358)**	**(10,556)**	**–**	**(30,914)**
Total changes from financing cash flows	**(264,360)**	**297,681**	**(16,237)**	**17,084**
Exchange adjustments	**(3,018)**	**(4,053)**	**(154)**	**(7,225)**
Other changes:				
Increase in lease liabilities from entering into new leases during the year	**–**	**–**	**25,708**	**25,708**
Interest expenses (note 5(a))	**20,358**	**10,556**	**926**	**31,840**
Total other changes	**20,358**	**10,556**	**26,634**	**57,548**
At 31 December 2024	**486,588**	**493,724**	**26,743**	**1,007,055**

(Expressed in Hong Kong dollars unless otherwise indicated)

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

(b) Reconciliation of liabilities arising from financing activities (continued)

	Bank loans (note 22) $'000	Loans from a fellow subsidiary (note 21) $'000	Lease liabilities (note 23) $'000	Total $'000
At 1 January 2023	913,486	83,088	22,254	1,018,828
Changes from financing cash flows:				
Capital element of lease rentals paid	–	–	(10,860)	(10,860)
Interest element of lease rentals paid	–	–	(498)	(498)
Proceeds from loans from a fellow subsidiary	–	147,957	–	147,957
Repayment to loans from a fellow subsidiary	–	(39,586)	–	(39,586)
Proceeds from bank loans	280,117	–	–	280,117
Repayment of bank loans	(456,746)	–	–	(456,746)
Interest paid	(32,707)	(4,774)	–	(37,481)
Total changes from financing cash flows	(209,336)	103,597	(11,358)	(117,097)
Exchange adjustments	(3,249)	(1,919)	130	(5,038)
Other changes:				
Increase in lease liabilities from entering into new leases during the year	–	–	6,155	6,155
Decrease in lease liabilities from disposal of leases during the year	–	–	(1,179)	(1,179)
Interest expenses (note 5(a))	32,707	4,774	498	37,979
Total other changes	32,707	4,774	5,474	42,955
At 31 December 2023	733,608	189,540	16,500	939,648

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

(c) Total cash outflow for leases

Amounts included in the cash flow statement for lease rentals paid comprise the following:

	2024 $'000	2023 $'000
Within operating cash flows	**6,557**	7,154
Within financing cash flows	**16,237**	11,358
	22,794	18,512

20 TRADE AND OTHER PAYABLES

	2024 $'000	2023 $'000
Trade creditors	**170,758**	161,070
Bills payable	**391,792**	340,466
Other payables and accrued charges	**318,638**	390,909
Contract liabilities	**83,740**	50,342
Amounts due to fellow subsidiaries (note (i))	**206**	183
Derivative financial instruments (note 25(e))	**607**	691
	965,741	943,661

Notes:

(i) The amounts due to fellow subsidiaries are unsecured, interest-free and repayable on demand.

(ii) All of the Group's trade and other payables are expected to be settled or recognised as income within one year.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Sale of fresh and live foodstuffs and slaughtering service

When the Group receives a deposit before the sale and slaughtering activity commences this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the sale exceeds the amount of the deposit. The amount of the deposit is negotiated on a case by case basis with customers.

Sale of tinplate products

When the Group receives a deposit before the sale activity commences this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the sale exceeds the amount of the deposit. The amount of the deposit is negotiated on a case by case basis with customers.

20 TRADE AND OTHER PAYABLES (continued)

Movements in contract liabilities

	2024 $'000	2023 $'000
Balance at 1 January	**50,342**	57,950
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(50,342)**	(57,950)
Increase in contract liabilities as a result of receiving deposits during the year	**83,740**	50,342
Balance at 31 December	**83,740**	50,342

As of the end of the reporting period, the ageing analysis of trade creditors and bills payable (which are included in trade and other payables) is as follows:

	2024 $'000	2023 $'000
Due within 1 month or on demand	**562,550**	477,833
Due after 1 month but within 3 months	**–**	23,703
	562,550	501,536

21 LOANS FROM A FELLOW SUBSIDIARY

As at 31 December 2024, the loans from a fellow subsidiary amounted to $189,295,000 (2023: $20,177,000) were unsecured, interest-bearing ranging from 2.2% to 2.8% (2023: 2.8% to 3.0%) per annum and repayable within one year. Loans from a fellow subsidiary amounted to $304,429,000 (2023: $169,363,000) were unsecured, interest-bearing ranging from 2.2% to 2.8% (2023: 2.9%) per annum and repayable after more than one year.

22 BANK LOANS

(a) The analysis of the repayment schedule of bank loans is as follows:

	2024 $'000	2023 $'000
Within one year or on demand	**327,356**	375,383
After 1 year but within 2 years	**1,947**	44,682
After 2 years but within 5 years	**25,926**	91,717
After 5 years	**131,359**	221,826
	159,232	358,225
	486,588	733,608

As at 31 December 2024, the fixed-rate bank loans amounted to $336,588,000 (2023: $463,608,000) were interest-bearing at rates ranging from 2.3% to 3.0% (2023: 2.3% to 3.8%) per annum. Variable rate bank loans amounted to $150,000,000 (2023: $270,000,000) was unsecured and with effective interest rate ranging from 4.39% to 5.69% (2023: effective interest rate at 5.24%) per annum.

(b) Assets pledged as security and covenants for bank loans

As at 31 December 2024, the bank loans were secured as follows:

	2024 $'000	2023 $'000
Bank loans		
– secured	**167,655**	380,942
– unsecured	**318,933**	352,666
	486,588	733,608

As at 31 December 2024, the Group's available banking facilities amounted to $2,746,420,000 (2023: $3,308,374,000), of which $812,853,000 (2023: $1,164,667,000) was utilised with drawdowns amounted to $486,588,000 (2023: $733,608,000). Certain portion of the banking facilities was secured by deposits (see note 18). The banking facilities include $280,774,000 (2023: $761,415,000) which were secured by mortgages over land and buildings with an aggregate carrying value of $160,456,000 (2023: $488,717,000). Part of the unsecured bank loans amounted to $120,000,000 (2023: $270,000,000) were provided in the facility agreements that the Company undertakes to the banks that it shall remain ultimately majority-owned (directly and/or indirectly) by Guangdong Holdings and remain majority-owned (directly and/or indirectly) by GDH. If the Company fails to perform any of its obligations under the facility agreements, then the lenders were entitled to request immediate repayment of these outstanding loans and all accrued interests.

All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 25(b). As at 31 December 2024 and 2023, none of the covenants of the facilities had been breached.

23 LEASE LIABILITIES

As at 31 December 2024, the lease liabilities were repayable as follows:

	2024 **$'000**	2023 $'000
Within 1 year or on demand	**14,296**	8,662
After 1 year but within 2 years	**12,447**	7,838
	26,743	16,500

24 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Share capital $'000	**Special capital reserve** $'000	**Retained profits** $'000	**Total** $'000
Balance at 1 January 2023	459,651	107,440	764,719	1,331,810
Changes in equity for 2023:				
Total comprehensive income for the year	–	–	5,975	5,975
Dividends approved in respect of the previous year	–	–	(18,152)	(18,152)
Dividends declared in respect of the current year	–	–	(9,076)	(9,076)
Balance at 31 December 2023 and 1 January 2024	**459,651**	**107,440**	**743,466**	**1,310,557**
Changes in equity for 2024:				
Total comprehensive income for the year	**–**	**–**	**36,881**	**36,881**
Dividends approved in respect of the previous year	**–**	**–**	**(18,152)**	**(18,152)**
Dividends declared in respect of the current year	**–**	**–**	**(9,076)**	**(9,076)**
Balance at 31 December 2024	**459,651**	**107,440**	**753,119**	**1,320,210**

24 CAPITAL AND RESERVES (continued)

(b) Share capital

	2024 Number of shares '000	**2024** $'000	2023 Number of shares '000	2023 $'000
Ordinary shares, issued and fully paid:				
At 1 January and 31 December	**907,593**	**459,651**	907,593	459,651

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(c) Nature and purpose of reserves

(i) ***Revaluation reserve***

The revaluation reserve has been set up and is dealt with in accordance with the accounting policy set out in note 1(i).

(ii) ***Special capital reserve***

The special capital reserve was created under the capital reorganisation of the Company which was completed in 2005. The Company had given an undertaking to the High Court of Hong Kong in relation to the amount credited to such reserve to the effect that such reserve will not be treated as realised profits and will not be distributable unless and until certain conditions have been fulfilled.

(iii) ***Exchange reserve***

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 1(w).

(iv) Other reserves represent statutory reserves of entities established in the PRC and reserves arising from business combination.

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost. The Group's capital comprises its equity.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

24 CAPITAL AND RESERVES (continued)

(d) Capital management (continued)

The Group monitors its capital structure on the basis of gearing ratio, calculated by dividing the net borrowings (being borrowings less pledged deposits and cash and cash equivalents) of the Group by total equity attributable to equity shareholders of the Company. It is the Group's strategy to keep the gearing ratio at a reasonable level. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or realise assets to reduce debt. At 31 December 2024 and 2023, the gearing ratio of the Group was as follows:

	2024	2023
	$'000	$'000
Pledged deposits	**9,374**	9,575
Cash and cash equivalents	**954,811**	1,035,928
Less: Borrowings	**(980,312)**	(923,148)
Net (debt)/cash	**(16,127)**	122,355
Equity attributable to equity shareholders of the Company	**2,592,751**	2,570,014
Gearing ratio	**0.6%**	N/A

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade debtors. The Group's exposure to credit risk arising from pledged deposits, cash and cash equivalents, bills receivable and derivative financial assets is limited because the counterparties are major financial institutions in the PRC and Hong Kong, for which the Group considers to have low credit risk.

Other receivables, deposits and prepayments and amounts due from associates are reviewed regularly, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

Trade debtors

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 4% (2023: 4.1%) and 12.6% (2023: 17.9%) of the total trade receivables was due from the Group's largest debtor and the five largest debtors respectively.

In respect of trade receivables relating to the tinplating business, deposits and bills or letters of credit are normally obtained from customers. Credit evaluations are performed on all customers requiring credit over a certain amount. Trade receivables are usually due within 1 to 3 months from the date of billing or the date of receipt of goods by the customers. For the foodstuffs trading business and slaughtering business, the credit period usually ranges from 1 to 3 months. For the distribution of fresh and live foodstuffs business, the credit period is usually less than 1 month. Cash deposits or financial guarantees from other parties are required for certain customers. For the Group's property leasing business, rental is collected 1 month in advance and rental deposits are obtained from the tenants. In general, debtors of the Group with balances that are more than 1 month overdue are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers except for a trade receivable of $30 million aged more than 3 months but less than 12 months due which the Group has obtained a guarantee from an independent third party.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. Given the Group has not experienced any significant credit losses in the past and there are insurance contracts to cover the potential exposure to credit risk of certain customers in the tinplating business, the allowance for expected credit losses is insignificant.

The following table provides information about the Group's exposure to credit risk and ageing analysis of trade debtors as at 31 December 2024:

	Gross carrying amount	
	2024	2023
	$'000	$'000
Current (not past due)	**545,252**	336,726
Less than 1 month past due	**4,307**	8,086
1 to 3 months past due	**7,032**	1,655
Over 3 months to 1 year past due	**46,211**	4,375
Over 1 year past due	**5,319**	–
Amounts past due	**62,869**	14,116
Less: Expected credit losses	**(7,070)**	–
	601,051	350,842

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management. However, except for placing fixed deposits with major financial institutions, the individual operating entities require approval from the Company regarding short-term investment of cash surpluses, participation in supplier finance arrangements with banks and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient reserves of cash and cash equivalents and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group is required to pay.

	2024 Contractual undiscounted cash outflow					
	Within 1 year or on demand $'000	**More than 1 year but less than 2 years $'000**	**More than 2 years but less than 5 years $'000**	**More than 5 years $'000**	**Total $'000**	**Carrying amount at 31 December $'000**
Trade and other payables	**881,394**	**–**	**–**	**–**	**881,394**	**881,394**
Lease liabilities	**15,601**	**13,055**	**–**	**–**	**28,656**	**26,743**
Bank loans	**337,301**	**6,167**	**30,094**	**141,802**	**515,364**	**486,588**
Loans from a fellow subsidiary	**200,233**	**7,285**	**123,905**	**210,494**	**541,917**	**493,724**
Financial liability at amortised cost	**15,000**	**–**	**–**	**–**	**15,000**	**14,645**
	1,449,529	**26,507**	**153,999**	**352,296**	**1,982,331**	**1,903,094**

	2023 Contractual undiscounted cash outflow					
	Within 1 year or on demand $'000	More than 1 year but less than 2 years $'000	More than 2 years but less than 5 years $'000	More than 5 years $'000	Total $'000	Carrying amount at 31 December $'000
Trade and other payables	892,628	–	–	–	892,628	892,628
Lease liabilities	9,273	7,925	–	–	17,198	16,500
Bank loans	390,048	56,778	121,917	265,547	834,290	733,608
Loans from a fellow subsidiary	25,646	4,912	181,675	–	212,233	189,540
Financial liability at amortised cost	–	15,000	–	–	15,000	14,299
	1,317,595	84,615	303,592	265,547	1,971,349	1,846,575

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk

The Group's exposure to the risk for changes in market interest rate relates primarily to the Group's debt obligations with a floating interest rate.

At 31 December 2024, it is estimated that a general increase of 100 (2023: 100) basis points or a general decrease of 10 (2023: 10) basis points in interest rates, with all other variables held constant, would have led to an increase of approximately $4,685,000 (2023: $2,700,000) or a decrease of approximately $468,000 (2023: $270,000) respectively in the Group's profit after taxation and retained profits.

The sensitivity analysis above indicates the exposure to cash flow interest rate risk arising from variable rate liabilities held by the Group at the end of the reporting period, the impact on the Group's profit after taxation (and retained profits) and other components of consolidated equity is estimated as an annualised impact on interest expense of such a change in interest rates. The analysis has been performed on the same basis for 2023.

(d) Currency risk

The Group is exposed to currency risk primarily through purchases from overseas suppliers and export sales to overseas customers that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is mainly the United States Dollars against Renminbi.

In respect of trade receivables and payables denominated in currencies other than the functional currency of the operations to which they relate, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates or entering into forward foreign exchange contracts where necessary to address short-term imbalances.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities (other than inter-company loans and current accounts) denominated in a currency other than the functional currency of the entity to which they relate.

	2024	
	United States Dollars '000	Renminbi '000
Trade and other receivables, deposits and prepayments	8,586	213
Cash and cash equivalents	2,722	3,864
Trade and other payables	(7,384)	(252)
Gross exposure arising from recognised assets and liabilities	3,924	3,825

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(i) Exposure to currency risk (continued)

	2023	
	United States Dollars '000	Renminbi '000
Trade and other receivables, deposits and prepayments	3,969	–
Cash and cash equivalents	5,783	349
Trade and other payables	(1,181)	(27)
Gross exposure arising from recognised assets and liabilities	8,571	322
Notional amounts of forward foreign exchange contracts	500	–
Net exposure arising from recognised assets and liabilities	9,071	322

At 31 December 2024, the Group was also exposed to currency risk arising from intercompany current accounts amounting to HK$140,000,000 (2023: HK$140,000,000) and RMB61,000,000 (equivalent to $65,874,000) (2023: RMB61,000,000 (equivalent to $67,314,000)) which were not in the functional currency of the relevant companies.

(ii) Sensitivity analysis

The sensitivity analysis set out below indicates the instantaneous change in the Group's profit after taxation (and retained profits) and other components of consolidated equity that would have arisen if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

At 31 December 2024, it is estimated that if United States Dollars had weakened or strengthened by 3% (2023: 3%) against Renminbi with all other variables held constant, the Group's profit after taxation and retained profits would have been decreased or increased by $787,000 (2023: $778,000) respectively.

At 31 December 2024, it is estimated that if Renminbi had strengthened or weakened by 3% (2023: 3%) against Hong Kong Dollars with all other variables held constant, the Group's results and retained profits would have been decreased or increased by $81,000 (2023: $1,642,000) respectively.

The analysis is prepared under the assumption that, the pegged rate between Hong Kong Dollars and United States Dollars would be materially unaffected by any changes in movement in value of United States Dollars against other currencies. That is, for entities with Hong Kong Dollars as their functional currency, United States Dollars denominated assets and liabilities are assumed to have no currency risk exposure.

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis (continued)

Results of the analysis as presented above represent an aggregation of the instantaneous effects on each of the Group entities' profit after taxation and equity measured in the respective functional currencies, translated into Hong Kong Dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the Group which expose the Group to currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis has been performed on the same basis for 2023.

(e) Fair value measurement

(i) Financial instruments measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs.

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(e) Fair value measurement (continued)

(i) Financial instruments measured at fair value (continued)

Fair value hierarchy (continued)

Valuation reports on fair value measurement of financial instruments are prepared by the financial institutions. The chief financial officer has discussions with these financial institutions about the valuation assumptions and valuations results when the valuations are performed at each interim and annual reporting date.

	Fair value at 31 December 2024 $'000	**Fair value measurements as at 31 December 2024 categorised into**		
		Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**
Recurring fair value measurements:				
Liability:				
Derivate financial instruments (note 20)	**607**	**–**	**–**	**607**

	Fair value at 31 December 2023 $'000	Fair value measurements as at 31 December 2023 categorised into		
		Level 1 $'000	Level 2 $'000	Level 3 $'000
Recurring fair value measurements:				
Asset:				
Forward foreign exchange contracts (note 17)	7	–	7	–
Liability:				
Derivate financial instruments (note 20)	691	–	–	691

During the years ended 31 December 2024 and 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between the levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of forward foreign exchange contracts in Level 2 is determined by discounting the contractual forward price and deducting the current spot rate. The discount rate used is derived from the relevant yield curve as at the end of the reporting period plus an adequate constant credit spread.

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(e) Fair value measurement (continued)

(i) Financial instruments measured at fair value (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of derivate financial instruments in Level 3 is determined by using binomial option pricing model.

(ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2024 and 2023.

26 COMMITMENTS

Capital commitments outstanding at 31 December 2024 not provided for in the financial statements were as follows:

	2024	2023
	$'000	$'000
Contracted for	**5,086**	8,692
Authorised but not contracted for	**376,385**	28,444
	381,471	37,136

The capital commitments outstanding at 31 December 2024 mainly are related to the construction of slaughtering house and renovation of production equipment of tinplating business.

27 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

(a) Transactions with related parties

The Group had the following transactions with the related parties during the year which the directors consider to be material:

	Note	**2024** **$'000**	2023 $'000
Commission receivable/received from associates	(i)	**6,062**	17,086
Interest expense payable/paid to a fellow subsidiary	(ii)	**10,556**	4,774
Sales of goods to fellow subsidiaries	(iii)	**2,026**	–
Purchases of goods from associates	(iv)	**331,181**	188,172
Purchases of electricity from a fellow subsidiary	(v)	**51,150**	39,550
Interest expenses paid/payable to a related party	(vi)	**–**	353

Notes:

(i) This represents commission earned for services rendered to associates in respect of distribution of fresh and live foodstuffs.

(ii) This represents interest expense on loans from a fellow subsidiary.

(iii) This represents sales of goods to fellow subsidiaries in respect of trading of fresh and live foodstuffs.

(iv) This represents purchases of goods from associates in respect of trading of fresh and live foodstuffs.

(v) This represents purchases of electricity from a fellow subsidiary.

(vi) The represented interest expenses on amount due to a non-controlling shareholder.

(vii) Balances with related parties at 31 December and their settlement terms are disclosed in notes 17 and 20 in the financial statements.

(b) Applicability of the Listing Rules relating to connected transactions

The related party transactions that in respect of purchases of electricity from a fellow subsidiary above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are set out in "Transactions Disclosed in Accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited" section of the annual report on page 113. The related party transactions in respect of distribution and trading of fresh and live foodstuffs with associates and loans to an associate do not fall under the definition of connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

27 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Transactions with other state-controlled entities in the PRC

The Group is a state-controlled entity and operates in an economic regime currently dominated by entities directly or indirectly controlled by the PRC government ("state-controlled entities") through its government authorities, agencies, affiliations and other organisations.

Other than those transactions disclosed elsewhere in these financial statements, the Group also conducts business activities with other state-controlled entities which include but are not limited to the following:

- Sales and purchase of goods and ancillary materials;
- Rendering and receiving services;
- Lease of assets; and
- Purchase of property, plant and equipment.

These transactions are conducted in the ordinary course of the Group's business on terms comparable to those with other entities that are not state-controlled. The Group has established its buying, pricing strategy and approval process for purchases and sales of products and services. Such buying, pricing strategy and approval processes do not depend on whether the counterparties are state-controlled or not.

Having considered the potential transactions impacted by related party relationships, the Group's pricing strategy, buying and approval process, and what information would be necessary for an understanding of the potential effects of the transactions on the financial statements, the directors are of the opinion that there are no other transactions that require disclosure as related party transactions.

(d) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 7 is as follows:

	2024 **$'000**	2023 $'000
Short-term employee benefits	**5,178**	10,059
Post-employment benefits	**993**	1,317
	6,171	11,376

Total remuneration is included in "staff costs" (see note 5(b)).

28 RETIREMENT BENEFITS SCHEME

(a) MPF scheme

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees in Hong Kong under the jurisdiction of the Hong Kong Employment Ordinance. The assets of the MPF Scheme are held separately from those of the Group and administered by an independent trustee. Under the MPF Scheme, the Group and its employees are each required to make a contribution to the Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of $30,000 (the "Cap"). The amounts in excess of the Cap are contributed to the MPF Scheme by both employers and employees as voluntary contributions. Mandatory contributions to the MPF Scheme are vested to the employees immediately. Any unvested balance from voluntary contributions is refunded to the Group.

Employees engaged by the Group outside Hong Kong are covered by the appropriate local defined contribution retirement schemes pursuant to the local labour rules and regulations.

For defined contribution pension plans with vesting conditions, any forfeited contributions by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions are not used by the employer to reduce any future contributions.

The Group's pension cost charged to the consolidated statement of profit or loss for the year ended 31 December 2024 was $25,836,000 (2023: $24,269,000).

(b) Long service payment liabilities

The Group is obligated to pay long service payment to qualifying employees in Hong Kong with a minimum of 5 years employment period upon retirement or termination of employment under certain circumstances, in accordance with the Hong Kong Employment Ordinance (the "Employment Ordinance"). Long service payment is calculated based on the last monthly salary of the employees and the number of years of service. There are provisions under the Employment Ordinance permitting employers to offset employees' long service payment against the accrued benefits attributable to employer's contributions to the MPF Scheme.

In June 2022, the Hong Kong SAR Government gazetted the Amendment Ordinance, which will eventually abolish the statutory right of an employer to reduce its LSP payable to a Hong Kong employee by drawing on its mandatory contributions to the MPF scheme. In July 2023, the HKICPA published "Accounting implications of the abolition of the mandatory provident fund long service payment offsetting mechanism in Hong Kong" that provides guidance on the accounting considerations relating to the offsetting mechanism and the abolition of the mechanism.

The movements of LSP recognised during the year are as follows:

	2024 **$'000**	2023 $'000
At 1 January	**–**	–
Provision for past service cost	**1,125**	–
Current service cost	**474**	–
At 31 December	**1,599**	–

(Expressed in Hong Kong dollars unless otherwise indicated)

29 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2024 $'000	2023 $'000
Non-current assets			
Investment properties		**248,000**	269,100
Property, plant and equipment		**2,378**	232
		250,378	269,332
Investments in subsidiaries		**1,444,530**	1,465,137
Investment in an associate		**–**	23,749
		1,694,908	1,758,218
Current assets			
Other receivables, deposits and prepayments		**104,952**	38,086
Loans to subsidiaries		**–**	93,493
Cash and cash equivalents		**16,173**	28,578
		121,125	160,157
Current liabilities			
Bank loan		**120,000**	270,000
Loans from a subsidiary		**19,438**	19,863
Other payables		**37,652**	34,497
		177,090	324,360
Net current liabilities		**(55,965)**	(164,203)
Total assets less current liabilities		**1,638,943**	1,594,015
Non-current liability			
Loans from a subsidiary		**318,733**	283,458
		318,733	283,458
NET ASSETS		**1,320,210**	1,310,557
CAPITAL AND RESERVES	24(a)		
Share capital		**459,651**	459,651
Reserves		**860,559**	850,906
TOTAL EQUITY		**1,320,210**	1,310,557

Approved and authorised for issue by the board of directors on 21 March 2025.

Yang Zhe
Director

Chau Wang Kei
Director

(Expressed in Hong Kong dollars unless otherwise indicated)

30 IMMEDIATE AND ULTIMATE HOLDING COMPANY

The directors consider the immediate and ultimate holding company at 31 December 2024 to be GDH Limited and Guangdong Holdings Limited respectively. GDH Limited is incorporated in Hong Kong and Guangdong Holdings Limited is established in the PRC and majority owned by the People's Government of Guangdong Provinces in the PRC. Guangdong Holdings Limited produces financial statements available for public use.

31 SUBSEQUENT EVENTS

After the end of the reporting period, the directors proposed a final dividend. Further details are disclosed in note 9(a).

32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, *The effects of changes in foreign exchange rates: Lack of exchangeability*	1 January 2025
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statement*	1 January 2027
HKFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

(Expressed in Hong Kong dollars unless otherwise indicated)

33 LIST OF PRINCIPAL SUBSIDIARIES

Particulars of the subsidiaries which principally affected the results, assets and liabilities of the Group at 31 December 2024 are as follows:

Name of subsidiary	Place of incorporation or establishment/ place of operations	Class of shares held	Particulars of issued and paid up capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Company	a subsidiary	Principal activities
GDH Guangnan Investment Company Limited	The PRC	N/A	US$100,000,000	100%	–	Investment holding
GDH Guangnan Hong Company Limited	Hong Kong	Ordinary	$153,916,728	100%	–	Distribution and sales fresh and live foodstuffs
GDH Guangnan Live Pigs Trading Limited*	Hong Kong	Ordinary	$12,000,000	–	51%	Distribution of live pigs
GDH Zhongyue Industrial Material Limited	Hong Kong	Ordinary Non-voting deferred	$10 $230,000,000	–	100% Nil	Investment holding
GDH Zhongyue (Zhongshan) Tinplate Industry Co., Ltd.	The PRC	N/A	US$84,252,800	–	100%	Production and sales of tinplate products and property leasing
GDH Zhongyue (Qinhuangdao) Tinplate Industrial Co., Ltd.	The PRC	N/A	US$30,000,000	–	100%	Production and sales of tinplate products
GDH Guangnan Hong (Guangdong) Company Limited	The PRC	N/A	RMB100,000,000	–	100%	Sales of fresh and live foodstuffs
GDH Food (Foshan) Company Limited*	The PRC	N/A	RMB172,857,200	–	65%	Provision of slaughter business
Brilliant Food Products Limited*	Hong Kong	Ordinary	$16,000,000	–	70%	Sales of fresh and live foodstuffs
GDH Dezhirun Food (Zhuhai) Company Limited*	The PRC	N/A	RMB60,000,000	–	66%	Investment holding
Zhuhai Runhehe Food Co., Ltd.*	The PRC	N/A	RMB100,000,000	–	66%	Provision of slaughter business
GDH Guanglong Food (Zhongshan) Company Limited*	The PRC	N/A	RMB8,600,000	–	66%	Provision of slaughter business
GDH Food (Guangzhou) Company Limited*	The PRC	N/A	RMB81,428,600	–	51%	Sales of fresh and live foodstuffs
Superior Victory Limited*	Hong Kong	Ordinary	$10,000,000	–	70%	Sales of fresh and live foodstuffs
GDH Lishui Food (Foshan) Co., Ltd.*	The PRC	N/A	RMB90,000,000	–	42.25%	Provision of slaughter business

* an equity joint venture

34 DETAILS OF A JOINT VENTURE AND ASSOCIATES

The following list contains the particulars of a joint venture and associates, except for Hubei Jinxu Agriculture Development Co., Ltd., all of which are unlisted corporate entities whose quoted market price is not available:

Name of joint venture/associate	Place of establishment and operations	Nature	Class of shares held	Proportion of nominal value of issued capital/ registered capital held by the Company	a subsidiary	Principal activities
Yellow Dragon Food Industry Co., Ltd. ("Yellow Dragon")*	The PRC	Associate	N/A	Nil (2023:40%)	–	Liquidated (Note (i))
Hubei Jinxu Agriculture Development Co., Ltd. ("Hubei Jinxu")*	The PRC	Associate	N/A	–	13.21%	Pig farming and sales of pigs and related activities (Note (ii))
GDF Baojin Agricultural Technology Co., Ltd. ("Guangdong Baojin")*	The PRC	Associate	N/A	–	34%	Pig farming and sales of pigs and related activities (Note (iii))
GDH Shunkong (Foshan) Food Industry Investment Corporation (Limited Partnership)*	The PRC	Joint venture	N/A	–	10%	Investment holding (Note (iv))

* an equity joint venture

Notes:

(i) Yellow Dragon was engaged in the processing and sale of corn food and feed products, enabling the Group to have exposure to this industry through the expertise of the joint venture partner. Yellow Dragon had completed its liquidation in June 2024.

(ii) Hubei Jinxu is engaged in pig farming, sales of pigs and related activities in Guangdong and Hubei, enabling the Group to maintain stable and premium quality sources of live pigs for distribution to Hong Kong. Hubei Jinxu was listed at National Equities Exchange and Quotations.

(iii) Guangdong Baojin is engaged in pig farming, sales of pigs and related activities in Guangdong, enabling the Group to maintain stable and premium quality sources of live pigs for distribution to Hong Kong.

(iv) GDH Shunkong (Foshan) Food Industry Investment Corporation (Limited Partnership) is formed to invest principally in non-listed corporations engaging in the areas of prefabricated dishes, fresh and live foodstuffs retailing, advanced food processing, agricultural, food and catering supply chain, and agricultural technologies.

Transactions Disclosed in Accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

During the year, the Group had the following connected transactions which are required to be disclosed in the annual report in accordance with the disclosure requirements of the Listing Rules. The transactions described in A to B below (collectively the "Transactions") are continuing connected transactions subject to annual review requirements under Rules 14A.55 to 14A.59 of the Listing Rules and reporting requirements under Rules 14A.49 and 14A.71 of the Listing Rules.

Details of the Transactions during the year were as follows:

A. On 15 December 2023, GDH Zhongyue (Zhongshan) Tinplate Industry Co., Ltd. ("GDH Zhongyue"), GDH Food Foshan, Zhuhai Runhehe Food Co., Ltd. ("Runhehe Food") and GDH Guanglong Food (Zhongshan) Co., Ltd.* ("Guanglong Food") entered into the 2024 electricity transaction agreement with Zhongshan GDH Energy Services Co., Ltd. ("GDH Energy Service") in relation to the purchase of electricity by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food (through the power grid operated by Guangdong Power Grid Company Limited) from GDH Energy Service for the period from 1 January 2024 to 31 May 2024.

   On 28 March 2024, GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food entered into the new electricity transaction agreement with GDH Energy Service, pursuant to which the period was from 1 June 2024 and 31 December 2024.

   For the year ended 31 December 2024, each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food purchased electricity from GDH Energy Service (through the power grid operated by Guangdong Power Grid Company Limited) for RMB37,057,000, RMB7,038,000, RMB2,141,000, RMB405,000 respectively ("Purchase of Electricity").

B. On 15 December 2023, the Company entered into the financial services agreement with GDH Finance Co., Ltd. ("GDH Finance"), of which GDH Finance provided certain financial services to the Group. For the year ended 31 December 2024, the Group has deposited at GDH Finance at the maximum daily balance (including interests) of RMB22,440,000 and has not used bills discounting services provided by GDH Finance.

The Independent Non-executive Directors of the Company have reviewed the Transactions set out above and have unanimously confirmed that these Transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Board including the Independent Non-Executive Directors also confirmed that:

(i) for the year ended 31 December 2024, the aggregate amount did not exceed the annual cap amount of RMB52,963,200 for the Purchase of Electricity as disclosed in the announcement dated 28 March 2024; and

(ii) for the year ended 31 December 2024, the maximum daily balance (including interests) of the Group did not exceed the annual cap amount of RMB23,000,000 as disclosed in the announcement dated 15 December 2023; and the aggregate amount of the used bills discounting service did not exceed the annual cap amount of RMB23,000,000 as disclosed in the announcement dated 15 December 2023.

The Company's auditor was engaged to report on the Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "*Assurance Engagements Other Than Audits and Reviews of Historical Financial Information*" and with reference to Practice Note 740 "*Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules*" issued by the HKICPA. The Company's auditor has issued their unqualified letter containing their findings and conclusions in respect of the Transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules.

Save as disclosed above, the Company does not have other disclosure obligations under Rule 13.21 of the Listing Rules.

Investment Properties

MAJOR PROPERTIES HELD FOR INVESTMENT

Location	Existing use	Group's interest	Category of the lease
29/F, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong	Commercial	100%	Long
Land, buildings and structure of GDH Zhongyue (Zhongshan) Tinplate Industry Co., Ltd., 25 Yanjiangdongyi Road, Torch Development Zone, Zhongshan, Guangdong Province, the PRC.	Industrial/ Residential	100%	Medium

Financial Summary

(Expressed in Hong Kong dollars)

RESULTS

	For the year ended 31 December				
	2024	2023	2022	2021	2020
	$'000	$'000	$'000	$'000	$'000
Revenue	**11,978,788**	10,385,807	8,311,752	4,855,567	2,538,001
Profit from operations	**236,146**	278,222	277,034	155,302	66,878
Valuation (losses)/gains on investment properties	**(13,378)**	(3,472)	1,675	(1,098)	(16,800)
Finance costs	**(30,704)**	(26,324)	(19,195)	(704)	(2,831)
Share of profit / (loss) of a joint venture	**129**	(50)	–	–	–
Share of profits / (losses) of associates	**24,683**	(127,053)	(56,436)	(72,305)	60,580
Reversal of impairment loss/(Impairment loss) on interest in an associate	**–**	23,764	–	–	(23,764)
Profit before taxation	**216,876**	145,087	203,078	81,195	84,063
Income tax	**(45,854)**	(52,310)	(50,042)	(9,666)	(11,171)
Profit for the year	**171,022**	92,777	153,036	71,529	72,892
Attributable to:					
Equity shareholders of the Company	**140,754**	65,924	135,673	54,062	69,899
Non-controlling interests	**30,268**	26,853	17,363	17,467	2,993
Profit for the year	**171,022**	92,777	153,036	71,529	72,892
Earnings per share					
Basic	**15.51 cents**	7.26 cents	14.95 cents	5.96 cents	7.70 cents
Diluted	**15.51 cents**	7.26 cents	14.95 cents	5.96 cents	7.70 cents
Dividend per share					
Interim	**1.00 cent**	1.00 cent	1.00 cent	1.00 cent	1.00 cent
Proposed final	**2.50 cents**	2.00 cents	2.00 cents	1.50 cents	1.50 cents

Financial Summary (continued)

(Expressed in Hong Kong dollars)

ASSETS AND LIABILITIES

	As at 31 December				
	2024	2023	2022	2021	2020
	$'000	$'000	$'000	$'000	$'000
Property, plant and equipment	**1,692,000**	1,730,678	1,581,249	1,233,481	620,345
Investment properties	**187,935**	238,160	272,878	286,875	450,265
	1,879,935	1,968,838	1,854,127	1,520,356	1,070,610
Goodwill	**84,576**	85,904	85,408	1,415	1,415
Interest in a joint venture	**10,877**	10,986	–	–	–
Interests in associates	**150,187**	153,609	261,210	353,908	279,209
Net current assets	**1,286,710**	1,204,855	962,005	1,162,769	1,471,485
Total assets less current liabilities	**3,412,285**	3,424,192	3,162,750	3,038,448	2,822,719
Non-current liabilities	**(555,449)**	(628,547)	(378,837)	(130,119)	(38,311)
Net assets	**2,856,836**	2,795,645	2,783,913	2,908,329	2,784,408
Share capital	**459,651**	459,651	459,651	459,651	459,651
Other reserves	**2,133,100**	2,110,363	2,114,242	2,219,573	2,118,346
Total equity attributable to equity shareholders of the Company	**2,592,751**	2,570,014	2,573,893	2,679,224	2,577,997
Non-controlling interests	**264,085**	225,631	210,020	229,105	206,411
Total equity	**2,856,836**	2,795,645	2,783,913	2,908,329	2,784,408

粵海廣南(集團)有限公司
GDH GUANGNAN (HOLDINGS) LIMITED