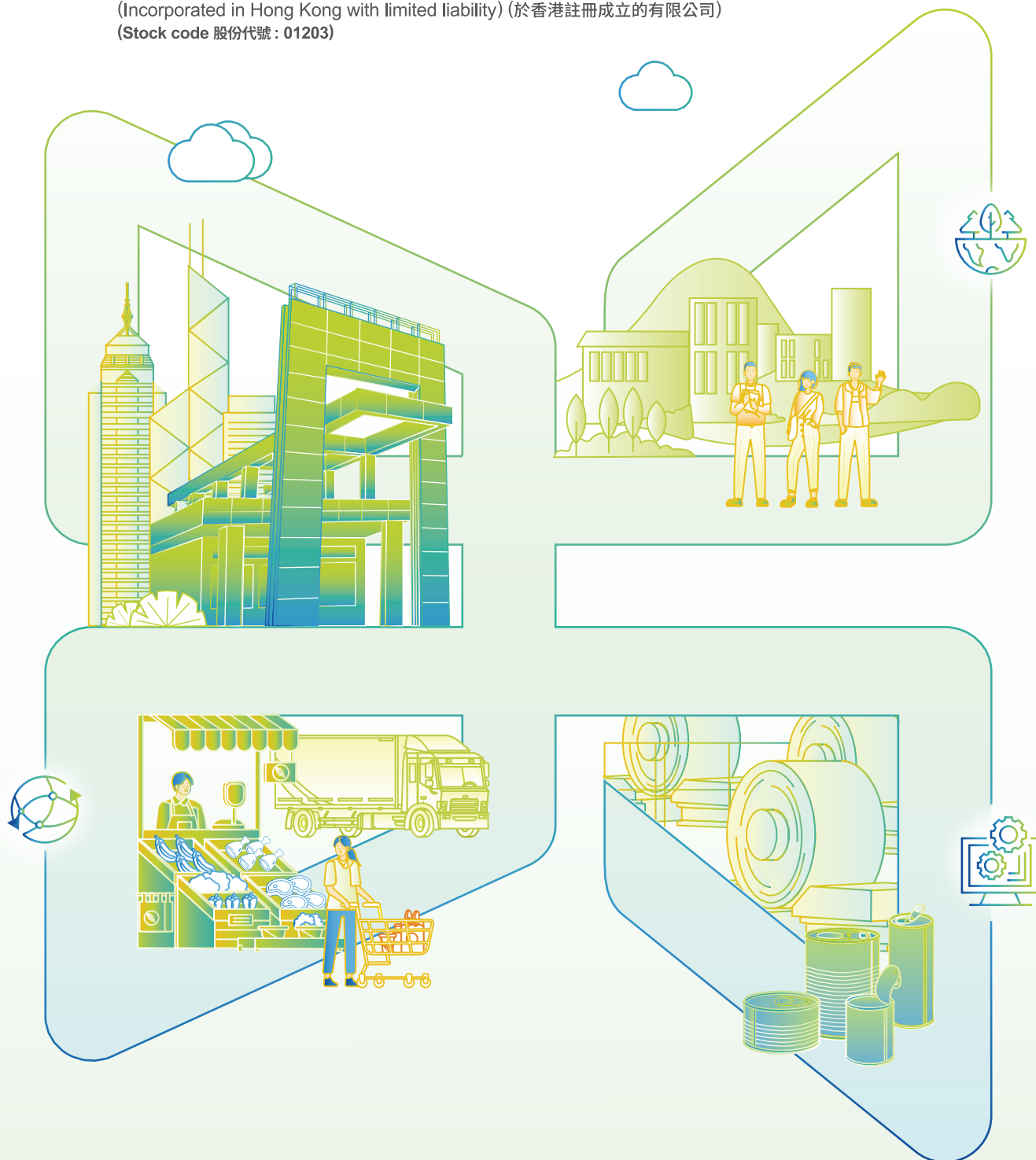




粵海廣南(集團)有限公司

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)



2025

ANNUAL REPORT

年報

Contents

Corporate Information	2
Financial Highlights	3
Chairman's Statement	4
Management Discussion and Analysis	7
Directors' Profile	11
Report of the Directors	13
Corporate Governance Report	26
Financial Report	
Independent Auditor's Report	37
Consolidated Statement of Profit or Loss	42
Consolidated Statement of Comprehensive Income	43
Consolidated Statement of Financial Position	44
Consolidated Statement of Changes in Equity	46
Consolidated Statement of Cash Flows	47
Notes to the Consolidated Financial Statements	49
Transactions Disclosed in Accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited	101
Investment Properties	104
Financial Summary	105

Corporate Information

(As at 31 March 2026)

BOARD OF DIRECTORS

Executive Directors

YANG Zhe (*Acting Chairman and Vice Chairman*)
LONG Wenfang (*General Manager*)

Non-Executive Directors

YU Huijuan
WEN Yinheng

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
YU Huijuan

COMPANY SECRETARY

CHAU Wang Kei

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Public Interest Entity Auditor registered in accordance
with the Accounting and Financial Reporting Council
Ordinance
35/F, One Pacific Place
88 Queensway, 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)	15 June 2026
Closure of Register of Members (for attending Annual General Meeting)	16 June 2026 to 22 June 2026
Annual General Meeting	22 June 2026
Last Share Registration Date (for payment of final dividend)	30 June 2026
Closure of Register of Members (for payment of final dividend)	2 July 2026 to 3 July 2026
Final Dividend	HK1.2 cents per share
Payment Date	20 July 2026

In this annual report, the English names of the PRC entities are translations of their Chinese names, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.

Financial Highlights

	For the year ended 31 December		
	2025 HK\$'000	2024 HK\$'000	Change
Revenue	12,140,367	11,978,788	1%
Profit from operations	187,638	236,146	-21%
Profit attributable to shareholders	111,616	140,754	-21%
Basic earnings per share	HK12.30 cents	HK15.51 cents	-21%
Dividend per share			
Interim	HK2.50 cents	HK1.00 cent	
Proposed final	HK1.20 cents	HK2.50 cents	
	HK3.70 cents	HK3.50 cents	6%

	At 31 December		
	2025 HK\$'000	2024 HK\$'000	Change
Total assets	5,169,248	4,938,314	5%
Shareholders' equity	2,710,226	2,592,751	5%
Net asset value per share ¹	HK\$2.99	HK\$2.86	5%
Closing market price per share	HK\$0.85	HK\$0.61	
Net cash ²	102,023	–	N/A
Net financial borrowings ³	–	16,127	N/A
Gearing ratio ⁴	–	0.60%	N/A

Notes:

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

2. Pledged deposits, cash and cash equivalents – borrowings

3. Borrowings – pledged deposits, cash and cash equivalents

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

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\$12,140 million in 2025, representing an increase of HK\$161 million or 1% from HK\$11,979 million in 2024. Consolidated profit attributable to equity shareholders of the Company was HK\$112 million, representing a decrease of 21% compared with HK\$141 million in 2024. The basic earnings per share was HK12.30 cents, representing a decrease of 21% from HK15.51 cents in 2024.

The Board of Directors of the Company (the "Board") recommends the payment of a final dividend of HK1.20 cents per share for the year 2025. Aggregating such dividend with the interim dividend of HK2.50 cents per share paid in October 2025, the total dividend for the entire year will be HK3.70 cents (2024: HK3.50 cents) per share, increased by 6%. The abovementioned final dividend for 2025, subject to the approval by the shareholders of the Company at the annual general meeting, is expected to be paid on 20 July 2026.

BUSINESS DEVELOPMENT

In respect of the fresh and live foodstuffs business, 2025 being the final year of the 14th Five-Year Plan, the Group anchors itself in the new development stage, implements the new development philosophy, accelerates industrial layout, and strives to strengthen, refine and expand its fresh and live foodstuffs business. The Group focuses on seizing the development opportunities in the fresh and live foodstuffs sector, takes a foothold in the "vegetable basket" market of the Guangdong-Hong Kong-Macao Greater Bay Area as the core, further consolidates the development foundation of its slaughtering business, and invests in the construction of an integrated industrial chain operation platform covering "livestock and poultry breeding — slaughtering and processing — cold chain distribution — fresh marketing". Meanwhile, the Group actively advances business transformation, steadily extends from slaughtering and processing to the branded meat sales track, scales back low-efficiency and high-risk trading operations, focuses on the food cutting and processing segment to foster new business growth drivers; implements the strategy of separating production and sales, explores the construction of a multi-level and full-coverage sales network system, and strives to achieve leapfrog development in the full-chain operation of fresh food products. In addition, the Group increases investment in the digital transformation of its business, optimizes the full-process control of its operations, reduces operating costs, builds a full-chain food traceability system, and effectively ensures product quality and safety. Guided by market demand and supported by scientific and technological innovation, the Group will accelerate the transformation of the development mode of the food industry, continuously optimize the industrial structure and layout, and enhance the comprehensive production and service capabilities and core competitiveness of its fresh and live foodstuffs business.

In respect of new investment projects and operations, the Group pressed ahead with the construction of the Lishui slaughterhouse project in 2025. Meanwhile, the Group continued to expand its retail terminal network in Hong Kong, further expanded the scale of its retail business, and enhanced product brand awareness and market recognition.

In respect of the tinplate business, in 2025, the average spot price of tinplate declined year-on-year, the overall industry supply increased, in particular, foreign trade exports became an important support for industry growth. Faced with the complex market environment, the Group adheres to a customer-centric approach and innovation-driven development, continuously enhance the core competitiveness of its product quality, processes and technologies, and strive to become the most reliable tinplate supply chain service provider for customers. The Group benchmarks against industry leaders,

Chairman's Statement (continued)

understand customers' operations and fully meet their needs. It expands the scale of its domestic business, while intensifying efforts to develop new overseas customers through exhibitions, visits and other means to ensure full utilization of production capacity. The Group adheres to a profit-oriented marketing strategy, integrate resources to improve tinplate capacity utilization, monitor operational trends, and optimize its business structure. We continue to monitor market conditions, enhance forecasting capabilities and adjust the pace of material procurement, effectively mitigate the adverse impact of commodity price fluctuations, and achieve stable operation of the tinplate business.

PROSPECTS

Looking ahead into 2026, the global macro environment will continue to undergo profound changes. The international situation is volatile, risks of geopolitical conflicts remain, and the restructuring of the global supply chain continues, all of which will bring uncertainties to economic development. However, driven by structural reforms and the innovation-driven strategy, the Chinese economy is expected to maintain a steady and progressive momentum, presenting new opportunities and challenges for the Group's strategic development.

In respect of the fresh and live foodstuffs business segment, the Group will take slaughtering as its core, further extend the food industry chain, accelerate its transformation from a slaughtering enterprise to a national leading enterprise in fresh meat sales, and advance the strategic reforms of business model upgrading, separation of production and sales, and supply chain digitalization. The Group will increase research and development investment, optimize its product mix, build food brands and raise the proportion of high value-added products. Besides, it will expedite the pace of digital transformation, develop a digital system for the fresh food supply chain, and comprehensively enhance operational efficiency and industrial chain synergy. Meanwhile, the Group will deeply integrate into the development of the "Vegetable Basket" initiative in the Guangdong-Hong Kong-Macao Greater Bay Area, further expand its regional market share and strengthen its market competitiveness.

In respect of the tinplate business, the Group will closely monitor industry development trends and respond to the market expectation of intensifying supply-demand imbalances. It will conduct technology innovation and research and development driven by market demand, leverage its product quality, technological advantages and innovation-driven approach to enhance product competitiveness, stabilize the operation and development of the business and consolidate its leading market position. Meanwhile, the Group will continuously strengthen cost control and improve production capacity utilization, enhance its risk resilience and achieve high-quality development of the tinplate business.

To address the complex and volatile market environment, the Group will implement the following strategic initiatives. In respect of innovation and expansion, the Group will explore new business models, accelerate the transformation from slaughtering to fresh meat sales, build food brands and foster new business growth drivers. In respect of risk management, the Group will improve its comprehensive risk management system, strengthen compliance management and enhance the modernization level of corporate governance. In respect of capital operation, the Group will conduct strategic investments and mergers and acquisitions in a timely manner to optimize its business portfolio through vertical integration and horizontal expansion of the industrial chain. In respect of regional synergy, the Group will deeply integrate into the development of the Guangdong-Hong Kong-Macao Greater Bay Area, fully leverage the regional policy advantages and industrial cluster effect to enhance its market competitiveness.

Chairman's Statement (continued)

Leveraging a strong financial structure and sufficient cash flow, the Group will strive to improve asset operation efficiency, optimize capital structure, ensure sustained and steady growth in operating results, and deliver consistent and stable investment returns to shareholders. Meanwhile, the Group will actively uphold the ESG principles, integrate sustainable development into corporate strategy, promote the green and low-carbon transformation of the industry through green production, energy conservation and emission reduction, and environmental upgrading, achieve the organic unity of economic and social benefits, support the achievement of the "dual carbon (雙碳)" goals, and drive 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 the numerous investors for their strong support to the Group, as well as to the management and all employees for their hard work and dedication to the Group.

Yang Zhe

Acting Chairman and Vice Chairman

Hong Kong, 31 March 2026

Management Discussion and Analysis

BUSINESS REVIEW

Fresh and Live Foodstuffs

In respect of our operation in Chinese Mainland, the Group continued to maintain the layout of the Group's slaughtering business in the Greater Bay Area and the live pig slaughtering volume of the Group was about 3.22 million heads in 2025, enabling the Group to rank among one of the top in terms of slaughtering volume in Guangdong Province. However, due to the impact of intensified regional competition and adjustment of pricing policy, the operating profits dropped year-on-year. In respect of our operation in Hong Kong, the swine price has turned downward and the overall market share in the live pigs supply into Hong Kong dropped to 48% year-on-year (2024: 49%), leading to a decreased profit for the business of live pigs supply to Hong Kong. Besides, the Group expanded in the foodstuff retail business and our retail stores have expanded up to 19 stores (2024: 15 stores). On the other hand, due to the challenging domestic economic environment affecting, among others, the food wholesale business, the Group evaluated and recorded a provision of impairment credit losses related to trade receivables at the amount of HK\$64.75 million. Nevertheless, the Group has been actively communicating with customers in relation to the outstanding receivables, and closely monitoring the settlement of these amounts, as well as has taken legal actions against certain debtors, so as to safeguard the Group's interests.

As a result of the aforesaid effort, the revenue and segment profit (excluding share of profits of associates) of the fresh and live foodstuffs business in 2025 increased by 0.4% to HK\$9,967 million and decreased by 40.8% to HK\$124 million respectively as compared to last year. In respect of the associate that engaged in pig farming and pig trading, with the effect of the dropped swine price in the third quarter of 2025, the profit growth for the associate has slowed down. Share of profit of the associate of the Group amounted to HK\$2.04 million (2024: share of profits of HK\$24 million), a decreased by HK\$21.96 million was noted. After addition of the share of profit of the associate, the segment profit of the fresh and live foodstuffs was HK\$126 million, decreased by HK\$108 million or 46%, as compared to that in 2024.

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 extra earnings to the Group.

Tinplating

Currently, the Group's annual production capacity of tinplate products is 490,000 tonnes. In 2025, the intensified competition of the tinplating industry caused a drop in the selling price of our tinplate products as compared to last year. Nevertheless, due to expansion of export sales, improvements of marketing mix and enhancement for cost reduction measures, an increase in profit of tinplating business year-on-year has been recorded.

The Group produced and sold about 330,000 tonnes of tinplate products, increased by 30,000 tonnes as compared to that in 2024. The revenue was HK\$2,154 million, an increase of HK\$123 million or 6% as compared to that in 2024. The revenue of the tinplating business accounted for 18% (2024: 17%) of the Group's revenue. The segment profit was HK\$85.16 million, an increase of HK\$46.65 million or 121% as compared to that in 2024.

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.

Management Discussion and Analysis (continued)

BUSINESS REVIEW (continued)

Property Leasing

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

In 2025, the property occupancy rate for the property leasing business of the Group was 85%, representing an increase of 1 percentage point as compared to that in 2024. Revenue was HK\$19.21 million, increase by HK\$1.18 million as compared to that in 2024. The segment profit amounted to HK\$8.07 million, at the same level as that in 2024. In addition, the value of investment properties held by the Group remained at the same level as that of last year (valuation losses on investment properties of HK\$13.38 million were recognised in 2024).

FINANCIAL POSITION

As at 31 December 2025, the Group's total assets and total liabilities amounted to HK\$5,169 million and HK\$2,165 million, representing an increase of HK\$231 million and HK\$84 million respectively when compared with the positions at 31 December 2024. Net current assets increased from HK\$1,287 million at 31 December 2024 to HK\$1,320 million at 31 December 2025. The current ratio (current assets divided by current liabilities) slightly decreased from 1.84 at 31 December 2024 to 1.81 at 31 December 2025.

Liquidity and Financial Resources

The Group's cash and cash equivalents as at 31 December 2025 was HK\$959 million, representing an increase of HK\$4.34 million when compared with the position at 31 December 2024, of which 84.0% was denominated in Renminbi, 1.3% was denominated in United States Dollars while the remaining balance was mainly denominated in Hong Kong Dollars. Interest income decreased from HK\$7.63 million in 2024 to HK\$6.22 million in 2025.

As at 31 December 2025, the Group's net cash (being pledged deposits and cash and cash equivalents less borrowings) was HK\$102 million. As the Group was in a net cash position, no gearing ratio was presented. 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%.

As at 31 December 2025, the Group's available banking facilities which are used for working capital and trade finance purposes amounted to HK\$3,184 million, of which HK\$1,154 million was utilised and HK\$2,030 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.

Capital Expenditure and Capital Commitments

The Group's capital expenditure in 2025 amounted to HK\$145 million (2024: HK\$54.37 million). Capital commitments outstanding at 31 December 2025 not provided for in the consolidated financial statements amounted to HK\$317 million (2024: HK\$381 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 2026 will be approximately HK\$317 million.

Management Discussion and Analysis (continued)

FINANCIAL POSITION (continued)

Acquisitions of Investments

On 6 August 2025, 粵海里水食品（佛山）有限公司 (GDH Lishui Food (Foshan) Co., Ltd.) ("GDH Lishui Food"), being a subsidiary of the Company, successfully won the bid for the land use rights of the land in Lishui Town, Foshan City, Guangdong Province, the PRC for the consideration of RMB56.16 million (equivalent to approximately HK\$61.66 million). GDH Lishui Food is constructing a slaughterhouse on the land.

On 30 September 2022, GDH Guangnan Hong Co., Ltd. ("GDH Guangnan Hong"), being a subsidiary of the Company, entered into the sale and purchase agreement and conditionally agreed to purchase the entire issued share capital of Brilliant Food Products Limited ("Brilliant Food") at an aggregate consideration of HK\$50 million. The acquisition would be completed in two stages. The first completion was completed and the consideration of HK\$35 million was paid on 10 October 2022. Upon the first completion, Brilliant Food was indirectly owned as to 70% by the Company. On 31 March 2026, as all the conditions precedent under the sale and purchase agreement (including the guaranteed profit) have been met, the second completion of purchasing the remaining 30% of the entire issued share capital of Brilliant Food took place with the consideration of HK\$15 million. Upon the second completion, Brilliant Food become an indirect wholly-owned subsidiary of the Company.

Except for the abovementioned matter, the Group had no other material acquisitions and disposals of investments as at the date of this report.

Pledge of Assets

As at 31 December 2025, deposits at bank of HK\$14.27 million (2024: HK\$9.37 million) were pledged as securities for bills payable.

As at 31 December 2025, banking facilities amounting to HK\$538 million (2024: HK\$281 million), of which HK\$172 million (2024: HK\$168 million) was utilised, were secured by mortgages over land and buildings with an aggregate carrying value of HK\$224 million (2024: HK\$160 million). Other than the above, none of the assets of the Group was pledged.

Contingent Liabilities

As at 31 December 2025, the Group had no material contingent liabilities.

Exchange Rate and Interest Rate Exposures

The Group's operations are mainly conducted in Chinese Mainland 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.

Management Discussion and Analysis (continued)

FINANCIAL POSITION (continued)

Exchange Rate and Interest Rate Exposures (continued)

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 2025, a forward foreign exchange contract of USD3.0 million (equivalent to HK\$23.40 million) against Renminbi were held by the Group. As at 31 December 2024, no forward foreign exchange contract were held by the Group.

The Group's interest rate risk arises primarily from pledged deposits, cash and cash equivalents, bank borrowings, 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 2025, the Group had a total of 1,517 full-time employees, an increase of 14 employees as compared to that of as at 31 December 2024. 312 employees were based in Hong Kong and 1,205 employees were based in Chinese Mainland. 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 2025, 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 31 March 2026)

EXECUTIVE DIRECTORS

Mr. Yang Zhe, aged 42, was appointed as an Executive Director of the Company in July 2022, and subsequently appointed as the Acting Chairman of the Board and Acting Chairman of the Nomination Committee of the Company in March 2025. In October 2025, he was redesignated as Vice Chairman of the Board. Mr. Yang also served as the General Manager of the Company from July 2022 to October 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.

Ms. Long Wenfang, aged 52, was appointed as an Executive Director and the General Manager of the Company in October 2025. She is also a director of a subsidiary of the Company. Ms. Long graduated from South China University of Technology in the PRC with a Bachelor of Engineering in Biochemistry, is a food processing engineer. Ms. Long has 30 years of experience in the food processing industry. She worked for GDH Supertime Group Co., Ltd. ("GDH Supertime") from 1996 to 2020, with her last position being Deputy General Manager. Ms. Long acted as the General Manager of 粵海物業管理有限公司 (Yuehai Property Management Co., Ltd.) ("Yuehai Property") from December 2020 to August 2025. From May 2023 to July 2025, Ms. Long participated in Guangdong Province's counterpart support work in the Xizang Autonomous Region and served as the Deputy Director of the State-owned Assets Supervision and Administration Commission of the People's Government of Linzhi City, Xizang Autonomous Region, and the Chairman of 林芝農墾易貢茶業有限公司 (Linzhi Agricultural Reclamation Yigong Tea Co., Ltd.). Both GDH Supertime and Yuehai Property are subsidiaries of Guangdong Holdings.

NON-EXECUTIVE DIRECTORS

Ms. Yu Huijuan, aged 55, was appointed as a Non-Executive Director of the Company in December 2024. She is a member of the Nomination Committee of the Company, and a director of a subsidiary of the Company. 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 a director of 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.

Mr. Wen Yinheng, aged 48, was appointed as a Non-Executive Director of the Company in March 2025. He is also a director of certain subsidiaries of the Company. Mr. Wen holds a Bachelor's degree in Economics from Jinan University, the PRC, and a Master of Commerce degree in International Professional Accounting from the University of New South Wales, Australia. Mr. Wen is also a non-executive director of Guangdong Land Holdings Limited ("GDL"), and a director of certain subsidiaries of Guangdong Holdings. He was an executive director and the managing director of Guangdong Investment Limited ("GDI") from November 2012 to March 2025. GDL and GDI are fellow subsidiaries of the Company and both are Hong Kong listed companies. He worked for Dalian Commodity Exchange between 2006 and 2011 and his last position was a director of the Surveillance Department. Mr. Wen worked at Guangdong Bureau and Listed Company Supervision Department of the China Securities Regulatory Commission from 2003 to 2006, supervising the merger, acquisition and restructuring activities of listed companies.

Directors' Profile (continued)

(As at 31 March 2026)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Gerard Joseph McMahon, aged 82, 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 72, 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 68, 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 12th & 13th National People's Congress of the People's Republic of China (第十二、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 Co., Ltd. (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, Mr. Yang Zhe and Ms. Long Wenfang.

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 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The subsidiaries of the Company are primarily engaged in the purchase and sales 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 Chinese Mainland.

The analysis of the principal activities and geographical locations of the businesses of the Group during the year are set out in note 6 to the financial statements.

RESULTS AND DIVIDENDS

The Group's consolidated results for the year ended 31 December 2025 and the Group's financial position as at that date are set out in the financial statements on pages 42 to 100.

An interim dividend of HK2.5 cents (2024: HK1.0 cent) per share was paid on 27 October 2025. The Directors recommended the payment of a final dividend of HK1.2 cents (2024: HK2.5 cents) per share for the year ended 31 December 2025.

The proposed final dividend, if approved at the 2026 Annual General Meeting of the Company (the "AGM"), is expected to be paid on Monday, 20 July 2026 to shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on Friday, 3 July 2026.

The register of members of the Company will be closed from Tuesday, 16 June 2026 to Monday, 22 June 2026 (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 Monday, 15 June 2026.

The register of members of the Company will be closed from Thursday, 2 July 2026 to Friday, 3 July 2026 (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 Tuesday, 30 June 2026.

Report of the Directors (continued)

DIVIDEND POLICY

The Company aims to generate stable and sustainable returns for its shareholders. In deciding whether to recommend the payment of any dividend and in determining the amount thereof, the Board will take into account the actual and expected financial performance and position of the Group (including operating income, operating cash flows and financial position), the Group's investment, financing and business needs, any contractual restrictions imposed on the payment of dividends, the then prevailing general economic conditions and outlook, the Group's past dividend payments, the dividend payout ratio of its peers and other factors that the Board may from time to time consider appropriate. The Company also aims to strike a balance between sharing of the Company's profit with the Shareholders and preserving sufficient funds for its development and operation.

The payment of dividend is subject to compliance with applicable laws and regulations including the laws of Hong Kong and the articles of association of the Company. There can be no assurance that dividends will be paid in any particular amount for any given period.

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 7 and 8 and Chairman's Statement on pages 4 to 6 respectively.

Details of the financial risk management of the Group are shown in note 28 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 8 to 10 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.

Report of the Directors (continued)

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 policies and trade receivables management policies to strengthen customer access review, 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 live pigs

The price of live pigs has a significant impact on the Group's slaughtering and live pig supply to Hong Kong businesses. A persistent decline in pig prices will result in losses at the breeding segment, which will materially affect the Group's associated companies engaged in pig farming, and the live pig supply to Hong Kong business will also see a reduction in profit as a result of the decline in live pig prices. To this end, the Group has strengthened supervision over the production and operation of its associated companies, strived to reduce production costs and mitigate the impact of falling pig prices. Meanwhile, the Group will continue to develop new farms supplying pigs to Hong Kong, increase high-quality supply sources, maintain market delivery volumes and stabilise its market share in the live pig supply to Hong Kong market. If pig prices continue to rise, it will adversely affect the slaughter volume of slaughtering enterprises. The Group's slaughtering enterprises will continue to develop new customers, deepen cooperation with agricultural markets and explore the establishment of distribution centres to increase slaughter volume and minimise the adverse impact caused by rising pig prices.

Report of the Directors (continued)

KEY RISK FACTORS (continued)

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. 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.

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 do not materialise or turns out to be incorrect.

Report of the Directors (continued)

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 14 to the financial statements.

Particulars of the major investment properties of the Group are set out on page 104.

PRINCIPAL SUBSIDIARIES, A JOINT VENTURE AND ASSOCIATES

Details of the Company's principal subsidiaries, a joint venture and associates as at 31 December 2025 are set out in notes 31 and 16 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.

DEBENTURES

The Company did not have any debentures in issue during the year ended 31 December 2025.

RESERVES

Profit attributable to shareholders of the Company of HK\$112 million (2024: HK\$141 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 35 to the financial statements respectively.

DISTRIBUTABILITY OF RESERVES

At 31 December 2025, 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\$557 million (2024: HK\$547 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 29 to the financial statements.

Report of the Directors (continued)

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the largest customer for the year ended 31 December 2025 represented 10.0% of the Group's total sales, and the combined total of sales to the five largest customers accounted for 17.3% of the Group's total sales for the year.

Purchases from the largest supplier for the year ended 31 December 2025 represented 3.0% 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 13.3% 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 five largest customers and suppliers.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognises the importance of environmental protection for corporate sustainable development and integrates it into its daily operations. The Group strictly adheres to international, Chinese Mainland and Hong Kong environmental regulations, and upholds the principles of green operation. By implementing relevant environmental protection policies and adopting advanced environmental technologies, the Group aims to improve resource utilization efficiency and ensure compliance with environmental management standards. In addressing climate change, the Group actively responds to the national goals of "peaking carbon by 2030 and achieving carbon neutrality by 2060" and the green transformation requirements of the 15th Five-Year Plan. The Group is committed to strengthening the identification and assessment of climate-related risks and opportunities that may have a significant impact on the Group's fresh and live foodstuffs business and tinplating business, and formulating targeted countermeasures.

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 2025 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\$98,000 (2024: HK\$99,000).

Report of the Directors (continued)

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five years ended 31 December 2025 is set out on pages 105 and 106.

DIRECTORS

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

Executive Directors

Yang Zhe

Long Wenfang (appointed on 30 October 2025)

Chen Benguang (resigned on 21 March 2025)

Chau Wang Kei (resigned on 30 October 2025)

Non-Executive Directors

Yu Huijuan

Wen Yinheng (appointed on 24 March 2025)

Wang Longhai (resigned on 24 March 2025)

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. Yang Zhe and Dr. Wong Yau Kar, David will retire by rotation. In addition, in accordance with Article 92 of the Articles of Association of the Company, Ms. Long Wenfang (appointed as an Executive Director on 30 October 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 2025 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.

Report of the Directors (continued)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2025, 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 2025.

(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 (Note)
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 2025.

Report of the Directors (continued)

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 (Note 1)
Yu Huijuan	Personal & family (Note 2)	1,336,144	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 2025.
2. Ms. Yu Huijuan held personal interests in 886,144 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 2025, 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.

Report of the Directors (continued)

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 2025. 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.

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 pages 101 to 103.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, 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 2025.
2. The attributable interest which Guangdong Holdings has in the Company is held through its 100% direct interest in GDH.

Report of the Directors (continued)

Save as disclosed above, as at 31 December 2025, 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 pages 101 to 103 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 9 June 2025

Pursuant to a facility letter entered into between the Company and a bank on 9 June 2025 (the “Facility Letter”) in relation to revolving term loan facility in the principal amount of HK\$400 million (the “Facility”) made available by the bank to the Company. The Facility shall terminate 360 days after 9 June 2025. The Company had 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, the bank may by notice to the Company terminate the Facility whereupon such Facility (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 as at 31 December 2025 amounted to HK\$86 million.

Report of the Directors (continued)

PROFIT GUARANTEE

Profit Guarantee in relation to acquisition of Brilliant Food

Pursuant to the sale and purchase agreement dated 30 September 2022 (the "Sale and Purchase Agreement"), Mr. Ngan Yik Kuen (the "Vendor") and Mr. Ngan Wai Yan (the "Guarantor"), jointly and severally, irrevocably and unconditionally warrant and guarantee to GDH Guangnan Hong that the profit before tax and deduction of employee bonuses of Brilliant Food during the period of three years after the first completion date (the "Guaranteed Period") as shown in its audited financial statements for the Guaranteed Period to be prepared by the auditors appointed by GDH Guangnan Hong in accordance with HKFRSs shall not in aggregate be less than HK\$23,000,000 (the "Guaranteed Profit").

Given that all the conditions precedent to the completion of the sale and purchase of the remaining 30% of the entire issued share capital of Brilliant Food (the "Second Completion") under the Sale and Purchase Agreement (including the Guaranteed Profit) have been met, the Second Completion took place on 31 March 2026. Upon the Second Completion, Brilliant Food has become an indirect wholly-owned subsidiary of the Company.

Details were disclosed in the Company's announcements dated 30 September 2022 and 31 March 2026.

Profit guarantee in relation to subscription of registered capital and capital increase in GDH Food (Guangzhou) Co., Ltd. ("GDH Food Guangzhou")

Pursuant to the capital increase agreement dated 6 November 2023 (as supplemented and amended by the amendment agreement dated 30 December 2024) (the "Agreements"), there was a profit guaranteed by Guangzhou Rural Fresh Trading Co., Ltd. (the "Original Shareholder") and Mr. Yang Yihai (the "Warrantor") to GDH Guangnan Investment Co., Ltd. ("Guangnan Investment", a wholly-owned subsidiary of the Company) that (i) the guaranteed net profit of GDH Food Guangzhou based on the audited financial statements of GDH Food Guangzhou (with unqualified audit opinions prepared in accordance with the PRC GAAP) issued by an accounting firm approved by Guangnan Investment for the period from the date of subscription completion to 31 December 2024, 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 GDH Food Guangzhou 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 GDH Food Guangzhou for the guaranteed periods shall be not less than RMB9,800,000. If GDH Food Guangzhou fails to achieve the guaranteed net profit, the Original Shareholder and the Warrantor undertake to Guangnan Investment that they will pay cash compensation to Guangnan Investment.

The compensation amount in respect of the first guarantee period is RMB617,000. As at the date of this report, the Original Shareholder and the Warrantor have not yet settled the aforesaid compensation due to their objections to the basis of its calculation. Since April 2025, Guangnan Investment has issued demand letters and has also engaged legal counsel to issue a demand letter to the Original Shareholder and the Warrantor. Guangnan Investment is currently assessing potential legal and other courses of actions in this regard with a view to achieving a commercially viable solution that is fair, reasonable, and in the interests of the Company and its shareholders as a whole.

Report of the Directors (continued)

According to the audited financial statements, GDH Food Guangzhou recorded an actual net loss of approximately RMB40,978,000 for the year ended 31 December 2025, and the shortfall against 80% of the relevant guaranteed net profit amounted to approximately RMB44,218,000. As such, the Original Shareholder and the Warrantor are required to pay to Guangnan Investment a cash compensation of approximately RMB18,371,000. Guangnan Investment has notified the Original Shareholder and the Warrantor in relation to the non-fulfillment of the guaranteed profit for the year ended 31 December 2025 and has requested payment of the cash compensation within the timeframe set out in the Agreements.

Further details were disclosed in the Company's announcements dated 6 November 2023, 8 November 2023, 30 December 2024, 21 March 2025 and 31 March 2026, as well as the annual report of the Company for the year ended 31 December 2024.

REVIEW OF ANNUAL RESULTS

The annual results of the Group for the year ended 31 December 2025 have been reviewed by the Audit Committee of the Company.

AUDITOR

Messrs. KPMG ("KPMG") resigned as the auditor of the Company with effect from 25 September 2025. Messrs. Deloitte Touche Tohmatsu ("Deloitte") was appointed as the new auditor of the Company to fill the casual vacancy following the resignation of KPMG on 25 September 2025 and to hold office until the conclusion of the next annual general meeting of the Company. For further details, please refer to the announcement of the Company dated 25 September 2025.

Save as disclosed above, there has been no other changes of auditors of the Company in any of the preceding three years.

The consolidated financial statements for the year ended 31 December 2025 have been audited by Deloitte, who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Deloitte as the independent auditor of the Company will be proposed at the AGM.

By order of the Board

Yang Zhe

Acting Chairman and Vice Chairman

Hong Kong, 31 March 2026

Corporate Governance Report

BUSINESS MODEL

The principal businesses of the Group include the purchase and sales 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 interests of all of its stakeholders and is fully committed to doing so. It is also with these objectives in mind that the Group has applied the principles of 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 2025, 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. On 21 March 2025, due to the retirement of Mr. Chen Benguang, the former Chairman of the Board, Mr. Yang Zhe, being the Executive Director and General Manager, was appointed as Acting Chairman of the Board; on 30 October 2025, Mr. Yang Zhe was redesignated from General Manager to Vice Chairman of the Board, and Ms. Long Wenfang was appointed as an Executive Director and General Manager of the Company. Accordingly, since 30 October 2025, the roles of chairman and chief executive of the Company are separate. The Directors consider that the Company has put in place an appropriate check-and-balance mechanism through the Board and the Independent Non-Executive Directors. Given that the dual role held by Mr. Yang Zhe was temporary in nature and ceased upon the appointment of Ms. Long Wenfang as General Manager, the Directors consider that the corporate governance of the Company was not adversely affected by this deviation from code provision C.2.1 during the period from 21 March 2025 to 30 October 2025.

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 2025.

CHANGES IN DIRECTORS' INFORMATION

- (1) The remuneration package of Mr. Yang Zhe from August 2025 was adjusted to approximately RMB1,587,000 per annum, plus performance-linked discretionary bonuses.
- (2) The remuneration package of Ms. Long Wenfang from February 2026 was adjusted to approximately RMB1,450,000 per annum, plus performance-linked discretionary bonuses.

Corporate Governance Report (continued)

CHANGES IN DIRECTORS' INFORMATION (continued)

- (3) Ms. Yu Huijuan also served as a director of Guangnan Investment, with effect from 15 September 2025, and a director of Guangdong Yuehai Huajin Technology Co., Ltd., a subsidiary of Guangdong Holdings, with effect from 30 December 2025. Ms. Yu has ceased to be the chairperson of the supervisory committee of 粵海永順泰集團股份有限公司 (GDH Supertime Group Co., Ltd.) from 5 September 2025.
- (4) Mr. Wen Yinheng was appointed as a director of GDH Guangnan Hong, with effect from 1 October 2025, and as a director of 廣東粵港投資開發有限公司 (Guangdong Yuegang Investment Development Co., Ltd.) and 粵海房地產開發(中國)有限公司 (GDH Real Estates (China) Limited), both of which are subsidiaries of Guangdong Holdings, with effect from 28 November 2025 and 1 December 2025, respectively. He resigned as the director of 廣東粵海置地集團有限公司 (Guangdong Yuehai Land Holdings Limited), a subsidiary of GDL, with effect from 14 November 2025.

Save for the above changes in Directors' information, there is no other information that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

BOARD OF DIRECTORS

As at 31 December 2025, the Board comprised two Executive Directors, being Mr. Yang Zhe and Ms. Long Wenfang, two Non-Executive Directors, being Ms. Yu Huijuan and Mr. Wen Yinheng, and three Independent Non-Executive Directors, being Mr. Gerard Joseph McMahon, Mr. Li Kar Keung, Caspar and Dr. Wong Yau Kar, David.

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 is also responsible for determining the policy for the corporate governance of the Company, and duties performed by the Board or the committee(s) as set out in A.2.1 of the CG Code.

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 2025, the Board held seven 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.

Corporate Governance Report (continued)

BOARD OF DIRECTORS (continued)

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 2025 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						
Yang Zhe	2/2	7/7		2/2		1/1
Long Wenfang (appointed on 30 October 2025)		1/1				
Chen Benguang (resigned on 21 March 2025)		0/1		0/1		
Chau Wang Kei (resigned on 30 October 2025)	2/2	5/6				
Non-Executive Directors						
Yu Huijuan (appointed as a member of Nomination Committee on 24 June 2025)	2/2	7/7		1/1		
Wen Yinheng (appointed on 24 March 2025)	2/2	6/6				
Wang Longhai (resigned on 24 March 2025)		0/1				
Independent Non-Executive Directors						
Gerard Joseph McMahon	2/2	7/7	3/3	3/3	5/5	1/1
Li Kar Keung, Caspar	2/2	7/7	3/3	3/3	5/5	1/1
Wong Yau Kar, David	2/2	7/7	3/3	3/3	5/5	1/1

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 11 and 12 to this Annual Report, which demonstrate a diversity of skills, expertise, experience and qualifications.

Corporate Governance Report (continued)

CHAIRMAN AND GENERAL MANAGER

As at the date of this report, Mr. Yang Zhe serves as the Acting Chairman and the Vice Chairman of the Board and Ms. Long Wenfang serves as the General Manager. Their roles are clearly defined and segregated to ensure independence and proper checks and balances. Mr. Yang Zhe as the Acting Chairman and the Vice Chairman of the Board has executive responsibilities, provides leadership to the Board and oversees its functioning to ensure that it acts in the best interests of the Group and that the Board conducts itself properly and effectively. Ms. Long Wenfang as the General Manager is 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.

NON-EXECUTIVE DIRECTORS

All Directors, including Non-Executive Directors, appointed to fill a casual 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 skills.

Mr. Wen Yinheng and Ms. Long Wenfang were appointed as Directors of the Company during the year 2025 and they had respectively obtained legal advice on the relevant rules of the Listing Rules respectively on 17 March 2025 and 23 October 2025. They had confirmed they understood their obligations as Directors 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 2025.

Corporate Governance Report (continued)

Participation of Directors as at 31 December 2025 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
Yang Zhe	✓
Long Wenfang	✓
Yu Huijuan	✓
Wen Yinheng	✓
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.

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 Nomination Committee has reviewed the Board Diversity Policy and the structure, size, and composition and diversity of the Board, and considered that the Board’s composition has complied with the requirement of the Board Diversity Policy. The Board currently has two female Directors and therefore the Company has achieved gender diversity in its Board and the Nomination Committee members during the year 2025.

Corporate Governance Report (continued)

The Board places emphasis on diversity (including gender diversity) across all levels of the Group, and has adopted the Workforce Diversity and Employment Protection Policy on 30 October 2025. As at 31 December 2025, the Company's workforce (excluding senior management) consisted of 27% women, while 15% of senior management positions were held by women. The Group when hiring employees considers a number of factors, including but not limited to gender, age, cultural and education background, professional experience, skills, knowledge and length of service, and the Group will ensure that it achieves gender diversity across the workforce. The Board considers that the Group has currently achieved the gender diversity in workforce.

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 2024; 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.

Corporate Governance Report (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 2025, the Compensation Committee held three 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 Directors.

Details of the Directors' emoluments are set out in note 11 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 and Vice Chairman of the Board, Mr. Yang Zhe, the three Independent Non-Executive Directors, Mr. Gerard Joseph McMahon, Mr. Li Kar Keung, Caspar and Dr. Wong Yau Kar, David and the Non-Executive Director, Ms. Yu Huijuan. Mr. Yang Zhe is the acting chairman of the Nomination Committee.

The Nomination Committee is responsible for, amongst other things, reviewing the structure, size and composition of the Board, 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.

Corporate Governance Report (continued)

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 2025, the Nomination Committee held three meetings to nominate new Directors and new member of the Nomination Committee 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, to make recommendations to the Board on the re-election of Directors, to review the revised terms of reference of the Nomination Committee and to consider the adoption of the Workforce Diversity and Employment Protection Policy.

AUDITOR'S REMUNERATION

The remuneration of the Company's auditor, Messrs. Deloitte Touche Tohmatsu and its member firms, for services rendered in respect of the year ended 31 December 2025 is set out as follows:

Services rendered	Fee HK\$'000
Audit services*	2,540
	2,540

* Included in the amount is HK\$2,260,000 for the statutory audit of the Company and other subsidiaries incorporated in Hong Kong.

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 2025, the Audit Committee held five meetings, inter alia, to review the 2024 annual results, the 2025 interim results and the quarterly results of the Group and to make recommendations to the Board on the change of the Company's auditor. 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 effectiveness of internal audit function, and their training programmes and budget. During the year ended 31 December 2025, 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 37 to 41. In preparing the consolidated financial statements for the year ended 31 December 2025, 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 2025.

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 internal control and risk management system for the period covering the year ended 31 December 2025. The audited entities were required to implement the rectification recommendations, including but not limited to strengthening accounts receivable management.

Corporate Governance Report (continued)

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, Executive Directors review, 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.

The Group has implemented procedures to guard against the possible mishandling of inside information, including requirement to obtain prior approval for dealings in the Group's securities by designated Directors, issuing notifications of regular blackout periods and securities dealing restrictions to Directors and relevant employees, and disseminating information only for specified purposes and on a need-to-know basis.

During the year ended 31 December 2025, 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 can only manage, rather than eliminate, all risks of material misstatement, error, loss or fraud.

COMPLIANCE CULTURE

The Group adheres to the business philosophy of operating 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 to ensure compliance with the Listing Rules and regulatory requirements, 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 obtained GB/T 35770-2022 and ISO 37301:2021 Compliance Management System Certificates issued by SGS-CSTC Standards Technical Services Co., Ltd., and passed the system surveillance audits in 2024 and 2025 respectively, maintaining the certificates valid.

Corporate Governance Report (continued)

COMPANY SECRETARY

Mr. Chau Wang Kei, the Chief Financial Officer of the Company, was appointed as the Company Secretary in place of Mr. Liu Wai Kin with effect from 29 April 2025. Mr. Chau is a full-time employee of the Company. Mr. Chau 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 is 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.

The Board has reviewed the Shareholders Communication Policy and confirmed that the implementation and effectiveness of such policy throughout the year 2025 are satisfactory.

CONSTITUTIONAL DOCUMENTS

During the year, there has been 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 Vice Chairman

Hong Kong, 31 March 2026

Independent Auditor's Report

Deloitte.

德勤

TO THE MEMBERS OF GDH GUANGNAN (HOLDINGS) LIMITED

粵海廣南（集團）有限公司

(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 (collectively referred to as the "Group") set out on pages 42 to 100, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as 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 ("HKSA") as 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"), as applicable to audits of financial statements of public interest entities. We have also 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 judgment, 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.

Independent Auditor's Report (continued)

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
<i>Impairment assessment of trade receivables</i>	
We identified the impairment assessment of trade receivables as a key audit matter because of the significance of trade receivables to the Group's consolidated financial position and the subjective judgement and management estimation involved in determining the expected credit losses ("ECL") on the Group's trade receivables at the end of the reporting period. As disclosed in note 4 to the consolidated financial statements, the Group identifies trade receivables to be credit-impaired and assesses their lifetime ECL individually. In respect of the remaining trade receivables, the Group assesses their ECL collectively. In determining the amount of ECL for these trade receivables, management of the Group considers the credit risk characteristics of the debtors in determining the estimated loss rates, including past-due status and historical repayment records, as well as forward-looking information that is reasonably and supportably available without undue costs or effort. The provision of ECL is inherently subjective and sensitive to changes in these assumptions and estimates applied by the management of the Group. As disclosed in note 18 to the consolidated financial statements, the carrying amount of trade receivables is HK\$504,072,000, net of ECL amounting to HK\$72,343,000 as at 31 December 2025.	Our procedures in relation to impairment assessment of trade receivables included: • Understanding the process and its internal control on how the management of the Group estimates the ECL for trade receivables; • Evaluating the reasonableness of management's basis for determining the ECL on trade receivables as at 31 December 2025, including the basis for the identification of credit-impaired trade receivables, the basis of determining the grouping of trade receivables under collective assessment and the basis of determining the estimated loss rates applied in the individual assessment and each grouping under the collective assessment; and • Testing, on a sample basis, the accuracy of the ageing analysis of trade receivables as at 31 December 2025, by comparing individual items in the analysis with the relevant sales invoices and other supporting documents.

Independent Auditor's Report (continued)

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 21 March 2025.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent Auditor's Report (continued)

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 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 HKSA's 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.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism 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.

Independent Auditor's Report (continued)

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities 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 the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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.

From the matters communicated with those charged with governance, 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 Shu Lung (practising certificate number: P07408).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
31 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	5	12,140,367	11,978,788
Cost of sales		(11,597,308)	(11,469,779)
Gross profit		543,059	509,009
Other income	7	29,638	44,121
Other gains and losses	7	(511)	41,915
Selling and distribution costs		(32,611)	(36,108)
Administrative expenses		(196,266)	(236,542)
Other operating expenses		(90,924)	(79,179)
Impairment losses under expected credit loss model		(64,747)	(7,070)
Profit from operations		187,638	236,146
Valuation gains (losses) of investment properties	14	9	(13,378)
Share of profit of a joint venture		99	129
Share of profit of associates	16	2,045	24,683
Finance costs	8	(27,062)	(30,704)
Profit before taxation		162,729	216,876
Income tax	9	(48,818)	(45,854)
Profit for the year	10	113,911	171,022
Attributable to:			
Equity shareholders of the Company		111,616	140,754
Non-controlling interests		2,295	30,268
Profit for the year		113,911	171,022
Earnings per share	13		
Basic		12.30 cents	15.51 cents

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
Profit for the year	113,911	171,022
Other comprehensive income (expense)		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange difference arising on translation of foreign operations		
— subsidiaries	53,827	(48,629)
— joint venture and associates	3,824	(3,889)
— tax expense related to a subsidiary	(522)	(456)
	57,129	(52,974)
Total comprehensive income for the year	171,040	118,048
Attributable to:		
Equity shareholders of the Company	162,855	91,106
Non-controlling interests	8,185	26,942
Total comprehensive income for the year	171,040	118,048

Consolidated Statement of Financial Position

At 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	14	1,772,137	1,692,000
Investment properties	14	191,841	187,935
		1,963,978	1,879,935
Goodwill	15	84,725	84,576
Interest in a joint venture		11,251	10,877
Interests in associates	16	156,331	150,187
		2,216,285	2,125,575
Current assets			
Inventories	17	483,049	423,268
Trade and other receivables, deposits and prepayments	18	1,496,486	1,425,286
Pledged deposits	19	14,273	9,374
Cash and cash equivalents	19	959,155	954,811
		2,952,963	2,812,739
TOTAL ASSETS		5,169,248	4,938,314
Current liabilities			
Trade and other payables	20	1,164,320	965,741
Bank borrowings	22	413,994	327,356
Loans from a fellow subsidiary	21	20,840	189,295
Lease liabilities	23	15,763	14,296
Current tax payable		3,278	14,696
Financial liability at amortised cost		15,000	14,645
		1,633,195	1,526,029
Net current assets		1,319,768	1,286,710
Total assets less current liabilities		3,536,053	3,412,285

Consolidated Statement of Financial Position (continued)

At 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Bank borrowings	22	171,748	159,232
Loans from a fellow subsidiary	21	264,823	304,429
Deferred revenue		10,834	12,382
Lease liabilities	23	16,615	12,447
Deferred tax liabilities	25	67,011	65,360
Provision for long service payments		1,262	1,599
		532,293	555,449
TOTAL LIABILITIES		2,165,488	2,081,478
NET ASSETS		3,003,760	2,856,836
CAPITAL AND RESERVES	24		
Share capital		459,651	459,651
Reserves		2,250,575	2,133,100
Equity attributable to equity shareholders of the Company		2,710,226	2,592,751
Non-controlling interests		293,534	264,085
TOTAL EQUITY		3,003,760	2,856,836

The consolidated financial statements on pages 42 to 100 were approved and authorised for issue by the Board of Directors on 31 March 2026 and are signed on its behalf by:

Yang Zhe
Director

Long Wenfang
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to equity shareholders of the Company						Attributable to non-controlling interests	Total
	Share capital HK\$'000	Exchange reserve HK\$'000	Revaluation reserves HK\$'000	Special capital reserve HK\$'000 (note 24(b))	Other reserve HK\$'000 (note 24(c))	Retained profits HK\$'000	Subtotal HK\$'000	
At 1 January 2024	459,651	17,132	15,116	107,440	118,224	1,852,451	2,570,014	2,795,645
Profit for the year	–	–	–	–	–	140,754	140,754	171,022
Exchange difference arising on translation of foreign operations	–	(49,648)	–	–	–	–	(49,648)	(52,974)
Total comprehensive (expense) income for the year	–	(49,648)	–	–	–	140,754	91,106	118,048
Transfer to statutory reserve	–	–	–	–	14,026	(14,026)	–	–
Acquisition of a subsidiary	–	–	–	–	–	–	3,000	3,000
Capital injection 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 (note 12)	–	–	–	–	–	(18,152)	(18,152)	(18,152)
Dividends declared in respect of the current year (note 12)	–	–	–	–	–	(9,076)	(9,076)	(9,076)
At 31 December 2024	459,651	(69,618)	15,116	107,440	120,962	1,959,200	2,592,751	2,856,836
Profit for the year	–	–	–	–	–	111,616	111,616	113,911
Exchange difference arising on translation of foreign operations	–	51,239	–	–	–	–	51,239	57,129
Total comprehensive income for the year	–	51,239	–	–	–	111,616	162,855	171,040
Transfer to statutory reserve	–	–	–	–	4,942	(4,942)	–	–
Capital injection from a non-controlling shareholder	–	–	–	–	–	–	34,874	34,874
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	(13,610)	(13,610)
Dividends approved in respect of the previous year (note 12)	–	–	–	–	–	(22,690)	(22,690)	(22,690)
Dividends declared in respect of the current year (note 12)	–	–	–	–	–	(22,690)	(22,690)	(22,690)
At 31 December 2025	459,651	(18,379)	15,116	107,440	125,904	2,020,494	2,710,226	3,003,760

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
OPERATING ACTIVITIES			
Profit before taxation		162,729	216,876
Adjustments for:			
Finance costs	8	27,062	30,704
Interest income	7	(6,223)	(7,632)
Valuation (gains) losses on investment properties	14	(9)	13,378
Gain from liquidation of an associate	7	–	(30,110)
Net fair value gain on derivative financial instruments	7	(607)	(84)
Net loss (gain) on disposals and write-off of property, plant and equipment	7	1,305	(177)
Impairment losses under expected credit loss model for trade receivables	18	64,747	7,070
Impairment of prepayments	7	4,536	–
Impairment of goodwill	7	1,362	–
(Reversal of write-down) write-down on inventories	17	(2,235)	7,421
Depreciation	14	113,415	126,115
Share of profit of a joint venture		(99)	(129)
Share of profit of associates		(2,045)	(24,683)
Net exchange (gain) loss		(3,184)	6,734
Net losses on forward foreign exchange contracts		–	3
Provision for long service payments		(337)	1,599
Operating cash flows before movements in working capital		360,417	347,085
(Increase) decrease in inventories		(46,533)	47,440
Increase in trade and other receivables, deposits and prepayments		(106,888)	(417,533)
Increase in trade and other payables		173,615	132,653
Increase in amounts due to fellow subsidiaries		1,351	23
(Decrease) increase in deferred revenue		(1,548)	4,776
Cash generated from operations		380,414	114,444
Interest received		6,223	7,632
Income tax paid		(57,767)	(54,725)
NET CASH FROM OPERATING ACTIVITIES		328,870	67,351

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(145,191)	(76,524)
Acquisition of a subsidiary	–	(6,974)
Placement of pledged deposits	(4,663)	–
Proceeds from disposal of property, plant and equipment	1,247	2,140
Proceeds from liquidation of an associate	–	17,462
NET CASH USED IN INVESTING ACTIVITIES	(148,607)	(63,896)
FINANCING ACTIVITIES		
Repayment of lease liabilities	(18,477)	(15,311)
Advances from a fellow subsidiary	60,660	459,761
Repayments to a fellow subsidiary	(278,069)	(151,524)
Proceeds from bank borrowings	507,716	373,254
Repayments of bank borrowings	(414,789)	(617,256)
Interest paid	(28,416)	(31,840)
Dividends paid to shareholders of the Company	(45,380)	(27,228)
Dividends paid to non-controlling shareholders to a subsidiary	(13,610)	(12,654)
Capital injection by a non-controlling shareholder to a subsidiary	34,874	21,166
Settlement of consideration payables to former non-controlling shareholders	–	(65,802)
NET CASH USED IN FINANCING ACTIVITIES	(195,491)	(67,434)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15,228)	(63,979)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	954,811	1,035,928
EFFECT ON FOREIGN EXCHANGE RATE CHANGES	19,572	(17,138)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	959,155	954,811

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

GDH Guangnan (Holdings) Limited (the “Company”) is incorporated in Hong Kong with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The immediate and ultimate holding company is GDH Limited and Guangdong Holdings Limited respectively. GDH Limited is incorporated in Hong Kong and Guangdong Holdings Limited is established in the PRC. The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

The Company is an investment holding company and the details of principal activities of its principal subsidiaries are set out in note 31.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied, the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
-----------------------	-------------------------

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective (continued)

- ¹ Effective for annual periods beginning on or after a date to be determined.
- ² Effective for annual periods beginning on or after 1 January 2026.
- ³ Effective for annual periods beginning on or after 1 January 2027.

HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the consolidated statement of profit or loss, provide disclosures on management-defined performance measures in the notes to the consolidated financial statements, and improve aggregation and disaggregation. The application of HKFRS 18, and amendments to other standards, is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

Other than the above, the directors of the Company anticipate that the application of the other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation (continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Investments in associates and joint ventures (continued)

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

If a property becomes an owner-occupied property because its use has been changed as evidenced by commencement of owner-occupation, the fair value of the property at the date of change in use is considered as the deemed cost for subsequent accounting.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property, plant and equipment (continued)

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Property, plant and equipment are depreciated on a straight-line basis after taking into account the residual values at the following rates per annum:

Leasehold land	over the term of the lease
Buildings and plants	over the shorter of the term of the lease or 50 years after the date of completion of buildings
Properties leased for own use	over the term of the lease
Leasehold improvements	20% to 50%
Machinery, furniture fixtures and equipment,	10% to 20%
Motor vehicles	20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leases

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.

The Group as lessee

The Group applies the short-term lease recognition exemption to leases of motor vehicles and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

The Group as lessee (continued)

The cost of right-of-use asset includes the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs incurred by the Group; and an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates ruling at that date. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates ruling at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Income tax

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income tax (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefits scheme/state-managed retirement benefits schemes/the Mandatory Provident Fund Scheme ("MPF Scheme") are charged as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Employee benefits (continued)

Short-term employee benefits (continued)

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade debtors arising from contracts with customers which are initially measured in accordance with HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the marketplace concerned.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

All other financial assets are subsequently measured at FVTPL.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, bills receivable, deposits, other debtors, pledged deposits and cash and cash equivalents) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade debtors. ECL on these assets are assessed individually by reference to past default experience and current past due exposure of the debtor, and an analysis of the debtor's current financial position taking into consideration of forward-looking information that is available without undue costs or effort.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group). Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The measurement of ECL is a function of probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount where the corresponding adjustment is recognised through a loss allowance account.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial liabilities and equity

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, bank borrowings, loans from a fellow subsidiary and financial liability at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment on property, plant and equipment and right-of-use assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgment, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are set out as below.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment assessment of trade receivables

The management of the Group identifies trade receivables that are credit-impaired and assesses their ECL individually. In respect of the remaining trade receivables, the Group assesses their ECL collectively. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive. In determining the amount of lifetime ECL for trade receivables, the management of the Group considers the credit risk characteristics of the debtors, including their past-due status and historical repayment records, as well as forward-looking information that is reasonably and supportably available without undue costs or effort. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise accordingly in future periods.

Impairment losses under ECL model of HK\$64,747,000 is charged to profit or loss during the year ended 31 December 2025 (2024: HK\$7,070,000). The carrying amount of trade receivables is HK\$504,072,000 net of ECL amounting to HK\$72,343,000 (2024: HK\$601,051,000 net of ECL amounting to HK\$7,070,000) as at 31 December 2025. Information about the Group's trade receivables and the Group's ECL estimates are disclosed in note 18.

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 3. 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.

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 2025 was HK\$84,725,000 (2024: HK\$84,576,000). Further details of impairment testing are set out in note 15 to the consolidated financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

5. REVENUE

The principal activities of the Group are sales of fresh and live foodstuffs, provision of slaughtering service, manufacturing and sales of tinplate products and property leasing.

Disaggregation of revenue

	2025 HK\$'000	2024 HK\$'000
Sales of goods		
— Fresh and live foodstuffs	9,885,414	9,753,423
— Tinplate products	2,154,446	2,031,751
	12,039,860	11,785,174
Provision of services		
— Commission from distribution of fresh and live foodstuffs	17,498	75,925
— Slaughtering service income	63,799	99,662
	81,297	175,587
Total revenue from contracts with customers	12,121,157	11,960,761
Rental income from property leasing	19,210	18,027
Total	12,140,367	11,978,788

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

5. REVENUE (continued)

Performance obligations for contracts with customers

Sales 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 normally within one to three months upon customer acceptance.

Provision of services

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

All contracts with customers with unsatisfied performance obligations at 31 December 2025 and 2024 have original expected duration of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

6. SEGMENT INFORMATION

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.

- (a) Fresh and live foodstuffs: this segment purchases and sells foodstuffs and provides slaughtering services.
- (b) Tinplating: this segment produces and sells tinplates and related products which are mainly used as metal packaging materials for food and industrial products.
- (c) Property leasing: this segment leases office and industrial premises to generate rental income.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

6. SEGMENT INFORMATION (continued)

Segment revenue and results

	Segment revenue		Segment results	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Fresh and live foodstuffs	9,966,711	9,929,010	126,392	234,035
Tinplating	2,154,446	2,031,751	85,158	38,507
Property leasing	19,210	18,027	8,067	8,112
Total segment revenue/profits	12,140,367	11,978,788	219,617	280,654
Unallocated income and expenses			(30,541)	(50,707)
Valuation gains (losses) on investment properties			9	(13,378)
Net fair value gain on derivative financial instruments			607	84
Finance costs			(27,062)	(30,704)
Share of profit of an associate not attributable to any segment			–	688
Share of profit of a joint venture not attributable to any segment			99	129
Gain on liquidation of an associate not attributable to any segment			–	30,110
Consolidated profit before taxation			162,729	216,876

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. 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.

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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities

	Segment assets		Segment liabilities	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Fresh and live foodstuffs	2,554,221	2,417,392	1,377,582	1,172,908
Tinplating	2,181,913	1,852,465	638,810	730,962
Property leasing	192,970	193,330	37,339	37,026
Total segment assets/liabilities	4,929,104	4,463,187	2,053,731	1,940,896
Unallocated corporate assets/liabilities	240,144	475,127	111,757	140,582
Consolidated total assets/liabilities	5,169,248	4,938,314	2,165,488	2,081,478

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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

6. SEGMENT INFORMATION (continued)

Other segment information

	Fresh and live foodstuffs HK\$'000	Tinplating HK\$'000	Property leasing HK\$'000	Property leasing HK\$'000	Total HK\$'000
31 December 2025					
Impairment losses under expected credit loss model	64,747	–	–	–	64,747
Share of results of associates	2,045	–	–	–	2,045
Depreciation	48,728	45,366	301	19,020	113,415
Interest income	1,531	1,454	–	3,238	6,223
Reversal of write-down of inventories	–	2,235	–	–	2,235
Interests in associates	156,331	–	–	–	156,331
Interests in a joint venture	–	–	–	11,251	11,251
Additions to non-current assets	151,290	20,655	–	–	171,945
31 December 2024					
Impairment losses under expected credit loss model	7,070	–	–	–	7,070
Share of results of associates	23,995	–	–	688	24,683
Depreciation	61,859	54,554	312	9,390	126,115
Interest income	3,422	2,984	–	1,226	7,632
Write-down of inventories	–	7,421	–	–	7,421
Interests in associates	150,187	–	–	–	150,187
Interests in a joint venture	–	–	–	10,877	10,877
Additions to non-current assets	65,171	16,231	–	–	81,402

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

6. SEGMENT INFORMATION (continued)

Geographical information

Information about the Group's revenue from external customers is presented based on the location of external customers or location of the operations.

	2025 HK\$'000	2024 HK\$'000
Hong Kong	1,615,694	1,114,387
PRC	9,843,307	10,365,267
Other Asian countries	459,139	317,495
Other countries	222,227	181,639
	12,140,367	11,978,788

Information about the Group's non-current assets is presented based on the geographical location of the assets.

	2025 HK\$'000	2024 HK\$'000
Hong Kong	428,826	428,615
PRC	1,787,459	1,696,960
	2,216,285	2,125,575

Information about major customers

There was no customer individually contributing over 10% of total revenue. (2024: Nil).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

7. OTHER INCOME AND OTHER GAINS AND LOSSES

	2025 HK\$'000	2024 HK\$'000
Interest income on financial assets measured at amortised cost	6,223	7,632
Government grants and subsidies received	11,163	27,317
Others	12,252	9,172
Other income — total	29,638	44,121
Net realised and unrealised exchange gain	6,477	10,883
Net loss on forward foreign exchange contracts	—	(3)
Net (loss) gain on disposal and write-off of property, plant and equipment	(1,305)	177
Net fair value gain on derivative financial instruments	607	84
Impairment of prepayments	(4,536)	—
Impairment of goodwill	(1,362)	—
Gain from liquidation of an associate	—	30,110
Others	(392)	664
Other gains and losses — total	(511)	41,915

8. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank borrowings	17,012	20,358
Interest on loans from a fellow subsidiary	10,018	10,556
Interest on lease liabilities	1,386	926
Interest on financial liabilities at amortised cost	355	346
	28,771	32,186
Less: interest expenses capitalised in construction in progress	(1,709)	(1,482)
	27,062	30,704

The weighted average capitalization rate is 2.84% to 4.88% (2024: 2.45% to 5.69%).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

9. INCOME TAX

	2025 HK\$'000	2024 HK\$'000
Hong Kong Profits Tax	4,565	6,309
PRC Enterprise Income Tax	43,699	45,970
(Over) underprovision in prior years	(2,442)	232
	45,822	52,511
Deferred tax (note 25)	2,996	(6,657)
	48,818	45,854

Hong Kong Profits Tax for both years is calculated at 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 rates regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

PRC Enterprise 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.

Taxation for the year is reconciled to profit before taxation per consolidated statement of profit or loss as follows:

	2025 HK\$'000	2024 HK\$'000
Profit before taxation	162,729	216,876
Taxation at weighted average tax rate (note)	31,877	49,777
Tax effect of expenses not deductible for tax purpose	23,447	15,860
Tax effect of income not taxable	(6,671)	(21,256)
Tax effect of deductible temporary differences not recognised	2,607	1,241
(Over) underprovision in prior years	(2,442)	232
Taxation for the year	48,818	45,854

Note: The weighted average applicable tax rate for different jurisdictions for the year ended 31 December 2025 is 19.6% (2024: 23.0%). The weighted average applicable tax rate represents the weighted average tax rate in different jurisdictions in which the Group operates and is calculated on the basis of the profit or loss before tax arising in these jurisdictions and the applicable statutory tax rates.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

10. PROFIT FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Profit for the year has been arrived at after charging:		
Cost of inventories sold (note)	11,587,347	11,440,573
Auditor's remuneration	2,260	2,800
Depreciation of property, plant and equipment	86,265	102,968
Depreciation of right-of-use assets	27,150	23,147
Direct outgoings for investment properties	1,553	1,506
Directors' emoluments (note 11)	4,849	7,431
Staff costs:		
Salaries and allowances	308,972	313,152
Contributions to retirement benefits schemes	26,494	25,836
	335,466	338,988
Research and development expenses	90,924	79,179

Note: Amount includes reversal of write-down of inventories of HK\$2,235,000 (2024: write-down inventories of HK\$7,421,000).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

11. DIRECTORS' AND EMPLOYEES' 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:

	Directors' fees HK\$'000	Basic salaries, allowances and other benefits HK\$'000	Retirement schemes contributions HK\$'000	Bonus HK\$'000	Total HK\$'000
For the year ended 31 December 2025					
Executive directors					
Yang Zhe	–	1,207	210	178	1,595
Chen Benguang (note i)	–	578	75	104	757
Long Wenfang (note ii)	–	202	42	–	244
Chau Wang Kei (note iii)	–	865	50	78	993
Non-executive directors					
Yu Huijuan	–	–	–	–	–
Wen Yinheng (note iv)	–	–	–	–	–
Wang Longhai (note v)	–	–	–	–	–
Independent non-executive directors					
Gerard Joseph McMahon	420	–	–	–	420
Li Kar Keung, Caspar	420	–	–	–	420
Wong Yau Kar, David	420	–	–	–	420
	1,260	2,852	377	360	4,849

For the year ended 31 December 2024

Executive directors					
Chen Benguang (note i)	–	963	502	1,178	2,643
Yang Zhe	–	707	431	961	2,099
Chau Wang Kei (note iii)	–	1,093	60	276	1,429
Non-executive directors					
Wang Longhai (note v)	–	–	–	–	–
Yu Huijuan	–	–	–	–	–
Independent non-executive directors					
Gerard Joseph McMahon	420	–	–	–	420
Li Kar Keung, Caspar	420	–	–	–	420
Wong Yau Kar, David	420	–	–	–	420
	1,260	2,763	993	2,415	7,431

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

- Note i: Chen Benguang resigned as the executive director on 21 March 2025.
Note ii: Long Wenfang was appointed as the executive director on 30 October 2025.
Note iii: Chau Wang Kei resigned as the executive director on 30 October 2025.
Note iv: Wen Yinheng was appointed as the non-executive director on 24 March 2025.
Note v: Wang Longhai was resigned as the non-executive director on 24 March 2025.

The executive directors' emoluments shown above were mainly for the services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were mainly for the services as directors of the Company.

No compensation was paid to the above directors of the Company during the current year and prior year for the loss of office as a director or as an inducement to join or upon joining the Company. None of the above directors of the Company has waived any emoluments during the year.

Of the five individuals with the highest emoluments in the Group, one (2024: two) was director whose emoluments are included in the disclosure above. The emoluments of the remaining four (2024: three) individuals are as follows:

	2025 HK\$'000	2024 HK\$'000
Basic salaries, allowances and other benefits	4,169	1,798
Retirement schemes contributions	646	554
Bonus	1,281	3,876
	6,096	6,228

Their emoluments are within the following bands:

	Number of employees	
	2025	2024
HK\$1,000,001 – HK\$1,500,000	3	–
HK\$1,500,001 – HK\$2,000,000	1	1
HK\$2,000,001 – HK\$2,500,000	–	2

No compensation was paid to the above individuals during the current year and prior year for the loss of office as an inducement to join or upon joining the Company.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

12. DIVIDENDS

Dividends payable to shareholders of the Company attributable to the year

	2025 HK\$'000	2024 HK\$'000
Interim dividend declared and paid of HK2.5 cents (2024: HK1.0 cent) per ordinary share	22,690	9,076
Final dividend proposed after the end of reporting period of HK1.2 cents (2024: HK2.5 cents) per ordinary share	10,891	22,690
	33,581	31,766

Dividends payable to shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2025 HK\$'000	2024 HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year of HK2.5 cents (2024: HK2.0 cents) per ordinary share	22,690	18,152

13. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to equity shareholders of the Company is based on the following data:

	2025 HK\$'000	2024 HK\$'000
Earnings for the year attributable to equity shareholders of the Company	111,616	140,754
Number of ordinary shares	907,593,000	907,593,000

No diluted earnings per share have been presented as there are no potential ordinary shares in issue during both years.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES

Summary of property, plant and equipment, and investment properties

	Ownership interests in leasehold land held for own use HK\$'000	Buildings and plant held for own use HK\$'000	Other properties leased for own use HK\$'000	Leasehold improvement HK\$'000	Construction in progress HK\$'000	Plant, machinery, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Subtotal HK\$'000	Investment properties HK\$'000	Total HK\$'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 adjustment	(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 and write-off	-	-	(8,603)	(284)	-	(11,572)	(2,742)	(23,201)	-	(23,201)
Acquisition of a subsidiary	-	-	-	2,744	-	1,268	1,125	5,137	-	5,137
Transfers to (from) investment properties	-	33,400	-	-	-	-	-	33,400	(33,400)	-
Transfers to (from) construction in progress	-	556	-	898	(15,498)	14,044	-	-	-	-
Fair value change	-	-	-	-	-	-	-	-	(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
Exchange adjustment	3,094	25,435	2,139	497	658	27,681	468	59,972	3,897	63,869
Additions	63,143	520	26,754	11,940	53,751	14,218	1,619	171,945	-	171,945
Lease modification	-	-	(2,779)	-	-	-	-	(2,779)	-	(2,779)
Disposals and write-off	-	-	(13,478)	(744)	-	(4,462)	(497)	(19,181)	-	(19,181)
Transfers to (from) construction in progress	-	87	-	-	(14,381)	14,294	-	-	-	-
Fair value change	-	-	-	-	-	-	-	-	9	9
At 31 December 2025	340,509	1,563,823	80,332	36,312	44,927	1,102,171	28,089	3,196,163	191,841	3,388,004
Representing:										
Cost	340,509	1,563,823	80,332	36,312	44,927	1,102,171	28,089	3,196,163	-	3,196,163
Valuation	-	-	-	-	-	-	-	-	191,841	191,841
	340,509	1,563,823	80,332	36,312	44,927	1,102,171	28,089	3,196,163	191,841	3,388,004
DEPRECIATION AND IMPAIRMENT										
At 1 January 2024	67,380	408,459	25,650	4,804	-	695,433	14,729	1,216,455	-	1,216,455
Exchange adjustment	(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
Disposals and write-off	-	-	(8,603)	(73)	-	(9,926)	(2,636)	(21,238)	-	(21,238)
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
Exchange adjustment	1,890	11,310	465	134	-	18,926	309	33,034	-	33,034
Charge for the year	6,482	36,642	20,668	4,845	-	41,636	3,142	113,415	-	113,415
Disposals and write-off	-	-	(12,925)	(360)	-	(2,871)	(473)	(16,629)	-	(16,629)
At 31 December 2025	82,828	502,313	41,596	12,378	-	765,801	19,110	1,424,026	-	1,424,026
NET CARRYING AMOUNTS										
At 31 December 2025	257,681	1,061,510	38,736	23,934	44,927	336,370	8,979	1,772,137	191,841	1,963,978
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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES (continued)

Right-of-use assets (the Group as lessee)

	2025 HK\$'000	2024 HK\$'000
Additions to right-of-use assets	89,897	25,708
Depreciation	27,150	23,147
Expenses relating to short-term leases	2,170	2,875
Variable lease payments not included in the measurement of lease liabilities	5,223	3,682
Total cash outflows for leases	90,399	22,794

The Group is the registered owner of the land on which industrial buildings for its tinplating business and slaughtering business are located. The Group leases office and fresh and live foodstuffs distribution centres for its operations. Lease contracts are entered into for fixed term of three to five years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease agreements do not impose any covenants other than security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

Investment properties (the Group as lessor)

The fair value of the Group's investment properties as at 31 December 2025 have been arrived at on the basis of valuations carried out on that date by RHL Appraisal Limited (2024: Jones Lang LaSalle 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. The chief financial officer has discussions with the surveyors about the valuation assumptions and valuation results when valuations are performed at reporting date.

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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES (continued)

Investment properties (the Group as lessor) (continued)

Investment properties held by the Group	Fair value		Valuation technique		Significant unobservable inputs	
	2025 HK\$'000	2024 HK\$'000			2025	2024
Office properties in Hong Kong	33,200	33,200	Income capitalisation approach	Term yield	2.8%	2.9% to 3.1%
				Reversionary yield	3.0%	2.9% to 3.1%
				Market monthly rent per square foot	HK\$22.6 to HK\$41.1	HK\$14.7 to HK\$44.7
Retail properties in the PRC	3,731	3,736	Income capitalisation approach	Term yield	N/A	4.9% to 5.1%
				Reversionary yield	N/A	5.4% to 5.6%
				Market monthly rent per square meter	N/A	RMB98.0 to RMB100.1
			Direct comparison approach	Market price per square meter	RMB18,729 to RMB20,038	N/A
Land in the PRC	27,678	27,321	Direct comparison approach	Market price per square meter	RMB921 to RMB973	RMB980 to RMB1,292
Plant and dormitories in the PRC	127,232	123,678	Direct comparison approach	Market price per square meter	N/A	RMB1,044 to RMB1,894
			Income capitalisation approach	Term yield	4.0% to 6.0%	N/A
				Reversionary yield	4.5% to 6.5%	N/A
				Market monthly rent per square meter	RMB7.6 to RMB10.3	N/A
	191,841	187,935				

The fair value measurement is categorised into Level 3 fair value hierarchy and there were no transfers into or out of Level 3 during the year.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

15. GOODWILL

	2025 HK\$'000	2024 HK\$'000
GDH Food (Foshan) Co., Ltd.	1,415	1,415
Brilliant Food Products Limited	22,390	22,390
GDH Food (Zhuhai) Co., Ltd. ("GDH Food Zhuhai")*	60,920	59,424
GDH Food (Guangzhou) Co., Ltd.	–	1,347
	84,725	84,576

* Movement represents the exchange realignment.

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 12.5% (2024: 13.7%). The revenue growth rates applied to the cash flow projections ranges from 9.8% to 14.4% (2024: from 2.5% to 35%). The gross margins applied to the cash flow projections ranges from 5.0% to 5.6% (2024: from 5.9% to 6.1%). As at 31 December 2025, 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.

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 11.0% to 12.9% (2024: 11.8% to 12.9%). The revenue growth rates applied to the cash flow projections ranges from 4.9% to 14.5% (2024: from 3.4% to 15.5%). The gross margins applied to the cash flow projections ranges from 3.2% to 4.5% (2024: from 2.9% to 4.3%). As at 31 December 2025, 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.

Goodwill of GDH Food Guangzhou has been impaired since GDH Food Guangzhou has been continuously loss-making.

16. INTERESTS IN ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
Cost of investments in associates	60,382	60,382
Share of post-acquisition profit and other comprehensive income	95,949	89,805
	156,331	150,187

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

16. INTERESTS IN ASSOCIATES (continued)

Details of the Group's associates as at 31 December 2025 and 2024 are as follows:

Name of associates	Place of establishment	Proportion of nominal value of issued capital held by the Group indirectly		Principal activities
		2025	2024	
Hubei Jinxu Agriculture Development Co., Ltd.	The PRC	13.21%	13.21%	Pig farming and sales of pig and related activities
GDF Baojin Agricultural Technology Co., Ltd. ('GDF Baojin')	The PRC	34%	34%	Pig farming and sales of pig and related activities

Summarised financial information of material associate (GDF Baojin)

	2025 HK\$'000	2024 HK\$'000
Current assets	1,165,185	1,057,835
Non-current assets	710,146	762,559
Non-current liabilities	(987,212)	(894,703)
Current liabilities	(395,538)	(453,117)
Total equity	492,581	472,574
Revenue	2,042,955	1,717,234
Profit for the year	7,923	95,739
Profit for the year attributable to shareholders of Baojin	6,014	87,037
Other comprehensive income (expense) for the year	12,085	(10,607)
Total comprehensive income for the year	20,008	85,132
Reconciliation to carrying amount		
Net assets of GDF Baojin	492,581	472,574
Less: Non-controlling interests	(32,783)	(30,848)
	459,798	441,726
Proportion of the Group's ownership in GDF Baojin	34%	34%
Carrying amount of the Group's interest in GDF Baojin	156,331	150,187

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

17. INVENTORIES

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

	2025 HK\$'000	2024 HK\$'000
Raw materials, spare parts and consumables	253,077	245,027
Work in progress	45,983	33,421
Finished goods	183,989	144,820
	483,049	423,268

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

	2025 HK\$'000	2024 HK\$'000
Carrying amount of inventories sold	11,589,582	11,433,152
(Reversal of write-down)/write-down of inventories	(2,235)	7,421
	11,587,347	11,440,573

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

18. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Trade receivables	576,415	608,121
Less: Impairment losses under expected credit loss model	(72,343)	(7,070)
	504,072	601,051
Bills receivable	265,886	267,213
Rental and utilities deposits	11,022	15,449
Prepayments paid for purchases of raw materials	546,928	372,525
Other receivables and deposits	168,578	169,048
	1,496,486	1,425,286

As at 1 January 2024, trade and bills receivables from contracts with customers amounted to HK\$691,113,000.

The following is an ageing analysis of trade and bills receivables presented based on the invoice date at the end of the reporting period.

	2025 HK\$'000	2024 HK\$'000
0 – 60 days	692,683	804,540
61 – 120 days	18,328	22,919
121 – 180 days	43,119	1,870
Over 180 days	88,171	46,005
	842,301	875,334
Less: Impairment losses under expected credit loss model	(72,343)	(7,070)
	769,958	868,264

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

18. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables which are credit-impaired, under the simplified approach.

	2025 HK\$'000	2024 HK\$'000
At 1 January	7,070	–
Impairment losses recognised	64,747	7,070
Exchange realignment	526	–
At 31 December	72,343	7,070

At 31 December 2025, the trade receivables with gross carrying amount amounting to HK\$131,596,000 (2024: HK\$51,530,000) has been overdue for more than 90 days and determined to be credit-impaired, and accordingly ECL of HK\$72,343,000 (2024: HK\$7,070,000) has been provided at 31 December 2025. These amounts were due from certain local food wholesalers and retailers in the PRC arising from the Group's foodstuffs trading business. The management has been closely monitoring the settlement of these amounts by communicating with the customers and also taken legal actions against certain debtors. In determining the ECL of the trade receivables, the management has considered the amount and timing of cash flows through understanding the credit risk characteristics of each debtor, including their historical repayment records and the latest operational information available, as well as forward-looking information that is reasonably and supportably available without undue costs or effort, in order to determine the best estimate of the loss exposure.

In respect of the remaining trade receivables with an aggregate gross carrying amount of HK\$444,819,000 (2024: HK\$556,591,000) which include trade receivables with gross carrying amount of HK\$15,883,000 (2024: HK\$11,339,000) that are past due at the reporting date, the Group has considered their past-due status and made the estimate of ECL based on historical observed default rates over the expected life of the debtors and adjusted for forward-looking macroeconomic information that is available without undue cost or effort, and concluded that the ECL is not significant. There has been no change in the estimation technique or significant assumptions made to determine the ECL amount during the current year.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

19. PLEDGED DEPOSITS AND CASH AND CASH EQUIVALENTS

(a) Pledged deposits

As at 31 December 2025, deposits at banks of HK\$14,273,000 (2024: HK\$9,374,000) were pledged as securities for bills payable, which carry prevailing market interest rates.

(b) Cash and cash equivalents

	2025 HK\$'000	2024 HK\$'000
Deposits with banks	57,015	238,620
Cash at bank and on hand	902,140	716,191
Cash and cash equivalents in the consolidated statement of financial position	959,155	954,811

20. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade creditors	227,768	170,758
Bills payable	497,212	391,792
Other payables and accrued charges	311,644	318,638
Contract liabilities	126,139	83,740
Amounts due to fellow subsidiaries	1,557	206
Derivative financial instruments	–	607
	1,164,320	965,741

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

20. TRADE AND OTHER PAYABLES (continued)

The following is an ageing analysis of trade creditors presented based on invoice date as at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
0 – 60 days	216,592	163,002
61 – 120 days	318	514
121 – 180 days	1,711	1,026
Over 180 days	9,147	6,216
	227,768	170,758

The average credit period on purchase of goods is 60 – 180 days.

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. The contract liabilities balance at the beginning of the year has been utilised during the current year. The increase in contracts liabilities during the current year is explained by the increase in sales orders.

21. LOANS FROM A FELLOW SUBSIDIARY

	2025 HK\$'000	2024 HK\$'000
Loans from a fellow subsidiary are repayable:		
— within one year	20,840	189,295
— within a period of more than one year but not exceeding two years	52,047	—
— within a period of more than two years but not exceeding five years	150,666	106,926
— within a period of more than five years	62,110	197,503
	285,663	493,724
Less: Amounts that are repayable within one year	(20,840)	(189,295)
Amounts shown under non-current liabilities	264,823	304,429

As at 31 December 2025, loans from a fellow subsidiary were unsecured, interest-bearing ranging from 2.2% to 2.8% (2024: 2.2% to 2.8%) per annum.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

22. BANK BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Bank borrowings are repayable (based on scheduled repayment dates set out in the loan agreements):		
— within one year	413,994	327,356
— within a period of more than one year but not exceeding two years	2,774	1,947
— within a period of more than two years but not exceeding five years	31,438	25,926
— within a period of more than five years	137,536	131,359
	585,742	486,588
Less: Amounts that are repayable within one year and without a repayment on demand clause and shown under current liabilities	(413,994)	(327,356)
Amounts shown under non-current liabilities	171,748	159,232
The collateral details for bank loans are as follows:		
Secured	171,748	167,655
Unsecured	413,994	318,933
	585,742	486,588

As at 31 December 2025, the fixed-rate bank loans amounted to HK\$417,742,000 (2024: HK\$336,588,000) were interest-bearing at rates ranging from 2.0% to 3.0% (2024: 2.3% to 3.0%) per annum. Variable rate bank loans amounted to HK\$168,000,000 (2024: HK\$150,000,000) was unsecured and with effective interest rate from 3.82% to 3.89% (2024: from 4.39% to 5.69%) per annum.

Certain portion of the Group's banking facilities was secured by land and building. The banking facilities include HK\$538,051,000 (2024: HK\$280,774,000), of which HK\$171,748,000 (2024: HK\$167,655,000) was utilised, which were secured by mortgages over land and buildings with an aggregate carrying value of HK\$224,463,000 (2024: HK\$160,456,000).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

23. LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Lease liabilities are payable:		
— within a period not exceeding one year	15,763	14,296
— within a period of more than one year but not exceeding two years	16,615	12,447
	32,378	26,743
Less: Amount due for settlement within 12 months shown under current liabilities	(15,763)	(14,296)
Amount due for settlement after 12 months shown under non-current liabilities	16,615	12,447

24. CAPITAL AND RESERVES

(a) Share capital

	Number of shares '000	Amount HK\$'000
Issued and fully paid:		
At 1 January, 31 December 2024 and 31 December 2025	907,593	459,651

- (b) The special capital reserve arose as a result of the capital reorganisation of the Company completed in 2005.
- (c) Other reserves represent statutory reserves of entities established in the PRC and reserves arising from acquisitions that do not result in a change in control. In accordance with statutory requirements in the PRC, certain subsidiaries registered in the PRC are required to transferred a certain percentage of their annual net income from retained profits to the PRC statutory reserve until the statutory funds is accumulated up to 50% of their registered capital.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

25. DEFERRED TAXATION

Deferred tax liabilities and deferred tax assets are offset for financial reporting purposes.

	Right of-use assets HK\$'000	Lease liabilities HK\$'000	Depreciation allowance in excess of the related depreciation HK\$'000	Valuation of investment properties HK\$'000	Inventories write-down HK\$'000	Undistributed profits in the PRC HK\$'000	Tax losses HK\$'000	Others HK\$'000	Total HK\$'000
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	308	801
Charge (credit) to profit or loss	1,452	(1,714)	(1,620)	(2,167)	1,246	(69)	–	(3,785)	(6,657)
At 31 December 2024	6,949	(5,027)	5,901	50,204	(266)	13,625	(3,662)	(2,364)	65,360
Exchange adjustments	95	(46)	(1,192)	1,210	(103)	499	(244)	(1,564)	(1,345)
Charge (credit) to profit or loss	333	172	1,110	2	(335)	940	–	774	2,996
At 31 December 2025	7,377	(4,901)	5,819	51,416	(704)	15,064	(3,906)	(3,154)	67,011

At 31 December 2025, the Group had estimated unused tax losses of HK\$1.9 billion (2024: HK\$2 billion) available for offset against future profits which deferred tax assets have not been recognised due to the uncertainty of future profits streams. The tax losses may be carried forward indefinitely.

26. OPERATING LEASE ARRANGEMENTS

The Group leases out certain properties in Hong Kong and the PRC under operating leases with fixed amounts of rentals payable monthly. The leases typically run for an initial period of 1 year to 5 years, with an option to renew the leases upon expiry at which time all terms are renegotiated.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

26. OPERATING LEASE ARRANGEMENTS (continued)

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:

	2025 HK\$'000	2024 HK\$'000
Within one year	13,964	9,820
In the second year	6,382	4,942
In the third year	3,284	4,543
In the fourth year	1,199	2,690
In the fifth year	398	663
	25,227	22,658

27. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged for both years.

The capital structure of the Group consists of debt comprising bank borrowings, loans from a fellow subsidiary and equity attributable to equity shareholders of the Company, comprising issued share capital and reserves. The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group may balance its overall capital structure through the issuance of new shares as well as addition or repayment of borrowings.

28. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Amortised cost	1,821,124	1,926,483
Financial liabilities		
Amortised cost	1,924,250	1,876,351
Derivative financial instruments	–	607

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, deposits, pledged deposits, cash and cash equivalents, trade and other payables, bank borrowings, loans from a fellow subsidiary and financial liability at amortised cost. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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.

The carrying amounts of the group entities' major foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
United States Dollars ("USD")	12,794	11,308	5,976	7,384
Renminbi ("RMB")	15,410	4,077	1,013	252

At 31 December 2025, the carrying amounts of inter-company balances (assets) of certain group entities which were denominated in HKD (against RMB) is HK\$140,000,000 (2024: HK\$140,000,000) and RMB (against HKD) is HK\$109,938,000 (2024: HK\$65,874,000) respectively.

If USD depreciates against RMB by 3%, the Group's post-tax profit will decrease by HK\$1,314,000 (2024: HK\$787,000) and vice versa. If RMB appreciates against HKD by 3%, the Group's post-tax profit will decrease by HK\$495,000 (2024: HK\$81,000) and vice versa. The directors of the Company expect the foreign exchange exposure on USD against HKD to be minimal because HKD is pegged with USD under the Linked Exchange Rate System. Accordingly, no sensitivity analysis is presented. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings as at 31 December 2025. The Group currently does not have any interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

If interest rates had been 100 basis points (2024: 100 basis points) higher and 10 basis points (2024: 10 basis points) lower, and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2025 would decrease by HK\$5,915,000 (2024: HK\$4,685,000) and increase by HK\$592,000 (2024: HK\$469,000) respectively.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses 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 and bills receivable 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 and deposits are reviewed regularly and there is no significant increase in credit risk since initial recognition. ECL for these amounts are considered not significant.

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, 10.2% (2024: 4%) and 26.8% (2024: 12.6%) 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 certain long outstanding trade receivables due which the Group has obtained guarantees from independent third parties.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk

Individual operating entities within the Group are responsible for their own cash management. However, the individual operating entities require approval from the Company regarding fixed deposits, 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 Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to settle. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	On demand and less than 1 year HK\$'000	1 – 2 years HK\$'000	2 years to 5 years HK\$'000	More than 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
At 31 December 2025							
Trade and other payables		1,037,845	–	–	–	1,037,845	1,037,845
Lease liabilities	5.1%	17,401	17,456	–	–	34,857	32,378
Bank borrowings	2.8%	422,350	6,835	35,435	147,294	611,914	585,742
Loans from a fellow subsidiary	2.4%	27,609	58,372	155,712	66,211	307,904	285,663
Financial liability at amortised cost	2.4%	15,000	–	–	–	15,000	15,000
		1,520,205	82,663	191,147	213,505	2,007,520	1,956,628
At 31 December 2024							
Trade and other payables		881,394	–	–	–	881,394	881,394
Lease liabilities	4.9%	15,601	13,055	–	–	28,656	26,743
Bank borrowings	3.4%	337,301	6,167	30,094	141,802	515,364	486,588
Loans from a fellow subsidiary	2.4%	200,233	7,285	123,905	210,494	541,917	493,724
Financial liability at amortised cost	2.4%	15,000	–	–	–	15,000	14,645
		1,449,529	26,507	153,999	352,296	1,982,331	1,903,094

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

28. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Fair value measurements of financial instruments

The Group's derivative financial instruments amounting to nil (2024: HK\$607,000) is measured at fair value and classified as Level 3 of the fair value hierarchy (significant unobservable inputs). 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. During the years ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. The directors of the Company consider that the carrying amounts of the gross carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

29. RETIREMENT BENEFITS SCHEMES

- (a) Since 1 December 2000, the Group has operated pension schemes under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately in an independently managed fund. 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 HK\$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. The contributions are charged to profit or loss as incurred. The Group's liability is limited to the monthly contributions to the fund. The Group's mandatory contributions to MPF Scheme for its employees are fully and immediately vested in the employees once the contributions are made. Any unvested balance from voluntary contributions is refunded to the Group. There are no forfeited contribution under the MPF Scheme that may be used by the Group to reduce the existing level of contribution.

Employees of the Group working outside Hong Kong participate in the appropriate local contribution retirement schemes pursuant to the local labour rules and regulations.

Contributions payable to these schemes by the Group are disclosed in notes 10 and 11 to the consolidated financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

29. RETIREMENT BENEFITS SCHEMES (continued)

- (b) Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay long service payments ("LSP") to qualifying employees in Hong Kong upon retirement, subject to a minimum of 5 years employment period, amounting to two-third of last monthly wages (before termination of employment) multiplied by years of service. Last monthly wages are capped at HK\$22,500 while the amount of long service payment shall not exceed HK\$390,000. This obligation is accounted for as a post-employment defined benefit plan. Under the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 which was effective from 1 May 2025, any MPF benefits of an entity would no longer be eligible to offset against its obligations on LSP for the portion of the LSP accrued on or after the Transition Date. Separately, the Hong Kong government has launched a 25-year subsidy scheme to subsidise employers after 1 May 2025. The unfunded LSP obligation at 31 December 2025 amounted to HK\$1,262,000 (2024: HK\$1,599,000) and the current service cost during the years ended 31 December 2025 and 2024 is insignificant.

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Bank borrowings HK\$'000	Loans from a fellow subsidiary HK\$'000	Lease liabilities HK\$'000	Dividend payables HK\$'000
At 1 January 2024	733,608	189,540	16,500	–
Financing cash flows	(264,360)	297,681	(16,237)	(39,882)
Recognition of lease liabilities	–	–	25,708	–
Exchange adjustments	(3,018)	(4,053)	(154)	–
Dividends declared	–	–	–	39,882
Interest expenses	20,358	10,556	926	–
At 31 December 2024	486,588	493,724	26,743	–
Financing cash flows	75,915	(227,427)	(19,863)	(58,990)
Recognition of lease liabilities	–	–	26,754	–
Early termination of lease	–	–	(2,779)	–
Exchange adjustments	6,227	9,348	137	–
Dividends declared	–	–	–	58,990
Interest expenses	17,012	10,018	1,386	–
At 31 December 2025	585,742	285,663	32,378	–

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

31. PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries as at 31 December 2025 and 2024 are as follows:

Name of subsidiary	Place of incorporation/ registration and operation	Issued and fully paid up ordinary share capital/ registered capital	Proportion of ownership interest attributable to the Company		Principal activities
			2025 %	2024 %	
GDH Guangnan Investment Co., Ltd.**	The PRC	US\$100,000,000	100	100	Investment holding
GDH Guangnan Hong Co., Ltd.#	Hong Kong	HK\$153,916,728	100	100	Sales of fresh and live foodstuffs
GDH Guangnan Live Pigs Trading Limited	Hong Kong	HK\$12,000,000	51	51	Distribution of live pigs
GDH Zhongyue Industrial Material Limited	Hong Kong	HK\$10 (Note)	100	100	Investment holding
GDH Zhongyue (Zhongshan) Tinplate Industry Co., Ltd.*	The PRC	US\$84,252,800	100	100	Production and sales of tinplate products and Property leasing
GDH Zhongyue (Qinhuangdao) Tinplate Industry Co., Ltd.@	The PRC	US\$30,000,000	100	100	Production and sales of tinplate products
GDH Guangnan Hong (Guangdong) Co., Ltd.@	The PRC	RMB100,000,000	100	100	Sales of fresh and live foodstuffs
GDH Food (Foshan) Co., Ltd.^	The PRC	RMB172,857,200	65	65	Provision of slaughtering services
Brilliant Food Products Limited	Hong Kong	HK\$16,000,000	70	70	Sales of fresh and live foodstuffs
GDH Food (Zhuhai) Co., Ltd.^	The PRC	RMB60,000,000	66	66	Investment holding

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

31. PRINCIPAL SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ registration and operation	Issued and fully paid up ordinary share capital/ registered capital	Proportion of ownership interest attributable to the Company		Principal activities
			2025 %	2024 %	
Zhuhai Runhehe Food Co., Ltd. [^]	The PRC	RMB100,000,000	66	66	Provision of slaughtering services
GDH Guanglong Food (Zhongshan) Co., Ltd. [^]	The PRC	RMB8,600,000	66	66	Provision of slaughtering services
GDH Food (Guangzhou) Co., Ltd. [^]	The PRC	RMB81,428,600	51	51	Sales of fresh and live foodstuffs
Superior Victory Limited	Hong Kong	HK\$10,000,000	70	70	Sales of fresh and live foodstuffs
GDH Lishui Food (Foshan) Co., Ltd. ^{^Δ}	The PRC	RMB90,000,000	42.25	42.25	Provision of slaughtering services

* There subsidiaries are wholly foreign-owned enterprises in the PRC.

@ These subsidiaries are equity foreign joint ventures in the PRC.

[^] There subsidiaries are wholly domestic-owned enterprises in the PRC.

The proportion of ownership interest is directly attributable to the Company. The proportion of ownership interest attributable to other subsidiaries are indirectly attributable to the Company.

^Δ This company is controlled by GDH Food (Foshan) Co., Ltd. through 65% equity interest.

Note: At 31 December 2025, GDH Zhongyue Industrial Material Limited had outstanding non-voting deferred shares of HK\$230,000,000 which were held by a subsidiary of the Company. The deferred shares carry no rights to dividends or to receive notice of or to attend or vote at any general meeting and practically carry no rights to participate in any distribution on winding up.

None of the subsidiaries had any debt securities outstanding at the end of the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

32. CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2025 not provided for in the financial statements were as follows:

	2025 HK\$'000	2024 HK\$'000
Contracted for	203,415	5,086
Authorised but not contracted for	113,256	376,385
	316,671	381,471

At 31 December 2025, the Group has capital commitments mainly related to the construction of slaughtering houses and renovation of production equipment of tinplating business.

33. RELATED PARTY TRANSACTIONS

The Group itself is part of a larger group of companies under Guangdong Holdings Limited, a state-owned enterprise with its majority equity interest held by the People's Government of Guangdong Province, which is controlled by the government of the PRC and the Group operates in an economic environment currently predominated by entities controlled, jointly controlled or significantly influenced by the PRC government. The directors are of the opinion that those entities other than the group headed by Guangdong Holdings Limited do not have the power to govern or participate in the financial and operating policies of the Group. The transactions including sales and purchases of goods and services and bank deposits and corresponding interest income, with these entities are conducted in the ordinary course of the Group's business. The Group believes that it has provided, at the best of its knowledge, adequate and appropriate disclosure of related party transactions as summarised below.

Apart from details of the balances with related parties disclosed in respective notes, the Group entered into the following transactions with Guangdong Holdings Limited and its subsidiaries (excluding the Group) during the year.

	2025 HK\$'000	2024 HK\$'000
Commission income from associates	2,298	6,062
Interest expense to a fellow subsidiary (Note)	10,018	10,556
Sales of goods to fellow subsidiaries	–	2,026
Purchases of goods from associates	255,264	331,181
Purchases of electricity from a fellow subsidiary (Note)	45,258	51,150

Note: These transactions are regarded as discloseable continuing connected transactions, pursuant to Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are disclosed in the "Continuing Connected Transactions" section in the annual report.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

33. RELATED PARTY TRANSACTIONS (continued)

The remuneration of directors and other members of key management of the Group during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Short-term employee benefits	4,595	5,178
Retirement benefits costs	387	993
	4,982	6,171

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trend, and the terms of the relevant services contracts.

34. SUBSEQUENT EVENTS

Subsequent to 31 December 2025, the Group has acquired the remaining 30% equity interest in Brilliant Food at HK\$15,000,000 by settling the financial liability at amortised cost, and Brilliant Food become an indirect wholly-owned subsidiary of the Company.

35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Property, plant and equipment	1,827	2,378
Investment properties	238,000	248,000
	239,827	250,378
Investments in subsidiaries	1,335,991	1,444,530
	1,575,818	1,694,908
Current assets		
Other receivables, deposits and prepayments	56,384	104,952
Cash and cash equivalents	25,136	16,173
	81,520	121,125
TOTAL ASSETS	1,657,338	1,816,033

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

	2025 HK\$'000	2024 HK\$'000
Current liabilities		
Bank borrowings	86,000	120,000
Loans from a subsidiary	–	19,438
Other payable	21,684	37,652
	107,684	177,090
Net current liabilities	(26,164)	(55,965)
Total assets less current liabilities	1,549,654	1,638,943
Non-current liability		
Loans from a subsidiary	237,882	318,733
TOTAL LIABILITIES	345,566	495,823
NET ASSETS	1,311,772	1,320,210
CAPITAL AND RESERVES		
Share capital	459,651	459,651
Reserves	852,121	860,559
TOTAL EQUITY	1,311,772	1,320,210

The statement of financial position was approved and authorised for issue by the Board of Directors on 31 March 2026 and are signed on its behalf by:

Yang Zhe
Director

Long Wenfang
Director

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

	Special capital surplus HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2024	107,440	743,466	850,906
Profit and total comprehensive income for the year	–	36,881	36,881
Dividends (note 12)	–	(27,228)	(27,228)
At 31 December 2024	107,440	753,119	860,559
Profit and total comprehensive income for the year	–	36,942	36,942
Dividends (note 12)	–	(45,380)	(45,380)
At 31 December 2025	107,440	744,681	852,121

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

The Group conducted the following connected transactions during the year under review:

A. CONNECTED TRANSACTIONS UNDER THE NEW PARTNERSHIP AGREEMENT

On 28 November 2025, Guangnan Investment (as a Limited Partner) entered into the new partnership agreement with GDH Private Equity Investment Fund Management Co., Ltd. ("GDH Investment Fund", as a General Partner, the Executive Partner and the Manager) and GDH Capital Group Co., Ltd. ("GDH Capital Group", as a Limited Partner), in respect of the operation and management of GDH Wotu (Foshan) Industry Investment Management Corporation (Limited Partnership) (the "Limited Partnership"), pursuant to which certain terms of the original partnership agreement are varied as more particularly disclosed in the Company's announcement dated 28 November 2025. Pursuant to the new partnership agreement, the committed total capital contribution to the Limited Partnership by all Partners shall be RMB100 million, of which the capital contribution of Guangnan Investment was RMB10 million.

GDH Investment Fund is a wholly-owned subsidiary of Guangdong Holdings, and hence a connected person of the Company. In addition, GDH Capital Group is a wholly-owned subsidiary of GDH, and thus a connected person of the Company. Accordingly, the formation of the Limited Partnership and the material variation of terms of the original partnership agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

B. 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.

(I) The 2025 electricity agreements and further 2025 electricity agreements (collectively the "Electricity Agreements") with Zhongshan GDH Energy Services Co., Ltd. ("GDH Energy Service")

On 23 December 2024, each of GDH Zhongyue (Zhongshan) Tinplate Industry Co., Ltd. ("GDH Zhongyue"), GDH Food (Foshan) Co., Ltd. ("GDH Food Foshan"), Zhuhai Runhehe Food Co., Ltd. ("Runhehe Food") and GDH Guanglong Food (Zhongshan) Co., Ltd. ("Guanglong Food") entered into the 2025 electricity agreements with 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 Co., Ltd.) from GDH Energy Service for the period from 1 January 2025 to 30 June 2025. On 29 April 2025, each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food entered into the further 2025 electricity agreements with GDH Energy Service, pursuant to which the period was from 1 July 2025 and 31 December 2025.

The electricity purchased under the Electricity Agreements was to support the operations of the tinplate business of GDH Zhongyue and the slaughterhouses operated by GDH Food Foshan, Runhehe Food and Guanglong Food.

GDH Energy Service supplied, and each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food (as the case may be) purchased, electricity at the following prices:

- (i) as to 90% of the monthly consumption, at the agreed price for the standard period (being RMB0.399 per kWh) (the "Agreed Price"), multiplied by the coefficient corresponding to the peak, standard or off-peak period in which the relevant electricity consumption takes place; and

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

- (ii) as to the remaining 10% of the monthly consumption, at a price based on the monthly weighted average consolidated tariff in the day-ahead market (日前市場月度加權平均綜合價), multiplied by a coefficient corresponding to the peak, standard or off-peak period in which the relevant electricity consumption takes place.

If the Agreed Price exceeds the monthly weighted average market price (市場月度加權平均價) by more than 30% for a particular month, the agreed price for the standard period of that month shall be calculated at 130% of the monthly weighted average market price. If the Agreed Price is lower than the monthly weighted average market price (市場月度加權平均價) by more than 20% for a particular month, the agreed price for the standard period of that month shall be calculated at 80% of the monthly weighted average market price.

GDH is holding approximately 58.26% of the total number of issued shares of GDI, and GDH Energy Service is a non-wholly owned subsidiary of GDI. Therefore, GDH Energy Service is a connected person of the Company. As GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food are all subsidiaries of the Company, the transactions contemplated under the Electricity Agreements constitute continuing connected transactions under Chapter 14A of the Listing Rules.

For the year ended 31 December 2025, 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 Co., Ltd.) for RMB33,453,000, RMB5,761,000, RMB1,743,000, RMB504,000 respectively ("Purchase of Electricity").

(II) The financial services agreement with GDH Finance Co., Ltd. ("GDH Finance")

On 15 December 2023, the Company entered into the financial services agreement with GDH Finance, of which GDH Finance provided certain financial services, including deposit and bills discounting services, to the Group. For the year ended 31 December 2025, the Group has deposited at GDH Finance at the maximum daily balance of RMB22,680,000 and has not used bills discounting services provided by GDH Finance.

The interest rate for the Group's deposits with GDH Finance is determined according to principles of voluntariness, negotiation, and mutual benefit, on the basis of the base interest rate offered by the People's Bank of China for the same period, taking into consideration the interest rates for the same type of deposit offered by commercial banks in the PRC. The maximum daily balance of the Group's deposit with GDH Finance shall not exceed RMB23,000,000 for each of the three years ending 31 December 2026.

The service fees of bills discounting services charged by GDH Finance shall not exceed the standard rate for the same type of services provided by other commercial banks to the Group. The aggregate transaction amount of electronic commercial bills to be transferred to GDH Finance shall not exceed RMB23,000,000 for each of the three years ending 31 December 2026.

GDH Finance is a subsidiary of GDH, and therefore is a connected person of the Company. The transaction contemplated under the financial services agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

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

The Independent Non-executive Directors of the Company have reviewed the continuing connected transactions set out above and have unanimously confirmed that these continuing connected 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) according to the respective agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The Board including the Independent Non-Executive Directors also confirmed that for the year ended 31 December 2025:

- (i) the aggregate amount did not exceed the annual cap amount of RMB47,105,000 for the Purchase of Electricity as disclosed in the announcement dated 29 April 2025; and
- (ii) the maximum daily balance 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 continuing connected 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 Board has confirmed that the Company's auditor has issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group and confirmed the matters set out in Rule 14A.56 of the Listing Rules. The Company confirms that it has followed its pricing policies when determining the price and terms of continuing connected transactions conducted during the financial year.

Save as disclosed above, the Company does not have other disclosure obligations under Rule 13.21 of the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A 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

RESULTS

	2025 HK\$000	For the year ended 31 December			
		2024 HK\$000	2023 HK\$000	2022 HK\$000	2021 HK\$000
Revenue	12,140,367	11,978,788	10,385,807	8,311,752	4,855,567
Profit from operations	187,638	236,146	278,222	277,034	155,302
Valuation gains (losses) on investment properties	9	(13,378)	(3,472)	1,675	(1,098)
Share of profit (loss) of a joint venture	99	129	(50)	–	–
Share of profit (loss) of associates	2,045	24,683	(127,053)	(56,436)	(72,305)
Reversal of impairment loss on interest in an associate	–	–	23,764	–	–
Finance costs	(27,062)	(30,704)	(26,324)	(19,195)	(704)
Profit before taxation	162,729	216,876	145,087	203,078	81,195
Income tax	(48,818)	(45,854)	(52,310)	(50,042)	(9,666)
Profit for the year	113,911	171,022	92,777	153,036	71,529
Attributable to:					
Equity shareholders of the Company	111,616	140,754	65,924	135,673	54,062
Non-controlling interests	2,295	30,268	26,853	17,363	17,467
Profit for the year	113,911	171,022	92,777	153,036	71,529
Earnings per share					
Basic	HK12.30 cents	HK15.51 cents	HK7.26 cents	HK14.95 cents	HK5.96 cents
Dividend per share					
Interim	HK2.50 cents	HK1.00 cent	HK1.00 cent	HK1.00 cent	HK1.00 cent
Proposed final	HK1.20 cents	HK2.50 cents	HK2.00 cents	HK2.00 cents	HK1.50 cents

Financial Summary (continued)

ASSETS AND LIABILITIES

	As at 31 December				
	2025 HK\$000	2024 HK\$000	2023 HK\$000	2022 HK\$000	2021 HK\$000
Property, plant and equipment	1,772,137	1,692,000	1,730,678	1,581,249	1,233,481
Investment properties	191,841	187,935	238,160	272,878	286,875
	1,963,978	1,879,935	1,968,838	1,854,127	1,520,356
Goodwill	84,725	84,576	85,904	85,408	1,415
Interest in a joint venture	11,251	10,877	10,986	–	–
Interests in associates	156,331	150,187	153,609	261,210	353,908
Net current assets	1,319,768	1,286,710	1,204,855	962,005	1,162,769
Total assets less current liabilities	3,536,053	3,412,285	3,424,192	3,162,750	3,038,448
Non-current liabilities	(532,293)	(555,449)	(628,547)	(378,837)	(130,119)
Net assets	3,003,760	2,856,836	2,795,645	2,783,913	2,908,329
Share capital	459,651	459,651	459,651	459,651	459,651
Other reserves	2,250,575	2,133,100	2,110,363	2,114,242	2,219,573
Total equity attributable to equity shareholders of the Company	2,710,226 293,534	2,592,751 264,085	2,570,014 225,631	2,573,893 210,020	2,679,224 229,105
Total equity	3,003,760	2,856,836	2,795,645	2,783,913	2,908,329



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