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粵海廣南(集團)有限公司

GDH GUANGNAN (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 01203)

CONTINUING CONNECTED TRANSACTIONS THE 2024 ELECTRICITY AGREEMENTS

THE 2024 ELECTRICITY AGREEMENTS

Reference is made to the announcement of the Company dated 15 December 2023 in relation to the Existing Electricity Agreements, pursuant to which each of GDH Zhongyue (a wholly-owned subsidiary of the Company), GDH Food Foshan, Runhehe Food and Guanglong Food (all being non-wholly owned subsidiaries of the Company) has been purchasing electricity (through the power grid operated by Guangdong Power Grid) from GDH Energy Service from 1 January 2024 to 31 May 2024.

In light of the upcoming expiry of the Existing Electricity Agreements on 31 May 2024, on 28 March 2024, (i) GDH Zhongyue entered into the 2024 Zhongyue Electricity Agreement with GDH Energy Service; (ii) GDH Food Foshan entered into the 2024 GDH Food Foshan Electricity Agreement with GDH Energy Service; (iii) Runhehe Food entered into the 2024 Runhehe Food Electricity Agreement with GDH Energy Service; and (iv) Guanglong Food entered into the 2024 Guanglong Food Electricity Agreement with GDH Energy Service, pursuant to which each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food (as the case may be) agreed to purchase electricity (through the power grid operated by Guangdong Power Grid) from GDH Energy Service from 1 June 2024 to 31 December 2024, subject to the approval from the Independent Shareholders being obtained.

LISTING RULES IMPLICATIONS

GDH is holding approximately 59.19% of the total number of issued shares of the Company and thus, GDH is a substantial shareholder, hence a connected person of the Company. Further, GDH is holding approximately 56.49% of the total number of issued shares of GDI, and GDH Energy Service is a non-wholly owned subsidiary of GDI (and, hence, also of GDH), GDH Energy Service is an associate of GDI and GDH and thus a connected person of the Company. As GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food are all subsidiaries of the Company, the entering into of the 2024 Electricity Agreements constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

On the basis that (i) each of the 2024 Electricity Agreements is in relation to the purchase of electricity by a subsidiary of the Group from GDH Energy Service and was entered into on the same date, and (ii) each of the 2024 Electricity Agreements and the Existing Electricity Agreements is in relation to the purchase of electricity by a subsidiary of the Group from GDH Energy Service and was entered into within a 12-month period, the transactions contemplated under the 2024 Electricity Agreements and the Existing Electricity Agreements have been aggregated pursuant to the Listing Rules. As, on an aggregate basis, the highest applicable percentage ratio in respect of the Proposed Caps set for the 2024 Electricity Agreements and the Existing Caps set for the Existing Electricity Agreements exceed 5%, the 2024 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps are subject to the annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among other things, (i) details of the 2024 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the 2024 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; and (iv) the notice convening the EGM, is expected to be despatched to the Shareholders on or before 30 April 2024.

INTRODUCTION

Reference is made to the announcement of the Company dated 15 December 2023 in relation to the Existing Electricity Agreements, pursuant to which each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food has been purchasing electricity (through the power grid operated by Guangdong Power Grid) from GDH Energy Service from 1 January 2024 to 31 May 2024.

In light of the upcoming expiry of the Existing Electricity Agreements on 31 May 2024, on 28 March 2024, (i) GDH Zhongyue entered into the 2024 Zhongyue Electricity Agreement with GDH Energy Service; (ii) GDH Food Foshan entered into the 2024 GDH Food Foshan Electricity Agreement with GDH Energy Service; (iii) Runhehe Food entered into the 2024 Runhehe Food Electricity Agreement with GDH Energy Service; and (iv) Guanglong Food entered into the 2024 Guanglong Food Electricity Agreement with GDH Energy Service.

2024 ELECTRICITY AGREEMENTS

Save for (i) the parties to, (ii) the maximum volume of electricity to be purchased, and (iii) the condition precedent under each of the 2024 Electricity Agreements as more particularly described below, the principal terms of the 2024 Electricity Agreements are substantially the same and are summarised as follows:

Date: 28 March 2024

Parties: *2024 Zhongyue Electricity Agreement:*

- (i) GDH Zhongyue (as purchaser and user of electricity)
- (ii) GDH Energy Service (as supplier)

2024 GDH Food Foshan Electricity Agreement:

- (i) GDH Food Foshan (as purchaser and user of electricity)
- (ii) GDH Energy Service (as supplier)

2024 Runhehe Food Electricity Agreement:

- (i) Runhehe Food (as purchaser and user of electricity)
- (ii) GDH Energy Service (as supplier)

2024 Guanglong Food Electricity Agreement:

- (i) Guanglong Food (as purchaser and user of electricity)
- (ii) GDH Energy Service (as supplier)

Term: 1 June 2024 to 31 December 2024

Maximum volume:

2024 Zhongyue Electricity Agreement:

For the seven months ending 31 December 2024, not exceeding 49,000,000 kWh, being the expected maximum volume of electricity to be consumed by GDH Zhongyue.

2024 GDH Food Foshan Electricity Agreement:

For the seven months ending 31 December 2024, not exceeding 12,100,000 kWh, being the expected maximum volume of electricity to be consumed by GDH Food Foshan.

2024 Runhehe Food Electricity Agreement:

For the seven months ending 31 December 2024, not exceeding 5,300,000 kWh, being the expected maximum volume of electricity to be consumed by Runhehe Food.

2024 Guanglong Food Electricity Agreement:

For the seven months ending 31 December 2024, not exceeding 800,000 kWh, being the expected maximum volume of electricity to be consumed by Guanglong Food.

Unit Price:

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

- (i) as to 90% of the monthly consumption, at the agreed price for the normal period (being RMB0.460 per kWh) (the “**Agreed Price**”), multiplied by the coefficient corresponding to the peak, normal or low period in which the relevant electricity consumption takes place; and
- (ii) as to the remaining 10% of the monthly consumption, at a price based on the monthly consolidated tariff in the day-ahead market* (日前市場月度綜合價) ^(Note1), multiplied by a coefficient corresponding to the peak, normal or low period in which the relevant electricity consumption takes place.

Payment terms:

The electricity fee payable by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food (as the case may be) shall be settled with Guangdong Power Grid ^(Note 2) on a monthly basis, which shall in turn be payable by Guangdong Power Grid to GDH Energy Service after deduction of the Power Grid Fee to be charged by Guangdong Power Grid; the amount to be received by GDH Energy Service under the respective 2024 Electricity Agreements shall therefore be the remainder of the said electricity fee.

Condition precedent:*2024 Zhongyue Electricity Agreement:*

The 2024 Zhongyue Electricity Agreement is subject to and shall become effective on the date of approval of the 2024 Zhongyue Electricity Agreement and the transactions contemplated thereunder by the Independent Shareholders at the EGM in compliance with the Listing Rules having been obtained. The aforementioned condition precedent cannot be waived.

If the aforementioned condition precedent cannot be satisfied within 12 months from the date of the 2024 Zhongyue Electricity Agreement (or such other date as GDH Zhongyue and GDH Energy Service may agree in writing), the 2024 Zhongyue Electricity Agreement will terminate.

2024 GDH Food Foshan Electricity Agreement:

The 2024 GDH Food Foshan Electricity Agreement is subject to and shall become effective on the date of approval of the 2024 GDH Food Foshan Electricity Agreement and the transactions contemplated thereunder by the Independent Shareholders at the EGM in compliance with the Listing Rules having been obtained. The aforementioned condition precedent cannot be waived.

If the aforementioned condition precedent cannot be satisfied within 12 months from the date of the 2024 GDH Food Foshan Electricity Agreement (or such other date as GDH Food Foshan and GDH Energy Service may agree in writing), the 2024 GDH Food Foshan Electricity Agreement will terminate.

2024 Runhehe Food Electricity Agreement:

The 2024 Runhehe Food Electricity Agreement is subject to and shall become effective on the date of approval of the 2024 Runhehe Food Electricity Agreement and the transactions contemplated thereunder by the Independent Shareholders at the EGM in compliance with the Listing Rules having been obtained. The aforementioned condition precedent cannot be waived.

If the aforementioned condition precedent cannot be satisfied within 12 months from the date of the 2024 Runhehe Food Electricity Agreement (or such other date as Runhehe Food and GDH Energy Service may agree in writing), the 2024 Runhehe Food Electricity Agreement will terminate.

2024 Guanglong Food Electricity Agreement:

The 2024 Guanglong Food Electricity Agreement is subject to and shall become effective on the date of approval of the 2024 Guanglong Food Electricity Agreement and the transactions contemplated thereunder by the Independent Shareholders at the EGM in compliance with the Listing Rules having been obtained. The aforementioned condition precedent cannot be waived.

If the aforementioned condition precedent cannot be satisfied within 12 months from the date of the 2024 Guanglong Food Electricity Agreement (or such other date as Guanglong Food and GDH Energy Service may agree in writing), the 2024 Guanglong Food Electricity Agreement will terminate.

Notes:

1. As published by the Guangdong Electricity Exchange Centre from time to time.
2. To the best of the knowledge, information and belief of the Directors, Guangdong Power Grid is a third party independent of and not connected with the Group.

THE PROPOSED CAPS AND BASIS OF DETERMINATION

Existing caps and historical transaction amounts

The following table sets out the existing cap under each of the Existing Electricity Agreements, being the maximum amount to be paid by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food (as the case may be) to GDH Energy Service with respect to the purchase of electricity for the five months ending 31 May 2024 (each an “Existing Cap”, collectively, the “Existing Caps”):

**For the five months ending
31 May 2024
(RMB)**

The Existing Cap of each of the Existing Electricity Agreements:

Existing Zhongyue Electricity Agreement	16,120,000
Existing GDH Food Foshan Electricity Agreement	3,200,000
Existing Runhehe Food Electricity Agreement	1,229,200
Existing Guanglong Food Electricity Agreement	194,000

Existing Caps 20,743,200
(equivalent to approximately
HK\$22,857,000)

The following table sets out the historical amount of fees paid by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food (as the case may be) under the respective Existing Electricity Agreements to GDH Energy Service in relation to the purchase of electricity for the period from 1 January 2024 to 29 February 2024 (the “Historical Transaction Amounts”):

**For the period from
1 January 2024 to
29 February 2024
(RMB)**

The Historical Transaction Amounts of each of the Existing Electricity Agreements:

Existing Zhongyue Electricity Agreement	5,196,000
Existing GDH Food Foshan Electricity Agreement	1,064,000
Existing Runhehe Food Electricity Agreement	273,000
Existing Guanglong Food Electricity Agreement	50,000

The Proposed Caps

The proposed cap (being the maximum amount of fees payable by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food (as the case may be) to GDH Energy Service (after deducting the Power Grid Fees payable to Guangdong Power Grid) in relation to the purchase of electricity under the respective 2024 Electricity Agreements) for the transactions contemplated under the respective 2024 Electricity Agreements for the seven months ending 31 December 2024 (i.e. from 1 June 2024 to 31 December 2024) (each a “**Proposed Cap**”, collectively, the “**Proposed Caps**”) are set out in the table below:

**For the seven months ending
31 December 2024
(RMB)**

The Proposed Cap of each of the 2024 Electricity Agreements:

2024 Zhongyue Electricity Agreement	23,230,000
2024 GDH Food Foshan Electricity Agreement	6,110,000
2024 Runhehe Food Electricity Agreement	2,500,000
2024 Guanglong Food Electricity Agreement	380,000

The Proposed Caps 32,220,000
(equivalent to approximately
HK\$35,503,000)

Basis of determination for the Proposed Caps

The Proposed Caps are determined after arm’s length negotiation between the parties to the 2024 Electricity Agreements, and are based on:

- (a) the guidelines issued by the relevant authorities, namely, the Notice of Relevant Matters in relation to the Transactions of 2024 Electricity Market* (《關於2024年電力市場交易有關事項的通知》) issued by the Energy Bureau of Guangdong Province (廣東省能源局) and the South China Energy Regulatory Office of National Energy Administration (國家能源局南方監管局) on 21 November 2023, which set out the recommended terms for the transactions in the electricity market in Guangdong Province (the “**Electricity Market Guidelines**”);
- (b) the abovementioned Agreed Price (being RMB0.460 per kWh) under the 2024 Electricity Agreements, which has been determined after arm’s length negotiation with reference to (i) the market reference price (being RMB0.463 per kWh) and (ii) the price range (the maximum being RMB0.554 per kWh and the minimum being RMB0.372 per kWh), which are specified under the Electricity Market Guidelines;

- (c) the Historical Transaction Amounts;
- (d) the average monthly consumption of electricity by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food, which is approximately 5,753,000 kWh, 1,325,000 kWh, 366,000 kWh and 68,000 kWh, respectively, for the period from 1 January 2024 to 29 February 2024; and
- (e) the expectation that the volume of electricity to be consumed by GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food will reach the level of not more than 49,000,000 kWh, 12,100,000 kWh, 5,300,000 kWh and 800,000 kWh, respectively, for the seven months ending 31 December 2024, primarily considering the scale of the tinsplate business of GDH Zhongyue and the operation scale of the slaughterhouses operated by GDH Food Foshan, Runhehe Food and Guanglong Food.

REASONS AND BENEFITS FOR ENTERING INTO THE 2024 ELECTRICITY AGREEMENTS

The Agreed Price has been arrived at after arm's length negotiation between the parties to the 2024 Electricity Agreements. It is set with reference to the abovementioned market reference price as stipulated in the Electricity Market Guidelines. The Group intends to continue the transactions under the Existing Electricity Agreements, so that each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food will be able to continue to enjoy a fair, reasonable and competitive price which will be conducive in stabilising the operating costs amid the competitive market in which they operate and supporting their daily operations.

Taking into account the above and the longstanding and satisfactory relationship between the Group and GDH Energy Service, the Directors are of the view that it would be beneficial to each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food to purchase electricity from GDH Energy Service by entering into the respective 2024 Electricity Agreements.

In light of the above, the Directors (other than the independent non-executive Directors, who shall provide their views after taking into account the advice of the Independent Financial Adviser) consider that the terms and conditions of the 2024 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps are fair and reasonable, on normal commercial terms or better, are entered into in the ordinary and usual course of business of the Group and are in the interests of the Company and its shareholders as a whole.

INTERNAL CONTROL MEASURES

The Group will adopt certain internal control measures in relation to the 2024 Electricity Agreements to secure the Shareholders' interests. Among which, the finance department of the Company will conduct monthly tracking, monitoring and verification of the relevant continuing connected transactions contemplated under the 2024 Electricity Agreements. Moreover, the audit committee of the Board will continue to conduct review of the continuing connected transactions contemplated under the 2024 Electricity Agreements to ensure the completeness and effectiveness of the internal control measures.

The Board considers that the above internal control measures adopted by the Company in respect of the 2024 Electricity Agreements are appropriate and that they will give sufficient assurance to the Shareholders that the transactions under the 2024 Electricity Agreements will be appropriately monitored by the Company.

INFORMATION ON THE PARTIES TO THE 2024 ELECTRICITY AGREEMENTS

Information on the Company, GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food

The Company

The Company is a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange and is principally engaged in investment holding. The Group is principally engaged in the distribution and trading of fresh and live foodstuffs, provision of slaughtering service, manufacturing and sale of tinsplate products and property leasing. The Company is held as to approximately 59.19% by GDH.

The principal business of GDH is investment holding. The Company understands from GDH that (i) GDH is wholly owned by Guangdong Holdings, a state-owned enterprise established in the PRC; and (ii) Guangdong Holdings is held as to 90% by the Guangdong Government and as to 10% by the Department of Finance of the Guangdong Government while the State-owned Assets Supervision and Administration Commission of the Guangdong Government has been performing ownership and control functions in respect of Guangdong Holdings with the authorisation of the Guangdong Government.

GDH Zhongyue

GDH Zhongyue is a company established in the PRC with limited liability and is principally engaged in the production and sale of tinsplate products and property leasing. GDH Zhongyue is a wholly-owned subsidiary of the Company.

GDH Food Foshan

GDH Food Foshan is a limited liability company established in the PRC and is principally engaged in the business of food production, food sales, livestock slaughtering, distribution and transportation services and cryogenic storage. GDH Food Foshan is owned as to 65% by GDH Guangnan Hong Company Limited (a wholly-owned subsidiary of the Company) and as to 35% by Nanhai Investment.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquires, save for Nanhai Investment's holding of the said 35% interest in GDH Food Foshan, Nanhai Investment and its ultimate beneficial owner (being the State-owned Assets Supervision and Administration Commission of Nanhai District of Foshan City* (佛山市南海區國有資產監督管理局)) are third parties independent of and not connected with the Company and its connected person(s).

Runhehe Food

Runhehe Food is a company established in the PRC with limited liability and is principally engaged in the livestock slaughtering and the operation of slaughterhouse. Runhehe Food is an indirect non-wholly owned subsidiary of the Company. It is wholly-owned by GDH Dezhirun Food, which is in turn held as to (i) 66% by GDH Food (Zhuhai) Company Limited* (粵海食品(珠海)有限公司) (a wholly-owned subsidiary of GDH Guangnan Investment Company Limited, which is in turn wholly-owned by the Company); and (ii) 34% directly and indirectly by or for Ms. Yan Dandan (顏丹丹女士) (“**Ms. Yan**”) as beneficial owner.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquires, and other than the shareholding interests abovementioned, Ms. Yan is a third party independent of and not connected with the Company and its connected person(s).

Guanglong Food

Guanglong Food is a company established in the PRC with limited liability and is principally engaged in the pig slaughtering business. Guanglong Food is an indirect non-wholly owned subsidiary of the Company and is wholly owned by GDH Dezhirun Food.

Information on GDH Energy Service

GDH Energy Service is a company established in the PRC with limited liability and is principally engaged in sale of electricity. GDH Energy Service is wholly owned by GDH Energy.

GDH Energy is a company established in the PRC with limited liability and is principally engaged in the power plant operation for the provision of electricity and steam supply. GDH Energy is owned as to: (i) 75% by Zhongshan Power (which, in turn, is owned as to 95% by GDI and as to 5% by Devon Investment Limited); and (ii) 25% by Zhongshan Xingzhong (which, in turn, is wholly-owned by the State-owned Assets Supervision and Administration Commission of Zhongshan Municipal Government* (中山市人民政府國有資產監督管理委員會)). Devon Investment Limited is an indirect wholly-owned subsidiary of Zhongshan Xingzhong.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquires, GDI is a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange and is principally engaged in investment holding, water resources, property investment and development, department store operation, hotel ownership, operation and management, investments in energy projects, and road and bridge operation. GDI is owned as to approximately 56.49% by GDH and is therefore a subsidiary of Guangdong Holdings and GDH. Accordingly, GDH Energy Service is an indirect non-wholly owned subsidiary of each of GDI and GDH.

LISTING RULES IMPLICATIONS

GDH is holding approximately 59.19% of the total number of issued shares of the Company and thus, GDH is a substantial shareholder, hence a connected person of the Company. Further, GDH is holding approximately 56.49% of the total number of issued shares of GDI, and GDH Energy Service is a non-wholly owned subsidiary of GDI (and, hence, also of GDH), GDH Energy Service is an associate of GDI and GDH and thus a connected person of the Company. As GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food are all subsidiaries of the Company, the entering into of the 2024 Electricity Agreements constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

On the basis that (i) each of the 2024 Electricity Agreements is in relation to the purchase of electricity by a subsidiary of the Group from GDH Energy Service and was entered into on the same date, and (ii) each of the 2024 Electricity Agreements and the Existing Electricity Agreements is in relation to the purchase of electricity by a subsidiary of the Group from GDH Energy Service and was entered into within a 12-month period, the transactions contemplated under the 2024 Electricity Agreements and the Existing Electricity Agreements have been aggregated pursuant to the Listing Rules. As, on an aggregate basis, the highest applicable percentage ratio in respect of the Proposed Caps set for the 2024 Electricity Agreements and the Existing Caps set for the Existing Electricity Agreements exceed 5%, the 2024 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps are subject to the annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors has any material interest in the 2024 Electricity Agreements and the transactions contemplated thereunder and is required to abstain from voting on the relevant Board resolutions.

Independent Board Committee and Independent Financial Adviser

An Independent Board Committee comprising all the independent non-executive directors of the Company (namely, Mr. Gerard Joseph MCMAHON, Mr. LI Kar Keung, Caspar and Dr. WONG Yau Kar, David) has been formed to consider the 2024 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps, and an Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the 2024 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps.

Despatch of circular

A circular containing, among other things, (i) details of the 2024 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the 2024 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; and (iv) the notice convening the EGM, is expected to be despatched to the Shareholders on or before 30 April 2024, which is more than 15 business days after publication of this announcement as additional time is required by the Company to prepare the relevant information in the circular.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“2024 Electricity Agreements”	collectively, (i) the 2024 Zhongyue Electricity Agreement; (ii) the 2024 GDH Food Foshan Electricity Agreement; (iii) the 2024 Runhehe Food Electricity Agreement; and (iv) the 2024 Guanglong Food Electricity Agreement, and each a “2024 Electricity Agreement”
“2024 GDH Food Foshan Electricity Agreement”	an agreement dated 28 March 2024 entered into between GDH Food Foshan and GDH Energy Service, together with the letter dated 28 March 2024 from GDH Food Foshan to GDH Energy Service

“2024 Guanglong Food Electricity Agreement”	an agreement dated 28 March 2024 entered into between Guanglong Food and GDH Energy Service, together with the letter dated 28 March 2024 from Guanglong Food to GDH Energy Service
“2024 Runhehe Food Electricity Agreement”	an agreement dated 28 March 2024 entered into between Runhehe Food and GDH Energy Service, together with the letter dated 28 March 2024 from Runhehe Food to GDH Energy Service
“2024 Zhongyue Electricity Agreement”	an agreement dated 28 March 2024 entered into between GDH Zhongyue and GDH Energy Service, together with the letter dated 28 March 2024 from GDH Zhongyue to GDH Energy Service
“Agreed Price”	has the meaning ascribed to it under the section headed “2024 ELECTRICITY AGREEMENTS – Unit Price” in this announcement
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	GDH Guangnan (Holdings) Limited (粵海廣南 (集團) 有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01203)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, the 2024 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps
“Electricity Market Guidelines”	has the meaning ascribed to it under the section headed “THE PROPOSED CAPS AND BASIS OF DETERMINATION – Basis of determination for the Proposed Caps” in this announcement

“Existing Cap(s)”	has the meaning ascribed to it under the section headed “THE PROPOSED CAPS AND BASIS OF DETERMINATION – Existing caps and historical transaction amounts” in this announcement
“Existing Electricity Agreements”	collectively, (i) the Existing Zhongyue Electricity Agreement; (ii) the Existing GDH Food Foshan Electricity Agreement; (iii) the Existing Runhehe Food Electricity Agreement; and (iv) the Existing Guanglong Food Electricity Agreement, and each an “Existing Electricity Agreement”
“Existing GDH Food Foshan Electricity Agreement”	an agreement dated 15 December 2023 entered into between GDH Food Foshan and GDH Energy Service, together with the letter dated 15 December 2023 from GDH Food Foshan to GDH Energy Service, the details of which is set out in the announcement of the Company dated 15 December 2023
“Existing Guanglong Food Electricity Agreement”	an agreement dated 15 December 2023 entered into between Guanglong Food and GDH Energy Service, together with the letter dated 15 December 2023 from Guanglong Food to GDH Energy Service, the details of which is set out in the announcement of the Company dated 15 December 2023
“Existing Runhehe Food Electricity Agreement”	an agreement dated 15 December 2023 entered into between Runhehe Food and GDH Energy Service, together with the letter dated 15 December 2023 from Runhehe Food to GDH Energy Service, the details of which is set out in the announcement of the Company dated 15 December 2023
“Existing Zhongyue Electricity Agreement”	an agreement dated 15 December 2023 entered into between GDH Zhongyue and GDH Energy Service, together with the letter dated 15 December 2023 from GDH Zhongyue to GDH Energy Service, the details of which is set out in the announcement of the Company dated 15 December 2023
“GDH”	GDH Limited (粵海控股集團有限公司), a company incorporated in Hong Kong with limited liability and the immediate holding company of the Company
“GDH Dezhirun Food”	粵海德之潤食品 (珠海) 有限公司 (GDH Dezhirun Food (Zhuhai) Company Limited*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company

“GDH Energy”	中山粵海能源有限公司 (Zhongshan GDH Energy Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of GDI
“GDH Energy Service”	中山粵海能源服務有限公司 (Zhongshan GDH Energy Service Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of GDI
“GDH Food Foshan”	粵海食品 (佛山) 有限公司 (GDH Food (Foshan) Co., Ltd*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“GDH Zhongyue”	粵海中粵 (中山) 馬口鐵工業有限公司 (GDH Zhongyue (Zhongshan) Tinplate Industry Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“GDI”	Guangdong Investment Limited (粵海投資有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00270)
“Group”	the Company and its subsidiaries
“Guangdong Government”	the People’s Government of Guangdong Province
“Guangdong Holdings”	廣東粵海控股集團有限公司 (Guangdong Holdings Limited*), a company established in the PRC with limited liability and the ultimate holding company of the Company
“Guangdong Power Grid”	廣東電網有限責任公司 (Guangdong Power Grid Company Limited*), a company established in the PRC with limited liability
“Guanglong Food”	粵海廣龍食品 (中山) 有限公司 (GDH Guanglong Food (Zhongshan) Co., Ltd*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Historical Transaction Amounts”	has the meaning ascribed to it under the section headed “THE PROPOSED CAPS AND BASIS OF DETERMINATION – Existing caps and historical transaction amounts” in this announcement

“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company comprising all of the independent non-executive Directors, namely Mr. Gerard Joseph MCMAHON, Mr. LI Kar Keung, Caspar and Dr. WONG Yau Kar, David
“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the 2024 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps
“Independent Shareholders”	the shareholders of the Company other than those who are required to abstain from voting at the EGM pursuant to the Listing Rules
“kWh”	kilowatt hour
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanhai Investment”	廣東南海安全科技投資控股有限公司 (Guangdong Nanhai Security Technology Investment Holdings Company Limited*), a company established in the PRC with limited liability
“Power Grid Fees”	the fees and other related expenses to be charged by Guangdong Power Grid for the transmission and distribution of electricity services provided through the power grid operated by Guangdong Power Grid
“PRC”	the People’s Republic of China
“Proposed Cap(s)”	has the meaning ascribed to it under the section headed “THE PROPOSED CAPS AND BASIS OF DETERMINATION – The Proposed Caps” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC

“Runhehe Food”	珠海市潤和合食品有限公司 (Zhuhai Runhehe Food Co., Ltd*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the shares in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhongshan Power”	Zhongshan Power (Hong Kong) Limited (中山電力(香港)有限公司), a company incorporated in Hong Kong with limited liability and a direct non-wholly owned subsidiary of GDI
“Zhongshan Xingzhong”	中山興中集團有限公司 (Zhongshan Xingzhong Group Co., Ltd*), a company established in the PRC with limited liability
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00=HK\$1.1019 has been used, where applicable, for purpose of illustration only and it does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.

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

By order of the Board
GDH Guangnan (Holdings) Limited
Chen Benguang
Chairman

Hong Kong, 28 March 2024

As at the date of this announcement, the Board is composed of three executive Directors, namely Mr. Chen Benguang, Mr. Yang Zhe and Mr. Chau Wang Kei; one non-executive Director, namely Mr. Wang Longhai; and three independent non-executive Directors, namely Mr. Gerard Joseph McMahon, Mr. Li Kar Keung, Caspar and Dr. Wong Yau Kar, David.