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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)

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

The board (the “Board”) of directors (the “Director(s)”) of GDH Guangnan (Holdings) Limited (the “Company”) is pleased to present the interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025.

Unaudited financial highlights for the six months ended 30 June

	2025	2024	
	HK\$'000	HK\$'000	Change
Revenue	<u>6,081,142</u>	<u>5,417,004</u>	12%
Profit from operations	<u>119,683</u>	<u>130,533</u>	-8%
Profit attributable to shareholders	<u>76,207</u>	<u>57,727</u>	32%
Basic earnings per share	<u>HK 8.40 cents</u>	<u>HK 6.36 cents</u>	32%
Interim dividend per share	<u>HK 2.50 cents</u>	<u>HK 1.00 cent</u>	150%

BUSINESS REVIEW, MANAGEMENT DISCUSSION AND ANALYSIS, PROSPECTS AND OTHER INFORMATION

RESULTS

For the first half of 2025, the Group's unaudited consolidated revenue was HK\$6,081 million, representing an increase of 12% from HK\$5,417 million for the same period last year. The unaudited consolidated profit from operations was HK\$120 million, representing a decrease of 8% from HK\$131 million for the same period last year. The unaudited consolidated profit attributable to shareholders was HK\$76.21 million, representing an increase of 32% compared with HK\$57.73 million for the same period last year. The basic earnings per share was HK8.40 cents, an increase of 32% from HK6.36 cents for the same period last year.

INTERIM DIVIDEND

The Board declares the payment of an interim dividend for 2025 of HK2.5 cents per share (2024: HK1.0 cent per share), increased by 150%.

BUSINESS REVIEW

A summary of the performance of the Group's major businesses during the period is set out as follows:

Fresh and Live Foodstuffs

Upon deployment of new strategies in the fresh and live foodstuffs business, the Group has implemented the integrated industrial chain operation platform of "livestock and poultry breeding – slaughter and processing – cold chain distribution – fresh marketing", which enabled the Group to explore new development opportunities in the food processing industry of the Guangdong-Hong Kong-Macao Greater Bay Area.

In respect of our operation in Mainland China, the Group continued to maintain the layout of the slaughtering business in the Greater Bay Area and in a bid to strengthen, enhance and expand the slaughtering business. The Group's slaughtering volume was ranked among one of the top in Guangdong Province. Due to the intensified regional competition, the live pigs slaughtering volume of the Group was about 1.52 million heads during the period, decreased by 2% as compared to same period last year.

In respect of our operation in Hong Kong, the average swine price has fell slightly in the first half year. The Group's live pigs sales volume remained flat compared to the same period last year and the overall market share in the live pigs supply into Hong Kong was about 48%. Meanwhile, the Group continued to expand its foodstuff wholesale and retail business in Hong Kong and our retail stores have expanded to 19 stores as of 30 June 2025.

As a result of the aforesaid effort, revenue of the fresh and live foodstuffs business amounted to HK\$5,019 million, accounted for 83% of the Group's revenue, representing an increase of HK\$589 million or 13% as compared to the same period last year. The segment profit (excluding share of profits of associates) of the fresh and live foodstuffs business amounted to HK\$91.80 million, decreased by 5% period-on-period. In addition, the performance of one associate that engaged in pig farming and pig trading continued to improve. Share of profit of the associate of the Group was HK\$14.55 million (30 June 2024: share of losses of HK\$18.77 million), a turnaround from losses to profits was noted. After addition of such share of profit, the segment profit of the fresh and live

foodstuffs business was HK\$106 million, increased by HK\$28.21 million or 36%, as compared to the same period last year.

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

Tinplating

Currently, the annual production capacity of tinplate products of the Group are 490,000 tonnes. For the first half of 2025, the still intensified competition of the tinplating industry caused a drop in the selling price of our tinplate products period-on-period. Nevertheless, due to expansion of export sales, improvements of marketing mix and enhancement for cost reduction measures, an increase in profit of tinplating business period-on-period has been recorded. The Group produced 160,000 tonnes of tinplate products during the period, representing an increase of 6% as compared to the same period last year, and sold 150,000 tonnes of tinplate products, an increase of 12% as compared to the same period last year.

The revenue of the tinplating business accounted for 17% of the Group's revenue. Revenue for the period was HK\$1,053 million, an increase of HK\$74.19 million or 8% as compared to the same period last year. The segment profit was HK\$43.30 million, an increase of HK\$28.32 million or 189% as compared to the same period last year.

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, guided by research and innovation, the Group strove to enhance product competitiveness and enrich product mix to increase added values, which in return gains customers' recognition. The Group also strove to make every effort in market expansion to enlarge its customer base. Accordingly, profit growth would be attained leveraging on such marketing strategies covering the whole value chain.

Property Leasing

The Group's leasing properties comprise the plant and dormitories in Mainland China and the office units in Hong Kong. In the first half of 2025, the property occupancy rate for the property leasing business of the Group was 85.3%, representing an increase of 2.7% as compared to the same period last year. Amid an increase in revenue by 6% to HK\$9.18 million, the segment profit amounted to HK\$3.90 million, which held steady as compared to the same period last year. In addition, the fair value of investment properties held by the Group was stable, no valuation gains or losses on investment properties were recorded for the period (30 June 2024: valuation losses HK\$2.34 million).

FINANCIAL POSITION

As at 30 June 2025, the Group's total assets and total liabilities amounted to HK\$5,237 million and HK\$2,288 million, representing an increase of HK\$299 million and HK\$207 million respectively when compared with the positions as at 31 December 2024. The net current assets amounted to HK\$1,365 million and increased by HK\$77.85 million as compared with that as at 31 December 2024. The current ratio (current assets divided by current liabilities) is 1.79, slightly down from 1.84 as at 31 December 2024.

Liquidity and Financial Resources

The Group's cash and cash equivalents as at 30 June 2025 was HK\$860 million, representing a decrease of 10% when compared with the position as at 31 December 2024, of which 82.5% was denominated in Renminbi, 2.3% was denominated in United States Dollars, 0.5% was denominated in Euro Dollars, while the remaining balance was mainly denominated in Hong Kong Dollars. Interest income was HK\$3.49 million, representing a decrease of HK\$1.32 million over the same period.

As at 30 June 2025, 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 9.4% (31 December 2024: 0.6%).

As at 30 June 2025, the Group's available banking facilities which are used for working capital and trade finance purposes amounted to HK\$2,766 million (31 December 2024: HK\$2,746 million), of which HK\$1,017 million (31 December 2024: HK\$813 million) was utilised. 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 the first half of 2025 amounted to HK\$27.63 million (30 June 2024: HK\$23.42 million). The Group's capital commitments outstanding at 30 June 2025 not provided for in the consolidated interim financial report amounted to HK\$393 million (31 December 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 2025 will be approximately HK\$133 million.

Acquisitions of Investments

On 6 August 2025, 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 intends to develop, construct and operate a slaughterhouse and related facilities on the land.

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

Pledge of Assets

As at 30 June 2025, deposits at banks of HK\$7.83 million (31 December 2024: HK\$9.37 million) were pledged as securities for bills payable.

As at 30 June 2025, an amount of HK\$285 million (31 December 2024: HK\$281 million) among the banking facilities which were secured by mortgages over land and buildings with an aggregate carrying value of HK\$160 million (31 December 2024: HK\$160 million). Other than the above, none of the assets of the Group was pledged.

Contingent Liabilities

As at 30 June 2025, the Group had no material contingent liabilities.

Exchange Rate and Interest Rate Exposures

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

In view of the continuous fluctuation of Renminbi against the United States Dollars, the Group has enhanced research and monitoring of the foreign exchange market in order to reduce the exposure to exchange rate risks, and will take appropriate measures to hedge the risks when necessary. As at 30 June 2025 and 31 December 2024, no forward foreign exchange contracts against Renminbi were held by the Group to hedge against currency risk in respect of export sales.

The Group's interest rate risk arises primarily from pledged deposits, cash and cash equivalents, bank loans, loans from a fellow subsidiary and lease liabilities. 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.

Profit Guarantee in relation to Subscription of Registered Capital and Capital Increase in GDH Food (Guangzhou) Co., Ltd.

As disclosed in the announcements of the Company dated 6 November 2023, 8 November 2023, 30 December 2024 and 21 March 2025, pursuant to the capital increase agreement (as supplemented and amended by the amendment agreement), a profit guarantee was given by Guangzhou Rural Fresh Trading Co., Ltd. (the “Original Shareholder”) and Mr. Yang Yihai (the “Warrantor”) to GDH Guangnan Investment Company Limited (the “Guangnan Investment”, a wholly-owned subsidiary of the Company). Following the recording of an actual net loss of approximately RMB1,391,000 by GDH Food (Guangzhou) Company Limited for the period from the date of subscription completion to 31 December 2024, the Original Shareholder and the Warrantor shall pay cash compensation of approximately RMB617,000 to Guangnan Investment, which was outstanding as at the date of this announcement. During the period, Guangnan Investment, had actively negotiated with the Original Shareholder and the Warrantor for payment of the cash compensation but no favourable results had yet been achieved. The Group will take actions, including initiating legal proceedings, to safeguard the Group’s interests whenever and wherever appropriate. Further updates regarding aforementioned profit guarantee will be announced by the Company as and when appropriate.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had a total of 1,505 full-time employees, an increase of 2 employees from the end of 2024. 300 employees were based in Hong Kong and 1,205 employees were based in Mainland China. Staff remuneration is determined in accordance with the duties, workload, skill requirements, hardship, working conditions and individual performance and with reference to the prevailing industry practices. In 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.

PROSPECTS

Looking ahead to the second half of 2025, the domestic and international macro environments present numerous complex new challenges and uncertainties. The ongoing tension in international geopolitical situations has casted a shadow over global economic development. While the domestic economy has maintained a steady growth momentum driven by a series of proactive policies in the earlier period, changes in the external environment have still brought about risks such as rising costs and increased market volatility. Against this backdrop, the Group will adopt a prudent stance, acutely seize opportunities arising from industrial upgrading and expanding domestic demand, respond flexibly and decisively to the dynamic changes in the market and policy environments, and move towards the goal of sustainable development.

In respect of the fresh and live foodstuffs business, the Group takes innovation as the core driving force for development and excellent quality as the foundation for establishing a foothold in the market. It continues to deepen industrial integration, optimise resource allocation, and make every effort to promote sustainable innovation and high-quality development of the fresh and live foodstuffs business. Leveraging the geographical advantages of the Guangdong-Hong Kong-Macau Greater Bay Area, the Group actively explores regional cooperation, extends the fresh and live foodstuffs sector to the upstream and downstream of the industrial chain, actively advances the construction of the slaughterhouse project of GDH Lishui Food, and carries out university-industry-research projects. Meanwhile, guided by market demand, it strengthens market segmentation, enhances brand building, strives to create the brand image of a high-quality food supplier in the Greater Bay Area, and elevates its industry status and market competitiveness in the food sector.

In respect of the tinplating business, guided by research and innovation as well as customer needs, the Group continuously optimises product quality, processes and technologies to meet the high-standard requirements of customers across various industries. By deepening strategic cooperation with customers, the Group accurately gains insights into market dynamics and evolving trends in customer needs, enabling enhancement and optimisation of products and services to ensure that customer expectations are continuously met and exceeded. Furthermore, the Group actively expands its customer base, continuously exploring and seizing new market opportunities through in-depth market research and strategic marketing initiatives. Leveraging innovative marketing strategies and product diversification, it strives to increase market share and consolidate the brand reputation and influence established in the packaging sector. The Group also persists in optimising its product portfolio to enhance competitiveness, thereby maintaining a leading position amid intense market competition.

Against the backdrop of significantly heightened global economic uncertainties, the Group adheres to prudent risk management principles. By strengthening its risk management system, optimizing the layout of core businesses and flexibly adjusting its operating strategies, the Group ensures the steady growth of its business. Leveraging its sound financial strategies and sufficient cash flow support, the Group actively seizes the development opportunities in the Guangdong-Hong Kong-Macau Greater Bay Area, enhances its market competitiveness and profitability, and creates greater value for shareholders.

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Board announces the unaudited consolidated interim results of the Group for the six months ended 30 June 2025, which have been reviewed by the Company's Audit Committee (the "Audit Committee") and independent auditor, Messrs. KPMG.

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025 - unaudited

(Expressed in Hong Kong dollars)

		<i>Six months ended 30 June</i>	
		<i>2025</i>	<i>2024</i>
	<i>Note</i>	<i>\$'000</i>	<i>\$'000</i>
Revenue	3	6,081,142	5,417,004
Cost of sales		<u>(5,796,054)</u>	<u>(5,176,033)</u>
Gross profit		285,088	240,971
Other revenue	4	11,819	23,929
Other net gains	5	5,247	34,015
Selling and distribution costs		(17,928)	(18,308)
Administrative expenses		(94,511)	(108,476)
Other operating expenses		<u>(70,032)</u>	<u>(41,598)</u>
Profit from operations		119,683	130,533
Valuation losses on investment properties	10(b)	-	(2,336)
Finance costs	6(a)	(14,805)	(15,368)
Share of profit of a joint venture		1	18
Share of profits/(losses) of associates		<u>14,555</u>	<u>(18,077)</u>
Profit before taxation	6	119,434	94,770
Income tax	7	<u>(29,391)</u>	<u>(23,901)</u>
Profit for the period		<u>90,043</u>	<u>70,869</u>
Attributable to:			
Equity shareholders of the Company		76,207	57,727
Non-controlling interests		<u>13,836</u>	<u>13,142</u>
Profit for the period		<u>90,043</u>	<u>70,869</u>
Interim dividend	8(a)	<u>22,690</u>	<u>9,076</u>
Earnings per share			
Basic	9(a)	<u>8.40 cents</u>	<u>6.36cents</u>
Diluted	9(b)	<u>8.40 cents</u>	<u>6.36cents</u>

Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2025 - unaudited
(Expressed in Hong Kong dollars)

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>\$'000</i>	<i>\$'000</i>
Profit for the period	90,043	70,869
Other comprehensive income for the period:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of:		
– subsidiaries outside Hong Kong	29,969	(16,214)
– associates outside Hong Kong	2,656	(1,194)
– a joint venture outside Hong Kong	168	(79)
– tax credit/(expense) related to a subsidiary outside Hong Kong	321	(149)
Net-of-tax amount	33,114	(17,636)
Total comprehensive income for the period	123,157	53,233
Attributable to:		
Equity shareholders of the Company	105,915	41,384
Non-controlling interests	17,242	11,849
Total comprehensive income for the period	123,157	53,233

Consolidated Statement of Financial Position

At 30 June 2025

(Expressed in Hong Kong dollars)

		At 30 June 2025 Unaudited \$'000	At 31 December 2024 Audited \$'000
	Note		
Non-current assets			
Property, plant and equipment	10	1,682,221	1,692,000
Investment properties	10	190,328	187,935
		<u>1,872,549</u>	<u>1,879,935</u>
Goodwill		85,516	84,576
Interests in associates		167,398	150,187
Interest in a joint venture		11,046	10,877
		<u>2,136,509</u>	<u>2,125,575</u>
Current assets			
Inventories	11	460,298	423,268
Trade and other receivables, deposits and prepayments	12	1,772,832	1,425,286
Pledged deposits		7,830	9,374
Cash and cash equivalents	13	859,942	954,811
		<u>3,100,902</u>	<u>2,812,739</u>
Current liabilities			
Trade and other payables	14	1,029,784	965,741
Bank loans	15	505,940	327,356
Loan from a fellow subsidiary		151,905	189,295
Lease liabilities		14,370	14,296
Current tax payable		19,695	14,696
Financial liability at amortised cost		14,645	14,645
		<u>1,736,339</u>	<u>1,526,029</u>
Net current assets		<u>1,364,563</u>	<u>1,286,710</u>
Total assets less current liabilities		<u>3,501,072</u>	<u>3,412,285</u>
Non-current liabilities			
Bank loans	15	169,129	159,232
Loan from a fellow subsidiary		292,548	304,429
Deferred revenue		11,652	12,382
Lease liabilities		13,295	12,447
Deferred tax liabilities		63,899	65,360
Provision for long service payments		1,599	1,599
		<u>552,122</u>	<u>555,449</u>
Net assets		<u>2,948,950</u>	<u>2,856,836</u>
Capital and reserves			
Share capital		459,651	459,651
Reserves		2,216,325	2,133,100
Total equity attributable to equity shareholders of the Company		<u>2,675,976</u>	<u>2,592,751</u>
Non-controlling interests		<u>272,974</u>	<u>264,085</u>
Total equity		<u>2,948,950</u>	<u>2,856,836</u>

Notes to the unaudited consolidated financial information

(Expressed in Hong Kong dollars)

1. Basis of preparation

The interim results set out in this announcement do not constitute the Group's interim financial report for the six months ended 30 June 2025 but are extracted from the interim financial report.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report is unaudited, but has been reviewed by the auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2024 that is included in this announcement as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. Changes in accounting policies

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates - Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Revenue and segment reporting

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

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

3. Revenue and segment reporting (continued)

(a) Disaggregation of revenue

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

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>\$'000</i>	<i>\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines:		
Sales of goods		
- Fresh and live foodstuffs	4,970,531	4,357,394
- Tinplate products	1,053,442	979,256
	6,023,973	5,336,650
Commission income from the distribution of fresh and live foodstuffs	14,065	26,562
Slaughtering service income	33,920	45,143
Revenue from other sources		
Rental income from property leasing	9,184	8,649
	6,081,142	5,417,004
 Disaggregated by geographical location of customers:		
Hong Kong (place of domicile)	783,575	441,929
Mainland China	4,933,470	4,866,716
Asian countries (excluding Mainland China and Hong Kong)	189,745	61,424
Other countries	174,352	46,935
	5,297,567	4,975,075
	6,081,142	5,417,004

The geographical analysis above includes property rental income from external customers in Hong Kong and in Mainland China for the six months ended 30 June 2025 of \$506,000 (30 June 2024: \$495,000) and \$8,678,000 (30 June 2024: \$8,154,000) respectively.

3. Revenue and segment reporting (continued)

(b) Segment results, assets and liabilities

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

	<i>Fresh and live foodstuffs</i>		<i>Tinplating</i>		<i>Property leasing</i>		<i>Total</i>	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>For the six months ended 30 June</i>								
Reportable segment revenue	5,018,516	4,429,099	1,053,442	979,256	9,184	8,649	6,081,142	5,417,004
Reportable segment profit (including share of profits/(losses) of associates)	106,358	78,147	43,300	14,979	3,897	3,912	153,555	97,038
Share of profits/(losses) of associates	14,555	(18,765)	-	-	-	-	14,555	(18,765)
<i>As at 30 June/ 31 December</i>								
Reportable segment assets (including interest in associates)	2,576,063	2,417,392	1,863,706	1,852,465	191,453	193,330	4,631,222	4,463,187
Interest in associates	167,398	150,187	-	-	-	-	167,398	150,187
Reportable segment liabilities	1,413,212	1,172,908	672,393	730,962	37,910	37,026	2,123,515	1,940,896

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

	<i>Six months ended 30 June</i>	
	2025	2024
	\$'000	\$'000
Profit		
Reportable segment profit derived from the Group's external customers and associates	153,555	97,038
Unallocated income and expenses	(19,317)	(15,380)
Valuation losses on investment properties	-	(2,336)
Finance costs	(14,805)	(15,368)
Share of profit of a joint venture not attributable to any segment	1	18
Share of profit of an associate not attributable to any segment	-	688
Gains from liquidation of an associate not attributable to any segment	-	30,110
Consolidated profit before taxation	119,434	94,770

3. Revenue and segment reporting (continued)

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

	<i>At 30 June 2025 \$'000</i>	<i>At 31 December 2024 \$'000</i>
Assets		
Reportable segment assets	4,631,222	4,463,187
Interest in a joint venture not attributable to any segment	11,046	10,877
Unallocated assets	595,143	464,250
Consolidated total assets	<u>5,237,411</u>	<u>4,938,314</u>
Liabilities		
Reportable segment liabilities	2,123,515	1,940,896
Unallocated liabilities	164,946	140,582
Consolidated total liabilities	<u>2,288,461</u>	<u>2,081,478</u>

4. Other revenue

	<i>Six months ended 30 June 2025 \$'000</i>	<i>2024 \$'000</i>
Interest income on financial assets measured at amortised cost	3,489	4,808
Government grants and subsidies received	3,921	14,513
Others	4,409	4,608
	<u>11,819</u>	<u>23,929</u>

5. Other net gains

	<i>Six months ended 30 June 2025 \$'000</i>	<i>2024 \$'000</i>
Net realised and unrealised exchange gain	5,281	7,261
Net gains on forward foreign exchange contracts	-	67
Net losses on disposal of property, plant and equipment	(307)	(110)
Gains from liquidation of an associate	-	30,110
Others	273	(3,313)
	<u>5,247</u>	<u>34,015</u>

6. Profit before taxation

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

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>\$'000</i>	<i>\$'000</i>
<i>(a) Finance costs</i>		
Interest on bank loans	8,341	11,642
Interest on loan from a fellow subsidiary	5,775	4,712
Interest on lease liabilities	689	255
	<u>14,805</u>	<u>16,609</u>
Less: interest expense capitalised into construction-in-progress*	-	(1,241)
	<u>14,805</u>	<u>15,368</u>
<i>(b) Staff costs</i>		
Contributions to defined contribution retirement plans	16,080	13,339
Salaries, wages and other benefits	154,872	153,980
	<u>170,952</u>	<u>167,319</u>
<i>(c) Other items</i>		
Depreciation charge		
- Owned property, plant and equipment	52,884	52,652
- Right-of-use assets	9,372	5,087
Research and development costs	51,971	41,598
Expected credit loss recognised on trade receivables	18,061	3,302
Rentals receivable from investment properties less direct outgoings of \$763,000 (30 June 2024: \$802,000)	(8,421)	(7,847)

* No borrowing costs have been capitalised during the period. The borrowing costs have been capitalised at a rate of 2.80% - 5.69% during the period of 30 June 2024.

7. Income tax in the consolidated statement of profit or loss

Taxation in the consolidated statement of profit or loss represents:

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>\$'000</i>	<i>\$'000</i>
Current tax – Hong Kong		
Provision for the period	3,041	3,785
Current tax – the People's Republic of China (the "PRC")		
Provision for the period	27,579	21,794
Under/(over)-provision in respect of prior year	166	(595)
Deferred tax		
Origination and reversal of temporary differences	(1,395)	(1,083)
	29,391	23,901

Notes:

- (i) The provision for Hong Kong Profits Tax for the six months ended 30 June 2025 is calculated at 16.5% (30 June 2024: 16.5%) of the estimated assessable profits for the period.
- Income tax for subsidiaries established and operating in the PRC is calculated using the estimated annual effective rate of 25% that is expected to be applicable in the PRC, except for two subsidiaries that is entitled to tax incentive as a new and high technology enterprise, enjoys 15% annual effective tax rate.
- (ii) Dividends declared by the PRC subsidiaries and associates to investors incorporated in Hong Kong are subject to a withholding tax at 5%.

8. Dividends

- (a) *Dividends payable to equity shareholders of the Company attributable to the interim period:*

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>\$'000</i>	<i>\$'000</i>
Interim dividend declared and payable/paid after the interim period of 2.5 cents (30 June 2024: 1.0 cent) per ordinary share	<u>22,690</u>	<u>9,076</u>

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

- (b) *Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period:*

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>\$'000</i>	<i>\$'000</i>
Final dividend in respect of the previous financial year, approved during the following interim period, of 2.5 cents (30 June 2024: 2.0 cents) per ordinary share	<u>22,690</u>	<u>18,152</u>

9. Earnings per share

- (a) *Basic earnings per share*

The calculation of basic earnings per share for the six months ended 30 June 2025 is based on the profit attributable to ordinary equity shareholders of the Company of \$76,207,000 (30 June 2024: \$57,727,000) and 907,593,000 (30 June 2024: 907,593,000) ordinary shares in issue during the period.

- (b) *Diluted earnings per share*

There were no potential dilutive shares in existence during the six months ended 30 June 2025 and 2024.

10. Property, plant and equipment, and investment properties

(a) *Acquisitions and transfers of owned assets*

During the six months ended 30 June 2025, the Group had acquired additions to property, plant and equipment with a cost of \$40,490,000 (30 June 2024: \$23,420,000). Also, during the six months ended 30 June 2025, the Group has not transferred from any investment properties to property, plant and equipment (30 June 2024: \$33,400,000 was transferred upon change in use).

(b) *Investment properties*

The valuations of investment properties carried at fair value were revalued at 30 June 2025 by independent firms of surveyors, RHL Appraisal Limited (31 December 2024: Jones Lang LaSalle Limited), using the same valuation techniques as were used by the valuer when carrying out the December 2024 valuations. As a result of the revaluation, no valuation gains or losses (30 June 2024: valuation losses of \$2,336,000) have been recognised in profit or loss for the period.

11. Inventories

	<i>At 30 June 2025 \$'000</i>	<i>At 31 December 2024 \$'000</i>
Raw materials, spare parts and consumables	226,704	245,027
Work in progress	47,848	33,421
Finished goods	185,746	144,820
	<u>460,298</u>	<u>423,268</u>

12. Trade and other receivables, deposits and prepayments

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

	<i>2025</i> <i>30 June</i> \$'000	<i>2024</i> <i>31 December</i> \$'000
Current or less than 1 month past due	922,861	816,772
1 to 3 months past due	34,964	7,032
Over 3 months to 1 year past due	51,578	46,211
Over 1 year past due	25,212	5,319
	1,034,615	875,334
Less: Expected credit loss	(25,131)	(7,070)
	1,009,484	868,264

In respect of trade receivables relating to the tinplating business, deposits, prepayments 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.

13. Cash and cash equivalents

	<i>At</i> <i>30 June</i> <i>2025</i> \$'000	<i>At</i> <i>31 December</i> <i>2024</i> \$'000
Deposits with banks	285,991	238,620
Cash at bank and on hand	573,951	716,191
Cash and cash equivalents in the consolidated statement of financial position and the condensed consolidated cash flow statement	859,942	954,811

14. Trade and other payables

As of the end of the reporting period, the ageing analysis of trade creditors and bills payable based on the payment due date, is as follows:

	<i>At 30 June 2025 \$'000</i>	<i>At 31 December 2024 \$'000</i>
Due within 1 month or on demand	<u>607,880</u>	<u>562,550</u>

15. Bank loans

As at 30 June 2025, the Group's available banking facilities amounted to \$2,766,173,000 (31 December 2024: \$2,746,420,000), of which \$1,016,688,000 (31 December 2024: \$812,853,000) was utilised. Certain portion of the utilised banking facilities were secured by deposits. The banking facilities include \$285,116,000 (31 December 2024: \$280,774,000) which were secured by mortgages over land and buildings with an aggregate carrying value of \$159,878,000 (31 December 2024: \$160,456,000). Part of the unsecured bank loans amounted to \$166,000,000 (31 December 2024: \$120,000,000) were provided in the facility agreements that the Company undertakes to the banks that it shall remain ultimately majority-owned (directly and/or indirectly) by Guangdong Holdings Limited and remain majority-owned (directly and/or indirectly) by GDH Limited. If the Company fails to perform any of its obligations under the facility agreements, then the lenders were entitled to request immediate repayment of these outstanding loans and all accrued interests.

All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 June 2025, none of the covenants of the facilities had been breached.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Code

The Company has complied with the code provisions and, where appropriate, the applicable recommended best practices set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the six months ended 30 June 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. Mr. Yang Zhe, an Executive Director and the General Manager, was appointed as the Acting Chairman of the Board on 21 March 2025. The Board considers that the balance of power and authority, accountability and independent decision making under present arrangement are not impaired because of the diverse background and experience of executive Directors, non-executive Directors and independent non-executive Directors.

Purchase, Sale and Redemption of Listed Securities

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s securities listed on the Stock Exchange.

Interim Dividend

The Board has resolved to declare the payment of an interim dividend for 2025 of HK2.5 cents per share (2024: HK1.0 cent per share). The interim dividend will be paid on Monday, 27 October 2025 to the shareholders whose names appear on the register of members of the Company on Friday, 10 October 2025.

Closure of Register of Members

The register of members of the Company will be closed on Thursday, 9 October 2025 and Friday, 10 October 2025. During the period, no transfer of shares will be registered. In order to qualify for the interim 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, of 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 8 October 2025.

Review of Interim Results

The Audit Committee has reviewed the unaudited interim financial report and the interim report of the Group for the six months ended 30 June 2025. The interim financial report is unaudited, but has been reviewed by the Company’s external auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be sent to shareholders.

Publication of Interim Results Announcement and Interim Report

This interim results announcement is published on both the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.gdguangnan.com. The interim report of the Company for the period containing all information required by the Listing Rules will be despatched to the shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board

Yang Zhe

Acting Chairman and General Manager

Hong Kong, 27 August 2025

As at the date of this announcement, the Board is composed of two executive Directors, namely Mr. Yang Zhe and Mr. Chau Wang Kei; two non-executive Directors, namely Ms. Yu Huijuan and Mr. Wen Yinheng; and three independent non-executive Directors, namely Mr. Gerard Joseph McMahon, Mr. Li Kar Keung, Caspar and Dr. Wong Yau Kar, David.