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GUANGDONG INVESTMENT LIMITED
(粵 海 投 資 有 限 公 司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00270)

2025 ANNUAL RESULTS ANNOUNCEMENT

Financial highlights for the year ended 31 December

	2025	2024	Changes
	HK\$'000	HK\$'000	%
From continuing operations			
Revenue	<u>18,824,908</u>	<u>18,505,293</u>	+1.7
Profit before tax	<u>7,241,475</u>	<u>6,493,854</u>	+11.5
Profit/(loss) attributable to owners of the Company			
Continuing operations	4,673,312	4,102,893	
Discontinued operations	(17,051)	(960,755)	
	<u>4,656,261</u>	<u>3,142,138</u>	+48.2
Earnings per share – Basic	<u>HK 71.22 cents</u>	<u>HK 48.06 cents</u>	+48.2
Dividends per share			
Interim	HK 26.66 cents	HK 23.97 cents	
Proposed final	<u>HK 19.63 cents</u>	<u>HK 7.27 cents</u>	
	<u>HK 46.29 cents</u>	<u>HK 31.24 cents</u>	+48.2

Payment of special dividend by way of distribution in specie of GD Land shares was completed on 21 January 2025.

CONSOLIDATED FINANCIAL INFORMATION

YEAR ENDED 31 DECEMBER 2025

The board of directors (the “Board”) of Guangdong Investment Limited (the “Company”) hereby presents the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025 together with the comparative figures for 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
CONTINUING OPERATIONS			
REVENUE	4	18,824,908	18,505,293
Cost of sales		<u>(8,790,600)</u>	<u>(8,682,832)</u>
Gross profit		10,034,308	9,822,461
Other income and gains, net	4	462,673	469,805
Changes in fair value of investment properties		(26,318)	(67,821)
Selling and distribution expenses		(524,025)	(524,732)
Administrative expenses		(2,208,773)	(2,478,311)
Exchange differences, net		(39,686)	38,761
Other operating income/(expenses), net		70,124	(18,736)
Finance costs	6	(638,084)	(919,594)
Share of profits less losses of associates		<u>111,256</u>	<u>172,021</u>
PROFIT BEFORE TAX	5	7,241,475	6,493,854
Income tax expense	7	<u>(1,975,055)</u>	<u>(1,852,764)</u>
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		5,266,420	4,641,090
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	8	<u>(21,267)</u>	<u>(1,493,331)</u>
PROFIT FOR THE YEAR		<u>5,245,153</u>	<u>3,147,759</u>
Attributable to:			
Owners of the Company		4,656,261	3,142,138
Non-controlling interests		<u>588,892</u>	<u>5,621</u>
		<u>5,245,153</u>	<u>3,147,759</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)
Year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Attributable to owners of the Company arising from:			
Continuing operations		4,673,312	4,102,893
Discontinued operations		<u>(17,051)</u>	<u>(960,755)</u>
		<u>4,656,261</u>	<u>3,142,138</u>
Attributable to non-controlling interests arising from:			
Continuing operations		593,108	538,197
Discontinued operations		<u>(4,216)</u>	<u>(532,576)</u>
		<u>588,892</u>	<u>5,621</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	10		
Basic and diluted:			
Continuing operations		HK 71.48 cents	HK 62.76 cents
Discontinued operations		<u>HK (0.26) cents</u>	<u>HK (14.70) cents</u>
		<u>HK 71.22 cents</u>	<u>HK 48.06 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
PROFIT FOR THE YEAR	<u>5,245,153</u>	<u>3,147,759</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations		
- Subsidiaries	1,228,988	(1,193,215)
- Associates	<u>192,755</u>	<u>(77,760)</u>
Other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>1,421,743</u>	<u>(1,270,975)</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	(407)	1,520
Fair value gains of right-of-use assets and property, plant and equipment upon transfer to investment properties, net of tax	45,501	7,253
Remeasurement loss on defined benefit plans, net of tax	<u>(1,743)</u>	<u>-</u>
	43,351	8,773
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>1,465,094</u>	<u>(1,262,202)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>6,710,247</u>	<u>1,885,557</u>
Attributable to:		
Owners of the Company	5,814,264	2,219,775
Non-controlling interests	<u>895,983</u>	<u>(334,218)</u>
	<u>6,710,247</u>	<u>1,885,557</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		10,270,781	9,965,677
Investment properties		16,321,892	15,886,606
Right-of-use assets		1,012,805	1,043,180
Goodwill		793,189	810,988
Other intangible assets		573,534	593,788
Investments in associates		1,726,503	3,607,316
Operating concession rights		22,852,265	20,040,449
Receivables under service concession arrangements		17,510,987	16,966,044
Receivables under a cooperative arrangement		1,586,789	1,813,009
Other financial assets at amortised cost	11	3,553,589	3,384,857
Equity investments designated at fair value through other comprehensive income		16,748	16,738
Prepayments and other receivables		1,087,299	519,303
Deferred tax assets		<u>168,031</u>	<u>198,981</u>
Total non-current assets		<u>77,474,412</u>	<u>74,846,936</u>
CURRENT ASSETS			
Completed properties held for sale		94,850	92,520
Tax recoverable		71,613	70,904
Inventories		531,851	309,360
Receivables under service concession arrangements		690,778	615,399
Receivables under a cooperative arrangement		549,343	357,325
Receivables, prepayments and other receivables	12	6,608,735	5,578,979
Due from non-controlling equity holders of subsidiaries		913,322	887,425
Restricted bank balances		22,824	19,457
Cash and bank balances		<u>14,783,332</u>	<u>12,154,029</u>
Assets classified as held for distribution	8	<u>24,266,648</u> -	<u>20,085,398</u> 40,663,069
Total current assets – page 6		<u>24,266,648</u>	<u>60,748,467</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Total current assets – page 5		<u>24,266,648</u>	<u>60,748,467</u>
CURRENT LIABILITIES			
Payables, accruals and other liabilities	13	(12,551,364)	(10,793,261)
Contract liabilities		(1,184,580)	(1,301,097)
Tax payable		(556,683)	(603,427)
Due to non-controlling equity holders of subsidiaries		(479,708)	(422,615)
Bank and other borrowings	14	(6,252,409)	(7,330,175)
Lease liabilities		<u>(46,506)</u>	<u>(84,756)</u>
		(21,071,250)	(20,535,331)
Liabilities directly associated with assets classified as held for distribution	8	<u>-</u>	<u>(35,202,576)</u>
Total current liabilities		<u>(21,071,250)</u>	<u>(55,737,907)</u>
NET CURRENT ASSETS		<u>3,195,398</u>	<u>5,010,560</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>80,669,810</u>	<u>79,857,496</u>
NON-CURRENT LIABILITIES			
Bank and other borrowings	14	(15,359,183)	(16,531,830)
Lease liabilities		(208,295)	(294,378)
Other liabilities and contract liabilities		(1,464,398)	(1,306,244)
Deferred tax liabilities		<u>(5,498,868)</u>	<u>(5,049,571)</u>
Total non-current liabilities		<u>(22,530,744)</u>	<u>(23,182,023)</u>
Net assets		<u>58,139,066</u>	<u>56,675,473</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		8,966,177	8,966,177
Reserves		<u>33,958,151</u>	<u>32,691,847</u>
		42,924,328	41,658,024
Non-controlling interests		<u>15,214,738</u>	<u>15,017,449</u>
Total equity		<u>58,139,066</u>	<u>56,675,473</u>

Notes:

1. BASIS OF PREPARATION

The financial information relating to the years ended 31 December 2025 and 2024 included in this announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Chapter 622) is as follows:

The Company has delivered the consolidated 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 (Chapter 622) and will deliver the consolidated financial statements for the year ended 31 December 2025 in due course. The Company's auditor has reported on those consolidated financial statements for the years ended 31 December 2024 and 2025. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Chapter 622).

On 9 December 2024, the Company's Board of Directors recommended the payment of a special dividend in the form of a distribution in specie of shares of Guangdong Land Holdings Limited ("GD Land") held directly by the Company ("Proposed Distribution"), conditional upon the passing of an ordinary resolution by the shareholders of the Company. On 8 January 2025, the resolution to approve the Proposed Distribution was passed by the shareholders of the Company. On 21 January 2025, a total of 1,261,799,423 GD Land shares (representing approximately 99.9% of GD Land shares held by the Company) was distributed to the shareholders.

The consolidated assets and liabilities of GD Land were classified as held for distribution as at 31 December 2024 and the consolidated results of GD Land for the period from 1 January 2025 to 21 January 2025 and year ended 31 December 2024 were presented in the consolidated financial statements as discontinued operations in accordance with Hong Kong Financial Reporting Standards 5, *Non-current Assets Held for Sale and Discontinued Operations*. The consolidated statement of profit or loss distinguished the discontinued operations from the continuing operations.

The financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). They have been prepared under the historical cost convention, except for completed investment properties and equity investments designated at fair value through other comprehensive income which have been measured at fair value. The financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively known as the "Group") for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

1. BASIS OF PREPARATION (continued)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling equity holders of subsidiaries, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA to the financial statements for the current accounting period:

Amendments to HKAS 21	<i>The effects of changes in foreign exchange rates – Lack of exchangeability</i>
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The amendments do not have a material impact on the financial statements 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. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has seven reportable operating segments as follows:

- (i) The water resources segment engages in water distribution, sewage treatment, construction of water supply and sewage treatment infrastructure, water pipeline installation and consultancy services and sale of machineries for customers in the mainland of the People's Republic of China (the "PRC") ("Chinese Mainland") and Hong Kong Special Administrative Region of the PRC ("Hong Kong");
- (ii) The property investment segment mainly invests in various properties in Chinese Mainland and Hong Kong that are held for rental income purposes. This segment also provides property management services to certain commercial properties;
- (iii) The department store operation segment operates department stores, which engages in sale of goods and concessionaire sales, and management and sub-letting of operating area, in Chinese Mainland;
- (iv) The electric power generation segment operates coal-fired power plants supplying electricity and steam in Guangdong Province, the PRC;
- (v) The hotel operation and management segment operates the Group's hotels and provides hotel management services to certain third parties' hotels in Chinese Mainland and Hong Kong;
- (vi) The road and bridge segment invests in road and bridge projects, which engages in toll road operation and road management in Chinese Mainland; and
- (vii) The "others" segment provides treasury services in Chinese Mainland and Hong Kong and engages in the provision of corporate services to other segments.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss) from continuing operations, which is a measure of adjusted profit/(loss) before tax from continuing operations. The adjusted profit/(loss) before tax from continuing operations is measured consistently with the Group's profit before tax from continuing operations except that bank interest income, interest income from other financial assets at amortised cost, interest income from financial assets at fair value through profit or loss, interest income from a loan to a fellow subsidiary, dividends received from equity investments designated at fair value through other comprehensive income, gain on partial disposal of an associate, loss on deemed disposal of associates, net loss on distribution in specie, finance costs (other than interest on lease liabilities) and share of profits less losses of associates are excluded from such measurement.

Segment assets include total assets, exclude assets classified as held for distribution, and exclude deferred tax assets, tax recoverable, cash and bank balances, restricted bank balances, other financial assets at amortised cost, equity investments designated at fair value through other comprehensive income and other unallocated assets as these assets are managed on a group basis.

Segment liabilities include total liabilities, exclude liabilities directly associated with assets classified as held for distribution, and exclude bank and other borrowings, tax payable, deferred tax liabilities and other unallocated liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices. Intersegment sales are eliminated in full on consolidation.

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments

	Water resources		Property investment		Department store operation	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Segment revenue from continuing operations:						
Revenue from external customers	14,139,556	13,511,006	1,681,806	1,576,863	447,972	861,612
Intersegment sales	-	-	91,463	91,201	-	-
Other income and gains from external sources	80,974	82,353	7,185	6,132	12,645	17,557
Other income from intersegment transactions	10	-	515	3,516	-	-
Total	14,220,540	13,593,359	1,780,969	1,677,712	460,617	879,169
Segment results from continuing operations	5,902,619	5,643,561	939,418	722,395	72,501	(102,341)
Bank interest income						
Interest income from other financial assets at amortised cost						
Interest income from financial assets at fair value through profit or loss						
Interest income from a loan to a fellow subsidiary						
Dividends received from equity investments designated at fair value through other comprehensive income						
Gain on partial disposal of an associate	-	-	-	-	-	-
Loss on deemed disposal of associates	(80,353)	-	-	-	-	-
Net loss on distribution in specie						
Finance costs						
Share of profits less losses of associates	110,325	101,537	-	-	(27,186)	(4,173)
Profit before tax from continuing operations						
Income tax expense						
Profit for the year from continuing operations						

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Electric power generation		Hotel operation and management		Road and bridge	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Segment revenue from continuing operations:						
Revenue from external customers	1,237,378	1,268,698	704,641	648,379	613,555	638,735
Intersegment sales	303,480	335,415	264	-	-	-
Other income and gains from external sources	15,794	19,573	4	22	136,466	141,355
Other income from intersegment transactions	-	-	-	-	-	-
Total	1,556,652	1,623,686	704,909	648,401	750,021	780,090
Segment results from continuing operations	141,499	147,805	93,151	103,453	450,179	438,316
Bank interest income						
Interest income from other financial assets at amortised cost						
Interest income from financial assets at fair value through profit or loss						
Interest income from a loan to a fellow subsidiary						
Dividends received from equity investments designated at fair value through other comprehensive income						
Gain on partial disposal of an associate	6,764	-	-	-	-	-
Loss on deemed disposal of associates	-	-	-	-	-	-
Net loss on distribution in specie						
Finance costs						
Share of profits less losses of associates	28,117	74,657	-	-	-	-
Profit before tax from continuing operations						
Income tax expense						
Profit for the year from continuing operations						

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Others		Eliminations		Consolidated	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Segment revenue from continuing operations:						
Revenue from external customers	-	-	-	-	18,824,908	18,505,293
Intersegment sales	20,326	26,908	(415,533)	(453,524)	-	-
Other income and gains from external sources	499	8,223	-	-	253,567	275,215
Other income from intersegment transactions	3,642	7,036	(4,167)	(10,552)	-	-
Total	24,467	42,167	(419,700)	(464,076)	19,078,475	18,780,508
Segment results from continuing operations	(41,324)	(140,901)	(12,264)	207,030	7,545,779	7,019,318
Bank interest income					84,354	124,761
Interest income from other financial assets at amortised cost					82,307	37,745
Interest income from financial assets at fair value through profit or loss					98,174	32,058
Interest income from a loan to a fellow subsidiary					20,395	-
Dividends received from equity investments designated at fair value through other comprehensive income					216	26
Gain on partial disposal of an associate	-	-	-	-	6,764	-
Loss on deemed disposal of associates	-	-	-	-	(80,353)	-
Net loss on distribution in specie					(2,751)	-
Finance costs					(624,666)	(892,075)
Share of profits less losses of associates	-	-	-	-	111,256	172,021
Profit before tax from continuing operations					7,241,475	6,493,854
Income tax expense					(1,975,055)	(1,852,764)
Profit for the year from continuing operations					<u>5,266,420</u>	<u>4,641,090</u>

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Water resources		Property investment		Department store operation	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Segment assets	55,498,728	52,149,340	17,138,828	16,994,202	524,508	334,442
Unallocated assets						
Assets classified as held for distribution						
Total assets						
Segment liabilities	12,706,995	11,119,142	1,252,693	1,011,872	977,489	870,400
Unallocated liabilities						
Liabilities directly associated with assets classified as held for distribution						
Total liabilities						
Other segment information:						
Investments in associates	649,813	2,578,520	-	-	99,503	123,953
Capital expenditure*	4,652,136	1,192,852	142,045	147,152	926	4,380

* Capital expenditure consists of additions to property, plant and equipment, operating concession rights, right-of-use assets, other intangible assets and investment properties including assets from the acquisitions.

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Electric power generation		Hotel operation and management		Road and bridge	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Segment assets	2,753,212	2,717,818	2,063,395	2,193,045	4,860,057	5,073,350
Unallocated assets						
Assets classified as held for distribution						
Total assets						
Segment liabilities	378,938	326,852	360,742	389,037	289,275	285,940
Unallocated liabilities						
Liabilities directly associated with assets classified as held for distribution						
Total liabilities						
Other segment information:						
Investments in associates	977,187	904,843	-	-	-	-
Capital expenditure*	20,773	10,299	31,166	245,699	5,811	11,965

* Capital expenditure consists of additions to property, plant and equipment, operating concession rights, right-of-use assets, other intangible assets and investment properties including assets from the acquisitions.

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Others		Eliminations		Consolidated	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Segment assets	39,758	38,936	(334,409)	(426,554)	82,544,077	79,074,579
Unallocated assets					19,196,983	15,857,755
Assets classified as held for distribution					-	40,663,069
Total assets					101,741,060	135,595,403
Segment liabilities	178,310	172,335	(322,162)	(71,703)	15,822,280	14,103,875
Unallocated liabilities					27,779,714	29,613,479
Liabilities directly associated with assets classified as held for distribution					-	35,202,576
Total liabilities					43,601,994	78,919,930
Other segment information:						
Investments in associates	-	-	-	-	1,726,503	3,607,316
Capital expenditure*	1,526	934	(2,674)	-	4,851,709	1,613,281

* Capital expenditure consists of additions to property, plant and equipment, operating concession rights, right-of-use assets, other intangible assets and investment properties including assets from the acquisitions.

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Water resources		Property investment		Department store operation	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Other segment information:						
Depreciation and amortisation	1,924,829	1,847,550	34,518	83,078	26,217	53,168
Exchange differences, net	19,227	(14,979)	69,316	(61,937)	1,303	9,612
Provision/(reversal) of impairment losses for trade receivables, net	27,030	1,853	402	604	(778)	(251)
Impairment of goodwill	32,003	30,708	-	-	-	-
Changes in fair value of investment properties	(506)	(1,299)	8,293	33,408	9,451	29,090
(Gain)/loss on disposal of property, plant and equipment, net	(1,168)	(18,229)	127	441	(3)	56,758

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Electric power generation		Hotel operation and management		Road and bridge	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Other segment information:						
Depreciation and amortisation	125,250	125,516	143,493	135,029	221,849	233,102
Exchange differences, net	10,347	(9,280)	(278)	273	(8,592)	7,257
Provision/(reversal) of impairment losses for trade receivables, net	-	-	14	(6)	-	-
Impairment of goodwill	-	-	-	-	-	-
Changes in fair value of investment properties	-	-	7,278	6,495	-	-
(Gain)/loss on disposal of property, plant and equipment, net	-	2,912	69	153	15	16

3. OPERATING SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

	Others		Eliminations		Consolidated	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Other segment information:						
Depreciation and amortisation	1,653	3,355	(1,279)	(1,201)	2,476,530	2,479,597
Exchange differences, net	(51,358)	31,168	(279)	(875)	39,686	(38,761)
Provision/(reversal) of impairment losses for trade receivables, net	-	-	-	-	26,668	2,200
Impairment of goodwill	-	-	-	-	32,003	30,708
Changes in fair value of investment properties	1,802	127	-	-	26,318	67,821
(Gain)/loss on disposal of property, plant and equipment, net	(5)	-	-	-	(965)	42,051

3. OPERATING SEGMENT INFORMATION (continued)

(b) Geographical information

The following table presents the Group's geographical information regarding revenue and certain assets for the years ended 31 December 2025 and 2024.

	2025 HK\$'000	2024 HK\$'000
<u>Revenue from external customers</u>		
Continuing operations		
Chinese Mainland	18,472,041	18,224,345
Hong Kong	<u>352,867</u>	<u>280,948</u>
	<u>18,824,908</u>	<u>18,505,293</u>
Discontinued operations		
Chinese Mainland	<u>251,831</u>	<u>6,759,320</u>

The revenue information above is based on the locations of the sales transactions.

	2025 HK\$'000	2024 HK\$'000
<u>Non-current assets</u>		
Chinese Mainland	71,446,110	68,855,610
Hong Kong	<u>2,289,934</u>	<u>2,390,750</u>
	<u>73,736,044</u>	<u>71,246,360</u>

The non-current assets information above is based on the locations of the assets and excludes other financial assets at amortised cost, equity investments designated at fair value through other comprehensive income and deferred tax assets.

(c) Information about a major customer

Revenue of HK\$5,258,936,000 (2024: HK\$5,135,725,000) was derived from sales by the water resources segment to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. REVENUE, AND OTHER INCOME AND GAINS, NET FROM CONTINUING OPERATIONS

Revenue from continuing operations

Disaggregated revenue information

	2025 HK\$'000	2024 HK\$'000
(a) Types of goods or services:		
<u>Water resources segment</u>		
Income from water distribution – Chinese Mainland	4,643,830	4,539,512
Income from water distribution – Hong Kong	5,258,936	5,135,725
Income from sewage treatment services	967,505	872,428
Income from construction services	454,602	520,719
Income from water pipeline installation and consultancy services	1,247,891	1,186,710
Sale of machineries	701,564	382,237
<u>Property investment segment</u>		
Management fee income	243,774	239,958
<u>Department store operation segment</u>		
Commission income from concessionaire sales	291,879	330,331
Sale of goods	121,335	487,508
Management fee income	3,189	6,500
<u>Electric power generation segment</u>		
Sale of electricity and steam	1,237,378	1,268,698
<u>Hotel operation and management segment</u>		
Hotel income	664,982	597,701
Management fee income	6,422	16,901
<u>Road and bridge segment</u>		
Toll revenue	592,002	618,848
Management and maintenance fee income	21,553	19,887
<i>Revenue from contracts with customers</i>	16,456,842	16,223,663
<i>Revenue from other sources</i>		
Finance income from service concession arrangements	865,228	873,675
Rental income	1,502,838	1,407,955
	<u>18,824,908</u>	<u>18,505,293</u>

4. **REVENUE, AND OTHER INCOME AND GAINS, NET FROM CONTINUING OPERATIONS** (continued)

Revenue from continuing operations (continued)

Disaggregated revenue information (continued)

	2025 HK\$'000	2024 HK\$'000
(b) Geographical locations*:		
<u>Chinese Mainland</u>		
Water resources segment	13,274,328	12,637,331
Property investment segment	243,774	239,958
Department store operation segment	416,403	824,339
Electric power generation segment	1,237,378	1,268,698
Hotel operation and management segment	384,225	401,909
Road and bridge segment	<u>613,555</u>	<u>638,735</u>
	<u>16,169,663</u>	<u>16,010,970</u>
<u>Hong Kong</u>		
Hotel operation and management segment	<u>287,179</u>	<u>212,693</u>
<i>Revenue from contracts with customers</i>	16,456,842	16,223,663
<i>Revenue from other sources</i>		
Finance income from service concession arrangements	865,228	873,675
Rental income	<u>1,502,838</u>	<u>1,407,955</u>
	<u>18,824,908</u>	<u>18,505,293</u>

* The geographical location is based on the location of which the services were rendered or goods were delivered from.

Other income and gains, net from continuing operations

	2025 HK\$'000	2024 HK\$'000
Bank interest income	84,354	124,761
Interest income from other financial assets at amortised cost	82,307	37,745
Interest income from financial assets at fair value through profit or loss	98,174	32,058
Interest income from receivables under a cooperative arrangement	134,764	136,545
Interest income from a loan to a fellow subsidiary	20,395	-
Others	<u>42,679</u>	<u>138,696</u>
	<u>462,673</u>	<u>469,805</u>

5. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Cost of inventories sold*	1,291,530	1,777,545
Cost of services rendered*	5,918,689	5,370,499
Depreciation of property, plant and equipment	783,350	843,185
Depreciation of right-of-use assets	78,083	66,791
Amortisation of operating concession rights*	1,580,381	1,534,788
Amortisation of other intangible assets	34,716	34,833
Impairment on items of property, plant and equipment	976	1,327
Impairment of goodwill [^]	32,003	30,708
Provision of impairment losses for trade receivables, net [^]	26,668	2,200
Auditor's remuneration	8,902	8,852
Employee benefit expenses:		
Wages and salaries (excluding directors' fee)	1,726,913	1,924,216
Pension schemes contributions:		
- defined contribution plans	277,296	271,535
- defined benefit plans	486	327
Less: Forfeited contributions	<u>(96)</u>	<u>(22)</u>
Net pension scheme contributions [#]	277,686	271,840
Less: Amount capitalised	<u>(11,869)</u>	<u>(30,104)</u>
	<u>1,992,730</u>	<u>2,165,952</u>
Gross rental income from investment properties	(1,391,107)	(1,294,803)
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	<u>154,019</u>	<u>155,269</u>
Net rental income from investment properties	<u>(1,237,088)</u>	<u>(1,139,534)</u>
Lease payments not included in the measurement of lease liabilities	4,644	9,884
Gain on remeasurement of right-of-use assets and lease liabilities [^]	(30,808)	(1,723)
(Gain)/loss on disposal of property, plant and equipment, net [^]	(965)	42,051
Gain on partial disposal of an associate	(6,764)	-
Loss on deemed disposal of associates	80,353	-
Government subsidies ^{**^}	<u>(95,896)</u>	<u>(72,206)</u>

5. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS (continued)

- * These costs and expenses are included in “Cost of sales” on the face of the consolidated statement of profit or loss.
- ** The government subsidies recognised during the year mainly represented subsidies received from certain government authorities in respect of the fulfilment of certain specific criteria by the Group.
- # As at 31 December 2025 and 2024, the Group had no material forfeited pension scheme contributions available to reduce its contributions to the pension schemes in future years.
- ^ Included in “Other operating income/(expenses), net” on the face of the consolidated statement of profit or loss.

6. FINANCE COSTS FROM CONTINUING OPERATIONS

An analysis of finance costs from continuing operations is as follows:

	2025 HK\$'000	2024 HK\$'000
Interest on bank and other borrowings	572,768	770,650
Interest on a loan from the 廣東粵海控股集團有限公司 (Guangdong Holdings Limited [▲]) (“Guangdong Holdings”), the Company’s ultimate holding company	1,815	-
Interest on loans from fellow subsidiaries	51,885	91,101
Interest on loans from a then associate	3,080	29,026
Interest on lease liabilities	13,418	27,519
Interest related to defined benefit obligations	<u>1,913</u>	<u>2,520</u>
Finance costs incurred	644,879	920,816
Less: Interest capitalised	<u>(6,795)</u>	<u>(1,222)</u>
Finance costs charged for the year	<u><u>638,084</u></u>	<u><u>919,594</u></u>

The capitalised interest rates applied to funds borrowed and used for the construction in progress and operating concession rights are between 2.3% and 3.0% per annum (2024: between 2.5% and 3.2% per annum).

7. INCOME TAX EXPENSE FROM CONTINUING OPERATIONS

Taxes on profits assessable in Chinese Mainland have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. Under the PRC Corporate Income Tax Law, enterprises are subject to corporate income tax at a rate of 25% (2024: 25%).

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

	2025 HK\$'000	2024 HK\$'000
Current - Chinese Mainland		
Charge for the year	1,873,020	2,004,032
Over-provision in prior years	(11,752)	(41,932)
Current - Hong Kong		
Charge for the year	11,090	12,597
Over-provision in prior years	(12)	(3)
Deferred tax	<u>102,709</u>	<u>(121,930)</u>
Total tax charge for the year	<u>1,975,055</u>	<u>1,852,764</u>

8. DISCONTINUED OPERATIONS

On 9 December 2024, the Company's Board of Directors recommended the Proposed Distribution as mentioned in note 1 as set out in this announcement. The Proposed Distribution was completed on 21 January 2025. GD Land mainly engaged in the property development and investment businesses. For the period from 1 January 2025 to 21 January 2025, GD Land was classified as discontinued operations.

(a) The results of discontinued operations are as follows:

	For the period from 1 January 2025 to 21 January 2025 HK\$'000	For the year ended 2024 HK\$'000
Revenue	251,831	6,759,320
Cost of sales	<u>(224,774)</u>	<u>(6,296,106)</u>
Gross profit	27,057	463,214
Other income and gains, net	77	41,408
Changes in fair value of investment properties	-	(25,272)
Selling and distribution expenses	(9,092)	(284,192)
Administrative expenses	(8,240)	(188,000)
Exchange differences, net	(19)	(5,018)
Other operating income/(expenses), net (note)	404	(1,015,659)
Finance costs	<u>(22,250)</u>	<u>(316,723)</u>
Loss before tax	(12,063)	(1,330,242)
Income tax expense	<u>(9,204)</u>	<u>(163,089)</u>
Loss for the period/year from discontinued operations	<u><u>(21,267)</u></u>	<u><u>(1,493,331)</u></u>

Note: Included the write-down of properties held for sale under development and completed properties held for sale of Nil (2024: HK\$248,512,000) and Nil (2024: HK\$785,203,000).

8. DISCONTINUED OPERATIONS (continued)

(b) Details of net assets of discontinued operations at date of distribution in specie are as follows:

	As at 21 January 2025 HK\$'000
Net assets distributed	
Property, plant and equipment	76,273
Investment properties	8,924,967
Right-of-use assets	11,133
Other intangible assets	17,690
Equity investments designated at fair value through other comprehensive income	41,209
Deferred tax assets	360,195
Properties held for sale under development	13,313,856
Completed properties held for sale	12,749,797
Tax recoverable	474,502
Receivables, prepayments and other receivables	1,416,691
Restricted bank balances	424,075
Cash and bank balances	<u>2,176,240</u>
Total assets	<u>39,986,628</u>
Payables, accruals and other liabilities	(3,975,051)
Contract liabilities	(9,748,600)
Tax payable	(439,999)
Due to a non-controlling equity holder of a subsidiary	(443,968)
Bank and other borrowings	(19,488,007)
Lease liabilities	(11,630)
Deferred tax liabilities	<u>(1,720,393)</u>
Total liabilities	<u>(35,827,648)</u>
Book value of net assets	4,158,980
Non-controlling interests	(1,820,770)
Fair value of GD Land shares retained	(385)
Net loss on distribution in specie	<u>(2,751)</u>
Book value of net assets distributed	<u>2,335,074</u>

8. DISCONTINUED OPERATIONS (continued)

(c) Assets and liabilities held for distribution

The following assets and liabilities were reclassified as held for distribution in relation to the discontinued operations as at 31 December 2024:

	2024 HK\$'000
Assets classified as held for distribution	
Property, plant and equipment	76,517
Investment properties	8,871,756
Right-of-use assets	1,799
Other intangible assets	17,584
Equity investments designated at fair value through other comprehensive income	41,209
Deferred tax assets	355,939
Properties held for sale under development	12,652,159
Completed properties held for sale	13,456,794
Tax recoverable	383,662
Receivables, prepayments and other receivables	1,393,941
Restricted bank balances	2,086,729
Cash and bank balances	<u>1,324,980</u>
Total assets classified as held for distribution	<u><u>40,663,069</u></u>
Liabilities directly associated with assets classified as held for distribution	
Payables, accruals and other liabilities	(3,688,705)
Contract liabilities	(9,385,824)
Tax payable	(826,432)
Due to a non-controlling equity holder of a subsidiary	(441,312)
Bank and other borrowings	(19,154,806)
Lease liabilities	(1,858)
Deferred tax liabilities	<u>(1,703,639)</u>
Total liabilities directly associated with assets classified as held for distribution	<u><u>(35,202,576)</u></u>
Net assets directly associated with the disposal group	<u><u>5,460,493</u></u>

9. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Interim – HK26.66 cents (2024: HK23.97 cents) per ordinary share	1,742,983	1,567,116
Proposed final – HK19.63 cents (2024: HK7.27 cents) per ordinary share	<u>1,283,374</u>	<u>475,300</u>
	<u>3,026,357</u>	<u>2,042,416</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The total final dividend payable is based on the total number of shares as at the date of approval of the financial statements by the board of directors which includes the shares issued subsequent to the end of the reporting period.

On 9 December 2024, the Company's Board of Directors recommended the payment of a special dividend in the form of a distribution in specie of 1,261,799,537 shares of GD Land held directly by the Company to the shareholders of the Company, on a pro-rata basis, at the rate of 0.193 shares of GD Land for every one share of the Company held by the shareholders, conditional upon the passing of an ordinary resolution by the shareholders of the Company. On 8 January 2025, the resolution to approve the Proposed Distribution was passed by the shareholders of the Company. On 21 January 2025, a total of 1,261,799,423 GD Land shares (representing approximately 99.9% of GD Land shares held by the Company) was distributed to the shareholders.

10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company arising from continuing operations and discontinued operations, respectively, and the weighted average number of ordinary shares in issue during the year.

The calculation of the basic and diluted earnings/(loss) per share is based on:

	2025 HK\$'000	2024 HK\$'000
Earnings:		
Profit/(loss) attributable to ordinary equity holders of the Company used in the basic and diluted earnings per share calculation:		
Continuing operations	4,673,312	4,102,893
Discontinued operations	<u>(17,051)</u>	<u>(960,755)</u>
	<u>4,656,261</u>	<u>3,142,138</u>
		Number of shares
		2025 2024
Shares:		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	<u>6,537,821,440</u>	<u>6,537,821,440</u>

No adjustment has been made to the basic earnings/(loss) per share amount presented for the years ended 31 December 2025 and 2024 in the calculation of diluted earnings/(loss) per share as there were no potential dilutive ordinary shares during the years ended 31 December 2025 and 2024.

11. OTHER FINANCIAL ASSETS AT AMORTISED COST

As at 31 December 2025, other financial assets at amortised cost of the Group represent deposits placed by the Group in a number of licensed banks in the PRC with the principal sums denominated in Renminbi that will be matured within two years (2024: three years) with principal protected upon the maturity dates.

12. RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

Included in the Group's receivables, prepayments and other receivables as at 31 December 2025 are trade and bills receivables of HK\$4,745,586,000 (2024: HK\$3,837,959,000), net of impairments, from the Group's customers. The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The various group companies have different credit policies, depending on the requirements of their markets and the businesses in which they operate. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. Overdue balances are regularly reviewed by senior management. The Group's trade and bills receivables relate principally to the water distribution and sewage treatment businesses. The Group has a certain concentration of credit risk whereby 8% (2024: 8%) of the total trade and bills receivables was due from one customer. The Group does not hold any collateral or other credit enhancements over these balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the Group's trade and bills receivables as at the end of the reporting period, based on the payment due date and net of loss allowance, is as follows:

	2025 HK\$'000	2024 HK\$'000
Current or less than 3 months past due	2,439,810	2,282,981
3 months to 6 months past due	261,672	303,668
6 months to 1 year past due	848,456	661,312
More than 1 year past due	<u>1,267,607</u>	<u>627,659</u>
	4,817,545	3,875,620
Less: Loss allowance	<u>(71,959)</u>	<u>(37,661)</u>
	<u>4,745,586</u>	<u>3,837,959</u>

13. PAYABLES, ACCRUALS AND OTHER LIABILITIES

The Group's payables, accruals and other liabilities are non-interest-bearing and are normally settled on 60-day terms except for certain bills payables. Included in the Group's payables, accruals and other liabilities as at 31 December 2025 are trade and bills payables of HK\$5,603,103,000 (2024: HK\$5,611,573,000). An ageing analysis of the Group's trade and bills payables as at the end of the reporting period, based on the payment due date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 3 months	5,603,103	5,590,197
3 months to 6 months	<u>-</u>	<u>21,376</u>
	<u>5,603,103</u>	<u>5,611,573</u>

14. BANK AND OTHER BORROWINGS

As at 31 December 2025, included in the Group's bank and other borrowings represented loans from Guangdong Holdings of HK\$71,740,000 (2024: Nil), loans from fellow subsidiaries of HK\$1,162,905,000 (2024: HK\$2,570,889,000) and loans from an associate of Nil (2024: HK\$917,915,000).

15. CONTINGENT LIABILITIES

As at 31 December 2025, the Group provided guarantees to certain banks in respect of mortgages granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties held for sale. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the relevant outstanding mortgage principals together with the accrued interest and penalty owed by the defaulting purchasers to the banks and the Group, is entitled, but not limited to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon issuance of the real estate ownership certificates. As at 31 December 2025, the Group's outstanding guarantees amounted to HK\$898,000 for these guarantees (2024: HK\$4,714,446,000, for these guarantees, of which HK\$4,709,488,000 were from GD Land).

CHAIRMAN’S STATEMENT

RESULTS

I hereby present our results for the year of 2025 to the shareholders. The Group’s consolidated profit attributable to owners of the Company for year 2025 amounted to HK\$4,656 million (2024: HK\$3,142 million), increased by 48.2% over year 2024. Basic earnings per share increased by 48.2% over the last year to HK 71.22 cents (2024: HK 48.06 cents).

DIVIDEND

By striking a balance between the sharing of the Company’s profit with the Shareholders and preserving sufficient funds for its development and operation, 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 Company will take into account the actual and expected financial performance and position of the Group.

The Board recommends the payment of a final dividend of HK 19.63 cents per share for the year ended 31 December 2025. Aggregating such dividend with the interim dividend of HK 26.66 cents per share paid in October 2025, the total dividend for the entire year will be HK 46.29 cents (2024: HK 31.24 cents) per share. The said 2025 final dividend, if approved by the shareholders of the Company at the forthcoming annual general meeting, will be paid on or about 23 July 2026.

REVIEW

In 2025, the global economy demonstrated resilience amid a development landscape characterized by slow recovery, moderate growth, and high uncertainty. Despite challenges such as ongoing geopolitical conflicts, increasing uncertainty in policy directions across nations, heightened fiscal vulnerabilities, and disruptions to global supply and industrial chains, technological innovation and the green transition injected new momentum into the economy. Against this backdrop, the Chinese economy withstood external pressures and overcome internal challenges by focusing on domestic demand improvement, industrial upgrading, and structural optimization, with economic growth generally in line with expectations, but still facing persistent internal and external risks and challenges.

Confronted with the increasingly complex and unpredictable external environment, the Group adhered to the development strategy of “seeking progress amidst stability, improving quality and increasing efficiency”, striving to promote high-quality development goals such as value enhancement, innovation leadership, and industrial upgrading. On one hand, we maintained steady improvements in the operational performance of our core businesses while continuously optimizing corporate governance and risk management mechanisms. On the other hand, we endeavoured to seize market development opportunities, focused on expanding incremental business, strengthened the leadership of technological innovation, and solidified the foundation of the sustainable development of the Company. The Group’s 2024 ESG Report received a “Five-star” rating from the Chinese Expert Committee on CSR Report Rating for the first time, and has been included in the “ESG Development Index for State-owned Enterprises in Guangdong-Hong Kong-Macao Greater Bay Area” for three consecutive years.

Through the divestment of the real estate business and the injection of high-quality water assets, the business scale of the water resources segment continued to expand, providing a stable contribution to the Group's performance. Revenue from the hotel operation and management business maintained steady growth. Affected by the slow recovery of overall consumption and the renovation and upgrading of individual projects, the operating revenue of the retail department store business decreased year-on-year; however, the measures to lower the cost and enhance effectiveness achieved significant results, leading to a substantial growth in profit. The power business vigorously promoted cost reduction and efficiency enhancement, achieving a significant year-on-year increase in electricity sales volume, and delivered profit growth despite modest pressure on operating revenue; the expressway business was affected by changes in external policies and competition from other road networks, with both operating revenue and profit decreasing slightly. Meanwhile, the Group closely monitored foreign exchange risks and continuously narrowed its foreign currency risk exposure through the comprehensive use of various methods.

PROSPECTS

Looking forward to 2026, the global economy is expected to experience a moderate recovery, with international institutional organizations generally forecasting a growth rate between 2.5% and 3.3%. In 2026, the first year of China's 15th Five-Year Plan, the economic structure is expected to continue to optimize and upgrade, and the growth momentum will gradually shift from being driven by traditional manufacturing to a pattern dominated by consumption, supported by the service industry, and empowered by new quality productive forces, with overall economic performance remaining favorable.

Facing numerous uncertainties in the domestic and external markets, we will adhere to our development strategy of "seeking progress amidst stability, improving quality and increasing efficiency", focus on the stable development of our core business, and ensure that the risks are preventable and controllable, to continue to create long-term value for stakeholders.

The Group will continue to concentrate resources on extending the water resources segment business into higher value-added areas, promoting the transformation and upgrading of our business structure. While consolidating and deepening "organizational leanness", we will vigorously advance "precision management" and "lean operations", continuously optimize various asset portfolios and resource allocation, and proactively seize potential development opportunities arising from the "Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area" to strengthen our strategic leadership. We will actively monitor investment, merger and acquisition opportunities in relevant markets, striving to achieve new breakthroughs in profit growth and continuously enhance the Company's operational performance and overall value.

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

WANG Min
Acting Chairman

Hong Kong, 30 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

The consolidated revenue of the Group from continuing operations for the year ended 31 December 2025 was HK\$18,825 million (2024: HK\$18,505 million), an increase of 1.7% as compared with that of year 2024. The increase in revenue was mainly attributable to the increase in revenue from water resources and property investment business, which offset the decrease in revenue from department store operations, road and bridge business and electric power generation business.

The consolidated profit before tax from continuing operations for the year ended 31 December 2025 increased by 11.5% to HK\$7,241 million (2024: HK\$6,494 million), mainly attributed to the saving on net finance costs and administrative expenses, which offset the depreciation of Renminbi against Hong Kong dollars by 0.5% over the last year. The net loss arising from fair value adjustments from continuing operations for investment properties of the Group for the year was HK\$26 million (2024: HK\$68 million), net exchange loss from continuing operations was HK\$40 million (2024: net exchange gain of HK\$39 million) and net finance costs from continuing operations was HK\$339 million (2024: HK\$698 million). The consolidated profit attributable to owners of the Company from continuing operations for the year increased by 13.9% to HK\$4,673 million (2024: HK\$4,103 million). The consolidated profit attributable to owners of the Company for the year increased by 48.2% to HK\$4,656 million (2024: HK\$3,142 million).

Basic earnings per share was HK 71.22 cents (2024: HK 48.06 cents), increased by 48.2% as compared with that in year 2024.

BUSINESS REVIEW

A summary of the performance of the Group's major continuing operations during 2025 is set out as follows:

Water Resources

Dongshen Water Supply Project

The profit contribution from the Dongshen Water Supply Project continued to form a significant part of the Group's profit. As at 31 December 2025, the Company's interest in GH Water Supply (Holdings) Limited ("GH Water Holdings") was 96.04% (2024: 96.04%). GH Water Holdings holds a 99.0% interest in Guangdong Yue Gang Water Supply Company Limited, the owner of the Dongshen Water Supply Project.

The designed annual capacity of Dongshen Water Supply Project is 2.423 billion tons. Total volume of water supply to Hong Kong, Shenzhen and Dongguan during the year amounted to 2.078 billion tons (2024: 2.093 billion tons), a decrease of 0.7%, which generated a revenue of HK\$6,452 million (2024: HK\$6,360 million), an increase of 1.4% over year 2024.

The Hong Kong Water Supply Agreement for 2024 to 2026 (the “2024 to 2026 Water Supply Agreement”) between the Government of the Hong Kong Special Administrative Region and the Guangdong Provincial Government was signed on 27 December 2023. Pursuant to the 2024 to 2026 Water Supply Agreement, the annual basic water prices for the three years of 2024, 2025 and 2026 are HK\$5,136.24 million, HK\$5,259.00 million and HK\$5,384.69 million, respectively.

According to the water price deduction mechanism adopted and applicable for the years from 2021 to 2029, the annual basic water price shall be deducted based on the quantity of water supplied to Hong Kong which is conserved (i.e. the difference between the annual supply ceiling of 820 million tons and the actual quantity of water imported, with a minimum annual water supply quantity of 615 million tons from 2021 to 2026) in a particular year using a particular unit rate. The unit rates for each cubic metre of water supplied to Hong Kong which is conserved for the three years of 2024, 2025 and 2026 are HK\$0.315, HK\$0.323 and HK\$0.331, respectively. Average annual water supply quantity shall not be less than 700 million tons over the nine-year period from 2021 to 2029. If the actual water supply quantity deviates, the parties will further negotiate on the amount of water fee which has been excessively deducted, and to be payable by the Government of the Hong Kong Special Administrative Region to the Guangdong Provincial Government.

The revenue from water sales to Hong Kong for the year increased by 2.4% to HK\$5,259 million (2024: HK\$5,136 million). The revenue from water sales to Shenzhen and Dongguan areas decreased by 2.5% to HK\$1,193 million (2024: HK\$1,224 million) during the year. The profit before tax for the year, excluding net exchange differences and net finance costs, of the Dongshen Water Supply Project for the year ended 31 December 2025 was HK\$4,158 million (2024: HK\$4,020 million), 3.4% more than that in year 2024.

Other Water Resources Projects

Apart from the Dongshen Water Supply Project, the Group has a number of subsidiaries and associates which are principally engaged in water distribution, sewage treatment operation and waterworks construction in the mainland of the People’s Republic of China (the “PRC”) (“Chinese Mainland”).

During the year, the Group entered into two equity transfer agreements for the acquisitions of certain equity interest in 汕頭市粵海水務有限公司 (Shantou Guangdong Water Co., Ltd.▲) and 陽江粵海清源環保有限公司 (Yangjiang Guangdong Qingyuan Huanbao Co., Ltd.▲) with 廣東粵海水務股份有限公司 (Guangdong Yuehai Water Co., Ltd.▲), a wholly-owned subsidiary of 廣東粵海控股集團有限公司 (Guangdong Holdings Limited▲), the ultimate holding company of the Company, at an adjusted aggregate consideration of RMB266,990,000 (equivalent to approximately HK\$293,423,000). Further details of the transaction are set out in the Company’s announcements dated 28 October 2025, 18 November 2025 and 8 December 2025, and the Company’s circular dated 20 November 2025. Other than the above investments, during the year, the Group successfully bid for a new water resources project located in Maoming City, Guangdong Province. The total designed waste water processing capacity is 194,000 tons per day. The expected total investment amount of these projects is approximately RMB667 million (equivalent to approximately HK\$738 million).

The total designed water supply capacity of the water supply plants and the total designed waste water processing capacity of the sewage treatment plants of the Group’s Other Water Resources Projects as at 31 December 2025 were 16,595,200 tons per day (2024: 16,150,200 tons per day) and 3,094,900 tons per day (2024: 3,345,900 tons per day), respectively.

The water supply capacity of the water supply plants and the waste water processing capacity of the sewage treatment plants operated by the subsidiaries and associates of the Group as at 31 December 2025 were 11,108,800 tons per day (2024: 10,836,800 tons per day) and 2,297,900 tons per day (2024: 2,054,400 tons per day), respectively. In addition, the water supply capacity of the water supply plants under construction by the subsidiaries of the Group as at 31 December 2025 were 915,000 tons per day.

Capacity of Water Resources Projects in Operation

The water supply capacity of the water supply plants and the waste water processing capacity of the sewage treatment plants operated by each of the subsidiaries and associates of the Group are as follows:

<u>Name of subsidiaries of the Group</u>	<u>Water supply capacity (tons per day)</u>	<u>Waste water processing capacity (tons per day)</u>
東莞市清溪粵海水務有限公司 (Dongguan Qingxi Guangdong Water Co., Ltd.▲)	290,000	-
梅州粵海水務有限公司 (Meizhou Guangdong Water Co., Ltd.▲)	310,000	250,000
儀征粵海水務有限公司 (Yizheng Yuehai Water Supply Co., Ltd.▲)	150,000	-
Gaoyou GDH Water Co., Ltd.	150,000	-
Baoying GDH Water Co., Ltd.	130,000	-
海南儋州粵海自來水有限公司 (Hainan Danzhou Guangdong Tap Water Co., Ltd.▲)	150,000	3,500
梧州粵海江河水務有限公司 (Wuzhou Guangdong Jianghe Water Co., Ltd.▲)	310,000	-
Zhaoqing HZ GDH Water Co., Ltd.	180,000	-
遂溪粵海水務有限公司 (Suixi Guangdong Water Co., Ltd.▲)	70,000	-
海南儋州粵海水務有限公司 (Hainan Danzhou Guangdong Water Co., Ltd.▲)	100,000	20,000
豐順粵海水務有限公司 (Fengshun Guangdong Water Co., Ltd.▲)	123,500	-
盱眙粵海水務有限公司 (Xuyi Guangdong Water Co., Ltd.▲)	150,000	-
Wuzhou GDH Environmental Protection Development Co., Ltd.	-	140,000
東莞市常平粵海環保有限公司 (Dongguan Changping Guangdong Huanbao Co., Ltd.▲)	-	70,000
開平粵海水務有限公司 (Kaiping Guangdong Water Co., Ltd.▲)	-	75,000
五華粵海環保有限公司 (Wuhua Guangdong Huanbao Co., Ltd.▲)	-	66,000
東莞市道滘粵海環保有限公司 (Dongguan Daojiao Guangdong Huanbao Co., Ltd.▲)	-	40,000
汕尾粵海環保有限公司 (Shanwei Guangdong Huanbao Co., Ltd.▲)	-	30,000
高州粵海水務有限公司 (Gaozhou Guangdong Water Co., Ltd.▲)	100,000	-
江西粵海公用事業集團有限公司 (Jiangxi Guangdong Public Utilities Holdings Co., Ltd.▲) and its subsidiaries	823,500	-
浙江博華環境技術工程有限公司 (Zhejiang Bohua Environmental Technology Engineering Co., Ltd.▲) and its subsidiaries	-	81,000
六盤水粵海環保有限公司 (Liupanshui Guangdong Huanbao Co., Ltd.▲)	-	115,000
昆明粵海水務有限公司 (Kunming Guangdong Water Co., Ltd.▲)	24,000	20,000
雲浮粵海水務有限公司 (Yunfu Guangdong Water Co., Ltd.▲)	50,000	-
大埔粵海環保有限公司 (Dapu Guangdong Huanbao Co., Ltd.▲)	-	21,900
韶關粵海綠源環保有限公司 (Shaoguan Guangdong Luyuan Huanbao Co., Ltd.▲)	-	28,500
陽山粵海環保有限公司 (Yangshan Guangdong Huanbao Co., Ltd.▲)	-	11,300
雲浮市粵海水務發展有限公司 (Yunfu City Guangdong Water Development Co., Ltd.▲)	100,000	145,000
陽江粵海環保有限公司 (Yangjiang Guangdong Huanbao Co., Ltd.▲)	-	20,000
揭陽粵海水務有限公司 (Jieyang Guangdong Water Co., Ltd.▲)	560,000	-
普寧粵海水務有限公司 (Puning Guangdong Water Co., Ltd.▲)	500,000	-
潮州市粵海環保有限公司 (Chaozhou Guangdong Huanbao Co., Ltd.▲)	-	20,000
廣東粵海韶投水務有限責任公司 (Guangdong Shaotou Water Co., Ltd.▲)	674,000	-
吳川粵海環保有限公司 (Wuchuan Guangdong Huanbao Co., Ltd.▲)	-	25,000
平遠粵海水務有限公司 (Pingyuan Guangdong Water Co., Ltd.▲)	40,000	-
河北粵海水務集團有限公司 (Hebei Guangdong Water Group Co., Ltd.▲) and its subsidiaries	10,000	468,000
邳州粵海水務有限公司 (Pizhou Guangdong Water Co., Ltd.▲)	250,000	-

Capacity of Water Resources Projects in Operation (continued)

<u>Name of subsidiaries of the Group (continued)</u>	<u>Water supply capacity (tons per day)</u>	<u>Waste water processing capacity (tons per day)</u>
惠來粵海綠源環保有限公司 (Huilai Guangdong Luyuan Huanbao Co., Ltd. ▲)	-	28,500
信宜粵海水務有限公司 (Xinyi Guangdong Water Co., Ltd. ▲)	234,200	-
揭西粵海水務有限公司 (Jiexi Guangdong Water Co., Ltd. ▲)	80,000	-
五華粵海碧源環保有限公司 (Wuhua Guangdong Biyuan Huanbao Co., Ltd. ▲)	-	40,000
雲浮市雲安粵海城鄉供水有限公司 (Yunfu City Yunan Guangdong Urban and Rural Water Supply Co., Ltd. ▲)	24,600	-
河源市粵海水務有限公司 (Heyuan City Guangdong Water Co., Ltd. ▲)	300,000	-
無錫德寶水務投資有限公司 (Wuxi Debao Water Investment Co., Ltd. ▲)	-	225,700
汕尾粵海水務有限公司 (Shanwei Guangdong Water Co., Ltd. ▲)	245,000	-
東莞常平粵海水務有限公司 (Dongguan Changping Guangdong Water Co., Ltd. ▲)	280,000	-
中山市新涌口粵海水務有限公司 (Zhongshan City Xinyongkou Guangdong Water Co., Ltd. ▲)	120,000	-
中山市橫欄粵海水務有限公司 (Zhongshan City Henglan Guangdong Water Co., Ltd. ▲)	140,000	-
中山市南鎮粵海水務有限公司 (Zhongshan City Nanzhen Guangdong Water Co., Ltd. ▲)	130,000	-
清遠市龍塘粵海水務有限公司 (Qingyuan City Longtang Guangdong Water Co., Ltd. ▲)	50,000	-
Guangzhou Nansha GDH Water Co., Ltd.	750,000	-
湛江市鶴地供水營運有限公司 (Zhanjiang Hedi Water Supply Operation Co., Ltd. ▲)	1,060,000	-
湘陰粵海水務有限公司 (Xiangyin Guangdong Water Co., Ltd. ▲)	100,000	-
恩施粵海水務有限公司 (Enshi Guangdong Water Co., Ltd. ▲)	400,000	-
汕尾粵海清源環保有限公司 (Shanwei Guangdong Qingyuan Huanbao Co., Ltd. ▲)	-	100,000
開平粵海淨水有限公司 (Kaiping Guangdong Water Purification Co., Ltd. ▲)	-	25,000
邛州粵海環保有限公司 (Pizhou Guangdong Huanbao Co., Ltd. ▲)	-	34,500
茂名粵海環保有限公司 (Maoming Guangdong Huanbao Co., Ltd. ▲)	-	194,000
汕頭市粵海水務有限公司 (Shantou Guangdong Water Co., Ltd. ▲)	<u>920,000</u>	<u>-</u>
Total as at 31 December 2025	<u>10,078,800</u>	<u>2,297,900</u>
Total as at 31 December 2024	<u>8,886,800</u>	<u>2,054,400</u>
<u>Name of associates of the Group</u>		<u>Water supply capacity (tons per day)</u>
Foundation Gang-Wu (Changzhou) Water Supply Co., Ltd		600,000
興化粵海水務有限公司 (Xinghua Guangdong Water Co., Ltd. ▲)		<u>430,000</u>
Total as at 31 December 2025		<u>1,030,000</u>
Total as at 31 December 2024		<u>1,950,000</u>

Capacity of Water Resources Projects under Construction

The water supply capacity of the water supply plants under construction by each of the subsidiaries of the Group as at 31 December 2025 were as follows:

<u>Name of subsidiaries of the Group</u>	<u>Water supply capacity (tons per day)</u>
荔浦粵海水務有限公司 (Lipu Guangdong Water Co., Ltd.▲)	80,000
揭陽粵海國業水務有限公司 (Jieyang Guangdong Guoye Water Co., Ltd.▲)	270,000
汕尾粵海供水有限公司 (Shanwei Guangdong Water Supply Co., Ltd.▲)	410,000
江西粵海公用事業集團有限公司 (Jiangxi Guangdong Public Utilities Holdings Co., Ltd.▲) and its subsidiaries	<u>155,000</u>
Total	<u>915,000</u>

Revenue of Other Water Resources Projects for the year ended 31 December 2025 in aggregate increased by 7.2% to HK\$7,736,199,000 (2024: HK\$7,218,479,000), of which income from construction services amounted to HK\$454,602,000 (2024: HK\$520,719,000). Profit before tax of Other Water Resources Projects for the year, excluding the net exchange differences and net finance costs, amounted to HK\$1,793,835,000 (2024: HK\$1,733,934,000) in aggregate, 3.5% higher than that in year 2024.

Property Investment

Chinese Mainland

GDH Teem

As at 31 December 2025, the Group held an effective interest of 76.13% (2024: 76.13%) in 廣東粵海天河城(集團)股份有限公司(GDH Teem (Holdings) Limited[▲]) (“Guangdong Teem”) and its subsidiaries, and held an effective interest of 76.02% (31 December 2024: 76.02%) in Tianjin YueHai Teem Shopping Center Co., Ltd. (collectively the “GDH Teem”). GDH Teem operates several shopping malls in Chinese Mainland, of which Teem Plaza, Panyu Teemmall, Guangzhou Comic City and Tianjin Teemmall are owned by GDH Teem whereas Shenzhen Teemmall and 粵海天地 (Yuehai Tiandi[▲]) are operated under lease arrangements.

Revenue of GDH Teem’s property investment business mainly comprises rental income (including rentals from the department stores operated by the Group). The revenue of GDH Teem’s property investment business for the year ended 31 December 2025 increased by 5.5% to HK\$1,704,226,000 (2024: HK\$1,615,377,000), which was mainly due to the increase in average rental and occupancy rate of certain properties. The profit before tax, excluding changes in fair value of investment properties and net interest income, of GDH Teem’s property investment business for the year ended 31 December 2025 increased by 7.3% to HK\$972,375,000 (2024: HK\$906,601,000).

The revenue of GDH Teem’s property investment business during the year was as follows:

	Area for lease sq.m.	Average occupancy rate %	Revenue for the year ended 31 December		Changes %
			2025 HK\$'000	2024 HK\$'000	
Teem Plaza - Teemmall	107,000	99.1	713,252	693,492	+2.8
Teem Plaza - Teem Tower	88,000	78.4	155,301	173,033	-10.2
Panyu Teemmall	144,000	96.4	299,609	249,850	+19.9
Tianjin Teemmall	145,000	96.3	309,540	280,775	+10.2
Guangzhou Comic City	23,000	99.6	86,588	93,696	-7.6
Shenzhen Teemmall	105,000	94.4	95,124	78,805	+20.7
粵海天地 (Yuehai Tiandi [▲])	19,000	93.9	44,812	45,726	-2.0
	<u>631,000</u>		<u>1,704,226</u>	<u>1,615,377</u>	<u>+5.5</u>

Hong Kong

Guangdong Investment Tower

The average occupancy rate of Guangdong Investment Tower for the year was 94.2% (2024: 95.3%). The total revenue for the year ended 31 December 2025 increased by 2.7% to HK\$47,629,000 (2024: HK\$46,359,000).

Department Store Operation

As at 31 December 2025, the Group operated five department stores (2024: five) with a total leased area of approximately 93,440 sq.m. (2024: 95,940 sq.m.). The total revenue for the year ended 31 December 2025 decreased by 48.0% to HK\$447,972,000 (2024: HK\$861,612,000). The profit before tax for the year ended 31 December 2025 was HK\$95,871,000, which included a write-back of lease liabilities of HK\$30,808,000 of Hua Du Store (2024: loss before tax of HK\$44,046,000, which included the loss of disposal of assets due to closure of Hua Du Store of HK\$56,645,000). After adjusting for the changes in fair value of investment properties, write-back of lease liabilities, the gain on remeasurement of right-of-use assets and lease liabilities and the loss on disposal of assets, the profit before tax increased by 86.6% to HK\$74,514,000 (2024: HK\$39,939,000).

The revenue of the department stores operated by the Group for the year ended 31 December 2025 was as follows:

	Leased area sq.m.	2025 HK\$'000	2024 HK\$'000	Changes %
Teemmall Store	41,000	327,233	706,880	-53.7
Wan Bo Store	17,100	48,277	47,188	+2.3
Dong Pu Store	13,700	29,857	48,112	-37.9
Ao Ti Store	21,500	42,370	39,136	+8.3
Hua Du Store (closed in November 2024)	-	-	20,125	-100.0
TeemLife (opened in May 2024)	140	235	171	+37.4
	<u>93,440</u>	<u>447,972</u>	<u>861,612</u>	<u>-48.0</u>

Hotel Ownership, Operation and Management

As at 31 December 2025, the Group's hotel management team managed a total of 17 hotels (2024: 19 hotels), of which four were located in Hong Kong and 13 in Chinese Mainland. As at 31 December 2025, seven hotels, of which three in Hong Kong, two in Zhuhai and one in each of Shenzhen and Guangzhou, were operated by the Group (six of them were owned by the Group). Of these seven hotels, five were managed by our hotel management team whereas Holiday Inn Zhuhai City Center located in Zhuhai was operated under franchise arrangement and Sheraton Guangzhou Hotel located in Guangzhou was managed by another hotel management group. In the fourth quarter of 2024, the Group leased the property located at 181 Connaught Road West, Hong Kong to operate and manage Oasis Aurum 181 Hotel. The hotel opened in mid-December 2024.

During the year ended 31 December 2025, the average room rate of Sheraton Guangzhou Hotel was HK\$1,256 (2024: HK\$1,255) whereas the average room rate of the remaining six hotels was HK\$754 (2024: HK\$709). The average occupancy rate of Sheraton Guangzhou Hotel was 93.9% (2024: 93.0%) and that of the other six hotels was 74.5% (2024: 70.0%) for the year ended 31 December 2025.

The revenue of hotel ownership, operation and management business for the year ended 31 December 2025 increased by 8.7% to HK\$704,905,000 (2024: HK\$648,379,000). The profit before tax for the year ended 31 December 2025, excluding changes in fair value of investment properties and net exchange differences, amounted to HK\$98,702,000 (2024: HK\$110,625,000), 10.8% lower than that in the last year.

Energy Projects

GDH Energy Project

Zhongshan Power (Hong Kong) Limited, a subsidiary of the Company, holds a 75% (2024: 75%) interest in 中山粵海能源有限公司 (Zhongshan GDH Energy Co., Ltd.▲) (“GDH Energy”). GDH Energy has two power generation units with a total installed capacity of 600 MW. Sales of electricity during the year ended 31 December 2025 amounted to 3,263 million kwh (2024: 2,759 million kwh), increased by 18.3%. Due to the mixed impact of the increase in sales of electricity, decrease in electricity tariff and the drop in exchange rate of Renminbi against Hong Kong dollars of 0.5% over the last year, revenue of GDH Energy project (including intersegment sales) generated from electricity sales and related operations for the year ended 31 December 2025 decreased by 3.9% to HK\$1,540,858,000 (2024: HK\$1,604,113,000). The profit before tax of GDH Energy for the year ended 31 December 2025, excluding net finance costs, was HK\$152,071,000 (2024: HK\$138,817,000), an increase of 9.5%.

Guangdong Yudean Jinghai Power Generation Co., Ltd. (“Yudean Jinghai Power”)

During the year ended 31 December 2025, the Group entered into an agreement with other third party investors of Yudean Jinghai Power in respect of the capital injection of Yudean Jinghai Power. As the Group did not participate in the capital injection with other investors, the Group’s effective interest in Yudean Jinghai Power decreased from 25% to 17.48% (2024: 25%).

As at 31 December 2025, Yudean Jinghai Power had four power generation units with a total installed capacity of 3,200 MW. Sales of electricity for the year ended 31 December 2025 amounted to 15,611 million kwh (2024: 15,747 million kwh), a decrease of 0.9%. Due to the decrease in sales of electricity and electricity tariff, revenue for the year ended 31 December 2025 decreased by 17.8% to HK\$5,844,630,000 (2024: HK\$7,113,901,000). The profit before tax of Yudean Jinghai Power for the year ended 31 December 2025 was HK\$108,904,000 (2024: HK\$399,111,000). The Group’s share of profit in Yudean Jinghai Power amounted to HK\$28,117,000 (2024: HK\$74,657,000) during the year ended 31 December 2025.

Road and Bridge

Xingliu Expressway

廣西粵海高速公路有限公司 (Guangxi GDH Highway Co., Ltd.▲) (“GDH Highway”) is principally engaged in the operation of the Xingliu Expressway. The Xingliu Expressway comprises a main line which is approximately 100 km in length and three connection lines (to Xingye, Guigang and Hengzhou) with an aggregate length of approximately 53 km.

The average daily toll traffic flow of the Xingliu Expressway decreased by 7.4% to 23,825 vehicle trips (2024: 25,731 vehicle trips). The toll revenue of GDH Highway during the year ended 31 December 2025 amounted to HK\$592,002,000 (2024: HK\$618,848,000), decreased by 4.3%. The profit before tax during the year ended 31 December 2025, excluding net finance costs, amounted to HK\$306,373,000 (2024: HK\$315,368,000), decreased by 2.9%.

Yinping Project

In 2016, the Company entered into a cooperation agreement with 東莞市謝崗鎮人民政府 (Dongguan City Xiegang Town People's Government) (the "Xiegang Government") in respect of a public-private-partnership project (the "Yinping Project") for the development of certain A-grade highways, connecting roads and municipal roads (not being toll roads) (each a "Project Road" and together, the "Project Roads") and the related ancillary support services such as drainage, greening and lighting in 銀瓶創新區 (Yinping Innovation Zone) in Dongguan, Guangdong Province, the PRC. Each Project Road will be budgeted for and developed separately and subject to the approval of the Xiegang Government. The Company had established Dongguan Yuehai Yinping Development and Construction Limited ("Yuehai Yinping"), a wholly-owned subsidiary of the Company, to perform the Company's obligations in the Yinping Project.

On 31 May 2023, Yuehai Yinping and the Xiegang Government entered into a supplemental agreement, pursuant to which the cooperation agreement was supplemented and amended to the effect that payments to be made for the Yinping Project would be subject to performance assessment. Details of the assessment were set out in the announcement of the Company published on 31 May 2023.

As at 31 December 2025, five Project Roads (31 December 2024: four Project Roads) were completed and no Project Road (31 December 2024: one Project Road) was under construction. As at 31 December 2025, the cumulative development costs in relation to the Yinping Project amounted to approximately RMB2,094 million (equivalent to approximately HK\$2,318 million) (2024: approximately RMB2,077 million (equivalent to approximately HK\$2,243 million)).

For the year ended 31 December 2025, the total interest and maintenance fee of the Yinping Project recognized decreased by 0.1% to HK\$156,317,000 (2024: HK\$156,432,000) and profit before tax increased by 4.3% to HK\$135,861,000 (2024: HK\$130,297,000).

DISCONTINUED OPERATIONS

On 9 December 2024, the Board of the Company recommended the payment of a special dividend in the form of a distribution in specie of shares of GD Land held directly by the Company ("Proposed Distribution"), conditional upon the passing of an ordinary resolution by the shareholders of the Company. On 8 January 2025, the resolution to approve the Proposed Distribution was passed by the shareholders of the Company. On 21 January 2025, a total of 1,261,799,423 GD Land shares (representing approximately 99.9% of GD Land shares held by the Company) was distributed to the shareholders by the Company and GD Land ceased to be a subsidiary of the Company thereafter. The consolidated results of GD Land for the period from 1 January to 21 January 2025 were presented in this announcement as discontinued operations.

For the period from 1 January to 21 January 2025, revenue of GD Land for the Period decreased by 96.3% to HK\$251,831,000 (year ended 31 December 2024: HK\$6,759,320,000), of which income from sales of properties amounted to HK\$247,894,000 (year ended 31 December 2024: HK\$6,720,693,000). The net loss arising from fair value adjustments for investment properties for the period from 1 January to 21 January 2025 was Nil (year ended 31 December 2024: HK\$25,272,000). The provision for inventory impairment for the period from 1 January to 21 January 2025 was Nil (year ended 31 December 2024: HK\$1,033,715,000). The loss before tax of GD Land for the period from 1 January to 21 January 2025 was HK\$9,516,000 (year ended 31 December 2024: HK\$1,520,405,000). The profit before tax of GD Land for the period from 1 January to 21 January 2025, excluding changes in fair value of investment properties, impairment of properties held for sale under development and completed properties held for sale and net finance costs, was HK\$13,454,000 (year ended 31 December 2024: loss before tax of HK\$113,869,000).

OTHER FINANCIAL ASSETS AT AMORTISED COST

As at 31 December 2025, other financial assets at amortised cost of the Group were HK\$3,554 million (2024: HK\$3,385 million), which represent deposits placed by the Group in a number of licensed banks in the PRC with the principal sums denominated in Renminbi that will be matured within two years (2024: three years) with principal protected upon the maturity dates.

LIQUIDITY, GEARING AND FINANCIAL RESOURCES

As at 31 December 2025, cash and bank balances of the Group from continuing operations were HK\$14,783 million (2024: HK\$12,154 million), of which 98.19% was denominated in Renminbi and 1.81% in Hong Kong dollars.

As at 31 December 2025, the Group's financial borrowings from continuing operations (20.8% was denominated in Hong Kong dollars and 79.2% in Renminbi) were HK\$21,612 million (2024: HK\$23,862 million), of which borrowings denominated in Hong Kong dollars were HK\$4,500 million (2024: HK\$4,500 million), including loans from the ultimate holding company, fellow subsidiaries and an associate of HK\$1,235 million (2024: HK\$3,489 million). Of the Group's total financial borrowings from continuing operations, HK\$6,252 million is repayable within one year while the remaining balances of HK\$4,592 million and HK\$10,768 million are repayable within two to five years and beyond five years from the end of the reporting period, respectively. Furthermore, as at 31 December 2025, the interest rate structure of the Group's total financial borrowings from continuing operations consisted of 95.4% floating rate borrowings, 3.6% fixed rate borrowings and 1% non-interest-bearing borrowings.

The Group maintained a credit facility from continuing operations of HK\$9,698 million as at 31 December 2025 (2024: HK\$9,349 million).

As at 31 December 2025, the Group's gearing ratio from continuing operations (i.e. net financial indebtedness/net asset value (excluded non-controlling interests)) was 19.7% (2024: 30.9%). The Group was in a healthy debt servicing position with the EBITDA/finance cost incurred as at 31 December 2025 being 15.9 times (2024: 10.5 times).

Net cash inflows from operating activities for the year ended 31 December 2025 amounted to approximately HK\$8,805 million (2024: HK\$11,086 million). GD Land recorded net cash inflows from operating activities for the period from 1 January to 21 January 2025 amounting to approximately HK\$268 million (year ended 31 December 2024: HK\$1,936 million). The existing cash resources of the Group, together with steady cash flows generated from the Group's operations, are sufficient to meet the Group's payment obligation and business requirements.

The Company's management attaches great importance to the impact of accounts receivable on the Group's financial resources and continues to implement proactive and comprehensive collection measures, including but not limited to maintaining close communication with relevant customers, issuing demand letters to interrupt the statute of limitations, and taking legal actions such as filing lawsuits with relevant courts at appropriate times to ensure the continued validity of our legal rights as the creditors. In addition, the Group actively explores alternative solutions with customers, striving to maintain good business relationships and promote long-term sustainable development while safeguarding the legitimate rights and interests of the Company and all shareholders.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2025, except for (i) bank deposits of Nil (2024: HK\$1,619 million, of which HK\$1,619 million were from GD Land); (ii) property assets of Nil (2024: certain property assets of HK\$9,599 million, of which HK\$9,599 million were from GD Land); (iii) certain revenue entitlement under service concession arrangements of water distribution, sewage treatment and toll road operations as security for bank and other loans of HK\$13,117 million (2024: HK\$12,413 million); (iv) equity interest in a subsidiary of the Group, which were pledged to secure certain bank and other loans, none of the property, plant and equipment, concession rights for water distribution, sewage treatment and toll road operations (comprising operating concession rights and receivables under service concession agreements) were pledged to secure bank and other loans granted to the Group.

Except for the guarantees made to certain banks in relation to the mortgages of properties sold of HK\$0.9 million (2024: HK\$4,714 million, of which HK\$4,709 million were from GD Land) as disclosed in note 15 to this announcement, there was no other material contingent liability as at 31 December 2025 and 2024.

CAPITAL EXPENDITURE

The Group's capital expenditure during the year ended 31 December 2025 amounted to HK\$5,434 million (2024: HK\$1,857 million) which was principally related to additions to property, plant and equipment and leasehold land, the construction cost for water supply and sewage treatment plants (including operating concession rights and receivables under service concession arrangements) and acquisitions of subsidiaries.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE AND INTEREST RATES AND RELATED HEDGES

As at 31 December 2025, total Renminbi borrowings from continuing operations amounted to HK\$17,112 million (2024: HK\$19,356 million). Exchange rate risk might result from the fluctuation of Renminbi exchange rate. The Group did not use derivative financial instruments to hedge its foreign currency risk as there was a natural hedging mechanism. Meanwhile, the Group dynamically monitored the foreign exchange exposure and made necessary adjustments in accordance with the change in market environment.

As at 31 December 2025, the Group's total floating rate borrowings from continuing operations amounted to HK\$20,627 million (2024: HK\$21,975 million). Interest rate risk might result from the fluctuations in bank and other loan interest rate. The Group did not use interest rate hedging to manage its interest rate risk. The Group would continue to review the market trend as well as its business operation's needs, so as to arrange the most effective risk management tools.

PRINCIPAL RISKS AND UNCERTAINTIES

Macroeconomic Risk

As a diversified conglomerate with investments in different business segments, the financial and operating performance of the Company is inextricably linked to the macroeconomic environment.

Internationally, significant uncertainties in the economic recovery have emerged due to factors such as the U.S. tariff policy substantially raising trade barriers, intensified geopolitical conflicts, and weakened business and consumer confidence. Domestically, as the effects of policies have gradually materialized, the macroeconomy has generally maintained a long-term development trend of making progress while maintaining stability. Accordingly, the Company has been closely monitoring the macroeconomic situation, keeping abreast of capital market information and industry dynamics, and providing regular reports to management in accordance with the Company's existing internal systems to ensure the effectiveness of corporate development strategies.

Foreign Currency Risk

As most of the Company's business operations are located in Chinese Mainland, the Company faces foreign currency risks due to exchange gain/loss from exchange rate fluctuations as well as currency conversion risk due to converted net asset value fluctuations of investment projects in Chinese Mainland. To effectively manage foreign currency risk, the Company closely monitors foreign exchange markets, and utilises multiple strategic approaches, such as optimising cash management strategy and deploying project finance instruments, to contain foreign exchange risk.

Market Competition Risk

As market competition intensifies, the Company faces risks including decreased expansion capabilities and lower returns on project investments due to the impact of competitors. Therefore, the Company is actively diversifying its revenue streams and reducing operating costs through product improvement, operating efficiency enhancement, strengthening project management teams and implementing refined management, thereby continuously enhancing the profitability of its projects.

Project Safety Management Risk

Project safety management primarily encompasses product safety risks and personnel safety risks. To address product safety risks, the Company has standardized, proceduralized, and institutionalized risk control measures to facilitate consistent implementation. Additionally, it reinforces quality control at the source through regular inspections of production sites to prevent potential hazards. The Company also proactively accepts market supervision and promptly rectifies identified issues to prevent escalation.

Regarding personnel safety risks, each of the Company's investment projects has established a comprehensive safety responsibility system tailored to its operational needs, clarifying specific duties and divisions of labor, along with corresponding evaluation mechanisms. Building on this framework, the Company conducts regular safety training for employees while continuously refining emergency response protocols to ensure effective risk control.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2025, the Group had a total of 10,681 employees (2024: 10,759 employees, of which 376 were employed by GD Land). Among the employees, 10,425 were employed by subsidiaries in Chinese Mainland and 256 were employed by the head office and subsidiaries in Hong Kong. Total remuneration paid for the year from continuing operations was approximately HK\$2,004,599,000 (2024: approximately HK\$2,196,056,000).

In 2025, the Group has further advanced its “talent-driven enterprise” strategy, accelerated the development of its leadership and management talent pipeline, and strived to build a team of cadres and talents with a broad vision, a capacity for innovation, and a commitment to practical results. Employees are encouraged to take on important tasks, work hard to reap rewards and be assessed by their work performance. The Group has established the incentive and protection mechanism by strengthening the commitment of management personnel and employees at all levels, perfected the supporting systems and performance appraisal system. By building an effective team of employees and unleashing organisational vitality, we continuously enhance our market competitiveness and further refine corporate governance and management.

The remuneration policy of the Group is designed to ensure that the remuneration package is competitive in the market and in line with the development objectives and business performance of the Group. The remuneration package includes fixed salary, discretionary bonus, insurance and fringe benefits. The remuneration standards are based on factors such as qualifications, experience, job responsibility and performance of individual employees and market conditions. Discretionary bonus is subject to the performance-based incentive policy.

In respect of staff training, the Group aims to build a learning organisation, and encourage staff to pursue continuous learning and lifelong learning. The Group also organises legal compliance, investment development, financial management, sustainable development and other multi-dimensional professional trainings in a targeted manner as per the compliance requirements and business development requirements and on an as-needed basis in order to constantly enhance the overall quality, compliance awareness and professional competence of its staff.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Group recognises the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders and is fully committed to doing so. It is also with these objectives in mind that the Group has applied the principles of the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

In the opinion of the Directors of the Company, the Company had complied with the code provisions set out in the CG Code for the year ended 31 December 2025 and up to the date of this announcement, where appropriate, the applicable recommended best practices of the CG Code, save as disclosed below:

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual and code provisions C.2.2 to C.2.9 set out the main responsibilities of the chairman. As disclosed in the announcement of the Company dated 6 January 2026, Ms. Bai Tao tendered her resignation as an Executive Director of the Company, and ceased to be the Chairman of the Board and the Chairman of the Nomination Committee of the Company with effect from 6 January 2026. Since then and up to 30 March 2026, the position of the Chairman was vacant. Compliance with code provisions C.2.1 to C.2.9 was therefore not possible during the relevant period.

Notwithstanding the absence of a Chairman, the Board, which comprises experienced Directors who meet from time to time to discuss issues affecting the operation of the Group, has been able to continue performing its functions effectively and efficiently. Significant decisions are made by the Board as a whole while the daily operation and management are monitored by the Managing Director of the Company. Before each Board meeting, all Directors received adequate information and relevant documents in a timely manner and were properly briefed on issues arising at the Board meetings. All Directors, including the independent non-executive Directors, have made different contributions to the issues discussed at the Board meetings and the Board was able to make and implement decisions promptly in response to the changing environment. Further, code provisions C.2.1 to C.2.9 have been complied upon the appointment of Acting Chairman of the Board and Acting Chairman of Nomination Committee with effect from 30 March 2026.

Pursuant to code provision B.3.5 of the CG Code, issuers should appoint at least one director of a different gender to the nomination committee. Following the resignation of Ms. Bai Tao as an Executive Director of the Company, the Chairman of the Board and the Chairman of the Nomination Committee of the Company with effect from 6 January 2026, the Company failed to comply with aforementioned code provision. The Company is now in the course of identifying suitable candidates of different gender to act as a member of the Nomination Committee in order to comply with the aforementioned code provision as soon as possible.

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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities listed on The Stock Exchange of Hong Kong Limited.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at Concord Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, One Harbour Road, Wanchai, Hong Kong on Thursday, 18 June 2026 at 3:00 p.m. (the “2026 Annual General Meeting”).

In order to qualify for attending and voting at the 2026 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, 12 June 2026.

ENTITLEMENT FOR FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK 19.63 cents per ordinary share for the year ended 31 December 2025 which is expected to be paid on or about Thursday, 23 July 2026 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Monday, 29 June 2026 subject to the final approval at the 2026 Annual General Meeting.

For the purpose of determining shareholders’ entitlements to the proposed final dividend for the year ended 31 December 2025, the register of members of the Company will be closed on Monday, 29 June 2026 and no transfer of shares will be registered on that day. 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, Tricor Investor Services Limited, at the above address not later than 4:30 p.m. on Friday, 26 June 2026.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Company (www.gdi.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and, together with the Environmental, Social and Governance Report, will be made available on the abovementioned websites in due course.

▲ *The English names 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.*

By Order of the Board
Guangdong Investment Limited
WANG Min
Acting Chairman

Hong Kong, 30 March 2026

As at the date of this announcement, the Board of the Company comprises three Executive Directors, namely, Mr. KUANG Hu, Mr. TSANG Hon Nam and Ms. LIANG Yuanjuan; three Non-Executive Directors, namely, Mr. WANG Min, Mr. LI Wenchang and Mr. HE Zhifeng; and four Independent Non-Executive Directors, namely, Dr. CHAN Cho Chak, John, Mr. FUNG, Daniel R., Dr. the Honourable CHENG Mo Chi, Moses, and Mr. LI Man Bun, Brian David.