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

(Incorporated in Hong Kong with limited liability)

(Stock code: 01203)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

Financial highlights for the year ended 31 December			
	2025	2024	
	HK\$'000	HK\$'000	Change
Revenue	<u>12,140,367</u>	<u>11,978,788</u>	1%
Profit from operations	<u>187,638</u>	<u>236,146</u>	-21%
Profit attributable to shareholders	<u>111,616</u>	<u>140,754</u>	-21%
Earnings per share – Basic	<u>HK 12.30 cents</u>	<u>HK 15.51 cents</u>	-21%
Dividend per share			
Interim	HK 2.50 cents	HK 1.00 cent	
Proposed final	HK 1.20 cents	HK 2.50 cents	
	<u>HK 3.70 cents</u>	<u>HK 3.50 cents</u>	6%

CHAIRMAN’S STATEMENT

I hereby present to the shareholders that GDH Guangnan (Holdings) Limited (the “Company”) and its subsidiaries (the “Group”) recorded a consolidated revenue of HK\$12,140 million in 2025, representing an increase of HK\$161 million or 1% from HK\$11,979 million in 2024. Consolidated profit attributable to equity shareholders of the Company was HK\$112 million, representing a decrease of 21% compared with HK\$141 million in 2024. The basic earnings per share was HK12.30 cents, representing a decrease of 21% from HK15.51 cents in 2024.

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

Business Development

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

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

Business Development (Continued)

In respect of the tinplate business, in 2025, the average spot price of tinplate declined year-on-year, the overall industry supply increased, in particular, foreign trade exports became an important support for industry growth. Faced with the complex market environment, the Group adheres to a customer-centric approach and innovation-driven development, continuously enhance the core competitiveness of its product quality, processes and technologies, and strive to become the most reliable tinplate supply chain service provider for customers. The Group benchmarks against industry leaders, understand customers' operations and fully meet their needs. It expands the scale of its domestic business, while intensifying efforts to develop new overseas customers through exhibitions, visits and other means to ensure full utilization of production capacity. The Group adheres to a profit-oriented marketing strategy, integrate resources to improve tinplate capacity utilization, monitor operational trends, and optimize its business structure. We continue to monitor market conditions, enhance forecasting capabilities and adjust the pace of material procurement, effectively mitigate the adverse impact of commodity price fluctuations, and achieve stable operation of the tinplate business.

Prospects

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

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

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

To address the complex and volatile market environment, the Group will implement the following strategic initiatives. In respect of innovation and expansion, the Group will explore new business models, accelerate the transformation from slaughtering to fresh meat sales, build food brands and foster new business growth drivers. In respect of risk management, the Group will improve its comprehensive risk management system, strengthen compliance management and enhance the modernization level of corporate governance. In respect of capital operation, the Group will conduct strategic investments and mergers and acquisitions in a timely manner to optimize its business portfolio through vertical integration and horizontal expansion of the industrial chain. In respect of

regional synergy, the Group will deeply integrate into the development of the Guangdong-Hong Kong-Macao Greater Bay Area, fully leverage the regional policy advantages and industrial cluster effect to enhance its market competitiveness.

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

Last but not the least, on behalf of the Board, I would like to take this opportunity to express my sincere gratitude to the numerous investors for their strong support to the Group, as well as to the management and all employees for their hard work and dedication to the Group.

Yang Zhe

Acting Chairman and Vice Chairman

Hong Kong, 31 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Fresh and Live Foodstuffs Business

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

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

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

Tinplating

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

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

Due to the intensified market competition, the Group strengthens the supply chain management of raw material procurement, so as to effectively control procurement costs. Meanwhile, the Group strived to enhance product quality and enrich product mix to increase added values, which in return gains customers' recognition. The Group also strived to make every effort in market expansion to

enlarge its customer base. Accordingly, profit growth would be attained by leveraging on such marketing strategies covering the whole value chain.

Property Leasing

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

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

FINANCIAL POSITION

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

Liquidity and Financial Resources

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

As at 31 December 2025, the Group's net cash (being pledged deposits and cash and cash equivalents less borrowings) was HK\$102 million. As the Group was in a net cash position, no gearing ratio was presented. As at 31 December 2024, the Group's gearing ratio, calculated by dividing the net borrowings (being borrowings less pledged deposits and cash and cash equivalents) by total equity attributable to equity shareholders of the Company, was 0.6%.

As at 31 December 2025, the Group's available banking facilities which are used for working capital and trade finance purposes amounted to HK\$3,184 million, of which HK\$1,154 million was utilised and HK\$2,030 million was unutilised. Currently, the cash reserves and available banking facilities, as well as the steady cash flow generated from operations, are sufficient to meet the Group's needs and obligations for business operations.

Capital Expenditure and Capital Commitments

The Group's capital expenditure in 2025 amounted to HK\$145 million (2024: HK\$54.37 million). Capital commitments outstanding at 31 December 2025 not provided for in the consolidated financial statements amounted to HK\$317 million (2024: HK\$381 million), mainly for the construction project of a slaughterhouse in Lishui Town and the renovation of production equipment of tinsplating business. It is expected that the capital expenditure for 2026 will be approximately HK\$317 million.

Acquisitions of Investments

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

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

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

Pledge of Assets

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

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

Contingent Liabilities

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

Exchange Rate and Interest Rate Exposures

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

In view of the continuous fluctuation of Renminbi against the United States Dollars, the Group has enhanced research and monitoring of the foreign exchange market in order to reduce the exposure to exchange rate risks, and will take appropriate measures to hedge the risks when necessary. As at 31 December 2025, a forward foreign exchange contract of USD3.0 million (equivalent to HK\$23.40 million) against Renminbi were held by the Group. As at 31 December 2024, no forward foreign exchange contract were held by the Group.

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

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had a total of 1,517 full-time employees, an increase of 14 employees as compared to that of as at 31 December 2024. 312 employees were based in Hong Kong and 1,205 employees were based in Mainland China. Staff remuneration is determined in accordance with the duties, workload, skill requirements, hardship, working conditions and individual performance and with reference to the prevailing industry practices. In 2025, the Group continued to implement control over the headcount, organisational structure and total salaries of each subsidiary. The performance bonus incentive scheme for the management is in place for accruing performance bonus according to various profit rankings and with reference to net cash inflow from operations and profit after taxation based on the assessment of the operating results of each subsidiary. In addition, bonuses are rewarded to the management and key personnel through assessment of individual performance. These incentive schemes have effectively improved the morale of the staff members.

CONSOLIDATED FINANCIAL INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2025

The Board announces the consolidated results of the Group for the year ended 31 December 2025, which have been reviewed by the Company's Audit Committee.

Consolidated Statement of Profit or Loss For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	3	12,140,367	11,978,788
Cost of sales		(11,597,308)	(11,469,779)
Gross profit		543,059	509,009
Other income	5	29,638	44,121
Other gains and losses	5	(511)	41,915
Selling and distribution costs		(32,611)	(36,108)
Administrative expenses		(196,266)	(236,542)
Other operating expenses		(90,924)	(79,179)
Impairment losses under expected credit loss model		(64,747)	(7,070)
Profit from operations		187,638	236,146
Valuation gains (losses) on investment properties		9	(13,378)
Share of profit of a joint venture		99	129
Share of profit of associates		2,045	24,683
Finance costs	6	(27,062)	(30,704)
Profit before taxation		162,729	216,876
Income tax	7	(48,818)	(45,854)
Profit for the year	8	113,911	171,022
Attributable to:			
Equity shareholders of the Company		111,616	140,754
Non-controlling interests		2,295	30,268
Profit for the year		113,911	171,022
Dividends payable to equity shareholders of the Company	9		
Interim dividend declared and paid during the year		22,690	9,076
Final dividend proposed after the end of the reporting period		10,891	22,690
		33,581	31,766
Earnings per share			
Basic	10	12.30 cents	15.51 cents

**Consolidated Statement of Comprehensive Income
For the year ended 31 December 2025**

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

Consolidated Statement of Financial Position
At 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		1,772,137	1,692,000
Investment properties		191,841	187,935
		<u>1,963,978</u>	<u>1,879,935</u>
Goodwill		84,725	84,576
Interest in a joint venture		11,251	10,877
Interests in associates		156,331	150,187
		<u>2,216,285</u>	<u>2,125,575</u>
Current assets			
Inventories	11	483,049	423,268
Trade and other receivables, deposits and prepayments	12	1,496,486	1,425,286
Pledged deposits	13	14,273	9,374
Cash and cash equivalents	13	959,155	954,811
		<u>2,952,963</u>	<u>2,812,739</u>
TOTAL ASSETS		<u>5,169,248</u>	<u>4,938,314</u>
Current liabilities			
Trade and other payables	14	1,164,320	965,741
Bank borrowings	15	413,994	327,356
Loans from a fellow subsidiary		20,840	189,295
Lease liabilities		15,763	14,296
Current tax payable		3,278	14,696
Financial liability at amortised cost		15,000	14,645
		<u>1,633,195</u>	<u>1,526,029</u>
Net current assets		<u>1,319,768</u>	<u>1,286,710</u>
Total assets less current liabilities		<u>3,536,053</u>	<u>3,412,285</u>
Non-current liabilities			
Bank borrowings	15	171,748	159,232
Loans from a fellow subsidiary		264,823	304,429
Deferred revenue		10,834	12,382
Lease liabilities		16,615	12,447
Deferred tax liabilities		67,011	65,360
Provision for long service payments		1,262	1,599
		<u>532,293</u>	<u>555,449</u>
TOTAL LIABILITIES		<u>2,165,488</u>	<u>2,081,478</u>
NET ASSETS		<u>3,003,760</u>	<u>2,856,836</u>
CAPITAL AND RESERVES			
Share capital		459,651	459,651
Reserves		2,250,575	2,133,100
Equity attributable to equity shareholders of the Company		<u>2,710,226</u>	<u>2,592,751</u>
Non-controlling interests		<u>293,534</u>	<u>264,085</u>
TOTAL EQUITY		<u>3,003,760</u>	<u>2,856,836</u>

Notes to the consolidated financial information

1. Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This financial information has been prepared on a basis consistent with the accounting policies and methods adopted in the 2024 annual financial statements, except for the accounting policy changes that are reflected in the 2025 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The financial information relating to the years ended 31 December 2025 and 2024 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those 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 is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31 December 2025 in due course.

The Company's auditor has reported on those financial statements of the Group for both years. 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.

2. Application of new and amendments to HKFRS accounting standards

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

In the current year, the Group has applied, the following amendments to HKFRS Accounting Standards as issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years.

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

3. Revenue

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

Disaggregation of revenue

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

4. Segment information

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

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

Segment revenue and results

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

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit includes revenue and expenses that are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment profit includes the Group's share of results arising from the activities of the Group's associates.

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

Segment assets and liabilities

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

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

5. Other income and other gains and losses

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

6. Finance costs

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

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

7. Income tax

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

Hong Kong Profits Tax for both years is calculated at 16.5% of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rates regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

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

8. Profit for the year

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

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

9. Dividends

Dividends payable to shareholders of the Company attributable to the year

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

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

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

10. Earnings per share

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

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

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

11. Inventories

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

12. Trade and other receivables, deposits and prepayments

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

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

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

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

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

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

13. Pledged deposits and cash and cash equivalents

(a) Pledged deposits

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

(b) Cash and cash equivalents

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

14. Trade and other payables

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

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

15. Bank borrowings

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

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Code

The Company has complied with the code provisions and, where appropriate, the applicable recommended best practices set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year ended 31 December 2025, except for the following deviation:

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual to ensure a balance of power and authority. On 21 March 2025, due to the retirement of Mr. Chen Benguang, the former Chairman of the Board, Mr. Yang Zhe, being the Executive Director and General Manager, was appointed as Acting Chairman of the Board; on 30 October 2025, Mr. Yang Zhe was redesignated from General Manager to Vice Chairman of the Board, and Ms. Long Wenfang was appointed as an Executive Director and General Manager of the Company. Accordingly, since 30 October 2025, the roles of chairman and chief executive of the Company are separate. The Directors consider that the Company has put in place an appropriate check-and-balance mechanism through the Board and the independent non-executive Directors. Given that the dual role held by Mr. Yang Zhe was temporary in nature and ceased upon the appointment of Ms. Long Wenfang as General Manager, the Directors consider that the corporate governance of the Company was not adversely affected by this deviation from code provision C.2.1 during the period from 21 March 2025 to 30 October 2025.

Review of Annual Results

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

Purchase, Sale and Redemption of Listed Securities

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s securities listed on the Stock Exchange.

Annual General Meeting

The 2026 Annual General Meeting of the Company (“AGM”) will be held on Monday, 22 June 2026 at 11:00 a.m. For the purpose of determining shareholders’ eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 16 June 2026 to Monday, 22 June 2026 (both days inclusive), during which period no transfers of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 15 June 2026.

Entitlement for Final Dividend

An interim dividend of HK2.50 cents (2024: HK1.00 cent) per share was paid on 27 October 2025. The Board recommends the payment of a final dividend of HK1.20 cents (2024: HK2.50 cents) per share for the year ended 31 December 2025. The proposed final dividend, if approved at the AGM, is expected to be paid on Monday, 20 July 2026 to the shareholders whose names appear on the register of members of the Company on Friday, 3 July 2026.

For the purpose of determining shareholders' entitlements to the proposed final dividend for the year ended 31 December 2025, the register of members will be closed from Thursday, 2 July 2026 to Friday, 3 July 2026 (both days inclusive) and no transfers of shares will be registered on that period. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at the address as set out above not later than 4:30 p.m. on Tuesday, 30 June 2026.

Publication of Annual Results Announcement and Annual Report

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

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

By order of the Board

Yang Zhe

Acting Chairman and Vice Chairman

Hong Kong, 31 March 2026

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