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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)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

Unaudited financial highlights for the six months ended 30 June

	2026	2025	Changes
	HK\$'000	HK\$'000	%
From continuing operations			
Revenue	<u>10,217,190</u>	<u>9,428,291</u>	+8.4
Profit before tax	<u>4,511,227</u>	<u>4,105,084</u>	+9.9
Profit/(loss) attributable to owners of the Company			
Continuing operations	2,935,409	2,698,784	
Discontinued operations	-	(17,051)	
	<u>2,935,409</u>	<u>2,681,733</u>	+9.5
Earnings per share – Basic	<u>HK 44.90 cents</u>	<u>HK 41.02 cents</u>	+9.5
Interim dividend per share	<u>HK 29.19 cents</u>	<u>HK 26.66 cents</u>	+9.5

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

CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the “Board”) of Guangdong Investment Limited (the “Company”) hereby presents the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2026 together with the comparative figures for the corresponding period in 2025. These results have not been audited, but have been reviewed by the Company’s Audit Committee and independent auditor, Messrs. Deloitte Touche Tohmatsu.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS *For the six months ended 30 June 2026*

	Notes	For the six months ended 30 June 2026 (Unaudited) HK\$’000	2025 (Unaudited) HK\$’000
CONTINUING OPERATIONS			
REVENUE	4	10,217,190	9,428,291
Cost of sales		<u>(4,589,236)</u>	<u>(4,181,843)</u>
Gross profit		5,627,954	5,246,448
Other income and gains, net		411,257	262,415
Changes in fair value of investment properties		(18,337)	(3,198)
Selling and distribution expenses		(298,906)	(246,619)
Administrative expenses		(984,912)	(887,536)
Exchange differences, net		17,793	(31,538)
Other operating income, net		59,435	46,000
Finance costs	5	(301,601)	(341,461)
Share of profits less losses of associates		<u>(1,456)</u>	<u>60,573</u>
PROFIT BEFORE TAX	6	4,511,227	4,105,084
Income tax expense	7	<u>(1,207,985)</u>	<u>(1,111,803)</u>
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		3,303,242	2,993,281
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations	8	<u>-</u>	<u>(21,267)</u>
PROFIT FOR THE PERIOD		<u><u>3,303,242</u></u>	<u><u>2,972,014</u></u>
Attributable to:			
Owners of the Company		2,935,409	2,681,733
Non-controlling interests		<u>367,833</u>	<u>290,281</u>
		<u><u>3,303,242</u></u>	<u><u>2,972,014</u></u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)
For the six months ended 30 June 2026

		For the six months ended 30 June	
	Note	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Attributable to owners of the Company arising from:			
Continuing operations		2,935,409	2,698,784
Discontinued operations		<u>-</u>	<u>(17,051)</u>
		<u>2,935,409</u>	<u>2,681,733</u>
Attributable to non-controlling interests arising from:			
Continuing operations		367,833	294,497
Discontinued operations		<u>-</u>	<u>(4,216)</u>
		<u>367,833</u>	<u>290,281</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	10		
Basic and diluted:			
Continuing operations		HK 44.90 cents	HK 41.28 cents
Discontinued operations		<u>-</u>	<u>HK (0.26) cents</u>
		<u>HK 44.90 cents</u>	<u>HK 41.02 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
PROFIT FOR THE PERIOD	<u>3,303,242</u>	<u>2,972,014</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	2,167,830	754,910
- Associates	45,295	55,733
Reclassification of cumulative exchange fluctuation reserve upon disposal of an associate	<u>(14,961)</u>	<u>-</u>
Other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>2,198,164</u>	<u>810,643</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	363	-
Fair value gains of property, plant and equipment upon transfer to investment properties, net of tax	<u>84,261</u>	<u>43,453</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>84,624</u>	<u>43,453</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>2,282,788</u>	<u>854,096</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>5,586,030</u></u>	<u><u>3,826,110</u></u>
Attributable to:		
Owners of the Company	4,615,924	3,324,696
Non-controlling interests	<u>970,106</u>	<u>501,414</u>
	<u><u>5,586,030</u></u>	<u><u>3,826,110</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2026

	Notes	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		11,184,553	10,270,781
Investment properties		17,010,733	16,321,892
Right-of-use assets		1,043,657	1,012,805
Goodwill		811,258	793,189
Other intangible assets		578,161	573,534
Investments in associates		1,710,646	1,726,503
Operating concession rights		22,687,719	22,852,265
Receivables under service concession arrangements		18,080,819	17,510,987
Receivables under a cooperative arrangement		1,572,627	1,586,789
Other financial assets at amortised cost	11	4,202,189	3,553,589
Equity investments designated at fair value through other comprehensive income		18,639	16,748
Receivables, prepayments and other receivables	12	894,997	1,087,299
Deferred tax assets		<u>184,395</u>	<u>168,031</u>
Total non-current assets		<u>79,980,393</u>	<u>77,474,412</u>
CURRENT ASSETS			
Completed properties held for sale		98,635	94,850
Tax recoverable		24,197	71,613
Inventories		907,656	531,851
Receivables under service concession arrangements		719,293	690,778
Receivables under a cooperative arrangement		484,515	549,343
Receivables, prepayments and other receivables, and contract assets	12	8,058,766	6,608,735
Other financial assets at amortised cost	11	2,428,407	-
Due from non-controlling equity holders of subsidiaries		990,775	913,322
Restricted bank balances		24,628	22,824
Cash and bank balances		<u>14,890,844</u>	<u>14,783,332</u>
Total current assets – page 6		<u>28,627,716</u>	<u>24,266,648</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
30 June 2026

	Notes	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Total current assets – page 5		<u>28,627,716</u>	<u>24,266,648</u>
CURRENT LIABILITIES			
Payables, accruals and other liabilities	13	(12,218,717)	(12,551,364)
Contract liabilities		(1,128,938)	(1,184,580)
Tax payable		(933,347)	(556,683)
Due to non-controlling equity holders of subsidiaries		(451,466)	(479,708)
Bank and other borrowings	14	(6,028,965)	(6,252,409)
Lease liabilities		(36,425)	(46,506)
Dividend payables		<u>(1,283,374)</u>	<u>-</u>
Total current liabilities		<u>(22,081,232)</u>	<u>(21,071,250)</u>
NET CURRENT ASSETS		<u>6,546,484</u>	<u>3,195,398</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>86,526,877</u>	<u>80,669,810</u>
NON-CURRENT LIABILITIES			
Bank and other borrowings	14	(16,643,742)	(15,359,183)
Lease liabilities		(196,590)	(208,295)
Other liabilities and contract liabilities		(1,692,739)	(1,464,398)
Deferred tax liabilities		<u>(5,740,672)</u>	<u>(5,498,868)</u>
Total non-current liabilities		<u>(24,273,743)</u>	<u>(22,530,744)</u>
Net assets		<u>62,253,134</u>	<u>58,139,066</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		8,966,177	8,966,177
Reserves		<u>37,286,330</u>	<u>33,958,151</u>
		46,252,507	42,924,328
Non-controlling interests		<u>16,000,627</u>	<u>15,214,738</u>
Total equity		<u>62,253,134</u>	<u>58,139,066</u>

Notes:

1. GENERAL INFORMATION AND ACCOUNTING POLICIES

Guangdong Investment Limited is a limited liability company incorporated and domiciled in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") whose shares are publicly traded. The principal activities of the Group are described in note 3.

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 results of GD Land for the period from 1 January 2025 to 21 January 2025 were presented in this unaudited interim financial information as discontinued operations in accordance with Hong Kong Financial Reporting Standard 5, *Non-current Assets Held for Sale and Discontinued Operations*. The condensed consolidated statement of profit or loss distinguished the discontinued operations from the continuing operations.

This unaudited interim financial information of the Group for the six months ended 30 June 2026 set out in this announcement has been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This unaudited interim financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The accounting policies adopted in the preparation of the unaudited interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the amendments to HKFRS Accounting Standards for the first time for the current period's unaudited interim financial information, as further detailed in note 2 below.

The financial information relating to the year ended 31 December 2025 that is included in this unaudited interim financial information for the six months ended 30 June 2026 as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those consolidated financial statements. Further information relating to those statutory consolidated 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 2025 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).

The Company's former auditor (Messrs. KPMG) has reported on those consolidated financial statements for the year ended 31 December 2025. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Chapter 622).

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Other than changes in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the unaudited interim financial information for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2026 for the preparation of the Group's unaudited interim financial information:

- Amendments to HKFRS 9 and HKFRS 7, *Amendments to the Classification and Measurement of Financial Instrument*
- Amendments to HKFRS 9 and HKFRS 7, *Contract Referencing Nature-dependent Electricity*
- Amendments to HKFRS Accounting Standards, *Annual improvements to HKFRS Accounting Standards – Volume 11*

The application of the amendments to HKFRS Accounting Standards in the current period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures set out in this unaudited interim financial information. The Group has not applied any new standard or interpretation that is not yet effective for the current interim 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;
- (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.

3. OPERATING SEGMENT INFORMATION (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies. 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 disposal of an associate, finance costs (other than interest on lease liabilities), share of profits less losses of associates and net loss on distribution in specie are excluded from such measurement.

Segment assets include total assets, 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, and exclude bank and other borrowings, tax payable, deferred tax liabilities, dividend payables 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)

	Water resources		Property investment		Department store operation	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2026	2025	2026	2025	2026	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue from continuing operations:						
Revenue from external customers	7,717,006	7,153,052	869,967	810,718	225,517	216,529
Intersegment sales	-	-	42,886	45,764	-	-
Other income and gains from external sources	52,324	30,509	1,094	2,569	10,613	5,026
Other income from intersegment transactions	22	-	553	-	-	-
Total	7,769,352	7,183,561	914,500	859,051	236,130	221,555
Segment results from continuing operations	3,643,728	3,402,202	446,122	479,589	21,109	23,891
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	29	-	-	-	-	-
Gain on disposal of an associate	-	-	-	-	123,505	-
Finance costs						
Share of profits less losses of associates	24,243	52,770	-	-	(38,179)	(10,461)
Net loss on distribution in specie						
Profit before tax from continuing operations						
Income tax expense						
Profit for the period from continuing operations						

3. OPERATING SEGMENT INFORMATION (continued)

	<u>Electric power generation</u>		<u>Hotel operation and management</u>		<u>Road and bridge</u>	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2026	2025	2026	2025	2026	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue from continuing operations:						
Revenue from external customers	737,084	610,859	359,189	336,393	308,427	300,740
Intersegment sales	164,359	158,798	48	149	-	-
Other income and gains from external sources	5,854	10,331	5	1	62,370	70,780
Other income from intersegment transactions	-	-	-	-	-	-
Total	<u>907,297</u>	<u>779,988</u>	<u>359,242</u>	<u>336,543</u>	<u>370,797</u>	<u>371,520</u>
Segment results from continuing operations	<u>69,611</u>	<u>84,580</u>	<u>51,607</u>	<u>51,438</u>	<u>222,408</u>	<u>221,187</u>
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 disposal of an associate	-	-	-	-	-	-
Finance costs						
Share of profits less losses of associates	12,480	18,264	-	-	-	-
Net loss on distribution in specie						
Profit before tax from continuing operations						
Income tax expense						
Profit for the period from continuing operations						

3. OPERATING SEGMENT INFORMATION (continued)

	Others		Eliminations		Consolidated	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2026	2025	2026	2025	2026	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue from continuing operations:						
Revenue from external customers	-	-	-	-	10,217,190	9,428,291
Intersegment sales	5,425	8,664	(212,718)	(213,375)	-	-
Other income and gains from external sources	-	-	-	-	132,260	119,216
Other income from intersegment transactions	1,390	1,611	(1,965)	(1,611)	-	-
Total	6,815	10,275	(214,683)	(214,986)	10,349,450	9,547,507
Segment results from continuing operations	71,776	(16,023)	4,116	(11,534)	4,530,477	4,235,330
Bank interest income					38,792	43,827
Interest income from other financial assets at amortised cost					56,114	40,587
Interest income from financial assets at fair value through profit or loss					52,637	52,123
Interest income from a loan to a fellow subsidiary					7,920	9,430
Dividends received from equity investments designated at fair value through other comprehensive income	-	-	-	-	29	-
Gain on disposal of an associate	-	-	-	-	123,505	-
Finance costs					(296,791)	(334,035)
Share of profits less losses of associates	-	-	-	-	(1,456)	60,573
Net loss on distribution in specie					-	(2,751)
Profit before tax from continuing operations					4,511,227	4,105,084
Income tax expense					(1,207,985)	(1,111,803)
Profit for the period from continuing operations					<u>3,303,242</u>	<u>2,993,281</u>

3. OPERATING SEGMENT INFORMATION (continued)

Segment assets and liabilities:

	Water resources		Property investment		Department store operation	
	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Segment assets	58,680,354	55,498,728	17,924,181	17,138,828	558,249	524,508
Unallocated assets						
Total assets						
Segment liabilities	12,698,654	12,706,995	1,195,853	1,252,693	874,881	977,489
Unallocated liabilities						
Total liabilities						

Other segment information:

	For the six months ended 30 June 2026 (Unaudited) HK\$'000		For the six months ended 30 June 2025 (Unaudited) HK\$'000		For the six months ended 30 June 2026 (Unaudited) HK\$'000	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Exchange gains/(losses), net	35,059	(14,552)	(105,775)	(44,616)	-	(1,303)

3. OPERATING SEGMENT INFORMATION (continued)

Segment assets and liabilities: (continued)

	Electric power generation		Hotel operation and management		Road and bridge	
	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Segment assets	2,815,615	2,753,212	2,027,392	2,063,395	4,856,204	4,860,057
Unallocated assets						
Total assets						
Segment liabilities	378,222	378,938	351,627	360,742	246,154	289,275
Unallocated liabilities						
Total liabilities						

Other segment information: (continued)

	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Exchange gains/(losses), net	(15,024)	(6,572)	869	163	13,955	5,275

3. OPERATING SEGMENT INFORMATION (continued)

Segment assets and liabilities: (continued)

	Others		Eliminations		Consolidated	
	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Segment assets	30,028	39,758	(310,953)	(334,409)	86,581,070	82,544,077
Unallocated assets					<u>22,027,039</u>	<u>19,196,983</u>
Total assets					<u>108,608,109</u>	<u>101,741,060</u>
Segment liabilities	153,830	178,310	(302,425)	(322,162)	15,596,796	15,822,280
Unallocated liabilities					<u>30,758,179</u>	<u>27,779,714</u>
Total liabilities					<u>46,354,975</u>	<u>43,601,994</u>

Other segment information: (continued)

	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Exchange gains/(losses), net	88,541	30,938	168	(871)	17,793	(31,538)

4. REVENUE FROM CONTINUING OPERATIONS

Revenue represents income from water distribution, sewage treatment services, construction services, water pipeline installation and consultancy services and sale of machineries; the invoiced value of electricity and steam sold; the invoiced revenue arising from the sale of goods in department stores; commission income from concessionaire sales; management fee income; revenue from hotel operation; rental income; toll revenue; management and maintenance fee income, and finance income from service concession arrangements, during the period.

Disaggregation of revenue is analysed as follows:

	For the six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
(a) Types of goods or services:		
<u>Water resources segment</u>		
Income from water distribution - Chinese Mainland	2,678,982	2,283,572
Income from water distribution - Hong Kong	2,937,104	2,868,545
Income from sewage treatment services	489,978	471,227
Income from construction services	129,103	187,111
Income from water pipeline installation and consultancy services	647,108	737,464
Sale of machineries	363,609	216,672
<u>Property investment segment</u>		
Management fee income	125,543	123,854
<u>Department store operation segment</u>		
Commission income from concessionaire sales	77,440	71,825
Sale of goods	128,552	128,241
Management fee income	1,499	1,536
<u>Electric power generation segment</u>		
Sale of electricity and steam	737,084	610,859
<u>Hotel operation and management segment</u>		
Hotel income	338,577	315,621
Management fee income	4,062	4,304
<u>Road and bridge segment</u>		
Toll revenue	297,349	289,948
Management and maintenance fee income	11,078	10,792
<i>Revenue from contracts with customers</i>	<u>8,967,068</u>	<u>8,321,571</u>

4. REVENUE FROM CONTINUING OPERATIONS (continued)

Disaggregation of revenue is analysed as follows: (continued)

	For the six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
(a) Types of goods or services: (continued)		
<i>Revenue from other sources</i>		
Finance income from service concession arrangements	471,122	388,461
Rental income	<u>779,000</u>	<u>718,259</u>
Total revenue	<u>10,217,190</u>	<u>9,428,291</u>
(b) Geographical locations*:		
<u>Chinese Mainland</u>		
Water resources segment	7,245,884	6,764,591
Property investment segment	125,543	123,854
Department store operation segment	207,491	201,602
Electric power generation segment	737,084	610,859
Hotel operation and management segment	197,473	219,137
Road and bridge segment	<u>308,427</u>	<u>300,740</u>
	8,821,902	8,220,783
<u>Hong Kong</u>		
Hotel operation and management segment	<u>145,166</u>	<u>100,788</u>
<i>Revenue from contracts with customers</i>	8,967,068	8,321,571
<i>Revenue from other sources</i>		
Finance income from service concession arrangements	471,122	388,461
Rental income	<u>779,000</u>	<u>718,259</u>
Total revenue	<u>10,217,190</u>	<u>9,428,291</u>

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

5. FINANCE COSTS FROM CONTINUING OPERATIONS

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

	For the six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Interest on bank and other borrowings	284,255	301,503
Interest on a loan from 廣東粵海控股集團有限公司 (Guangdong Holdings Limited▲) (“Guangdong Holdings”), the Company’s ultimate holding company	1,555	216
Interest on loans from fellow subsidiaries	13,865	31,726
Interest on loans from a then associate	-	3,064
Interest on lease liabilities	4,810	7,426
Interest related to defined benefit obligations	<u>465</u>	<u>418</u>
Finance costs incurred	304,950	344,353
Less: Interest capitalised	<u>(3,349)</u>	<u>(2,892)</u>
Finance costs charged for the period	<u>301,601</u>	<u>341,461</u>

The capitalised interest rates applied to funds borrowed and used for the construction in progress and operating concession rights are between 2.50% and 2.94% per annum for the six months ended 30 June 2026 (2025: between 2.45% and 2.76% per annum).

6. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	For the six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Bank interest income**	(38,792)	(43,827)
Interest income from other financial assets at amortised cost**	(56,114)	(40,587)
Interest income from financial assets at fair value through profit or loss**	(52,637)	(52,123)
Interest income from a loan to a fellow subsidiary**	(7,920)	(9,430)
Interest income from receivables under a cooperative arrangement**	(60,808)	(69,959)
Cost of inventories sold*	777,272	642,123
Cost of services rendered*	2,953,057	2,768,671
Depreciation of property, plant and equipment	408,129	365,054
Depreciation of right-of-use assets	39,177	38,254
Government subsidies***^	(26,508)	(40,241)
Gain on disposal of an associate#	123,505	-
Amortisation of operating concession rights*	858,907	771,049
Amortisation of other intangible assets	<u>17,973</u>	<u>17,239</u>

* Included in "Cost of sales" on the face of the condensed consolidated statement of profit or loss.

** Included in "Other income and gains, net" on the face of the condensed consolidated statement of profit or loss.

*** Included in "Other operating income, net" on the face of the condensed consolidated statement of profit or loss.

^ The government subsidies recognised during the period mainly represented subsidies received from certain government authorities in respect of the fulfilment of certain specific criteria by the Group.

Details of the disposal were set out in the announcement of the Company dated 12 June 2026.

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 Enterprise Income Tax Law, enterprises are subject to enterprise income tax at a rate of 25% (2025: 25%).

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

	For the six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Current - Chinese Mainland		
Charge for the period	1,225,963	941,866
(Over)/under -provision in prior years	(8,246)	17,003
Current - Hong Kong		
Charge for the period	5,478	5,216
Over-provision in prior years	(1,014)	-
Deferred tax	<u>(14,196)</u>	<u>147,718</u>
Total tax charge for the period	<u>1,207,985</u>	<u>1,111,803</u>

8. DISCONTINUED OPERATIONS

On 9 December 2024, the Company's Board of Directors recommended the Proposed Distribution as mentioned in note 1 to these financial statements 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
Revenue	251,831
Cost of sales	<u>(224,774)</u>
Gross profit	27,057
Other income and gains, net	77
Selling and distribution expenses	(9,092)
Administrative expenses	(8,240)
Exchange differences, net	(19)
Other operating income, net	404
Finance costs	<u>(22,250)</u>
Loss before tax	(12,063)
Income tax expense	<u>(9,204)</u>
Loss for the period from discontinued operations	<u><u>(21,267)</u></u>

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><u>39,986,628</u></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><u>(35,827,648)</u></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><u>2,335,074</u></u>

9. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interim – HK 29.19 cents (2025: HK 26.66 cents) per ordinary share	<u>1,908,390</u>	<u>1,742,983</u>

At a meeting of the board of directors held on 28 August 2026 (2025: 25 August 2025), the board of directors resolved to pay to shareholders of the Company an interim dividend of HK 29.19 cents (2025: HK 26.66 cents) per ordinary share for the six months ended 30 June 2026.

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 period 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 period.

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings/(loss):		
Profit/(loss) attributable to ordinary equity holders of the Company used in the basic and diluted earnings per share calculation:		
Continuing operations	2,935,409	2,698,784
Discontinued operations	-	(17,051)
	<u>2,935,409</u>	<u>2,681,733</u>
	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	Number of shares	Number of shares
Shares:		
Weighted average number of ordinary shares in issue during the period 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 periods ended 30 June 2026 and 2025 in the calculation of diluted earnings/(loss) per share as there were no potential dilutive ordinary shares during the periods ended 30 June 2026 and 2025.

11. OTHER FINANCIAL ASSETS AT AMORTISED COST

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 three years (31 December 2025: within two years) with principal protected upon the maturity dates.

12. RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES, AND CONTRACT ASSETS

Included in the Group's receivables, prepayments and other receivables, and contract assets as at 30 June 2026 are trade and bills receivables of HK\$5,913,892,000 (31 December 2025: HK\$4,745,586,000), 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% (31 December 2025: 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:

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Current or less than 3 months past due	3,516,634	2,439,810
3 months to 6 months past due	370,114	261,672
6 months to 1 year past due	813,175	848,456
More than 1 year past due	<u>1,284,867</u>	<u>1,267,607</u>
	5,984,790	4,817,545
Less: Loss allowance	<u>(70,898)</u>	<u>(71,959)</u>
	<u><u>5,913,892</u></u>	<u><u>4,745,586</u></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 30 June 2026 are trade and bills payables of HK\$5,854,553,000 (31 December 2025: HK\$5,603,103,000). 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:

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Within 3 months	5,833,822	5,603,103
3 months to 6 months	<u>20,731</u>	<u>-</u>
	<u>5,854,553</u>	<u>5,603,103</u>

14. BANK AND OTHER BORROWINGS

As at 30 June 2026, included in the Group's bank and other borrowings represented a loan from Guangdong Holdings of HK\$65,393,000 (31 December 2025: HK\$71,740,000) and loans from fellow subsidiaries of HK\$1,079,370,000 (31 December 2025: HK\$1,162,905,000).

15. EVENT AFTER REPORTING PERIOD

On 27 August 2026, 廣東粵海水務投資有限公司 (Guangdong Yuehai Water Investment Co., Ltd.), an indirect wholly-owned subsidiary of the Company, has completed the issuance of the first tranche of corporate bonds to professional institutional investors, with an actual offering scale of RMB500,000,000, a final coupon rate of 1.49% and a term of 3 years. Details were set out in the announcement of the Company dated 27 August 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group's unaudited consolidated profit attributable to owners of the Company for the six months ended 30 June 2026 (the "Period") amounted to HK\$2,935 million (2025: HK\$2,682 million), an increase of 9.5% as compared with the same period last year. Basic earnings per share was HK 44.90 cents (2025: HK 41.02 cents), increased by 9.5% as compared with the same period last year.

INTERIM DIVIDEND

The Board declares the payment of an interim dividend of HK 29.19 cents per ordinary share for the Period (2025: HK 26.66 cents).

FINANCIAL REVIEW

The unaudited consolidated revenue of the Group from continuing operations for the Period was HK\$10,217 million (2025: HK\$9,428 million), an increase of 8.4% as compared with the same period last year. The increase in revenue was mainly attributable to the increase in revenue from water resources business.

The unaudited consolidated profit before tax from continuing operations for the Period increased by 9.9% to HK\$4,511 million (2025: HK\$4,105 million), mainly attributed to the steady growth of the water resources business, the saving on net finance costs, the gain on disposal of an associate of approximately HK\$124 million (2025: Nil) and the appreciation of Renminbi against Hong Kong dollars by 4.4% over the same period last year. The net loss arising from fair value adjustments for investment properties from continuing operations of the Group for the Period was HK\$18 million (2025: HK\$3 million), net exchange gain from continuing operations was HK\$18 million (2025: net exchange loss of HK\$32 million) and net finance costs from continuing operations was HK\$141 million (2025: HK\$188 million). The unaudited consolidated profit attributable to owners of the Company from continuing operations for the Period increased by 8.7% to HK\$2,935 million (2025: HK\$2,699 million). The unaudited consolidated profit attributable to owners of the Company for the Period increased by 9.5% to HK\$2,935 million (2025: HK\$2,682 million).

As at 30 June 2026, the unaudited total assets were HK\$108,608 million (31 December 2025: HK\$101,741 million (audited)), increased by approximately HK\$6,867 million during the Period. As at 30 June 2026, the unaudited equity attributable to owners of the Company was HK\$46,253 million (31 December 2025: HK\$42,924 million (audited)), increased by approximately HK\$3,329 million during the Period. The changes for the Period mainly represented the unaudited consolidated profit for the Period attributable to owners of the Company of HK\$2,935 million, 2025 final dividends distributed during the Period of HK\$1,283 million, the other comprehensive income of HK\$1,616 million in relation to the exchange differences on translation of foreign operations as a result of the appreciation of Renminbi.

BUSINESS REVIEW

A summary of the performance of the Group's major businesses during the Period 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 30 June 2026, the Company's interest in GH Water Supply (Holdings) Limited ("GH Water Holdings") was 96.04% (31 December 2025: 96.04%). GH Water Holdings holds a 99.0% (31 December 2025: 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 Period amounted to 1.110 billion tons (2025: 1.147 billion tons), a decrease of 3.2%, which generated a revenue of HK\$3,564 million (2025: HK\$3,506 million), an increase of 1.7% over the same period last year.

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 Period increased by 2.4% to HK\$2,937 million (2025: HK\$2,869 million). The revenue from water sales to Shenzhen and Dongguan areas decreased by 1.6% to HK\$627 million (2025: HK\$637 million) during the Period. The profit before tax for the Period, excluding net exchange differences and net finance costs, of the Dongshen Water Supply Project was HK\$2,440 million (2025: HK\$2,396 million), 1.8% higher than that in the same period last year.

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 Period, the Group entered into an equity transfer agreement with certain independent third parties to acquire 51% equity interest in 汕頭澄海粵海供水有限公司 (Shantou Chenghai Yuehai Water Supply Co., Ltd.▲) for a total consideration of RMB163,198,000 (equivalent to approximately HK\$184,822,000). The total designed water supply capacity of this project is 645,000 tons per day, and the expected total investment amount is approximately RMB421 million (equivalent to approximately HK\$477 million). Other than the above investment, the Group also entered into an equity sale and purchase agreement with certain independent third parties to acquire 51% equity interest in Bestwise Envirotech Limited ("Bestwise") for a total consideration of HK\$44,390,400. Bestwise is a limited liability company incorporated in Hong Kong and is a contractor focusing in potable water and wastewater engineering infrastructure projects, and it holds qualifications in certain specific categories of works under the "List of Approved Suppliers of Materials and Specialist Contractors for Public Works" recognised by the Government of the Hong Kong Special Administrative Region.

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 30 June 2026 were 17,160,200 tons per day (31 December 2025: 16,595,200 tons per day) and 3,094,900 tons per day (31 December 2025: 3,094,900 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 30 June 2026 were 11,828,800 tons per day (30 June 2025: 10,836,800 tons per day) and 2,297,900 tons per day (30 June 2025: 2,297,900 tons per day), respectively. In addition, the water supply capacity of the water supply plants and the waste water processing capacity of the sewage treatment plants under construction by the subsidiaries of the Group as at 30 June 2026 were 565,000 tons per day and 20,000 tons per day, respectively.

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	-
揭陽粵海國業水務有限公司 (Jieyang Guangdong Guoye Water Co., Ltd. ▲)	270,000	-
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
邳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. ▲)	920,000	-
汕頭澄海粵海供水有限公司 (Shantou Chenghai Yuehai Water Supply Co., Ltd. ▲)	450,000	-
Total as at 30 June 2026	<u>10,798,800</u>	<u>2,297,900</u>
Total as at 30 June 2025	<u>8,886,800</u>	<u>2,297,900</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. ▲)	430,000	
Total as at 30 June 2026	<u>1,030,000</u>	
Total as at 30 June 2025	<u>1,950,000</u>	

Capacity of Water Resources Projects under Construction

The water supply capacity of the water supply plants and the waste water processing capacity of the sewage treatment plants under construction by each of the subsidiaries of the Group as at 30 June 2026 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>
汕尾粤海供水有限公司 (Shanwei Guangdong Water Supply Co., Ltd.▲)	410,000	-
江西粤海公用事業集團有限公司 (Jiangxi Guangdong Public Utilities Holdings Co., Ltd.▲) and its subsidiaries	155,000	-
海南儋州粤海水務有限公司 (Hainan Danzhou Guangdong Water Co., Ltd.▲)	-	20,000
Total	<u>565,000</u>	<u>20,000</u>

Revenue of Other Water Resources Projects for the Period in aggregate increased by 13.7% to HK\$4,185,439,000 (2025: HK\$3,680,319,000), of which income from construction services amounted to HK\$129,103,000 (2025: HK\$187,111,000). Profit before tax of Other Water Resources Projects for the Period, excluding net exchange differences and net finance costs, amounted to HK\$1,192,410,000 (2025: HK\$1,079,398,000), 10.5% higher than that in the same period last year.

Property Investment

Chinese Mainland

GDH Teem

As at 30 June 2026, the Group held an effective interest of 76.13% (31 December 2025: 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 2025: 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 Period increased by 6.7% to HK\$876,690,000 (2025: HK\$821,509,000), which was mainly due to the increase in average rental and increase in 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 Period increased by 8.2% to HK\$532,117,000 (2025: HK\$491,600,000).

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

	Area for lease sq.m.	Average occupancy rate %	Revenue for the six months ended 30 June		Changes
			2026 HK\$'000	2025 HK\$'000	%
Teem Plaza – Teemmall	104,000	99.1	376,344	352,146	+6.9
Teem Plaza – TeemTower	88,000	76.1	66,663	74,837	-10.9
Panyu Teemmall	144,000	97.9	159,536	139,411	+14.4
Tianjin Teemmall	145,000	95.6	156,578	144,924	+8.0
Guangzhou Comic City	23,000	99.2	46,683	40,626	+14.9
Shenzhen Teemmall	105,000	92.8	46,987	47,457	-1.0
粵海天地 (Yuehai Tiandi▲)	19,000	94.5	23,899	22,108	+8.1
	<u>628,000</u>		<u>876,690</u>	<u>821,509</u>	<u>+6.7</u>

Hong Kong

Guangdong Investment Tower

The average occupancy rate of Guangdong Investment Tower for the Period was 88.7% (2025: 93.3%). The total revenue for the Period decreased by 9.0% to HK\$21,694,000 (2025: HK\$23,852,000).

Department Store Operation

As at 30 June 2026, the Group operated three department stores (31 December 2025: five) with a total leased area of approximately 73,200 sq.m. (31 December 2025: 93,440 sq.m.). The total revenue for the Period increased by 4.2% to HK\$225,517,000 (2025: HK\$216,529,000). The profit before tax for the Period, excluding changes in fair value of investment properties, decreased by 34.2% to HK\$30,166,000 (2025: HK\$45,828,000), which was mainly due to the store closure costs incurred during the Period.

The revenue of the department stores operated by the Group for the Period was as follows:

	Leased area sq.m.	Revenue for the six months ended 30 June		Changes %
		2026 HK\$'000	2025 HK\$'000	
Teemmall Store	34,600	157,714	156,746	+0.6
Wan Bo Store	17,100	28,361	19,687	+44.1
Dong Pu Store (closed in February 2026)	-	6,370	20,320	-68.7
Ao Ti Store	21,500	33,072	19,654	+68.3
TeemLife (closed in January 2026)	-	-	122	-100.0
	<u>73,200</u>	<u>225,517</u>	<u>216,529</u>	<u>+4.2</u>

On 12 June 2026, the Group entered into an equity transfer agreement with an independent third party to sell the 35% equity interest in 廣東永旺天河城商業有限公司 (Guangdong Aeon Teem Co., Ltd.▲) held by the Group for a cash consideration of RMB152,185,000 (equivalent to approximately HK\$172,456,000). The equity transfer had been completed during the Period. The Group recorded a disposal gain of approximately HK\$123,505,000 (2025: Nil), before deducting relevant taxes payable. Such gain increased compared to the amount disclosed in the previous announcement, primarily because the carrying amount of the associate upon completion was lower, as the actual share of loss of the associate for the Period was higher than expected.

Hotel Ownership, Operation and Management

As at 30 June 2026, the Group's hotel management team managed a total of 17 hotels (31 December 2025: 17 hotels), of which four were located in Hong Kong and 13 in Chinese Mainland. As at 30 June 2026, 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.

During the Period, the average room rate of Sheraton Guangzhou Hotel was HK\$1,382 (2025: HK\$1,257) whereas the average room rate of the remaining six hotels was HK\$765 (2025: HK\$725). The average occupancy rate of Sheraton Guangzhou Hotel was 95.0% (2025: 93.8%) and that of the other six hotels was 72.0% (2025: 72.8%) during the Period.

The revenue of hotel ownership, operation and management business for the Period increased by 6.7% to HK\$359,237,000 (2025: HK\$336,542,000). The profit before tax for the Period, excluding changes in fair value of investment properties and net exchange differences, amounted to HK\$59,199,000 (2025: HK\$51,058,000), 15.9% higher than that in the same period last year.

Energy Projects

GDH Energy Project

Zhongshan Power (Hong Kong) Limited, a subsidiary of the Company, holds 75% (31 December 2025: 75%) interest in 中山粤海能源有限公司 (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 Period amounted to 1,745 million kwh (2025: 1,679 million kwh), increased by 3.9%. Due to the increase in sales of electricity, revenue of GDH Energy Project (including intersegment sales) generated from electricity sales and related operations for the Period increased by 17.1% to HK\$901,443,000 (2025: HK\$769,657,000). As a result of the rise in coal price, the profit before tax of GDH Energy for the Period, excluding net finance costs, was HK\$84,651,000 (2025: HK\$91,177,000), a decrease of 7.2%.

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

The Group’s effective interest in Yudean Jinghai Power is 17.48% (31 December 2025: 17.48%). As at 30 June 2026, Yudean Jinghai Power had six power generation units with a total installed capacity of 5,260 MW. Sales of electricity for the Period amounted to 10,764 million kwh (2025: 6,216 million kwh), an increase of 73.2%. Due to the increase in sales of electricity, revenue for the Period increased by 71.4% to HK\$4,118,170,000 (2025: HK\$2,402,480,000). As a result of the rise in coal price, the profit before tax of Yudean Jinghai Power for the Period was HK\$79,233,000 (2025: HK\$101,217,000). The Group’s share of profit in Yudean Jinghai Power amounted to HK\$12,480,000 (2025: HK\$18,264,000) during the Period.

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 4.5% to 23,346 vehicle trips (2025: 24,457 vehicle trips). As a result of the impact of the appreciation of Renminbi against Hong Kong dollars by 4.4% over the last year, the toll revenue of GDH Highway during the Period amounted to HK\$297,349,000 (2025: HK\$289,948,000), increased by 2.6%. The profit before tax during the Period, excluding net interest income, amounted to HK\$149,619,000 (2025: HK\$147,110,000), increased by 1.7%.

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 above-mentioned supplemental agreement were set out in the announcement of the Company published on 31 May 2023.

As at 30 June 2026, five Project Roads (31 December 2025: five Project Roads) were completed and no Project Road (31 December 2025: no Project Road) was under construction. As at 30 June 2026, the cumulative development costs in relation to the Yinping Project amounted to approximately RMB2,094 million (equivalent to approximately HK\$2,411 million) (31 December 2025: approximately RMB2,094 million (equivalent to approximately HK\$2,318 million)).

The total interest, management fee and maintenance fee of the Yinping Project recognised during the Period decreased by 11.0% to HK\$71,887,000 (2025: HK\$80,750,000) and profit before tax decreased by 13.4% to HK\$59,755,000 (2025: HK\$68,984,000) during the Period.

DISCONTINUED OPERATIONS

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 by the Company and GD Land ceased to be a subsidiary of the Company thereafter. The consolidated results of GD Land for the period ended 21 January 2025 were presented in this announcement as discontinued operations.

Revenue of GD Land for the period from 1 January 2025 to 21 January 2025 was HK\$251,831,000, of which income from sales of properties amounted to HK\$247,894,000. The net gain arising from fair value adjustments for investment properties for the period from 1 January 2025 to 21 January 2025 was Nil. The loss before tax of GD Land for the period from 1 January 2025 to 21 January 2025 was HK\$9,516,000. The profit before tax of GD Land for the period from 1 January 2025 to 21 January 2025, excluding changes in fair value of investment properties and net finance costs, was HK\$13,454,000.

OTHER FINANCIAL ASSETS AT AMORTISED COST

As at 30 June 2026, other financial assets at amortised cost of the Group were HK\$6,631 million (31 December 2025: HK\$3,554 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 three years (31 December 2025: within two years) with principal protected upon the maturity dates.

LIQUIDITY, GEARING AND FINANCIAL RESOURCES

As at 30 June 2026, cash and bank balances of the Group increased by HK\$108 million to HK\$14,891 million (31 December 2025: HK\$14,783 million), of which 92.2% was denominated in Renminbi and 7.8% in Hong Kong dollars.

As at 30 June 2026, the Group's financial borrowings (19.8% was denominated in Hong Kong dollars and 80.2% in Renminbi) were HK\$22,673 million (31 December 2025: HK\$21,612 million), of which borrowings denominated in Hong Kong dollars were HK\$4,500 million (31 December 2025: HK\$4,500 million) and borrowings denominated in Renminbi were RMB15,785 million (equivalent to approximately HK\$18,173 million) (31 December 2025: RMB15,456 million (equivalent to approximately HK\$17,112 million)), including loans from the ultimate holding company and fellow subsidiaries of HK\$1,145 million (31 December 2025: HK\$1,235 million). Of the Group's total financial borrowings, HK\$6,029 million is repayable within one year while the remaining balances of HK\$5,146 million and HK\$11,498 million are repayable within two to five years and beyond five years from the end of the reporting period, respectively. Furthermore, the interest rate structure of the Group's total financial borrowings consisted of 95.1% floating rate borrowings, 3.9% fixed rate borrowings and 1.0% non-interest-bearing borrowings as at 30 June 2026.

The Group maintained a credit facility of HK\$8,414 million as at 30 June 2026 (31 December 2025: HK\$9,698 million).

As at 30 June 2026, the Group's gearing ratio (i.e. net financial indebtedness/net asset value (excluded non-controlling interests)) was 20.3% (31 December 2025: 19.7%). The Group was in a healthy debt servicing position with the EBITDA/finance cost incurred as at 30 June 2026 being 20.1 times (31 December 2025: 15.9 times).

Net cash inflows from operating activities for the Period amounted to approximately HK\$3,430 million (2025: HK\$3,339 million). GD Land recorded net cash inflows from operating activities for the period ended 21 January 2025 which amounted to approximately HK\$268 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 within the limitation period 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 30 June 2026, except for (i) 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\$13,566 million (31 December 2025: HK\$13,117 million); and (ii) 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.

There was no material contingent liability as at 30 June 2026 and 31 December 2025.

CAPITAL EXPENDITURE

The Group's capital expenditure during the Period amounted to HK\$1,258 million (2025: HK\$566 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 30 June 2026, the Group's total Renminbi borrowings amounted to HK\$18,173 million (31 December 2025: HK\$17,112 million). Exchange rate risk may result from the fluctuation of RMB exchange rate. The Group did not use derivative financial instruments to hedge its foreign currency risk as there is 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 30 June 2026, the Group's total floating rate borrowings amounted to HK\$21,568 million (31 December 2025: HK\$20,627 million). Interest rate risk may 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 conditions and operating results of the Company are inextricably linked to the macroeconomic environment.

Domestically, as policy effects gradually materialize, the macroeconomy has generally maintained a stable and progressive long-term development trend. Consequently, the Company will closely monitor changes in macroeconomic conditions, capital markets and business operating environments, and provide regular market updates to management according to existing company procedures in order to ensure effective implementation of the Company's development strategies.

Foreign Currency Risk

As the Company's business operations are principally 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 adjusting project finance instruments, to contain foreign exchange risk.

Market Competition Risk

As market competition intensifies, the Company faces difficulties in its expansion efforts and further decline in project investment returns in the sectors it operates in. In this regard, the Company seeks to explore new sources of revenue and reduce operating costs through optimizing products, improving efficiency, strengthening project management teams, and implementing precision management measures, thereby continuously enhancing project profitability.

Project Safety Management Risk

Project safety management primarily encompasses product safety risks and personnel safety risks. To address product safety risks, the Company has adopted and continuously enhanced its Policy on Quality, Environmental Health and Safety Management, and 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 30 June 2026, the Group had a total of 10,979 employees (31 December 2025: 10,681 employees). Among the employees, 10,717 were employed by subsidiaries in Chinese Mainland and 262 were employed by the head office and subsidiaries in Hong Kong. Total remuneration paid for the Period from continuing operations was approximately HK\$907,060,000 (2025: approximately HK\$752,598,000).

In 2026, the Group continued to implement its “talent-driven enterprise” strategy. It actively carried out talent selection and allocation through internal coordination and external recruitment, accelerated the development of a talent pipeline for management and professional personnel, 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, and strengthened the linkage effect between remuneration and work efficacy to promote performance improvement. 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.

REVIEW

Since 2026, geopolitical tensions and uncertainties in tariff and trade policies have persisted. China's economy, adhering to the general principle of seeking progress while maintaining stability, has effectively implemented more proactive and effective macro policies, withstood external pressures, overcome internal difficulties, focused on expanding domestic demand, industrial upgrading and structural optimization, and demonstrated strong resilience and vitality. The economy has operated within a reasonable range despite pressure, with production and supply growing at a relatively fast pace, the employment situation remaining generally stable, consumer prices rising moderately, foreign trade maintaining a sound growth momentum, new drivers of growth emerging rapidly, and people's livelihoods being effectively and powerfully safeguarded, continuously showcasing development resilience.

Confronted with the increasingly complex and unpredictable external environment, the Group has been adhering to the development strategy of "balancing progress and stability and enhancing quality and efficiency". On one hand, we have maintained steady improvements in the operational performance of our core businesses while optimizing corporate governance and risk management mechanisms. On the other hand, we endeavoured to seize market development opportunities and continue to expand the scale of our core business to strengthen the foundation of the sustainable development of the Company.

PROSPECTS

In the first half of 2026, the global economy faced challenges such as geopolitical conflicts, trade fragmentation and tariff disputes, with downside risks persisting. Supported by proactive macro policies, China's economy has withstood external pressures and unleashed internal drivers, exhibiting a stable and improving trend and achieving a moderate recovery. Facing numerous uncertainties in both internal and external markets, we will adhere to the development strategy of "balancing progress and stability and enhancing quality and efficiency", focus on the stable development of our core businesses, ensure that risks are preventable and controllable, and continuously create long-term value for stakeholders.

The Group will continue to concentrate resources on extending the water resources segment 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", 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". We will proactively monitor investment, merger and acquisition opportunities in relevant markets, striving to achieve new breakthroughs in profit growth and further enhance the Company's operational performance and overall value.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Group recognizes 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”).

The Company had complied with the code provisions as set out in the CG Code for the six months ended 30 June 2026, 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.

Due to other urgent commitment, the Acting Chairman of the Board, who is also the Acting Chairman of the Nomination Committee, was unable to attend the adjourned annual general meeting of the Company held on 29 June 2026 (the “2026 AGM”) as required by Code Provision F.1.3. With the consent of other Directors present, Mr. Kuang Hu, Managing Director of the Company chaired the 2026 AGM. The chairman and members of the Audit Committee and the Remuneration Committee of the Company as well as members of the Nomination Committee of the Company attended the 2026 AGM.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2026, 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 (the “Hong Kong Stock Exchange”).

INTERIM DIVIDEND

The Board has resolved to declare the payment of an interim dividend of HK 29.19 cents (2025: HK 26.66 cents) per ordinary share for the six months ended 30 June 2026 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Tuesday, 15 September 2026. The interim dividend is expected to be paid on or about Wednesday, 28 October 2026.

CURRENCY ELECTION FOR INTERIM DIVIDEND

The interim dividend will be paid in cash to shareholders of the Company in Hong Kong dollars unless an election is made to receive the same in Renminbi.

A shareholder may elect to receive all (but not part, except in the case of HKSCC Nominees Limited (“HKSCC”)) of the interim dividend in Renminbi. HKSCC may elect to receive part of its interim dividend in Renminbi. The relevant exchange rate will be the average middle exchange rate of converting Renminbi to Hong Kong dollars as announced by The People’s Bank of China for five business days (exclusive of the date of dispatch of dividend currency election form) prior to the date of dispatch of dividend currency election form.

Dividend currency election forms in respect of the interim dividend will be despatched to shareholders on or about Monday, 21 September 2026. A shareholder who elects to receive interim dividend in Renminbi should lodge a duly completed dividend currency election form 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 Wednesday, 7 October 2026.

Shareholders who are minded to elect to receive the interim dividend in Renminbi should note that (i) they should ensure that they have an appropriate bank account to which the Renminbi cheques for dividend can be presented for payment; and (ii) there is no assurance that Renminbi cheques can be cleared without material handling charges or delay in Hong Kong or that Renminbi cheques will be honoured for payment upon presentation outside Hong Kong.

If no duly completed dividend currency election form in respect of a shareholder is received by Tricor Investor Services Limited by 4:30 p.m. on Wednesday, 7 October 2026, such shareholder will automatically receive the interim dividend in Hong Kong dollars.

Shareholders through HKSCC should consult the banks, brokers, custodians, nominees or HKSCC through which their shares are held, on the applicable arrangements for currency election for the interim dividend (including the currency option(s) provided and the deadline for election).

Shareholders should seek professional advice from their own tax advisers regarding the possible tax implications of the dividend payment.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed on Tuesday, 15 September 2026 and no transfer of shares will be registered on that day. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 14 September 2026.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the unaudited interim financial report and the interim report of the Group for the six months ended 30 June 2026. The interim financial report is unaudited, but has been reviewed by the Company's external auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be sent to shareholders.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.gdi.com.hk) and the Hong Kong Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and 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
KUANG Hu
Managing Director

Hong Kong, 28 August 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.