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粵海廣南(集團)有限公司
GDH GUANGNAN (HOLDINGS) LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock code: 01203)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

The board (the “Board”) of directors (the “Director(s)”) of GDH Guangnan (Holdings) Limited (the “Company”) is pleased to present the interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2026.

Unaudited financial highlights for the six months ended 30 June

	2026	2025	
	HK\$'000	HK\$'000	Change
Revenue	<u>4,231,264</u>	<u>6,081,142</u>	-30%
Profit from operations	<u>34,373</u>	<u>119,683</u>	-71%
(Loss) / profit attributable to equity shareholders of the Company	<u>(85,788)</u>	<u>76,207</u>	Turn loss
Basic (loss) / earnings per share	<u>HK(9.45) cents</u>	<u>HK 8.40 cents</u>	N/A
Interim dividend per share	<u>HK 0 cents</u>	<u>HK 2.50 cents</u>	-100%

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

RESULTS

For the first half of 2026, the Group's unaudited consolidated revenue was HK\$4,231 million, representing a decrease of 30% from HK\$6,081 million for the same period last year. The unaudited consolidated profit from operations was HK\$34.37 million, representing a decrease of 71% from HK\$120 million for the same period last year. The unaudited consolidated loss attributable to equity shareholders was HK\$85.79 million, while the unaudited consolidated profit attributable to equity shareholders was HK\$76.21 million for the same period last year, a turnaround from profits to losses was noted. The basic loss per share was HK9.45 cents, while the basic earnings per share was HK8.40 cents for the same period last year.

INTERIM DIVIDEND

The Board declares no interim dividend for 2026 will be paid (2025: HK2.5 cents per share).

BUSINESS REVIEW

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

Fresh and Live Foodstuffs

In respect of the fresh and live foodstuffs business segment, the Group 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 as well as explore new development opportunities in the food processing industry of the Guangdong - Hong Kong - Macao Greater Bay Area.

In respect of our operation in Mainland China, the Group continued to maintain the layout of the slaughtering business in the Greater Bay Area and in a bid to strengthen, enhance and expand the slaughtering business. The first stage of construction of Lishui slaughterhouse project completed and trial production started in July 2026. The live pigs slaughtering volume of the Group was about 1.67 million heads during the period, increased by 10% as compared to same period last year. With the adjustment of pricing policy since the third quarter last year, the revenue and operating profit of the slaughtering business recorded a year-on-year decreased. In addition, the scaling back of the wholesale business during the period led to a year-on-year decrease in revenue and profit from domestic operations.

In respect of our operation in Hong Kong, the live pig supply business in Hong Kong recorded a year-on-year decrease in profit, primarily due to the drop in swine price. The Group's overall market share in the live pigs supply into Hong Kong was about 47%. Meanwhile, the Group continued to expand its foodstuff retail business in Hong Kong and our retail stores have expanded to 20 stores as of 30 June 2026.

As a result of the aforesaid effort, revenue of the fresh and live foodstuffs business amounted to HK\$3,327 million, accounted for 79% of the Group's revenue, representing a decrease of HK\$1,691 million or 34% as compared to the same period last year. The segment profit (excluding share of losses or profits of associates) of the fresh and live foodstuffs business amounted to HK\$59.27 million, decreased by 35% year-on-year. On the other hand, with the drop in swine price,

the performance of the associated company engaged in pig farming and pig trading incurred losses. The Group's share of loss from the associated company was HK\$93.44 million (30 June 2025: share of profit of HK\$14.55 million). After addition of such share of loss of the associate, the segment loss of the fresh and live foodstuffs business was HK\$34.17 million, while the segment profit for the same period last year was HK\$106 million, a turnaround from profit to loss was noted.

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

Tinplating

Currently, the annual production capacity of tinplate products of the Group are 490,000 tonnes. For the first half of 2026, the tinplating industry remained highly competitive. Both the sales volume and selling price of tinplate products declined, while provision for inventory impairment increased compared with the corresponding period last year, resulting in a year-on-year decrease in revenue and profit of tinplating business. The Group produced 140,000 tonnes of tinplate products during the period, representing a decrease of 12% as compared to the same period last year, and sold 130,000 tonnes of tinplate products, a decrease of 13% as compared to the same period last year.

The revenue of the tinplating business accounted for 21% of the Group's revenue. Revenue for the period was HK\$894 million, a decrease of HK\$159 million or 15% as compared to the same period last year. The segment loss was HK\$6.85 million, while the segment profit was HK\$43.30 million for the same period last year, a turnaround from profit to loss was noted.

Due to the intensified market competition, the Group strengthens the supply chain management of raw material procurement, so as to effectively control procurement costs. Meanwhile, guided by research and innovation, the Group strove to enhance product competitiveness and enrich product mix to increase added values, which in return gains customers' recognition. The Group also strove to make every effort in market expansion to enlarge its customer base. Accordingly, profit growth would be attained leveraging on such marketing strategies covering the whole value chain.

Property Leasing

The Group's leasing properties comprise the plant and dormitories in Mainland China and the office units in Hong Kong. In the first half of 2026, the property occupancy rate for the property leasing business of the Group was 84.8%, representing a decrease of 0.5 percentage point as compared to the same period last year. Amid an increase in revenue by 5% to HK\$9.63 million, the segment profit amounted to HK\$3.84 million, which held steady as compared to the same period last year. In addition, the valuation losses on investment properties of HK\$0.92 million were recorded for the period (30 June 2025: no valuation gains or losses was recorded).

FINANCIAL POSITION

As at 30 June 2026, the Group's total assets and total liabilities amounted to HK\$4,605 million and HK\$1,604 million, representing a decrease of HK\$564 million and HK\$562 million respectively when compared with the positions as at 31 December 2025. The net current assets amounted to HK\$1,354 million and increased by HK\$34.19 million as compared with that as at 31 December 2025. The current ratio (current assets divided by current liabilities) is 2.37, an increase of 0.56 from 1.81 as at 31 December 2025.

Liquidity and Financial Resources

The Group's cash and cash equivalents as at 30 June 2026 was HK\$703 million, representing a decrease of 27% when compared with the position as at 31 December 2025, of which 80.6% was denominated in Renminbi, 1.6% was denominated in United States Dollars, 0.1% was denominated in Euro Dollars, while the remaining balance was mainly denominated in Hong Kong Dollars. Interest income was HK\$1.75 million, representing a decrease of HK\$1.74 million over the same period.

As at 30 June 2026, 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 0.1% (31 December 2025: net cash position).

As at 30 June 2026, the Group's available banking facilities which are used for working capital and trade finance purposes amounted to HK\$2,274 million (31 December 2025: HK\$3,184 million), of which HK\$667 million (31 December 2025: HK\$1,154 million) was utilised. Currently, the cash reserves and available banking facilities, as well as the steady cash flow generated from operations, are sufficient to meet the Group's needs and obligations for business operations.

Capital Expenditure and Capital Commitments

The Group's capital expenditure in the first half of 2026 amounted to HK\$121 million (30 June 2025: HK\$27.63 million). The Group's capital commitments outstanding at 30 June 2026 not provided for in the consolidated interim financial report amounted to HK\$206 million (31 December 2025: HK\$317 million), mainly for the construction project of a slaughterhouse in Lishui Town and the renovation of production equipment of tinplating and slaughtering businesses. It is expected that the capital expenditure for 2026 will be approximately HK\$202 million.

Acquisitions and Disposals of Investments

The Group had no other material acquisitions and disposals of investments during the first half of 2026.

Pledge of Assets

As at 30 June 2026, deposits at banks of HK\$13.41 million (31 December 2025: HK\$14.27 million) were pledged as securities for bills payable.

As at 30 June 2026, banking facilities amounting to HK\$560 million (31 December 2025: HK\$538 million), of which HK\$260 million (31 December 2025: HK\$172 million) was utilised, were secured by mortgages over land, buildings and construction in progress with an aggregate carrying value of HK\$352 million (31 December 2025: HK\$224 million). Other than the above, none of the assets of the Group was pledged.

Contingent Liabilities

As at 30 June 2026, the Group had no material contingent liabilities.

Exchange Rate and Interest Rate Exposures

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

In view of the continuous fluctuation of Renminbi against the United States Dollars, the Group has enhanced research and monitoring of the foreign exchange market in order to reduce the exposure to exchange rate risks, and will take appropriate measures to hedge the risks when necessary. As at 30 June 2026, no forward foreign exchange contracts against Renminbi were held by the Group to hedge against currency risk in respect of export sales. 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.

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

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

As disclosed in the announcements of the Company dated 6 November 2023, 8 November 2023, 30 December 2024, 21 March 2025 and 31 March 2026, pursuant to the capital increase agreement (as supplemented and amended by the amendment agreement), a profit guarantee was given by Guangzhou Rural Fresh Trading Co., Ltd. (the "Original Shareholder") and Mr. Yang Yihai (the "Warrantor") to GDH Guangnan Investment Company Limited (the "Guangnan Investment", a wholly-owned subsidiary of the Company). The compensation amount in respect of the first guarantee period is RMB617,000 and the compensation amount in respect of the second guarantee period is RMB18,371,000. As at the date of this announcement, the Original Shareholder and the Warrantor have not yet settled the aforesaid compensation due to their objections to the basis of its calculation. Since April 2025, Guangnan Investment has issued demand letters and has also engaged legal counsel to issue a demand letter to the Original Shareholder and the Warrantor. Guangnan Investment has discussed with the Original Shareholder and the Warrantor for the solution plan. Meanwhile, we are accessing potential legal and other courses of actions in this regard with a view to achieving a commercially viable solution that is fair, reasonable, and in the interests of the Company and its shareholders as a whole. Further updates regarding aforementioned profit guarantee will be announced by the Company as and when appropriate.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had a total of 1,486 full-time employees, a decrease of 31 employees from the end of 2025. 298 employees were based in Hong Kong and 1,188 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 2026, the Group continued to implement control over the headcount, organisational structure and total salaries of each subsidiary. The performance bonus incentive scheme for the management is in place for accruing performance bonus according to various profit rankings and with reference to net cash inflow from operations and profit after taxation based on the assessment of the operating results of each subsidiary. In addition, bonuses are rewarded to the management and key personnel through assessment of individual performance. These incentive schemes have effectively improved the morale of the staff members.

PROSPECTS

Looking ahead to the second half of 2026, the complexity and uncertainty of the domestic and international macro-environment have risen markedly. The international geopolitical situation remains tense and global economic development is under pressure. The domestic economy is advancing steadily in the inaugural year of the 15th Five-Year Plan, with accelerated transformation between old and new growth drivers. New-growth-driver tracks represented by artificial intelligence and robots have delivered concentrated performance realisation, becoming bright spots for economic growth. Changes in the external environment have brought risks including rising raw-material costs and intensified trade frictions. In particular, export trade barriers facing the tinplating industry still call for vigilance. Against this backdrop, the Group will uphold the principle of prudent operation, seize opportunities from consumption upgrading and industrial transformation, respond flexibly to dynamic shifts in markets and policies, and push forward operational development in a steady manner.

In respect of the foodstuffs business, the Group adheres to innovation-driven development and consolidates its foundation through quality. It continues to deepen industrial integration and optimal allocation of resources, and drives the transformation and upgrading of the foodstuffs business towards large-scale, intensive operation and high-value-added products. At present, demands for food safety and quality-oriented consumption keep rising, and segmented tracks such as cold-chain food and healthy food record robust growth momentum. The Group will seize the geographical advantages of the Guangdong - Hong Kong - Macao Greater Bay Area, actively align with regional convergence policies for food inspection and quarantine supervision, take the lead in implementing certification for the whole-process traceability system of pig products, strive to build a quality assurance system from source to table, and consolidate the brand foundation for healthy food. Meanwhile, it will speed up the construction of the GDH Lishui Food Slaughterhouse Project, deepen industry-university-research cooperation, and empower industrial upgrading through technology. On the brand side, guided by market demand, the Group keeps refining category layout and strengthening brand building, and makes every effort to foster a leading image as a high-quality food supplier in the Greater Bay Area.

In respect of the tinplating business, the Group takes scientific research and innovation as its driving force, closely focuses on customer demands, and continuously optimises product quality, processes and technologies to meet the high-standard requirements of customers across various industries. In 2026, the tinplating industry is confronted with challenges of aggravated supply-demand contradiction and a slight downward shift in the centre of gravity of selling prices. Incremental direct exports have become critical for absorbing domestic supply, yet risks of trade frictions are also on the rise. The Group will deepen strategic cooperation with customers, accurately identify market trends, and continuously improve product and service standards. Meanwhile, it will proactively expand its customer base, tap into new opportunities through in-depth research and strategic marketing activities, and consolidate its market position with a diversified product portfolio and differentiated competition strategies to maintain its leading position amid fierce competition.

Faced with uncertainties in the global economy, the Group adheres to prudent risk-management principles, and safeguards sound business operation by improving the risk-control system, optimising business layout and flexibly adjusting operational strategies. Relying on sound financial strategies and ample cash flow, the Group will actively seize development opportunities of the Guangdong-Hong Kong - Macao Greater Bay Area, continuously enhance its market competitiveness and profitability, and create long-term value for shareholders.

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2026

The Board announces the unaudited consolidated interim results of the Group for the six months ended 30 June 2026, which have been reviewed by the Company's Audit Committee (the "Audit Committee") and independent auditor Messrs. Deloitte Touche Tohmatsu.

Unaudited Condensed Consolidated Statement Of Profit Or Loss For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Note	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	4	4,231,264	6,081,142
Cost of sales		(4,042,260)	(5,796,054)
Gross profit		189,004	285,088
Other income		11,810	11,819
Other gains and losses	5	(3,029)	5,247
Selling and distribution costs		(16,443)	(17,928)
Administrative expenses		(96,210)	(94,511)
Other operating expenses		(48,236)	(51,971)
Impairment losses under expected credit loss model		(2,523)	(18,061)
Profit from operations		34,373	119,683
Valuation losses on investment properties		(916)	-
Share of profit of a joint venture		-	1
Share of (losses) profits of associates		(93,443)	14,555
Finance costs	6	(7,034)	(14,805)
(Loss) profit before taxation		(67,020)	119,434
Income tax	7	(12,016)	(29,391)
(Loss) profit for the period	8	(79,036)	90,043
Attributable to:			
Equity shareholders of the Company		(85,788)	76,207
Non-controlling interests		6,752	13,836
(Loss) profit for the period		(79,036)	90,043
Interim dividend	9	-	22,690
(Loss) earnings per share			
Basic	10	(9.45) cents	8.40 cents

Unaudited Condensed Consolidated Statement Of Comprehensive Income
For the six months ended 30 June 2026

	<i>Six months ended 30 June</i>	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss) profit for the period	<u>(79,036)</u>	<u>90,043</u>
Other comprehensive income for the period		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange difference arising on translation of foreign operations:		
- subsidiaries	95,372	29,969
- joint venture and associates	5,748	2,824
- tax (expense) credit related to a subsidiary	(825)	321
	<u>100,295</u>	<u>33,114</u>
Total comprehensive income for the period	<u>21,259</u>	<u>123,157</u>
Attributable to:		
Equity shareholders of the Company	3,014	105,915
Non-controlling interests	<u>18,245</u>	<u>17,242</u>
Total comprehensive income for the period	<u>21,259</u>	<u>123,157</u>

Unaudited Condensed Consolidated Statement Of Financial Position
At 30 June 2026

	Note	<i>At</i> 30 June 2026 HK\$'000 (unaudited)	<i>At</i> 31 December 2025 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment		1,896,608	1,772,137
Investment properties		197,244	191,841
		2,093,852	1,963,978
Goodwill		87,156	84,725
Interest in a joint venture		11,697	11,251
Interests in associates		68,190	156,331
		2,260,895	2,216,285
Current assets			
Inventories	11	556,642	483,049
Trade and other receivables, deposits and prepayments	12	1,071,661	1,496,486
Pledged deposits	13	13,409	14,273
Cash and cash equivalents	13	702,702	959,155
		2,344,414	2,952,963
TOTAL ASSETS		4,605,309	5,169,248
Current liabilities			
Trade and other payables	14	771,364	1,164,320
Bank borrowings	15	179,520	413,994
Loans from a fellow subsidiary		16,580	20,840
Lease liabilities		22,872	15,763
Current tax payable		119	3,278
Financial liability at amortised cost		-	15,000
		990,455	1,633,195
Net current assets		1,353,959	1,319,768
Total assets less current liabilities		3,614,854	3,536,053
Non-current liabilities			
Bank borrowings	15	260,144	171,748
Loans from a fellow subsidiary		263,842	264,823
Deferred revenue		10,546	10,834
Lease liabilities		7,077	16,615
Deferred tax liabilities		70,258	67,011
Provision for long service payments		1,262	1,262
		613,129	532,293
TOTAL LIABILITIES		1,603,584	2,165,488
NET ASSETS		3,001,725	3,003,760
CAPITAL AND RESERVES			
Share capital		459,651	459,651
Reserves		2,251,577	2,250,575
Equity attributable to equity shareholders of the Company		2,711,228	2,710,226
Non-controlling interests		290,497	293,534
TOTAL EQUITY		3,001,725	3,003,760

Notes to the unaudited condensed consolidated financial statements

1. General information

The interim results set out in this announcement do not constitute the Group's interim financial report for the six months ended 30 June 2026 but are extracted from the interim financial report.

The condensed consolidated financial statements is unaudited, but has been reviewed by the auditor, Messrs. 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 (the "HKICPA").

The financial information relating to the year ended 31 December 2025 that is included in these unaudited condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year. Further information relating to these statutory financial statements is as follows:

The Company has delivered the 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.

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

2. Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "*Interim Financial Reporting*" ("HKAS 34") as issued by the HKICPA as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange.

3. Principal accounting policies

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties that are measured at fair values, as appropriate. The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in 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 as issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2026 for the preparation of the Group's unaudited condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts 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 interim period has had no material impact on the Group's financial performance and positions for the current and prior periods.

4. Revenue and segment reporting

Revenue

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

Disaggregation of revenue

	Six months ended 30 June	
	<u>2026</u>	<u>2025</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Sales of goods		
- Fresh and live foodstuffs	3,298,164	4,970,531
- Tinsplate products	894,309	1,053,442
	<u>4,192,473</u>	<u>6,023,973</u>
Provision of services		
- Commission income from the distribution of fresh and live foodstuffs	-	14,065
- Slaughtering service income	29,164	33,920
	<u>29,164</u>	<u>47,985</u>
Total revenue from contracts with customers	<u>4,221,637</u>	<u>6,071,958</u>
Rental income from property leasing	<u>9,627</u>	<u>9,184</u>
Total	<u><u>4,231,264</u></u>	<u><u>6,081,142</u></u>

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 distributes, purchases and sells foodstuffs and provides slaughtering services.
- (b) Tinsplating: this segment produces and sells tinsplate 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>	
	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June	Six months ended 30 June
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Fresh and live foodstuffs	3,327,328	5,018,516	(34,172)	106,358
Tinplating	894,309	1,053,442	(6,851)	43,300
Property leasing	9,627	9,184	3,836	3,897
Total segment revenue/(loss) profit	<u>4,231,264</u>	<u>6,081,142</u>	<u>(37,187)</u>	<u>153,555</u>
Unallocated income and expenses			(21,883)	(19,317)
Valuation losses on investment properties			(916)	-
Finance costs			(7,034)	(14,805)
Share of profit of a joint venture not attributable to any segment			-	1
Consolidated (loss) profit before taxation			<u>(67,020)</u>	<u>119,434</u>

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>	
	At	At	At	At
	30 June	31 December	30 June	31 December
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(audited)	(unaudited)	(audited)
Fresh and live foodstuffs	2,141,193	2,554,221	999,620	1,377,582
Tinplating	2,038,954	2,181,913	454,145	638,810
Property leasing	198,409	192,970	37,650	37,339
Total segment assets/liabilities	<u>4,378,556</u>	<u>4,929,104</u>	<u>1,491,415</u>	<u>2,053,731</u>
Unallocated corporate assets/liabilities	<u>226,753</u>	<u>240,144</u>	<u>112,169</u>	<u>111,757</u>
Consolidated total assets/liabilities	<u>4,605,309</u>	<u>5,169,248</u>	<u>1,603,584</u>	<u>2,165,488</u>

Segments assets include all tangible, intangible assets and current assets with the exception of interests in a joint venture 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 gains and losses

	Six months ended 30 June	
	<u>2026</u>	<u>2025</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net realised and unrealised exchange (loss) gain	(1,318)	5,281
Net losses on disposals of property, plant and equipment	(647)	(307)
Loss on liquidation of a subsidiary	(531)	-
Others	(533)	273
	<u>(3,029)</u>	<u>5,247</u>

6. Finance costs

	Six months ended 30 June	
	<u>2026</u>	<u>2025</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on bank borrowings	5,932	8,341
Interest on loan from a fellow subsidiary	3,617	5,775
Interest on lease liabilities	715	689
	<u>10,264</u>	<u>14,805</u>
Less: interest expense capitalised in construction-in-progress	(3,230)	-
	<u>7,034</u>	<u>14,805</u>

The weighted average capitalisation rate is 3.19% to 3.61% (30 June 2025: nil).

7. Income tax

	Six months ended 30 June	
	<u>2026</u>	<u>2025</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Hong Kong Profits Tax	1,931	3,041
PRC Enterprise Income Tax	10,871	27,579
(Overprovision) underprovision in prior years	(196)	166
	<u>12,606</u>	<u>30,786</u>
Deferred tax	(590)	(1,395)
	<u>12,016</u>	<u>29,391</u>

Hong Kong Profits Tax for both periods is calculated at 16.5% of the estimated assessable profits for the reporting period, 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 are entitled to tax incentive as new and high technology enterprises and enjoy an annual effective tax rate of 15%.

8. (Loss) profit for the period

(Loss) profit for the period has been arrived at after charging:

	Six months ended 30 June <u>2026</u> HK\$'000 (unaudited)	<u>2025</u> HK\$'000 (unaudited)
Cost of inventories sold (Note)	4,036,096	5,788,475
Depreciation of property, plant and equipment	48,351	52,884
Depreciation of right-of-use assets	13,746	9,372
Research and development expenses	48,236	51,971
Direct outgoings for investment properties	892	763
	<u> </u>	<u> </u>
Staff costs		
Salaries and allowance	150,039	154,872
Contributions to retirement benefits scheme	13,840	16,080
	<u>163,879</u>	<u>170,952</u>

Note: Amount includes write-down of inventories of HK\$12,889,000 (30 June 2025: reversal of write-down of inventories of HK\$1,185,000).

9. Dividends

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

	Six months ended 30 June <u>2026</u> HK\$'000 (unaudited)	<u>2025</u> HK\$'000 (unaudited)
Interim dividend declared and payable/paid after the interim period, of 0 cents per ordinary share (30 June 2025: 2.5 cents)	<u>-</u>	<u>22,690</u>

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

	Six months ended 30 June <u>2026</u> HK\$'000 (unaudited)	<u>2025</u> HK\$'000 (unaudited)
Final dividend in respect of the previous financial year, approved during the following interim period, of 1.2 cents per ordinary share (30 June 2025: 2.5 cents)	<u>10,891</u>	<u>22,690</u>

10. (Loss) Earnings per share

The calculation of basic loss per share for the six months ended 30 June 2026 is based on the loss attributable to ordinary equity shareholders of the Company of HK\$85,788,000 (30 June 2025: profit attributable to ordinary equity shareholders of the Company of HK\$76,207,000) and 907,593,000 (30 June 2025: 907,593,000) ordinary shares in issue during the period.

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

11. Inventories

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Raw materials, spare parts and consumables	270,083	253,077
Work in progress	68,166	45,983
Finished goods	218,393	183,989
	<u>556,642</u>	<u>483,049</u>

12. Trade and other receivables, deposits and prepayments

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

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
0 - 60 days	444,303	692,683
61 - 120 days	102,899	18,328
121 - 180 days	3,148	43,119
Over 180 days	144,989	88,171
	<u>695,339</u>	<u>842,301</u>
Less: Impairment losses under expected credit loss model	<u>(76,497)</u>	<u>(72,343)</u>
	<u>618,842</u>	<u>769,958</u>

The basis of determining the inputs and assumptions and the estimation techniques for determination of expected credit losses used in the unaudited condensed consolidated financial statements 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.

13. Pledged deposits and cash and cash equivalents

(a) Pledged deposits

As at 30 June 2026, deposits at banks of HK\$13,409,000 (31 December 2025: 14,273,000) were pledged as securities for bills payable, which carry prevailing market interest rates.

(b) Cash and cash equivalents

	At 30 June <u>2026</u> HK\$'000 (unaudited)	At 31 December <u>2025</u> HK\$'000 (audited)
Deposits with banks	59,291	57,015
Cash at bank and on hand	643,411	902,140
Cash and cash equivalents in the unaudited condensed consolidated statement of financial position	<u>702,702</u>	<u>959,155</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:

	At 30 June <u>2026</u> HK\$'000 (unaudited)	At 31 December <u>2025</u> HK\$'000 (audited)
0 - 60 days	142,934	216,592
61 - 120 days	5,256	318
121 - 180 days	7,663	1,711
Over 180 days	33,360	9,147
	<u>189,213</u>	<u>227,768</u>

15. Bank borrowings

As at 30 June 2026, the fixed-rate bank loans amounted to HK\$307,664,000 (31 December 2025: HK\$417,742,000) were interest-bearing at rates ranging from 2.00% to 2.77% (31 December 2025: 2.0% to 3.0%) per annum. Variable-rate bank loans amounting to HK\$132,000,000 (31 December 2025: HK\$168,000,000) were unsecured and bore effective interest rates ranging from 2.83% to 3.85% (31 December 2025: 3.82% to 3.89%) per annum.

Certain portions of the Group's banking facilities were secured by land, buildings and construction in progress. The banking facilities include HK\$559,532,000 (31 December 2025: HK\$538,051,000), of which HK\$260,144,000 (31 December 2025: HK\$171,748,000) was utilised, which were secured by mortgages over land, buildings and construction in progress with an aggregate carrying value of HK\$352,435,000 (31 December 2025: HK\$224,463,000).

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Code

The Company has complied with the code provisions and, where appropriate, adopted the applicable recommended best practices set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the six months ended 30 June 2026.

Model Code For Securities Transactions By Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules as the code of conduct regarding Directors’ securities transactions. All Directors have confirmed, upon specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2026.

Purchase, Sale and Redemption of Listed Securities

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s securities listed on the Stock Exchange.

Interim dividend

The Board has resolved not to declare any dividend for the six months ended 30 June 2026 (30 June 2025: HK2.5 cents per share).

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, Messrs. 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 Announcement and Interim Report

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

By order of the Board
GDH Guangnan (Holdings) Limited
Wang Hui
Chairman

Hong Kong, 28 August 2026

As at the date of this announcement, the Board is composed of two executive Directors, namely Mr. Wang Hui 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.