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粵海廣南(集團)有限公司

GDH GUANGNAN (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 01203)

ANNOUNCEMENT PURSUANT TO RULE 14.36 OF THE LISTING RULES

MATERIAL VARIATION OF TERMS OF THE AGREEMENT

Reference is made to the announcement (“**Announcement**”) of the Company dated 6 November 2023 in respect of Subscription and Capital Increase under the Agreement. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

On 30 December 2024 (after trading hours), the Subscriber (being a wholly-owned subsidiary of the Company) entered into the amendment agreement with the Target Company, the Original Shareholder and Mr. Yang (“**Amendment Agreement**”), pursuant to which certain terms of the Agreement are varied as more particularly disclosed in this announcement.

Save as disclosed herein, there is no other material variation to the Agreement.

LISTING RULES IMPLICATIONS

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules as the entering into of the Amendment Agreement constitutes a material variation of the terms of the Agreement.

INTRODUCTION

Reference is made to the Announcement dated 6 November 2023 in respect of Subscription and Capital Increase under the Agreement. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

On 30 December 2024 (after trading hours), the Subscriber (being a wholly-owned subsidiary of the Company) entered into the Amendment Agreement with the Target Company, the Original Shareholder and Mr. Yang, pursuant to which certain terms of the Agreement are varied as more particularly disclosed in this announcement.

Save as disclosed herein, there is no other material variation to the Agreement.

MATERIAL VARIATION OF TERMS OF THE AGREEMENT

Pursuant to the Amendment Agreement, the parties have agreed that certain terms of the Agreement are varied as more particularly described below, after arm's length negotiations and mutual agreement taking into account the practical circumstances of the parties.

The Second Capital Increase

The Second Capital Increase shall be proceeded as follows:

The Subscriber shall further inject into the capital of the Target Company in the amount of RMB20,400,000 and the Original Shareholder shall further inject into the capital of the Target Company in the amount of RMB19,600,000 before 31 December 2027.

Upon completion of the Second Capital Increase, the paid-up capital of the Target Company will be increased from RMB41,428,600 (as at the date of this announcement) to RMB81,428,600, with the proportion of shareholding in the Target Company remaining unchanged and the equity interest of the Subscriber in the Target Company will remain at 51%.

The registered capital of the Target Company and the respective portions owned by the shareholders thereof upon completion of the Second Capital Increase are set out below:

Shareholder	Registered Capital as at the date of this announcement (RMB'000)	Paid-up Capital as at the date of this announcement (RMB'000)	Percentage (%)	Registered capital upon completion of Second Capital Increase (RMB'000)	Paid-up capital upon completion of Second Capital Increase (RMB'000)	Percentage (%)
Original Shareholder	39,900.00	20,300.00	49.00	39,900.00	39,900.00	49.00
Subscriber	<u>41,528.60</u>	<u>21,128.60</u>	<u>51.00</u>	<u>41,528.60</u>	<u>41,528.60</u>	<u>51.00</u>
Total	<u><u>81,428.60</u></u>	<u><u>41,428.60</u></u>	<u><u>100.00</u></u>	<u><u>81,428.60</u></u>	<u><u>81,428.60</u></u>	<u><u>100.00</u></u>

The Second Capital Increase shall be funded by the Group's internal resources. Further financial funds required for the development of the business of the Target Company shall be satisfied by third party financing.

Change of signing party

Since Mr. Zou has ceased to be a shareholder of the Original Shareholder, all his rights and obligations under the Agreement shall be assumed by Mr. Yang who is the sole shareholder of the Original Shareholder.

Effective date

The Agreement became effective upon execution on 30 December 2024 (after trading hours).

BUSINESS UPDATE

The Group is principally engaged in the distribution and trading of fresh and live foodstuffs, provision of slaughtering service, the manufacturing and sales of tinplate products and property leasing. The Board considers that the Subscription and Capital Increase represent a strategic deployment of the Group in fresh and live foodstuffs business, which has been accelerating the expansion of the Group's industrial chain, strengthen the layout of core links in the industrial chain, and particularly promote the integrated development of "slaughter and processing — cold chain distribution — fresh food marketing".

Expanding the new retail business is a crucial step for the Group in strengthening the "GDH Food" brand with consumers. Establishing a credible and influential brand of "GDH Food" that residents can trust is a key component of the Group's long-term development strategy and is essential for enhancing the added value of its food business.

Against the backdrop of a slowdown in the global economic recovery and a complex international macroeconomic environment, the Group actively seizes the opportunities and embraces the challenges of the steady progress of the domestic economy and flexibly responds to changes in the consumer market and policy conditions. The Target Company will focus on developing group meal delivery and food wholesale and retail businesses, and create synergies with the Group's fresh and live foodstuffs business to enhance its brand value and influence. The extension of timeline for the Second Capital Increase is in line with the Company's prudent investment strategy, and the Target Company aims to expand its business through existing funds and/or financing in accordance with its actual business development needs.

The Board (including the independent non-executive Directors) considers that the terms and conditions of the Amendment Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

No Director has any material interest in the Amendment Agreement was required to abstain from voting on the Directors' resolutions approving the Amendment Agreement and the entering into the same by the Company.

LISTING RULES IMPLICATIONS

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules as the entering into of the Amendment Agreement constitutes a material variation of the terms of the Agreement.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.0828 has been used, where applicable, for purpose of illustration only and it does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.

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

By order of the Board
GDH Guangnan (Holdings) Limited
Chen Benguang
Chairman

Hong Kong, 30 December 2024

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