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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, other licensed corporation, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in the Company, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, licensed corporation, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)**

## CONTINUING CONNECTED TRANSACTIONS THE FURTHER 2025 ELECTRICITY AGREEMENTS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders  
ALTUS CAPITAL LIMITED**

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All capitalised terms used herein shall have the same meanings as those set out in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 8 to 23 of this circular. A letter from the Independent Board Committee to the Independent Shareholders is set out on pages 24 to 25 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the Further 2025 Electricity Agreements and the transactions contemplated thereunder is set out on pages 26 to 40 of this circular.

A notice convening the EGM to be held at the Boardroom, Basement II, Wharney Hotel, No. 57-73 Lockhart Road, Wanchai, Hong Kong on Monday, 16 June 2025 at 11:30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 11:00 a.m. on the same day and at the same place and at any adjournment thereof) is set out on pages 48 to 50 of this circular. A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time scheduled for the EGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

26 May 2025

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## DEFINITIONS

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*In this circular, the following terms or expressions shall have the meanings set out below unless the context requires otherwise:*

“2024 Electricity Agreements”	collectively, (i) the 2024 GDH Zhongyue Electricity Agreements; (ii) the 2024 GDH Food Foshan Electricity Agreements; (iii) the 2024 Runhehe Food Electricity Agreements; and (iv) the 2024 Guanglong Food Electricity Agreements, and each a “2024 Electricity Agreement”
“2024 GDH Food Foshan Electricity Agreements”	the agreements dated 15 December 2023 and 28 March 2024 entered into between GDH Food Foshan and GDH Energy Service, together with the letters dated 15 December 2023 and 28 March 2024 from GDH Food Foshan to GDH Energy Service, the details of which are set out in the announcements of the Company dated 15 December 2023 and 28 March 2024
“2024 GDH Zhongyue Electricity Agreements”	the agreements dated 15 December 2023 and 28 March 2024 entered into between GDH Zhongyue and GDH Energy Service, together with the letters dated 15 December 2023 and 28 March 2024 from GDH Zhongyue to GDH Energy Service, the details of which are set out in the announcements of the Company dated 15 December 2023 and 28 March 2024
“2024 Guanglong Food Electricity Agreements”	the agreements dated 15 December 2023 and 28 March 2024 entered into between Guanglong Food and GDH Energy Service, together with the letters dated 15 December 2023 and 28 March 2024 from Guanglong Food to GDH Energy Service, the details of which are set out in the announcements of the Company dated 15 December 2023 and 28 March 2024
“2024 Runhehe Food Electricity Agreements”	the agreements dated 15 December 2023 and 28 March 2024 entered into between Runhehe Food and GDH Energy Service, together with the letters dated 15 December 2023 and 28 March 2024 from Runhehe Food to GDH Energy Service, the details of which are set out in the announcements of the Company dated 15 December 2023 and 28 March 2024

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## DEFINITIONS

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“2025 Electricity Market Guidelines”	has the meaning ascribed to it under the section headed “C. THE PROPOSED CAPS AND BASIS OF DETERMINATION – Basis of determination of the Proposed Caps” in the “Letter from the Board” contained in this circular
“Agreed Price”	has the meaning ascribed to it under the section headed “B. THE FURTHER 2025 ELECTRICITY AGREEMENTS – Unit price” in the “Letter from the Board” contained in this circular
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	GDH Guangnan (Holdings) Limited (粵海廣南(集團)有限公司), a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 01203)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, approve, the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps
“Existing 2025 Electricity Agreements”	collectively, (i) the Existing 2025 GDH Zhongyue Electricity Agreement; (ii) the Existing 2025 GDH Food Foshan Electricity Agreement; (iii) the Existing 2025 Runhehe Food Electricity Agreement; and (iv) the Existing 2025 Guanglong Food Electricity Agreement, and each an “Existing 2025 Electricity Agreement”
“Existing 2025 GDH Food Foshan Electricity Agreement”	the agreement dated 23 December 2024 entered into between GDH Food Foshan and GDH Energy Service, together with the letter dated 23 December 2024 from GDH Food Foshan to GDH Energy Service, the details of which are set out in the announcement of the Company dated 23 December 2024

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## DEFINITIONS

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“Existing 2025 GDH Zhongyue Electricity Agreement”	the agreement dated 23 December 2024 entered into between GDH Zhongyue and GDH Energy Service, together with the letter dated 23 December 2024 from GDH Zhongyue to GDH Energy Service, the details of which are set out in the announcement of the Company dated 23 December 2024
“Existing 2025 Guanglong Food Electricity Agreement”	the agreement dated 23 December 2024 entered into between Guanglong Food and GDH Energy Service, together with the letter dated 23 December 2024 from Guanglong Food to GDH Energy Service, the details of which are set out in the announcement of the Company dated 23 December 2024
“Existing 2025 Runhehe Food Electricity Agreement”	the agreement dated 23 December 2024 entered into between Runhehe Food and GDH Energy Service, together with the letter dated 23 December 2024 from Runhehe Food to GDH Energy Service, the details of which are set out in the announcement of the Company dated 23 December 2024
“Existing Cap(s)”	has the meaning ascribed to it under the section headed “C. THE PROPOSED CAPS AND BASIS OF DETERMINATION – Existing Caps” in the “Letter from the Board” contained in this circular
“Further 2025 Electricity Agreements”	collectively, (i) the Further 2025 GDH Zhongyue Electricity Agreement; (ii) the Further 2025 GDH Food Foshan Electricity Agreement; (iii) the Further 2025 Runhehe Food Electricity Agreement; and (iv) the 2025 Further Guanglong Food Electricity Agreement, and each a “Further 2025 Electricity Agreement”
“Further 2025 GDH Food Foshan Electricity Agreement”	an agreement dated 29 April 2025 entered into between GDH Food Foshan and GDH Energy Service, together with the letter dated 29 April 2025 from GDH Food Foshan to GDH Energy Service
“Further 2025 GDH Zhongyue Electricity Agreement”	an agreement dated 29 April 2025 entered into between GDH Zhongyue and GDH Energy Service, together with the letter dated 29 April 2025 from GDH Zhongyue to GDH Energy Service

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## DEFINITIONS

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“Further 2025 Guanglong Food Electricity Agreement”	an agreement dated 29 April 2025 entered into between Guanglong Food and GDH Energy Service, together with the letter dated 29 April 2025 from Guanglong Food to GDH Energy Service
“Further 2025 Runhehe Food Electricity Agreement”	an agreement dated 29 April 2025 entered into between Runhehe Food and GDH Energy Service, together with the letter dated 29 April 2025 from Runhehe Food to GDH Energy Service
“GDH”	GDH Limited (粵海控股集團有限公司), a company incorporated in Hong Kong with limited liability and the immediate holding company of the Company
“GDH Dezhirun Food”	粵海德之潤食品(珠海)有限公司 (GDH Dezhirun Food (Zhuhai) Company Limited*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“GDH Energy”	中山粵海能源有限公司 (Zhongshan GDH Energy Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of GDI
“GDH Energy Service”	中山粵海能源服務有限公司 (Zhongshan GDH Energy Service Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of GDI
“GDH Food Foshan”	粵海食品(佛山)有限公司 (GDH Food (Foshan) Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“GDH Zhongyue”	粵海中粵(中山)馬口鐵工業有限公司 (GDH Zhongyue (Zhongshan) Tinplate Industry Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

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## DEFINITIONS

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“GDI”	Guangdong Investment Limited (粵海投資有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00270)
“Group”	the Company and its subsidiaries
“Guangdong Government”	the People’s Government of Guangdong Province
“Guangdong Holdings”	廣東粵海控股集團有限公司 (Guangdong Holdings Limited*), a company established in the PRC with limited liability and the ultimate holding company of the Company
“Guangdong Power Grid”	廣東電網有限責任公司 (Guangdong Power Grid Company Limited*), a company established in the PRC with limited liability
“Guanglong Food”	粵海廣龍食品(中山)有限公司 (GDH Guanglong Food (Zhongshan) Co., Ltd*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Historical Transaction Amounts”	has the meaning ascribed to it under the section headed “C. THE PROPOSED CAPS AND BASIS OF DETERMINATION – Historical Transaction Amounts” in the “Letter from the Board” contained in this circular
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent board committee of the Company comprising all of the independent non-executive Directors, namely Mr. Gerard Joseph MCMAHON, Mr. LI Kar Keung, Caspar and Dr. WONG Yau Kar, David

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## DEFINITIONS

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“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps
“Independent Shareholders”	the shareholders of the Company other than those who are required to abstain from voting at the EGM pursuant to the Listing Rules
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and its respective directors, chief executive, controlling shareholders and substantial shareholders or any of its subsidiaries or their respective associates
“kWh”	kilowatt hour
“Latest Practicable Date”	19 May 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers
“Nanhai Investment”	廣東南海安全科技投資控股有限公司 (Guangdong Nanhai Security Technology Investment Holdings Company Limited*), a company established in the PRC
“Power Grid Fees”	the fees and other related expenses to be charged by Guangdong Power Grid for the transmission and distribution of electricity services provided through the power grid operated by Guangdong Power Grid
“PRC”	the People’s Republic of China



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## DEFINITIONS

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“Proposed Cap(s)”	has the meaning ascribed to it under the section headed “C. THE PROPOSED CAPS AND BASIS OF DETERMINATION – The Proposed Caps” in the “Letter from the Board” contained in this circular
“RMB”	Renminbi, the lawful currency of the PRC
“Runhehe Food”	珠海市潤和合食品有限公司 (Zhuhai Runhehe Food Co., Ltd*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Shares in the Company
“Shares”	the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhongshan Power”	Zhongshan Power (Hong Kong) Limited (中山電力(香港)有限公司), a company incorporated in Hong Kong with limited liability and a direct non-wholly owned subsidiary of GDI
“Zhongshan Xingzhong”	中山興中集團有限公司 (Zhongshan Xingzhong Group Co., Ltd*), a company established in the PRC with limited liability
“%”	per cent.

*For the purpose of this circular, unless otherwise indicated, the exchange rate of RMB1.00=HK\$1.0836 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 names or words included in this circular, where indicated, is included for information and identification purposes only and should not be regarded as the official English translation of such Chinese names or words.

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## LETTER FROM THE BOARD

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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)**

*Board of Directors:*

*Executive Directors*

YANG Zhe *(Acting Chairman and General Manager)*

CHAU Wang Kei *(Chief Financial Officer  
and Company Secretary)*

*Registered Office:*

Units 2905-08, 29th Floor

Shui On Centre

6-8 Harbour Road, Wanchai  
Hong Kong

*Non-Executive Directors*

YU Huijuan

WEN Yinheng

*Independent Non-Executive Directors*

Gerard Joseph MCMAHON

LI Kar Keung, Caspar

WONG Yau Kar, David

26 May 2025

*To the Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS  
THE FURTHER 2025 ELECTRICITY AGREEMENTS  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**A. INTRODUCTION**

Reference is made to the announcement of the Company dated 29 April 2025 in relation to the entering into of the Further 2025 Electricity Agreements between the Group and GDH Energy Service.

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## LETTER FROM THE BOARD

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Reference is also made to the announcement of the Company dated 23 December 2024 in respect of the Existing 2025 Electricity Agreements under which each of GDH Zhongyue (a wholly-owned subsidiary of the Company), GDH Food Foshan, Runhehe Food and Guanglong Food (all being non-wholly owned subsidiaries of the Company) has been purchasing electricity (through the power grid operated by Guangdong Power Grid) from GDH Energy Service during the period from 1 January 2025 to 30 June 2025.

As the Group intends to continue purchasing electricity from GDH Energy Service, in light of the upcoming expiry of the Existing 2025 Electricity Agreements, each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food has entered into the respective Further 2025 Electricity Agreement with GDH Energy Service on 29 April 2025 for a term from 1 July 2025 to 31 December 2025.

The purpose of this circular is to provide the Shareholders with, among other things, (i) details of the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; and (iv) the notice convening the EGM.

### **B. THE FURTHER 2025 ELECTRICITY AGREEMENTS**

Save for (i) the parties to and (ii) the expected maximum volume of electricity to be supplied and purchased as more particularly described below, the principal terms of each of the Further 2025 Electricity Agreements are substantially the same and are summarised as follows:

**Date:** 29 April 2025

**Parties:** *Further 2025 GDH Zhongyue Electricity Agreement:*

- (i) GDH Zhongyue (as purchaser and user of electricity)
- (ii) GDH Energy Service (as supplier)

*Further 2025 GDH Food Foshan Electricity Agreement:*

- (i) GDH Food Foshan (as purchaser and user of electricity)
- (ii) GDH Energy Service (as supplier)

*Further 2025 Runhehe Food Electricity Agreement:*

- (i) Runhehe Food (as purchaser and user of electricity)
- (ii) GDH Energy Service (as supplier)

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## LETTER FROM THE BOARD

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*Further 2025 Guanglong Food Electricity Agreement:*

- (i) Guanglong Food (as purchaser and user of electricity)
- (ii) GDH Energy Service (as supplier)

**Term:** 1 July 2025 to 31 December 2025

**Expected maximum** *Further 2025 GDH Zhongyue Electricity Agreement:*

**volume of** 45,000,000 kWh

**electricity to be**

**supplied and**

**purchased:**

*Further 2025 GDH Food Foshan Electricity Agreement:*

9,720,000 kWh

*Further 2025 Runhehe Food Electricity Agreement:*

3,420,000 kWh

*Further 2025 Guanglong Food Electricity Agreement:*

680,000 kWh

**Unit price:** GDH Energy Service will supply, and each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food (as the case may be) will purchase, electricity at the following prices *(Note 1)*.

- (i) as to 90% of the monthly consumption, at the agreed price for the standard period (being RMB0.399 per kWh) *(Note 2)* (the “**Agreed Price**”), multiplied by the coefficient corresponding to the peak, standard or off-peak period *(Note 3)* in which the relevant electricity consumption takes place; and
- (ii) as to the remaining 10% of the monthly consumption, at a price based on the monthly weighted average consolidated tariff in the day-ahead market\* (日前市場月度加權平均綜合價)*(Note 4)*, multiplied by a coefficient corresponding to the peak, standard or off-peak period *(Note 3)* in which the relevant electricity consumption takes place.

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## LETTER FROM THE BOARD

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If the Agreed Price exceeds the monthly weighted average market price\* (市場月度加權平均價)<sup>(Note 4)</sup> by more than 30% for a particular month, the agreed price for the standard period of that month shall be calculated at 130% of the monthly weighted average market price (i.e. the monthly weighted average market price multiplied by 1.3).

If the Agreed Price is lower than the monthly weighted average market price\* (市場月度加權平均價)<sup>(Note 4)</sup> by more than 20% for a particular month, the agreed price for the standard period of that month shall be calculated at 80% of the monthly weighted average market price (i.e. the monthly weighted average market price multiplied by 0.8).

**Payment terms:**

The electricity fee payable by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food (as the case may be) shall be settled with Guangdong Power Grid <sup>(Note 5)</sup> on a monthly basis, which shall in turn be payable by Guangdong Power Grid to GDH Energy Service after deduction of the Power Grid Fees charged by Guangdong Power Grid; the amount to be received by GDH Energy Service under the respective Further 2025 Electricity Agreements shall therefore be the remainder of the said electricity fee.

**Condition precedent**  
**(Note 6):**

Each of the Further 2025 GDH Zhongyue Electricity Agreement, the Further 2025 GDH Food Foshan Electricity Agreement, the Further 2025 Runhehe Food Electricity Agreement and the Further 2025 Guanglong Food Electricity Agreement is subject to and shall become effective on the date of approval of the respective Further 2025 Electricity Agreements and the transactions contemplated thereunder by the Independent Shareholders at the EGM in compliance with the Listing Rules having been obtained. The aforementioned condition precedent cannot be waived.

**Notes:**

1. The pricing mechanism described herein is formulated in compliance with the 2025 Electricity Market Guidelines (as defined below). According to the 2025 Electricity Market Guidelines, for retail electricity agreements that employ the “fixed price + linkage price + floating price (optional)” model, no less than 10% and no more than 30% of the actual electricity consumption shall be linked to the monthly price or the spot price (being the monthly consolidated tariff in the day-ahead market). To comply with the requirements in the 2025 Electricity Market Guidelines, 90% of the electricity to be purchased by the Group will be purchased at the Agreed Price, while the remaining 10% will be purchased at a price based on the monthly weighted average consolidated tariff in the day-ahead market.

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## LETTER FROM THE BOARD

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2. The Agreed Price of RMB0.399 per kWh has been determined after arm's length negotiation with reference to (i) the 2025 market reference price (being RMB0.463 per kWh) and (ii) the 2025 transaction price range (being RMB0.372 per kWh to RMB0.554 per kWh), as specified under the 2025 Electricity Market Guidelines.
3. According to the 2025 Electricity Market Guidelines, the coefficients for the peak, standard and off-peak periods are 1.53:1:0.32 for Shenzhen City and 1.7:1:0.38 for other cities in Guangdong Province and such coefficients are subject to adjustment by the relevant electricity regulatory authorities based on market operations. Given that the coefficients for the peak, standard and off-peak periods are determined by the relevant electricity regulatory authorities and reflect the standardized approach to pricing electricity during different periods based on market dynamics, and considering the need to comply with the relevant requirements in the 2025 Electricity Market Guidelines, the Company is of the view that the aforementioned coefficients are fair and reasonable.
4. As published by the Guangdong Electricity Exchange Centre from time to time.
5. Guangdong Power Grid is a wholly-owned subsidiary of China Southern Power Grid Company Limited, which is in turn held as to (i) 51% by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), (ii) 25.57% by Guangdong Hengjian Investment Holdings Co., Ltd. (廣東恆健投資控股有限公司) (which is wholly-owned by the State-owned Assets Supervision and Administration Commission of the Guangdong Government (廣東省人民政府國有資產監督管理委員會)), (iii) 2.13% by Hainan Development Holdings Co., Ltd. (海南省發展控股有限公司) (which is owned as to approximately 8.64% by the Department of Finance of Hainan Province (海南省財政廳) and as to approximately 91.36% by the State-owned Assets Supervision and Administration Commission of the People's Government of Hainan Province (海南省政府國有資產監督管理委員會)), and (iv) 21.3% by China Life Insurance (Group) Company (中國人壽保險(集團)公司) (which is owned as to 90% by the Ministry of Finance of the PRC (中國財政部) and as to 10% by the National Council for Social Security Fund (全國社會保障基金理事會) of the PRC). To the best of knowledge, information and belief of the Directors, as at the Latest Practicable Date, Guangdong Power Grid is a third party independent of and not connected with the Group.
6. If the relevant condition precedent is not fulfilled within 12 months from the date of the relevant Further 2025 Electricity Agreements (or such other date as the parties may agree in writing), the relevant Further 2025 Electricity Agreements will terminate.

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## LETTER FROM THE BOARD

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### C. THE PROPOSED CAPS AND BASIS OF DETERMINATION

#### Existing Caps

The following table sets out the existing caps under the respective Existing 2025 Electricity Agreements for the purchase of electricity by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food (as the case may be) for the period from 1 January 2025 to 30 June 2025 (the “**Existing Cap(s)**”):

	<b>The Existing Caps for the period from 1 January 2025 to 30 June 2025 (RMB)</b>
GDH Zhongyue	17,690,000
GDH Food Foshan	3,750,000
Runhehe Food	1,140,000
Guanglong Food	<u>230,000</u>
<b>Total</b>	<b><u><u>22,810,000</u></u></b>

#### Historical Transaction Amounts

The following table sets out the historical amounts of fees paid by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food (as the case may be) to GDH Energy Service under the respective 2024 Electricity Agreements with respect to the purchase of electricity for the period from 1 January 2024 to 31 December 2024 (the “**Historical Transaction Amount(s)**”):

	<b>Historical Transaction Amounts for the period from 1 January 2024 to 31 December 2024 (RMB)</b>
GDH Zhongyue	37,057,000
GDH Food Foshan	7,038,000
Runhehe Food	2,141,000
Guanglong Food	<u>405,000</u>
<b>Total</b>	<b><u><u>46,641,000</u></u></b>

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## LETTER FROM THE BOARD

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### The Proposed Caps

The proposed caps (being the maximum amount of fees payable by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food (as the case may be) to GDH Energy Service (after deducting the Power Grid Fees payable to Guangdong Power Grid) in relation to the purchase of electricity under each of the Further 2025 Electricity Agreements) for the transactions contemplated under each of the Further 2025 Electricity Agreements for the six months ending 31 December 2025 (the “**Proposed Cap(s)**”) are set out in the table below:

	<b>Proposed Caps for the six months ending 31 December 2025 (RMB)</b>
Further 2025 GDH Zhongyue Electricity Agreement	18,510,000
Further 2025 GDH Food Foshan Electricity Agreement	4,070,000
Further 2025 Runhehe Food Electricity Agreement	1,430,000
Further 2025 Guanglong Food Electricity Agreement	<u>285,000</u>
<b>Total</b>	<b><u><u>24,295,000</u></u></b>

### Basis of determination of the Proposed Caps

The Proposed Caps have been determined after arm’s length negotiations between the parties to the Further 2025 Electricity Agreements, and are based on and by reference to the following factors:

- (a) the historical electricity consumption of each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food for the period from 1 July 2024 to 31 December 2024, of approximately 42,738,000 kWh, 8,024,000 kWh, 2,761,000 kWh and 555,000 kWh, respectively. The average monthly consumption of electricity by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food was approximately 6,879,000 kWh, 1,315,000 kWh, 431,000 kWh and 87,000 kWh, respectively, for the year ended 31 December 2024;
- (b) the Historical Transaction Amounts;



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## LETTER FROM THE BOARD

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- (c) the expected maximum electricity consumption of each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food for the six months ending 31 December 2025, of 45,000,000 kWh, 9,720,000 kWh, 3,420,000 kWh and 680,000 kWh, respectively, which have taken into account the following:
- (i) **GDH Zhongyue:** Electricity is one of the main production costs of GDH Zhongyue's tinplate products. The estimated maximum electricity consumption for the six months ending 31 December 2025 represents an increase of approximately 5.29% over the actual electricity consumption by GDH Zhongyue for the six months ended 31 December 2024 (as stated in (a) above). As GDH Zhongyue strives to improve its products' quality as well as its profit margin from a better tinplating product mix and manufacturing processes, it is expected that the production process will lead to higher electricity consumption.
  - (ii) **GDH Food Foshan:** The estimated maximum electricity consumption for the six months ending 31 December 2025 represents an increase of approximately 21.14% over the actual electricity consumption by GDH Food Foshan for the six months ended 31 December 2024 (as stated in (a) above). As GDH Food Foshan continues to expand its slaughtering business and has added new environmental protection equipment of slaughtering, GDH Food Foshan anticipates an increase in electricity consumption.
  - (iii) **Runhehe Food:** The estimated maximum electricity consumption for the six months ending 31 December 2025 represents an increase of approximately 23.87% over the actual electricity consumption by Runhehe Food for the six months ended 31 December 2024 (as stated in (a) above). Runhehe Food plans to explore business opportunities in working with other food processing enterprises and further develop food processing business at its slaughterhouse. Accordingly, Runhehe Food anticipates that such business will lead to an overall higher demand for electricity at its slaughterhouse.
  - (iv) **Guanglong Food:** The estimated maximum electricity consumption for the six months ending 31 December 2025 represents an increase of approximately 22.52% over the actual electricity consumption by Guanglong Food for the six months ended 31 December 2024 (as stated in (a) above). Guanglong Food has undertaken equipment renovation and upgrade in the first half of 2025, which is expected to result in an increase in its slaughterhouse capacity and utilisation, hence its consumption of electricity is also expected to increase in the second half of 2025; and

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## LETTER FROM THE BOARD

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- (d) the unit price under the Further 2025 Electricity Agreements. In particular, the Agreed Price (being RMB0.399 per kWh) has been determined after arm's length negotiation with reference to (i) the market reference price (being RMB0.463 per kWh) and (ii) the transaction price range (being RMB0.372 per kWh to RMB0.554 per kWh), as specified under the guidelines, namely, the Notice of Relevant Matters in relation to the Transactions of the 2025 Electricity Market\* (《關於2025年電力市場交易有關事項的通知》) issued by the Energy Bureau of Guangdong Province (廣東省能源局) and the South China Energy Regulatory Bureau of National Energy Administration (國家能源局南方監管局) on 21 November 2024, which also set out the recommended terms for the transactions in the electricity market in Guangdong Province in 2025 (the “**2025 Electricity Market Guidelines**”).

### **D. REASONS AND BENEFITS FOR ENTERING INTO THE FURTHER 2025 ELECTRICITY AGREEMENTS**

The Agreed Price has been arrived at after arm's length negotiation between the parties to the Further 2025 Electricity Agreements. It has been set with reference to the abovementioned market reference price as stipulated in the 2025 Electricity Market Guidelines. The Group intends to continue the transactions under the Existing 2025 Electricity Agreements, so that each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food will be able to continue to enjoy a fair, reasonable and competitive price which will be conducive in stabilising the operating costs amid the competitive market in which they operate and supporting their daily operations.

Taking into account the above and the longstanding and satisfactory relationship between the Group and GDH Energy Service, the Directors are of the view that it would be beneficial to each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food to purchase electricity from GDH Energy Service by entering into the respective Further 2025 Electricity Agreements.

In light of the above, the Directors (including the independent non-executive Directors who have taken into account the advice of the Independent Financial Adviser) consider that the terms of the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps are fair and reasonable, on normal commercial terms (or better), entered into in the ordinary and usual course of business of the Group, and are in the interest of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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### E. INTERNAL CONTROL MEASURES

The Group has adopted certain internal control measures in relation to the Further 2025 Electricity Agreements to secure the Shareholders' interests. Before determining the Agreed Price, 3 quotations from different electricity suppliers (including GDH Energy Service) were obtained by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food, and each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food evaluated each potential electricity supplier based on the criteria such as pricing terms, payment terms and geographical coverage of electricity supply etc. The quotations and screening process were documented and submitted to the senior management of the Group for review and final approval. The pricing mechanism is formulated in compliance with the 2025 Electricity Market Guidelines and the Company has established internal control measures (i.e. contract approval by legal teams of the Group) to ensure that Agreed Price is determined on normal commercial terms (or better), and is fair and reasonable.

The finance department of the Company will continuously monitor, conduct monthly checking and verification of the relevant continuing connected transactions contemplated under the Further 2025 Electricity Agreements. The business department of each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food will monitor the monthly weighted average market price (as published by the Guangdong Electricity Exchange Centre from time to time) against the Agreed Price as per the pricing mechanism. Regular checks will be conducted by the abovementioned business departments on a monthly basis to check and monitor the monthly electricity consumption and the electricity fees incurred, and then reported to the finance department of the Company. The finance department head of the Company will then review whether the relevant continuing connected transactions are conducted in accordance with the terms of the Further 2025 Electricity Agreements, and monitor the latest utilisation rate of the relevant Proposed Caps. In the event that the utilisation rate of any Proposed Cap reaches 80%, the Director(s) will be informed for considering if the relevant Proposed Cap shall be revised and, if so, the Company will further comply with relevant requirements under the Listing Rules. Moreover, the audit committee of the Board will review the continuing connected transactions contemplated under the Further 2025 Electricity Agreements to ensure the completeness and effectiveness of the internal control measures.

The Board considers that the above internal control measures adopted by the Company in respect of the Further 2025 Electricity Agreements are appropriate and that they will give sufficient assurance to the Shareholders that the transactions contemplated under the Further 2025 Electricity Agreements will be appropriately monitored by the Company.

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## LETTER FROM THE BOARD

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### F. INFORMATION ON THE PARTIES TO THE FURTHER 2025 ELECTRICITY AGREEMENTS

#### **Information on the Company, GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food**

##### ***The Company***

The Company is a company incorporated in Hong Kong with limited liability whose Shares are listed on the Main Board of the Stock Exchange and is principally engaged in investment holding. The Group is principally engaged in the distribution and trading of fresh and live foodstuffs, provision of slaughtering service, manufacturing and sale of tinplate products and property leasing. As at the Latest Practicable Date, the Company is held as to approximately 59.19% by GDH.

The principal business of GDH is investment holding. The Company understands from GDH that (i) GDH is wholly owned by Guangdong Holdings, a state-owned enterprise established in the PRC; and (ii) as at the Latest Practicable Date, Guangdong Holdings is held as to 90% by the Guangdong Government and as to 10% by the Department of Finance of the Guangdong Province while the State-owned Assets Supervision and Administration Commission of the Guangdong Government has been performing ownership and control functions in respect of Guangdong Holdings with the authorisation of the Guangdong Government.

##### ***GDH Zhongyue***

GDH Zhongyue is a company established in the PRC with limited liability and is principally engaged in the production and sale of tinplate products and property leasing. GDH Zhongyue is a wholly-owned subsidiary of the Company.

##### ***GDH Food Foshan***

GDH Food Foshan is a limited liability company established in the PRC and is principally engaged in the business of food production, food sales, livestock slaughtering, distribution and transportation services and cryogenic storage. As at the Latest Practicable Date, GDH Food Foshan is owned as to 65% by GDH Guangnan Hong Company Limited (a wholly-owned subsidiary of the Company) and as to 35% by Nanhai Investment.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquires, save for Nanhai Investment's holding of the said 35% interest in GDH Food Foshan, as at the Latest Practicable Date, Nanhai Investment and its ultimate beneficial owner (being the State-owned Assets Supervision and Administration Commission of Nanhai District of Foshan City\* (佛山市南海區國有資產監督管理局)) are third parties independent of and not connected with the Company and its connected person(s).

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## LETTER FROM THE BOARD

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### ***Runhehe Food***

Runhehe Food is a company established in the PRC with limited liability and is principally engaged in livestock slaughtering and the operation of slaughterhouse. Runhehe Food is an indirect non-wholly owned subsidiary of the Company. It is wholly-owned by GDH Dezhirun Food, which, as at the Latest Practicable Date, is in turn held as to (i) 66% by GDH Guangnan Investment Company Limited (廣東粵海廣南投資有限公司), which is in turn wholly-owned by the Company; and (ii) 34% directly and indirectly by or for Ms. Yan Dandan (顏丹丹女士)(“**Ms. Yan**”) as beneficial owner.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquires, and other than the shareholding interests abovementioned, as at the Latest Practicable Date, Ms. Yan is a third party independent of and not connected with the Company and its connected person(s).

### ***Guanglong Food***

Guanglong Food is a company established in the PRC with limited liability and is principally engaged in the pig slaughtering business. Guanglong Food is an indirect non-wholly owned subsidiary of the Company and is wholly owned by GDH Dezhirun Food.

### **Information on GDH Energy Service**

GDH Energy Service is a company established in the PRC with limited liability and is principally engaged in sale of electricity. GDH Energy Service is wholly owned by GDH Energy.

GDH Energy is a company established in the PRC with limited liability and is principally engaged in the power plant operation for the provision of electricity and steam supply. As at the Latest Practicable Date, GDH Energy is owned as to: (i) 75% by Zhongshan Power (which, in turn, is owned as to 95% by GDI and as to 5% by Devon Investment Limited); and (ii) 25% by Zhongshan Xingzhong (which, in turn, is wholly-owned by the State-owned Assets Supervision and Administration Commission of Zhongshan Municipal Government\* (中山市人民政府國有資產監督管理委員會)). Devon Investment Limited is an indirect wholly-owned subsidiary of Zhongshan Xingzhong.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquires, GDI is a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange. GDI and its subsidiaries are principally engaged in investment holding, water resources, property investment, department store operation, hotel ownership, operation and management, investments in energy projects, and road and bridge operation. As at the Latest Practicable Date, GDI is

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## LETTER FROM THE BOARD

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owned as to approximately 58.26% by GDH and is therefore a subsidiary of Guangdong Holdings and GDH. Accordingly, GDH Energy Service is an indirect non-wholly owned subsidiary of each of GDI and GDH.

### **G. LISTING RULES IMPLICATIONS**

As at the Latest Practicable Date, GDH holds approximately 59.19% of the total number of issued Shares of the Company and thus, GDH is a substantial shareholder, hence a connected person of the Company. Further, GDH holds approximately 58.26% of the total number of issued shares of GDI, and GDH Energy Service is a non-wholly owned subsidiary of GDI (and, hence, also of GDH), therefore GDH Energy Service is an associate of GDH and thus a connected person of the Company. As GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food are all subsidiaries of the Company, the Further 2025 Electricity Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

On the basis that the Further 2025 Electricity Agreements and the Existing 2025 Electricity Agreements are in relation to the purchase of electricity by subsidiaries of the Company from GDH Energy Service and were entered into within a 12-month period, the transactions contemplated under the Further 2025 Electricity Agreements and the Existing 2025 Electricity Agreements have been aggregated for the purpose of Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Proposed Caps set for the Further 2025 Electricity Agreements and the Existing Caps set for the Existing 2025 Electricity Agreements (on an aggregate basis) exceeds 5%, the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps are subject to the annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Wen Yinheng abstained from voting on the Board resolutions approving the Further 2025 Electricity Agreements and the transactions contemplated thereunder due to his position in a subsidiary of GDI. Save as disclosed, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Director has any material interest in the Further 2025 Electricity Agreements and was required to abstain from voting on the relevant Board resolutions.

### **H. EGM AND PROXY ARRANGEMENT**

A notice convening the EGM to be held at the Boardroom, Basement II, Wharney Hotel, No. 57-73 Lockhart Road, Wanchai, Hong Kong on Monday, 16 June 2025 at 11:30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 11:00 a.m. on the same day and at the same place) is set out on pages 48 to 50 of this circular. At the EGM, ordinary resolutions will be proposed for the approval of the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps.

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## LETTER FROM THE BOARD

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Any Shareholder with a material interest in the Further 2025 Electricity Agreements and the transactions contemplated thereunder and its/his close associates are required to abstain from voting on the relevant proposed resolutions at the EGM. To the best knowledge of the Company, other than GDH and Mr. Tsang Hon Nam, who is a director of GDI, which respectively held 537,198,868 Shares and 300,000 Shares (representing a total of approximately 59.22% of the total number of Shares in issue of the Company) as at the Latest Practicable Date, no Shareholder is required to abstain from voting in respect of such resolutions at the EGM.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you are able to attend and vote at the EGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the EGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM (or any adjournment thereof) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

Pursuant to rule 13.39(4) of the Listing Rules, all votes of the Shareholders to be taken at the EGM shall be taken by a poll. The Company will appoint scrutineers to handle vote-taking procedures at the EGM.

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## LETTER FROM THE BOARD

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The results of the poll will be published on the websites of the Stock Exchange and the Company as soon as possible after the EGM in accordance with rule 13.39(5) of the Listing Rules.

### **I. CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining Shareholders' eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 11 June 2025 to Monday, 16 June 2025 (both days inclusive), during which period no transfers of Shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 10 June 2025.

### **J. RECOMMENDATION**

Your attention is drawn to:

- (i) the letter from the Independent Board Committee (comprising Mr. Gerard Joseph MCMAHON, Mr. LI Kar Keung, Caspar and Dr. WONG Yau Kar, David, all being independent non-executive Directors) set out in pages 24 to 25 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders concerning the fairness and reasonableness of the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps; and
- (ii) the letter from the Independent Financial Adviser set out on pages 26 to 40 of this circular which contains its recommendations to the Independent Board Committee and the Independent Shareholders on whether the terms of the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps are fair and reasonable, on normal commercial terms (or better), entered into in the ordinary and usual course of business of the Group, and are in the interest of the Company and its Shareholders as a whole, and the principal factors and reasons taken into account by the Independent Financial Adviser in arriving at its recommendations.

Based on the reasons set out hereinabove, the Board recommends the Independent Shareholders to vote in favour of the proposed ordinary resolutions set out in the notice convening the EGM in respect of the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps.



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## LETTER FROM THE BOARD

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### K. FURTHER INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,

By order of the Board

**GDH Guangnan (Holdings) Limited**

**Yang Zhe**

*Acting Chairman and General Manager*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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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)**

26 May 2025

*To the Independent Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTIONS THE FURTHER 2025 ELECTRICITY AGREEMENTS**

We refer to the circular of the Company to the Shareholders dated 26 May 2025 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise you as to whether, in our opinion, (i) the terms of the Further 2025 Electricity Agreements are fair and reasonable; (ii) the Further 2025 Electricity Agreements and the transactions contemplated thereunder are entered into on normal commercial terms (or better), and in the ordinary and usual course of business of the Group; and (iii) the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps are in the interests of the Company and its Shareholders as a whole.

Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps.

We would like to draw your attention to the letter from the Board set out on pages 8 to 23 of the Circular which contains, among other things, information on the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps, and the letter from the Independent Financial Adviser set out on pages 26 to 40 of the Circular which contains its advice in respect of the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having considered the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps, as well as the opinion and advice of the Independent Financial Adviser contained in their letter as set out on pages 26 to 40 of the Circular, we are of the opinion that (i) the terms of the Further 2025 Electricity Agreements are fair and reasonable; (ii) the Further 2025 Electricity Agreements and the transactions contemplated thereunder are entered into on normal commercial terms (or better), and in the ordinary and usual course of business of the Group; and (iii) the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps are in the interests of the Company and its Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions in respect of the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps to be proposed at the EGM.

Yours faithfully,  
For and on behalf of  
the Independent Board Committee

**Gerard Joseph MCMAHON      LI Kar Keung, Caspar      WONG Yau Kar, David**  
*Independent Non-Executive Directors*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the text of a letter of advice from Altus Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps, which have been prepared for the purpose of incorporation in this circular.*

**ALTUS**

Altus Capital Limited  
21 Wing Wo Street,  
Central, Hong Kong

26 May 2025

*To the Independent Board Committee and the Independent Shareholders*

**GDH GUANGNAN (HOLDINGS) LIMITED**

Units 2905-08, 29th Floor  
Shui On Centre, 6-8 Harbour Road  
Wanchai, Hong Kong

Dear Sirs and Madams,

**CONTINUING CONNECTED TRANSACTIONS  
THE FURTHER 2025 ELECTRICITY AGREEMENTS**

**INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps, details of which are set out in the “Letter from the Board” contained in the circular of the Company dated 26 May 2025 (the “**Circular**”). Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the announcement of the Company dated 23 December 2024 in relation to the Existing 2025 Electricity Agreements, pursuant to which each of GDH Zhongyue (a wholly-owned subsidiary of the Company), GDH Food Foshan, Runhehe Food and Guanglong Food (all being non-wholly owned subsidiaries of the Company) has been purchasing electricity (through the power grid operated by Guangdong Power Grid) from GDH Energy Service from 1 January 2025 to 30 June 2025.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In order to continue with such arrangements, on 29 April 2025, (i) GDH Zhongyue entered into the Further 2025 GDH Zhongyue Electricity Agreement with GDH Energy Service; (ii) GDH Food Foshan entered into the Further 2025 GDH Food Foshan Electricity Agreement with GDH Energy Service; (iii) Runhehe Food entered into the Further 2025 Runhehe Food Electricity Agreement with GDH Energy Service; and (iv) Guanglong Food entered into the Further 2025 Guanglong Food Electricity Agreement with GDH Energy Service, pursuant to which each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food agreed to purchase, and GDH Energy Service agreed to supply, electricity during the term from 1 July 2025 to 31 December 2025.

### LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, GDH holds approximately 59.19% of the total number of issued shares of the Company and thus, GDH is a substantial shareholder, hence a connected person of the Company. Further, GDH holds approximately 58.26% of the total number of issued shares of GDI, and GDH Energy Service is a non-wholly owned subsidiary of GDI (and, hence, also of GDH), therefore GDH Energy Service is an associate of GDH and thus a connected person of the Company. As GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food are all subsidiaries of the Company, the Further 2025 Electricity Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

On the basis that the Further 2025 Electricity Agreements and the Existing 2025 Electricity Agreements are in relation to the purchase of electricity by subsidiaries of the Company from GDH Energy Service and were entered into within a 12-month period, the transactions contemplated under the Further 2025 Electricity Agreements and the Existing 2025 Electricity Agreements have been aggregated for the purpose of Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Proposed Caps set for the Further 2025 Electricity Agreements and the Existing Caps set for the Existing 2025 Electricity Agreements (on an aggregate basis) exceeds 5%, the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps are subject to the annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Gerard Joseph MCMAHON, Mr. LI Kar Keung, Caspar and Dr. WONG Yau Kar, David, has been established to advise the Independent Shareholders as to (i) whether the Further 2025 Electricity Agreements and the transactions contemplated thereunder are conducted in the Group's ordinary and usual course of business and are in the interests of the Company and the Shareholders as a whole; (ii) whether the terms of the Further 2025 Electricity Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (iii) whether the Proposed Caps are fair and reasonable; and (iv) how to vote in respect of the ordinary resolutions to be proposed at the EGM approving the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps (the "**Resolutions**"), taking into account the recommendation of the Independent Financial Adviser.

### THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to (i) whether the Further 2025 Electricity Agreements and the transactions contemplated thereunder are conducted in the Group's ordinary and usual course of business and are in the interests of the Company and the Shareholders as a whole; (ii) whether the terms of the Further 2025 Electricity Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (iii) whether the Proposed Caps are fair and reasonable; and (iv) how the Independent Shareholders should vote in respect of the Resolutions.

We acted as the independent financial adviser for the Company with regards to the continuing connected transactions in relation to the purchase of electricity, details of which were set out in the circulars of the Company dated 22 May 2023 and 26 April 2024 respectively. Save for the aforesaid transactions, we have not acted as independent financial adviser or financial adviser in relation to any transactions of the Company in the last two years prior to the date of the Circular. Pursuant to Rule 13.84 of the Listing Rules, and given that remuneration for our engagement to opine on the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps is at market level and not conditional upon successful passing of the Resolutions, and that our engagement is on normal commercial terms, we are independent of the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others (i) the Further 2025 Electricity Agreements; (ii) the Existing 2025 Electricity Agreements; (iii) the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”); (iv) the announcement of the Company dated 23 December 2024 in relation to the Existing 2025 Electricity Agreements; and (v) other information as set out in the Circular.

We have also relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Group (the “**Management**”). We have assumed that all the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and will continue to be so up to the date of EGM. The Directors collectively and individually accept full responsibility, including particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular misleading.

We have no reason to believe that any such statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render them untrue, inaccurate or misleading.

We consider that we have been provided with, and have reviewed, sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business, financial conditions and affairs or future prospects of the Group.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

#### 1. Background

##### *1.1 Principal businesses of the Group and connected persons*

The Group is principally engaged in the distribution and trading of fresh and live foodstuffs, provision of slaughtering service, manufacturing and sale of tinplate products and property leasing.

GDH Zhongyue is principally engaged in the production and sale of tinplate products and property leasing.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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GDH Food Foshan is principally engaged in the business of food production, food sales, livestock slaughtering, distribution and transportation services and cryogenic storage.

Runhehe Food is principally engaged in the livestock slaughtering and the operation of slaughterhouse.

Guanglong Food is principally engaged in the pig slaughtering business.

GDH Energy Service is principally engaged in sale of electricity.

Taking into account the principal businesses of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food as described above, we consider that electricity is the major source of power for their respective operations and it is within their ordinary and usual course of businesses to purchase electricity for operational use.

### ***1.2 The previous electricity agreements***

To enable GDH Zhongyue to secure stable electricity supply for its normal business operations at a fair, reasonable and competitive price, GDH Zhongyue entered into electricity agreements with GDH Energy Service since 2018 with consecutive renewals.

As announced by the Company on 15 December 2023, in view of the operational needs of GDH Food Foshan, Runhehe Food and Guanglong Food, and considering that the unit price offered by GDH Energy Service was lower than those of their then existing electricity suppliers, each of GDH Food Foshan, Runhehe Food and Guanglong Food commenced purchase of electricity from GDH Energy Service since the beginning of 2024.

As the Existing 2025 Electricity Agreements will expire on 30 June 2025, the Further 2025 Electricity Agreements represent a continuation of the existing arrangements in respect of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food's purchase of electricity from GDH Energy Service.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2. The Further 2025 Electricity Agreements

To assess the fairness and reasonableness of the terms of the Further 2025 Electricity Agreements, we have considered the followings.

#### **2.1 Key terms of the Further 2025 Electricity Agreements**

For details of the terms of the Further 2025 Electricity Agreements, please refer to the “Letter from the Board” of the Circular. As the principal terms of each of the Further 2025 Electricity Agreements are substantially the same, our analysis of their fairness and reasonableness will be of similar focus and approach.

- (i) The amount of electricity transacted shall be the actual volume of electricity consumed by GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food and in any event not exceeding 45,000,000 kWh, 9,720,000 kWh, 3,420,000 kWh and 680,000 kWh respectively for the six months ending 31 December 2025.

We have performed random sample checks as further elaborated in the paragraph headed “2.2 Internal controls” below and noted that the amount of electricity is being charged according to GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food’s actual volume of electricity consumed. Taking into account the actual electricity consumption for the year ended 31 December 2024 as elaborated in the paragraph headed “2.4 The Proposed Caps” below and the potential business growth, the maximum volume of electricity to be consumed by GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food for the six months ending 31 December 2025 provides an assurance to each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food on the continued supply of electricity, which is a key power supply for their operations. In addition, there is no obligation for GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food to use up the maximum volume of electricity as stipulated in the Further 2025 Electricity Agreements.

- (ii) Unit price of electricity transacted shall be calculated (i) as for 90% of the monthly consumption, at the agreed price for the standard period (being RMB0.399 per kWh), multiplied by the coefficient corresponding to the peak, standard or off-peak period in which the relevant electricity consumption takes place; and (ii) as to the remaining 10% of the monthly consumption, at a price based on the monthly weighted average consolidated tariff in the day-ahead market (日前市場月度加權平均綜合價), multiplied by a coefficient corresponding to the peak, standard or off-peak period in which the relevant electricity consumption takes place.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We understand that the above pricing mechanism is being formulated in compliance with the guidelines issued by the relevant authorities in the PRC. Further, we understand that the Company has obtained two quotations from other electricity suppliers in the Guangdong Province, which are independent third parties, in addition to the quotation obtained from GDH Energy Service. Therefore, a total of three quotations have been obtained by the Company. We understand that the Company has selected these electricity suppliers based on their locations (i.e. in the Guangdong Province) and their capacity to supply the required volume of electricity to GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food. We consider that the quotations obtained by the Company is reasonable in assessing the fairness and reasonableness of the unit price offered by GDH Energy Service. We have reviewed all of the three quotations and noted that the unit price offered by GDH Energy Service is no less favourable to the Group than those offered by independent third parties. Therefore, we consider that the unit price is fair and reasonable.

- (iii) The electricity fee payable by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food (as the case may be) shall be settled with Guangdong Power Grid (being a third party independent of and not connected with the Group) on a monthly basis, which shall in turn be payable by Guangdong Power Grid to GDH Energy Service after deduction of the Power Grid Fees charged by Guangdong Power Grid. The amount to be received by GDH Energy Service under the respective Further 2025 Electricity Agreements shall therefore be the remainder of the said electricity fee.

In light of the above, (i) the fees payable are based on the actual volume of electricity consumed by GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food respectively; (ii) the maximum volume of electricity to be consumed by GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food for the six months ending 31 December 2025 provide assurance on the continued supply of electricity, which is a key power supply for their operations; (iii) there are no obligations for GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food to use up the respective maximum volume of electricity; (iv) the unit price offered by GDH Energy Service is no less favourable to the Group than those offered by independent third parties; and (v) the fees are settled on a monthly basis first with Guangdong Power Grid, which is in line with the regulations issued by Guangdong Power Exchange Centre, we consider that the terms of the Further 2025 Electricity Agreements are on normal commercial terms and are fair and reasonable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### **2.2 Internal controls**

We have obtained and reviewed the Group's internal control procedures and noted that, amongst others, the finance department of the Group will conduct monthly tracking, monitoring and verification of the progress of the Group's transactions in relation to the purchase of electricity from GDH Energy Service. In this regard, as mentioned in the paragraph headed "2.1 Key terms of the Further 2025 Electricity Agreements" above, we have performed sample checks on a total of 16 monthly electricity bills on the following basis: for each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food, three monthly electricity bills are randomly selected for the year of 2024 and one monthly electricity bill is randomly selected for the year of 2025 (up to date) respectively. We have cross-checked the electricity usage as stipulated in the electricity bills with the monthly breakdown of electricity transacted with GDH Energy Service, which we understand from the Management that such data has been confirmed with GDH Energy Service on a monthly basis. We noted that the electricity usage data are in line and therefore, believe that the amount of electricity is being charged according to the respective actual volume of electricity consumed by GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food.

We also note that the Group has internal control procedures to obtain quotation(s) from independent electricity supplier(s) prior to entering into the electricity agreements with GDH Energy Service. In this regard, as discussed in the paragraph headed "2.1 Key terms of the Further 2025 Electricity Agreements" above, we understand that the Company has obtained two quotations from other independent electricity suppliers, in addition to the quotation obtained from GDH Energy Service (i.e. a total of three quotations have been obtained). We have obtained and reviewed the quotations and noted that the unit price offered by GDH Energy Service is no less favourable to the Group than those offered by independent third parties. In addition, the audit committee of the Board will continue to conduct review of the continuing connected transactions contemplated under the Further 2025 Electricity Agreements to ensure the completeness and effectiveness of the internal control measures of the Group.

In view of the above, we concur with the Management's view that the Group's internal control measures in relation to the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the monitoring of the Proposed Caps are effective and sufficient.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### ***2.3 Reasons for and benefits of the Further 2025 Electricity Agreements***

With reference to the paragraph headed “1.1 Principal businesses of the Group and connected persons” above, (i) GDH Zhongyue is the principal subsidiary of the Group engaging in tinplating business; and (ii) GDH Food Foshan, Runhehe Food and Guanglong Food are the principal subsidiaries of the Group engaging in fresh and live foodstuffs business.

According to the 2024 Annual Report, we note that the tinplating business and fresh and live foodstuffs business are the principal activities of the Group contributing approximately 17.0% and 82.9% to its total revenue during the year ended 31 December 2024 respectively. Considering that electricity is the vital source of power for operations for both the tinplating business and fresh and live foodstuffs business, securing the supply of electricity at a fair, reasonable and competitive price will help to control the operating costs and is beneficial to the Group’s business operations and financial performance.

Further, as mentioned in the paragraph headed “1.2 The previous electricity agreements” above, the Group has procured electricity from GDH Energy Service since 2018 with consecutive renewals. With such business relationship and proven track record in business transactions between the Group and GDH Energy Service, we note from the Management that electricity supplied by GDH Energy Service has been stable, providing reliable support for the Group’s operations at competitive prices. Therefore, in view of the benefits that can be brought to the Group as elaborated above, the continuity of the business relationship with GDH Energy Service is beneficial to the development of the Group.

In view of the above, we concur with the Management’s view that the entering into of the Further 2025 Electricity Agreements are in the interests of the Company and the Shareholders as a whole.

### ***2.4 The Proposed Caps***

In general, the Proposed Caps in relation to the purchase of electricity by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food from GDH Energy Service is determined, principally, with reference to their respective estimated maximum electricity consumption (in terms of kWh). Such maximum electricity consumption amounts are included in the Existing 2025 Electricity Agreements and the Further 2025 Electricity Agreements.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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(i) *Historical caps*

Below is a table setting out (i) the historical transaction amounts; (ii) the historical annual caps; (iii) the corresponding maximum usage in electricity; and (iv) the actual usage in electricity, for the year ended 31 December 2024.

	<b>For the year ended 31 December 2024</b>
<i>GDH Zhongyue</i>	
Historical transaction amount (RMB)	37,057,000
Historical annual cap (RMB)	39,350,000
<b>Utilisation rate</b>	<b>94.2%</b>
Actual usage of electricity (kWh)	82,543,000
Maximum usage of electricity (kWh)	83,000,000
<b>Utilisation rate</b>	<b>99.4%</b>
<i>GDH Food Foshan</i>	
Historical transaction amount (RMB)	7,038,000
Historical annual cap (RMB)	9,310,000
<b>Utilisation rate</b>	<b>75.6%</b>
Actual usage of electricity (kWh)	15,777,000
Maximum usage of electricity (kWh)	19,600,000
<b>Utilisation rate</b>	<b>80.5%</b>
<i>Runhehe Food</i>	
Historical transaction amount (RMB)	2,141,000
Historical annual cap (RMB)	3,729,200
<b>Utilisation rate</b>	<b>57.4%</b>
Actual usage of electricity (kWh)	5,169,000
Maximum usage of electricity (kWh)	8,150,000
<b>Utilisation rate</b>	<b>63.4%</b>

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**For the year  
ended  
31 December  
2024**

*Guanglong Food*

Historical transaction amount (RMB)	405,000
Historical annual cap (RMB)	574,000

**Utilisation rate** **70.6%**

Actual usage of electricity (kWh)	1,028,000
Maximum usage of electricity (kWh)	1,250,000

**Utilisation rate** **82.2%**

As shown in the above table, for the year ended 31 December 2024, the utilisation rates of historical annual caps for each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food ranged from approximately 57.4% to 94.2%, while the underlying electricity consumption ranged from approximately 63.4% to 99.4% of the corresponding maximum limits respectively.

According to the 2024 Annual Report, the Group's revenue generated from the tinplating segment decreased by approximately 9.7% to approximately HK\$2,032 million in 2024 as compared to 2023. Such decrease was mainly due to the drop in selling price of tinplate products resulted from intensified competition of the tinplating industry. In terms of production volume, the Group produced around 290,000 tonnes of tinplate products in 2024, at the same level to that in 2023. As the integral part of production capacity for the Group's tinplate products, GDH Zhongyue's actual electricity usage remained at a relatively high level as compared to the historical annual cap.

In terms of the Group's fresh and live foodstuffs business, it recorded revenue growth of approximately 22.3% to approximately HK\$9,929 million in 2024 as compared to 2023. In terms of live pig slaughtering volume, we note from the 2024 Annual Report that it exceeded three million heads in 2024, enabling the Group to rank among one of the top in terms of slaughtering volume in the Guangdong Province. Coupled with the Group's continuous expansion strategy of the slaughtering business, it is expected that each of GDH Food Foshan, Runhehe Food and Guanglong Food would continue to require substantial volume of electricity in 2025 to support the operations of their respective slaughterhouses.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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(ii) *Proposed Caps*

**For the six  
months ending  
31 December  
2025**

*GDH Zhongyue*

The Proposed Cap (RMB)	18,510,000
Maximum usage of electricity (kWh)	45,000,000

*GDH Food Foshan*

The Proposed Cap (RMB)	4,070,000
Maximum usage of electricity (kWh)	9,720,000

*Runhehe Food*

The Proposed Cap (RMB)	1,430,000
Maximum usage of electricity (kWh)	3,420,000

*Guanglong Food*

The Proposed Cap (RMB)	285,000
Maximum usage of electricity (kWh)	680,000

<b>The Proposed Caps (RMB)</b>	<b>24,295,000</b>
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We understand from the Management that the Proposed Caps of RMB24,295,000 for the six months ending 31 December 2025 is derived based on (i) the estimated maximum volume of electricity to be consumed by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food for the six months ending 31 December 2025 (to be further discussed below); and (ii) the pricing mechanism as elaborated in the paragraph headed “2.1 Key terms of the Further 2025 Electricity Agreements” above, which we understand that such pricing mechanism is being formulated in compliance with the guidelines issued by the relevant authorities in the PRC. In this regard, we have obtained and reviewed the aforesaid guidelines and noted that the pricing mechanism adopted for calculating the Proposed Caps is in line with that as stipulated in the guidelines. For information about the aforesaid guidelines, please refer to the paragraph headed “Basis of determination of the Proposed Caps” in the “Letter from the Board” of the Circular.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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With respect to the estimated maximum volume of electricity to be consumed by each of GDH Zhongyue, GDH Food Foshan, Runhehe Food and Guanglong Food, we have considered the followings:

- **GDH Zhongyue:** the total estimated maximum level of electricity to be consumed for the year ending 31 December 2025 is 88,000,000 kWh (i.e. 43,000,000 kWh + 45,000,000 kWh pursuant to the Existing 2025 GDH Zhongyue Electricity Agreement and the Further 2025 GDH Zhongyue Electricity Agreement). Such maximum level represents an increase of approximately 6.6% over the actual electricity consumption by GDH Zhongyue for the year ended 31 December 2024. We consider that such increase is reasonable to provide an assurance to GDH Zhongyue in light of the potential growth in tinplating business. In this regard, we note from the 2024 Annual Report that it is the Group’s strategy to (a) enrich its tinplating product mix; and (b) enhance its tinplating product quality so as to achieve market expansion to enlarge customer base, which in turn may increase demand for GDH Zhongyue’s electricity consumption.
- **GDH Food Foshan:** the total estimated maximum level of electricity to be consumed for the year ending 31 December 2025 is 18,820,000 kWh (i.e. 9,100,000 kWh + 9,720,000 kWh pursuant to the Existing 2025 GDH Food Foshan Electricity Agreement and the Further 2025 GDH Food Foshan Electricity Agreement). Such maximum level represents an increase of approximately 19.3% over the actual electricity consumption by GDH Food Foshan for the year ended 31 December 2024. Taking into account the approximate 22.3% increase in segment revenue of fresh and live foodstuffs business and the substantial live pig slaughtering volume in 2024 as discussed in the paragraph headed “2.4(i) Historical caps” above, as well as the Group’s continuous expansion strategy of the slaughtering business as mentioned in the 2024 Annual Report, we consider that such level of increase is reasonable to provide an assurance to GDH Food Foshan to accommodate the potential growth in electricity demand required to support the operation of its fresh and live foodstuffs business, in particular, the slaughterhouse.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- **Runhehe Food:** the total estimated maximum level of electricity to be consumed for the year ending 31 December 2025 is 6,170,000 kWh (i.e. 2,750,000 kWh + 3,420,000 kWh pursuant to the Existing 2025 Runhehe Food Electricity Agreement and the Further 2025 Runhehe Food Electricity). Such maximum level represents an increase of approximately 19.4% over the actual electricity consumption by Runhehe Food for the year ended 31 December 2024. By virtue of the same reasons as discussed above, we consider that such maximum level of electricity is reasonable to provide an assurance to Runhehe Food to accommodate the potential growth in electricity demand required to support the operation of its slaughterhouse. We note that the utilisation rates of historical annual cap and the underlying electricity consumption for Runhehe Food in 2024 were relatively low at approximately 57.4% and 63.4% respectively, as illustrated in the paragraph headed “2.4(i) Historical caps” above. As such, both the annual cap and maximum usage of electricity for the year ending 31 December 2025 have been reduced as compared to those in 2024. The annual cap has been reduced from RMB3,729,200 for the year ended 31 December 2024 to RMB2,570,000 (i.e. RMB1,140,000 + RMB1,430,000) for the year ending 31 December 2025; while the maximum usage of electricity has been reduced from 8,150,000 kWh for the year ended 31 December 2024 to 6,170,000 kWh for the year ending 31 December 2025.
- **Guanglong Food:** the total estimated maximum level of electricity to be consumed for the year ending 31 December 2025 is 1,230,000 kWh (i.e. 550,000 kWh + 680,000 kWh pursuant to the Existing 2025 Guanglong Food Electricity Agreement and the Further 2025 Guanglong Food Electricity). Such maximum level represents an increase of approximately 19.6% over the actual electricity consumption by Guanglong Food for the year ended 31 December 2024. By virtue of the same reasons as discussed above, we consider that such maximum level of electricity is reasonable to provide an assurance to Guanglong Food to accommodate the potential growth in electricity demand required to support the operation of its slaughterhouse.

Taking into account the above, we are of the view that the Proposed Caps have been fairly and reasonably arrived at.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RECOMMENDATION

Having considered the above principal factors, we are of the view that (i) the Further 2025 Electricity Agreements and the transactions contemplated thereunder are conducted in the Group's ordinary and usual course of business and are in the interests of the Company and the Shareholders as a whole; (ii) the terms of the Further 2025 Electricity Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the Proposed Caps have been fairly and reasonably arrived at.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the Resolutions approving the Further 2025 Electricity Agreements, the transactions contemplated thereunder and the Proposed Caps to be proposed at the EGM.

Yours faithfully,  
For and on behalf of  
**Altus Capital Limited**

**Jeanny Leung**  
Responsible Officer

*Ms. Jeanny Leung (“**Ms. Leung**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 30 years of experience in corporate finance advisory and commercial field in Greater China, in particular, she has participated in sponsorship work for initial public offerings and acted as financial advisor or independent financial advisor in various corporate finance transactions.*

**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**2. INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or the chief executive of the Company were taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

**Interests and short positions in the Company**

Name of Director	Capacity/ nature of interests	Number of Shares held	Long/short position	Approximate percentage of interests held <sup>(Note)</sup>
LI Kar Keung, Caspar	Personal	100,000	Long position	0.011%

*Note:* The approximate percentage of interests held was calculated on the basis of 907,593,285 Shares in issue as at the Latest Practicable Date.

**Interests and short positions in GDI**

Name of Director	Capacity/ nature of interests	Number of shares held	Long/short position	Approximate percentage of interests held <sup>(Note)</sup>
Yu Huijuan	Personal	208,000	Long position	0.003%

*Note:* The approximate percentage of interests held was calculated on the basis of 6,537,821,440 ordinary shares of GDI in issue as at the Latest Practicable Date.

**Interests and short positions in Guangdong Land Holdings Limited**

Name of Director	Capacity/ nature of interests	Number of shares held	Long/short position	Approximate percentage of interests held <sup>(Note 1)</sup>
Yu Huijuan	Personal & family <sup>(Note 2)</sup>	1,336,144	Long position	0.08%

*Notes:*

1. The approximate percentage of interests held was calculated on the basis of 1,711,536,850 ordinary shares of Guangdong Land Holdings Limited in issue as at the Latest Practicable Date.
2. Ms. Yu Huijuan held personal interests in 886,144 ordinary shares as a beneficial owner and family interests in 450,000 ordinary shares held by her spouse.

Save as disclosed above, as at the Latest Practicable Date, to the knowledge of the Company, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

### 3. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than Directors or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Type of securities	Number of securities held	Long/Short position	Approximate percentage of interest held (Note 1)
Guangdong Holdings (Note 2)	Shares	537,198,868	Long position	59.19%
GDH (Note 2)	Shares	537,198,868	Long position	59.19%

*Notes:*

1. The approximate percentage of interests held was calculated on the basis of 907,593,285 Shares in issue as at the Latest Practicable Date.
2. The attributable interest which Guangdong Holdings has in the Company is held through its wholly-owned subsidiary, namely GDH.

As at the Latest Practicable Date, so far as is known to the Directors, the following Director held offices in one of the substantial shareholders of the Company set out in this section 3:

Name of Director	Positions held
Ms. Yu Huijuan	Senior expert and deputy general manager in the strategic development department of Guangdong Holdings

## APPENDIX

## GENERAL INFORMATION

Save as disclosed below, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no other person (other than a Director or chief executive of the Company) was directly or indirectly interested in 10% or more of the issued shares carrying rights to vote in all circumstances at general meetings of other member(s) of the Group or had any option in respect of such issued shares:

Name of shareholder interested in 10% or more of the subsidiary of the Company	Name of subsidiary of the Company	Long/short position	Percentage of interests held by that shareholder
Nanhai Investment	粵海食品(佛山)有限公司 (GDH Food (Foshan) Co., Ltd.*)	Long position	35%
Skymax Trading Limited	GDH Guangnan Live Pigs Trading Limited	Long position	49%
Mr. Ngan Yik Kuen (顏驛權先生)	Brilliant Food Products Limited	Long position	30%
珠海市凱博農牧有限公司 (Zhuhai Kaibo Farming Company Limited*) (“ <b>Zhuhai Kaibo</b> ”) <sup>(Note)</sup>	GDH Dezhirun Food	Long position	17.33%
Ms. Yan Dandan (顏丹丹女士) <sup>(Note)</sup>	GDH Dezhirun Food	Long position	34%
珠海華川農產品有限公司 (Zhuhai Huachuan Agricultural Products Co., Ltd.*)	粵海民源食品(珠海)有限公司 (GDH Minyuan Food (Zhuhai) Co., Ltd.*)	Long position	20%
珠海利之人諮詢服務有限公司 (Zhuhai Lizhiren Consulting Service Co., Ltd.*)	粵海利之源農產品(珠海)有限公司 (GDH Lizhiyuan Agricultural Products (Zhuhai) Co., Ltd.*) (“ <b>GDH Lizhiyuan</b> ”)	Long position	35%
珠海弘牧農產品有限公司 (Zhuhai Hongmu Agricultural Products Co., Ltd.*)	GDH Lizhiyuan	Long position	10%
珠海小眾網絡科技有限公司 (Zhuhai Xiaozhong Network Technology Co., Ltd.*)	粵海利昌食品(珠海)有限公司 (GDH Lichang Food (Zhuhai) Co., Ltd.*)	Long position	33%
中山市儒子牛餐飲管理有限公司 (Zhongshan Ruziniu Catering Management Co., Ltd.*)	粵海儒子源食品(珠海)有限公司 (GDH Ruziyuan Food (Zhuhai) Co., Ltd.*)	Long position	45%
廣州鄉下生鮮貿易有限公司	粵海食品(廣州)有限公司 (GDH Food (Guangzhou) Co., Ltd.*)	Long position	49%
Ms. Li Xiaoling (李小玲女士)	Superior Victory Limited	Long position	30%
佛山市南海區夢里水鄉置業投資有限公司 (Foshan City Nanhai District Mengli Shuixiang Property Investment Co., Ltd.*)	粵海里水食品(佛山)有限公司 (GDH Lishui Food (Foshan) Co., Ltd.*) (“ <b>GDH Lishui Food</b> ”)	Long position	35%
Nanhai Investment	GDH Lishui Food	Long position	22.75%

**Note:** Ms. Yan Dandan was beneficially interested in 100% equity interest of Zhuhai Kaibo. Accordingly, Ms. Yan Dandan was deemed to be interested in Zhuhai Kaibo’s interest in GDH Dezhirun Food. Further, by virtue of Ms. Yan Dandan’s interests in GDH Dezhirun Food, Ms. Yan Dandan was also indirectly interested in the wholly-owned and non-wholly owned subsidiaries of GDH Dezhirun Food.

Save as disclosed herein, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, there was no other person, other than Directors or chief executive of the Company and (in the case of the other members of the Group) other than the Company, who had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO.

#### **4. MATERIAL ADVERSE CHANGE**

The Directors confirm that, as at the Latest Practicable Date, they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

#### **5. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered or were proposing to enter into a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

#### **6. DIRECTORS' INTEREST IN CONTRACTS**

As at the Latest Practicable Date:

- (i) none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up; and
- (ii) none of the Directors were materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and was significant in relation to the business of the Group.

**7. DIRECTORS' INTEREST IN COMPETING BUSINESS**

As at the Latest Practicable Date and so far as the Directors were aware, none of the Directors or their respective close associates had an interest in any business that competes with or is likely to compete with the business of the Company.

**8. LITIGATION**

As at the Latest Practicable Date, so far as was known to the Directors, none of the members of the Group were engaged in any litigation, arbitration or administration proceedings of material importance and there were no litigation, arbitration or administration proceedings or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

**9. QUALIFICATION AND CONSENT OF THE EXPERT**

- (i) The following is the qualification of the expert who has given opinion or advice which is contained herein:

<b>Name</b>	<b>Qualification</b>
Altus Capital Limited	A corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

- (ii) As at the Latest Practicable Date, the Independent Financial Adviser did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any interest, direct or indirect, in any assets which had, since the date to which the latest published audited consolidated financial statements of the Company were made up, been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.
- (iii) The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which they appear. The letter of the Independent Financial Adviser contained herein was issued on 26 May 2025 and was made by the Independent Financial Adviser for incorporation in this circular.



**10. GENERAL**

- (i) The company secretary of the Company is Mr. Chau Wang Kei, a member of the Hong Kong Institute of Certified Public Accountants and a Chartered Financial Analyst.
- (ii) The registered office of the Company is situated at Units 2905-08, 29th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.

**11. DOCUMENT ON DISPLAY**

An electronic copy of each of the Further 2025 Electricity Agreements will be published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.gdguangnan.com>) for a period of 14 days from the date of this circular.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of GDH Guangnan (Holdings) Limited (the “**Company**”) will be held at the Boardroom, Basement II, Wharney Hotel, No. 57-73 Lockhart Road, Wanchai, Hong Kong on Monday, 16 June 2025 at 11:30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 11:00 a.m. on the same day and at the same place and at any adjournment thereof) for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company. Unless otherwise specified, capitalised terms defined in the circular dated 26 May 2025 issued by the Company (the “**Circular**”) shall have the same meanings when used herein.

### ORDINARY RESOLUTIONS

1. “**THAT** the Further 2025 GDH Zhongyue Electricity Agreement, the transactions contemplated thereunder and the relevant Proposed Cap be and are hereby approved and confirmed.”
2. “**THAT** the Further 2025 GDH Food Foshan Electricity Agreement, the transactions contemplated thereunder and the relevant Proposed Cap be and are hereby approved and confirmed.”
3. “**THAT** the Further 2025 Runhehe Food Electricity Agreement, the transactions contemplated thereunder and the relevant Proposed Cap be and are hereby approved and confirmed.”
4. “**THAT** the Further 2025 Guanglong Food Electricity Agreement, the transactions contemplated thereunder and the relevant Proposed Cap be and are hereby approved and confirmed.”

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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5. “**THAT** any one director of the Company be and is hereby authorized to take up any steps and execute such other documents as they consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the Further 2025 Electricity Agreements or the transactions contemplated thereunder.”

By Order of the Board  
**GDH Guangnan (Holdings) Limited**  
**Yang Zhe**  
*Acting Chairman and General Manager*

Hong Kong, 26 May 2025

*Registered Office:*

Units 2905-08, 29th Floor  
Shui On Centre  
6-8 Harbour Road, Wanchai  
Hong Kong

*Notes:*

- (a) A shareholder entitled to attend and vote at the EGM may appoint a proxy to attend and vote in his place and such proxy needs not be a shareholder of the Company. A shareholder holding two or more shares may appoint more than one proxy.
- (b) A form of proxy is enclosed. To be valid, the form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority) must be delivered to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or adjourned meeting. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the meeting or any adjourned meeting if he so wishes. If a shareholder who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.
- (c) In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person, or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.
- (d) In order to qualify for attending and voting at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 10 June 2025.
- (e) The register of members of the Company will be closed from Wednesday, 11 June 2025 to Monday, 16 June 2025 (both days inclusive), for the purpose of determining shareholders' eligibility to attend and vote at the EGM, during which period no transfers of shares will be registered. Holders of shares of the Company whose names appear on the register of members of the Company on Monday, 16 June 2025 (i.e. the record date) are entitled to attend and vote at the EGM following completion of the registration procedures of the share transfers.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (f) Pursuant to Rule 13.39(4) of the Listing Rules, the resolutions set out in this notice will be voted by way of a poll.
- (g) If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in force in Hong Kong at 9:00 a.m. on the date of the EGM, the EGM will be automatically adjourned. The Company will post an announcement on the websites of the Company and the Stock Exchange to notify shareholders of the date, time and place of the rescheduled meeting.

*As at the date of this notice, the Board is composed of two executive Directors, namely Mr. YANG Zhe and Mr. CHAU Wang Kei; 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.*