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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)

DISCLOSEABLE TRANSACTION CONSTRUCTION AGREEMENT IN RELATION TO THE LISHUI FOOD INDUSTRIAL PARK PROJECT

THE CONSTRUCTION AGREEMENT

Reference is made to the announcements of the Company dated 27 December 2024 and 6 August 2025 in relation to the formation of GDH Lishui Food and the acquisition of the land use rights of the Land in Lishui Town, Foshan City by GDH Lishui Food, respectively.

The Board is pleased to announce that, on 22 September 2025, following a tendering process, GDH Lishui Food, an indirect non-wholly owned subsidiary of the Company, entered into the Construction Agreement with the Contractors, being the successful bidders in the tendering process, pursuant to which the Contractors will provide design and construction services to GDH Lishui Food at the Consideration of RMB109,828,000 (equivalent to approximately HK\$120,481,000) for the development of a slaughterhouse and ancillary facilities on the Land.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in relation to the Construction Agreement exceeds 5% but are all less than 25%, the transaction contemplated under the Construction Agreement constitutes a discloseable transaction and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

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The principal terms of the Construction Agreement are as follows:

Date: 22 September 2025

Parties:

- (1) GDH Lishui Food, an indirect non-wholly owned subsidiary of the Company;
- (2) China Railway First Group, as lead Contractor;
- (3) Hua Shang International Engineering, as Contractor; and
- (4) Guangdong Architectural Design and Research Institute, as Contractor.

Subject matter: China Railway First Group will be responsible for the construction of the slaughterhouse and ancillary facilities for the Project located on the Land in Lishui Town, Nanhai District, Foshan City, Guangdong Province, the PRC* (中國廣東省佛山市南海區里水鎮), whereas Hua Shang International Engineering and Guangdong Architectural Design and Research Institute will be responsible for the design of the Project.

Each of the Contractors will bear joint and several liability under the Construction Agreement.

Construction period: The works are expected to be completed within 290 days after the date specified in the design commencement instruction given by GDH Lishui Food in accordance with the Construction Agreement.

The works consist of two phases:

Phase I: The portion of the Project comprising the design of the Project and construction of the core industrial and processing facilities, and all associated infrastructure and site works required for their completion and operation.

Phase II: The other portion of the Project comprising the construction of the office building, dormitory building, additional roads, and all associated infrastructure and site works required for the completion and operation of these facilities.

Consideration:

The Consideration payable to the Contractors pursuant to the Construction Agreement shall be RMB109,828,000 (equivalent to approximately HK\$120,481,000).

The Consideration was determined based on the tender price provided by the Contractors, and the Construction Agreement was awarded to the Contractors by GDH Lishui Food after the tendering process. GDH Lishui Food has assessed, among other factors, the experience and capability of the Contractors, the design proposed by the Contractors, and the expected scope, complexity and costs of the construction works to be undertaken.

The Consideration is expected to be funded by the internal resources and/or borrowings of the Group.

Payment terms:

The Consideration consists of (a) the design fee of RMB1,607,000 (equivalent to approximately HK\$1,763,000) and (b) the construction and installation fee of RMB108,221,000 (equivalent to approximately HK\$118,718,000) as defined in the Construction Agreement.

GDH Lishui Food shall pay the design fee to the Contractors as follows:

- (1) 60% upon submission and approval of the construction drawings;
- (2) 15% upon topping out the main structure of Phase I, and a further 5% upon topping out the main structure of Phase II; and
- (3) upon completion and acceptance of the Project, 17% of the total design fee within 45 days, with the remaining 3% retained as a quality guarantee. This retention will be released together with the retention for the construction and installation fee following expiry of the defects liability period.

GDH Lishui Food shall pay the construction and installation fee to the Contractors as follows:

- (1) before the re-measurement of the contract bill of quantities has been confirmed by GDH Lishui Food, progress payment shall be made based on 70% of the price corresponding to qualified works minus labour costs already paid as approved by GDH Lishui Food;
- (2) after the re-measurement of the contract bill of quantities has been confirmed by GDH Lishui Food, but prior to the signing of a supplemental agreement pursuant to the Construction Agreement in relation to, among other things, the final contract price (the “**Supplemental Agreement**”), progress payment shall be made based on 75% of the price corresponding to qualified works minus labour costs already paid as approved by GDH Lishui Food;
- (3) upon signing of the Supplemental Agreement, progress payment shall be made based on 80% of the price corresponding to qualified works minus labour costs already paid as approved by GDH Lishui Food;
- (4) upon overall completion and acceptance of the Project and the acquisition of all relevant certificates, progress payment shall be made based on 85% of the confirmed construction price as agreed under the Supplemental Agreement minus deductible amounts (if any);
- (5) upon completion of construction filing, removal of all equipment, machineries, materials and other articles of the Contractors from the worksite and delivery of all the completion information to GDH Lishui Food and the construction supervisor, progress payment shall be made based on 90% of the confirmed construction price minus deductible amounts (if any) in respect of the completion information as reviewed and confirmed by GDH Lishui Food and the construction supervisor; and
- (6) upon approval of completion settlement and confirmation that there are no outstanding issues, payment shall be made based on 97% of the confirmed construction price minus deductible amounts (if any). The remaining 3% of the confirmed construction price, being quality guarantee, minus deductible amounts (if any) shall be paid to the Contractors after the expiry of the defects liability period.

**Performance guarantee
and payment guarantee:**

The Contractors are required to provide a performance guarantee in the form of a bank guarantee, in an amount and form as specified in the Construction Agreement. The guarantee must remain valid until 90 days after the completion of the Project, final acceptance, and settlement of all accounts.

Upon receipt of the performance guarantee, GDH Lishui Food shall provide a payment guarantee of an equivalent amount to the Contractors in accordance with the terms specified in the Construction Agreement.

Defects liability period:

Up to 24 months from the date of the passing of the completion inspection.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Reference is made to the announcements of the Company dated 27 December 2024 and 6 August 2025 on the formation of GDH Lishui Food and the acquisition of the land use rights of the Land in Lishui Town, Foshan City by GDH Lishui Food, respectively. The entering into of the Construction Agreement by GDH Lishui Food represents a strategic move that supports the Group's goals to reinforce, develop, and grow its fresh and live foodstuffs business. It also aims to speed up the transformation and modernisation of its traditional industrial activities within the Guangdong-Hong Kong-Macao Greater Bay Area.

The Project, situated on the Land in Lishui Town, Nanhai District, Foshan City, is strategically positioned at the junction of Guangzhou and Foshan, placing it at the heart of the Greater Bay Area. This advantageous location offers excellent access to local resources, a favourable business environment, and broad market opportunities, which are expected to support the Group's ambition to increase its operational scale and market share in the region.

Through the construction of a modern, high-standard slaughter and food processing facility, the Group will be able to further optimise its resource allocation and leverage the shared resources in the Greater Bay Area. The Project is designed to incorporate advanced technologies and management practices and stringent quality and safety standards, which are expected to improve production efficiency and product quality.

The Construction Agreement also provides for comprehensive project management, covering the full cycle from design to construction of the facilities. This integrated approach is intended to ensure that the Project is delivered on time, within budget, and satisfies relevant standards on quality and safety. By entering into the Construction Agreement, the Group expects to achieve business synergies, enhance its overall operational effectiveness, and further consolidate its market position in the fresh and live foodstuffs industry.

Having considered the above factors, the Directors believe that the transaction contemplated under the Construction Agreement is beneficial to the Company and the Shareholders as a whole. The Directors also consider that the terms of the Construction Agreement are on normal commercial terms, and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND THE PARTIES

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 sales of tinsplate products and property leasing.

GDH Lishui Food is a limited liability company established in the PRC and is principally engaged in the business of food production, food sales, pig slaughtering, urban distribution services, cryogenic storage, and primary agricultural product purchase. GDH Lishui Food is owned as to 65% by GDH Food Foshan (an indirect non-wholly owned subsidiary of the Company) and as to 35% by Mengli Shuixiang. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquires, save for Mengli Shuixiang's holding of the said 35% interest in GDH Lishui Food, Mengli Shuixiang and its ultimate beneficial owner (being the Foshan City Nanhai District Lishui Town Public Assets Management Office* (佛山市南海區里水鎮公有資產管理辦公室)) are Independent Third Parties.

China Railway First Group is a limited liability company established in the PRC, and is a wholly-owned subsidiary of China Railway Group Limited, a company listed on the Shanghai Stock Exchange and the Stock Exchange. China Railway First Group is principally engaged in engineering construction, project supervision, international business, investments, and real estate development.

Hua Shang International Engineering is a limited liability company established in the PRC, and is ultimately controlled 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). Hua Shang International Engineering is principally engaged in construction contracting, engineering design and provision of consulting services, and the import and export of goods.

Guangdong Architectural Design and Research Institute is a joint stock company established in the PRC, and is ultimately controlled by Guangdong Provincial State-owned Assets Supervision and Administration Commission (廣東省人民政府國有資產監督管理委員會). Guangdong Architectural Design and Research Institute is principally engaged in the provision of engineering design, surveying, consulting, general contracting, urban and rural planning services.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Contractors and its ultimate beneficial owner(s) are Independent Third Parties.

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DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“China Railway First Group”	China Railway First Group Co., Ltd.* (中鐵一局集團有限公司), a limited liability company established under the laws of the PRC
“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
“Construction Agreement”	the design and construction agreement (里水食品產業園項目設計施工總承包工程合同) dated 22 September 2025 entered into between GDH Lishui Food and the Contractors in relation to the Project
“Contractor(s)”	China Railway First Group, Hua Shang International Engineering and Guangdong Architectural Design and Research Institute
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	has the meaning ascribed to it under the section headed “The Construction Agreement — Consideration” in this announcement
“Director(s)”	the directors of the Company
“GDH Food Foshan”	GDH Food (Foshan) Co., Ltd* (粵海食品(佛山)有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“GDH Lishui Food”	GDH Lishui Food (Foshan) Co., Ltd.* (粵海里水食品(佛山)有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company

“Group”	the Company and its subsidiaries
“Guangdong Architectural Design and Research Institute”	Guangdong Architectural Design and Research Institute Group Co., Ltd.* (廣東省建築設計研究院集團股份有限公司), a joint stock company established under the laws of the PRC
“Hua Shang International Engineering”	Hua Shang International Engineering Co., Ltd.* (華商國際工程有限公司), a limited liability company established under the laws of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company who is not a connected person of the Company and is a third party independent of the Company and its connected persons in accordance with the Listing Rules
“Land”	the parcel of land located in Lishui Town, Nanhai District, Foshan City, the PRC and as defined in the announcement of the Company dated 6 August 2025
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mengli Shuixiang”	Foshan City Nanhai District Mengli Shuixiang Property Investment Co., Ltd.* (佛山市南海區夢里水鄉置業投資有限公司), a company established in the PRC with limited liability
“PRC”	the People’s Republic of China
“Project”	the Lishui Food Industry Park Project* (里水食品產業園項目), being the development of a slaughterhouse and ancillary facilities on the Land
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“%”	per cent

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00=HK\$1.0970 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 of the relevant entities and rules included in this announcement is prepared for identification purpose only. In the event of any inconsistency, the Chinese name shall prevail.*

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

Hong Kong, 22 September 2025

As at the date of this announcement, 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.