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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)**

**Unaudited Quarterly Results Announcement**  
**For The Nine Months Ended 30 September 2022**

This announcement is made on a voluntary basis by GDH Guangnan (Holdings) Limited (the “**Company**”) for the purpose of further increasing the level of corporate governance and enhancing its transparency.

<b>Financial highlights</b>	<b>Nine months ended 30 September</b>		<b>Change</b>
	<b>2022</b>	<b>2021</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	
<b>Revenue</b>	<b>5,814,620</b>	<b>3,286,849</b>	<b>76.9%</b>
<b>Profit from operations</b>	<b>226,383</b>	<b>113,279</b>	<b>99.8%</b>
<b>Profit attributable to shareholders</b>	<b>122,247</b>	<b>53,105</b>	<b>130.2%</b>
	<b>At</b>	<b>At</b>	
	<b>30 September</b>	<b>31 December</b>	
	<b>2022</b>	<b>2021</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>Change</b>
<b>Total assets</b>	<b>4,396,781</b>	<b>4,250,775</b>	<b>3.4%</b>
<b>Shareholders' equity</b>	<b>2,549,021</b>	<b>2,679,224</b>	<b>-4.9%</b>

*Note:*

*The financial information relating to the year ended 31 December 2021 included in this announcement as comparative information does not constitute the statutory annual consolidated financial statements of the Company for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:*

*The Company has delivered the consolidated financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company's auditor has reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.*

## **SUMMARISED INFORMATION**

### **Results**

For the first three quarters of 2022, the unaudited consolidated revenue of the Company and its subsidiaries (collectively the “**Group**”) was HK\$5,814,620,000, representing an increase of 76.9% as compared to the same period last year. The unaudited consolidated Profit from operations was HK\$226,383,000, representing an increase of 99.8% as compared to the same period last year. The increment was mainly due from the implementation of development strategies on the fresh and live foodstuffs business as well as the improvements of marketing mix and enhancement for the management of cost reductions on the tinplating business, an increase in profit has been recorded. The unaudited consolidated profit attributable to shareholders of this period was HK\$122,247,000, representing an increase of 130.2% as compared to the same period last year.

### **Fresh and Live Foodstuffs business**

In the first three quarters of 2022, the revenue of the fresh and live foodstuffs business amounted to HK\$3,488,146,000, representing an increase of 238.6% as compared to the same period last year. Together with the share of losses of two associates of HK\$26,606,000 (the first three quarters of 2021: share of profits of HK\$220,000), the segment profit was HK\$94,908,000, representing an increase of 56.3% as compared to the same period last year. The price of live pigs in the third quarter of 2022 has increased continually, but it has still dropped as compared to the same period last year. Upon the commencement of production at the meat processing plant in Nanhai District, Foshan City in the second quarter this year, the amount of slaughter has been increased as compared to the same period last year. The number of slaughtered live pigs in the first three quarters exceeded 940,000 heads, which is a new profit growth point. In addition, profit increased due to the increased volume of PRC import trade business of foodstuffs. For Hong Kong business, the Group's overall market share in the live pigs supply into Hong Kong was about 47% (the first three quarters of 2021: 47%). The number of live pigs sold increased, leading to an increase in profit of live pigs' distribution business. The performance of the two associates engaging in pig farming and pig sales has improved with reduced losses. In conclusion of the above factors, the segment profit from fresh and live foodstuffs business has been increased as compared to the same period last year.

## Tinplating business

In the first three quarters of 2022, the Group produced 221,000 tonnes of tinplate products, representing a decrease of 8.0% as compared to the same period last year, and sold 226,000 tonnes of tinplate products, representing a decrease of 6.6% as compared to the same period last year.

The revenue for the current period was HK\$2,312,139,000, representing an increase of 3.1% as compared to the same period last year. The segment profit was HK\$122,196,000, representing an increase of 104.0% as compared to the same period last year. The industry competition of tinplating business is still intense. Due to the impact of repeated COVID-19 pandemic outbreaks in Mainland China, the economy has slow down and the demand of tinplate decreased, leading to the decrease of the sales volume as compared to the same period last year. Through the improvements of marketing mix and enhancement for the management of cost reductions, an increase in gross profit per unit of tinplate products has been recorded, such that the segment profit also increased compared with the same period last year.

## Other information

In respect of the property leasing business, the value of investment properties held by the Group increased. Valuation gains on investment properties of HK\$4,358,000 (the first three quarters of 2021: valuation losses of HK\$3,700,000) were recorded for the period.

On 9 August 2022, the board of directors of the Company (the “**Board**”) has resolved to voluntarily liquidate Yellow Dragon Food Industry Co., Ltd., an associate, in accordance with Company Law of the People’s Republic of China. The liquidation has commenced. For the first three quarters of 2022, the Group’s share of loss from this associate was HK\$19,832,000 (the first three quarters of 2021: HK\$33,502,000).

## CAUTION STATEMENT

The Group’s fresh and live foodstuffs business are affected by the fluctuation of the swine price as well as the tinplating business are affected by demands from customers and fluctuations of raw material prices, which is expected to continue. Although the Company is now issuing quarterly information, investors should be aware that due to fluctuations in market conditions, raw material prices, exchange rates of Renminbi against other currencies and changes in the operating environment from time to time, certain income and expenses may vary substantially from quarter to quarter. Therefore, comparisons between different periods within a single financial year, or between different periods in different financial years, are not necessarily meaningful and cannot be relied upon as indicators of the Group’s performance due to the seasonality factors. Also, quarterly results should not be used to estimate or extrapolate to project the Group’s full-year performance.

In addition, the Board would like to remind investors that the information contained in this announcement is only based on internal records and management accounts of the Group and such financial information was not reviewed nor audited by the auditor of the Company. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board  
**Chen Benguang**  
*Chairman*

Hong Kong, 31 October 2022

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