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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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that based on the Company's preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022, the unaudited consolidated profit attributable to shareholders of the Company for the year ended 31 December 2022 is expected to be approximately HK\$130 million, an increase of approximately 140% as compared to HK\$54 million for the corresponding period in 2021.

The information contained in this announcement is only based on the Company's preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 and such information have not been reviewed or audited by the auditor of the Company or reviewed by the Audit Committee of the Company.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by GDH Guangnan (Holdings) Limited (the "**Company**"), together with its subsidiaries shall be referred to as the "**Group**") pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board (the “**Board**”) of directors (“**Director(s)**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the Company’s preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022, the unaudited consolidated profit attributable to shareholders of the Company for the year ended 31 December 2022 is expected to be approximately HK\$130 million, an increase of approximately 140% as compared to HK\$54 million for the corresponding period in 2021.

The increase in profit is primarily attributable to the following factors:

- (i) With the implementation of various development strategies on the fresh and live foodstuffs business of the Group, in particular, the implementation of integrated industrial chain operation platform of “livestock and poultry breeding – slaughter and processing – cold chain distribution – fresh marketing”, the operating performance has greatly enhanced. Upon the commencement of production at the meat processing plant in Nanhai District, Foshan City in the second quarter of year 2022, the amount of slaughter has been increase as compared to year 2021, resulting from an increase in profit from the slaughtering business;
- (ii) As for the tinplate business, due to improvements of marketing mix and enhancement for the management of cost reductions, an increase in profit has been recorded during year 2022 as compared to year 2021; and
- (iii) The swine price had been gradually increased in the second half of year 2022. Despite a fall in price at the end of the fourth quarter of year 2022, the average swine price in year 2022 was still higher than that of year 2021. Hence, the performance of the two associates engaging in pig farming and pig sales has improved with reduced losses.

The information contained in this announcement is only based on the Company’s preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 and such information have not been reviewed or audited by the auditor of the Company or reviewed by the Audit Committee of the Company. As at the date of this announcement, the Group’s unaudited consolidated results for the year ended 31 December 2022 have not yet been finalised, and are subject to necessary adjustments if required. The actual results of the Group may be different from the information contained in this announcement. Further details of the Group’s information will be disclosed in the annual results of the Group for the year ended 31 December 2022 which is expected to be announced by the end of March 2023.

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, 8 March 2023

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.