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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 Three Months Ended 31 March 2023

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.

Financial highlights	Three months ended 31 March		Change
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	
Revenue	<u>2,329,724</u>	<u>1,411,834</u>	65.0%
Profit from operations	<u>54,226</u>	<u>44,984</u>	20.5%
Profit attributable to shareholders	<u>16,370</u>	<u>18,775</u>	-12.8%
	At 31 March 2023 (Unaudited) HK\$'000	At 31 December 2022 (Audited) HK\$'000	Change
Total assets	<u>5,024,577</u>	<u>4,884,006</u>	2.9%
Shareholders' equity	<u>2,645,834</u>	<u>2,573,893</u>	2.8%

Note:

The financial information relating to the year ended 31 December 2022 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 will deliver the consolidated financial statements for the year ended 31 December 2022 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

In the first quarter of 2023, the unaudited consolidated revenue of the Company and its subsidiaries (collectively the "Group") was HK\$2,329,724,000, representing an increase of 65.0% as compared to the same period last year. The unaudited consolidated profit from operations was HK\$54,226,000, representing an increase of 20.5% as compared to the same period last year. The increment was mainly due from the better performance in fresh and live foodstuffs business and increased profit contribution from slaughter business. However, the losses recorded from the associates due to the swine price dropped in Mainland China. As such, the unaudited consolidated profit attributable to shareholders was HK\$16,370,000, representing a decrease of 12.8% as compared to the same period last year.

Fresh and Live Foodstuffs business

In the first quarter of 2023, the revenue of the fresh and live foodstuffs business amounted to HK\$1,785,904,000, representing an increase of 174.7% as compared to the same period last year. Together with the share of losses of two associates of HK\$15,024,000 (the first quarter of 2022: share of losses HK\$15,914,000), the segment profit was HK\$30,038,000, representing an increase of 189.6% as compared to the same period last year. With the expansion of slaughter business in the Greater Bay Area, the slaughtering volume increased to over 730,000 heads in the first quarter, representing an increase of 478% as compared to that period last year. However, as the swine price was going downward during the period, the performance of two associates which are engaged in pig farming and sales of pigs were worsen, partially offsetting the effect of the increased in the segment profit recorded as aforementioned. The Group's overall market share in the live pigs supply into Hong Kong was about 47% (the first quarter of 2022: 46%).

Tinplating business

In the first quarter of 2023, the Group produced 63,000 tonnes and sold 66,000 tonnes of tinplate products, representing a decrease of 14.9% and 7.0% respectively as compared to the same period last year.

The revenue for the current period was HK\$538,896,000, representing a decrease of 28.8% as compared to the same period last year, while the segment profit was HK\$19,644,000, representing a decrease of 18.0% as compared to the same period last year. The industry competition of tinplating business is intense and the demand of tinplate products decreased. With the pressure of the sales of tinplate products, the sales volume and the selling price decreased as compared to the corresponding period last year.

Other information

The value of investment properties held by the Group remained stable such that no valuation gains on investment properties were recorded for the current period (the first quarter of 2022: valuation gain HK\$3,909,000).

In the first quarter of 2023, the liquidation of Yellow Dragon Food Industry Co., Ltd., an associate of the Group, was in progress, the Group's share of loss from this associate for that period was HK\$2,521,000 (the first quarter of 2022: share of loss HK\$5,346,000).

CAUTION STATEMENT

The Group's fresh and live foodstuffs business are affected by the drop 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. Hence, 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 of directors (the "Board") of the Company 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, 28 April 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.