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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 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			
	Nine months ended 30 September		
	2023	2022	
	(Unaudited)	(Unaudited)	
	HK\$'000	HK\$'000	Change
Revenue	<u>7,786,514</u>	<u>5,814,620</u>	33.9%
Profit from operations	<u>213,763</u>	<u>226,383</u>	-5.6%
Profit attributable to shareholders	<u>98,120</u>	<u>122,247</u>	-19.7%
	At	At	
	30 September	31 December	
	2023	2022	
	(Unaudited)	(Audited)	
	HK\$'000	HK\$'000	Change
Total assets	<u>4,704,065</u>	<u>4,884,006</u>	-3.7%
Shareholders' equity	<u>2,577,553</u>	<u>2,573,893</u>	0.1%

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 has delivered 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

For the first three quarters of 2023, the unaudited consolidated revenue of the Company and its subsidiaries (collectively the "Group") was HK\$7,786,514,000, representing an increase of 33.9% as compared to the same period last year. The unaudited consolidated profit from operations was HK\$213,763,000, representing a decrease of 5.6% as compared to the same period last year. The unaudited consolidated profit attributable to shareholders was HK\$98,120,000, representing a decrease of 19.7% as compared to the same period last year.

Fresh and Live Foodstuffs business

In the first three quarters of 2023, the revenue of the fresh and live foodstuffs business amounted to HK\$6,070,106,000, representing an increase of 74.0% as compared to the same period last year. Together with the share of losses of two associates of HK\$38,838,000 (the first three quarters of 2022: share of losses of HK\$26,606,000), the segment profit was HK\$114,429,000, representing an increase of 20.6% as compared to the same period last year. Benefiting from the layout of our Group's slaughtering business in the Greater Bay Area, in a bid to strengthen, enhance and expand the slaughtering business, the live pigs slaughtering volume increased to over 2,260,000 heads for the first three quarters, representing an increase of 139.1% as compared to the same period last year, which became a new profit growth driver for the Group. In addition, our wholesale and retail of foodstuff business had been scaled up continuously during the year. The Group's overall market share in the live pigs supply into Hong Kong maintained at about 47% (the first three quarters of 2022: 47%). Nonetheless, the increased segment profit as abovementioned was partially set off by the continued low selling price of live pigs during the period, resulting in the unsatisfactory performance of the two associated companies engaged in pig farming and sales of pigs.

Tinplating business

In the first three quarters of 2023, the Group produced 215,000 tonnes and sold 217,000 tonnes of tinplate products, representing a decrease of 3.2% and 4.0% respectively as compared to the same period last year.

The intensified competition in tinplating industry coupled with slow demand for tinplate products led to the decrease in sales volume and selling price for the Group's tinplating business, as compared to the corresponding period last year. The revenue for the current period was HK\$1,701,381,000, representing a decrease of 26.4% as compared to the same period last year, while the segment profit was HK\$70,847,000, representing a decrease of 42.0% as compared to the same period last year.

Other information

In the first three quarters of 2023, the valuation gains on investment properties held by the Group amounted to HK\$1,577,000 were recorded (the first three quarters of 2022: valuation gain of HK\$4,358,000).

In addition, 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\$2,827,000 (the first three quarters of 2022: share of loss of HK\$19,832,000).

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 ("Board") of directors ("Director(s)") 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, 31 October 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.