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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)

PROFIT WARNING

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 2023, the unaudited consolidated profit attributable to owners of the Company for the year ended 31 December 2023 is expected to be approximately not less than HK\$64 million, a decrease of approximately 53% with reference to the audited consolidated profit attributable to owners of the Company of HK\$135 million in 2022.

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 2023 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**"), which 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 (the "**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 2023, the unaudited consolidated profit attributable to owners of the Company for the year ended 31 December 2023 is expected to be approximately not less than HK\$64 million, a decrease of approximately 53% with

reference to the audited consolidated profit attributable to owners of the Company of HK\$135 million in 2022.

The expected decrease in the unaudited consolidated profit attributable to owners of the Company was primarily due to the following factors:

- (i) The pig farming industry in Mainland China is facing a complicated and severe situation. During the year of 2023, the swine price remained low and swine disease was relatively seriously in certain areas of the Mainland. The associated companies engaged in pig farming and pig trading affected by such reasons and thus resulted in increased expenditure on disease prevention and operation costs as well as recorded increased losses; and
- (ii) Competition in the tinplating industry has intensified, coupled with a year-on-year decrease in selling price for the Group's tinplate products, which resulted in a decrease in profits of the tinplating business.

However, 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 pig slaughtering volume has increased significantly in 2023 and 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. As a result, the increase in profit of these two businesses partially offset the effect of the decrease in the profit as aforementioned.

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 2023 and such information has 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 consolidated results for the year ended 31 December 2023 have not yet been finalised, and are subject to necessary adjustments if required. The audited 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 2023 which is expected to be announced by the end of March 2024.

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, 5 February 2024

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.