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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 2024

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
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	
Revenue	<u>2,398,673</u>	<u>2,329,724</u>	3.0%
Profit from operations	<u>51,252</u>	<u>54,226</u>	-5.5%
Profit attributable to shareholders	<u>9,649</u>	<u>16,370</u>	-41.1%
	At 31 March 2024 (Unaudited) HK\$'000	At 31 December 2023 (Audited) HK\$'000	Change
Total assets	<u>4,649,091</u>	<u>4,789,001</u>	-2.9%
Shareholders' equity	<u>2,580,353</u>	<u>2,570,014</u>	0.4%

Note:

The financial information relating to the year ended 31 December 2023 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 2023 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 2024, the unaudited consolidated revenue of the Company and its subsidiaries (collectively the "Group") was HK\$2,399 million, representing an increase of 3.0% as compared to the same period last year. As result of the decreased in profit of tinplating business, the unaudited consolidated profit from operations was HK\$51.25 million, representing a decrease of 5.5% as compared to the same period last year. In addition, due to the continuing low swine price in Mainland China, the associated companies recorded losses. As a result, the unaudited consolidated profit attributable to shareholders was HK\$9.65 million, representing a decrease of 41.1% as compared to the same period last year.

Fresh and live foodstuffs business

In the first quarter of 2024, the revenue of the fresh and live foodstuffs business amounted to HK\$1,942 million, representing an increase of 8.7% as compared to the same period last year. With the benefit 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 exceed 760,000 heads, increased by 16.4% as compared period-on-period in the first quarter of 2024, enabling the Group to rank among one of the top in terms of slaughtering volume in Guangdong Province. Besides, our wholesale and retail of foodstuff business, etc, were stable. The Group's overall market share in the live pigs supply into Hong Kong was about 49% (the first quarter of 2023: 47%). The segment profit (excluding share of losses of associates) of the fresh and live foodstuffs business increased by 6.0% to HK\$47.75 million as compared to the same period last year. However, the pig farming industry in Mainland China is facing a complicated and severe situation. As affected by continuing low swine price, the associated companies engaged in pig farming and pig sales recorded increased losses as compared to same period last year. Share of losses of the two associates of the Group amounted to a total of HK\$18.18 million (the first quarter of 2023: share of losses HK\$15.02 million), which offset the partial segment profit of fresh and live foodstuffs business. After deduction of the share of losses of the associates, the segment profit of the fresh and live foodstuffs was HK\$29.57 million, decreased by 1.6%, as compared to that period last year.

Tinplating business

The industry competition of tinplating business is intense and slow down in demand of downstream business, leading the sales volume and the selling price decreased as compared to the corresponding period last year. As a result, the profit of tinplating business decreased. In the first quarter of 2024, the Group produced 69,000 tonnes and sold 63,000 tonnes of tinplate products, representing an increase of 9.5% and a decrease of 4.5% period-on-period respectively.

The revenue for the current period was HK\$453 million, representing a decrease of 16.0% as compared to the same period last year, while the segment profit was HK\$4.77 million, representing a decrease of 75.7% as compared to the same period last year.

Other information

The value of investment properties held by the Group decreased. Valuation losses on investment properties of HK\$0.84 million were recorded for the current period while no valuation loss was recorded in the same period last year.

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, 30 April 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.