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**GUANGNAN (HOLDINGS) LIMITED**

**廣南(集團)有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 1203)**

## **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 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the consolidated profit attributable to shareholders of the Company for the year ended 31 December 2018 is expected to be increased by approximately 85% as compared to that for the corresponding period in 2017.

The information contained in this announcement is only based on the Company's preliminary review of the management accounts of the Group for the year ended 31 December 2018 and such information have not been reviewed or audited by the auditors 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 Guangan (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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the Company’s preliminary review of the management accounts of the Group for the year ended 31 December 2018, the consolidated profit attributable to shareholders of the Company for the year ended 31 December 2018 is expected to be increased by approximately 85% as compared to that for the corresponding period in 2017, primarily attributable to the net effect of (i) the value of investment properties in Hong Kong held by the Group increased resulting in a significant increase in the valuation gains on investment properties recorded for the year by the Group; (ii) the sales volume and gross profit per unit of tinsplate products increased resulting in the loss turned to a profit of tinsplating business; (iii) the drop in the average price of live pigs during the current year leading to the decrease in profit of live pigs’ distribution business and the decrease in profits of the two associates which are engaged in pig farming and sales of pigs; and (iv) the increased purchase cost of raw materials and decreased government grants income of an associate, Yellow Dragon Food Industry Co., Ltd. leading to a loss recorded by this associate in the current year as compared to a profit for the corresponding period last year.

The information contained in this announcement is only based on the Company’s preliminary review of the management accounts of the Group for the year ended 31 December 2018 and such information have not been reviewed or audited by the auditors of the Company. As at the date of this announcement, the Group’s consolidated results for the year ended 31 December 2018 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 2018 which is expected to be announced by the end of March 2019.

**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  
**Tan Yunbiao**  
*Chairman*

Hong Kong, 23 January 2019

*As at the date of this announcement, the Board is composed of three Executive Directors, namely Messrs. Tan Yunbiao, He Jinzhou and Lau Kin Man; one Non-Executive Director, namely Ms. Liang Jianqin; and three Independent Non-Executive Directors, namely Mr. Gerard Joseph McMahon, Mr. Li Kar Keung, Caspar and Dr. Wong Yau Kar, David.*