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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 three months ended 31 March 2019 is expected to be increased by approximately 45% as compared to that for the corresponding period in 2018.

The information contained in this announcement is only based on the Company's preliminary review of the management accounts of the Group for the three months ended 31 March 2019 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 three months ended 31 March 2019, the consolidated profit attributable to shareholders of the Company for the three months ended 31 March 2019 is expected to be increased by approximately 45% as compared to that for the corresponding period in 2018, primarily attributable to the net effect of (i) the increase in selling price and gross profit per unit of tinplate products, despite of the decrease in the sales volume of tinplate products during the current period as compared to that for the corresponding period last year, resulting in turning from a loss into profit for tinplating business; (ii) the increase in the price of live pigs during the current period as compared to that for the corresponding period last year, leading to an increase in profit of live pigs’ distribution business and a decrease in net losses incurred by the two associates which are engaged in pig farming and sales of pigs; (iii) the increase in gross profit per unit of major products of an associate, Yellow Dragon Food Industry Co., Ltd., leading to a decrease in loss recorded by this associate in the current period as compared to that for the corresponding period last year; and (iv) the value of investment properties in Hong Kong held by the Group remained stable such that no valuation gains on investment properties were recorded for the period by the Group as compared to valuation gains recorded in 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 three months ended 31 March 2019 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 three months ended 31 March 2019 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 quarterly information will be disclosed in the quarterly results of the Group for the three months ended 31 March 2019 which is expected to be announced by the end of April 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, 10 April 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.