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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)

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 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 six months ended 30 June 2019 is expected to be decreased by approximately 55% 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 six months ended 30 June 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 six months ended 30 June 2019, the consolidated profit attributable to shareholders of the Company for the six months ended 30 June 2019 is expected to be decreased by approximately 55% as compared to that for the corresponding period in 2018, primarily attributable to the net effect of (i) the value of investment properties held by the Group remained stable such that no valuation gains on investment properties were recorded for the current period as compared to valuation gains of HK\$61,224,000 recorded in the corresponding period last year; (ii) the decreased government grants income of an associate, Yellow Dragon Food Industry Co., Ltd., leading to an increase in loss recorded by this associate in the current period as compared to that for the corresponding period last year; and (iii) the increase in selling price and gross profit per unit of tinsplate products, despite of the decrease in the sales volume of tinsplate products during the current period as compared to that for the corresponding period last year, resulting in turning from a loss into profit for tinsplating business.

The information contained in this announcement is only based on the Company’s preliminary review of the management accounts of the Group for the six months ended 30 June 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 six months ended 30 June 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 information will be disclosed in the interim results of the Group for the six months ended 30 June 2019 which is expected to be announced by the end of August 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, 11 July 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.