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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 2022**

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.

<b>Financial highlights</b>	<b>Three months ended 31 March</b>		<b>Change</b>
	<b>2022</b>	<b>2021</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	
<b>Revenue</b>	<b>1,411,834</b>	<b>800,838</b>	<b>76.3%</b>
<b>Profit from operations</b>	<b>44,984</b>	<b>20,594</b>	<b>118.4%</b>
<b>Profit attributable to shareholders</b>	<b>18,775</b>	<b>20,705</b>	<b>-9.3%</b>
	<b>At</b>	<b>At</b>	
	<b>31 March</b>	<b>31 December</b>	
	<b>2022</b>	<b>2021</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>Change</b>
<b>Total assets</b>	<b>4,381,207</b>	<b>4,250,775</b>	<b>3.1%</b>
<b>Shareholders' equity</b>	<b>2,718,927</b>	<b>2,679,224</b>	<b>1.5%</b>

*Note:*

*The financial information relating to the year ended 31 December 2021 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 has delivered the consolidated financial statements for the year ended 31 December 2021 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**

For the first quarter of 2022, the unaudited consolidated revenue of the Company and its subsidiaries (collectively the "Group") was HK\$1,411,834,000, representing an increase of 76.3% as compared to the same period last year. The unaudited consolidated profit from operations was HK\$44,984,000, representing an increase of 118.4% as compared to the same period last year. The increment was mainly due from the better performance in tinplating business and increased profit contribution from slaughter business. However, the profit from the associates decreased due to the swine price dropped in Mainland China. As such, the unaudited consolidated profit attributable to shareholders was HK\$18,775,000, representing a decrease of 9.3% as compared to the same period last year. It is the Group's plan to consider dividends declaration at the half-year and year ends. Therefore, no dividend is proposed for the first quarter of 2022 (the first quarter of 2021: HK\$ Nil).

### **Fresh and Live Foodstuffs business**

In the first quarter of 2022, the revenue of the fresh and live foodstuffs business amounted to HK\$650,246,000, representing an increase of 216.8% as compared to the same period last year. Together with the share of losses of two associates of HK\$15,914,000 (the first quarter of 2021: share of profits HK\$13,357,000), the segment profit was HK\$10,373,000, representing a decrease of 69.4% as compared to the same period last year. As the swine price dropped significantly in the current period as compared to the same period last year, a decrease in profits was recorded by the two associates which are engaged in pig farming and sales of pigs, and also lead to a decrease in commission income of live pigs' distribution business. Nevertheless, the profit of the slaughter business increased as compared to the same period last year, the slaughter of live pigs in the first quarter exceeded 120,000 heads, together with an increase in profit of the retail business in Hong Kong, partially offsetting the effect of the decrease in the segment profit recorded as aforementioned. The Group's overall market share in the live pigs supply into Hong Kong was about 46% (the first quarter of 2021: 49%).

## **Tinplating business**

In the first quarter of 2022, the Group produced 73,000 tonnes of tinplate products, representing a decrease of 5.4% as compared to the same period last year, and sold 71,000 tonnes of tinplate products, which remained stable as compared to the same period last year.

The revenue for the current period was HK\$756,478,000, representing an increase of 28.2% as compared to the same period last year. The segment profit was HK\$23,966,000, turned loss to profit as compared to the same period last year. The industry competition of tinplating business is still intense, coupled with rising prices of bulk raw materials. The selling prices of tinplate products increased as compared to the same period last year due to inflationary pressures. The profit per unit increased through the effectively control of the production costs.

## **Other information**

In respect of the property leasing business, the value of investment properties held by the Group increased. Valuation gain in investment properties of HK\$3,909,000 (the first quarter of 2021: valuation loss HK\$2,900,000) were recorded for the period.

In the first quarter of 2022, a continuing loss was recorded in Yellow Dragon Food Industry Co., Ltd., an associate of the Group engaged in the processing and sale of corn food and feed products. The Group's share of loss from this associate for the current period was HK\$5,346,000 (the first quarter of 2021: HK\$6,112,000).

## **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 of directors (the “Board”) 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, 28 April 2022

*As at the date of this announcement, the Board is composed of three Executive Directors, namely Messrs. Chen Benguang, He Jinzhou and 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.*