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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)

**APPOINTMENT OF EXECUTIVE DIRECTOR
AND DEPUTY CHAIRMAN**

The Board of Directors (the “Board”) of Guangan (Holdings) Limited (the “Company”) is pleased to announce the appointment of Mr. LI Li as an Executive Director and the Deputy Chairman of the Company with effect from 12 April 2010.

Mr. LI Li, aged 54, graduated from the Sun Yat-Sen University, the PRC and the South China Normal University, the PRC. From May 2000 to July 2002, Mr. LI served as the Executive Vice Chairman of the Company. He was also an Executive Director and the Deputy Chairman of the Company from January 2008 to June 2009. He had also acted as the chairman of certain subsidiaries of the Company. Between 1986 and 1998, Mr. LI worked in Guangdong Foreign Economic Relations and Trade Committee (the “Committee”). He was a deputy director of the Economic and Trade Administration Office of the Committee in 1995. Since September 1998, Mr. LI has acted as the general manager of Nam Yue Food Stuff & Aquatics Company Limited (“Nam Yue Food”) and Macau Wholesale Market Nam Yue Limited (“Macau Wholesale Market”) and then became the chairman of both companies since June 2001. Mr. LI was also the chairman of Nam Yue Luen Fung Trading Company Limited (“Luen Fung Trading”) since November 2004. On 16 March 2010, Mr. LI ceased to act as the chairman of Nam Yue Food, Macau Wholesale Market and Luen Fung Trading. The said three companies were incorporated in Macau Special Administrative Region of the PRC.

Other than as stated above, Mr. LI is not related to any Directors, senior management, substantial or controlling shareholders of the Company, and has not held any directorship in any other listed company in the last three years.

As at the date of this announcement, Mr. LI was interested in 1,417,000 ordinary shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”). Other than the above, Mr. LI does not have any interest in shares and/or underlying shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

There is no service contract between the Company but he will hold office until the first general meeting of the Company after his appointment and will be eligible for re-election in accordance with the Articles of Association of the Company. Mr. LI will be entitled to a total remuneration which comprises a fixed annual remuneration of HK\$591,500 and a discretionary bonus pegged to performance. Such emoluments are determined by reference to his job responsibilities and the prevailing market conditions and the Company’s operating performance and profitability.

Saved as described below, there is no enterprise, company or unincorporated enterprise that has been dissolved or put into liquidation (otherwise than by a members’ voluntary winding up when the company was solvent) or bankruptcy or been the object of an analogous proceeding, or entered into any form of arrangement or composition with creditors, or had a receiver, trustee or similar officer appointed over it during the time when Mr. LI was one of its directors or within 12 months after his ceasing to act as one of its directors.

As described in this announcement, since September 1998, Mr. LI has acted as the general manager of Nam Yue Food and Macau Wholesale Market. In December 1998, the Government of Guangdong Province initiated a debt restructuring for (among others) Nam Yue (Group) Co., Limited and its then subsidiaries (including Nam Yue Food and Macau Wholesale Market) (“Nam Yue Group”) (the “Restructuring”). On 21 December 2000, Nam Yue Group formally entered into (among others) a debt restructuring agreement and pursuant to which the creditors of Nam Yue Group agreed to participate in the Restructuring. The Restructuring of Nam Yue Group involved an amount estimated to be HK\$2,974 million and was completed on 22 December 2000. Prior to the completion of the Restructuring, Nam Yue Food and Macau Wholesale Market were indirectly wholly-owned by the Government of Guangdong Province. Upon the completion of the Restructuring, Nam Yue Food and Macau Wholesale Market became indirect wholly-owned subsidiaries of GDH Limited (“GDH”). GDH is the controlling shareholder of the Company. Currently, Nam Yue Group is not a subsidiary of GDH due to the restructuring of Nam Yue Group in 2009.

Save as disclosed above, in relation to the appointment of Mr. LI as an Executive Director and the Deputy Chairman of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

The Board would like to express its warm welcome to Mr. LI for joining the Board.

By order of the Board
LIANG Jiang
Chairman

Hong Kong, 12 April 2010

As at the date of this announcement, the Board is composed of four executive directors, namely Messrs. Liang Jiang, Li Li, Tan Yunbiao and Sung Hem Kuen; three non-executive directors, namely Mr. Huang Xiaofeng, Mr. Luo Fanyu and Ms. Hou Zhuobing; and three independent non-executive directors, namely Mr. Gerard Joseph McMahon, Ms. Tam Wai Chu, Maria and Mr. Li Kar Keung, Caspar.