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GUANGDONG TANNERY LIMITED

粤海制革有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 01058)

**POLL RESULTS OF THE AGM,
RETIREMENT/RESIGNATION OF
INDEPENDENT NON-EXECUTIVE DIRECTORS
AND
INSUFFICIENT NUMBER OF
INDEPENDENT NON-EXECUTIVE DIRECTORS**

- (1) All resolutions proposed at the AGM were duly passed by the shareholders of the Company by way of poll.
- (2) As Mr. Choi Kam Fai, Thomas had reached his retirement age, he did not offer himself for re-election at the AGM upon retirement by rotation and retired as an independent non-executive director, and he also ceased to act as the chairman and a member of the Remuneration Committee, and a member of each of the Audit Committee and the Nomination Committee with effect from the conclusion of the AGM.
- (3) Mr. Fung Lak and Mr. Chan Cheong Tat had resigned as Independent Non-Executive Directors of the Company with effect from the conclusion of the AGM as they had both reached their retirement age. Mr. Fung also ceased to be the chairman and a member of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee; Mr. Chan also ceased to be a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee.
- (4) As from the conclusion of the AGM, with all the three independent non-executive directors of the Company retired/resigned from their positions, the Company is not in compliance with the requirements of the Listing Rules and the Corporate Governance Code in relation to independent non-executive directors. The Company has commenced and will continue with its search for suitable candidates to fill the relevant vacancies, and will endeavor to comply with the Listing Rules and the Corporate Governance Code as soon as possible and at the latest by 19 September 2020.

I. POLL RESULTS OF THE AGM

At the annual general meeting of Guangdong Tannery Limited (the “Company”) held on 19 June 2020 (the “AGM”), all the proposed resolutions as set out in the notice convening the AGM dated 27 April 2020 were duly passed by the shareholders of the Company by way of poll. The poll results are as follows:

Ordinary Resolutions		Number of Votes (Approximate %)	
		For	Against
1.	To receive and consider the audited consolidated financial statements, the Directors’ report and the independent auditor’s report for the year ended 31 December 2019.	384,432,240 (100%)	0 (0%)
2.	(i) To re-elect Mr. Sun Jun as a Director.	384,432,240 (100%)	0 (0%)
	(ii) To re-elect Mr. Qiao Jiankang as a Director.	384,432,240 (100%)	0 (0%)
	(iii) To authorise the Board to fix the remuneration of Directors.	384,432,240 (100%)	0 (0%)
3.	To re-appoint Messrs. Ernst & Young as the independent auditor of the Company and to authorise the Board to fix its remuneration.	384,432,240 (100%)	0 (0%)
4.	To grant a general mandate to the Directors to issue shares in the Company.	384,432,240 (100%)	0 (0%)

As more than 50% of the votes were cast in favour of each of the above resolutions, all such resolutions were duly passed as ordinary resolutions.

As at the date of the AGM, the number of issued shares of the Company was 538,019,000, which was the total number of shares of the Company entitling the holders to attend and vote at the AGM. There were no restrictions on any shareholders of the Company to cast votes on any of the proposed resolutions at the AGM. No shares entitling the holder to attend the AGM but were required to abstain from voting in favour as set out in Rule 13.40 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), nor were there any shareholders who were required under the Listing Rules to abstain from voting.

The Company’s share registrar, Tricor Tengis Limited, was appointed as the scrutineer at the AGM for the purpose of vote-taking.

II. RETIREMENT/RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The board of directors (the “Board”) of the Company announces that Mr. CHOI Kam Fai, Thomas (“Mr. Choi”), an Independent Non-Executive Director of the Company, had reached his retirement age and did not offer himself for re-election at the AGM upon retirement by rotation in accordance with the Articles of Association of the Company. Accordingly, his directorship with the Company ceased with effect from the conclusion of

the AGM and he also ceased to be the chairman and a member of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee.

The Board also announces that Mr. Fung Lak (“Mr. Fung”) and Mr. Chan Cheong Tat (“Mr. Chan”) had resigned as Independent Non-Executive Directors of the Company with effect from the conclusion of the AGM as they had both reached their retirement age. Mr. Fung has also ceased to be the chairman and a member of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee; Mr. Chan has also ceased to be a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Each of Mr. Choi, Mr. Fung and Mr. Chan has confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to express its sincere appreciation to Mr. Choi, Mr. Fung and Mr. Chan for their valuable contributions to the Company during their tenure of office.

III. INSUFFICIENT NUMBER OF INDEPENDENT NON-EXECUTIVE DIRECTORS

According to Rules 3.10(1) and 3.10A of the Listing Rules, the Board must include at least three independent non-executive Directors and the number of independent non-executive Directors must represent at least one-third of the number of directors on the Board.

Pursuant to Rule 3.21 of the Listing Rules, the Audit Committee must comprise a minimum of three members, and, among other things, the majority of which must be independent non-executive Directors. The Audit Committee must be chaired by an independent non-executive Director.

Pursuant to Rule 3.25 of the Listing Rules, the Remuneration Committee must be chaired by an independent non-executive Director and comprise a majority of independent non-executive Directors.

Pursuant to code provision A.5.1 of the Corporate Governance Code (the “Corporate Governance Code”) in Appendix 14 to the Listing Rules, the Nomination Committee must comprise a majority of independent non-executive Directors.

As from the conclusion of the AGM, Mr. Choi, Mr. Fung and Mr. Chan have ceased to act as Independent Non-Executive Directors of the Company, and the Company does not have any independent non-executive Directors. Accordingly, the Company is not in compliance with the abovementioned requirements of:

- (1) Rules 3.10(1) and 3.10A of the Listing Rules with regard to the number and proportion of independent non-executive Directors on the Board;
- (2) Rule 3.21 of the Listing Rules with regard to the membership and composition of the Audit Committee;
- (3) Rule 3.25 of the Listing Rules with regard to the membership and composition of the Remuneration Committee; and
- (4) Code provision A.5.1 of the Corporate Governance Code with regard to the membership and composition of the Nomination Committee.

The Company has commenced and will continue with its search for suitable candidates to fill the relevant vacancies. However, more time is required to identify suitable candidates to be independent non-executive Directors in order to comply with the Listing Rules and the Corporate Governance Code, and the travel and other restrictions due to the COVID-19 pandemic have also hampered the search process. The Company will endeavour to comply with the Listing Rules and the Corporate Governance Code as soon as possible and at the latest by 19 September 2020.

By Order of the Board
KUANG HU
Chairman

Hong Kong, 19 June 2020

As at the date of this announcement and upon the conclusion of the AGM, the Board of Directors of the Company comprises two Executive Directors, namely Mr. Kuang Hu and Mr. Sun Jun; two Non-Executive Directors, namely Mr. Ding Yatao and Mr. Qiao Jiankang.