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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)**

## **INSIDE INFORMATION PROFIT WARNING**

This announcement is made by Guangdong Tannery Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the Company’s unaudited consolidated management accounts for the six months ended 30 June 2022 (the “**2022 Interim**”), the unaudited consolidated net loss of the Company for 2022 Interim is expected to record approximately HK\$18 million to approximately HK\$21 million as compared with the unaudited consolidated net loss of approximately HK\$4 million in the corresponding period of 2021.

The expected increase in the consolidated net loss was mainly due to the following factors:

- (i) The drop in sales from approximately HK\$112 million to approximately HK\$43 million resulting from the weak demand in footwear leather market and the increase in unit cost of cowhides, the gross losses have been incurred.

- (ii) Due to epidemic prevention and control in Suining County, Xuzhou, Jiangsu Province, in which the Company operates its main factory, the production operation had been suspended for weeks, resulting in decline in delivery of inventory.

The information in this announcement is only based on the preliminary review and assessment made by the Board with reference to the information currently available to the Company including the Company's unaudited consolidated management accounts and hence may be subject to further adjustments. The Company's unaudited consolidated management accounts for 2022 Interim have not yet been finalised or reviewed or audited and confirmed by the auditor or the audit committee of the Company. Details of the financial information and performance of the Company for the 2022 Interim will be disclosed in the interim results announcement of the Company, which is expected to be published around late August 2022.

**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  
**Zhou Hao**  
*Chairman*

Hong Kong, 12 July 2022

*As at the date of this announcement, the Board comprises two Executive Directors, namely, Mr. Zhou Hao and Mr. Sun Jun; two Non-Executive Directors, namely, Huang Junfeng and Mr. Kuang Hu; and three Independent Non-Executive Directors, namely, Mr. Yeung Man Lee, Mr. Leung Luen Cheong and Mr. Yang Ge.*