

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



粵海制革有限公司
GUANGDONG TANNERY LIMITED

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT AND RESUMPTION OF TRADING

The Board refers to the Company's announcement dated 27 May 2002. As announced by the Company in its announcement on 27 May 2002, the Board has been informed that its indirect parent, GDH Limited, has approached the Company's controlling shareholder, Guangdong Investment Limited, regarding a possible acquisition of various assets including the shareholding of Guangdong Investment Limited of approximately 71.56 per cent. of the issued share capital of the Company. The Board has also been informed that a similar approach was made recently in mid January 2003 but that no formal discussions or further developments have taken place to date and that such approaches may or may not result in a transaction.

Should the approach result in a transaction, the Board understands that GDH Limited may apply to the Securities and Futures Commission for confirmation that an obligation to make a general offer will not apply.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:30 a.m. on 10 February 2003 pending the release of this announcement. Application has been made for trading to resume at 9:30 a.m. on **11 February 2003**.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

The board of directors (the "Board") of Guangdong Tannery Limited (the "Company") refers to the Company's announcement of 27 May 2002. As announced by the Company in its announcement on 27 May 2002, the Board has been informed that GDH Limited ("GDH"), its indirect parent and the holder of approximately 57.93 per cent. of the issued share capital of Guangdong Investment Limited ("GDI") (which holds approximately 71.56 per cent. of the issued share capital of the Company), has approached GDI regarding a possible acquisition of various assets of GDI including its shareholding in the Company. The Board has also been informed that a similar approach was recently made in mid January 2003 but that no formal discussions or further developments have taken place to date and that such approaches may or may not result in a transaction.

Should this recent approach result in an acquisition of GDI's shares in the Company, the Board understands that GDH may apply to the Securities and Futures Commission for confirmation that an obligation to make a general offer for the shares of the Company under

Rule 26.1 of the Code on Takeovers and Mergers will not apply. The Board further understands that such acquisition would constitute a connected transaction, and may constitute a discloseable transaction, for GDI.

The Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price sensitive nature.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:30 a.m. on 10 February 2003 pending the release of this announcement. Application has been made for trading to resume at 9:30 a.m. on **11 February 2003**.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Xiong Guangyang
Chairman

Hong Kong, 10 February 2003

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this announcement have been arrived at after due and careful consideration, and that there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

*Please also refer to the published version of this announcement in the (**The Standard**)*