

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.



廣東控股有限公司

GDH LIMITED

(incorporated in Hong Kong with limited liability)



粵海制革有限公司

GUANGDONG TANNERY LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 1058)

**JOINT ANNOUNCEMENT**

**PROPOSED PRIVATISATION OF  
GUANGDONG TANNERY LIMITED**

**BY WAY OF A SCHEME OF ARRANGEMENT**

**(UNDER SECTION 166 OF COMPANIES ORDINANCE)**

**AT THE CANCELLATION PRICE OF HK\$0.28 PER SCHEME SHARE**

**and**

**CONDITIONAL OFFER TO PAY THE OPTION CANCELLATION PRICE  
TO EACH OPTION HOLDER FOR CANCELLING THE SHARE OPTIONS**

**and**

**APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

**and**

**RESUMPTION OF TRADING**

**Financial Adviser to  
GDH LIMITED**



A subsidiary of ICBC

**ICEA Capital Limited**

The respective boards of directors of GDH and GTL announce that on 5th July, 2005, GDH requested the GTL Board to put forward the Proposal to the Scheme Shareholders regarding a proposed privatisation of GTL by way of a scheme of arrangement under section 166 of the Companies Ordinance.

The respective boards of directors of GDH and GTL also announce that GDH will make a conditional cash offer to pay the relevant Option Cancellation Price to each Option Holder for each Share Option held by such holder in consideration of their agreeing to cancel their Share Options. The Option Offer is conditional upon the Scheme becoming effective.

Under the proposed Scheme, all Scheme Shares will be cancelled and in consideration therefor GDH will pay the Scheme Shareholders HK\$0.28 in cash for each Scheme Share held by them. **THE SAID CANCELLATION PRICE OF HK\$0.28 WILL NOT BE REVISED.** As at the date of this announcement, the Scheme Shareholders were interested in 149,054,000 Shares, representing approximately 28.44% of the issued share capital of GTL, and there are Share Options outstanding entitling the holders thereof to subscribe for 15,350,000 new Shares.

The amount of cash payable by GDH for the cancellation of the Scheme Shares (if all the Share Options would be exercised in full and the related Shares issued prior to the close of the register of Shareholders for the purpose of the Court Meeting) is approximately HK\$46 million, which will be financed by internal resources of GDH. ICEA, the financial adviser to GDH, is satisfied that GDH has sufficient financial resources for the implementation of the Proposal.

Following the effective date of the Scheme, appropriate steps will be taken to withdraw the listing of Shares from the Stock Exchange. The Scheme is conditional upon the fulfillment or waiver of, as applicable, the conditions described in the section headed "Conditions of the Proposal" below. All conditions will have to be fulfilled or waived, as applicable, on or before 31st January, 2006 (or such later date as GDH and GTL may agree or as the Court may direct).

A document will be despatched to the Scheme Shareholders and the Option Holders containing further details of the Scheme, the Option Offer, an expected timetable, an explanatory statement as required under the Companies Ordinance, information on GDH and GTL, the recommendation of the independent board committee of GTL in respect of the Scheme and the Option Offer, a letter of advice from the independent financial adviser to such independent board committee, a notice of the Court Meeting and a notice of the extraordinary general meeting of GTL as well as the particulars required by the Takeovers Code. Tai Fook Capital Limited has been appointed as the independent financial adviser to advise the independent board committee of GTL in connection with the Proposal.

At the request of GTL Board, trading in the Shares on the Stock Exchange was suspended from 11:33 a.m. on 28th June, 2005, pending the release of this announcement. Application has been made by GTL to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 13th July, 2005.

**GTL Shareholders, the Option Holders and potential investors in GTL should be aware that the implementation of the Proposal is subject to the conditions as set out below being fulfilled or waived, as applicable, and thus the Proposal may or may not become effective. Accordingly, they are advised to exercise caution when dealing in the securities of GTL and Share Options.**

The GTL Directors intend that the listing of the Shares on the Stock Exchange will be maintained in the event that the Scheme is not approved or lapses.

## INTRODUCTION

On 5th July, 2005, GDH requested the GTL Board to put forward the Proposal to the Scheme Shareholders regarding a proposed privatisation of GTL by way of a scheme of arrangement under section 166 of the Companies Ordinance involving, inter alia, the cancellation of all the Scheme Shares, as a result of which GTL will become a wholly-owned subsidiary of GDH (on the basis that all Option Holders will accept the Option Offer in respect of all their Share Options or all the Share Options would be exercised in full and the related Shares issued prior to the close of the register of Shareholders for the purpose of the Court Meeting).

The respective boards of directors of GDH and GTL also announce that GDH will make a conditional cash offer to pay the relevant Option Cancellation Price to each Option Holder for each Share Option held by such holder in consideration of their agreeing to cancel their Share Options. The Option Offer is conditional upon the Scheme becoming effective.

## SUMMARY OF THE SCHEME

The Scheme will provide that the Scheme Shares be cancelled and, in consideration therefor, each Scheme Shareholder will be entitled to receive HK\$0.28 in cash for every Scheme Share held. **THE SAID CANCELLATION PRICE OF HK\$0.28 WILL NOT BE REVISED.**

The said cancellation price represents:-

- (a) a premium of approximately 32.1% over the closing price of HK\$0.212 per Share as quoted on the Stock Exchange on 28th June, 2005, being the date on which trading in the Shares was suspended at 11:33 a.m. pending the issue of this announcement;
- (b) a premium of approximately 46.6% over the closing price of HK\$0.191 per Share as quoted on the Stock Exchange on 27th June, 2005, being the last full trading day prior to the suspension of trading in the Shares pending the issue of this announcement;
- (c) a premium of approximately 46.6% over the average closing price of approximately HK\$0.191 per Share, which was calculated based on the daily closing prices as quoted on the Stock Exchange over the 5 trading days up to and including 28th June, 2005;
- (d) a premium of approximately 52.2% over the average closing price of approximately HK\$0.184 per Share, which was calculated based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including 28th June, 2005;
- (e) a premium of approximately 47.4% over the average closing price of approximately HK\$0.190 per Share, which was calculated based on the daily closing prices as quoted on the Stock Exchange over the 60 trading days up to and including 28th June, 2005;
- (f) a premium of approximately 41.4% over the average closing price of approximately HK\$0.198 per Share, which was calculated based on the daily closing prices as quoted on the Stock Exchange over the 90 trading days up to and including 28th June, 2005; and
- (g) a discount of approximately 14.1% to the audited consolidated net asset value per Share of approximately HK\$0.326 as at 31st December, 2004.

As at the date of this announcement, there were 524,154,000 Shares in issue and the Scheme Shareholders hold 149,054,000 Shares, representing approximately 28.44% of the issued share capital of GTL.

## THE OPTION OFFER

As at the date of this announcement, there are in total 15,350,000 outstanding Share Options held by the Option Holders under the Share Option Scheme entitling them to subscribe for 15,350,000 new Shares at the following exercise prices and during the exercise periods specified below:-

	<b>Number of Share Options</b>
Share Options exercisable now (and will lapse on 9th September, 2008) at the exercise price of HK\$0.22 per Share .....	6,650,000
Share Options exercisable now (and will lapse on 11th May, 2009) at the exercise price of HK\$0.246 per Share .....	8,700,000

The Option Cancellation Prices per Share Option are therefore HK\$0.06 (in respect of the Share Options with an exercise price of HK\$0.22 per Share) and HK\$0.034 (in respect of the Share Options with an exercise price of HK\$0.246 per Share), in each case being the see through price (relative to the cancellation price of HK\$0.28 per Scheme Share) for the Share Options concerned.

The Option Offer is conditional upon the Scheme becoming effective. GTL will not grant any options under the Share Option Scheme during the offer period.

In the event that any Share Option shall be exercised after the date hereof and Shares shall fall to be exercised pursuant to such exercise prior to the close of the register of Shareholders for the purpose of determining the cash entitlement of the Scheme Shareholders under the Scheme, any such Share so issued shall form part of the Scheme Shares.

## CONDITIONS OF THE PROPOSAL

The Scheme is subject to the fulfillment, or waiver (as applicable), of the following conditions:-

- (a) the approval (by way of poll) of the Scheme by a majority in number representing not less than three-fourths in value of the Shares of the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting to consider the Scheme, provided that:-
  - (i) the Scheme is approved by at least 75% of votes attaching to the Scheme Shares held by the Independent Shareholders present and voting either in person or by proxy; and
  - (ii) the number of votes cast against the resolution to approve the Scheme is not more than 10% of the votes attaching to the Scheme Shares held by all the Independent Shareholders;
- (b) the passing of a special resolution by a majority of at least three-fourths of votes cast by the GTL Shareholders present and voting, in person or by proxy, at the extraordinary general meeting of GTL to be convened following the Court Meeting to reduce the authorised and issued share capital by cancelling and extinguishing the Scheme Shares and, immediately thereafter, increase the authorised share capital of GTL to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full and issue to GDH such number of new Shares being equal to the Scheme Shares cancelled;
- (c) the High Court (with or without modification) sanctioning the Scheme and confirming the reduction of capital involved in the Scheme at the Court Hearing;
- (d) the delivery to and registration by the Hong Kong Registrar of Companies of the Order of the High Court sanctioning the Scheme and confirming such reduction of capital (with or without modification), together with a minute relating to the reduction of the share capital of GTL and containing the particulars required by Section 61 of the Companies Ordinance;
- (e) all Authorisations in connection with the Proposal having been obtained or made from, with or by (as the case may be) the Relevant Authorities in Hong Kong and/or any other relevant jurisdictions;
- (f) all Authorisations required and having been obtained remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with, and no requirement having been imposed by any Relevant Authorities which is

not expressly provided for, or is in addition to any requirement expressly provided for, in or under any relevant law, order, rule, regulation or code in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Proposal becomes effective; and

- (g) all bank and other necessary consents which may be required under any existing contractual obligations of GTL having been obtained and remain in full force and effect without modification.

GDH reserves the right to waive condition (g), either in whole or in respect of any particular matter. In the event that conditions (e) and/or (f) is not fulfilled, GDH reserves the right to assess the materiality of such non-fulfillment and to waive the fulfillment of any such condition to such extent where it considers appropriate. Conditions (a) to (d) cannot be waived in any event. All of the above conditions will have to be fulfilled or waived, as applicable, on or before 31st January, 2006 (or such other date as GDH and GTL may agree or as the High Court may direct), otherwise the Proposal will lapse.

The Option Offer is subject to the Scheme becoming effective.

An announcement will be made by GDH and GTL if the Proposal lapses.

**Warning:-**

**GTL Shareholders, the Option Holders and potential investors in GTL should be aware that the implementation of the Proposal is subject to the conditions as set out above being fulfilled or waived, as applicable, and thus the Proposal may or may not become effective. Accordingly, they are advised to exercise caution when dealing in the securities of GTL and the Share Options.**

**FINANCIAL ARRANGEMENT**

On the basis of the cash cancellation price of HK\$0.28 per Scheme Share, the Scheme values the entire issued share capital of GTL at approximately HK\$147 million (assuming that none of the Share Options will be exercised). The maximum aggregate cancellation price payable under the Scheme amounting to approximately HK\$46 million (assuming that all the Share Options would be exercised in full prior to the close of the register of Shareholders for the purpose of determining the cash entitlement of the Scheme Shareholders under the Scheme) will be financed by internal resources of GDH. ICEA, the financial adviser to GDH, is satisfied that sufficient financial resources are available to GDH for the implementation of the Proposal.

**INFORMATION ON THE GTL GROUP**

The GTL Group is principally engaged in the processing and sale of semi-finished and finished leather.

A summary of the audited consolidated results of the GTL Group and certain financial information of GTL for each of the three years ended 31st December, 2004 is set out below:-

	For the year ended or as at (as the case may be) 31st December,		
	2002 HK\$'000	2003 HK\$'000	2004 HK\$'000
<b>GTL Group</b>			
Turnover	529,055	381,601	281,951
Profit/(loss) from operations	(198,991)	(95,632)	11,605
Profit/(loss) before taxation	(205,378)	(101,580)	5,871
Profit/(loss) after tax but before minority interest	(205,378)	(101,294)	4,668
Profit/(loss) attributable to Shareholders	(205,201)	(101,294)	4,668
<b>GTL</b>			
Accumulated losses	(604,148)	(554,606)	(538,956)

As at 31st December, 2004, the audited consolidated net asset value of the GTL Group was approximately HK\$171.1 million, representing approximately HK\$0.326 per Share (based on 524,154,000 Shares in issue as at the date of this announcement).

Further financial information concerning GTL will be provided in the Scheme document to be issued pursuant to, and in compliance with, the Takeovers Code.

**INFORMATION ON GDH**

GDH is an investment holding company. In addition to its interest in GTL, GDH is the holding company of GDI, Kingway and Guangnan, the shares of all of which are listed on the Stock Exchange. GDI and its subsidiaries are principally engaged in businesses including water distribution, electric power generation, toll roads and bridges, property investment and development, hotel operations and management, and department stores operation. Kingway and its subsidiaries are principally engaged in the production, distribution and sale of beer under its renowned "Kingway" brand. Guangnan and its subsidiaries are principally engaged in the manufacturing and sale of tinplates and related products, leasing of properties, distribution of live and fresh foodstuffs. In addition, GDH is also engaged in the production and sale of malt, medium density fibre boards and decorative boards, real estate development and asset management.

**SHAREHOLDING STRUCTURE**

The table below sets out the shareholding structure of GTL as at the date of this announcement and immediately upon completion of the Proposal:-

At the date of this announcement			Upon successful implementation of the Scheme and assuming all Options Holders will accept the Option Offer in respect of their Share Options in full (Notes (a), (b) and (c))		
Shareholders	Number of Shares	(%)	Shareholders	Number of Shares	(%)
GDH	375,100,000	71.56	GDH	524,154,000	100.00
Directors of GTL or GTL's subsidiaries (Note (d))	516,000	0.10	Directors of GTL or GTL's subsidiaries	—	—
Directors of GDH (Note (e))	90,000	0.02	Directors of GDH	—	—
Public (Note (d)) other than directors of GDH	148,448,000	28.32	Public (other than directors of GDH)	—	—
	<u>524,154,000</u>	<u>100%</u>		<u>524,154,000</u>	<u>100%</u>

- Notes: (a) It is proposed that at the extraordinary general meeting of the Shareholders to be convened, the authorised and issued share capital of GTL shall be reduced by cancelling and extinguishing the Scheme Shares.
- (b) Subject to and forthwith upon the reduction of capital referred to in note (a) above taking effect, the authorised share capital of GTL shall immediately be increased to its former amount of HK\$70,000,000 by the creation of such number of new Shares as is equal to the number of Scheme Shares cancelled.
- (c) GTL shall apply the credit arising as a result of the reduction of its share capital referred to in note (a) above to pay up in full at par the new Shares to be created as aforesaid, which new Shares shall be allotted and issued, credited as fully paid, to GDH.
- (d) The Shares held by the directors of GTL or GTL's subsidiaries and the public are Scheme Shares.
- (e) Two directors of GDH hold in aggregate 90,000 Shares, which form part of the Scheme Shares.

Upon the successful implementation, completion and acceptance in full of the Proposal with all the conditions referred to above having been satisfied (or waived), GTL will become a wholly-owned subsidiary of GDH.

Save as disclosed in this announcement, there were no other outstanding options, warrants or convertible securities in GTL as at the date of this announcement.

#### **MEETINGS AND APPROVALS**

GTL will, at the direction of the High Court, convene the Court Meeting for the purpose of approving the Scheme. GTL will also convene an extraordinary general meeting to be held immediately after the Court Meeting for the purpose of considering and, if thought fit, passing a special resolution to reduce the authorised and issued share capital by cancelling and extinguishing the Scheme Shares and, immediately thereafter, increase the authorised share capital of GTL to the amount prior to the said cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full and issue to GDH such number of new Shares being equal to the Scheme Shares cancelled.

The Scheme will be subject to the approval by the Scheme Shareholders at the Court Meeting (without counting the votes of those Scheme Shareholders not being Independent Shareholders) in the manner referred to in the section headed "Conditions of the Proposal" in this announcement. GDH will not vote its Shares at the Court Meeting, as the Shares held by GDH will not form part of the Scheme Shares.

GDH has indicated that it will vote or will procure voting in respect of its beneficial interest in GTL in favour of the special resolution to be proposed at the extraordinary general meeting of GTL to reduce the authorised and issued share capital by cancelling and extinguishing the Scheme Shares and, immediately thereafter, increase the authorised share capital of GTL to the amount prior to the said cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full and issue to GDH such number of new Shares being equal to the Scheme Shares cancelled.

#### **REASONS FOR AND BENEFITS OF THE PROPOSAL**

##### **Reasons for the Proposal**

During the period from 29th June, 2002 to 28th June, 2005 (being the date on which trading in the Shares was suspended pending the issue of this announcement), the Shares were consistently trading at a discount to its net asset value and the trading volume of the Shares was, most of the time, thin. For the period from 29th June, 2004 up to and including 28th June, 2005 (being the date on which trading in Shares was suspended pending the release of this announcement), the closing prices of the Shares were within the range of HK\$0.175 to HK\$0.248 per Share, with an average closing price of the Shares at approximately HK\$0.207 per Share. Such average closing price represents a discount of about 36.5% to the audited consolidated net asset value per Share of about HK\$0.326 as at 31st December, 2004. The average daily trading volume of the Shares for the period from 29th June, 2004 up to and including 28th June, 2005 was 92,089 Shares. Such daily trading volume represents about 0.018% of the issued share capital of GTL as at the date of this announcement.

Given the substantial discount of the market price to the said net asset value per Share and the low liquidity of the Shares on the Stock Exchange, the GDH Directors and GTL Directors are of the opinion that whether there would be any significant improvement in those respects remains uncertain in the foreseeable future, and accordingly, the GDH Directors believe that the Proposal offers the Scheme Shareholders a good opportunity to exit their investments in GTL.

Furthermore, given the said net asset value per Share, any fund raising exercise by GTL from the equity market at the current level of its share price, depending on the amount of funds to be raised, may involve the issuance of a substantial number of new Shares, and thereby diluting the net asset value per Share.

Accordingly, since the listing of the Shares on the Stock Exchange in December 1996, GTL has only accessed the equity market once in June 1997, and since that date it has not raised funds in the open market, the GDH Directors and the GTL Directors regard the costs of maintaining the listing status of GTL on the Stock Exchange to be not justifiable.

##### **Benefit for GTL Shareholders**

Although the cash consideration represents a discount of about 14.1% to the audited consolidated net asset value per Share as at 31st December, 2004, it represents a premium of approximately 46.6%, 52.2% and 47.4% of the average daily closing price of the Shares over 5 trading days, 30 trading days and 60 trading days, respectively ended on (and including) 28th June, 2005 (being the date on which trading in Shares was suspended pending the release of this announcement). In view of the prevailing market price and the low liquidity of the Shares, the GTL Directors believe that the Proposal provides an opportunity for all Scheme Shareholders to realise their investments in GTL at a premium to the prevailing market price of the Shares.

##### **INTENTION OF GDH WITH REGARD TO GTL**

It is the intention of GDH to maintain the existing business of the GTL Group upon the successful privatisation of GTL, and GDH has no intention to seek a listing of the Shares on any stock exchange in the foreseeable future.

##### **WITHDRAWAL OF THE LISTING OF THE SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled. Share certificates for the Shares held by the Scheme Shareholders will thereafter cease to have effect as documents or evidence of title. GTL will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange. The Scheme Shareholders will be notified by way of a press announcement of the exact dates on which the Proposal and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. The Proposal will lapse if it does not become effective on or before 31st January, 2006 or such later date as the High Court of Hong Kong may allow, and the Scheme Shareholders and the Option Holders will be notified by way of a press announcement accordingly. A detailed timetable of the Proposal will be included in the scheme document of GTL to be despatched to the GTL Shareholders and the Option Holders, which will also contain, inter alia, further details of the Proposal.

The listing of the GTL Shares on the Stock Exchange will not be withdrawn if the Proposal is not approved or lapses.

##### **OVERSEAS SHAREHOLDERS OF GTL**

The making of the Proposal to persons not resident in Hong Kong may be subject to the laws of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas shareholders of GTL or Option Holders wishing to accept and vote on the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

## SUSPENSION AND RESUMPTION OF TRADING

At the request of GTL, trading in the Shares on the Stock Exchange was suspended from 11:33 a.m. on 28th June, 2005 pending the release of this announcement. Application has been made by GTL to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 13th July, 2005.

## GENERAL

An independent board committee of the GTL Board (comprising the independent non-executive GTL Directors) has been formed to advise the Independent Shareholders and the Option Holders in connection with the Scheme and the Option Offer, respectively. Tai Fook Capital Limited has been appointed as the independent financial adviser to advise the independent board committee of GTL in connection with the Proposal.

A scheme document containing, inter alia, further details of the Proposal, the expected timetable, the explanatory statement as required under the Companies Ordinance, information regarding GDH and the GTL Group, recommendation of the independent board committee of GTL with respect to the Proposal, a letter of advice from the independent financial adviser to the independent board committee of GTL, a notice of the Court Meeting and a notice of the extraordinary general meeting of GTL will be despatched to the GTL Shareholders and the Option Holders as soon as practicable and in compliance with the requirements of the Takeovers Code.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Authorisations”	all necessary authorizations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
“concert parties”	as defined in the Takeovers Code (subject to any relaxation or waiver that may be granted by the Executive or the SFC)
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the High Court at which the Scheme will be voted upon
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“GDH”	GDH Limited, a company incorporated in Hong Kong with limited liability
“GDH Board”	the board of the GDH Directors
“GDH Director(s)”	director(s) of GDH
“GDH Group”	GDH and its subsidiaries
“GDI”	Guangdong Investment Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“GTL”	Guangdong Tannery Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“GTL Board”	the board of the GTL Directors
“GTL Director(s)”	director(s) of GTL
“GTL Group”	GTL and its subsidiaries
“GTL Shareholder(s)”	holder(s) of Shares
“Guangnan”	Guangnan (Holdings) Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“High Court”	the High Court of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“ICEA”	ICEA Capital Limited, a company incorporated in Hong Kong with limited liability, financial adviser to GDH in connection with the Proposal. ICEA is a licensed corporation to carry out regulated activities of dealing in securities and advising on corporate finance registered under the Securities and Futures Ordinance.
“Independent Shareholders”	Shareholders of GTL other than GDH and any person acting in concert with it
“Kingway”	Kingway Brewery Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Option Cancellation Price(s)”	the price(s) payable by GDH to the Option Holders in consideration for their agreement to cancel their Share Options, further details of which are set out in the section headed “The Option Offer” in this announcement
“Option Holder(s)”	holder(s) of Share Option(s)
“Option Offer”	the conditional cash offer to be made by GDH to pay the Option Cancellation Price to each Option Holder in consideration for his/her agreement to cancel each Share Option held by him/her
“Proposal”	the Scheme and the Option Offer
“Relevant Authorities”	any appropriate or relevant government and/or governmental bodies, regulatory bodies, courts or administrative bodies
“Scheme”	the proposed scheme of arrangement under section 166 of the Companies Ordinance involving the cancellation of all the Scheme Shares
“Scheme Share(s)”	Share(s) held by Scheme Shareholder(s)
“Scheme Shareholder(s)”	holder(s) of GTL Shares other than GDH
“SFC”	the Hong Kong Securities and Futures Commission
“Share(s)”	share(s) of HK\$0.10 each in the share capital of GTL

“Share Option(s)”	the share options granted under the Share Option Scheme, the details of which are set out in the section headed “The Option Offer” in this announcement
“Share Option Scheme”	the share option scheme adopted by GTL on 31st May, 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the board of directors of  
**GDH Limited**  
**Li Wai Keung**  
*Director*

By order of the board of directors of  
**Guangdong Tannery Limited**  
**Zhang Chunting**  
*Chairman*

Hong Kong, 12th July, 2005

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

*The directors of Guangdong Tannery Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the GDH Limited and its subsidiaries (excluding the GTL Group)) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

*As at the date of this announcement, the GTL Board comprises Mr. Zhang Chunting, Xiong Guangyang, Hui Wai Man Lawrence, Ho Lam Lai Ping Theresa, and three independent non-executive directors, namely, Cheng Hok Lai James, Fung Lak and Choi Kam Fai Thomas.*

“Please also refer to the published version of this announcement in China Daily.”