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GDH
廣東控股有限公司
GDH LIMITED
(Incorporated in Hong Kong with limited liability)

GDH
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 THE COMPANIES ORDINANCE)
AT THE CANCELLATION PRICE OF HK\$0.28 PER SCHEME SHARE**

**RESULTS OF COURT MEETING AND EXTRAORDINARY GENERAL MEETING
AND RESUMPTION OF TRADING**

The Scheme was disapproved at the Court Meeting.

At the request of GTL, trading in the Shares was suspended with effect from 9:30 a.m. on Thursday, 22nd September, 2005, pending the release of this announcement. An application has been submitted to the Stock Exchange requesting the resumption of trading in the Shares with effect from 9:30 a.m. on Friday, 23rd September, 2005.

Pursuant to Rule 31.1 of the Takeovers Code, GDH is not allowed to make another offer to privatise GTL within 12 months from the date of this announcement, except with the consent of the Executive.

INTRODUCTION

Reference is made to the joint announcements dated 25th August, 2005 made by GDH Limited (“GDH”) and Guangdong Tannery Limited (“GTL”) in which it was announced, inter alia, that the composite scheme document (“Scheme Document”) dated 26th August, 2005 regarding the proposed privatization of GTL by way of a scheme of arrangement under Section 166 of the Companies Ordinance was despatched to the Scheme Shareholders. Terms defined in the Scheme Document have the same meaning when used in this announcement unless otherwise defined herein.

RESULTS OF THE COURT MEETING AND THE EXTRAORDINARY GENERAL MEETING

The GDH Directors and the GTL Directors jointly announce that:

- (i) at the Court Meeting held on 22nd September, 2005 to approve the Scheme, a total of 52,665,700 Shares (amounting to approximately 10.05% of the issued share capital of GTL and approximately 35.35% of the Shares held by all the Independent Shareholders) were voted either in person or by proxy. 25 Independent Shareholders, representing 21,211,700 Shares (amounting to approximately 40.28% of the Shares voted and approximately 14.24% of the Shares held by all the Independent Shareholders), voted in favour of the Scheme and 2 Independent Shareholders, representing 31,454,000 Shares (amounting to approximately 59.72% of the Shares voted and approximately

21.12% of the Shares held by all the Independent Shareholders), voted against the Scheme. Accordingly, the resolution to approve the Scheme was not approved by a majority in number of the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting representing not less than three-fourths in value of the Shares held by Independent Shareholders present and voting either in person or by proxy (by way of poll) as the requisite resolution to approve the Scheme was not approved, the Chairman did not put the proposed special resolution for implementing the Scheme to vote; and

- (ii) the Proposal will not be implemented as the Scheme was not approved by a majority in number of the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting representing not less than three-fourths in value of the Shares held by Independent Shareholders present and voting either in person or by proxy (by way of poll).

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of GTL, trading in the Shares was suspended with effect from 9:30 a.m. on Thursday, 22nd September, 2005, pending the release of this announcement. An application has been submitted to the Stock Exchange requesting the resumption of trading in the Shares with effect from 9:30 a.m. on Friday, 23rd September, 2005.

GENERAL

As the Scheme was not approved by a majority in number of the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting representing not less than three-fourths in value of the Shares held by Independent Shareholders present and voting either in person or by proxy (by way of poll), the proposed privatisation of GTL will not proceed and the Listing is and will be maintained. Pursuant to Rule 31.1 of the Takeovers Code, GDH is not allowed to make another offer to privatise GTL within 12 months from the date of this announcement, except with the consent of the Executive.

As at the Latest Practicable Date, the aggregate number of Shares held by GDH was 375,100,000 Shares representing approximately 71.56% of the total issued share capital of GTL. No Shares have been acquired by GDH or any parties acting in concert with it since the Latest Practicable Date.

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, 22nd September, 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 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 (South China Morning Post/China Daily)