



粵海制革有限公司

GUANGDONG TANNERY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1058)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Guangdong Tannery Limited (the “Company”) will be held at Charter Room I, Function Room Level B1, The Ritz-Carlton, Hong Kong, 3 Connaught Road Central, Hong Kong on Thursday, 15 June 2006 at 2:30 p.m. for the purposes of transacting the following businesses:

As Ordinary Business:

- 1 To receive and consider the audited Consolidated Financial Statements and the Reports of the Directors and the Auditors for the year ended 31 December 2005.
- 2 To re-elect retiring Directors and to authorise the Board of Directors to fix the remuneration of the Directors.
- 3 To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.

And as Special Business, to consider and, if thought fit, to pass with or without amendments, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

4 **“THAT:**

- (a) subject to the following provisions of this resolution and pursuant to Section 57B of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with ordinary shares of HK\$0.10 each in the capital of the Company (the “Ordinary Shares”) and to make and/or grant offers, agreements and/or options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make and/or grant offers, agreements and/or options which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the Ordinary Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue, (ii) the exercise of the rights of subscription or conversion attaching to any warrants, convertible bonds or other securities issued by the Company which are convertible into shares of the Company, (iii) any share option scheme or similar arrangement for the time being adopted for the grant or issue to

directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible person (if any) of shares or rights to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of Ordinary Shares in lieu of the whole or part of a dividend on the Ordinary Shares of the Company in accordance with the Articles of Association of the Company (the “Articles”), shall not exceed 20 per cent. of the aggregate nominal amount of the Ordinary Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of Hong Kong to be held; and
- (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting;

and,

“Rights Issue” means an offer of Ordinary Shares open for a period fixed by the Company (or by the Directors of the Company) to the holders of Ordinary Shares on the Register of Members (Ordinary Shares) of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).

And as Special Business, to consider and, if thought fit, to pass with or without amendments, the following resolution as a special resolution:

SPECIAL RESOLUTION

5 **“THAT** the Articles of Association of the Company be amended as follows:

(a) By deleting the existing Article 13 and substituting therefor the following new Article 13:

Every person whose name is entered as a holder of any shares in the Register shall be entitled, without payment, to receive within two months (after allotment to him) or within ten business days (after lodgement of a transfer to him) of the shares in respect of which he is so registered (or within such other period as the terms of issue shall provide), one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first or such reasonable out-of-pocket expenses as the Board may from time to time determine. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A Member who has transferred part of the shares comprised in his registered holding shall be entitled to a certificate for the balance without charge.

- (b) By deleting the existing Article 77 and substituting therefor the following new Article 77:

Without prejudice to the power of the Company in general meeting in pursuance of any of these Articles to appoint any person to be a Director and subject to the Ordinance, the Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles. Any Director so appointed by the Board shall hold office only until the first general meeting after his appointment and shall then be eligible for re-election but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

- (c) By deleting the existing Article 79 and substituting therefor the following new Article 79:

No person other than a retiring Director shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting unless notice in writing of the intention to propose that person for election as a Director and notice in writing by the person of his consent to be elected shall have been lodged at the Office. The period for lodgement of such notices shall commence on (and include) the day after the despatch of the notice of the meeting appointed for such election and end on (and exclude) the date that is seven (7) days before the date appointed for the meeting.

- (d) By adding a new Article 83A immediately after the existing Article 83:

Notwithstanding any other provisions in these Articles and subject to any requirements on retirement of Directors by rotation as may be provided under the Listing Rules, there shall also be required to retire by rotation any Director (including those appointed for a specific term) who at an annual general meeting of the Company (the "Forthcoming AGM") shall have been a Director for three calendar years (the "3 Year Period") prior to (but including) the date of the Forthcoming AGM and who has not been elected or re-elected at any general meeting of the Company during the 3 Year Period and who has not otherwise ceased to be a Director (either by resignation, retirement, removal or otherwise) and been re-elected by a general meeting of the Company at or since any general meeting of the Company during the 3 Year Period, notwithstanding that the total number of Directors to retire at the relevant annual general meeting would as a result exceed one-third of the Directors for the time being.

By order of the Board
Chan Miu Ting
Company Secretary

Hong Kong, 21 April 2006

Registered office:
29th Floor
Guangdong Investment Tower
148 Connaught Road Central
Hong Kong

Notes:

- (i) A shareholder entitled to attend and vote at the above meeting may appoint more than one proxy to attend and, on a poll, vote in his place and such proxy need not be a shareholder of the Company.
- (ii) A form of proxy is enclosed. To be valid, the form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority) must be delivered to the Company's share registrar, Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or adjourned meeting. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the meeting or any adjourned meeting if he so wishes. If a shareholder who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.
- (iii) In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person, or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Company's register of shareholders in respect of the joint holding.
- (iv) The Register of Members of the Company will be closed on 14 and 15 June 2006, during such period no transfer of shares will be effected.

In order to determine the identity of the Members who are entitled to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged at the office of the Company's registrar, Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 13 June 2006.

- (v) In relation to resolution no. 4, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The purpose of the general mandate to be conferred on the Directors is to enable them to issue shares up to a specified number without having to first obtain the consent of shareholders in general meeting. The need for such an issue of shares could, for example, arise in the context of a transaction (such as an acquisition) which has to be completed speedily. The Directors believe that it is in the interest of the Company if such a general mandate is granted to them. The Directors wish to state that they presently have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company.
- (vi) In relation to resolution no. 5, the purpose of this item is to bring the Articles of Association of the Company in line with certain changes to the Companies (Amendment) Ordinance 2003 and the Listing Rules.

As at the date of this announcement, the Board of the Company comprises Zhang Chunting, Deng Rongjun, Xiong Guangyang, Ho Lam Lai Ping Theresa; and three independent non-executive directors, Fung Lak, Choi Kam Fai Thomas and Chan Cheong Tat.

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