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**粵海制革有限公司**

**GUANGDONG TANNERY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code : 1058)**

## **APPOINTMENT OF NON-EXECUTIVE DIRECTOR**

The Board of Directors (the “Board”) of Guangdong Tannery Limited (the “Company”) is pleased to announce the appointment of Mr. Qiao Jiankang as a Non-Executive Director of the Company with effect from 8 September 2009.

Mr. Qiao, aged 45, graduated from China University of Political Science and Law and obtained a master degree in Economical Law. He possesses the professional qualifications as both lawyer and enterprise legal adviser in the People’s Republic of China. Since 2000, Mr. Qiao has acted as a director and in other positions of certain subsidiaries of GDH Limited (“GDH”), the immediate controlling shareholder of the Company, including, inter alia, as the deputy general manager of the asset operation department and the general manager of the asset management department of Guangdong Assets Management Limited during the period from February 2002 to September 2003. Mr. Qiao is the senior manager of the legal department of GDH and the deputy general manager of the legal department of Guangdong Investment Limited (“GDI”). GDI is a subsidiary of GDH and listed on the Stock Exchange of Hong Kong Limited. He also acts as a director of 徐州南海皮廠有限公司(Xuzhou Nanhai Leather Factory Co., Ltd.) and 粵海制革(徐州)有限公司(Guangdong Tannery (Xuzhou) Ltd.), both of which are subsidiaries of the Company. He has over 13 years’ experience in enterprise legal works.

Other than as stated in this announcement, Mr. Qiao is not related to any Director, senior management, substantial or controlling shareholders of the Company, and has not held any directorship in any listed company in the last three years.

As at the date of this announcement, Mr. Qiao does not have any interest in shares and/or underlying shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

There is no service contract between the Company and Mr. Qiao. In accordance with the Articles of Association of the Company (the “Articles”), he will hold office until the first general meeting of the Company after his appointment and will then be eligible for re-election. In accordance with the Articles, Mr. Qiao is entitled to such director’s fee as may be approved by the Board of the Company. Emoluments (if any) for Mr. Qiao will be determined by reference to his job responsibilities and the prevailing market conditions. Mr. Qiao is not currently receiving any remuneration from the Company.

Save as described below, there is no enterprise, company or unincorporated enterprise that has been dissolved or put into liquidation (otherwise than by a member’s voluntary winding up when the company was solvent) or bankruptcy or been the object of an analogous proceeding, or entered into any form of arrangement or composition with creditors, or had a receiver, trustee or similar officer appointed over it during the time when Mr. Qiao was one of its directors or within 12 months after his ceasing to act as one of its directors.

- (1) Mr. Qiao was appointed as one of the directors of Guangdong Holdings Overseas Limited (“GD Overseas”), a subsidiary of Guangdong Enterprises (Holdings) Limited (“GDE”) in May 2000. GDE was the then indirect controlling shareholder of the Company.

GDE was incorporated in Hong Kong on 3 June 1980. By the end of 1998, as a result of a combination of the Asian economic crisis and the consequential tightening of credit and dramatic reduction in asset values, as well as excessive leverage, GDE and its subsidiaries (“GDE Group”) was in financial difficulties. Despite assistance from the Guangdong Provincial Government, it was evident that a longer term and more sustainable solution was required.

In December 1998, the Guangdong Provincial Government initiated a comprehensive restructuring (“Restructuring”) for the GDE Group. GD Overseas also participated in the Restructuring. On 12 January 1999, as part of the Restructuring a proposal was made to the financial creditors of the GDE Group for a restructuring of their indebtedness (“Debt Restructuring”). In addition, an exchange offer was made by GDE to the noteholders to be bound by the exchange offer memorandum dated 30 October 2000. On 21 December 2000, the GDE Group formally signed, among others, the debt restructuring agreements. Bank creditors and certain significant creditors of the GDE Group agreed to participate in the Debt Restructuring. The Debt Restructuring was a successful one resulting in agreement being reached with the financial creditors. The Debt Restructuring became effective on 22 December 2000. GD Overseas has become a subsidiary of GDH since 22 December 2000.

Mr. Qiao resigned as a director of GD Overseas in November 2008.

- (2) Mr. Qiao has been appointed as a director of Guangdong Arts and Crafts Company Limited (“GD Arts”) since May 2000. GD Arts was at one stage a subsidiary of GDE and subsequently a subsidiary of GDH during the period from April 2001 to December 2004.

GD Arts was incorporated in Hong Kong on 27 August 1982. Its principal business was import and export trading. On 28 August 2001, a petition for the winding up of GD Arts was presented to the High Court by a creditor of GD Arts for a total indebtedness of HK\$281,964,000. The winding up order was granted by the Court on 21 January 2002. The liquidation of GD Arts was completed on 28 April 2009 whereupon the liquidators of GD Arts submitted the application for their release to the High Court.

Save as disclosed above, in relation to the appointment of Mr. Qiao as a Non-Executive Director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

The Board would like to express its warm welcome to Mr. Qiao to join the Board.

By Order of the Board  
**Zhang Chunting**  
Chairman

Hong Kong, 8 September 2009

*As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. Zhang Chunting and Mr. Ren Yingguo; three Non-Executive Directors, namely Mr. Xiong Guangyang, Mrs. Ho Lam Lai Ping, Theresa and Mr. Qiao Jiankang; and three Independent Non-Executive Directors, namely Mr. Fung Lak, Mr. Choi Kam Fai, Thomas and Mr. Chan Cheong Tat.*