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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 )**

## **CHANGE OF DIRECTORS**

The Board announces that Mr. Zhang Chunting has resigned as an executive director, the Chairman and the chairman of the Nomination Committee of the Company and Mr. Chen Hong has been appointed as an executive director, the Chairman and the chairman of the Nomination Committee of the Company, both with effect from 27 October 2009.

### **Resignation of Director**

The board of directors (the “Board”) of Guangdong Tannery Limited (the “Company”) announces that Mr. Zhang Chungting has resigned as an executive director, the Chairman and the chairman of the Nomination Committee of the Company with effect from 27 October 2009 to pursue his career development.

Mr. Zhang has confirmed that he has no disagreement with the Board and there is no matter which needs to be brought to the attention of the shareholders of the Company in respect of his resignation.

The Board would like to express its appreciation to Mr. Zhang Chunting for his contribution made to the Company during his tenure of office.

### **Appointment of Director**

The Board also announces that Mr. Chen Hong has been appointed as an executive director, the Chairman and the chairman of the Nomination Committee of the Company with effect from 27 October 2009.

Mr. Chen Hong, aged 54, is an economist in the People's Republic of China. Mr. Chen worked with the Company and its subsidiaries from 2003 to 2005 and was appointed the Managing Director of the Company during the period from February 2004 to May 2005. He was then appointed the chairman of 粵海(湛江)中纖板有限公司 (GD Zhang Jiang MDF Board Co., Ltd.) from June 2005 to September 2007. 粵海(湛江)中纖板有限公司 (GD Zhang Jiang MDF Board Co., Ltd.) was the then wholly-owned subsidiary of GDH Limited (「GDH」), the immediate controlling shareholder of the Company. Mr. Chen currently acts as a director and executive officer of certain subsidiaries of 廣東粵海控股有限公司 (Guangdong Holdings Limited), the ultimate controlling shareholder of the Company, including, inter alia, as a director and the general manager of both GDH Real Estates (China) Ltd. (粵海房地產開發(中國)有限公司) and 廣東粵港投資開發有限公司 (Guangdong Yue Gang Investment Development Limited\*).

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

As at the date of this announcement, Mr. Chen 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 Chen. He will hold office until the first general meeting of the Company after his appointment and will be eligible for re-election in accordance with the Articles of Association of the Company. His total current annual remuneration is about HK\$742,610 which comprises the fixed annual remuneration and allowances of HK\$552,890 and a total annual payment of about HK\$189,720 for other benefits. In addition, the Company will consider to pay discretionary bonuses to Mr. Chen subject to his performance and the Company's results. Such emoluments are determined by reference to job responsibilities, prevailing market conditions and the Company's operating performance and profitability.

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. Chen was one of its directors or within 12 months after his ceasing to act as one of its directors.

- (1) Mr. Chen was appointed as a director of Guangdong Tours Transportation Limited ("GTT") during the period from 2 December 2002 to 24 February 2004.

GTT was incorporated in Hong Kong on 5 May 1987. The principal business of GTT was provision of passenger transportation services.

GTT was placed into voluntary liquidation under Section 228(1)(c) of the Companies Ordinance on 7 July 2003. Total claims received by the liquidators are in the amount of approximately HK\$17,300,000. The winding up of GTT is currently still in progress.

- (2) Mr. Chen was appointed as a director of Hong Kong Bus Company Limited (“HK Bus”) during the period from 2 December 2002 to 17 December 2004.

HK Bus was incorporated in Hong Kong on 2 June 1992. HK Bus was dormant before the commencement of its liquidation.

HK Bus was placed into voluntary liquidation under Section 228(1) (c) of the Companies Ordinance on 17 December 2004. Total claims received by the liquidators are in the amount of approximately HK\$530,000. On 20 July 2007, final meetings of members and creditors of HK Bus were held. HK Bus was dissolved on 24 October 2007.

- (3) Mr. Chen was appointed as a director of Yau Fung Tours and Transportation Company Limited (“Yau Fung”) during the period from 2 December 2002 to 17 December 2004.

Yau Fung was incorporated in Hong Kong on 11 February 1977. The principal businesses of Yau Fung were provision of transportation services and investment holding.

Yau Fung was placed into voluntary liquidation under Section 228(1) (c) of the Companies Ordinance on 17 December 2004. Total claims received by the liquidators are in the amount of approximately HK\$1,800,000. On 30 April 2008, final meetings of members and creditors were held. Yau Fung was dissolved on 31 July 2008.

GD Tours, HK Bus and Yau Fung (the “Companies”) were the subsidiaries of Guangdong Investment Limited (“GDI”) at the time when Mr. Chen was a director of the Companies. GDI is a subsidiary of GDH and listed on The Stock Exchange of Hong Kong Limited. The Companies have become the wholly-owned subsidiaries of GDH since 31 March 2003.

Reference was made to the announcement of the Company dated 20 September 2009 in relation to the resignation of Mr. Ren Yingguo, the former Managing Director of the Company. The Chairman of the Company will take up the duties of the Managing Director of the Company temporarily until the new Managing Director of the Company is appointed. As such, Mr. Chen will take up the duties of the Managing Director temporarily. Under the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, there should be a clear division of responsibilities for the roles of chairman and chief executive officer and these two roles should be performed by two persons (the Company regards that the term “chief executive officer” has the same meaning as the Managing Director of the Company). The Company is therefore already in process of identifying a suitable candidate with appropriate experience as its Managing Director and will issue a further announcement with regard to the appointment of the new Managing Director of the Company once it has been decided.

Save as disclosed above, in relation to the appointment of Mr. Chen as an executive director, the Chairman and the chairman of the Nomination Committee 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. Chen to join the Board.

By order of the Board  
**Chen Hong**  
Chairman

Hong Kong, 27 October 2009

*\* The English translation of the Chinese name of the company is prepared by the Company for reference only, and such translation may not be accurate and such company may not have an official English translation / version of its Chinese name.*

*As at the date of this announcement, the Board comprises one Executive Director namely Mr. Chen Hong; 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.*