

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



粵海制革有限公司

GUANGDONG TANNERY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1058)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the consolidated profit attributable to shareholders of the Company for the year ended 31 December 2009 is expected to increase significantly as compared with that for the same period in 2008.

The information contained in this announcement is only based on the Company's preliminary review of the consolidated management accounts of the Group, which have not been audited by the Company's auditors.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Guangdong Tannery Limited (the "Company", together with its subsidiaries shall be referred to as the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors (the "Board") of the Company wishes to inform the shareholders of the Company and potential investors that, based on the Company's preliminary review of the consolidated management accounts of the Group, which have not yet been audited by the Company's auditors, the consolidated profit attributable to shareholders of the Company for the year ended 31 December 2009 is expected to increase significantly as compared with that for the same period in 2008. Such increase was primarily attributable to the following factors:

1. As the current market environment gradually stabilizes, the price of raw materials decreased and gross profit margin of the Group's products improved in the second half of 2009. Hence, the profit from operations of the Group for 2009 will be increased as compared with that for 2008.

2. The finance costs for 2009 will be significantly reduced as compared with that for 2008 due to the average amount and interest rates of the borrowings of the Group for 2009 were reduced as compared with that for 2008.

The information contained in this announcement is only based on the Company's preliminary assessment of the consolidated management accounts of the Group for the year ended 31 December 2009, which have not been audited by the Company's auditors. The audited results of the Group for the year ended 31 December 2009 will be announced as soon as practicable.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Chen Hong
Chairman

Hong Kong, 5 February 2010

As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. Chen Hong and Mr. Sun Jun; 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.