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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)**

## PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that the Group's profit for the year ended 31 December 2014 is expected to decline significantly, which may result in either a significantly lower net profit or even a net loss as compared to the corresponding period in 2013.

The information contained in this announcement is only a preliminary assessment by the management of the Company based on the latest available information and is subject to possible adjustments following further internal review as well as end of year adjustments, if any, and is not based on any figure or information which has been reviewed by the Company's auditors or audit committee.

**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") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

The board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company and potential investors that based on the current estimate of the Company’s management, the Group’s profit for the year ended 31 December 2014 is expected to decline significantly, which may result in either a significantly lower net profit or even a net loss as compared to the corresponding period in 2013. Such decline was mainly due to the following factors:

- (i) decrease in gross profit margin of the Group’s products resulting from the increment in unit cost of raw materials being greater than that in selling price per unit, though there is an increase in sales volume; and
- (ii) exchange loss arising from the depreciation in Renminbi against United States dollars.

However, as the Company is still in the process of finalising its consolidated results for the year ended 31 December 2014, the information contained in this announcement is only a preliminary assessment by the management of the Company based on the latest available information and is subject to possible adjustments following further internal review as well as end of year adjustments, if any, and is not based on any figure or information which has been reviewed by the Company’s auditors or audit committee. The audited annual results of the Group for the year ended 31 December 2014 are expected to be announced in March 2015.

**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, 16 January 2015

*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. Liu Bing, 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.*