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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 is expected to record a loss for the three months ended 31 March 2015 as compared with a profit for the corresponding period in 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 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 is expected to record a loss for the three months ended 31 March 2015 as compared with a profit for the corresponding period in 2014. Such turnaround from profit to loss was mainly due to the following factors:

- (i) decrease in gross profit due to the decrease in reversal of provision for inventories in the first three months of 2015; and
- (ii) increase in exchange loss arising from the depreciation in Renminbi against United States dollar.

However, as the Company is still in the process of finalising its unaudited results for the three months ended 31 March 2015, 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 and is not based on any figure or information which has been reviewed by the Company's auditors or audit committee. The unaudited financial information of the Group for the three months ended 31 March 2015 is expected to be announced by the end of April 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, 10 April 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.