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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)

**CHANGES OF DIRECTORS, CHAIRMAN OF THE BOARD
AND CHAIRMAN OF THE NOMINATION COMMITTEE**

The Board announces the following changes to the Board to take effect from 26 February 2016:

- (1) Mr. Chen Hong will resign as an Executive Director, the Chairman of the Board and the chairman of the Nomination Committee of the Company; Mr. Sun Jun will be appointed as the Chairman of the Board and the chairman of the Nomination Committee of the Company. Mr. Sun will continue to be the Managing Director of the Company; and
- (2) Mr. Xiao Zhaoyi and Mr. Kuang Hu will be appointed as Non-Executive Directors of the Company; Mr. Qiao Jiankang will resign as a Non-Executive Director of the Company.

The board of directors (the “Board”) of Guangdong Tannery Limited (the “Company”) announces that:

- (1) Mr. Chen Hong intends to devote more time for his duties and responsibilities in 廣東粵海控股集團有限公司 (Guangdong Holdings Limited*) (“Guangdong Holdings”) and GDH Limited (“GDH”), the ultimate controlling shareholder and the immediate controlling shareholder of the Company, respectively, and will resign as an Executive Director, the Chairman of the Board and the chairman of the Nomination Committee of the Company with effect from 26 February 2016 ;
- (2) Mr. Sun Jun will be appointed as the Chairman of the Board and the chairman of the Nomination Committee of the Company with effect from 26 February 2016. Mr. Sun will continue to be the Managing Director of the Company;

- (3) Mr. Xiao Zhaoyi and Mr. Kuang Hu will be appointed as Non-Executive Directors of the Company with effect from 26 February 2016; and
- (4) Mr. Qiao Jiankang will resign as a Non-Executive Director of the Company with effect from 26 February 2016 as he will focus on his work with Guangdong Holdings and GDH.

Mr. Chen Hong and Mr. Qiao Jiankang confirmed that they have no disagreement with the Board and there is no other matter relating to their resignation that needs to be brought to the attention of the shareholders of the Company.

Pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the followings are the personal particulars of Mr. Sun Jun, Mr. Xiao Zhaoyi and Mr. Kuang Hu:

Mr. Sun Jun, aged 42, was appointed an Executive Director and the Managing Director of the Company in February 2010. He is an economist in the People’s Republic of China (“PRC”). He graduated from 西安公路學院(Xian Highway College*) (now known as 長安大學(Chang’an University)) and obtained a bachelor’s degree in 工程機械與起重運輸(Mechanical Engineering and Lifting Transportation Program*). Mr. Sun worked with certain companies of GDH from November 2002 to August 2003. He then worked with the Company and its subsidiaries in September 2003 and was appointed to certain posts, including, inter alia, acting as assistant general manager and deputy general manager of the Company from March 2004 to December 2005 and from July 2007 to February 2010 respectively. Mr. Sun currently holds the following posts of wholly-owned subsidiaries of the Company, including a director and the general manager of each of 徐州南海皮廠有限公司(Xuzhou Nanhai Leather Factory Co., Ltd.), 徐州港威皮革有限公司(Xuzhou Gangwei Leather Co., Ltd.) and 粵海制革(徐州)有限公司(Guangdong Tannery (Xuzhou) Limited); and an executive deputy project director of relocation project of 徐州南海皮廠有限公司(Xuzhou Nanhai Leather Factory Co., Ltd.).

Other than as stated above, Mr. Sun is not related to any Director, senior management or substantial shareholder or controlling shareholder of the Company and has not held any directorship in any other listed company in the last three years.

As at the date of this announcement, Mr. Sun has interests in 40,000 shares of the Company. Save as disclosed above, Mr. Sun does not have any interests 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).

Pursuant to the letter of appointment entered into between the Company and Mr. Sun. Mr. Sun will hold office for a term until the earlier of (i) the conclusion of the annual general meeting of the Company to be held in 2018 and (ii) 30 June 2018, or subject to earlier determination in accordance with the articles of association of the Company (the “Articles of Association”) and/or any applicable laws and regulations. He will then be eligible for re-election. The remuneration package of Mr. Sun comprises salaries, allowances, benefits in kind and pension scheme contributions amounting to approximately RMB511,000 per annum, with discretionary bonus pegged to performance. The remuneration for Mr. Sun is determined by reference to his job responsibilities, the prevailing market conditions of the industry, the Company’s remuneration policy and operating performance and profitability.

Mr. Xiao Zhaoyi, aged 52, graduated from the Department of Law of Southwest University of Political Science and Law. He obtained a Master’s degree in Law from Hainan University and a Master’s degree in Business Administration from Murdoch University, Australia. Mr. Xiao had worked as a judge and deputy office director of High People’s Court of Guangdong. From December 1996 to October 2005, he acted as the assistant general manager and the general manager of the office of Guangnan (Holdings) Limited (“Guangnan Holdings”), a director of Guangdong Investment Limited (“GDI”), the general manager in Administrative Department and the Company Secretary of GDH and a director and the general manager of China City Water Supply Investment Holding Limited (中國城市供水投資控股有限公司). GDI and Guangnan Holdings are currently the subsidiaries of GDH. Mr. Xiao was then transferred back to the judiciary in October 2005 where he worked at the Guangzhou Intermediate People’s Court. He was the division level judge, the third grade senior judge. He also served on a number of leading roles including the division level researcher of the Fourth Civil Court, the division level judge and the presiding judge of the Third Civil Court, the director of Judicial Administration Management Office Equipment, the office director. In October 2015, he was appointed as the general manager of the legal departments of Guangdong Holdings and GDH.

Other than as stated above, Mr. Xiao is not related to any Director, senior management or substantial shareholder or controlling shareholder of the Company and has not held any directorship in any other listed company in the last three years.

As at the date of this announcement, Mr. Xiao does not have any interests 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).

Pursuant to the letter of appointment entered into between the Company and Mr. Xiao. Mr. Xiao will hold office until the conclusion of the first general meeting of the Company after his appointment and will then be eligible for re-election and is subject to retirement by rotation and re-election at least once every three years in accordance with the Articles of Association, or earlier determination in accordance with the Articles of Association and/or any applicable laws and regulations. Mr. Xiao is entitled to such director's fee as may be approved by the Board, pursuant to the Articles of Association. Remuneration (if any) for Mr. Xiao will be determined by reference to his job responsibilities, the prevailing market conditions of the industry, the Company's remuneration policy, operating performance and profitability. At present, Mr. Xiao is not receiving any remuneration from the Company.

Save as described below, there is no enterprise, company nor unincorporated business enterprise that has been dissolved or put into liquidation (otherwise than by a members' voluntary winding up when the company, in the case of a Hong Kong 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 (i) during the period when Mr. Xiao was one of its directors or, in the case of an enterprise, a company or an unincorporated business enterprise established in the PRC, during the period when he was one of its directors, supervisors or managers, or (ii) within 12 months after his ceasing to act as one of its directors, supervisors or managers, as the case may be.

- (1) Mr. Xiao was a director of GDI during the period from 30 May 2000 to 9 November 2001. GDI was incorporated in Hong Kong on 5 January 1973. The principal activities of GDI and its subsidiaries (the "GDI Group") include investment holding, water resources, property holding and investment, hotel ownership and operation, hotel management, department store operations and investments in infrastructure and energy projects.

As disclosed in GDI's announcement dated 23 December 2000, the debt restructuring of the GDI Group (including the Bank Debt Restructuring, the Bond Restructuring, the 2001 FRN Restructuring, the 2000 FRN Restructuring and the US\$27 million Bond Restructuring as defined in the announcement of GDI dated 23 December 2000) became effective on 22 December 2000. Debts subject to restructuring at GDI level amounted to approximately HK\$4.5 billion and debts subject to restructuring at selected stand alone subsidiaries amounted to an additional HK\$2.3 billion approximately. As announced by GDI on 6 May 2003, all outstanding financial indebtedness of GDI (including those under guarantees issued by GDI) under the debt restructuring scheme pursuant to the master override agreement dated 15 December 2000 between GDI and its financial creditors ("MOA") was repaid or settled in full on 2 May 2003. All the stand alone override agreements relating to the debt restructuring schemes for the stand alone subsidiaries of GDI had likewise been completed. All professional fees relating to the debt restructuring scheme as aforesaid had since further been ascertained and settled in full. Accordingly the MOA had been completed and terminated automatically in November 2003, and GDI had been fully released from any further obligation under, and had successfully exited from, its debt restructuring completely.

- (2) Mr. Xiao was a director of Guangnan Hong (Group) Limited (“Guangnan Hong”) during the period from 1 May 1998 to 14 April 2000. Guangnan Hong was incorporated in Hong Kong on 9 November 1993. Its principal business was investment holding. Guangnan Hong was a wholly-owned subsidiary of Guangdong Enterprises (Holdings) Limited (“GDE”). 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 (including Guangnan Hong). 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.

Mr. Kuang Hu, aged 38, graduated from the Department of International Economics and Trading of Beijing Normal University, PRC. He obtained a Master’s degree in World Economics from Sun Yat-sen University and a Doctoral degree in Finance. In July 2003, Mr. Kuang joined 廣東粵港投資控股有限公司 (Guangdong Yue Gang Investment Holdings Company Limited*) (now known as 廣東粵海控股集團有限公司 (Guangdong Holdings Limited*) and defined as “Guangdong Holdings” herein) and worked in Strategic Development Department. From November 2012 to June 2015, he was appointed as deputy general manager of Strategic Development Department of both Guangdong Holdings and GDH. He currently acts as the general manager of the Operation Department of Guangdong Holdings and GDH. Mr. Kuang 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) Limited), both of which are wholly-owned subsidiaries of the Company.

Other than as stated above, Mr. Kuang is not related to any Director, senior management or substantial shareholder or controlling shareholder of the Company and has not held any directorship in any other listed company in the last three years.

As at the date of this announcement, Mr. Kuang does not have any interests 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).

Pursuant to the letter of appointment entered into between the Company and Mr. Kuang, Mr. Kuang will hold office until the conclusion of the first general meeting of the Company after his appointment and will then be eligible for re-election and is subject to retirement by rotation and re-election at least once every three years in accordance with the Articles of Association, or earlier determination in accordance with the Articles of Association and/or any applicable laws and regulations. Mr. Kuang is entitled to such director's fee as may be approved by the Board, pursuant to the Articles of Association. Remuneration (if any) for Mr. Kuang will be determined by reference to his job responsibilities, the prevailing market conditions of the industry, the Company's remuneration policy, operating performance and profitability. At present, Mr. Kuang is not receiving any remuneration from the Company.

Save as disclosed above, there are no other matters relating to the changes of directors, the Chairman of the Board and the chairman of Nomination Committee of the Company that need to be brought to the attention of the shareholders of the Company nor any other information required to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing Rules.

The Board would like to express its sincere gratitude and appreciation to Mr. Chen Hong and Mr. Qiao Jiankang for their valuable contributions made to the Company during their tenure of office.

The Board would also like to express its warm welcome to Mr. Sun on taking up the new positions as the Chairman of the Board and the Nomination Committee of the Company and to Mr. Xiao Zhaoyi and Mr. Kuang Hu in joining the Board.

By Order of the Board
Lo Sze Sze
Company Secretary

Hong Kong, 25 February 2016

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

As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. Chen Hong and Mr. Sun Jun; two Non-Executive Directors, namely Mr. Ran Bo and Mr. Qiao Jiankang; and three Independent Non-Executive Directors, namely Mr. Fung Lak, Mr. Choi Kam Fai, Thomas and Mr. Chan Cheong Tat.