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If you have sold or otherwise transferred all your shares in Guangdong Tannery Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, licensed corporation, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).



粵海制革有限公司

GUANGDONG TANNERY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1058)

**GENERAL MANDATE FOR THE ISSUE OF SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Guangdong Tannery Limited to be held at The Boardroom, Basement 2, The Wharney Guang Dong Hotel Hong Kong, No. 57-73, Lockhart Road, Wanchai, Hong Kong at 10:00 a.m. on Wednesday, 12 June 2019 is set out on pages 10 to 12 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

26 April 2019

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“AGM”	the annual general meeting of the Company to be held at The Boardroom, Basement 2, The Wharney Guang Dong Hotel Hong Kong, No. 57–73, Lockhart Road, Wanchai, Hong Kong at 10:00 a.m. on Wednesday, 12 June 2019, notice of which is set out on pages 10 to 12 of this circular or, where the context so admits, any adjournment thereof;
“AGM Notice”	the notice convening the AGM as set out on pages 10 to 12 of this circular;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“Board”	the board of directors of the Company;
“Company”	Guangdong Tannery Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“controlling shareholder”	as defined in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	18 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) in the AGM Notice;

DEFINITIONS

“PRC”	the People’s Republic of China;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) in the share capital of the Company;
“Share Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to issue Shares not exceeding 20% of the issued share capital of the Company as at the date of the passing of the relevant ordinary resolution to grant such mandate;
“Shareholder(s)”	registered holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	as defined in the Listing Rules; and
“%”	per cent.



粵海制革有限公司

GUANGDONG TANNERY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1058)

Board of Directors:

SUN Jun (*Chairman and Managing Director*)

XIAO Zhaoyi[#]

KUANG Hu[#]

DING Yatao[#]

FUNG Lak*

CHOI Kam Fai, Thomas*

CHAN Cheong Tat*

Registered Office:

29th Floor

Guangdong Investment Tower

148 Connaught Road Central

Hong Kong

[#] *Non-Executive Director*

* *Independent Non-Executive Director*

26 April 2019

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATE FOR THE ISSUE OF SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to give you notice of the AGM, and information on certain matters to be dealt at the AGM, *inter alia*:

- (a) the grant of the Share Issue Mandate to the Directors; and
- (b) the re-election of the retiring Directors.

LETTER FROM THE BOARD

2. SHARE ISSUE MANDATE

At the last annual general meeting of the Company held on 8 June 2018, a general mandate was granted to the Directors to exercise the powers of the Company to issue, allot and deal with such number of Shares not exceeding 20% of the issued share capital of the Company as at that date. That general mandate will lapse at the conclusion of the AGM.

To provide continued flexibility to the Directors, an ordinary resolution will be proposed at the AGM for the granting of the Share Issue Mandate to the Directors, on terms as set out in Ordinary Resolution No. 4 in the AGM Notice, allowing them to exercise all the powers of the Company to issue, allot and deal in the Shares. Under the Share Issue Mandate, the number of Shares that the Company is authorised to allot or agree conditionally or unconditionally to allot (whether pursuant to an option or otherwise), subject to the exceptions as set out in paragraph (c) of Ordinary Resolution No. 4, will not exceed 20% of the issued share capital of the Company as at the date of passing such Ordinary Resolution.

As at the Latest Practicable Date, the number of Shares in issue was 538,019,000. Subject to the passing of the proposed resolution for approving the Share Issue Mandate and on the basis that no further Shares are issued by the Company prior to the date of the AGM, the Company would be allowed under the Share Issue Mandate to issue up to a limit of 107,603,800 Shares.

3. RE-ELECTION OF DIRECTORS

Pursuant to Articles 82 to 84 of the Articles of Association, Mr. Kuang Hu (“Mr. Kuang”) and Mr. Fung Lak (“Mr. Fung”) will retire by rotation at the AGM and, being eligible, have offered themselves for re-election at the AGM.

Set out below is the information relating to the re-election of Mr. Fung as an Independent Non-Executive Director of the Company according to Rule 3.13 and code provisions A.4.3 and A.5.5 of Appendix 14 of the Listing Rules:

(i) Confirmation of Independence

Mr. Fung has provided the annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. He does not have any relationship with any substantial shareholder, fellow Directors and management of the Company which would interfere with the exercise of independent judgment.

The Company is therefore of the view that Mr. Fung meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

LETTER FROM THE BOARD

(ii) Reasons for recommending the re-election of Mr. Fung as director

(a) Process for selecting directors and attributes of Mr. Fung

The Board is responsible for recommending Directors for re-election by Shareholders at the general meeting. It has delegated the relevant screening and evaluation process to the Nomination Committee of the Company, which identifies suitably qualified Director candidates and recommends them to the Board.

When evaluating Directors for nomination, the Nomination Committee of the Company mainly takes into account: (i) diversity, (ii) character and integrity, (iii) professional qualifications, skills and knowledge, (iv) experience relevant to the Company's business and corporate strategy, (v) commitment to enhancing shareholder value and (vi) fulfillment of independence requirements (for Independent Non-Executive Directors). The Nomination Committee of the Company then makes recommendation to the Board which in turn makes recommendation to Shareholders in respect of the proposed re-election of Directors at the general meeting.

At a meeting of the Nomination Committee of the Company held on 28 March 2019 at which Mr. Fung had abstained from voting when his own nomination was being considered, the Nomination Committee of the Company recommended the re-election of Mr. Fung as Director to the Board. The Nomination Committee of the Company considers that Mr. Fung is highly regarded incumbent with a wealth of expertise and experience relevant to the Company. As described below, Mr. Fung has extensive experience in accounting and finance. His accounting expertise helps to add great value to the Company's audit oversight for better shareholder interest protection. Being highly accomplished individual in his respective industry and field, he provides constructive advice to the Company and contribute to effective decision making of the Board.

Having regard to the independence confirmation as well as the contribution that Mr. Fung has made as described herein, the Board considers that the re-election of Mr. Fung as Director is in the best interest of the Company and Shareholders as a whole and accepts the Nomination Committee's recommendations.

(b) Other listed company directorship

Mr. Fung does not hold any directorships in any other listed company.

(c) Skills and experience of Mr. Fung

Mr. Fung's sound finance background and accounting expertise enable him to contribute effectively and to provide a panoramic view to the Board.

LETTER FROM THE BOARD

(d) Contribution to diversity of the Board

The Company considers diversity in a broad sense, including but not limited to gender, age, cultural and educational background, professional experience, skills, industry knowledge and length of service. It also takes into consideration its own business model and specific needs from time to time. As explained above, Mr. Fung possesses a diverse blend of skills, background, experience and viewpoint that are crucial to drive the Company forward in the ever-evolving competitive landscape. He brings a broad perspective to the Board and provide constructive thoughts for the Company's overall strategic planning and business development.

(e) Length of services

Pursuant to code provision A.4.3 of Appendix 14 to the Listing Rules, serving more than nine years could be relevant to the determination of a non-executive director's independence. Any further appointment of an independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by Shareholders.

Mr. Fung has been an Independent Non-Executive Director of the Company for more than nine years. A separate resolution will be proposed for his re-election at the AGM. Mr. Fung does not have any management role in the Company and its subsidiaries and he has clearly demonstrated diligence, willingness to exercise independent judgment and has been giving objective views to the Company. There is no evidence that length of tenure is having an adverse impact on his independence.

The Board is satisfied that, as well proven by the valuable independent judgement and advice given by Mr. Fung over the years, he has the required character, integrity, independence and experience to fulfill the role of an Independent Non-Executive Director. The Board is not aware of any circumstances that might influence Mr. Fung in exercising his independent judgement.

Information relating to Mr. Kuang and Mr. Fung as required to be disclosed under Rule 13.51(2) of the Listing Rules is set out in Appendix I to this circular.

4. THE AGM

The AGM Notice is set out in Appendix II to this circular. Shareholders are advised to read the AGM Notice and to complete and return the enclosed form of proxy for use at the AGM in accordance with the instructions printed thereon and deposit the same with the Company's share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the AGM Notice will be decided by poll. The Chairman of the AGM will therefore put each of the resolutions to be proposed at the AGM to be voted by way of a poll pursuant to Article 57(a) of the Articles of Association. An announcement of the poll results will be made after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

5. RECOMMENDATIONS

The Directors believe that the resolutions, including but not limited to, the granting of the Share Issue Mandate and the re-election of Directors, as set out in the AGM Notice are in the best interests of the Company as well as the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolutions at the AGM.

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board
SUN Jun
Chairman and Managing Director

Set out below are the personal particulars of the Directors who offer themselves to be re-elected at the AGM:

Mr. Kuang Hu, aged 41, was appointed a Non-Executive Director of the Company in February 2016. He graduated from the Department of International Economics and Trading of Beijing Normal University, PRC. He obtained a Master's degree in World Economics and a Doctoral degree in Finance from Sun Yat-sen University, the PRC. 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*)) ("Guangdong Holdings") and worked in Strategic Development Department. From November 2012 to June 2015, he was appointed deputy general manager of Strategic Development Department of both Guangdong Holdings and GDH Limited ("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 Latest Practicable Date, Mr. Kuang did 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 SFO.

There is a letter of appointment entered into between the Company and Mr. Kuang. Mr. Kuang, if re-elected, will be appointed as a Non-Executive Director with effect from the conclusion of the AGM for a term of not more than approximately three years expiring at the conclusion of the Company's annual general meeting to be held in 2022, subject to earlier determination in accordance with the Articles of Association and/or applicable laws and regulations.

In accordance with the Articles of Association, Mr. Kuang is entitled to such director's fee as may be approved by the Board. 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, in relation to the re-election of Mr. Kuang as a Non-Executive Director 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 Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

* *The English names are translation of the Chinese names, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*

Mr. Fung Lak, aged 71, was appointed an Independent Non-Executive Director of the Company in November 2002. He holds a bachelor degree in Science (Economics) major in Accounting and Finance from the London School of Economics and Political Science of University of London. He is also a fellow member of Hong Kong Institute of Certified Public Accountants, a fellow member of the Institution of Chartered Accountants in the United Kingdom, a fellow member of the Association of Chartered Certified Accountants and a member of the Taxation Institute of Hong Kong. Mr. Fung was the former president of the Society of Chinese Accountants and Auditors. Mr. Fung has over 30 years' experience in the accounting and finance and is a director of Lak & Associates C.P.A. Limited.

Mr. Fung is not related to any Director, senior management or substantial or controlling shareholders of the Company and has not held any directorship in any other listed company in the last three years.

As at the Latest Practicable Date, Mr. Fung was interested in 1,380,000 Shares in the Company. Save as disclosed above, Mr. Fung did 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 SFO.

There is a letter of appointment entered into between the Company and Mr. Fung. Mr. Fung, if elected, will be appointed as an Independent Non-Executive Director with effect from the conclusion of the AGM for a term of not more than approximately three years expiring at the conclusion of the Company's annual general meeting to be held in 2022, subject to earlier determination in accordance with the Articles of Association and/or applicable laws and regulations.

Mr. Fung is currently entitled to an annual director's fee of HK\$150,000 which is determined by reference to his job responsibilities, the prevailing market conditions of the industry, the Company's remuneration policy, operating performance and profitability.

Save as disclosed above, in relation to the re-election of Mr. Fung as an Independent Non-Executive Director 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 Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.



粵海制革有限公司

GUANGDONG TANNERY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1058)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an annual general meeting of Guangdong Tannery Limited (the “Company”) will be held at The Boardroom, Basement 2, The Wharney Guang Dong Hotel Hong Kong, No. 57–73, Lockhart Road, Wanchai, Hong Kong on Wednesday, 12 June 2019 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements, the Directors’ report and the Independent Auditor’s report for the year ended 31 December 2018.
2. To re-elect the following retiring Directors by separate resolutions, and to authorise the Board of Directors to fix the remuneration of the Directors.
 - (i) Mr. Kuang Hu
 - (ii) Mr. Fung Lak
3. To re-appoint Auditor and to authorise the Board of Directors to fix their remuneration.
4. To consider and, if thought fit, to pass with or without amendments, the following as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT:**

- (a) subject to the following provisions of this resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) of this resolution) of all the powers of the Company to allot, issue and deal with ordinary shares in the capital of the Company (the “Shares”) and/or options, warrants and/or instruments carrying rights to subscribe for any Shares or securities convertible into Shares, and to make and/or grant offers, agreements, options or warrants which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make and/or grant offers, agreements, options or warrants which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of the Shares allotted, issued or dealt with, or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval given under paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this resolution), (ii) the exercise of the subscription or conversion rights attaching to any warrants, preference shares, convertible bonds or other securities issued by the Company which are convertible into Shares, (iii) the exercise of options granted by the Company under any share option scheme or similar arrangement for the time being adopted for the grant to the Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible person (if any) of rights to acquire Shares, or (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on the Shares in accordance with the articles of association of the Company (the “Articles of Association”), shall not exceed 20 per cent. of the aggregate number of the Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

and,

“Rights Issue” means an offer of Shares open for a period fixed by the Company (or by the Directors) to holders of Shares on the Register of Members (Shares) of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any authorised regulatory body or any stock exchange in, any territory outside Hong Kong).”

By order of the Board
LO Sze Sze
Company Secretary

Hong Kong, 26 April 2019

Registered office:

29th Floor
Guangdong Investment Tower
148 Connaught Road Central
Hong Kong

Notes:

- (i) To be valid, the form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority) must be delivered to the Company’s share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time fixed for holding the meeting or adjourned meeting. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the meeting or any adjourned meeting if he so wishes.
- (ii) In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person, or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Company’s register of shareholders in respect of the joint holding.
- (iii) The register of members of the Company will be closed from Thursday, 6 June 2019 to Wednesday, 12 June 2019 (both days inclusive), during such period no transfer of shares of the Company will be registered. In order to determine the identity of the members who are entitled to attend and vote at the forthcoming annual general meeting of the Company to be held on Wednesday, 12 June 2019, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 5 June 2019.
- (iv) In relation to resolution no. 4, approval is being sought from members of the Company for a general mandate to authorise the issue of Shares. The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the general mandate so given.