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GUANGDONG TANNERY LIMITED

粤海制革有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 01058)

INSIDE INFORMATION PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) 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, based on a preliminary assessment of the Company's unaudited consolidated management accounts for the year ended 31 December 2021, the unaudited consolidated net loss of the Company for the year ended 31 December 2021 is expected to increase by over 600% as compared with the audited consolidated net loss of HK\$2.75 million in 2020.

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") pursuant to Rule 13.09(2)(a) 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 a preliminary assessment of the Company's unaudited consolidated management accounts for the year ended 31 December 2021, the unaudited consolidated net loss of the Company for the year ended 31 December 2021 is expected to increase by over 600% as compared with the audited consolidated net loss of HK\$2.75 million in 2020.

The expected increase in the consolidated net loss was mainly due to the following factors:

- (i) An increase in administrative expenses which was mainly attributable to an increase in employee emoluments compared to the same period of last year; and
- (ii) A decrease in reversal of payables and accruals compared to the same period of last year.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Company for the year ended 31 December 2021 and other information currently available to the Board, which have not been reviewed by the auditor of the Company. Further, the information in this announcement is not based on any figures or information reviewed or approved by the audit committee of the Board. The Company is still in the process of finalizing its consolidated results for the year ended 31 December 2021, which are subject to possible adjustments upon further review. The audited annual results of the Company for the year ended 31 December 2021 is expected to be published by the end of March 2022.

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
Zhou Hao
Chairman

Hong Kong, 23 February 2022

As at the date of this announcement, the Board comprises two Executive Directors, namely, Mr. Zhou Hao and Mr. Sun Jun; two Non-Executive Directors, namely, Huang Junfeng and Mr. Kuang Hu; and three Independent Non-Executive Directors, namely, Mr. Yeung Man Lee, Mr. Leung Luen Cheong and Mr. Yang Ge.