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GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED

金源米業國際有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 677)

CONTINUING CONNECTED TRANSACTION

On 21 December 2010, the Company and Food Company Ltd. entered into the Framework Agreement in respect of the Continuing Connected Transaction. The management of the Company considers that the Annual Cap for the supply of Goods by the FC Group to the Group will not exceed US\$3 million (or approximately HK\$23.4 million), US\$7 million (or approximately HK\$54.6 million) and US\$7 million (or approximately HK\$54.6 million) for the period commencing from the Effective Date to 31 March 2011 and each of the two financial years ending 31 March 2013 respectively.

As the Directors expect that for the Continuing Connected Transaction, either the relevant percentage ratios will exceed 2.5% or the relevant considerations will be more than HK\$10,000,000, the Continuing Connected Transaction constitutes a non-exempt continuing connected transaction under Rule 14A.35 of the Listing Rules which is subject to Independent Shareholders' approval. Pursuant to Rule 14A.43 of the Listing Rules, in the event that (i) no Shareholder is required to abstain from voting should the Company convene a general meeting and (ii) a written Shareholders' approval has been obtained from a closely allied group of Shareholders who together hold more than 50% in the issued share capital of the Company, the written Shareholders' approval can be accepted in lieu of holding a general meeting of the Company for the Shareholders to approve the transactions contemplated under the Framework Agreement. The Majority Shareholders will provide a written approval in respect of the transactions contemplated under the Framework Agreement to the Company.

A circular containing, inter alia, further details of the Continuing Connected Transaction and the Framework Agreement, the letter from the Independent Board Committee to the Independent Shareholders, the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, together with other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 12 January 2011 in accordance with the Listing Rules. If there is expected to be delay in despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular.

INTRODUCTION

Since July 2009, the Group has engaged Food Company Ltd., which was then a party independent of and not connected with the Company and its connected person, for the supply of Goods to the Group in connection with its business. The consideration, which is payable by the Group in cash upon delivery, is calculated on the unit price of the Goods multiplied by the quantity agreed to be supplied which is determined after arm's length negotiation between the parties and on an order-by-order basis, having also taken into account factors such as prevailing market price and condition. For the year ended 31 March 2010, the consideration contracted and payable by the Group to Food Company Ltd. in respect of the supply of Goods to the Group amounted to approximately US\$2.65 million (or approximately HK\$20.7 million).

On 20 December 2010, the Group completed the subscription of 70.6% interest in Yellow Circle and as a result, Yellow Circle becomes a non-wholly owned subsidiary of the Company. Yellow Circle is a company established in Vietnam in or around November 2009 and no accounts had been prepared for Yellow Circle as at the date of this announcement. As the consideration paid by the Group for the subscription does not exceed 5%, the subscription does not constitute a notifiable transaction for the Company under the Listing Rules. Since the remaining 29.4% interest in Yellow Circle is held by Food Company Ltd., Food Company Ltd. becomes a substantial shareholder of a non-wholly owned subsidiary of the Company and a connected person of the Company.

In view that the sourcing and supply of Goods between the Company and Food Company Ltd. as described above will continue as between themselves or their respective subsidiaries, the Company and Food Company Ltd. entered into the Framework Agreement in respect of the Continuing Connected Transaction.

THE FRAMEWORK AGREEMENT

The principal terms of the Framework Agreement are set out as follows:

Date	:	21 December 2010
Term	:	From the Effective Date to 31 March 2013
Parties	:	The Company and Food Company Ltd.
Nature of transaction	:	Pursuant to the terms of the Framework Agreement, if required by the Group, Food Company Ltd. agrees with the

Company to supply or procure the other members of the FC Group to supply the Goods to the Group. Each specific supply arrangement relating to the Goods shall be governed by a separate purchase order agreed between the relevant member of the Group and the relevant member of the FC Group

Reasons for transaction : The management of the Company considers that the supply of Goods by the FC Group to the Group is on normal commercial terms and in the ordinary and usual course of business of the Group

Pricing basis : Both parties to the agreement agreed that any and all the supply of Goods shall be provided on arm's length basis or on terms no less favourable to the Company than those offered by the FC Group to independent third parties agreed after good faith and arms' length negotiations between the relevant parties, by reference to prevailing market prices and the terms offered to independent third parties by the FC Group

Conditions precedent : The obligations of the parties under the Framework Agreement shall be conditional upon the approval of the Framework Agreement and the transactions contemplated thereunder by the Independent Shareholders in a special general meeting of the Company or unless the Stock Exchange otherwise objects, the written approval of the Framework Agreement and the transactions contemplated thereunder by the Majority Shareholders in accordance with Rule 14A.43 of the Listing Rules

If the condition set out in the Framework Agreement is not fulfilled on or before 31 March 2011 (or such later date as may be agreed between the Company and Food Company Ltd.), the Framework Agreement will automatically terminate and neither party to the Framework Agreement shall have any claim against the other party to the Framework Agreement save for any antecedent breaches of the terms of the Framework Agreement

The management of the Company considers that the Annual Cap for the supply of Goods by the FC Group to the Group will not exceed US\$3 million (or approximately HK\$23.4 million), US\$7 million (or approximately HK\$54.6 million) and US\$7 million (or approximately HK\$54.6 million) for the period commencing from the Effective Date to 31 March 2011 and each of the two financial years ending 31 March 2013 respectively.

For the period ended 7 December 2010 in respect of the current financial year ending 31 March 2011, the consideration contracted and payable by the Group to the FC Group in respect of the supply of Goods to the Group amounted to approximately US\$1.63 million (or approximately HK\$12.7 million).

The Annual Cap was determined with reference to the historical information of the demand for the Goods from the Group's customers, purchase orders and purchase forecasts received from the Group's customers and seasonal effects during the term covered by the Framework Agreement. Accordingly, the management of the Company considers that the Annual Cap over the three years ending 31 March 2013 to be justifiable.

The Company will comply with the requirements of the annual review of the Continuing Connected Transaction as set out in Rules 14A.37 to 14A.40 of the Listing Rules and will re-comply with the relevant Listing Rules if the Annual Cap is exceeded or, when the relevant agreements are renewed or, when there is a material change to the terms of the Continuing Connected Transaction.

REASONS AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTION

The Continuing Connected Transaction forms an integral part of the ordinary and usual course of business of the Group and is conducted on normal commercial terms determined on an arm's length basis. The Group's business relationship with Food Company Ltd. commenced in July 2009 and Food Company Ltd. has become a connected person of the Company following the completion of subscription in the interests in Yellow Circle by the Group on 20 December 2010.

In view of the long time business relationship and the benefits brought about by the past business transactions between the Company and Food Company Ltd., the Board considers it to be in the interests of the Company to engage in the Continuing Connected Transaction and that the terms of the Continuing Connected Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND FOOD COMPANY LTD.

The Company is an investment holding company, and the principal activities of its subsidiaries are sourcing, importing, wholesaling, processing, packaging, marketing and distribution of rice, securities investment, property investment and investment holding.

Food Company Ltd. is a state-owned enterprise established in Vietnam who together with its subsidiaries are principally engaged in the manufacturing, processing, trading food and technology food, importing and exporting material, equipment, fertilizer, insecticides, consumer products, operating restaurant and hotel, retails sale of gas and oil, buying and selling building material, interior decoration products, trading in real estate.

Since Food Company Ltd. is a substantial shareholder of Yellow Circle, which is a non wholly-owned subsidiary of the Company, Food Company Ltd. is a connected person of the Company. Accordingly, the Continuing Connected Transaction between the Company and Food Company Ltd. will constitute a non-exempt continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

GENERAL

As the Directors expect that for the Continuing Connected Transaction, either the relevant percentage ratios will exceed 2.5% or the relevant considerations will be more than HK\$10,000,000, the Continuing Connected Transaction constitutes a non-exempt continuing connected transaction under Rule 14A.35 of the Listing Rules which is subject to Independent Shareholders' approval. Pursuant to Rule 14A.43 of the Listing Rules, in the event that (i) no Shareholder is required to abstain from voting should the Company convene a general meeting and (ii) a written Shareholders' approval has been obtained from a closely allied group of Shareholders who together hold more than 50% in the issued share capital of the Company, the written Shareholders' approval can be accepted in lieu of holding a general meeting of the Company for the Shareholders to approve the transactions contemplated under the Framework Agreement. The Majority Shareholders will provide a written approval in respect of the transactions contemplated under the Framework Agreement to the Company.

An Independent Board Committee will be established to advise the Independent Shareholders in relation to the Continuing Connected Transaction. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transaction.

A circular containing, inter alia, further details of the Continuing Connected Transaction and the Framework Agreement, the letter from the Independent Board Committee to the Independent Shareholders, the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, together with other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 12 January 2011 in accordance with the Listing Rules. If there is expected to be delay in despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

"Annual Cap"	a maximum aggregate annual value of the Continuing Connected Transaction, details of which are set out in the section headed "Framework Agreement" of this announcement
"associate(s)"	has the same meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Company"	Golden Resources Development International Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"Continuing Connected Transaction"	the continuing connected transaction between the Company and Food Company Ltd. pursuant to the terms of the Framework Agreement as described in the section headed "Framework Agreement" of this announcement
"Director(s)"	director(s) of the Company
"Effective Date"	the date on which the condition set out in the Framework Agreement is fulfilled
"FC Group"	Food Company Ltd., its subsidiaries and associated companies from time to time and "member of the FC Group" shall be construed accordingly
"Food Company Ltd"	Food Company of Ho Chi Minh City Ltd., which is a state-owned enterprise established in Vietnam
"Framework Agreement"	the framework agreement dated 21 December 2010 entered into between the Company and Food Company Ltd. in relation to the Continuing Connected Transaction
"Goods"	rice
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China

"Independent Board Committee"	an independent committee of the Board comprising the independent non-executive Directors, namely, Mr. John WONG Yik Chung, Mr. Leo CHAN Fai Yue and Mr. Richard LAU Siu Sun to be appointed by the Board to consider and advise the Independent Shareholders in respect of the Continuing Connected Transaction
"Independent Shareholder(s)"	Shareholder(s) other than Food Company Ltd. and its associates, who, to the best of the Directors' knowledge, information and belief having made reasonable enquiries, did not hold any Shares as at the date of this announcement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Majority Shareholders"	collectively, Yuen Loong International Limited and Chelsey Developments Ltd., being a closely allied group of Shareholders which together held 780,292,026 Shares, representing approximately 50.24% of the total issued share capital of the Company as at the date of this announcement
"Share(s)"	ordinary share(s) of HK\$0.10 each in the existing share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the same meaning ascribed thereto under the Listing Rules
"US\$"	United States Dollars, the lawful currency of the United States of America
"Vietnam"	the Socialist Republic of Vietnam
"Yellow Circle"	Yellow Circle Joint Stock Company, a company established in Vietnam and a non-wholly owned subsidiary of the Company
"% "	per cent.

For reference purposes only and unless otherwise specified, US\$ amount has been translated into HK\$ using the rate of US\$1.00 to HK\$7.80 in this announcement.

By Order of the Board of
**Golden Resources Development
International Limited**
Alvin Leslie LAM Kwing Wai
Chairman and Managing Director

Hong Kong, 21 December 2010

As at the date of this announcement, the executive directors of the Company are Mr. Alvin Leslie LAM Kwing Wai (Chairman and Managing Director), Mr. Anthony LAM Sai Ho (Vice Chairman), Madam Rosita YUEN LAM Kit Woo, Mr. Laurent LAM Kwing Chee and Mr. TSANG Siu Hung. The independent non-executive directors of the Company are Mr. John WONG Yik Chung, Mr. Leo CHAN Fai Yue and Mr. Richard LAU Siu Sun.