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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)**

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF INTEREST IN GR VIETNAM HOLDINGS LIMITED**

The Board wishes to announce that on 5 May 2010, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser whereby the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares, representing approximately 24.07% of the issued share capital of GR Vietnam as at the date of this announcement, for a total Consideration of HK\$88,400,000 (or HK\$0.130 per Sale Share).

As the Consideration exceeds 5% but less than 25% of the applicable percentage ratios, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

**THE AGREEMENT**

The Board wishes to announce that on 5 May 2010, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser whereby the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares, representing approximately 24.07% of the issued share capital of GR Vietnam as at the date of this announcement, for a total Consideration of HK\$88,400,000 (or HK\$0.130 per Sale Share).

**Date**

5 May 2010

**Parties involved**

Vendor : High Super Enterprises Limited, a wholly-owned subsidiary of the Company

Purchaser : Allied Way International Limited, a company wholly and beneficially owned by Mr. Howard Wong, the Chairman and Chief Executive Officer of GR Vietnam, and his family. To the best of the Directors' knowledge, information and belief having made reasonable enquiries, save that Mr. Howard Wong is a director of GR Vietnam which prior to the completion

of the Agreement was an associated company of the Company, each of the Purchaser, Mr. Howard Wong and his family members is independent of and not connected with the Company and its connected person

### **Sale Shares**

680,000,000 ordinary shares of HK\$0.01 each in GR Vietnam, representing approximately 24.07% of the issued share capital of GR Vietnam as at the date of this announcement.

### **Consideration**

The consideration of HK\$0.130 per Sale Share represents:

- (i) a discount of approximately 13.91% to the closing price of HK\$0.151 per Sale Share as quoted on the Stock Exchange on the date of this announcement;
- (ii) a discount of approximately 14.47% to the average closing price of HK\$0.152 per Sale Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the date of this announcement;
- (iii) a discount of approximately 15.03% to the average closing price of HK\$0.153 per Sale Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the date of this announcement; and
- (iv) a premium of approximately 96.97% over the unaudited net asset value of HK\$0.066 per Sale Share as at 30 September 2009 based on the interim report of GR Vietnam for the six months ended 30 September 2009.

The Consideration was negotiated on an arm's length basis between the Vendor and the Purchaser having taken into account (i) the recent market conditions and (ii) the prevailing market price and the performance of the shares of GR Vietnam. The Directors consider the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Completion**

Completion took place immediately upon the signing of the Agreement by the Vendor and the Purchaser, which was 5 May 2010. The Consideration is expected to be received by the Group on or before 7 May 2010.

### **INFORMATION ON GR VIETNAM**

GR Vietnam is an investment holding company, and the principal activities of its subsidiaries are trading and distribution of electronic products and other merchandise and securities investment and trading. GR Vietnam has been listed on the Main Board of the Stock Exchange since 1994.

A summary of the audited consolidated results of the GR Vietnam Group for each of the two years ended 31 March 2009 based on the annual reports of GR Vietnam for the relevant periods is set out below:

	<b>For the year ended 31 March</b>	
	<b>2008</b>	<b>2009</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Turnover</b>	27,263	27,952
<b>Loss before taxation</b>	(238,340)	(280,729)
<b>Loss after taxation</b>	(222,912)	(280,707)
<b>Loss attributable to equity holders</b>	(222,912)	(280,707)

Based on the interim report of GR Vietnam for the six months ended 30 September 2009, the loss before tax and loss attributable to equity holders of GR Vietnam for the relevant period amounted to approximately HK\$33,477,000 respectively and the unaudited net asset value of the GR Vietnam Group as at 30 September 2009 amounted to approximately HK\$185,691,000.

## **INFORMATION ON THE COMPANY**

The Vendor is an investment holding company and a wholly-owned subsidiary of the Company. The principal activities of the Group are sourcing, importing, wholesaling, processing, packaging, marketing and distribution of rice, securities investment, property investment and investment holding.

The book value of the Sale Shares, which represent approximately 24.07% interest in GR Vietnam, as recorded in the unaudited financial statements contained in the interim report of the Company for the six months ended 30 September 2009 was approximately HK\$39 million.

## **REASONS FOR AND FINANCIAL EFFECTS OF THE DISPOSAL**

The Sale Shares were acquired by the Group in late 2007 for the purpose of capturing opportunities to establish a foothold in growing Vietnam markets through GR Vietnam Group. Since the acquisition, GR Vietnam Group's development of the Vietnam projects and the overall financial performance are not in line with the expectation of the Group. The Board considered that it is in the interest of the Company and the Shareholders as a whole to take this opportunity to exit the investment in GR Vietnam Group. Accordingly, the Group entered into the Agreement to effect the Disposal, the terms of which are in the opinion of the Board fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Prior to the Disposal, the Company accounted the Sale Shares as an investment in an associated company and the financial results of GR Vietnam were reflected in the consolidated financial statements of the Company by using the equity method of accounting. Following the completion of the Disposal, GR Vietnam ceases to be an associated company of the Company and the Company will record a gain on disposal of approximately HK\$48 million (subject to audit) for the six months period ended 30 September 2010.

The net proceeds arising from the Disposal are expected to be approximately HK\$88.2 million. The Directors intend to apply all the net proceeds as general working capital of the Group.

## LISTING RULES IMPLICATION

As the Consideration exceeds 5% but less than 25% of the applicable percentage ratios, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

## DEFINITIONS

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

"Agreement"	the bought and sold notes and the instrument of transfer entered into between the Vendor and the Purchaser in respect of the sale and purchase of the Sale Shares
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday) on which banks in Hong Kong are open for business
"Company"	Golden Resources Development International Limited, a company incorporated in Bermuda with limited liability and whose Shares are listed on the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the consideration of HK\$88,400,000 (or HK\$0.130 per Sale Share) paid by the Purchaser to the Vendor in respect of the Disposal
"Directors"	the directors of the Company
"Disposal"	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms of the Agreement
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"GR Vietnam"	GR Vietnam Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 139)
"GR Vietnam Group"	GR Vietnam and its subsidiaries

"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"Purchaser"	Allied Way International Limited, a limited company incorporated in Hong Kong and wholly and beneficially owned by Mr. Howard Wong, the Chairman and the Chief Executive Officer of GR Vietnam, and his family
"Sale Shares"	680,000,000 shares of HK\$0.01 each in the issued share capital of GR Vietnam
"Shareholder(s)"	holder(s) of the Share(s)
"Share(s)"	the share(s) of HK\$0.10 each in the issued share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	High Super Enterprises Limited, a limited company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
"%"	per cent.

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

Hong Kong, 5 May 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.*