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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 PROPERTY

On 27 June 2006, the Vendor entered into the Provisional Agreement with the Purchaser, an Independent Third Party, to dispose of the Property at a cash consideration of HK\$51,500,000. The consideration for the Disposal has been negotiated on an arm's length basis.

The Disposal contemplated under the Provisional Agreement constitutes a discloseable transaction under Chapter 14 of the Listing Rules. A circular containing, among other things, details of the Disposal will be despatched to the Shareholders as soon as practicable.

DISCLOSEABLE TRANSACTION

Provisional Agreement

Date

27 June 2006

Vendor

Win World Investments Limited, which is indirectly owned as to 55% by the Company. The principal activity of the Vendor is to hold the Property for investment purpose.

Purchaser

Mansion Industries Limited, a company introduced by a property agent to enter into the Provisional Agreement. The Purchaser is engaged in the wholesaling of food business. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

Property

No. 19-21 Wing Kin Road, Kwai Chung, Kwai Chung Town Lot No.383, New Territories, Hong Kong

Consideration

The consideration payable by the Purchaser to the Vendor for the acquisition of the Property is HK\$51,500,000 in cash. An initial deposit of HK\$2,575,000 was paid by the Purchaser to the Vendor upon signing of the Provisional Agreement. A further part payment of HK\$5,150,000 was paid by the Purchaser to the Vendor on 12 July 2006 and the remaining balance of HK\$43,775,000 will be paid to the Vendor on or before 28 December 2006, being the completion date as stipulated in the Provisional Agreement. The purchase price offered by the Purchaser is the highest available to the Company.

Completion

Completion of the Disposal shall take place on or before 28 December 2006.

At the time of signing of the Provisional Agreement, the Property was subject to and with benefit of an existing tenancy agreement with expiry date on 25 July 2006. The tenancy had been extended to 25 August 2006 subsequent to the date of the Provisional Agreement.

Pursuant to the Provisional Agreement and the subsequently amended additional clauses as agreed between the Vendor and the Purchaser on 20 July 2006, it has been agreed that if other than due to the fault of the Vendor, the tenant shall fail to deliver vacant possession of the Property to the Vendor by 21 December 2006 (i.e. 7 days before the scheduled completion date on 28 December 2006), a sum of HK\$300,000 shall be deducted from the balance of purchase price. This is by way of compensation to the Purchaser for the Vendor being unable to deliver vacant possession of the Property on completion and the completion of the sale and purchase of the Property shall take place on 28 December 2006 subject to and with the benefit of the existing tenancy. The tenant delivered the vacant possession of the Property to the Vendor on 26 August 2006.

Completion of the Disposal is subject to the issue of a circular in accordance with the Listing Rules.

The Property

The Property, which has a total gross floor area of approximately 70,258 square feet, is a 13-storey godown building. The Property was subject to a 3-year tenancy with expiry date on 25 July 2006 in favour of an Independent Third Party for a monthly rental of HK\$130,500 inclusive of rates, government rent, fire services and lift maintenance costs. The tenancy had been extended to 25 August 2006. Vacant possession of the Property was obtained on 26 August 2006.

The Property was acquired by the Group at a cost of approximately HK\$37.7 million in 1991. The carrying value of the Property as at 31 March 2006 amounted to approximately HK\$26.2 million. Such carrying value of the Property had taken into account the accumulated

revaluation deficit of approximately HK\$11.5 million as at 31 March 2006 which was based on a valuation conducted by Dudley Surveyors Limited, an independent chartered surveyors. The net profits before and after taxation generated by the Property for the two years ended 31 March 2006 were as follows:

	31 March 2006 (approx.)	31 March 2005 (approx.)
Net profit before taxation	HK\$4.1 million [#]	HK\$2.6 million [#]
Net profit after taxation	HK\$4.0 million [#]	HK\$2.6 million [#]

[#] *The revaluation gains of the Property amounted to HK\$2.8 million (for the year ended 31 March 2006) and HK\$1.4 million (for the year ended 31 March 2005). The revaluation gains of the Property have been included in the net profits before and after taxation for the two years ended 31 March 2006.*

The Group expects to realize an estimated gain of approximately HK\$24.8 million, before and after taxation and before minority interests, on the Disposal in the financial year ending 31 March 2007. This estimated gain is arrived at after deducting from the consideration the carrying value of the Property and relevant selling and legal expenses in relation to the Disposal. The Group intends to use the net proceeds of the Disposal for general working capital purpose.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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.

The Purchaser was introduced to the Group by a property agent for the Disposal. Having considered that the Disposal provided a good opportunity for the Group to realize its investment in the Property, the Group accepted the offer to dispose of the Property. The Directors confirm that the consideration for the Disposal has been determined after arm's length negotiations between the parties. The Directors consider that terms of the Disposal are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

GENERAL

Whilst the Provisional Agreement was signed on 27 June 2006, the Board was not aware that the Disposal constituted a discloseable transaction under Chapter 14 of the Listing Rules and the disclosure obligation was inadvertently overlooked. The Company only became aware that the Disposal constituted a discloseable transaction upon reviewing the Group's records of transactions in late November 2006. The Company has taken remedial action to avoid recurrence in the future by taking all relevant and appropriate steps to strengthen the compliance system of the Company.

The Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, details of the Disposal will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Company”	Golden Resources Development International Limited (金源米業國際有限公司), a limited company incorporated in Bermuda whose share(s) of a nominal value of HK\$0.10 each in the share capital of the Company are listed on The Stock Exchange of Hong Kong Limited
“Directors”	the directors of the Company, including the executive directors and the independent non-executive directors of the Company
“Disposal”	the disposal of the Property pursuant to the Provisional Agreement
“Group”	the Company and its subsidiaries
“Hong Kong” or “HK”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies), who, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are third party(ies) independent of the Company and connected persons (as defined in the Listing Rules) of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Property”	No. 19-21 Wing Kin Road, Kwai Chung, Kwai Chung Town Lot No.383, New Territories, Hong Kong
“Provisional Agreement”	the provisional sale and purchase agreement dated 27 June 2006 entered into between the Purchaser and the Vendor in relation to the sale of the Property to the Purchaser
“Purchaser”	Mansion Industries Limited (萬誠實業有限公司), a company incorporated in Hong Kong with limited liability, an Independent Third Party
“Shareholder(s)”	the shareholders of the Company
“Vendor”	Win World Investments Limited (永旭投資有限公司), a company incorporated in Hong Kong with limited liability, which is an 55% indirectly owned subsidiary of the Company

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

For and on behalf of the Board
Golden Resources Development International Limited
Alvin LAM Kwing Wai
Managing Director

Hong Kong, 1 December 2006

As at the date of this announcement, the Executive Directors are Mr. David LAM Kwing Chan (Chairman), Mr. Alvin LAM Kwing Wai (Managing Director), Madam Rosita YUEN LAM Kit Woo, Mr. Laurent LAM Kwing Chee and Mr. TSANG Siu Hung. The Independent Non-Executive Directors are Mr. Leo CHAN Fai Yue, Mr. John WONG Yik Chung and Mr. Richard LAU Siu Sun.

Please also refer to the published version of this announcement in The Standard.