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CHINA GOLDEN DEVELOPMENT HOLDINGS LIMITED

中國金展控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 162)

CLARIFICATION ANNOUNCEMENT

The board of directors (the “**Board**”) of China Golden Development Holdings Limited (the “**Company**”) refers to the announcement of the Company dated 24 April 2009 with respect to the annual results for the year ended 31 December 2008. The Board wishes to clarify that: (i) auditors would present an independent auditor’s report with unqualified and modified opinion in the Company’s annual financial statements. The extracted content is stated as below; and (ii) the Board considers that the Company has complied throughout the year ended 31 December 2008 with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, except for certain deviations stated as below.

(i) Emphasis of matter

Without qualifying our opinion, we draw attention to note 2(b) to the financial statements which indicates that the Group incurred a consolidated net loss from operations attributable to the equity holders of the Company of approximately HK\$545,172,000 for the year ended 31 December 2008, had consolidated net current liabilities of approximately HK\$1,036,800,000 and a full impairment of issued capital of HK\$11,301,000 as at 31 December 2008. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the continuing financial support from the substantial shareholder in order to finance the Group’s future working capital and financial requirements and the Group’s ability to obtain new working capital from prospective investors and to generate adequate cash flows from its continuing operations in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to obtain such financial support and working capital. We consider that adequate disclosures have been made.

**For identification purpose only*

(ii) Corporate Governance

The Board considers that the Company has complied throughout the year ended 31 December 2008 with the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 of the Listing Rules, except for certain deviations. The corporate governance of the Company for the year is stated as follows: As the Chairman of the Board was principally engaged in business in Mainland China and outside Hong Kong, he thus could not attend the annual general meeting of the Company for the years 2007 and 2008, which deviated from the requirements set out in CG Code Provision E.1.2. In future, the dates of general meetings will be more carefully selected and arranged to reduce the chance that it may happen again.

By order of the Board of
China Golden Development Holdings Limited
Un Kwok Kee, John
Company Secretary

Hong Kong, 30 April 2009

As at the date of this announcement, the Board comprises five executive directors, namely Messrs. Hu Yangxiong, Qu Jiaqi, Li Haogang, Sha Yingjie and Ms. Lu Xiaoling, and three independent non-executive directors, namely Messrs. Chan Wai Kwong, Peter, Fu Wing Kwok, Ewing and Tsang Kwok Wai.