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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)

**CONNECTED TRANSACTION
JOINT VENTURE AGREEMENT**

Reference is made to the Announcement. The Board wishes to announce that on 15 April 2019 after trading hours, Affluent Woods, a wholly-owned subsidiary of the Company, entered into the JV Agreement with SF Overseas to establish a joint venture to provide Logistic Solutions in Vietnam. The JV Company was incorporated in the Republic of Singapore on 28 January 2019 and was owned as to 61% by Affluent Woods and the remaining 39% by SF Overseas.

SF Overseas is a connected person of the Company at the subsidiary level by virtue of its 39% shareholding interests in the JV Company. Accordingly, the Transactions involving SF Overseas constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

The Transactions have been approved by the Board and the independent non-executive Directors of the Company have further confirmed that the terms of the Transactions are fair and reasonable, and the Transactions are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. Under Rule 14A.101 of the Listing Rules, the Transactions are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Transactions are only subject to announcement and annual reporting requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the Announcement. The Board wishes to announce that on 15 April 2019 after trading hours, Affluent Woods, a wholly-owned subsidiary of the Company, entered into the JV Agreement with SF Overseas to establish a joint venture to provide Logistic Solutions in Vietnam. The JV Company was incorporated in the Republic of Singapore on 28 January 2019 and was owned as to 61% by Affluent Woods and the remaining 39% by SF Overseas.

Details of the JV Agreement are set out below:

THE JV AGREEMENT

Date

15 April 2019

Parties

- (1) Affluent Woods; and
- (2) SF Overseas.

Principal terms

Business of the JV Group

The business of the JV Group shall be to provide Logistic Solutions in Vietnam and, unless expressly refused by the board of directors of the JV Company, to participate in any other business which SF Overseas proposes to conduct within Vietnam.

Capital structure and contributions by the JV Shareholders

In connection with the establishment of the JV Group, each JV Shareholder undertakes to contribute the respective cash contributions to the paid-up capital of the JV Company as follows:

JV Shareholder	Pro-Rata Percentage	Initial Cash Contribution	First Year Cash Contribution
Affluent Woods	61%	S\$61	S\$4,262,326
SF Overseas	39%	S\$39	S\$2,725,094
Total	100%	S\$100	S\$6,987,420

In addition, the JV Shareholders agree that, on or before the Completion Date or such date otherwise mutually agreed by the JV Shareholders:

- (i) Affluent Woods shall contribute by way of transferring to JVB the entire shareholding in GR8 for the consideration which is equivalent to the net book value (free of debt) of GR8 as of the date being the last date of previous month prior to Completion; and
- (ii) SF Overseas shall contribute by way of transferring to JVB the entire shareholding in SFVN for the consideration which is equivalent to the net book value (free of debt) of SFVN as of the date being the last date of previous month prior to Completion.

GR8 and SFVN are both companies incorporated in Vietnam with limited liability and are

principally engaged in the provision of logistic services in Vietnam. As at 31 December 2018, the unaudited net book value of GR8 and SFVN were HK\$364,000 and VND -45,825,783,963.66, respectively.

Composition of board of directors and management team

The board of directors of the JV Company shall consist of up to four (4) directors and save as otherwise agreed between parties in writing, Affluent Woods shall have the right to appoint up to two (2) directors and SF Overseas shall have the right to appoint up to one (1) director. In addition, the JV Company shall have the right to appoint one (1) nominee director who shall be a Singapore resident in compliance with the laws of the Singapore.

In respect of the JV Company, the Chief Executive Officer shall be nominated by Affluent Wood, the Chief Financial Officer shall be appointed by both Affluent Woods and SF Overseas and the Chief Technology Officer shall be appointed by SF Overseas.

Termination of the JV Agreement

The JV Agreement shall continue in full force and effect without limit in time until the earliest of: (i) any JV Shareholder shall elect to terminate the JV Agreement by service of a notice in writing to the other JV Shareholder; (ii) the date on which all the shares of the JV Company are held by only one (1) JV Shareholder or a selling JV Shareholder disposes, transfers or sells all its shares in the JV Company to a third party in compliance with the terms of the JV Agreement and a new shareholders' agreement is entered into; (iii) the date the JV Company is wound up.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The JV Agreement is a joint venture agreement made pursuant to the non-legally binding memorandum of understanding dated 29 August 2018 entered into between the Group and a wholly-owned subsidiary of SF in relation to the proposed formation of a joint venture company, details of which have been disclosed in the Announcement.

As disclosed in the Announcement, the business strategy of the Company is to consider promising business and investment opportunities from time to time in order to increase the value of the Company. With the Company's Circle K retail business being the market leading convenience store in Vietnam, the Company has witnessed dynamic growth in the overall retail and eCommerce sectors. By capitalizing on these expanding sectors and bolstering the Company's Circle K business through providing first-rate logistics and supply chain solutions, the Board believes the joint venture in Vietnam to embody tremendous growth value. The formation of the JV Group will enable the Group to expand its business scope, increase its profitability and bring long term value to the Group.

The JV Company will be accounted for as a subsidiary of the Company and its financial performance will be consolidated into the Group.

INFORMATION ON THE COMPANY, AFFLUENT WOODS AND SF OVERSEAS

Affluent Woods 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, operation of convenience stores and investment holding.

To the best of the Directors' knowledge, information and belief having made reasonable enquiries, SF Overseas is an indirect wholly-owned subsidiary of SF, which is a leading comprehensive service provider of express logistics in the Mainland China.

LISTING RULES IMPLICATIONS

SF Overseas is a connected person of the Company at the subsidiary level by virtue of its 39% shareholding interests in the JV Company. Accordingly, the Transactions involving SF Overseas constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

The Transactions have been approved by the Board and the independent non-executive Directors of the Company have further confirmed that the terms of the Transactions are fair and reasonable, and the Transactions are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. Under Rule 14A.101 of the Listing Rules, the Transactions are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Transactions are only subject to announcement and annual reporting requirements under Chapter 14A of the Listing Rules.

No Director has a material interest in the Transactions and none of them was required to abstain from voting on the board resolutions approving the JV Agreement and the Transactions.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 6 September 2018 in relation to the proposed formation of a joint venture company
“Affluent Woods”	AFFLUENT WOODS LIMITED, a company incorporated in BVI and a wholly-owned subsidiary of the Company
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“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

“Completion”	completion of the First Year Cash Contribution and the respective obligations of the JV Shareholders under the terms of the JV Agreement
“Completion Date”	date of Completion, which is expected to be on 30 April 2019
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“First Year Cash Contribution”	the aggregate subscription price payable by the JV Shareholders in cash for the subscription of the shares in the JV Company in their respective Pro-Rata Shareholding in the JV Company, details of which are set out in the section headed “ <i>JV Agreement – Principal terms – Contributions by the JV Shareholders</i> ” in this announcement
“GR8”	GR8 LOGISTICS SERVICES LTD., a company incorporated in Vietnam with limited liability which, as at the date of the JV Agreement, is an indirect wholly-owned subsidiary of the Company and after Completion, a member of the JV Group
“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 People’s Republic of China
“JV Agreement”	the joint venture agreement dated 15 April 2019 entered into between Affluent Woods and SF Overseas in relation to the establishment of the JV Group
“JVB”	a wholly owned subsidiary company of the JV Company to be incorporated under the laws of Vietnam
“JV Company”	GS EXPRESS HOLDINGS PTE. LTD., a company incorporated in the Republic of Singapore on 28 January 2019 and owned as to 61% by Affluent Woods and as to the remaining 39% by SF Overseas
“JV Group”	the JV Company, JVB and, upon Completion, GR8 and SFVN, and any of their subsidiaries from time to time
“JV Shareholder(s)”	the shareholder(s) of the JV Company which, as at the date of the JV Agreement, comprise Affluent Woods and SF Overseas

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Logistic Solutions”	domestic and international express and logistic services and warehouse management solutions
“Pro-Rata Percentage”	the percentage representing the fraction, the numerator of which is the number of shares in the JV Company as at the relevant date owned by the relevant JV Shareholder and the denominator of which is the number of the total shares as at the date issued by the JV Company, and “Pro-Rata Shareholding” shall be construed accordingly
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“S\$	Singapore dollars, the lawful currency of the Republic of Singapore
“SF”	S.F. Holding Co., Ltd. (順豐控股股份有限公司), a company listed on the Shenzhen Stock Exchange
“SF Overseas”	S.F. Express (Overseas) Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of SF
“SFVN”	S.F. Express Limited, a company incorporated in Vietnam with limited liability which, as at the date of the JV Agreement, is a wholly-owned subsidiary of SF Overseas and after Completion, a member of the JV Group
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated under the JV Agreement
“VND”	Vietnamese Dong, the lawful currency of Vietnam
“%”	per cent.

By Order of the Board of
**Golden Resources Development
International Limited**
Laurent LAM Kwing Chee
Chairman

Hong Kong, 15 April 2019

As at the date of this announcement, the executive directors of the Company are Mr. Laurent LAM Kwing Chee (Chairman), Mr. Anthony LAM Sai Ho (Vice Chairman and Chief Executive Officer), Madam LAM Sai Mann, Ms. Morna YUEN Mai-tong and Mr. TSANG Siu Hung. The non-executive director of the Company is Mr. Dennis LAM Saihong. The independent non-executive directors of the Company are Mr. Joseph LAM Yuen To, Mr. Michael YU Tat Chi and Mr. Ronald YAN Mou Keung.