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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)

**PLACING OF CONVERTIBLE NOTES
AND RESUMPTION OF TRADING**

Placing Agent



**結好投資有限公司
GET NICE INVESTMENT LIMITED**

The Company and the Placing Agent entered into the Placing Agreement on 8 October 2007 whereby the Company has appointed the Placing Agent as its agent to procure, on a best effort basis, no less than six Placees to subscribe for Convertible Notes in cash with a principal amount of HK\$85.5 million. All the Placees and their respective ultimate beneficial owners will be third parties independent of the Company and are not connected persons of the Company and its subsidiaries or any of their respective associates.

Assuming all the Convertible Notes are successfully placed by the Placing Agent, upon full conversion of the Convertible Notes at the Initial Conversion Price, a total of 95,000,000 new Shares will be issued, representing approximately 6.75% of the existing issued share capital of the Company and approximately 6.33% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares at the Initial Conversion Price.

No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be allotted and issued upon the exercise of the Conversion Rights.

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 2:30 p.m. on 2 October 2007 pending release of the Joint Announcement. Application has been made for the resumption of trading in the Shares with effect from 9:30 a.m. on 9 October 2007.

PLACING AGREEMENT DATED 8 OCTOBER 2007

Parties

Issuer: The Company
Placing Agent: Get Nice Investment Limited

Placing Agent and the Placees

Get Nice Investment Limited has been appointed to act, on a best effort basis, as placing agent for the Company for the Placing.

The Placing Agent will place the Convertible Notes with not less than six Placees who and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company and its subsidiaries or any of their respective associates. In consideration of the services of the Placing Agent, the Company shall pay to the Placing Agent a fee equal to 1% of the aggregate principal amount of the Convertible Notes for which it has procured Placees to subscribe. None of the Placees will become a substantial shareholder (as defined under the Listing Rules) of the Company upon conversion of the Conversion Shares.

Each of the Placing Agent and its ultimate beneficial owner is a third party independent of the Company and are not connected persons of the Company and its subsidiaries or any of their respective associates.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company and the Placing Agent do not reasonably object) the listing of, and permission to deal in, the Conversion Shares; and
- (ii) (if required) the approval of the Bermuda Monetary Authority of the issue of the Convertible Notes and the Conversion Shares.

If either of the above conditions is not fulfilled on or before 15 November 2007 (or such later time or date as the Company and the Placing Agent may agree), the Placing Agreement will terminate and the Placing will not proceed.

The Convertible Notes will be created and issued to the Placees on the fourth (4th) Business Day after the day on which the Placing Agent is notified by the Company about the fulfilment of the above conditions.

Summary of the terms of the Convertible Notes

Aggregate principal amount:	HK\$85.5 million
Number of Conversion	95,000,000 Shares, representing approximately 6.75% of the existing issued share capital of the Company and approximately 6.33% of the

Shares:	issued share capital of the Company as enlarged by the issue of the Conversion Shares at the Initial Conversion Price
Initial Conversion Price:	HK\$0.90 per Share, subject to adjustments in certain events including, among other things, share consolidation, share subdivision, capitalization issue, capital distribution and rights issue
Interest rate:	4% per annum payable semi-annually
Maturity:	The third anniversary from the date of issue of the Convertible Notes
Transferability:	The Convertible Notes are freely transferable but may not be transferred to a connected person of the Company without the prior written consent of the Company
Conversion period:	The Noteholders shall have the right to convert their Convertible Notes into Conversion Shares at any time following the date of issue of the Convertible Notes until the date fourteen (14) days before (but excluding) the Maturity Date at the Initial Conversion Price, subject to adjustments and provided that the Conversion Price shall not be less than the par value of a Share
Company's consent regarding exercise of the Conversion Rights:	The exercise of the Conversion Rights by the Noteholders shall be subject to the consent in writing of the Company, which may be allowed in whole or in part as the Company may in its absolute discretion determine. In the event that the Company does not give its consent in writing to the full or partial exercise of the Conversion Rights pursuant to a conversion notice within seven (7) Business Days after it is served by the relevant Noteholder, that conversion notice and the related exercise of the Conversion Rights shall lapse for all intents and purposes under the terms of Convertible Notes
Voting:	The Noteholders will not be entitled to receive notice of, attend or vote at any meeting of the Company by reason only of it being a Noteholder
Listing:	No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be allotted and issued upon the exercise of the Conversion Rights
Ranking:	<ul style="list-style-type: none"> • The Convertible Notes will rank pari passu with all other present and future unsecured and unsubordinated obligations of the Company • The Conversion Shares to be allotted and issued as a result of the exercise of the Conversion Rights will rank pari passu in all respects with all other existing Shares outstanding at the date of conversion of the Convertible Notes

Basis of Initial Conversion Price

The Initial Conversion Price of HK\$0.90 per Share represents:-

- (i) a discount of approximately 1.10% to the closing price of HK\$0.910 per Share as quoted on the Last Trading Day;
- (ii) a premium of approximately 16.58% over the average closing price of approximately HK\$0.772 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 15.53% over the average closing price of approximately HK\$0.779 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

Assuming all the Convertible Notes are successfully placed by the Placing Agent, the total gross proceeds from the Placing amount to HK\$85.5 million. After deducting related expenses of approximately HK\$1.1 million, the net proceeds from the placing amount to approximately HK\$84.4 million and the net Conversion Price per Conversion Share is approximately HK\$0.89.

Reasons for the Placing and use of proceeds

In view of the current market conditions, the Directors consider that the Placing represents a good opportunity to raise additional capital for the Company without any immediate dilutive effect on the shareholding of the existing Shareholders. The Directors also consider that the terms of the Placing Agreement (including the Initial Conversion Price) are fair and reasonable and in the interest of the Company and the Shareholders as a whole. As disclosed in the Joint Announcement, the Subscriber had entered into the Subscription Agreement pursuant to which the Subscriber agreed to subscribe 680,000,000 shares in 139 Holdings for a total subscription price of HK\$170,000,000. It is intended that the net proceeds of the Placing will be used for the Subscription if it is completed, failing which the same will be applied for general working capital of the Group.

Mandate to allot and issue the Conversion Shares

The Conversion Shares falling to be issued upon exercise of the Conversion Rights will be issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 29 August 2007. No part of such mandate had been utilized as at the date of this announcement.

As at the date of this announcement, there are no outstanding options, warrants or other equity derivatives of the Company in issue.

Effect on shareholding structure

As at the date of this announcement, the issued share capital of the Company comprised 1,406,906,460 Shares.

Based on the Initial Conversion Price of HK\$0.90 per Share and assuming full conversion of the Convertible Notes, the Convertible Notes will be convertible into 95,000,000 Conversion

Shares, representing approximately 6.75% of the issued share capital of the Company as at the date of this announcement and approximately 6.33% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares at the Initial Conversion Price.

The shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately upon the full exercise of the Conversion Rights at the Initial Conversion Price of HK\$0.90 per Share are as follows:

Shareholder	As at the date of this announcement		Immediately upon the full exercise of the Conversion Rights at the Initial Conversion Price of HK\$0.90 per Share	
	No. of Shares	Approximate % of issued share capital of the Company	No. of Shares	Approximate % of issued share capital of the Company as enlarged by the issue of Conversion Shares
Yuen Loong International Limited (<i>Note 1</i>)	485,052,026	34.48	485,052,026	32.30
Chelsey Developments Ltd. (<i>Note 1</i>)	236,940,000	16.84	236,940,000	15.77
Camalot Equities Limited (<i>Note 1</i>)	19,336,188	1.37	19,336,188	1.29
Yuen Loong Steel Company Limited (<i>Note 2</i>)	15,000,000	1.07	15,000,000	1.00
Mr. David LAM Kwing Chan	7,935,000	0.56	7,935,000	0.53
Mr. Alvin LAM Kwing Wai (<i>Note 3</i>)	92,457,000	6.57	92,457,000	6.15
Placees	--	--	95,000,000	6.33
Other public Shareholders	<u>550,186,246</u>	<u>39.11</u>	<u>550,186,246</u>	<u>36.63</u>
Total	<u>1,406,906,460</u>	<u>100.00</u>	<u>1,501,906,460</u>	<u>100.00</u>

Notes:

- (1) *Mr. David LAM Kwing Chan, a Director, is interested in approximately 24% of the issued share capital of each of Yuen Loong International Limited ("Yuen Loong"), Chelsey Developments Ltd. ("Chelsey") and Camalot Equities Limited ("Camalot"). Mr. Alvin LAM Kwing Wai, a Director, is a beneficiary of a discretionary trust which is interested in approximately 26% of the issued share capital of each of Yuen Loong, Chelsey and Camalot. Mr. Laurent LAM Kwing Chee, a Director, is a beneficiary of a discretionary trust which is interested in approximately 14% of the issued share capital of each of Yuen Loong, Chelsey and Camalot. Madam Rosita YUEN LAM Kit Woo, a Director, is a beneficiary of a discretionary trust which is interested in approximately 9% of the issued share capital of each of Yuen Loong, Chelsey and Camalot.*
- (2) *Mr. David LAM Kwing Chan, Mr. Alvin LAM Kwing Wai and Mr. Laurent LAM Kwing Chee are together interested in approximately 54.38% of the issued share capital of Yuen Loong Steel Company Limited.*
- (3) *These 92,457,000 Shares were held by Mr. Alvin LAM Kwing Wai a Director, as beneficial owner in respect of 17,500,000 Shares, as family interests in respect of 6,000,000 Shares and as interests in controlled corporation in respect of 68,957,000 Shares.*

FUND RAISING ACTIVITIES OF THE GROUP IN THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

Neither the Company nor any of its subsidiaries has issued any equity securities or convertible note to raise funds in the 12 months immediately preceding the date of this announcement.

INFORMATION ON THE COMPANY

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.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 2:30 p.m. on 2 October 2007 pending release of the Joint Announcement. Application has been made for the resumption of trading in the Shares with effect from 9:30 a.m. on 9 October 2007.

DEFINITIONS

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

"139 Holdings"	139 Holdings Limited, an exempt company incorporated in Bermuda and whose shares are listed on the Stock Exchange
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of the Directors
"Business Day"	a day (excluding Saturday) on which banks in Hong Kong are open for business
"Company"	Golden Resources Development International Limited, an exempt company incorporated in Bermuda and whose Shares are listed on the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Conversion Rights"	the rights attaching to the Convertible Notes of a Noteholder to convert any Convertible Notes into Conversion Shares
"Conversion Shares"	the Shares to be issued and allotted upon the exercise of the Conversion Rights
"Convertible Notes"	the HK\$85,500,000 convertible notes to be issued by the Company to the Placees pursuant to the terms of the Placing Agreement
"Directors"	the directors of the Company

"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
"Initial Conversion Price"	the initial conversion price at which Conversion Shares will be issued upon conversion of the Convertible Notes, being HK\$0.90 per Share, subject to adjustments
"Joint Announcement"	a joint announcement dated 8 October 2007 of 139 Holdings and the Company in respect of, among other things, the Subscription
"Last Trading Day"	2 October 2007, being the last trading day of the Shares immediately prior to the release of this announcement
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Maturity Date"	the day falling on the third anniversary from the date of issue of the Convertible Notes and the final day on which the Convertible Notes will become due and payable
"Noteholder(s)"	holder(s) of the Convertible Notes
"Placees"	placees of the Placing who are third parties independent of the Company and connected persons of the Company and its subsidiaries or any of their respective associates
"Placing"	the placing of Convertible Notes by the Placing Agent pursuant to the terms of the Placing Agreement
"Placing Agent"	Get Nice Investment Limited, a corporation licensed to carry on types 1, 4, 6 and 9 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Placing Agreement"	the placing agreement for the Placing dated 8 October 2007 between the Company and the Placing Agent
"PRC"	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"Shareholder(s)"	holder(s) of the Shares
"Share(s)"	the share(s) of HK\$0.10 each in the share capital of the

	Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	High Super Enterprises Limited, a wholly-owned subsidiary of the Company
"Subscription"	the subscription of 680,000,000 new shares in 139 Holdings by the Subscriber pursuant to the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated 2 October 2007 and entered into between 139 Holdings and the Subscriber in relation to the Subscription
"%"	per cent.

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

Hong Kong, 8 October 2007

As at the date of this announcement, the executive directors of the Company 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 and 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.