

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
SHARE BUY-BACK BY
SUPREME DEVELOPMENT COMPANY LIMITED**

On 26 March 2021, Supreme Development, a company beneficially owned as to appropriately 41.16% by the Company, entered into the Share Buy-back Agreement with SJHK and SPNC, pursuant to which Supreme Development conditionally agreed to buy back 3,501,350 SD Shares and 1,500,150 SD Shares (representing approximately 23.34% and 10% of the total number of issued shares of Supreme Development respectively) from SJHK and SPNC respectively at a total consideration of HK\$27,505,500.

The increase in the Group's percentage shareholding in Supreme Development to 61.75% (and resulting in Supreme Development becoming a subsidiary of the Company) pursuant to the Share Buy-back is deemed to be an acquisition by the Company for the purposes of Chapter 14 of the Listing Rules. As the highest of the applicable percentage ratios in respect of the deemed acquisition exceeds 5% but is less than 25%, the deemed acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

SHARE BUY-BACK AGREEMENT

On 26 March 2021, Supreme Development, a company beneficially owned as to appropriately 41.16% by the Company, entered into the Share Buy-back Agreement with SJHK and SPNC, pursuant to which Supreme Development conditionally agreed to buy back 3,501,350 SD Shares and 1,500,150 SD Shares (representing approximately 23.34% and 10% of the total number of issued shares of Supreme Development respectively) from SJHK and SPNC respectively.

Conditions Precedent

Completion is conditional upon fulfillment of the following conditions precedent by Supreme Development:

- (a) the board of directors of Supreme Development having passed resolutions approving the Share Buy-back Agreement and payment of the consideration from the distributable profits of the Company;

- (b) the shareholders of Supreme Development having passed resolutions authorizing the Share Buy-back;
- (c) Supreme Development having delivered certified true copies of the resolutions passed by the board of directors of Supreme Development (as referred to in (a) above) to Sojitz; and
- (d) Supreme Development having paid the consideration for the Share Buy-back to Sojitz's bank accounts.

As at the date of this announcement, the conditions precedent referred to (a) and (b) above have been fulfilled.

Consideration

The total consideration for the Sale Shares is HK\$27,505,500, payable in cash by Supreme Development to SJHK and SPNC as to HK\$19,255,500 and HK\$8,250,000 respectively. Stamp duty payable on the buy-back of the Sale Shares will be borne by Supreme Development and Sojitz in equal shares. The consideration was determined with reference to the consolidated net assets of the Supreme Development Group. The agreed value of Supreme Development for the purpose of the Share Buy-back was HK\$82,500,000, representing a discount of approximately 28.6% to the consolidated net assets of the Supreme Development Group of HK\$115,508,081 as at 31 March 2020. As the Sale Shares represent approximately 33.34% of the total number of issued shares of Supreme Development, the total consideration for the Sale Shares was agreed to be HK\$27,505,500.

Completion

Subject to fulfilment of the conditions precedent, Completion shall take place on 15 April 2021 (or such other date as may be agreed between the parties).

After Completion, the Supreme Development Group will become subsidiaries of the Company, and their financial results will be consolidated into that of the Group. Set out below are the simplified shareholding structures of Supreme Development as at the date of this announcement and after Completion respectively:

Shareholder	Approximate percentage of shareholding in Supreme Development	
	<i>As at the date of this announcement</i>	<i>After Completion</i>
The Company (directly and through BBL)	41.16%	61.75%
Sojitz	33.34%	-
Mr. LAU Shiu Yin	15.83%	23.75%
Mr. LAU Chi Leung	6.33%	9.50%
GCT	3.33%	5.00%
Total:	100%	100%

Upon Completion, Sojitz will cease to be parties to the existing shareholders' agreement between the existing shareholders of Supreme Development (other than GCT). Any sale or pledging of the SD Shares held by any party to the shareholders' agreement (including the Company and BBL) will continue to be subject to pre-emptive rights of the other parties under the shareholders' agreement.

INFORMATION ON SUPREME DEVELOPMENT

The Supreme Development Group is principally engaged in the business of manufacturing and sale of tubular and plastic bags.

Set out below is certain consolidated financial information of the Supreme Development Group (prepared in accordance with the Hong Kong Financial Reporting Standards) for the two financial years ended 31 March 2019 and 31 March 2020 and as at 31 March 2020:

	For the year ended 31 March 2019	For the year ended 31 March 2020
	<i>HK\$</i> <i>(audited)</i>	<i>HK\$</i> <i>(audited)</i>
Net profit/(loss) before taxation	4,357,589	(10,162,567)
Net profit/(loss) after taxation	1,029,300	(15,356,720)
		As at 31 March 2020
		<i>HK\$</i> <i>(audited)</i>
Net assets		115,508,081

REASONS FOR AND BENEFITS OF THE SHARE BUY-BACK

As the negative effects of the COVID-19 pandemic on the business of the Supreme Development Group are showing signs of abatement, the Company believes it is likely that the business of the Supreme Development Group will start to improve in the second half of 2021. As the consideration for the Share Buy-back represents an approximately 28.6% discount to the consolidated net assets of the Supreme Development Group as referred to above, the Company considers that it provides the Group with a good opportunity to increase its percentage equity interest in the Supreme Development Group to enable the Group to benefit from such likely improvement in the business of the Supreme Development Group.

The Directors believe that the terms of the Share Buy-back are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE GROUP

The Group is principally engaged in the business of sourcing, importing, wholesaling, processing, packaging, marketing and distribution of rice, operation of convenience stores, securities investment, property investment and investment holding.

INFORMATION ON SOJITZ AND GCT

The principal business activity of SJHK is trading and indent sales of chemicals, electronics, foodstuff, general commodities, lumber and plastic products.

The principal business activity of SPNC is domestic and overseas trading of plastics materials for electronics, home appliances, automotive, home products and packaging market.

SJHK and SPNC are both wholly-owned subsidiaries of Sojitz Corporation, a corporation incorporated in Japan and whose shares are listed on the Tokyo Stock Exchange.

The principal business activity of GCT is trading. The ultimate controlling shareholder of GCT is Mr. CHANG Ur Way Lowell Godwin.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Sojitz and GCT and its ultimate beneficial owner, Mr. LAU Shiu Yin and Mr. LAU Chi Leung are third parties independent of the Company and connected persons of the Company.

LISTING RULES IMPLICATIONS

The increase in the Group's percentage shareholding in Supreme Development to 61.75% (and resulting in Supreme Development becoming a subsidiary of the Company) pursuant to the Share Buy-back is deemed to be an acquisition by the Company for the purposes of Chapter 14 of the Listing Rules. As the highest of the applicable percentage ratios in respect of the deemed acquisition exceeds 5% but is less than 25%, the deemed acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“BBL”	Beef Bowl Limited (吉野家快餐店有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“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 (Stock Code: 677)
“Completion”	completion of the Share Buy-back pursuant to the Share Buy-back Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company

“GCT”	Great China Trading Company Limited (大華化工貿易有限公司), a company incorporated in Hong Kong with limited liability
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Sale Shares”	3,501,350 SD Shares and 1,500,150 SD Shares held by SJHK and SPNC respectively
“SD Shares”	ordinary shares in the issued share capital of Supreme Development
“Share Buy-back”	the purchase of the Sale Shares by Supreme Development from SJHK and SPNC pursuant to the Share Buy-back Agreement
“Share Buy-back Agreement”	the share buy-back agreement dated 26 March 2021 entered into among Supreme Development, SJHK and SPNC in relation to the Share Buy-back
“SJHK”	Sojitz (Hong Kong) Limited (双日(香港)有限公司), a company incorporated in Hong Kong with limited liability
“Sojitz”	SJHK and SPNC
“SPNC”	Sojitz Pla-Net Corporation, a corporation incorporated in Japan
“Supreme Development”	Supreme Development Company Limited (超然製品廠有限公司), a company incorporated in Hong Kong with limited liability
“Supreme Development Group”	Supreme Development and its subsidiaries

“0%”

per cent

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

Hong Kong, 26 March 2021

As at the date of this announcement, the executive Directors 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 is Mr. Dennis LAM Saihong. The independent non-executive Directors are Mr. Joseph LAM Yuen To, Mr. Michael YU Tat Chi and Mr. Ronald YAN Mou Keung.