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GR VIETNAM HOLDINGS LIMITED

越南控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 139)

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE RESTATED AND AMENDED JOINT VENTURE AGREEMENT

The Board wishes to announce that:

- (1) on 3 November 2008, GR Vietnam entered into the Deed of Novation with GR Vietnam (HK) and Food Company pursuant to which all of the rights, benefits and obligations of GR Vietnam under the JV Agreement as amended are to be assumed by GR Vietnam (HK), a wholly-owned subsidiary of the Company, in substitution for GR Vietnam; and
- (2) on 3 November 2008, GR Vietnam (HK) entered into the Restated and Amended JV Agreement with Food Company to amend and restate the rights and obligations of each party contemplated under the JV Agreement and the subsequent supplemental agreements.

Reference is made to the announcements published by the Company on 14 November 2007, 23 January 2008, 2 May 2008 and 12 August 2008 (the “**Announcements**”) and the circular issued by the Company on 5 December 2007 in relation to the formation of a joint venture by the Company. Capitalized terms used in this announcement shall have the same meaning as in the Announcements unless otherwise defined.

DEED OF NOVATION

On 3 November 2008, GR Vietnam entered into a deed of novation (the “**Deed of Novation**”) with GR Vietnam Retails Limited (“**GR Vietnam (HK)**”), a wholly-owned subsidiary of the Company, and Food Company pursuant to which all of the rights, benefits and obligations of GR Vietnam under the JV Agreement as amended are to be assumed by GR Vietnam (HK) in substitution for GR Vietnam.

In the process of establishing the JV Company in Vietnam, GR Vietnam and Food Company were advised by the Vietnamese authorities that the foreign contracting party to the joint venture should be a member of the World Trade Organization. However, British Virgin Islands, the country in which GR Vietnam was incorporated, is not a member of the World Trade Organization. In the circumstances, the Board decided to use a Hong Kong company, namely, GR Vietnam (HK), to replace GR Vietnam in establishing the joint venture in Vietnam. As both GR Vietnam and GR Vietnam (HK) are wholly-owned subsidiaries of the Company, the Directors are of the view that (i) the entering into of the Deed of Novation has no adverse effect to the Group; and (ii) the terms of the Deed of Novation are fair and reasonable.

RESTATED AND AMENDED JOINT VENTURE AGREEMENT

On 3 November 2008, GR Vietnam (HK) entered into the restated and amended joint venture agreement (the “**Restated and Amended JV Agreement**”) with Food Company to restate the rights and obligations of each party contemplated under the JV Agreement and amend the following terms of the JV Agreement and its subsequent supplemental agreements:

- (A) The long stop date of the JV Agreement has been extended to on or before 5 p.m. on 30 June 2009, as additional time is required for establishing the JV Company and to obtain approval from the relevant government authorities in Vietnam.
- (B) The scope of business of the JV Company has been expanded to include property leasing and property management. The respective board of directors of the Company and the Food Company believe that the joint venture could benefit more from the investment in Vietnam by expanding the scope of business of the JV Company.
- (C) The total invested capital and total legal capital of the JV Company have been reduced to US\$4,000,000.00 and US\$2,000,000.00 respectively. The total contribution to be made by GR Vietnam (HK) will amount to US\$980,000. Due to the prevailing global financial market conditions, the respective board of directors of the Company and the Food Company believe that it is more prudent to reduce the total amount to be invested in the joint venture.

The Restated and Amended JV Agreement shall become effective and binding on the parties on the date of the Restated and Amended JV Agreement to supersede and replace the JV Agreement and its subsequent supplemental agreements.

By Order of the Board
GR Vietnam Holdings Limited
Wong Howard
Chairman

Hong Kong, 3 November 2008

As at the date hereof, the executive directors of the Company are Mr. Wong Howard, Mr. Wong Yat Fai and Mr. Lam Sai Ho Anthony; and the independent non-executive directors of the Company are Mr. Li Chi Ming, Mr. Tung Tat Chiu Michael and Mr. Wan Ngar Yin David.

** For identification purposes only*