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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 DISPOSAL OF SUBSIDIARY**

The Board announces that on 10 August 2010, after trading hours, the Vendor as vendor and the Company as Vendor's guarantor entered into the Agreement with the Purchaser as purchaser and Golden Resources as Purchaser's guarantor whereby the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Share and the Shareholder's Loan for an aggregate consideration of HK\$33,200,000, which shall be settled in cash upon Completion. The Sale Share represents the entire issued share capital of the Target Company and the Shareholder's Loan represents the total sum of debt being the interest-free shareholder's loan advanced by the Vendor as lender to the Target Company as borrower as at the Completion Date.

As the application percentage ratios in respect of the Disposal are greater than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

#### **THE AGREEMENT**

The Board announces that on 10 August 2010, after trading hours, the Vendor as vendor and the Company as Vendor's guarantor entered into the Agreement with the Purchaser as purchaser and Golden Resources as Purchaser's guarantor whereby the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Share and the Shareholder's Loan for an aggregate consideration of HK\$33,200,000, which shall be settled in cash upon Completion. The Sale Share represents the entire issued share capital of the Target Company and the Shareholder's Loan represents the total sum of debt being the interest-free shareholder's loan advanced by the Vendor as lender to the Target Company as borrower as at the Completion Date.

**Date**

10 August 2010

**Parties**

Vendor : The Vendor

Vendor's guarantor : The Company

Purchaser : The Purchaser, an Independent Third Party

Purchaser's guarantor : Golden Resources, an Independent Third Party

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, save that Mr. Lam Sai Ho, Anthony is the executive Director and an executive director of Golden Resources, the Purchaser, Golden Resources and its ultimate beneficial owner(s) are Independent Third Parties.

**Assets to be disposed**

The assets to be disposed comprise of (a) the Sale Share, representing the entire issued share capital of the Target Company; and (b) the Shareholder's Loan, representing the total sum of debt being the interest-free shareholder's loan advanced by the Vendor as lender to the Target Company as borrower as at the Completion Date.

**Consideration**

The aggregate consideration of HK\$33,200,000 shall be paid by the Purchaser to the Company in cash upon Completion, comprising of (a) HK\$4,437,000 payable on the Sale Share; and (b) HK\$28,763,000 payable on the Shareholder's Loan.

The consideration for the Disposal was arrived at after arm's length negotiations between the parties with reference to the aggregate funds utilized by the Company to set up the operations under the Target Group companies. The Directors consider the consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Conditions Precedent**

Completion is conditional upon the following conditions:

- (a) the Purchaser having completed and satisfied in its reasonable discretion with the results of the due diligence investigation that (i) each of the Target Group companies is duly incorporated and subsisting under the jurisdiction of its incorporation place; and (ii) the Target Group does not have any other material liabilities other than those reflected in the Accounts or as disclosed by the Vendor;
- (b) (if required) all requisite waivers, consents and approvals from any relevant governments or regulatory authorities of Hong Kong in connection with the transactions contemplated by the Agreement having been obtained;
- (c) (if required) the Company, having convened a special general meeting at which resolutions shall have been duly passed by the Shareholders to approve the Agreement and the transactions (or any of them) contemplated thereunder;
- (d) (if required) Golden Resources, having convened a special general meeting at which resolutions shall have been duly passed by its shareholders to approve the Agreement and the transactions (or any of them) contemplated thereunder; and
- (e) the Vendor having obtained a written consent from Circle K Stores Inc. under the License Agreement in respect of the change in ownership of the Target Company.

If any of the above conditions precedent has not been satisfied or waived (save that conditions (c), (d) and (e) cannot be waived) by the Long Stop Date, the Agreement shall lapse and have no further effect and the parties shall be released from all obligations under it (without prejudice to the rights of the parties in respect of any antecedent breaches of the Agreement).

The Purchaser shall commence upon the execution date of the Agreement the due diligence investigation in respect of, inter alia, the financial, operation and legal aspects of the Target Group companies and complete within two (2) months from the date thereof.

## **Completion**

Completion shall take place on the Completion Date or at such other time as may be agreed between the parties subject to the satisfaction or waiver of the above conditions precedent.

A deed of assignment in relation to the Shareholder's Loan will be executed by the Vendor as assignor, the Purchaser as assignee and the Target Company upon Completion.

## Guarantee

Golden Resources will guarantee to the Vendor the full, due and punctual performance of all the obligations of the Purchaser under to the Agreement and the Company will guarantee to the Purchaser the full, due and punctual performance of all the obligations of the Vendor under the Agreement.

## INFORMATION OF THE COMPANY AND THE GROUP

The Company is principally engaged in investment holding. The principal activities of the subsidiaries comprise the trading and distribution of electronic products and other merchandise and securities investment and trading. There will be no change in the principal activities of the Group upon Completion.

## INFORMATION OF THE TARGET COMPANY

The Target Company is a special purpose vehicle and was incorporated under the laws of the British Virgin Islands. As at the date of the Agreement, the Target Company holds the entire equity interest in GR Vietnam Retails HK, GR Vietnam Retails BVI, GR Vietnam Ports and GR Vietnam Logistics.

The Target Group is engaged in investment holding and the operation of convenience stores business in Vietnam through contractual arrangements with the Vietnam representatives.

## FINANCIAL INFORMATION OF THE TARGET GROUP

The following are the unaudited consolidated financial information on the Target Group for the two years ended 31 March 2009 and 2010 respectively which were prepared in accordance with the accounting policies of Hong Kong Financial Reporting Standards and are extracted from the unaudited consolidated financial statements of the Target Group:

	<b>For the year ended 31 March</b>	
	<b>2009</b>	<b>2010</b>
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Turnover	778	5,479
(Loss) before taxation	(9,755)	(8,029)
(Loss) after taxation	(9,755)	(8,029)
Net liabilities	(11,479)	(19,756)

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Board considers that (a) the economy of Vietnam after the economic crisis remains uncertain and the high inflationary pressure and the devaluation risk of the Vietnamese Dong may directly affect the performance of retail sector in Vietnamese market in the foreseeable future; (b) the concept of convenience store business in Vietnam is relatively new and more resources are expected from the Company for further development; and (c) the government holds a conservative view on foreign participation in the retail business which gives more uncertainties in the investment. The Board therefore believes that the Disposal would provide a good opportunity for the Group to discontinue the plan for convenience stores business and will enable the Group to avoid any further losses that will possibly be incurred by the Target Company. The Disposal would also provide additional cash and allow the Group to redeploy its resources to other investment opportunities.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement are on normal commercial terms, which are fair and reasonable and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECT OF THE DISPOSAL**

The Group expects to record a gain from the Disposal of approximately HK\$25,000,000, representing the difference between the Consideration received under the Agreement and the carrying value of the assets in the accounts of the Target Group.

Upon Completion, the Target Company will cease to be a subsidiary of the Company and its financial results will not be consolidated into the Group's financial statements.

## **USE OF PROCEEDS**

The Directors expect that the net proceeds from the Disposal of approximately HK\$33,000,000 (after deducting all relevant fees and expenses) will be used for general working capital of the Group.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios in respect of the Disposal are greater than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Accounts”	the unaudited consolidated financial statements of the Target Group for the three months ended 30 June 2010 and all notes, reports, statements and other documents
“Agreement”	the sale and purchase agreement dated 10 August 2010 and entered into between the Vendor as vendor, the Company as Vendor’s guarantor and the Purchaser as purchaser and Golden Resources as Purchaser’s guarantor in relation to the Disposal
“Board”	the board of Directors
“Company”	GR Vietnam Holdings Limited, a company incorporated under the laws of Bermuda with limited liability, the Shares of which are listed on the Stock Exchange (stock code:139)
“Completion”	the completion of sale and purchase of the Sale Share and Shareholder’s Loan under the Agreement
“Completion Date”	the fifth (5th) Business Day after the date on which the conditions precedent under the Agreement are satisfied or waived or such other date as the Vendor and the Purchaser may agree in writing
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Share and the Shareholder’s Loan by the Vendor to the Purchaser pursuant to the Agreement
“Golden Resources”	Golden Resources Development International Limited, a company incorporated under the laws of Bermuda and whose shares are listed on the Stock Exchange (Stock Code: 677), the Purchaser’s guarantor under the Agreement
“GR Vietnam Logistics”	GR Vietnam Logistics Limited, a limited liability company incorporated in the British Virgin Islands, whose entire issued share capital is held by GR Vietnam International
“GR Vietnam Ports”	GR Vietnam Ports Limited, a limited liability company incorporated in the British Virgin Islands, whose entire issued share capital is held by GR Vietnam International

“GR Vietnam Retails BVI”	GR Vietnam Retails Limited, a limited liability company incorporated in the British Virgin Islands, whose entire issued share capital is held by GR Vietnam International
“GR Vietnam Retails HK”	GR Vietnam Retails Limited, a limited liability company incorporated in Hong Kong, whose entire issued share capital is held by GR Vietnam International
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Part(ies)”	any person who himself is, and (in the case of corporate entity) its ultimate beneficial owners are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, third parties independent of the Company and the connected person (as defined in the Listing Rules)
“License Agreement”	a master franchise and license agreement entered into between the Target Company and Circle K Stores Inc. on 30 April 2008
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	three (3) months from the date of the Agreement (or such later date to be agreed in writing between the Vendor and the Purchaser)
“Purchaser”	Reo Developments Limited, a wholly-owned subsidiary of Golden Resources
“Sale Share”	one (1) ordinary share of US\$1.00 of the Target Company, representing 100% of its entire issued share capital
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan”	the total sum of debt being the interest-free shareholder’s loan advanced by the Vendor as lender to the Target Company as borrower as at the Completion Date
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	GR Vietnam International Limited 越南國際有限公司, a limited liability company incorporated in the British Virgin Islands and registered as a non-Hong Kong company in the Hong Kong Companies Registry, whose entire share capital is held by the Vendor
“Target Group”	the group of companies consisting of the Target Company, GR Vietnam Logistics, GR Vietnam Ports, GR Vietnam Retails BVI and GR Vietnam Retails HK, where the context so requires, the businesses carried on by them
“Vendor”	GR Vietnam Group Limited, a limited liability company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Vietnam”	the Socialist Republic of Vietnam
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

By Order of the Board  
**GR Vietnam Holdings Limited**  
**Wong Yat Fai**  
*Director*

Hong Kong, 10 August 2010

*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*