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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)

**ANNOUNCEMENT OF RESULTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**SUMMARY OF RESULTS**

The Directors of Golden Resources Development International Limited (the “Company”) are pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March, 2021 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

**For the year ended 31st March, 2021**

	Notes	2021 HK\$'000	2020 HK\$'000
<b>REVENUE</b>	3	<b>1,614,360</b>	1,736,440
Cost of sales		(1,014,611)	(1,138,832)
<b>GROSS PROFIT</b>		<b>599,749</b>	597,608
Net unrealized gain/(loss) on financial assets at fair value through profit or loss		37,883	(50,068)
Surplus/(deficit) on revaluation of investment properties		7,480	(3,410)
Net other income	4	47,026	19,597
Selling and distribution costs		(366,485)	(354,037)
Administrative expenses		(195,887)	(180,471)
Impairment of right-of-use assets and property, plant and equipment	9	(39,566)	—
Interest on lease liabilities		(25,282)	(25,840)
<b>PROFIT FROM OPERATIONS</b>		<b>64,918</b>	3,379
Share of results of associates		(611)	(5,906)
Share of result of a joint venture		(480)	—
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	5	<b>63,827</b>	(2,527)
Taxation	6	(23,572)	(20,020)
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>40,255</b>	(22,547)
Profit/(loss) for the year attributable to:			
Shareholders of the Company		40,212	(22,652)
Non-controlling interests		43	105
		<b>40,255</b>	(22,547)
<b>EARNINGS/(LOSS) PER SHARE</b>	8		
— Basic		<b>HK2.4 cents</b>	HK(1.3) cents
— Diluted		<b>HK2.4 cents</b>	HK(1.3) cents

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31st March, 2021**

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>40,255</b>	(22,547)
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
<b>Items to be reclassified to profit or loss in subsequent periods:</b>		
Exchange differences on translation of foreign operations	<b>5,743</b>	(9,272)
Share of other comprehensive income/(loss) of associates	<b>594</b>	(274)
Other comprehensive income/(loss) for the year, net of tax	<b>6,337</b>	(9,546)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>	<b>46,592</b>	(32,093)
Total comprehensive income/(loss) attributable to:		
Shareholders of the Company	<b>45,470</b>	(31,334)
Non-controlling interests	<b>1,122</b>	(759)
	<b>46,592</b>	(32,093)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 31st March, 2021**

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	<b>2020</b> <b>HK\$'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>171,570</b>	199,669
Right-of-use assets		<b>260,482</b>	293,786
Prepaid lease payments		<b>13,179</b>	13,453
Investment properties		<b>166,860</b>	159,380
Interests in associates		<b>74,326</b>	175,238
Interest in a joint venture		<b>12,292</b>	—
Financial assets at fair value through profit or loss		<b>17,861</b>	16,159
Intangible asset		<b>22,505</b>	22,505
Rental and related deposits paid		<b>27,303</b>	30,121
Deposits paid for purchase of properties		<b>12,683</b>	6,318
		<b>779,061</b>	916,629
<b>CURRENT ASSETS</b>			
Inventories		<b>173,134</b>	167,736
Trade debtors	<i>10</i>	<b>48,248</b>	72,336
Other debtors, deposits and prepayments		<b>43,241</b>	46,539
Financial assets at fair value through profit or loss		<b>177,300</b>	215,175
Cash and cash equivalents		<b>462,867</b>	265,039
		<b>904,790</b>	766,825
<b>CURRENT LIABILITIES</b>			
Trade creditors	<i>11</i>	<b>99,128</b>	89,491
Other creditors and accruals		<b>98,178</b>	82,247
Lease liabilities		<b>102,731</b>	102,078
Tax liabilities		<b>12,272</b>	20,958
		<b>312,309</b>	294,774
<b>NET CURRENT ASSETS</b>		<b>592,481</b>	472,051
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,371,542</b>	1,388,680
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>190,530</b>	198,881
Deferred tax liabilities		<b>1,721</b>	2,410
		<b>192,251</b>	201,291
		<b>1,179,291</b>	1,187,389
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>169,741</b>	169,741
Reserves		<b>1,001,008</b>	994,578
Shareholders' equity		<b>1,170,749</b>	1,164,319
Non-controlling interests		<b>8,542</b>	23,070
		<b>1,179,291</b>	1,187,389

## NOTES TO THE FINANCIAL STATEMENTS

*For the year ended 31st March, 2021*

### 1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations (“HK(IFRIC)-Int”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Hong Kong Companies Ordinance.

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted the following new or revised standards and amendments to HKFRSs (the “new HKFRSs”) issued by the HKICPA, which are or have become effective for the Group’s financial year beginning on 1st April, 2020:

HKFRS 3 (Amendments)	Definition of a Business
HKFRS 7, HKFRS 9 and HKAS 39 (Amendments)	Interest Rate Benchmark Reform
HKFRS 16 (Amendments)	COVID-19-Related Rent Concessions
HKAS 1 and HKAS 8 (Amendments)	Definition of Material
Revised Conceptual Framework	Revised Conceptual Framework for Financial Reporting

The adoption of the new HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods except for HKFRS 16 which will be explained below. Accordingly, no prior period adjustment has been required.

The Group has early adopted amendment to HKFRS 16 COVID-19-Related Rent Concessions which provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30th June, 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for annual periods beginning on or after 1st June, 2020 with earlier application permitted. During the year ended 31st March, 2021, certain lease payments for the lease of the Group’s convenience stores have been waived by the lessors as a result of the COVID-19 pandemic. The Group has early adopted the amendment on 1st April, 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the COVID-19 pandemic during the year ended 31st March, 2021. Accordingly, a reduction in lease payments arising from the rent concessions of HK\$5,076,000 has been accounted for as a negative variable lease payment and credited to profit or loss for the year ended 31st March, 2021.

## 2. **ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS** (Continued)

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective. The Directors of the Company anticipate that the application of these new HKFRSs will have no material impact on the consolidated results and the financial position of the Group.

HKFRS (Amendments)	Annual Improvements to HKFRSs 2018-2020 <sup>2</sup>
HKFRS 3 (Amendments)	Reference to the Conceptual Framework <sup>2</sup>
HKFRS 4, HKFRS 7, HKFRS 9, HKFRS 16 and HKAS 39 (Amendments)	Interest Rate Benchmark Reform - Phase 2 <sup>1</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
HKFRS 17	Insurance Contracts and Related Amendment <sup>3</sup>
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>3</sup>
HKAS 1 (Amendments) and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>3</sup>
HKAS 8 (Amendments)	Definition of Accounting Estimates <sup>3</sup>
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>3</sup>
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before intended use <sup>2</sup>
HKAS 37 (Amendments)	Onerous Contracts - Cost of Fulfilling a Contract <sup>2</sup>
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2021

<sup>2</sup> Effective for annual periods beginning on or after 1st January, 2022

<sup>3</sup> Effective for annual periods beginning on or after 1st January, 2023

<sup>4</sup> Effective date to be determined

<sup>5</sup> Effective for common control combinations that occur on or after beginning of the first annual report period on or after 1st January, 2022

### 3. SEGMENT INFORMATION

For management purposes, the Group is currently organised into five operating divisions, namely convenience store operation, rice operation, securities investment, property investment and corporate and others. These divisions are the basis on which the Group reports its operating segment information.

Principal activities are as follows:

Convenience store operation	—	operation of convenience stores in Vietnam
Rice operation	—	sourcing, importing, wholesaling, processing, packaging, marketing and distribution of rice
Securities investment	—	investments in equity and debt securities
Property investment	—	property investment and development
Corporate and others	—	corporate income and expenses and other investments

An analysis of the Group's segment information by operating segments is as follows:

#### Operating segments

##### *Statement of profit or loss for the year ended 31st March, 2021*

	Convenience store operation HK\$'000	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
<b>REVENUE</b>						
Total sales	829,566	781,046	—	3,748	—	1,614,360
<b>RESULTS</b>						
Segment results	(121,760)	132,210	41,406	10,335	2,727	64,918
Share of results of associates	—	(122)	—	561	(1,050)	(611)
Share of result of a joint venture	—	—	—	(480)	—	(480)
Profit before taxation						63,827
Taxation						(23,572)
Profit for the year						40,255
Profit for the year attributable to:						
Shareholders of the Company						40,212
Non-controlling interests						43
						40,255

**3. SEGMENT INFORMATION (Continued)**  
**Operating segments (Continued)**

*Segment assets and liabilities as at 31st March, 2021*

	Convenience store operation HK\$'000	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
<b>ASSETS</b>						
Segment assets	527,707	197,058	177,300	231,889	463,279	1,597,233
Interests in associates	—	6,577	—	21,172	46,577	74,326
Interest in a joint venture	—	—	—	12,292	—	12,292
Consolidated total assets						<u>1,683,851</u>
<b>LIABILITIES</b>						
Segment liabilities	419,975	59,366	—	1,010	10,216	490,567
Unallocated corporate liabilities						<u>13,993</u>
Consolidated total liabilities						<u>504,560</u>

*Other information for the year ended 31st March, 2021*

	Convenience store operation HK\$'000	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
Additions to property, plant and equipment	32,522	3,953	—	248	—	36,723
Additions to right-of-use assets	120,458	—	—	—	—	120,458
Depreciation and amortisation of property, plant and equipment	(38,006)	(9,249)	—	(1,839)	—	(49,094)
Depreciation of right-of-use assets	(96,614)	(145)	—	—	—	(96,759)
Impairment of property, plant and equipment	(12,300)	—	—	—	—	(12,300)
Impairment of right-of-use assets	(27,266)	—	—	—	—	(27,266)
Amortisation of prepaid lease payments	—	(516)	—	—	—	(516)
Surplus on revaluation of investment properties	—	—	—	7,480	—	7,480
Net unrealized gain on financial assets at fair value through profit or loss	—	—	36,226	1,657	—	37,883
Government grants from Anti-Epidemic Fund	—	11,587	—	—	—	11,587
Allowance for expected credit losses	—	(195)	—	—	—	(195)
Interest on lease liabilities	(25,186)	(96)	—	—	—	(25,282)

**3. SEGMENT INFORMATION (Continued)**  
**Operating segments (Continued)**

***Statement of profit or loss for the year ended 31st March, 2020***

	Convenience store operation HK\$'000	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
<b>REVENUE</b>						
Total sales	879,581	852,512	—	4,347	—	1,736,440
<b>RESULTS</b>						
Segment results	(58,287)	112,473	(17,830)	(33,026)	49	3,379
Share of results of associates	—	(319)	—	734	(6,321)	(5,906)
Loss before taxation						(2,527)
Taxation						(20,020)
Loss for the year						(22,547)
Loss for the year attributable to:						
Shareholders of the Company						(22,652)
Non-controlling interests						105
						(22,547)

***Segment assets and liabilities as at 31st March, 2020***

	Convenience store operation HK\$'000	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
<b>ASSETS</b>						
Segment assets	598,060	209,733	215,463	217,907	267,053	1,508,216
Interests in associates	—	19,996	—	108,796	46,446	175,238
Consolidated total assets						1,683,454
<b>LIABILITIES</b>						
Segment liabilities	419,104	42,357	—	1,124	10,112	472,697
Unallocated corporate liabilities						23,368
Consolidated total liabilities						496,065



**3. SEGMENT INFORMATION (Continued)**  
**Operating segments (Continued)**

*Other information for the year ended 31st March, 2020*

	Convenience store operation HK\$'000	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
Additions to property, plant and equipment	74,166	8,951	—	615	—	83,732
Additions to right-of-use assets	179,212	153	—	—	—	179,365
Depreciation and amortisation of property, plant and equipment	(33,004)	(9,080)	—	(1,718)	—	(43,802)
Depreciation of right-of-use assets	(81,482)	(111)	—	—	—	(81,593)
Amortisation of prepaid lease payments	—	(513)	—	—	—	(513)
Deficit on revaluation of investment properties	—	—	—	(3,410)	—	(3,410)
Net unrealized loss on financial assets at fair value through profit or loss	—	—	(18,874)	(31,194)	—	(50,068)
Allowance for expected credit losses	—	(235)	—	—	—	(235)
Interest on lease liabilities	(25,743)	(97)	—	—	—	(25,840)

**Geographical segments**

The Group's operations are located in Vietnam, Hong Kong and other regions.

The following table provides an analysis of the Group's sales by location of markets, irrespective of the origin of the goods/services:

	<b>Revenue by geographical markets</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Vietnam	<b>829,566</b>	879,581
Hong Kong	<b>767,500</b>	840,373
Others	<b>17,294</b>	16,486
	<b>1,614,360</b>	1,736,440

#### 4. NET OTHER INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest revenue on:		
— Financial assets at fair value through profit or loss	<b>1,458</b>	2,809
— Financial assets measured at amortised costs	<b>2,281</b>	2,478
	<b>3,739</b>	5,287
Dividend income from listed financial assets at fair value through profit or loss	<b>1,051</b>	1,701
Other income from convenience store operation	<b>16,624</b>	15,964
COVID-19-related rent concessions for convenience store operation	<b>5,076</b>	—
Net realized gain/(loss) on disposal of financial assets at fair value through profit or loss	<b>2,776</b>	(59)
Net foreign exchange gain/(loss)	<b>2,393</b>	(3,934)
Government grants from Anti-Epidemic Fund	<b>11,587</b>	—
Interest income from rental deposits	<b>4,216</b>	—
Net loss on disposal of property, plant and equipment	<b>(2,718)</b>	(1,506)
Sundry income	<b>2,282</b>	2,144
	<b>47,026</b>	19,597

## 5. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

	2021 HK\$'000	2020 HK\$'000
Depreciation and amortisation of property, plant and equipment	49,094	43,802
Depreciation of right-of-use assets	96,759	81,593
Impairment of property, plant and equipment	12,300	—
Impairment of right-of-use assets	27,266	—
Amortisation of prepaid lease payments	516	513
Allowance for expected credit losses	195	235
Staff costs, including directors' remuneration	246,919	228,360
Interest on lease liabilities	25,282	25,840

## 6. TAXATION

	2021 HK\$'000	2020 HK\$'000
Current tax:		
Hong Kong	24,199	20,092
Others	22	38
	24,221	20,130
Underprovision in prior years:		
Hong Kong	40	56
Deferred tax:		
Current year's credit	(689)	(166)
Taxation attributable to the Company and its subsidiaries	23,572	20,020

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years, except for the first HK\$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%, in accordance with the two-tiered profits tax rate regime.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

## 7. DIVIDENDS

### (a) Dividends attributable to the year:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interim dividend paid of HK1.1 cents per share on 1,697,406,458 shares (2020: HK1.1 cents per share on 1,697,406,458 shares)	18,671	18,671
Final dividend proposed of HK1.2 cents per share on 1,697,406,458 shares (2020: HK1.2 cents per share on 1,697,406,458 shares)	20,369	20,369
	<b>39,040</b>	39,040

The final dividend of HK1.2 cents per share for the year ended 31st March, 2021 has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming annual general meeting. This final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

### (b) Dividends approved and paid during the year:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of HK1.2 cents per share on 1,697,406,458 shares (2020: HK1.2 cents per share on 1,697,406,458 shares)	20,369	20,369
Interim dividend in respect of the current financial year, approved and paid during the year, of HK1.1cents per share on 1,697,406,458 shares (2020: HK1.1 cents per share on 1,697,406,458 shares)	18,671	18,671
	<b>39,040</b>	39,040

## 8. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share attributable to the shareholders of the Company is based on the following data:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Earnings/(loss) for the purpose of basic earnings/(loss) per share	<b>40,212</b>	(22,652)

There is no dilutive potential ordinary share for both years.

## 9. IMPAIRMENT OF RIGHT-OF-USE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Under the prolonged impact of COVID-19 pandemic which adversely impacted the performance of the Group's convenience store operation in Vietnam, the Group conducted impairment assessment on the carrying value of the Group's convenience store assets ("the convenience store assets") as at 31st March, 2021. An independent qualified professional valuer was engaged to assess the recoverable amount of the convenience store assets. The recoverable amount of the assets was determined based on a value-in-use calculation using cash flow projections based on financial forecasts approved by management. Major assumptions were based on the historical data and estimated future growth rate of the Group's convenience store operation in Vietnam.

Based on the result of the impairment assessment, the carrying amount of the convenience store assets is written down to its recoverable amount as the asset's carrying amount is greater than its estimated recoverable amount. For the convenience store assets with impairment indicators, total impairment loss of HK\$39,566,000 was recognised for the financial year ended 31st March, 2021 to write down the carrying amounts of the convenience store assets to its recoverable amount, comprising (i) impairment loss of HK\$27,266,000 to write down the carrying value of right-of-use assets under convenience store segment from HK\$286,142,000 to HK\$258,876,000; and (ii) impairment loss of HK\$12,300,000 to write down the carrying value of property, plant and equipment under convenience store segment from HK\$129,085,000 to HK\$116,785,000 respectively.

## 10. TRADE DEBTORS

The Group allows an average credit period of 30-60 days to its trade customers. The following is an aging analysis of trade debtors at the end of the reporting period according to the delivery date:

	<b>2021</b> <i>HK\$'000</i>	<b>2020</b> <i>HK\$'000</i>
Within 30 days	<b>23,372</b>	30,128
31-60 days	<b>13,290</b>	33,850
61-90 days	<b>9,490</b>	6,683
Over 90 days	<b>2,096</b>	1,675
	<b>48,248</b>	72,336

The Group assesses the credit status and imposes credit limits for potential new customers in accordance with the Group's credit policy. The credit limits are closely monitored and subject to periodic reviews.

During the year, expected credit loss allowance of approximately HK\$195,000 has been made for the trade debtors.

## 11. TRADE CREDITORS

The following is an aging analysis of trade creditors at the end of the reporting period according to the delivery date:

	<b>2021</b> <i>HK\$'000</i>	<b>2020</b> <i>HK\$'000</i>
Within 30 days	<b>95,350</b>	86,008
31-60 days	<b>2,055</b>	2,401
61-90 days	<b>187</b>	230
Over 90 days	<b>1,536</b>	852
	<b>99,128</b>	89,491

## **CHAIRMAN STATEMENT**

On behalf of Golden Resources, I would like to present our Group's final results for the year ended 31st March, 2021. The Group's net profits after tax amounted to HK\$40.2 million, when compared with a net loss of HK\$22.6 million last year.

For the year under review, the outbreak of COVID-19 pandemic battered the global economy. Retail business was hit and the markets shrank. Inevitably, the performance of the Group's convenience store business in Vietnam has been affected by the decline in foot traffic and tourism due to the pandemic, especially in the first half of the financial year. Sales and marketing strategies were adjusted to account for the changing business landscape so as to drive business and mitigate the adverse effect of the pandemic. In spite of the challenges, the Group continues to make every effort to develop business growth for future sustainable development. The Group is confident on the business development of our convenience store business in Vietnam in the long term. As at year end, the Group operates 399 stores covering 7 major cities in the country.

Our Hong Kong rice business performed steadily for the year under review. As rice is the key and staple food in our daily meals, we are committed to securing stable supply of rice to fulfil our social responsibility. To preserve steady supply, we have put up additional resources in supply chain management to avoid disruption of rice supply to customers. To protect against pandemic, we have carried out rigorous series of preventive measures on cleaning and sanitization to safeguard the health and safety of the workplace and the employees. The Group continues to broaden rice product spectrum and launch new healthy products so as to meet the growing demand for the healthy food.

As of 31st March, 2021, the Group had a net cash and bank balances of HK\$463 million. With strong balance sheet and prudent treasury management, the Group is well poised to pursue any investment opportunities which will add value to the shareholders in the long term.

On behalf of the Board, I would like to express my heartfelt appreciation to all our staffs for taking care of the daily needs of our customers and communities, in Hong Kong and Vietnam.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the year under review, business environment remained challenging amid the fallout of COVID-19 pandemic. The Group recorded total revenue of HK\$1,614,360,000 for the year ended 31st March, 2021 as compared to HK\$1,736,440,000 for last year. Revenue from convenience store operation in Vietnam decreased to HK\$829,566,000 in this financial year (2020: HK\$879,581,000) on the back of the decline in tourist arrivals and foot traffic in Vietnam under global lockdown. Revenue from rice operation in Hong Kong shrank to HK\$781,046,000 in this financial year (2020: HK\$852,512,000). The widespread of COVID-19 pandemic, followed by Government measures on social distancing restrictions and dine-in bans, had hard hit the Hong Kong catering industry and inevitably impacted our rice revenue.

Amidst the tough business environment, the Group recorded net profit attributable to shareholders of HK\$40,212,000 for the year ended 31st March, 2021, as compared to net loss of HK\$22,652,000 for last financial year. Such turnaround from loss to profit was mainly attributable to (i) a net unrealized gain on financial assets at fair value through profit or loss of HK\$37,883,000 in this financial year as compared to a net unrealized loss on financial assets at fair value through profit or loss of HK\$50,068,000 for last financial year; and (ii) the change to the net profit after tax in this financial year was partially off-set by the increase in operating loss from the convenience store operation in Vietnam as affected by COVID-19 pandemic, including an impairment loss of HK\$39,566,000 on right-of-use assets and property, plant and equipment for this financial year.

### Convenience Store Operation

For the year under review, the outbreak of COVID-19 pandemic battered the global economy. Retail business was hit and the markets shrank. To staunch the spread of COVID-19 pandemic, Vietnam has suspended the entry of all foreigners since 22nd March, 2020 with exception to diplomats, officials, foreign investors, experts, and skilled workers. Consequently, Vietnam experiences a sharp plummet in tourist arrivals from abroad. The retail industry in Vietnam is heavily battered and convenience store business is deeply hit. Inevitably, the business performance of our Circle K convenience store business in Vietnam was adversely affected with drop in revenue and increase in operating loss. Our convenience store operation segment recorded a net loss of HK\$121,760,000 for the year ended 31st March, 2021 (2020: net loss of HK\$58,287,000), including an impairment loss of HK\$39,566,000 on right-of-use assets and property, plant and equipment for this financial year. The impairment loss provision is measured in accordance with accounting standards HKFRS 16 “Leases” and HKAS 36 “Impairment of Assets”. The carrying amount of the assets is written down to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. The estimated recoverable amount of assets was based on value-in-use calculations prepared by an independent valuer, by applying discounted cash flow projections based on internal financial forecasts of our convenience store operation.

To weather the headwinds under COVID-19 pandemic, the Group continued to streamline its convenience store network and operation, and to carry out a series of cost reduction measures. The Group closed overlapping stores in tourist districts, and negotiated for temporary rental concessions and rental reduction upon renewals, in an effort to cut rental costs according to the respective store sales performance and business demand in the districts. The Group implemented effective actions to control operating expenses and enhance productivity.



## **MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

### **Convenience Store Operation (Continued)**

Looking ahead, the Group believes that with the vaccination program having achieved its intended results, the COVID-19 pandemic will soon be under control and the global economy will steadily recover in the second half of 2021. As we have laid solid foundation in Vietnam, the business development of our Circle K convenience store business will bring long-term value to the shareholders.

### **Rice Operation**

The Group's rice operation in Hong Kong performed steadily for the year under review. The prolonged impact of COVID-19 pandemic, with weak consumer sentiment and stringent government restrictions imposed on catering industry, has posed negative growth to our rice revenue. To meet the challenges, the Group has been implementing proactive initiatives to enhance operation efficiency and improve profitability. To mitigate the potential credit risk amid the weak business environment under COVID-19 pandemic, the Group has enhanced our credit control policies to closely monitor the trade receivable collections and credit status of customers. The Group continued to maintain a low bad debt ratio during the year ended 31st March, 2021 amid the adverse economic environment. The Group has carried out assessment on the recoverability of trade receivables and recognized an expected credit loss provision of HK\$166,000 on the trade debtor balance as at year ended 31st March, 2021. Actual amount of bad debt expenses incurred during the year ended 31st March, 2021 amounted to HK\$29,000.

The Group is committed to serve Hong Kong community with undisturbed supply of staple rice. As part of our Business Continuity Measures under COVID-19 pandemic, we have carried out rigorous series of preventive measures on cleaning and sanitization to safeguard the health and safety of the workplace and the employees. On the operation side, the Group remains focus on stringent cost control and effective procurement strategies. The Group has also broadened rice product spectrum and launched new healthy products so as to meet the growing demand for healthy food and to strive for sustainable profit growth. Rice operation segment recorded profit before taxation of HK\$132,210,000 for this financial year, as compared to profit before taxation of HK\$112,473,000 for last year.

Looking ahead, with our solid foundation in the rice industry, we are confident that our rice operation will continue to perform satisfactorily with positive growth in the midst of the COVID-19 challenges.

### **Liquidity and Financial Resources**

The Group's financial position remains sound and healthy despite the challenging business environment under COVID-19 pandemic. The Group maintains stable and strong cash inflow with no bank borrowings. As at 31st March, 2021, the Group had cash balance of HK\$462,867,000.

With cash and other current assets of HK\$904,790,000 as at 31st March, 2021 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements, as well as to meet the potential future challenges under COVID-19 pandemic.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Liquidity and Financial Resources (Continued)

As at 31st March, 2021, the Group's total current assets and total current liabilities amounted to HK\$904,790,000 (2020: HK\$766,825,000) and HK\$312,309,000 (2020: HK\$294,774,000) respectively. Total current assets as at 31st March, 2021 included cash and bank deposits of HK\$462,867,000 (2020: HK\$265,039,000) and financial assets at fair value through profit or loss of HK\$177,300,000 (2020: HK\$215,175,000). Total current liabilities included trade creditors of HK\$99,128,000 (2020: HK\$89,491,000) and current portion of lease liabilities of HK\$102,731,000 (2020: HK\$102,078,000).

The Group maintains sound liquidity ratio. Current ratio (defined as total current assets over total current liabilities) as at 31st March, 2021 was 2.8 times (2020: 2.6 times). If excluding the current portion of lease liabilities of HK\$102,731,000 (2020: HK\$102,078,000) recognized under HKFRS 16 "Leases", the current ratio was 4.3 times (2020: 3.9 times).

As at 31st March, 2021, the Group had no bank borrowings and therefore the gearing ratio is nil (defined as bank borrowings over shareholders' equity).

As at 31st March, 2021, the Group recognized total lease liabilities of HK\$293,261,000 (2020: HK\$300,959,000) under HKFRS 16 "Leases", including current portion of HK\$102,731,000 (2020: HK\$102,078,000) and non-current portion of HK\$190,530,000 (2020: HK\$198,881,000). Shareholders' equity amounted to HK\$1,170,749,000 as at 31st March, 2021 (2020: HK\$1,164,319,000). The ratio of total lease liabilities over shareholders' equity (defined as total lease liabilities over shareholders' equity) as at 31st March, 2021 was 25.0% (2020: 25.8%).

The Group will continue to cautiously manage the Group's net cashflow position and preserve sound and healthy financial position to meet future opportunities and challenges ahead.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Securities investment

As at 31st March, 2021, the Group held financial assets at fair value through profit or loss of approximately HK\$195,161,000 (the “Investments”), particulars of which are set out below:

#### Equity securities

Stock Code	Name of investee company	Percentage		Market		Unrealized	Realized	Dividend	
		of share		value as at		gain/(loss) on	gain	income	
		capital		31st		change in fair	on disposal	received	
		Number	owned by	Investment	March,	Percentage to	value for the	for the	for the
of shares	the Group	cost	2021	the Group's	ended 31st	ended 31st	ended 31st	ended 31st	
held				total assets	March,	March,	March,	March,	
			(Note 1)						
		%	HK\$ '000	HK\$ '000	%	HK\$ '000	HK\$ '000	HK\$ '000	
Listed in Hong Kong									
9988	Alibaba Group Holding Limited	5,940	0.00	1,500	1,307	0.08	(193)		
	Others						1,082	990	
Total listed in Hong Kong				1,500	1,307	0.08	(193)	1,082	990
Listed outside Hong Kong									
159901.SZ	E Fund SZSE100 ETF	400,000	0.03	1,477	3,545	0.21	1,230	—	
2330.TW	Taiwan Semiconductor Manufacturing Co Ltd	10,000	0.00	456	1,604	0.10	855	21	
5930.KS	Samsung Electronics Co., Ltd.	1,870	0.00	771	1,044	0.06	432	10	
GOOGL.O	Alphabet Inc Class A	75	0.00	515	1,203	0.07	525	—	
MSFT.OQ	Microsoft Corporation	1,670	0.00	1,025	3,062	0.18	1,014	20	
AMZN.OQ	Amazon.com, Inc.	56	0.00	800	1,347	0.08	498	—	
	Others						561	10	
Total listed outside Hong Kong				5,044	11,805	0.70	4,554	561	61
Total listed				6,544	13,112	0.78	4,361	1,643	1,051
Unlisted				45,652	17,861	1.06	1,657	—	—
Total equity securities				52,196	30,973	1.84	6,018	1,643	1,051

#### Notes:

- The investment cost, market value as at 31st March, 2021, unrealized gain/(loss) on change in fair value and realized gain on disposal of the Investments in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

#### Debt securities

During the year ended 31st March, 2021, the Group recorded realized gain on disposal of debt securities of approximately HK\$585,000 attributable to those listed in Hong Kong of approximately HK\$379,000 and those listed outside Hong Kong of approximately HK\$206,000.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Securities investment (Continued)

#### Other securities

Name of investee company	Investment cost	Market value as at 31st March, 2021	Percentage to the Group's total assets	Unrealized gain on change in fair value for the year ended 31st March, 2021	Realized gain on disposal for the year ended 31st March, 2021
	HK\$ '000	HK\$ '000	%	HK\$ '000	HK\$ '000
Goldman Sachs (Asia) L.L.C. (Note 2)	69,794	100,346	5.96	16,901	
Morgan Stanley & Co. International plc (Note 3)	46,542	63,842	3.79	14,964	
Others					548
<b>Total other securities</b>	<b>116,336</b>	<b>164,188</b>	<b>9.75</b>	<b>31,865</b>	<b>548</b>

#### Notes:

- The Group's investment portfolio in Goldman Sachs (Asia) L.L.C. (the "GS portfolio"), with fair value of HK\$100,346,000 as at 31st March, 2021 represented 5.96% of the Group's total assets as at 31st March, 2021. Details of this significant investment are disclosed below as the size of this investment exceeded the 5% threshold under paragraph 32(4A) of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The GS portfolio is managed by Goldman Sachs (Asia) L.L.C. (the "manager") for Billion Trade Development Limited, a wholly-owned subsidiary of the Company. The investments in the portfolio are selected based on a global, multi-asset class discretionary separate account strategy of the manager. In this strategy, the manager utilizes its proprietary asset allocation model when setting the long-term strategic asset allocation with a focus on diversification across asset classes and regions. With respect to implementation, the manager draws from a spectrum of solutions to construct a portfolio with investments in mutual funds and exchange traded funds.

As of 31st March, 2021, the GS portfolio was comprised of cash and cash equivalents (54.4%), in addition to mutual funds and exchange traded funds invested in fixed income (18.1%), equities (23.9%) and other investments (3.6%). The large portfolio cash position is due to the Group's instructions to partially redeem certain positions and hold such cash in September 2020. Over the course of the first quarter, the manager has rebalanced the portfolio to bring about two primary changes. First, the manager has modified select fixed income managers in the investment grade and high yield credit spaces. Second, the relative weight of the manager's US equity allocation has increased.

Normally, the GS portfolio is long term in nature. However, in the short and medium term the manager may tactically deviate from the strategic allocation when dislocations from long term historical valuations in certain asset classes arise. For the year ended 31st March, 2021, the 12-month period portfolio volatility was 7.32%.

As the GS portfolio is a diversified multi-asset class portfolio, future risks include most risks that various asset classes face, including market, credit, interest rate, inflation, emerging market, liquidity, FX, real estate, derivatives and counter-party risks.

As global lockdowns brought economic activity to an abrupt halt, second-quarter GDP growth of 2020 turned negative for every one of the 37 countries in the OECD while global GDP for the whole second quarter fell a staggering US\$10 trillion last year. However, the initial recovery from the pandemic was as swift as the downturn itself, with every OECD country posting positive quarterly GDP growth in the third quarter.

In the manager's view, this rapid rebound was aided significantly by two factors, both of which bode well for the durability of the recovery. First, the recession was not the result of global economic excesses that take a long time to correct. Second, worldwide policymakers have provided timely fiscal and monetary support to corporates and households. Despite concerns surrounding the pandemic and geopolitics, the manager believes there is a strong case to stay invested in equities. The manager has focused on three key areas: 1) Healthcare, 2) the Economy, and 3) the Markets.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Securities investment (Continued)

#### *Other securities (Continued)*

*Notes: (Continued)*

#### **Healthcare**

As of 5th April, 2021, 4.9% of the world's population has been fully or partially immunized through vaccinations. Vaccination in the US and the UK has progressed significantly more rapidly relative to members of the Eurozone and the emerging markets. The US and the UK have also started easing their respective mobility restrictions, while many Eurozone members have instead extended or tightened their containment measures.

Although the sensitivity of GDP to mobility restrictions has diminished substantially over time (suggesting increased adaptation), the manager believes the ability to immunize populations against COVID-19 holds the key to a broad-base reopening of the economy. With the US well-placed to have enough vaccine supplies to vaccinate its adult population (estimated at 267 million persons) by the end of second-quarter, this should reflect positively on its economic activity, outperforming its peers.

#### **The Economy**

Fiscal support has been unprecedented across major developed markets through the COVID-19 crisis, with particularly sizable stimulus delivered in the US. Following the release of President Biden's US\$1.9-trillion "American Rescue Plan", the Administration also recently announced a US\$2.3-trillion "American Jobs Plan" that invests about 1% of GDP each year in infrastructure projects over the next eight years. In addition, the Administration has indicated it will soon unveil the "American Families Plan" focusing on supporting the caregiver economy. While the recent announcements included proposals for tax increases, the manager does not believe they will derail the economic recovery.

Accommodative fiscal and monetary policies, alongside with contained inflation and low recession risks, are likely to continue to support above-trend growth in most economies as they recover from the pandemic-induced recession. Based on the manager's forecast, the US will likely be the only developed market economy whose year-end GDP will be higher than pre-pandemic levels.

#### **The Markets**

High valuations, coupled with the prospect of higher taxes and rising interest rates, have led some investors to worry about an equity bubble amid the pullback seen in the first quarter. However, considering the normalcy of equity pullbacks – historically the S&P 500 has had 1.5 pullbacks of 5% or more per year – the manager believes the inevitability of occasional pullbacks does not construct a good reason to underweight equities.

More importantly, the odds of a positive one-year S&P 500 total return when the economy is expanding is 87% since 1945. Furthermore, the past four economic expansions have been associated with sizable cumulative equity gains with median gain at 403%, implying ample upside despite the over 80% equity rally from last year's March low.

Risks to the manager's outlook include the worsening of the global pandemic including the emergence of new virus strains, the disruption to vaccine rollouts, tension in US-China relations, domestic policies and geopolitical risks to name a few.

Nonetheless, the manager believes investors should focus on the fundamentals of the economy and resiliency of US corporations and institutions. Given that we are likely already in the nascent stage of a multiple-year economic expansion, the manager expects equities to deliver mid-single-digit annualized returns that are superior to those of cash and bonds over the foreseeable future. With that, the manager recommends staying invested.

For the year ended 31st March, 2021, the GS portfolio recorded approximately 21% growth from HK\$83,209,000 as at 31st March, 2020 to HK\$100,346,000 as at 31st March, 2021. The growth is largely driven by marked-to-market fair value changes on the investment portfolio as at 31st March, 2021, including a reversal of the unrealized revaluation loss previously recognized at last year ended 31st March, 2020. The Group has not made any additional fund injection into the GS portfolio during the year ended 31st March, 2021.

The Group continues to adopt prudent investment strategy to manage liquid investment portfolio under the backdrop of COVID-19 pandemic. The investment strategy of GS portfolio aligned with the Group investment strategy. The GS portfolio had realized part of the portfolio assets to increase cash holdings and reduce portfolio volatility amid the global market uncertainty.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Securities investment (Continued)

#### *Other securities (Continued)*

*Notes: (Continued)*

3. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the discretionary portfolio strategy with Morgan Stanley & Co. International plc (the "MS portfolio") is constructed based on a top-down approach that focuses on asset class, region/country, sector, investment's theme and style selection, as opposed to individual security selection (the "MS Strategy").

The MS Strategy is dynamically managed to provide a balanced allocation taking into account longer-term strategic views, while tactical views are deployed to address shorter term macro-economic and cyclical events.

The MS Strategy's investment objective is to provide a global asset allocation that seeks to achieve long-term capital appreciation over time by gaining exposure to a diversified range of asset classes, geographical markets, sectors and investment styles, primarily through funds, including exchanged traded funds, traditional funds and more sophisticated equity, fixed income, multi-asset class or alternative investment-linked funds.

As at 31st March, 2021, the MS portfolio comprised 6% cash or cash equivalents, 24% fixed income funds, 60% equity funds (in the United States, Europe, Japan, Asia Pacific ex Japan and emerging markets) and the remaining 10% alternative strategies (which may, from time to time, include hedge funds, commodities, real estate). The 3-month period and 12-month period annualized portfolio volatility of the MS Strategy were 8.65% and 8.76% respectively.

At this point, the bullish narrative of a fading pandemic, reopening economy and plenty of stimulus is very much the consensus view. That doesn't make it wrong, but markets are discounting machines and may already reflect the speed and scope of recovery. So far in 2021, equity markets have continued to advance but with sharp rotations that have left many investors upside down like those who choose to run with the bulls in Spain every year. As the economy actually reopens, the manager is likely to see consumers behave the same way investors have for the past year.

Since it's much easier to turn off an economy than it is to start it up, some consumers and businesses are likely to be stampeded as many investors have been this year as we experience higher costs or missed sales altogether. Furthermore, we are now at the anniversary of last year's recession trough, and marking the peak 12-month rate of change in many key variables we monitor. Typically, a rollover in the growth rate of such variables has a negative effect on asset prices even though it may be far from the end of the economic cycle. Instead, it's the normal transition from early-cycle to mid-cycle leadership we see at this stage of any recovery.

The manager thinks this economic cycle will be shorter than the prior two expansions for several reasons. To start with, the last three cycles were exceptionally long in duration, roughly 10 years. This was a product of below-trend growth and inflation. These conditions allowed the Federal Reserve to remain accommodative for longer. Due to the extraordinary fiscal support and potential supply shortages, this time the manager expects better above-trend growth and inflation. This means the Fed may need to respond with tighter policy sooner than normal. Next, real investment has been absent for the past few decades as companies outsourced production and focused on cost-cutting and financial engineering to enhance shareholder value. The pandemic has exposed the flaws of such a strategy, and that means a higher-velocity economy that is prone to more frequent booms and busts; in other words, shorter cycles.

The good news is that this can still be a rewarding investment environment if one is willing to be more tactical and flexible. In the near term, the manager is recommending investors upgrade their portfolios with higher-quality stocks that can better manage increasing costs and supply shortages. Two sectors that look more attractive in this context are real estate investment trusts and health care.

For the year ended 31st March, 2021, the MS portfolio recorded approximately 31% growth from HK\$48,740,000 as at 31st March, 2020 to HK\$63,842,000 as at 31st March, 2021. The growth is largely driven by marked-to-market fair value changes on the investment portfolio as at 31st March, 2021, including a reversal of the unrealized revaluation loss previously recognized at last year ended 31st March, 2020. The Group has not made any additional fund injection into the MS portfolio during the year ended 31st March, 2021.

The Group continues to adopt prudent investment strategy to manage liquid investment portfolio under the backdrop of COVID-19 pandemic.

Save as the Investments as set out in the tables above, the Group did not hold any other significant investments during the year ended 31st March, 2021.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Securities investment (Continued)

#### *Investment strategy*

The investment strategy is to adopt prudent and liquid investment management so as to pursue a well-balanced and diversified investment portfolio that seeks to achieve long-term capital appreciation and stable investment return for the Group.

During the year ended 31st March, 2021, the Group recorded total gain on financial assets at fair value through profit or loss of approximately HK\$40,659,000, attributable to unrealized gain of approximately HK\$37,883,000 and realized gain of approximately HK\$2,776,000. Dividend income received from financial assets at fair value through profit or loss amounted to approximately HK\$1,051,000 during the year. The amounts of financial assets at fair value through profit or loss acquired during the year amounted to approximately HK\$181,672,000, including 10 additions of wealth management products in the amount of HK\$9,190,000 to HK\$20,286,000 for each addition. The amounts of financial assets at fair value through profit or loss disposed during the year amounted to approximately HK\$256,431,000, including 10 disposals of wealth management products upon maturity for the amount of HK\$9,190,000 to HK\$20,286,000 for each disposal.

### DISCLOSEABLE TRANSACTION AND EVENT AFTER THE REPORTING PERIOD

On 26th March, 2021, Supreme Development Company Limited (“Supreme Development”), a company beneficially owned as to approximately 41.16% by the Company, entered into the Share Buy-back Agreement with Sojitz (Hong Kong) Limited (“SJHK”) and Sojitz Pla-Net Corporation (“SPNC”), pursuant to which Supreme Development conditionally agreed to buy back 3,501,350 Supreme Development’s shares and 1,500,150 Supreme Development’s 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 Share Buy-Back”). The consideration was determined with reference to the consolidated net assets of Supreme Development and its subsidiaries (“the Supreme Group”) and represented an approximately 28.6% discount to the consolidated net assets of the Supreme Group.

The Share Buy-back transaction is deemed to be an acquisition by the Company as the Group’s percentage shareholding in Supreme Development will increase from approximately 41.16% to 61.75% upon completion. 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 under Chapter 14 of the Listing Rules.

The Share Buy-Back of Supreme Development completed on 15th April, 2021. Prior to the completion, the Supreme Group was accounted for in the Company’s consolidated financial statements as Interest in Associate by using equity method of accounting. After completion, Supreme Group has become non-wholly owned subsidiaries of the Company and its financial results are consolidated into the Group’s consolidated financial statements.

Supreme Group is principally engaged in the business of manufacturing and sale of tubular and plastic bags. As the consideration for the Share Buy-back represented a discount to the consolidated net assets of the Supreme Group, the Company considers that it provides the Group with a good opportunity to increase its percentage equity interest in the Supreme Group to enable the Group to benefit from the improvement in the business of the Supreme Group.

## **CONNECTED TRANSACTION**

On 15th April, 2019, Affluent Woods Limited (“Affluent Woods”), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement with S.F. Express (Overseas) Limited (“SF Overseas”) to establish a joint venture to provide Logistics Solutions in Vietnam (“JV Agreement”). A joint venture company (“JV Company”) was incorporated in the Republic of Singapore on 28th January, 2019 and was owned as to 61% by Affluent Woods and the remaining 39% by SF Overseas.

On 15th May, 2020, Affluent Woods entered into a termination agreement with SF Overseas to terminate the JV Agreement. On the same date, Affluent Woods entered into a share sale and purchase agreement, pursuant to which, Affluent Woods acquired from SF Overseas its entire 39% shareholding interest in the JV Company at Singapore dollar \$39. After completion, the JV Company becomes a wholly owned subsidiary of the Group.

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.

## **FINAL DIVIDEND**

The Directors have resolved to recommend the payment of a final dividend of HK1.2 cents per share (2020: HK1.2 cents per share) for the year ended 31st March, 2021 to the shareholders on the Register of Members of the Company at the close of business on Friday, 3rd September, 2021. Together with the interim dividend of HK1.1 cents per share paid on Wednesday, 6th January, 2021, the total dividends for the year ended 31st March, 2021 will be HK2.3 cents per share (2020: HK2.3 cents per share).

Subject to the approval of shareholders at the forthcoming annual general meeting to be held on Monday, 30th August, 2021, the final dividend will be paid to the shareholders on or about Friday, 17th September, 2021.

## **CLOSURE OF REGISTER OF MEMBERS FOR THE ENTITLEMENT TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING**

For the purpose of determining the entitlement of the shareholders to attend and vote at the forthcoming annual general meeting, the Register of Members of the Company will be closed from Tuesday, 24th August, 2021 to Monday, 30th August, 2021, both days inclusive, during which period no transfer of shares of the Company will be registered. Shareholders whose names appear on the Register of Members of the Company at the close of business on Monday, 23rd August, 2021 will be entitled to attend and vote at the forthcoming annual general meeting. All transfers of shares accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Monday, 23rd August, 2021.



## **LAST DAY FOR TRADING AND RECORD DATE FOR THE ENTITLEMENT TO FINAL DIVIDEND**

The last day for trading in the Company's shares with entitlement to the final dividend will be on Wednesday, 1st September, 2021. The Company's shares will be traded ex-entitlement on Thursday, 2nd September, 2021.

The record date for the entitlement to the final dividend is at 4:30 p.m. (Hong Kong time) on Friday, 3rd September, 2021. In order to qualify for the final dividend, if approved, all transfers of shares accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Friday, 3rd September, 2021. The final dividend will be paid on or about Friday, 17th September, 2021.

## **EMPLOYEES AND REMUNERATION POLICY**

The total number of employees for the Group is about 3,730.

Remuneration packages are reviewed by the Group from time to time. In addition to salary payments, other fringe benefits for the staff include retirement benefits schemes and medical insurance scheme, as well as quarters and housing allowances for certain staff. The Group has taken out personal accident insurance for senior staff and the staff who frequently travel overseas on business trips.

## **AUDIT COMMITTEE**

The audit committee comprising three independent non-executive directors, Mr. Joseph LAM Yuen To, Mr. Michael YU Tat Chi and Mr. Ronald YAN Mou Keung, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited financial statements of the Group for the year ended 31st March, 2021.

## **SCOPE OF WORK OF THE AUDITOR**

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st March, 2021 have been agreed by the Group's auditor, HLM CPA Limited ("the Auditor"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the Auditor on the preliminary announcement.

## **CORPORATE GOVERNANCE PRACTICES**

The Company adopted all the code provisions in the Corporate Governance Code and Corporate Governance Report (the “Code”) as set out in Appendix 14 to the Listing Rules as its own code on corporate governance. The Company has complied with the Code throughout the year ended 31st March, 2021.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. All Directors have confirmed, following specific enquiry by the Company, that they fully complied with the required standard as set out in the Model Code throughout the year ended 31st March, 2021.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SHARES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed shares for the year ended 31st March, 2021.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

The annual results announcement is published on the website of Hong Kong Exchanges and Clearing Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.grdil.com](http://www.grdil.com)). The 2021 annual report containing all the information required by the Listing Rules will be dispatched to the Company’s shareholders and will be published on the aforementioned websites in due course.

On behalf of the Board  
**Golden Resources Development International Limited**  
**Laurent LAM Kwing Chee**  
*Chairman*

Hong Kong, 28th June, 2021

*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.*