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GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED

金源發展國際實業有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 677)

**ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

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, 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st March, 2023

	<i>Notes</i>	2023 HK\$'000	2022 HK\$'000
REVENUE	3	2,059,774	1,774,233
Cost of sales		(1,271,869)	(1,136,338)
GROSS PROFIT		787,905	637,895
Net unrealized loss on financial assets at fair value through profit or loss		(805)	(3,509)
(Deficit)/surplus on revaluation of investment properties		(2,670)	7,435
Net other income	4	18,333	49,734
Selling and distribution costs		(403,189)	(383,113)
Administrative expenses		(223,578)	(242,748)
Interest on lease liabilities		(31,150)	(30,447)
PROFIT FROM OPERATIONS		144,846	35,247
Finance costs		(858)	(83)
Share of results of associates		(222)	(360)
Share of results of joint ventures		(522)	(580)
PROFIT BEFORE TAXATION	5	143,244	34,224
Taxation	6	(18,199)	(22,120)
PROFIT FOR THE YEAR		125,045	12,104
Profit for the year attributable to:			
Shareholders of the Company		128,679	18,697
Non-controlling interests		(3,634)	(6,593)
		125,045	12,104
EARNINGS PER SHARE	8		
— Basic		HK7.6 cents	HK1.1 cents
— Diluted		HK7.6 cents	HK1.1 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31st March, 2023

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
PROFIT FOR THE YEAR	125,045	12,104
OTHER COMPREHENSIVE LOSS		
Item reclassified to profit or loss:		
Release of exchange reserve upon step acquisition from associates to subsidiaries	—	(3,260)
Items to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(2,173)	(4,210)
Share of other comprehensive loss of associates	(311)	(76)
Other comprehensive loss for the year, net of tax	(2,484)	(7,546)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	122,561	4,558
Total comprehensive income attributable to:		
Shareholders of the Company	126,556	13,060
Non-controlling interests	(3,995)	(8,502)
	122,561	4,558

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31st March, 2023

	<i>Notes</i>	2023 HK\$'000	2022 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		373,080	206,787
Right-of-use assets		337,026	318,745
Prepaid lease payments		12,042	12,775
Investment properties		166,070	168,740
Interests in associates		34,990	31,022
Interests in joint ventures		11,497	11,912
Financial assets at fair value through profit or loss		7,504	7,806
Intangible assets		26,749	22,505
Rental and related deposits paid		26,513	25,274
Deposits paid for purchase of properties		—	12,683
		995,471	818,249
CURRENT ASSETS			
Inventories		196,656	185,673
Trade debtors	9	65,436	87,846
Other debtors, deposits and prepayments		85,483	47,664
Financial assets at fair value through profit or loss		9,382	177,388
Tax recoverable		1,023	—
Cash and cash equivalents		540,227	455,198
		898,207	953,769
Asset classified as held for sale		—	41,500
		898,207	995,269
CURRENT LIABILITIES			
Trade creditors	10	119,257	128,725
Other creditors and accruals		130,052	125,084
Lease liabilities		117,232	114,105
Bank loan		3,296	—
Tax liabilities		—	2,351
		369,837	370,265
NET CURRENT ASSETS		528,370	625,004
TOTAL ASSETS LESS CURRENT LIABILITIES		1,523,841	1,443,253
NON-CURRENT LIABILITIES			
Lease liabilities		252,436	257,719
Bank loan		4,315	—
Deferred tax liabilities		1,365	1,632
		258,116	259,351
		1,265,725	1,183,902
CAPITAL AND RESERVES			
Share capital		169,741	169,741
Reserves		1,059,494	973,676
Shareholders' equity		1,229,235	1,143,417
Non-controlling interests		36,490	40,485
		1,265,725	1,183,902

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of Golden Resources Development International Limited, I am pleased to share our annual results for the year ended 31st March, 2023.

Despite the still volatile global business environment, financial year 2022-2023 was positive as we reaped the rewards of prudent strategic decisions and sales of our core products and convenience retailing picked up.

With our family business roots, we began our journey to institutionalise management from 2021. I am proud to see positive financial results stemming from these efforts.

As the impact of the global COVID-19 pandemic has receded, I believe we are in a strong position to deliver quality brands and retail services to families across Asia and expand steadily thanks to our key engines of growth.

Circle K Growth

When Vietnam endured challenging pandemic conditions, we turned the down time into an opportunity to refresh our business. We replaced some store locations with better ones, ensuring a presence in 10 cities and positioning Circle K as Vietnam's largest international convenience store chain.

We also strengthened staff training to prepare for the future. As conditions normalised, our customer traffic grew and total revenues jumped 46 percent year on year.

I am confident our Convenience Store operations have ample room to grow given the development cycle for convenience stores in Vietnam is in its infancy. Looking ahead, I expect more global partners to leverage our convenience retailing platform (sourcing, importing, storage, packaging, logistics, retail) to tap the vibrant Vietnam market.

Rice Business Innovation

Our Hong Kong rice business grew steadily, with the lifting of social distancing measures boosting sales across Food and Beverages outlets.

As the leading Hong Kong-based packaged rice manufacturer, wholesaler and distributor for over 75 years, we continue to innovate our convenience rice offering. We have diversified geographically with a new development focus on overseas markets that have attracted growing numbers of resident Asian globalists.

New Corporate Headquarters

Following its re-opening, Hong Kong will gradually recover. Our investment in the new Corporate Headquarters, Golden Resources Tower, in Wanchai district not only fulfils the needs of our Pan-Asia business platforms but also underscores our optimism towards Hong Kong as a global business hub.

CHAIRMAN’S STATEMENT *(Continued)*

New Project in Niseko, Japan

In June 2023, we expanded our footprint by strategically acquiring NI Corporation and its subsidiary Izumikyo Co., Ltd. The acquisition included some 326,000 square meters of land, 80% of which is situated near the heart of Hirafu, where 11 of the acquired properties are located.

Leveraging our fast-moving consumer goods (FMCG), food service supply and retailing operations experience, we plan to transform our stretch of land in Hirafu (one of the four skiing hubs of Niseko United) into a “retailtainment” destination. Visitors will enjoy a better experience as we deliver quality products and services to working residents.

With continuous contributions from our Golden Resources food business in Hong Kong and profits generated by Circle K in Vietnam, we have a highly sound financial position, enabling us to fund our Corporate Headquarters and Japan projects through internal resources.

Our Communities

As a firm with a deep history, we continue to prioritise staff wellbeing and the communities in which we operate. We will stay vigilant on health-related matters and will donate rice and funds to support those in need.

Our Group is wholly committed to protecting the environment with pilot schemes in sustainable packaging. Our workforce continues to step up efforts to limit energy and paper consumption with the launch of our Office-Go-Green initiatives.

I would like to thank my fellow members of the Board and colleagues for their steadfast commitment to our business and our shareholders and customers for their continued support. I look forward to an exciting future as we diversify our portfolio and geographic reach.

Laurent LAM Kwing Chee
Group Executive Chairman
Hong Kong, 19th June, 2023

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

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, 2022:

HKFRS (Amendments)	Annual Improvements to HKFRSs 2018-2020 cycle
HKFRS 3 (Amendments)	Reference to the Conceptual Framework
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before Intended Use
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations

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. Accordingly, no prior period adjustment has been required.

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 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback ²
HKFRS 17	Insurance Contracts and Related Amendment ¹
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
HKAS 1 (Amendments)	Non-current Liabilities with Covenants ²
HKAS 1 (Amendments) and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
HKAS 8 (Amendments)	Definition of Accounting Estimates ¹
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1st January, 2023

² Effective for annual periods beginning on or after 1st January, 2024

³ Effective date to be determined

3. SEGMENT INFORMATION

For management purposes, the Group is currently organised into six operating divisions, namely convenience store operation, rice operation, packaging materials 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
Packaging materials operation	—	manufacturing and sale of packaging materials
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, 2023

	Convenience store operation <i>HK\$'000</i>	Rice operation <i>HK\$'000</i>	Packaging materials operation <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE								
External sales	1,201,811	709,018	144,969	—	3,794	182	—	2,059,774
Inter-segment sales	163	—	9,537	—	—	—	(9,700)	—
Total sales	1,201,974	709,018	154,506	—	3,794	182	(9,700)	2,059,774
RESULTS								
Segment results	68,178	105,607	(9,323)	(16,836)	(2,613)	(167)	—	144,846
Finance costs	—	—	—	—	—	(858)	—	(858)
Share of results of associates	—	271	—	—	(318)	(175)	—	(222)
Share of results of joint ventures	—	—	(3)	—	(519)	—	—	(522)
Profit before taxation	—	—	—	—	—	—	—	143,244
Taxation	—	—	—	—	—	—	—	(18,199)
Profit for the year	—	—	—	—	—	—	—	125,045
Profit for the year attributable to:								
Shareholders of the Company								128,679
Non-controlling interests								(3,634)
								125,045

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

Segment assets and liabilities as at 31st March, 2023

	Convenience store operation HK\$'000	Rice operation HK\$'000	Packaging materials operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
ASSETS							
Segment assets	584,300	193,623	144,662	10,570	360,142	552,871	1,846,168
Interests in associates	—	10,257	—	—	20,407	4,326	34,990
Interests in joint ventures	—	—	4	—	11,493	—	11,497
Unallocated corporate assets							1,023
Consolidated total assets							1,893,678
LIABILITIES							
Segment liabilities	460,664	53,141	103,828	—	985	7,970	626,588
Unallocated corporate liabilities							1,365
Consolidated total liabilities							627,953

Other information for the year ended 31st March, 2023

	Convenience store operation HK\$'000	Rice operation HK\$'000	Packaging materials 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	41,384	5,442	3,857	—	162,721	2,054	215,458
Additions to right-of-use assets	123,160	—	—	—	—	—	123,160
Depreciation and amortisation of property, plant and equipment	(33,519)	(5,595)	(4,475)	—	(2,318)	(251)	(46,158)
Depreciation of right-of-use assets	(87,506)	(67)	(6,009)	—	—	—	(93,582)
Reversal of impairment loss of equipment	3,707	—	—	—	—	—	3,707
Reversal of impairment loss of right-of-use assets	5,482	—	—	—	—	—	5,482
Amortisation of prepaid lease payments	—	(515)	—	—	—	—	(515)
Deficit on revaluation of investment properties	—	—	—	—	(2,670)	—	(2,670)
Net unrealized loss on financial assets at fair value through profit or loss	—	—	—	(482)	—	(323)	(805)
Government grants from Anti-Epidemic Fund	—	5,376	480	—	—	—	5,856
Allowance for expected credit losses	—	(879)	(2)	—	—	(4,828)	(5,709)
Interest on lease liabilities	(28,588)	(88)	(2,474)	—	—	—	(31,150)

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

Statement of profit or loss for the year ended 31st March, 2022

	Convenience store operation HK\$ '000	Rice operation HK\$ '000	Packaging materials operation HK\$ '000	Securities investment HK\$ '000	Property investment HK\$ '000	Corporate and others HK\$ '000	Elimination HK\$ '000	Consolidated HK\$ '000
REVENUE								
External sales	822,819	779,218	168,700	—	3,496	—	—	1,774,233
Inter-segment sales	—	—	9,333	—	—	—	(9,333)	—
Total sales	822,819	779,218	178,033	—	3,496	—	(9,333)	1,774,233
RESULTS								
Segment results	(104,700)	126,350	6,865	1,410	8,364	(3,042)	—	35,247
Finance costs	—	—	—	—	—	(83)	—	(83)
Share of results of associates	—	(280)	—	—	(80)	—	—	(360)
Share of results of joint ventures	—	—	—	—	(580)	—	—	(580)
Profit before taxation	—	—	—	—	—	—	—	34,224
Taxation	—	—	—	—	—	—	—	(22,120)
Profit for the year	—	—	—	—	—	—	—	12,104
Profit for the year attributable to:								
Shareholders of the Company								18,697
Non-controlling interests								(6,593)
								12,104

Segment assets and liabilities as at 31st March, 2022

	Convenience store operation HK\$ '000	Rice operation HK\$ '000	Packaging materials operation HK\$ '000	Securities investment HK\$ '000	Property investment HK\$ '000	Corporate and others HK\$ '000	Consolidated HK\$ '000
ASSETS							
Segment assets	509,560	203,510	161,091	177,388	256,190	462,845	1,770,584
Interests in associates	—	9,972	—	—	21,050	—	31,022
Interests in joint ventures	—	—	—	—	11,912	—	11,912
Consolidated total assets							1,813,518
LIABILITIES							
Segment liabilities	428,066	73,280	123,398	—	889	—	625,633
Unallocated corporate liabilities	—	—	—	—	—	—	3,983
Consolidated total liabilities							629,616

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

Other information for the year ended 31st March, 2022

	Convenience store operation HK\$ '000	Rice operation HK\$ '000	Packaging materials 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	40,654	6,556	15,405	—	26	—	62,641
Additions to right-of-use assets	148,615	—	63,525	—	—	—	212,140
Depreciation and amortisation of property, plant and equipment	(40,438)	(7,058)	(4,498)	—	(1,862)	—	(53,856)
Depreciation of right-of-use assets	(100,438)	(106)	(10,623)	—	—	—	(111,167)
Reversal of impairment loss of equipment	1,292	—	—	—	—	—	1,292
Impairment loss of right-of-use assets	(11,079)	—	—	—	—	—	(11,079)
Amortisation of prepaid lease payments	—	(524)	—	—	—	—	(524)
Surplus on revaluation of investment properties	—	—	—	—	7,435	—	7,435
Net unrealized loss on financial assets at fair value through profit or loss	—	—	—	795	—	(4,304)	(3,509)
Government grants from Anti-Epidemic Fund	—	209	—	—	—	—	209
Allowance for expected credit losses	—	(54)	(153)	—	—	—	(207)
Interest on lease liabilities	(27,620)	(97)	(2,730)	—	—	—	(30,447)

Geographical segments

The Group's operations are located in Vietnam, Hong Kong, PRC 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:

	Revenue by geographical markets	
	2023 HK\$ '000	2022 HK\$ '000
Vietnam	1,201,993	822,819
Hong Kong	712,002	815,930
PRC and others	145,779	135,484
	2,059,774	1,774,233

4. NET OTHER INCOME

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest revenue on:		
— Financial assets at fair value through profit or loss	929	67
— Financial assets measured at amortised costs	9,344	1,269
	10,273	1,336
Dividend income from listed financial assets at fair value through profit or loss	26	72
Other income from convenience store operation	15,774	15,829
Net reversal of impairment loss/(impairment loss) of right-of-use assets and equipment	9,189	(9,787)
Net realized loss on disposal of financial assets at fair value through profit or loss	(15,260)	(410)
Net foreign exchange (loss)/gain	(6,078)	8,390
Government grants from Anti-Epidemic Fund	5,856	209
Effective interest income from rental deposits	2,090	2,716
Net loss on disposal of plant and equipment	(2,531)	(5,300)
Allowance for expected credit losses	(4,828)	—
Sundry income	3,822	4,453
Gain on deemed acquisition of subsidiaries arising from remeasurement of fair value of previously held equity interest in associates and deemed acquisition of additional equity interest	—	24,368
COVID-19-related rent concessions for convenience store operation	—	7,858
	18,333	49,734

5. PROFIT BEFORE TAXATION

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Depreciation and amortisation of property, plant and equipment	46,158	53,856
Depreciation of right-of-use assets	93,582	111,167
Reversal of impairment loss of equipment	(3,707)	(1,292)
(Reversal of impairment loss)/impairment loss of right-of-use assets	(5,482)	11,079
Amortisation of prepaid lease payments	515	524
Rental expenses for short-term leases	349	206
Allowance for expected credit losses	5,709	207
Cost of inventories recognised as expense	1,193,224	1,045,141
Staff costs, including directors' remuneration	312,888	300,600
Interest on lease liabilities	31,150	30,447
Interest on bank loans	858	83

6. TAXATION

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax:		
Hong Kong	18,421	22,525
Others	28	28
	<u>18,449</u>	<u>22,553</u>
Under-provision/(over-provision) in prior years:		
Hong Kong	14	(286)
Others	3	(14)
	<u>17</u>	<u>(300)</u>
Deferred tax:		
Current year's credit	(267)	(133)
Taxation attributable to the Company and its subsidiaries	<u>18,199</u>	<u>22,120</u>

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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interim dividend paid of HK1.2 cents per share on 1,697,406,458 shares (2022: HK1.2 cents per share on 1,697,406,458 shares)	20,369	20,369
Final dividend proposed of HK1.45 cents per share on 1,697,406,458 shares (2022: HK1.2 cents per share on 1,697,406,458 shares)	24,612	20,369
	44,981	40,738

The final dividend of HK1.45 cents per share for the year ended 31st March, 2023 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:

	2023 <i>HK\$'000</i>	2022 <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 (2022: 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 HK1.2 cents per share on 1,697,406,458 shares (2022: HK1.2 cents per share on 1,697,406,458 shares)	20,369	20,369
	40,738	40,738

8. EARNINGS PER SHARE

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Earnings for the purpose of basic earnings per share	128,679	18,697

There were no dilutive potential ordinary shares for both years.

9. 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 goods delivery date:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 30 days	27,045	34,089
31-60 days	26,255	28,950
61-90 days	7,772	18,006
Over 90 days	4,364	6,801
	65,436	87,846

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, the Group has made allowance for expected credit losses of approximately HK\$715,000 for the trade debtor balances. Actual bad debt expenses incurred during the year amounted to approximately HK\$166,000.

10. TRADE CREDITORS

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 30 days	113,367	116,232
31-60 days	4,726	5,296
61-90 days	558	3,321
Over 90 days	606	3,876
	119,257	128,725

ADOPTION OF CHINESE NAME AS SECONDARY NAME AND CHANGE OF CHINESE STOCK SHORT NAME

On 29th November, 2022, the Board proposed to adopt and register the Chinese secondary name “金源發展國際實業有限公司” as the secondary name of the Company (the “Adoption of Chinese Name as Secondary Name”) and in place of the former Chinese name “金源米業國際有限公司”, for identification purposes only. The special resolution regarding the Adoption of Chinese Name as Secondary Name has been passed at the special general meeting held on 31st January, 2023.

Following the Adoption of Chinese Name as Secondary Name becoming effective, the Chinese stock short name of the Company has been changed from “金源米業” to “金源發展國際實業” for trading in the shares on The Stock Exchange of Hong Kong Limited with effect from 31st March, 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group recorded positive growth in revenue and net profit for 2022/2023 financial year, with Group total revenue of HK\$2,059,774,000 and net profit attributable to shareholders of HK\$128,679,000 for the year ended 31st March, 2023. Our convenience store business in Vietnam contributed substantial and continuous growth in revenue and net profit.

Convenience Store Operation

During the year ended 31st March, 2023, our convenience store operation recorded segment profit of HK\$68,178,000. Under series of effective strategies, including the expansion of our retail platform and enhancement of our logistics systems, our convenience store revenue achieved 46% growth in current year and hit a multi-year record high of HK\$1,201,811,000, as compared to revenue of HK\$822,819,000 for last year.

With the improvement in our overall store performance, the Group recorded a gain of HK\$9,189,000 on reversal of prior years’ impairment loss on right-of-use assets and equipment. The impairment loss provided for last year was HK\$9,787,000.

Rice Operation

The Group's rice operation in Hong Kong performed steadily for the year under review. We remain agile and responsive to meet the challenges under COVID-19 business environment. Our Business Continuity Measures are effective to secure stable supply of rice and to safeguard the health of our employees. To mitigate the potential credit risk under COVID-19 disruptions, the Group maintains stringent credit control policies with low bad debt ratio amid the global economic downturn. The Group continues to focus on market expansion and product innovation to strike for sustainable growth. Rice operation contributed revenue of HK\$709,018,000 and profit before taxation of HK\$105,607,000 for this financial year under review.

Packaging Materials Operation

Our packaging materials operation recorded external sales revenue of HK\$144,969,000 for the year. As adversely affected by the prolonged global lockdown and tough business environment under COVID-19 pandemic, the packaging materials operation segment recorded loss before taxation and non-controlling interests of HK\$9,323,000 for the year ended 31st March, 2023.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Liquidity and Financial Resources

The Group's financial position remains sound and healthy with cash balance of HK\$540,227,000 as at 31st March, 2023.

As at 31st March, 2023, the Group's total current assets and total current liabilities amounted to HK\$898,207,000 (2022: HK\$995,269,000) and HK\$369,837,000 (2022: HK\$370,265,000) respectively.

The Group maintains sound liquidity ratio. Current ratio (defined as total current assets over total current liabilities) as at 31st March, 2023 was 2.4 times (2022: 2.6 times). If excluding the current portion of lease liabilities of HK\$117,232,000 (2022: HK\$114,105,000) recognized under HKFRS 16 "Leases", the current ratio was 3.5 times (2022: 3.8 times). As at 31st March, 2023, gearing ratio (defined as bank borrowings over shareholders' equity) was 0.6% (2022: Nil) based on outstanding bank loan of HK\$7,611,000 (2022: Nil) and shareholders' equity of HK\$1,229,235,000 (2022: HK\$1,143,417,000).

With cash and other current assets of HK\$898,207,000 as at 31st March, 2023 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

Looking forward, as the impact of COVID-19 pandemic has receded, the Group believes that the global economy will recover at accelerated pace. We have laid solid foundation in our core businesses and will continue to preserve sound and healthy financial position to meet future opportunities and challenges ahead.

DISCLOSEABLE TRANSACTIONS

Acquisition of properties

On 30th June, 2022, the Group entered into three preliminary sale and purchase agreements with independent third parties to purchase three properties in Hong Kong at total cash consideration of HK\$159,477,300 ("the Transactions"). The Transactions were completed in October 2022 and fully settled by cash from the Group's internal source of fund.

Details of the acquisition of properties are disclosed in the Discloseable Transaction Announcements of the Company dated 30th June, 2022 and 18th July, 2022 respectively.

Redemption of investment portfolios

In November, 2022, Billion Trade Development Limited ("Billion Trade"), an indirect wholly-owned subsidiary of the Company, redeemed its investment in portfolio managed by (1) Goldman Sachs (Asia) L.L.C. ("GS Portfolio") for an aggregate redemption proceeds of approximately HK\$59,790,000 in cash and (2) Morgan Stanley & Co. International plc ("MS Portfolio") for an aggregate redemption proceeds of approximately HK\$55,310,000 in cash. Subsequent to the redemptions, the Group ceased to hold any interests in the GS Portfolio and MS Portfolio.

Details of the redemption of the investment portfolios are disclosed in the Discloseable Transaction Announcement of the Company dated 1st November, 2022.

CONNECTED TRANSACTION

On 6th September, 2022, Radiant Bay Holdings Limited (“Radiant Bay”), an indirect wholly-owned subsidiary of the Company, entered into Shareholders’ Agreement with Kamakura Foods Limited (“Kamakura Foods”) and Start Wise Investments Limited (“Start Wise”) to establish a joint venture to produce and distribute Japanese light meals and snacks in Hong Kong (“JV Company”). The JV Company is incorporated in Hong Kong and is owned, on a fully diluted basis, as to 45.01% by Radiant Bay, as to 29.18% by Kamakura Foods and as to the remaining 25.81% by Start Wise. In connection with the establishment of the JV Company, the JV Shareholders have agreed that initial investment for the JV Company is HK\$10,000,000 and each JV Shareholder has contributed the respective cash and/or non-cash contributions before 31st March, 2023.

Kamakura Foods is a substantial shareholder of a non-wholly owned subsidiary of the Company and Start Wise is indirectly wholly-owned by Yuen Loong International Limited, which is a substantial shareholder of the Company. Accordingly, the formation of JV Company involving Kamakura Foods and Start Wise constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

The JV Company is accounted for as an equity investment of the Company and its financial results are consolidated in the Group’s financial statements as interests in associate.

Details of the formation of JV Company are disclosed in the Connected Transaction Announcement of the Company dated 6th September, 2022.

EVENT AFTER THE REPORTING PERIOD

On 31st May, 2023, Honorwood Limited (“Honorwood”), an indirect wholly-owned subsidiary of the Company, entered into share purchase agreement with independent third parties, Yoshio Nishimura, Sachiko Nishimura, Urara Nishimura and Ayano Nishimura (“the Vendors”), pursuant to which Honorwood conditionally agreed to acquire, and the Vendors conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the NI Corporation, at the Consideration of JPY3,404,000,000 (equivalent to approximately HK\$197,432,000). The Consideration for the acquisition is funded by the Group’s internal resources.

Upon completion, the Company will indirectly hold the entire issued share capital of the NI Corporation and its subsidiary (the “NI Group”).

NI Group is principally engaged in the business of real estate transactions, leasing accommodations, operating restaurants, managing sports facilities and parking lots in Niseko Japan and its surrounding areas through its ownership in the Land and the Properties.

Details of the acquisition of the entire issued share capital of the NI Corporation are disclosed in the Discloseable Transaction Announcement of the Company dated 31st May, 2023.

FINAL DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of HK1.45 cents per share (2022: HK1.2 cents per share) for the year ended 31st March, 2023 to the shareholders on the Register of Members of the Company at the close of business on Tuesday, 5th September, 2023. Together with the interim dividend of HK1.2 cents per share paid on Friday, 13th January, 2023, the total dividends for the year ended 31st March, 2023 will be HK2.65 cents per share (2022: HK2.4 cents per share).

Subject to the approval of shareholders at the forthcoming annual general meeting to be held on Wednesday, 30th August 2023, the final dividend will be paid to the shareholders on or about Tuesday, 19th September, 2023.

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 Thursday, 24th August, 2023 to Wednesday, 30th August, 2023, 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 Wednesday, 23rd August, 2023 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 and Transfer Office in Hong Kong, Tricor Standard Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Wednesday, 23rd August, 2023.

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 Friday, 1st September, 2023. The Company's shares will be traded ex-entitlement on Monday, 4th September, 2023.

The record date for the entitlement to the final dividend is at 4:30 p.m. (Hong Kong time) on Tuesday, 5th September, 2023. 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 and Transfer Office in Hong Kong, Tricor Standard Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Tuesday, 5th September, 2023. The final dividend will be paid on or about Tuesday, 19th September, 2023.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees for the Group is about 4,045.

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, 2023.

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, 2023 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 (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, 2023.

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, 2023.

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, 2023.

ADOPTION OF THE NEW BYE-LAWS

Pursuant to a special resolution passed at the annual general meeting of the Company held on 30th August, 2022, the shareholders have approved to adopt the new bye-laws of the Company.

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) and the website of the Company (www.grdil.com). The 2023 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, 19th June, 2023

As at the date of this announcement, the executive directors of the Company are Mr. Laurent LAM Kwing Chee (Chairman and Group Executive Chairman), Mr. Anthony LAM Sai Ho (Vice Chairman and Group 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.