



GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2002

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, 2002 as follows:

CONSOLIDATED INCOME STATEMENT

	<i>Notes</i>	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Turnover	3	975,170	1,018,130
Cost of sales		(661,447)	(736,522)
Gross profit		313,723	281,608
Surplus on revaluation of investments in securities		11,582	33,718
Deficit on revaluation of investment properties		(397)	(3,500)
Other operating income		21,254	19,502
Selling and distribution costs		(50,811)	(43,657)
Administrative expenses		(135,689)	(133,741)
Gain on disposal of investments in securities		8,921	-
Impairment loss recognised on property, plant and equipment		(72,652)	-
Impairment loss recognised on investments in securities		(27,367)	-
Other operating expenses	4	(6,121)	(20,560)
Profit from operations	5	62,443	133,370
Finance costs		(2,156)	(3,620)
Share of results of associates		(1,187)	(1,292)
Profit before taxation		59,100	128,458
Taxation	6	(32,743)	(26,773)
Profit after taxation		26,357	101,685
Minority interests		44,368	8,653
Net profit for the year		70,725	110,338

Dividends	7	45,157	45,581
Earnings per share	8		
- Basic		5.5 cents	9.2 cents
- Diluted		5.4 cents	9.1 cents

Notes to the financial statements
For the year ended 31st March, 2002

1. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE

In the current year, the Group has adopted, for the first time, a number of new and revised Statements of Standard Accounting Practice ("SSAPs") issued by the Hong Kong Society of Accountants.

Dividend proposed or declared after the balance sheet date

In accordance with SSAP No. 9 (Revised) "Events after the Balance Sheet Date", dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date, but are disclosed as a separate component of equity in the notes to the financial statements. This change in accounting policy has been applied retrospectively, resulting in a prior period adjustment (see Note 2).

Trade marks

SSAP No. 29 "Intangible Assets" specifies more rigorous criteria for the recognition of intangible assets than were applied in previous periods. Consequently, adoption of SSAP No. 29 has resulted in the derecognition of trade marks, which were reported as intangible assets in prior financial statements. This change in accounting policy has been applied retrospectively, resulting in a prior period adjustment (see Note 2).

Goodwill

In the current year, the Group has adopted SSAP No. 30 "Business Combinations" and has elected not to restate goodwill (negative goodwill) previously eliminated against (credited to) reserves. Accordingly, goodwill arising on acquisitions prior to 1st April, 2001 continues to be held in reserves and will be charged to the income statement at the time of disposal of the relevant subsidiary or associate or at such time as the goodwill is determined to be impaired. Negative goodwill arising on acquisitions prior to 1st April, 2001 will be credited to income at the time of disposal of the relevant subsidiary or associate.

Goodwill arising on acquisitions after 1st April, 2001 is capitalised and amortised over its estimated useful life. Negative goodwill arising on acquisitions after 1st April, 2001 is presented as a deduction from assets and will be released to income based on an analysis of the circumstances from which the balance resulted.

2. PRIOR PERIOD ADJUSTMENTS

The financial effect of the adoption of the new/revised accounting policies described in Note 1 is summarized below:

	Contributed surplus <i>HK\$'000</i>	Dividend reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance at 1st April, 2000				
As originally stated	152,375	-	237,527	389,902
Derecognition of trade marks	(152,375)	-	(25,329)	(177,704)
Derecognition of liability for final dividend for the year ended 31st March, 2000	-	20,595	-	20,595
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Balance at 1st April, 2000, as restated	-	20,595	212,198	232,793

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

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

Segment information about these businesses is presented below:

For the year ended 31st March, 2002

	Rice operation HK\$'000	Warehouse operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
TURNOVER							
External sales	766,429	32,315	175,691	735	-	-	975,170
Inter-segment sales	-	12,965	-	-	-	(12,965)	-
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Total	766,429	45,280	175,691	735	-	(12,965)	975,170
Inter-segment sales are charged at prevailing market prices.							
RESULT							
Segment results	45,156	6,722	26,786	3,962	(20,183)	-	62,443
Finance costs							(2,156)
Share of results of associates(2,081)			4,616	(1,037)	(2,685)		(1,187)

Profit before taxation							59,100
Taxation							(32,743)

Profit after taxation							26,357
Minority interests							44,368

Net profit for the year							70,725

For the year ended 31st March, 2001

	Rice operation <i>HK\$'000</i>	Warehouse operation <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
TURNOVER							
External sales	887,043	33,704	96,453	930	-	-	1,018,130
Inter-segment sales	-	13,276	-	-	-	(13,276)	-
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Total	887,043	46,980	96,453	930	-	(13,276)	1,018,130

Inter-segment sales are charged at prevailing market prices.

RESULT							
Segment results	88,625	2,908	48,998	(3,310)	(3,851)	-	133,370
Finance costs							(3,620)
Share of results of associates				(691)	(601)		(1,292)

Profit before taxation							128,458
Taxation							(26,773)

Profit after taxation							101,685
Minority interests							8,653

Net profit for the year							110,338

Geographical segments

The Group's operations are located in Hong Kong, elsewhere in the People's Republic of China (the "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:

	Turnover by geographical markets		Contribution to profit (loss) from operations	
	2002	2001	2002	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	859,724	910,217	133,074	146,699
Elsewhere in the PRC	82,608	81,042	(26,344)	(10,283)
Others	32,838	26,871	(44,287)	(3,046)
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	975,170	1,018,130		

Profit from operations		62,443	133,370
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4. OTHER OPERATING EXPENSES

	2002	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Allowance for other debtors, deposits and prepayments	5,620	16,253
Inventories written off	501	3,504
Allowance for trade debtors	-	803
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	6,121	20,560

5. PROFIT FROM OPERATIONS

Profit from operations has been arrived at after charging (crediting):

	2002	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation and amortisation	18,893	24,261
Interest income	(16,456)	(17,387)
Dividend income from listed investments in securities	(1,664)	(647)

6. TAXATION

	2002	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong Profits Tax		
- Provision for the year	29,297	27,104
- Overprovision in prior years	(37)	(71)
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	29,260	27,033
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PRC tax		
- Provision for the year	28	45
- Overprovision in prior year	-	(2)
	-----	-----
	28	43
	-----	-----
	29,288	27,076
Deferred tax charge (credit)	2,102	(448)
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	31,390	26,628
Share of tax attributable to associates	1,353	145
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	32,743	26,773

Hong Kong Profits Tax is calculated at 16% of the estimated assessable profit for the year. Provision of taxation for the profits from PRC operations has been made in accordance with the laws of the PRC.

7. DIVIDENDS

	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Interim dividend paid of 1.5 cents per share on 1,287,881,460 shares (2001: 1.5 cents per share on 1,281,881,460 shares)	19,318	19,228
Final dividend proposed of 2 cents per share on 1,291,946,460 shares (2001: 2 cents per share on 1,281,881,460 shares)	25,839	25,638
Adjustment of final dividend for prior year resulting from exercise of share options	-	715
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	45,157	45,581

The final dividend of 2 cents per share for the year ended 31st March, 2002 has been proposed by the directors and is subject to approval by the shareholders at the forthcoming Annual General Meeting.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Earnings for the purposes of both basic and diluted earnings per share	70,725	110,338
	2002	2001
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,283,583,789	1,203,582,076
Effect of dilutive potential ordinary shares - Options		
Weighted average number of ordinary shares for the purpose of diluted earnings per share	26,368,288	6,869,522
	<hr/> 1,309,952,077	<hr/> 1,210,451,598

LIQUIDITY AND FINANCIAL RESOURCES

The Group has cash balance of HK\$293 million as at 31st March, 2002. The Group's bank loans and other loan outstanding as at 31st March, 2002 amounted to HK\$43 million, representing a decrease of HK\$2 million as compared with the amounts outstanding as at 31st March, 2001. With cash and other current assets of HK\$560 million as at 31st March, 2002 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

BUSINESS REVIEW AND PROSPECTS

Golden Resources is committed to satisfying customers' needs by consistently and continuously delivering high quality rice products. We are pleased to report that Golden Resources Group was successfully awarded ISO 9001 certification in October 2001 and was the first company in the Hong Kong rice industry to receive such ISO Quality Management System. We believe that Golden Resources will benefit enormously through the continuous and effective implementation of ISO 9001 and subsequent upgrades and certification.

Additionally, during the year under review, our Golden Elephant Brand was elected as one of the 2001 Hong Kong top ten Brandnames organized by The Chinese Manufacturers' Association of

Hong Kong. Such recognition by the industry and the confidence of the consumers are the results of the pursuit of product excellence and the total quality management.

The Group's core rice business maintained healthy profitability during the year. We continue to focus on maximizing operating efficiencies to improve profitability. With management of highly professional team, strategic competitiveness is achieved by capitalizing our core competencies and capabilities so as to strengthen our competitive advantages.

With a view to enhancing the core rice business performance, we have streamlined the rice operation by restructuring the underperforming rice plants of the Group. Our China rice plant in Dawa and Vietnam rice plant had suspended their rice operations during the year. We consider the suspension of these two rice plants would be beneficial to Golden Resources in the long term.

During the year under review, the cash flow of the Group remained solid. The Group maintained a strong cash reserve with very low level of bank borrowings. The Group is of sound and strong financial position to pursue good investment opportunities at home and abroad in order to add value to the shareholders. With well balance and healthy investment portfolio, we have been constantly assessing the portfolio in order to realize higher return from the portfolio.

Looking ahead, the Group will remain focused on our core rice business. The Group will further expand and develop its rice market in China with emphasis on the Pearl River Delta. With its leading position in rice business and strong balance sheet and cash flow, we are optimistic that the Group is well positioned to achieve sustainable and promising results in the years ahead.

FINAL DIVIDEND

The Directors have resolved to recommend payment of a final dividend of 2 cents per share (2001: 2 cents per share) for the year ended 31st March, 2002 to shareholders on the Register of Members of the Company on Thursday, 22nd August, 2002. Together with the interim dividend of 1.5 cents per share paid on Tuesday, 15th January, 2002, the total dividends for the year will be 3.5 cents per share (2001: 3.5 cents per share).

Subject to the approval of shareholders at the forthcoming Annual General Meeting, the dividend warrants will be dispatched to shareholders on or about Thursday, 29th August, 2002.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 16th August, 2002 to Thursday, 22nd August, 2002, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Standard Registrars Limited, 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong not later than 4:00 p.m. on Thursday, 15th August, 2002.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees for the Group is about 490.

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.

CORPORATE GOVERNANCE

The Company has, throughout the year ended 31st March, 2002, complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

AUDIT COMMITTEE

The Audit Committee 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 for the year ended 31st March, 2002.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the year.

DETAILED RESULTS ANNOUNCEMENT ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") will be published on the website of the Stock Exchange in due course.

On behalf of the Board
Laurent LAM Kwing Chee
Executive Director

Hong Kong, 18th July, 2002

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2002 Annual General Meeting of the Company will be held at World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Thursday, 22nd August, 2002 at 11:00 am for the following purposes:

1. To receive and consider the Financial Statements and the Reports of the Directors and Auditors for the year ended 31st March, 2002.
2. To declare a final dividend.
3. To re-elect Directors and to fix their remuneration.
4. To re-appoint Auditors and to fix their remuneration.
5. To consider as special business, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

(A) "THAT:

- (i) Subject to paragraph (ii) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase shares of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of shares of the Company to be purchased by the Company pursuant to the approval in paragraph (i) above during the Relevant Period (as hereinafter defined) shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of this Resolution and the said approval shall be limited accordingly; and
- (iii) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:
 - (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
 - (c) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting."

(B) "THAT:

- (i) subject to paragraph (iii) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall authorize the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (i) above, otherwise than pursuant to (a) a Rights Issue; (b) an issue of shares as scrip dividends pursuant to the Bye-Laws of the Company from time to time; or (c) an issue of shares under any option scheme or any similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (iv) for the purpose of this Resolution,

"Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
- (c) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

"Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company)."

- (C) "THAT subject to the passing of Resolutions (A) and (B) set out in the notice convening this meeting, the general mandate granted to the Directors of the Company to allot and deal with additional shares pursuant to Resolution (B) set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company purchased by the Company under the authority granted pursuant to Resolution (A) set out in the notice convening this meeting, provided that such amount of shares so purchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of this said Resolution."

By Order of the Board
Peter LEE Yip Wah
Company Secretary

Hong Kong, 18th July, 2002.

Head Office and Principal Place of Business:

Golden Resources Centre
2-12 Cheung Tat Road
Tsing Yi Island
Hong Kong

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Company's Share Registrars in Hong Kong, Standard Registrars Limited, 5/F., Wing On Centre, 111 Connaught Road Central, Hong Kong not less than forty-eight hours before the time appointed for holding the meeting or any adjournment thereof.
3. The Register of Members of the Company will be closed from Friday, 16th August, 2002 to Thursday, 22nd August, 2002, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Standard Registrars Limited, 5/F., Wing On Centre, 111 Connaught Road Central, Hong Kong not later than 4:00 p.m. on Thursday, 15th August, 2002.
4. An explanatory statement containing further details regarding item 5(A) above will be sent to members in due course.

Please also refer to the published version of this announcement in the The Standard.