



GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2003

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, 2003 as follows:

CONSOLIDATED INCOME STATEMENT

	<i>Notes</i>	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Turnover	2	727,539	975,170
Cost of sales		(479,464)	(661,447)
Gross profit		248,075	313,723
(Deficit) surplus on revaluation of investments in securities		(7,573)	11,582
Deficit on revaluation of investment properties		(2,210)	(397)
Other operating income		13,774	21,254
Selling and distribution costs		(36,067)	(50,811)
Administrative expenses		(118,725)	(135,689)
Impairment loss recognised on investments in securities		(6,474)	(27,367)
Impairment loss recognised on property, plant and equipment		-	(72,652)
Gain on disposal of investments in securities		-	8,921
Other operating expenses	3	-	(6,121)
Profit from operations	4	90,800	62,443
Finance costs		(1,120)	(2,156)
Share of results of associates		(28,064)	(1,187)
Loss on disposal of a subsidiary		(1,135)	-
Loss on deemed disposal of an associate		(1,027)	-
Profit before taxation		59,454	59,100

Taxation	5	(11,118)	(32,743)
Profit after taxation		48,336	26,357
Minority interests		978	44,368
Net profit for the year		49,314	70,725
Dividends	6	35,569	45,157
Earnings per share	7		
- Basic		3.8 cents	5.5 cents
- Diluted		3.8 cents	5.4 cents

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2003

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. The adoption of these SSAPs has resulted in a change in the format of presentation of the cash flow statement and the statement of changes in equity and in the adoption of SSAP 11 (Revised) "Foreign Currency Translation", but has had no material effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

Foreign currencies

The revisions to SSAP 11 have eliminated the choice of translating the income statements of overseas subsidiaries/associates at the closing rate for the year, the policy previously followed by the Group. They are now required to be translated at an average rate. This change in accounting policy has not had any material effect on the results for the current or prior accounting periods.

Cash flow statements

In the current year, the Group has adopted SSAP 15 (Revised) "Cash Flow Statements". Under SSAP 15 (Revised), cash flows are classified under three headings - operating, investing and financing, rather than the previous five headings. Interest and dividends paid, which were previously presented under a separate heading, are classified as financing cash flows. Interest and dividends received, which were previously presented under a separate heading, are classified as investing cash flows. Cash flows arising from taxes on income are classified as operating activities, unless they can be separately identified with investing or financing activities. Cash flows of overseas subsidiaries have been re-translated at the rates

prevailing at the dates of the cash flows rather than the rate of exchange ruling on the balance sheet date.

Employee benefits

In the current year, the Group has adopted SSAP 34 "Employee Benefits", which introduces measurement rules for employee benefits, including retirement benefit plans. Because the Group participates only in defined contribution retirement benefit schemes, the adoption of SSAP 34 has not had any material impact on the financial statements.

2. 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:

Income statement for the year ended 31st March, 2003

	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	644,630	22,270	59,369	1,270	-	-	727,539
Inter-segment sales	-	13,351	-	-	-	(13,351)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	644,630	35,621	59,369	1,270	-	(13,351)	727,539
Inter-segment sales are charged at prevailing market prices.							
RESULT							90,800
Segment results	104,676	4,690	(16,326)	(1,556)	(684)	-	
Finance costs							(1,120)
Share of results of associates	(3,646)	-	(16,184)	(3,587)	(4,647)	-	(28,064)
Loss on disposal of a subsidiary	(1,135)	-	-	-	-	-	(1,135)
Loss on deemed disposal of an associate	-	-	-	-	(1,027)	-	(1,027)
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Profit before taxation							59,454
Taxation							(11,118)
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Profit after taxation							48,336
Minority interests							978
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Net profit for the year							49,314

Income statement for the year ended 31st March, 2002

	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	766,429	32,315	175,691	735	-	-	975,170
Inter-segment sales	-	12,965	-	-	-	(12,965)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
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)
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Profit before taxation							59,100
Taxation							(32,743)
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Profit after taxation							26,357
Minority interests							44,368
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Net profit for the year							70,725

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	
	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	627,369	859,724
Elsewhere in the PRC	75,110	82,608
Others	25,060	32,838
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	727,539	975,170

3. OTHER OPERATING EXPENSES

	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
Allowance for other debtors, deposits and prepayments	-	5,620
Inventories written off	-	501
	<hr/>	<hr/>
	-	6,121

4. PROFIT FROM OPERATIONS

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

	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation and amortisation of property, plant and equipment	13,248	18,893
Interest income	(8,644)	(16,456)
Dividend income from listed investments in securities	(716)	(1,664)

5. TAXATION

	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong Profits Tax		
- Provision for the year	16,968	29,297
- Overprovision in prior years	(6,801)	(37)

	10,167	29,260
PRC tax		
- Provision for the year	120	28
	10,287	29,288
Deferred tax charge	87	2,102
	10,374	31,390
Share of tax attributable to associates	744	1,353
	11,118	32,743

Hong Kong Profits Tax is calculated at 16% (2002: 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.

6. DIVIDENDS

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Interim dividend paid of 1.5 cents per share on 1,292,570,460 shares (2002: 1.5 cents per share on 1,287,881,460 shares)	19,389	19,318
Final dividend proposed of 1.25 cents per share on 1,293,470,460 shares (2002: 2 cents per share on 1,291,946,460 shares)	16,168	25,839
	12	-
Adjustment of final dividend for prior year resulting from exercise of share options	35,569	45,157

The final dividend of 1.25 cents per share for the year ended 31st March, 2003 has been proposed by the directors and is subject to approval by the shareholders at the forthcoming Annual General Meeting.

7. EARNINGS PER SHARE

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

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Earnings for the purposes of both basic and diluted earnings per share	49,314	70,725

	2003	2002
Number of shares:		
Weighted average number of shares for the purpose of basic earnings per share	1,292,029,381	1,283,583,789
Effect of dilutive potential shares - Options	21,517,773	26,368,288
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Weighted average number of shares for the purpose of diluted earnings per share	1,313,547,154	1,309,952,077

LIQUIDITY AND FINANCIAL RESOURCES

The Group has cash balance of HK\$195 million as at 31st March, 2003. As at 31st March, 2003, the Group had approximately HK\$30 million of bank loans, representing a decrease of HK\$13 million as compared with the amounts outstanding at 31st March, 2002. With cash and other current assets of HK\$503 million as at 31st March, 2003 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

BUSINESS REVIEW AND PROSPECTS

The Group's rice core business in Hong Kong market maintained healthy profitability during the year. The liberalization of Hong Kong rice market has begun since the beginning of the year 2003. The industry is facing competitive situation with rather apparent pricing competition. However, we believe that an industry consolidation is on the horizon. We believe soon only the leading players like ourselves would continue to survive and benefit from the consolidation process. Golden Resources strives to focus on its rice core business with stringent product quality control, lowering costs with advances in cost control and continuing to increase our operating efficiencies. We continue to advance our rice processing technology and expertise to maintain our leadership position in our industry. We are confident that our existing core business will continue to perform and provide recurring contributions to the Group.

Our Group's rice business in the PRC market has been performing satisfactorily and within management's expectation. The Mainland China rice market has tremendous potential particularly with the Pearl River Delta region. Golden Resources has established a solid operation foundation in this strategic rice marketing area and is fully geared to grow and expand its rice core business there.

The Group's liquidity position remains strong and we have no significant long or short-term debts at the financial year-end. Given our cash-rich position and sound balance sheet, the Group is well positioned to pursue quality investments to add values to our shareholders.

FINAL DIVIDEND

The Directors have resolved to recommend payment of a final dividend of 1.25 cents per share (2002: 2 cents per share) for the year ended 31st March, 2003 to shareholders on the Register of Members of the Company on Wednesday, 27th August, 2003. Together with the interim dividend

of 1.5 cents per share paid on Wednesday, 15th January, 2003, the total dividends for the year will be 2.75 cents per share (2002: 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 Wednesday, 3rd September, 2003.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Thursday, 21st August, 2003 to Wednesday, 27th August, 2003, 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, G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Wednesday, 20th August, 2003.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees for the Group is about 457.

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, 2003, 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, 2003.

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
Alvin LAM Kwing Wai
Managing Director

Hong Kong, 14th July, 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2003 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 Wednesday, 27th August, 2003 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, 2003.
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."

On behalf of the Board
Alvin LAM Kwing Wai
Managing Director

Hong Kong, 14th July, 2003.

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, G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, 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 Thursday, 21st August, 2003 to Wednesday, 27th August, 2003, 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, G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Wednesday, 20th August, 2003.
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 Standard.