



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, 2007

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, 2007 as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	2007 HK\$'000	2006 HK\$'000
TURNOVER	2	643,667	654,111
Cost of sales		(474,300)	(454,169)
GROSS PROFIT		169,367	199,942
Net unrealised gain on financial assets at fair value through profit or loss		1,459	19,098
Surplus on revaluation of investment properties		1,780	4,270
Other income	3	38,644	31,375
Selling and distribution costs		(33,904)	(30,034)
Administrative expenses		(99,503)	(101,477)
Gain on disposal of an investment property		24,960	-
Write-back of impairment loss recognised on assets upon disposal of subsidiaries		9,101	-
Impairment loss recognised on available-for-sale investments		-	(21,000)
PROFIT FROM OPERATIONS	2,4	111,904	102,174
Finance costs		(362)	(126)
Share of results of associates		(6,648)	(1,774)
Gain on disposal of associates		-	12,093
PROFIT BEFORE TAXATION		104,894	112,367
Taxation	5	(15,980)	(21,376)
PROFIT FOR THE YEAR		88,914	90,991
Attributable to:			
Shareholders of the Company		77,078	88,998
Minority interests		11,836	1,993
		88,914	90,991
DIVIDENDS	6	38,690	32,672
EARNINGS PER SHARE	7		
- Basic		HK 5.8 cents	HK 6.8 cents
- Diluted		HK 5.7 cents	HK 6.7 cents

CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	2007 HK\$'000	2006 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		85,332	92,707
Investment properties		23,480	47,900
Interests in associates		182,417	163,751
Available-for-sale investments		131,840	143,048
Prepaid lease payments		20,084	20,370
		443,153	467,776
CURRENT ASSETS			
Inventories		66,170	63,583
Trade debtors	8	43,449	50,498
Other debtors, deposits and prepayments		106,040	124,062
Financial assets at fair value through profit or loss		150,009	107,642
Cash and cash equivalents		299,850	217,710
		665,518	563,495
CURRENT LIABILITIES			
Trade creditors	9	2,913	4,713
Other creditors and accruals		35,330	39,765
Tax liabilities		39,106	28,679
Bank loans		-	14,679
		77,349	87,836
NET CURRENT ASSETS		588,169	475,659
TOTAL ASSETS LESS CURRENT LIABILITIES		1,031,322	943,435
NON-CURRENT LIABILITIES			
Deferred tax liabilities		2,700	2,103
Advances from minority shareholders		9,313	11,238
		12,013	13,341
		1,019,309	930,094
CAPITAL AND RESERVES			
Share capital		140,691	130,691
Reserves		865,933	787,135
Shareholders' equity		1,006,624	917,826
Minority interests		12,685	12,268
		1,019,309	930,094

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2007

1. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which are either effective for accounting periods beginning on or after 1st December, 2005, 1st January, 2006 or 1st March, 2006. The adoption of the new HKFRSs has no material effect on how the results and the financial position for the current or prior accounting years have been prepared and presented. Accordingly, no prior year adjustment has been required.

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

HKAS 1 (Amendment)	Capital Disclosures ¹
HKAS 23 (Revised)	Borrowing Costs ²
HKFRS 7	Financial Instruments: Disclosures ¹
HKFRS 8	Operating Segments ²
HK(IFRIC) - INT 8	Scope of HKFRS 2 ³
HK(IFRIC) - INT 9	Reassessment of Embedded Derivatives ⁴
HK(IFRIC) - INT 10	Interim Financial Reporting and Impairment ⁵
HK(IFRIC) - INT 11	HKFRS 2 - Group and Treasury Share Transactions ⁶
HK(IFRIC) - INT 12	Service Concession Arrangements ⁷

1 Effective for accounting periods beginning on or after 1st January, 2007.

2 Effective for accounting periods beginning on or after 1st January, 2009.

3 Effective for accounting periods beginning on or after 1st May, 2006.

4 Effective for accounting periods beginning on or after 1st June, 2006.

5 Effective for accounting periods beginning on or after 1st November, 2006.

6 Effective for accounting periods beginning on or after 1st March, 2007.

7 Effective for accounting periods beginning on or after 1st January, 2008

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into four operating divisions, namely rice 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, 2007

	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
TURNOVER					
External sales	<u>527,853</u>	<u>114,125</u>	<u>1,689</u>	<u>-</u>	<u>643,667</u>
RESULT					
Segment results	<u>33,756</u>	<u>32,787</u>	<u>25,598</u>	<u>19,763</u>	<u>111,904</u>
Finance costs					(362)
Share of results of associates	(1,859)	-	(26)	(4,763)	<u>(6,648)</u>
Profit before taxation					<u>104,894</u>
Taxation					<u>(15,980)</u>
Profit for the year					<u>88,914</u>
Attributable to:					
Shareholders of the Company					<u>77,078</u>
Minority interests					<u>11,836</u>
					<u>88,914</u>

Income statement for the year ended 31st March, 2006

	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
TURNOVER					
External sales	<u>589,537</u>	<u>62,121</u>	<u>2,453</u>	<u>-</u>	<u>654,111</u>
RESULT					
Segment results	<u>65,369</u>	<u>18,318</u>	<u>5,423</u>	<u>13,064</u>	<u>102,174</u>
Finance costs					(126)
Share of results of associates	(3,343)	-	(1,074)	2,643	<u>(1,774)</u>
Gain/(loss) on disposal of associates	-	-	(1,701)	13,794	<u>12,093</u>
Profit before taxation					<u>112,367</u>
Taxation					<u>(21,376)</u>
Profit for the year					<u>90,991</u>
Attributable to:					
Shareholders of the Company					<u>88,998</u>
Minority interests					<u>1,993</u>
					<u>90,991</u>

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	
	2007	2006
	HK\$'000	HK\$'000
Hong Kong	509,787	571,493
Elsewhere in the PRC	103,010	77,768
Others	30,870	4,850
	<u>643,667</u>	<u>654,111</u>

3. OTHER INCOME

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Interest income on:		
- Bank deposits	6,025	5,816
- Available-for-sale investments and financial assets at fair value through profit or loss	11,846	9,053
- Others	12,044	7,797
	29,915	22,666
Dividend from available-for-sale investments:		
- Listed investments	1,431	1,670
- Unlisted investment	27	20
Gain on disposal of available-for-sale investments	1,739	5,314
Gain on disposal of property, plant and equipment	502	125
Sundry income	4,254	1,580
Net foreign exchange gains	776	-
	<u>38,644</u>	<u>31,375</u>

4. PROFIT FROM OPERATIONS

The Group's profit from operations has been arrived at after charging:

	2007	2006
	HK\$'000	HK\$'000
Depreciation and amortisation of property, plant and equipment	10,107	8,918
Amortisation of prepaid lease payments	502	496

5. TAXATION

	THE GROUP	
	2007	2006
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	14,534	20,768
Other regions in the PRC	<u>577</u>	<u>182</u>
	15,111	20,950
Under/(over)provision in prior years:		
Hong Kong	(1)	455
Other regions in the PRC	<u>273</u>	<u>(27)</u>
	272	428
Deferred tax	<u>597</u>	<u>(2)</u>
Taxation attributable to the Company and its subsidiaries	<u>15,980</u>	<u>21,376</u>

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for the year.

Taxation arising in other regions in the PRC is calculated in accordance with the relevant laws of the PRC.

6. DIVIDENDS

(a) Dividends attributable to the year:

	2007	2006
	HK\$'000	HK\$'000
Interim dividend paid of 1.25 cents per share on 1,406,906,460 shares (2006: 1.25 cents per share on 1,306,906,460 shares)	17,586	16,336
Final dividend proposed of 1.5 cents per share on 1,406,906,460 shares (2006: 1.25 cents per share on 1,306,906,460 shares)	<u>21,104</u>	<u>16,336</u>
	<u>38,690</u>	<u>32,672</u>

The final dividend of 1.5 cents per share for the year ended 31st March, 2007 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 balance sheet date has not been recognised as a liability at the balance sheet date.

(b) Dividends approved and paid during the year:

	2007 HK\$'000	2006 HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of 1.25 cents per share on 1,306,906,460 shares (2006: 1.25 cents per share on 1,306,906,460 shares)	16,336	16,336
Interim dividend in respect of the current financial year, approved and paid during the year, of 1.25 cents per share on 1,406,906,460 shares (2006: 1.25 cents per share on 1,306,906,460 shares)	<u>17,586</u>	<u>16,336</u>
	<u>33,922</u>	<u>32,672</u>

7. EARNINGS PER SHARE

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

	2007 HK\$'000	2006 HK\$'000
Earnings for the purposes of both basic and diluted earnings per share	<u>77,078</u>	<u>88,998</u>
	2007	2006
Number of shares:		
Weighted average number of shares for the purpose of basic earnings per share	1,334,303,720	1,306,906,460
Effect of dilutive potential shares - Options	<u>12,336,187</u>	<u>15,503,217</u>
Weighted average number of shares for the purpose of diluted earnings per share	<u>1,346,639,907</u>	<u>1,322,409,677</u>

8. TRADE DEBTORS

The Group allows an average credit period of 30 - 60 days to its trade customers. The following is an aged analysis of trade debtors at the balance sheet date:

	THE GROUP	
	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Within 30 days	14,757	25,406
31-60 days	17,348	8,883
61-90 days	8,079	7,633
Over 90 days	3,265	8,576
	43,449	50,498

The Directors consider that the carrying amounts of trade debtors approximate their fair values.

9. TRADE CREDITORS

The following is an aged analysis of trade creditors at the balance sheet date:

	THE GROUP	
	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Within 30 days	2,583	362
31-60 days	134	565
61-90 days	80	253
Over 90 days	116	3,533
	2,913	4,713

The Directors consider that the carrying amounts of trade creditors approximate their fair values.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has cash balance of HK\$299 million and no outstanding bank loans as at 31st March, 2007. With cash and other current assets of HK\$665 million as at 31st March, 2007 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

FOREIGN EXCHANGE RISK MANAGEMENT

The exposure to foreign currency of the Group mainly arose from the net cash flow and the net working capital translation of its PRC, Thailand and Malaysia subsidiaries and associates. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant currency exposure should the need arise.

BUSINESS REVIEW AND PROSPECTS

For the year under review, the Group's Hong Kong core rice business in respect of retail rice market was facing a difficult business environment. The price competition from the major supermarket chains remained intense. This had exerted pressure on the performance of the Group. The Group anticipates that the intense competition is likely to persist, the retail rice market remains challenging to the Group. To ride out this challenge, the Group will continue to pursue a market-driven and customer-oriented strategy by focusing on product development, marketing and brand building so as to preserve our market leading position in the Hong Kong retail market. The Group will also continue to control operating expenses and to improve our operating efficiency, so as to safeguard our profitability. To mitigate the impact from the retail rice market on the Group's performance, we are aggressively expanding our core rice business in the institutional rice market. Vigorous and innovative marketing initiatives had been launched to widen and broaden our customer base and spectrum. We will accelerate our institutional network expansion through organic growth, and will also explore merger and acquisition opportunities to enhance its expansion potential.

The Group is committed to conducting its business in a socially responsible manner. We believe that corporate social responsibility is the key to the sustainable business development. In late 2006, the Group launched our new degradable plastic rice bag. This degradable plastic material made rice bag is environmentally friendly and would help to promote environmental protection in our society. The market response is overwhelming. We are proud to receive "The Caring Company Logo" award from the Hong Kong Council of Social Service in the past consecutive three years in recognition of our efforts to demonstrate good corporate citizenship. In pursuit of product excellence, the Group is accredited with "HACCP" and "ISO9001" on food safety and monitoring system. The Group has also received "Q-Mark" award from the Federation of Hong Kong Industries for over fifteen years.

In late June 2007, the Group signed a Memorandum of Understanding with the Vietnam government, pursuant to which the Group has agreed to build, operate and transfer three infrastructure projects, namely (1) My Loi Bridge at Go Cong area, (2) Building concrete bank along Cho Gao canal and (3) Can Duoc-Cho Gao Inter-provincial road, in Vietnam. The economy of Vietnam is booming and the growth momentum is accelerating. With admission to the WTO in early 2007, Vietnam will be benefited from the increasing foreign direct investments in Vietnam and the escalating growth pace of the economy. Vietnam is offering tremendous opportunities for business development. With securing of the Memorandum of Understanding, the Group has laid down a solid platform to tap the business opportunity in Vietnam.

The financial position of the Group remains robust. As at the balance sheet date, our net cash position was approximately HK\$299 million. The Group is well positioned to capture the investment opportunities of good value. For the year under review, with the good performance of the world investment markets, the Group's investment portfolio contributed favorably to the Group's results. We are confident that our well balance and good quality portfolio of diversified investments places us in a strong position to drive value to the shareholders.

FINAL DIVIDEND

The Directors have resolved to recommend payment of a final dividend of 1.5 cents per share (2006: 1.25 cents per share) for the year ended 31st March, 2007 to shareholders on the Register of Members of the Company on Wednesday, 29th August, 2007. Together with the interim dividend of 1.25 cents per share paid on Friday, 12th January, 2007, the total dividends for the year will be 2.75 cents per share (2006: 2.5 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, 5th September, 2007.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Thursday, 23rd August, 2007 to Wednesday, 29th August, 2007, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the proposed final dividend and be eligible to attend and vote at the forthcoming annual general meeting of the Company, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Standard Registrars Limited (to be renamed as Tricor Standard Limited with effect from 1st August, 2007), 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 22nd August, 2007.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees for the Group is about 382.

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. John WONG Yik Chung, Mr. Leo CHAN Fai Yue and Mr. Richard LAU Siu Sun, 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, 2007.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at World Trade Centre Club Hong Kong at 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Wednesday, 29th August, 2007 at 10:30 a.m.

CORPORATE GOVERNANCE PRACTICES

The Company adopted all the code provisions in the Code of Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code on corporate governance practices. The Company has complied with the Code throughout the financial year ended 31st March, 2007, except for the following deviations:

- Under note 1 of code provision A.3 of the Code, every board of directors of a listed issuer must include at least three independent non-executive directors. Mr. Andrew LAM Ping Cheung resigned as independent non-executive director, member of audit committee and remuneration committee on 21st June, 2006 resulting that the number of independent non-executive directors and audit committee members of the Company fell below the minimum number required under rules 3.10(1) and 3.21 of the Listing Rules. On 9th August, 2006, Mr. Richard LAU Siu Sun ("Mr. Lau") was appointed as independent non-executive director, audit committee and remuneration committee members of the Company. Following the appointment of Mr. Lau, the

Company has the requisite number (being three) of independent non-executive directors and the requisite number (being three) of members of the audit committee of the Company pursuant to rules 3.10(1) and 3.21 of the Listing Rules respectively. The Company fell short of one independent non-executive director and audit committee member during the period from 21st June, 2006 to 9th August, 2006.

- Code provision A.4.1 of the Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. None of the existing independent non-executive directors of the Company is appointed for a specific term. However, in accordance with the Company's Bye-Laws, at each annual general meeting, one-third of the directors shall retire from office by rotation and become eligible for re-election. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, all Directors confirmed they have complied with the required standard set out in the Model Code.

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.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The annual report of the Company containing all the information required by the Listing Rules will be published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and the Company's website at www.grdil.com in due course.

By Order of the Board
Golden Resources Development International Limited
Alvin LAM Kwing Wai
Managing Director

Hong Kong, 11th July, 2007

As at the date of this announcement, the executive directors of the Company are Mr. David LAM Kwing Chan (Chairman), Mr. Alvin LAM Kwing Wai (Managing Director), Madam Rosita YUEN LAM Kit Woo, Mr. Laurent LAM Kwing Chee and Mr. TSANG Siu Hung. The independent non-executive directors of the Company are Mr. John WONG Yik Chung, Mr. Leo CHAN Fai Yue and Mr. Richard LAU Siu Sun.