



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, 2008

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, 2008 as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	2008 HK\$'000	2007 HK\$'000 As restated
TURNOVER	2	556,864	529,542
Cost of sales		(405,730)	(377,357)
GROSS PROFIT		151,134	152,185
Net unrealized (loss)/gain on financial assets at fair value through profit or loss		(28,660)	1,459
Surplus on revaluation of investment properties		4,410	1,780
Other income	3	109,055	55,826
Selling and distribution costs		(26,592)	(33,904)
Administrative expenses		(111,449)	(99,503)
Impairment loss on loan receivable		(29,455)	-
Unrealized loss on derivative financial instruments		(3,017)	-
Gain on disposal of an investment property		-	24,960
Write-back of impairment loss recognised on assets upon disposal of subsidiaries		-	9,101
PROFIT FROM OPERATIONS	2	65,426	111,904
Finance costs		(2,049)	(362)
Share of results of associates		(39,607)	(6,648)
Gain on disposal of an associate		653	-
PROFIT BEFORE TAXATION	4	24,423	104,894
Taxation	5	(15,520)	(15,980)
PROFIT FOR THE YEAR		8,903	88,914
Attributable to:			
Shareholders of the Company		8,722	77,078
Minority interests		181	11,836
		8,903	88,914
DIVIDENDS	6	38,690	38,690
EARNINGS PER SHARE	7		
- Basic		HK 0.6 cents	HK 5.8 cents
- Diluted		N/A	HK 5.7 cents

CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	2008 HK\$'000	2007 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		75,414	85,332
Investment properties		27,890	23,480
Interests in associates		340,493	182,417
Available-for-sale investments		88,674	131,840
Prepaid lease payments		19,958	20,084
		552,429	443,153
CURRENT ASSETS			
Inventories		102,597	66,170
Trade debtors	8	56,826	43,449
Other debtors, deposits and prepayments		69,271	106,040
Financial assets at fair value through profit or loss		155,913	150,009
Cash and cash equivalents		221,819	299,850
		606,426	665,518
CURRENT LIABILITIES			
Trade creditors	9	6,875	2,913
Other creditors and accruals		19,491	35,330
Derivative financial instruments		3,017	-
Tax liabilities		29,879	39,106
		59,262	77,349
NET CURRENT ASSETS		547,164	588,169
TOTAL ASSETS LESS CURRENT LIABILITIES		1,099,593	1,031,322
NON-CURRENT LIABILITIES			
Deferred tax liabilities		2,671	2,700
Advances from minority shareholders		-	9,313
Convertible notes		86,210	-
		88,881	12,013
		1,010,712	1,019,309
CAPITAL AND RESERVES			
Share capital		140,691	140,691
Reserves		856,964	865,933
Shareholders' equity		997,655	1,006,624
Minority interests		13,057	12,685
		1,010,712	1,019,309

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2008

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

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations (the “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are either effective for accounting periods beginning on or after 1st April, 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) - Int 7	Applying the Restatement Approach under HKAS 29
	Financial Reporting in Hyperinflationary Economies
HK(IFRIC) - Int 8	Scope of HKFRS 2
HK(IFRIC) - Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) - Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) - Int 11	HKFRS 2 – Group and Treasury Share Transactions

The adoption of the new HKFRSs had no material effect on how the results and financial position of the Group for the current or prior accounting periods have been prepared. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

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 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKFRS 2 (Amendment)	Share-based Payment - Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC) - Int 12	Service Concession Arrangements ³
HK(IFRIC) - Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC) - Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ³

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

2. Effective for annual periods beginning on or after 1st July, 2009

3. Effective for annual periods beginning on or after 1st January, 2008

4. Effective for annual periods beginning on or after 1st July, 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, 2008

	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
TURNOVER					
External sales	<u>555,741</u>	<u>-</u>	<u>1,123</u>	<u>-</u>	<u>556,864</u>
RESULT					
Segment results	<u>24,579</u>	<u>51,157</u>	<u>5,163</u>	<u>(15,473)</u>	<u>65,426</u>
Finance costs					(2,049)
Share of results of associates	(2,231)	-	(827)	(36,549)	(39,607)
Gain on disposal of an associate					<u>653</u>
Profit before taxation					<u>24,423</u>
Taxation					<u>(15,520)</u>
Profit for the year					<u>8,903</u>
Attributable to:					
Shareholders of the Company					<u>8,722</u>
Minority interests					<u>181</u>
					<u>8,903</u>

Income statement for the year ended 31st March, 2007

	Rice operation HK\$'000	Securities investment HK\$'000 As restated	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000 As restated
TURNOVER					
External sales	<u>527,853</u>	<u>-</u>	<u>1,689</u>	<u>-</u>	<u>529,542</u>
RESULT					
Segment results	<u>33,756</u>	<u>32,787</u>	<u>25,598</u>	<u>19,763</u>	111,904
Finance costs					(362)
Share of results of associates	(1,859)	-	(26)	(4,763)	(6,648)
Profit before taxation					104,894
Taxation					<u>(15,980)</u>
Profit for the year					<u>88,914</u>
Attributable to:					
Shareholders of the Company					77,078
Minority interests					<u>11,836</u>
					<u>88,914</u>

2. BUSINESS AND GEOGRAPHICAL SEGMENTS – (CONTINUED)

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	
	2008	2007
	HK\$'000	HK\$'000
		As restated
Hong Kong	452,214	430,848
Elsewhere in the PRC	96,478	94,026
Others	8,172	4,668
	556,864	529,542

3. OTHER INCOME

	THE GROUP	
	2008	2007
	HK\$'000	HK\$'000
		As restated
Interest income on:		
- Bank deposits	7,322	6,025
- Available-for-sale investments and financial assets at fair value through profit or loss	10,556	11,846
- Others	4,260	12,044
	22,138	29,915
Net realised gains on disposal of financial assets:		
- Available-for-sale investments	37,266	1,739
- Financial assets at fair value through profit or loss	36,559	17,182
	73,825	18,921
Dividend from available-for-sale investments and financial assets at fair value through profit or loss:		
- Listed investments	3,203	1,431
- Unlisted investment	27	27
Gain on disposal of property, plant and equipment	2,616	502
Sundry income	6,926	4,254
Net foreign exchange gains	320	776
	109,055	55,826

4. PROFIT BEFORE TAXATION

The Group's profit before taxation has been arrived at after charging:

	2008	2007
	HK\$'000	HK\$'000
Depreciation and amortisation of property, plant and equipment	10,268	10,107
Amortisation of prepaid lease payments	511	502
Effective interest on convertible notes	1,897	-

5. TAXATION

	THE GROUP	
	2008	2007
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	11,514	14,534
Other regions in the PRC	3,903	577
	15,417	15,111
Under/(over)provision in prior years:		
Hong Kong	2	(1)
Other regions in the PRC	130	273
	132	272
Deferred tax	(29)	597
Taxation attributable to the Company and its subsidiaries	15,520	15,980

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:

	2008	2007
	HK\$'000	HK\$'000
Interim dividend paid of 1.25 cents per share on 1,406,906,460 shares (2007: 1.25 cents per share on 1,406,906,460 shares)	17,586	17,586
Final dividend proposed of 1.5 cents per share on 1,406,906,460 shares (2007: 1.5 cents per share on 1,406,906,460 shares)	21,104	21,104
	38,690	38,690

The final dividend of 1.5 cents per share for the year ended 31st March, 2008 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.

6. DIVIDENDS – (CONTINUED)

(b) Dividends approved and paid during the year:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of 1.5 cents per share on 1,406,906,460 shares (2007: 1.25 cents per share on 1,306,906,460 shares)	21,104	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 (2007: 1.25 cents per share on 1,406,906,460 shares)	<u>17,586</u>	<u>17,586</u>
	<u>38,690</u>	<u>33,922</u>

7. EARNINGS PER SHARE

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

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Earnings for the purposes of both basic and diluted earnings per share	<u>8,722</u>	<u>77,078</u>
	2008	2007
Number of shares:		
Weighted average number of shares for the purpose of basic earnings per share	1,406,906,460	1,334,303,720
Effect of dilutive potential shares		
- Options	<u>-</u>	<u>12,336,187</u>
Weighted average number of shares for the purpose of diluted earnings per share	<u>1,406,906,460</u>	<u>1,346,639,907</u>

No diluted earnings per share has been presented for the year ended 31st March, 2008 as the exercise price of the Company's convertible notes was higher than the average market price of the Company's shares for the year.

8. 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 balance sheet date:

	THE GROUP	
	2008 HK\$'000	2007 HK\$'000
Within 30 days	32,465	14,757
31-60 days	14,442	17,348
61-90 days	6,250	8,079
Over 90 days	3,669	3,265
	56,826	43,449

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

9. TRADE CREDITORS

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

	THE GROUP	
	2008 HK\$'000	2007 HK\$'000
Within 30 days	6,749	2,583
31-60 days	36	134
61-90 days	85	80
Over 90 days	5	116
	6,875	2,913

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\$221 million and no outstanding bank loans as at 31st March, 2008. With cash and other current assets of HK\$606 million as at 31st March, 2008 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 is mainly derived 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 remained focus on its core rice business. Hong Kong rice business was challenging. The raw rice costs have been rising rapidly since late 2007. Such increase in rice costs has exerted pressure on the operation of rice business. However, the Group managed to implement effective procurement and cost control measures to alleviate the impact of the cost increase so that the profitability of its rice business was moderately maintained.

The Group is of the view that Vietnam has offered tremendous business opportunities where we can diversify our business there to bring in new income streams to the Group in the long term. During the year under review, the Group branched out into Vietnam that we referred GR Vietnam Holdings Ltd (“GR Vietnam”), (SEHK: 0139), to the Vietnam partner to participate in the operation of convenience store, the provision of logistics services and the investment in port infrastructure. To reap the benefit from the favourable returns of these projects, the Group subscribed shares in GR Vietnam, amounting to HK\$170 million. The subscription was partly financed by the issuance of convertible notes to the extent of HK\$85.5 million. In addition, the Group also entered into agreements to participate in the development of three infrastructure projects in Vietnam. We are confident that these Vietnam projects will bring in favourable returns to the Group and add value to the shareholders in the long term.

The Group is committed to food safety and quality assurance. The Group has awarded the “HACCP” and “ISO 9001” food safety and monitoring certifications, which are the strictest food safety system in the industry. The Group has obtained the “Q-Mark” award from the Federation of Hong Kong Industries for over sixteen years. The Group is also committed to corporate social responsibilities. We have received the “Caring Company Logo” award from the Hong Kong Council of Social Service for the past four consecutive years. With regard to environmental protection, the Group has used the degradable plastic material made rice bag to package our rice, which is the first of its kind in the rice industry.

The Group’s liquidity remains strong and healthy. As at the balance sheet date, our net cash position was approximately HK\$221,000,000. For the year under review, our good quality investment portfolio contributed favourably to the Group’s performance. The Group’s profit for the year was HK\$63,116,000 before sharing the results of an investment, GR Vietnam. However, the profit of the Group was significantly affected by the loss results of GR Vietnam that after sharing the loss of this associate to the extent of HK\$54,394,000, the Group’s net profit attributable to shareholders for the year became HK\$8,722,000. The loss incurred by GR Vietnam for the year ended 31 March 2008 was mainly attributed to the unrealized marked-to-market loss on the financial assets caused by the volatility of the investment markets. We believe that such financial assets held by GR Vietnam will deliver satisfactory returns in the long term.

We are deeply saddened by the loss of Mr. David Lam, our former Chairman, who passed away in June 2008. Mr. David Lam was regarded as the pioneer in the rice industry and made invaluable contributions to the Group. The Board would like to express our gratitude to Mr. David Lam for his great contributions to the Group.

FINAL DIVIDEND

The Directors have resolved to recommend payment of a final dividend of 1.5 cents per share (2007: 1.5 cents per share) for the year ended 31st March, 2008 to shareholders on the Register of Members of the Company on Tuesday, 26th August, 2008. Together with the interim dividend of 1.25 cents per share paid on Friday, 11th January, 2008, the total dividends for the year will be 2.75 cents per share (2007: 2.75 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 Tuesday, 2nd September, 2008.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 20th August, 2008 to Tuesday, 26th August, 2008, 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, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 19th August, 2008.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees for the Group is about 390.

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, 2008.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at Conference Room, 11th Floor, Golden Resources Centre, 2-12 Cheung Tat Road, Tsing Yi Island, New Territories, Hong Kong on Tuesday, 26th August, 2008 at 11:30 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 (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as its own code on corporate governance practices. The Company has complied with the Code throughout the financial year ended 31st March, 2008 with the exception of 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

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 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
Chairman

Hong Kong, 15th July, 2008

As at the date of this announcement, the executive directors of the Company are Mr. Alvin LAM Kwing Wai (Chairman and 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.