

GOLDEN

2022/2023

RESOURCES

INTERIM REPORT



GOLDEN RESOURCES
DEVELOPMENT INTERNATIONAL LIMITED
(Stock Code: 677)

Incorporated in Bermuda with Limited Liability

CHAIRMAN STATEMENT

On behalf of Golden Resources Development International Limited, I would like to present the business review of our Group for the six months ended 30th September, 2022.

I am delighted to report that our Group delivered positive results for the interim period under review. The Group recorded net profit attributable to shareholders of HK\$74,764,000 for the first-half of 2022/2023 financial year. The Group total revenue increased by 20.6% to HK\$1,030,008,000 for the interim period under review, as compared to HK\$853,525,000 for the same period last year.

Circle K Convenience Store Business

Our convenience store business in Vietnam recorded steady performance and contributed net profit after tax of HK\$48,801,000 for the six months ended 30th September, 2022. Convenience store revenue increased by 52% in current interim period to multi-year record high of HK\$606,866,000, as compared to HK\$399,202,000 for the same period last year.

This increase in turnover in our convenience store was the result of a series of effective measures, including upgrading our logistics and distribution systems as well as replacing and relocating underperforming stores to better target our geographic and demographic coverage. This will enhance leveraging of our growth strategy, for both variety and volume of fast-moving consumer goods (FMCG), on our expanding retail platform and distribution network.

As of 30th September, 2022, the Group was operating 398 convenience stores covering 9 major cities, concentrated in Ho Chi Minh City and Hanoi with 2 distribution centers. With recovering markets and reopening of borders in most countries, the Group is confident of the continuous growth momentum in our Circle K convenience store business in Vietnam.

Rice Business

Our rice business in Hong Kong has been steadfast in the interim period under review.

As the long tail of destabilizing forces persist in Hong Kong, in general, with competition as intense as ever in the rice market, our Group remains focused on market leadership with innovative and premium quality products to increase our market share. To meet the growing consumer demand for healthy diet and to broaden our product range, we have recently expanded our healthy cooked rice series and launched our Japanese multi-16 grains rice and germinated brown rice under our Golden Elephant Brand microwavable “go-rice” series. Our Group is committed to serve our customers with trustworthy value products.

Packaging Materials Business

Our subsidiary company, Supreme Development Company Ltd, is one of the top packaging material manufacturers in Southern China, specializing in production of recyclable packaging materials for domestic and international markets.

As part of our commitments of caring for the environment and our employees, we continue to modernize our plant equipment to save energy and increase our recycling as well as to enhance employee safety and well-being.

Investments

As of 30th September, 2022, the Group had net cash and bank balances of HK\$594,132,000. With our sound balance sheet and strong cashflow from core businesses, we are well positioned to pursue quality business investment opportunities to generate stable income streams to add value for our shareholders.

In Closing

Looking ahead, the Group believes that Covid-19 will gradually moderate from an uncontrollable epidemic to a manageable endemic status with vaccines and upkeep of hygiene protocols. As societies and economies adapt and adjust, the Group remains vigilant to meet potential challenges as Covid-19 evolves along with other material adverse impacts arising from collective and cumulative permutations of viral, economic and geopolitical events.

On behalf of the Board, I would like to express my heartfelt appreciation to all our staffs for taking care of the daily needs of our customers and communities, in Hong Kong and Vietnam, in these exceptional times.

On behalf of the Board

Laurent LAM Kwing Chee

Chairman

Hong Kong, 29th November, 2022

SUMMARY OF INTERIM RESULTS

The Directors of Golden Resources Development International Limited (the “Company”) are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30th September, 2022 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | | For the six months ended 30th September, | |
|--|--------------|---|-----------------|
| | | 2022 | 2021 |
| | | (Unaudited) | (Unaudited) |
| | <i>Notes</i> | HK\$'000 | <i>HK\$'000</i> |
| REVENUE | 3 | 1,030,008 | 853,525 |
| Cost of sales | | (629,783) | (559,176) |
| GROSS PROFIT | | 400,225 | 294,349 |
| Net unrealized (loss)/gain on financial assets at fair value through profit or loss | | (15,876) | 5,332 |
| Net other income | 4 | 24,405 | 19,937 |
| Selling and distribution costs | | (194,506) | (188,057) |
| Administrative expenses | | (116,190) | (123,861) |
| Interest on lease liabilities | 5 | (14,682) | (15,684) |
| PROFIT/(LOSS) FROM OPERATIONS | 3 | 83,376 | (7,984) |
| Finance costs | 5 | (298) | — |
| Share of results of associates | | (76) | (255) |
| Share of results of joint ventures | | (254) | (317) |
| PROFIT/(LOSS) BEFORE TAXATION | 5 | 82,748 | (8,556) |
| Taxation | 6 | (10,372) | (10,099) |
| PROFIT/(LOSS) FOR THE PERIOD | | 72,376 | (18,655) |
| Profit/(loss) attributable to: | | | |
| Shareholders of the Company | | 74,764 | (13,992) |
| Non-controlling interests | | (2,388) | (4,663) |
| | | 72,376 | (18,655) |
| EARNINGS/(LOSS) PER SHARE | 8 | | |
| — Basic | | HK4.4 cents | HK(0.8) cents |
| — Diluted | | HK4.4 cents | HK(0.8) cents |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | For the six months ended | |
|---|---------------------------------|-------------|
| | 30th September, | |
| | 2022 | 2021 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| PROFIT/(LOSS) FOR THE PERIOD | 72,376 | (18,655) |
| 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 | (8,553) | 1,077 |
| Share of other comprehensive loss of associates | (626) | (77) |
| Other comprehensive loss for the period, net of tax | (9,179) | (2,260) |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD | 63,197 | (20,915) |
| Total comprehensive income/(loss) attributable to: | | |
| Shareholders of the Company | 67,605 | (16,384) |
| Non-controlling interests | (4,408) | (4,531) |
| | 63,197 | (20,915) |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | 30th September, 2022 (Unaudited) HK\$'000 | 31st March, 2022 (Audited) HK\$'000 |
|---|----|---|---|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 228,061 | 206,787 |
| Right-of-use assets | | 325,803 | 318,745 |
| Prepaid lease payments | | 12,210 | 12,775 |
| Investment properties | | 168,740 | 168,740 |
| Interests in associates | | 30,320 | 31,022 |
| Interests in joint ventures | | 11,708 | 11,912 |
| Financial assets at fair value through profit or loss | | 15,677 | 7,806 |
| Intangible asset | | 22,505 | 22,505 |
| Rental and related deposits paid | | 25,738 | 25,274 |
| Deposits paid for purchase of properties | | — | 12,683 |
| | | 840,762 | 818,249 |
| CURRENT ASSETS | | | |
| Inventories | | 217,528 | 185,673 |
| Trade debtors | 9 | 71,506 | 87,846 |
| Other debtors, deposits and prepayments | | 94,715 | 47,664 |
| Financial assets at fair value through profit or loss | | 118,762 | 177,388 |
| Cash and cash equivalents | | 594,132 | 455,198 |
| | | 1,096,643 | 953,769 |
| Asset classified as held for sale | | — | 41,500 |
| | | 1,096,643 | 995,269 |
| CURRENT LIABILITIES | | | |
| Trade creditors | 10 | 149,838 | 128,725 |
| Other creditors and accruals | | 146,736 | 125,084 |
| Lease liabilities | | 112,762 | 114,105 |
| Bank loans | | 33,229 | — |
| Tax liabilities | | 12,886 | 2,351 |
| | | 455,451 | 370,265 |
| NET CURRENT ASSETS | | | |
| | | 641,192 | 625,004 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | |
| | | 1,481,954 | 1,443,253 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | | 247,765 | 257,719 |
| Bank loans | | 5,968 | — |
| Deferred tax liabilities | | 1,491 | 1,632 |
| | | 255,224 | 259,351 |
| | | 1,226,730 | 1,183,902 |
| CAPITAL AND RESERVES | | | |
| Share capital | 11 | 169,741 | 169,741 |
| Reserves | | 1,020,912 | 973,676 |
| Shareholders' equity | | 1,190,653 | 1,143,417 |
| Non-controlling interests | | 36,077 | 40,485 |
| | | 1,226,730 | 1,183,902 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 2022

| | Shareholders' equity | | | | | | | Non-controlling interests HK\$'000 | Total HK\$'000 | | |
|---|---------------------------|---------------------------|---------------------------|--|--|------------------------------|------------------------------|---------------------------------------|-------------------|-------------------------------|--|
| | Share capital HK\$'000 | Share premium HK\$'000 | Other reserve HK\$'000 | Capital redemption reserve HK\$'000 | Property revaluation reserve HK\$'000 | Exchange reserve HK\$'000 | Dividend reserve HK\$'000 | | | Retained earnings HK\$'000 | Total shareholders' equity HK\$'000 |
| At 31st March, 2022 | 169,741 | 453,192 | 346 | 515 | 5,128 | 22,562 | 20,369 | 471,564 | 1,143,417 | 40,485 | 1,183,902 |
| Profit/(loss) for the period | — | — | — | — | — | — | — | 74,764 | 74,764 | (2,388) | 72,376 |
| Other comprehensive loss for the period: | | | | | | | | | | | |
| Exchange differences on translation of foreign operations | — | — | — | — | — | (6,533) | — | — | (6,533) | (2,020) | (8,553) |
| Share of other comprehensive loss of associates | — | — | — | — | — | (626) | — | — | (626) | — | (626) |
| | — | — | — | — | — | (7,159) | — | — | (7,159) | (2,020) | (9,179) |
| Total comprehensive income/(loss) for the period | — | — | — | — | — | (7,159) | — | 74,764 | 67,605 | (4,408) | 63,197 |
| Prior year final dividend paid | — | — | — | — | — | — | (20,369) | — | (20,369) | — | (20,369) |
| Interim dividend | — | — | — | — | — | — | 20,369 | (20,369) | — | — | — |
| At 30th September, 2022 | 169,741 | 453,192 | 346 | 515 | 5,128 | 15,403 | 20,369 | 525,959 | 1,190,653 | 36,077 | 1,226,730 |

For the six months ended 30th September, 2021

| | Shareholders' equity | | | | | | | Total shareholders' equity HK\$ '000 | Non-controlling interests HK\$ '000 | Total HK\$ '000 |
|---|----------------------------|----------------------------|---|---|-------------------------------|-------------------------------|--------------------------------|---|--|--------------------|
| | Share capital HK\$ '000 | Share premium HK\$ '000 | Capital redemption reserve HK\$ '000 | Property revaluation reserve HK\$ '000 | Exchange reserve HK\$ '000 | Dividend reserve HK\$ '000 | Retained earnings HK\$ '000 | | | |
| At 31st March, 2021 | 169,741 | 453,192 | 515 | 5,128 | 28,199 | 20,369 | 493,605 | 1,170,749 | 8,542 | 1,179,291 |
| Loss for the period | — | — | — | — | — | — | (13,992) | (13,992) | (4,663) | (18,655) |
| Other comprehensive (loss)/income for the period: | | | | | | | | | | |
| Release of exchange reserve upon step acquisition from associates to subsidiaries | — | — | — | — | (3,260) | — | — | (3,260) | — | (3,260) |
| Exchange differences on translation of foreign operations | — | — | — | — | 945 | — | — | 945 | 132 | 1,077 |
| Share of other comprehensive loss of associates | — | — | — | — | (77) | — | — | (77) | — | (77) |
| | — | — | — | — | (2,392) | — | — | (2,392) | 132 | (2,260) |
| Total comprehensive loss for the period | — | — | — | — | (2,392) | — | (13,992) | (16,384) | (4,531) | (20,915) |
| Increase in non-controlling interests as a result of deemed acquisition of subsidiaries | — | — | — | — | — | — | — | — | 42,043 | 42,043 |
| Prior year final dividend paid | — | — | — | — | — | (20,369) | — | (20,369) | — | (20,369) |
| Interim dividend | — | — | — | — | — | 20,369 | (20,369) | — | — | — |
| At 30th September, 2021 | 169,741 | 453,192 | 515 | 5,128 | 25,807 | 20,369 | 459,244 | 1,133,996 | 46,054 | 1,180,050 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | For the six months ended 30th September, | |
|--|---|-------------|
| | 2022 | 2021 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Net cash generated from operating activities | 189,674 | 131,719 |
| Net cash generated from investing activities | 50,360 | 15,108 |
| Net cash used in financing activities | (48,497) | (84,784) |
| Net increase in cash and cash equivalents | 191,537 | 62,043 |
| Cash and cash equivalents at 1st April | 408,520 | 416,298 |
| Effect of foreign exchange rate changes | (6,277) | 2,911 |
| Cash and cash equivalents at 30th September | 593,780 | 481,252 |
| Analysis of the balances of cash and cash equivalents | | |
| Time deposits, bank balances and cash (including pledged bank balances) | 594,132 | 527,579 |
| Less: Pledged cash and cash equivalents | (352) | (46,327) |
| | 593,780 | 481,252 |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2022

1. BASIS OF PREPARATION

The unaudited condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties and financial assets at fair value through profit or loss which are measured at fair values, as appropriate.

In the current period, the Group has adopted the following new or revised standards and amendments to Hong Kong Financial Reporting Standards (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 condensed consolidated financial statements of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

3. SEGMENT INFORMATION

An analysis of the Group's segment information by operating segments is as follows:

Operating segments

Statement of profit or loss for the six months ended 30th September, 2022

| | Convenience store operation | Rice operation | Packaging materials operation | Securities investment | Property investment | Corporate and others | Elimination | Consolidated |
|---------------------------------------|-----------------------------------|-------------------|-------------------------------------|--------------------------|------------------------|-------------------------|----------------|------------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| REVENUE | | | | | | | | |
| External sales | 606,866 | 349,440 | 71,823 | — | 1,879 | — | — | 1,030,008 |
| Inter-segment sales | — | — | 4,555 | — | — | — | (4,555) | — |
| Total sales | 606,866 | 349,440 | 76,378 | — | 1,879 | — | (4,555) | 1,030,008 |
| RESULTS | | | | | | | | |
| Segment results | 48,801 | 58,711 | (6,420) | (18,234) | 436 | 82 | — | 83,376 |
| Finance costs | — | — | — | — | — | (298) | — | (298) |
| Share of results of associates | — | (67) | — | — | (9) | — | — | (76) |
| Share of results of joint ventures | — | — | — | — | (254) | — | — | (254) |
| Profit before taxation | | | | | | | | 82,748 |
| Taxation | | | | | | | | (10,372) |
| Profit for the period | | | | | | | | 72,376 |
| Profit attributable to: | | | | | | | | |
| Shareholders of the Company | | | | | | | | 74,764 |
| Non-controlling interests | | | | | | | | (2,388) |
| | | | | | | | | 72,376 |

Segment assets and liabilities as at 30th September, 2022

| | Convenience store operation | Rice operation | Packaging materials operation | Securities investment | Property investment | Corporate and others | Consolidated |
|---------------------------------------|-----------------------------------|-------------------|-------------------------------------|--------------------------|------------------------|-------------------------|------------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| ASSETS | | | | | | | |
| Segment assets | 562,675 | 209,170 | 151,397 | 118,762 | 240,550 | 612,823 | 1,895,377 |
| Interests in associates | — | 9,927 | — | — | 20,393 | — | 30,320 |
| Interests in joint ventures | — | — | — | — | 11,708 | — | 11,708 |
| Consolidated total assets | | | | | | | 1,937,405 |
| LIABILITIES | | | | | | | |
| Segment liabilities | 500,079 | 52,165 | 103,715 | — | 993 | 39,346 | 696,298 |
| Unallocated corporate liabilities | | | | | | | 14,377 |
| Consolidated total liabilities | | | | | | | 710,675 |

Statement of profit or loss for the six months ended 30th September, 2021

| | 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 | 399,202 | 361,552 | 90,935 | — | 1,836 | — | — | 853,525 |
| Inter-segment sales | — | — | 4,043 | — | — | — | (4,043) | — |
| Total sales | 399,202 | 361,552 | 94,978 | — | 1,836 | — | (4,043) | 853,525 |
| RESULTS | | | | | | | | |
| Segment results | (73,666) | 46,629 | 13,104 | 5,360 | 636 | (47) | — | (7,984) |
| Share of results of associates | — | (276) | 28 | — | (7) | — | — | (255) |
| Share of results of joint ventures | — | — | — | — | (317) | — | — | (317) |
| Loss before taxation | — | — | — | — | — | — | — | (8,556) |
| Taxation | — | — | — | — | — | — | — | (10,099) |
| Loss for the period | — | — | — | — | — | — | — | (18,655) |
| Loss attributable to: Shareholders of the Company | — | — | — | — | — | — | — | (13,992) |
| Non-controlling interests | — | — | — | — | — | — | — | (4,663) |
| | | | | | | | | (18,655) |

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 |

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 | |
|----------------|---|-------------|
| | For the six months ended 30th September, | |
| | 2022 | 2021 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Vietnam | 606,866 | 399,202 |
| Hong Kong | 354,524 | 369,644 |
| PRC and others | 68,618 | 84,679 |
| | 1,030,008 | 853,525 |

4. NET OTHER INCOME

| | For the six months ended 30th September, | |
|---|---|---------------------------------|
| | 2022 (Unaudited) HK\$'000 | 2021 (Unaudited) HK\$'000 |
| Interest revenue on: | | |
| — Financial assets at fair value through profit or loss | 30 | 67 |
| — Financial assets measured at amortised costs | 2,013 | 719 |
| | 2,043 | 786 |
| Dividend income from listed financial assets at fair value through profit or loss | 16 | 47 |
| Other income from convenience store operation | 9,027 | 6,728 |
| COVID-19-related rent concessions | 1,380 | 4,536 |
| Reversal of impairment loss/(impairment loss) of right-of-use assets and equipment | 10,947 | (15,906) |
| 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 |
| Net realized loss on disposal of financial assets at fair value through profit or loss | (1,268) | (185) |
| Net foreign exchange loss | (937) | (73) |
| Government grants from Anti-Epidemic Fund | 2,592 | — |
| Interest income from rental deposits | 1,052 | 1,224 |
| Net loss on disposal of plant and equipment | (1,771) | (3,337) |
| Net loss on disposal of investment property | (41) | — |
| Sundry income | 1,365 | 1,749 |
| | 24,405 | 19,937 |

5. PROFIT/(LOSS) BEFORE TAXATION

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

| | For the six months ended 30th September, | |
|---|---|---------------------------------|
| | 2022 (Unaudited) HK\$'000 | 2021 (Unaudited) HK\$'000 |
| Depreciation and amortisation of property, plant and equipment | 22,590 | 28,691 |
| Depreciation of right-of-use assets | 44,872 | 56,505 |
| (Reversal of impairment loss)/impairment loss of equipment | (4,472) | 3,343 |
| (Reversal of impairment loss)/impairment loss of right-of-use assets | (6,475) | 12,563 |
| Amortisation of prepaid lease payments | 258 | 261 |
| Interest on lease liabilities | 14,682 | 15,684 |
| Interest on bank loans | 298 | — |

6. TAXATION

| | For the six months ended 30th September, | |
|--|---|---------------------------------|
| | 2022 (Unaudited) HK\$'000 | 2021 (Unaudited) HK\$'000 |
| Current tax: | | |
| Hong Kong | 10,496 | 10,379 |
| Others | 17 | 14 |
| | 10,513 | 10,393 |
| Deferred tax | (141) | (294) |
| Taxation attributable to the Company and its subsidiaries | 10,372 | 10,099 |

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods, 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. DIVIDEND

(a) Dividend attributable to the interim period:

| | For the six months ended | |
|---|---------------------------------|-----------------|
| | 30th September, | |
| | 2022 | 2021 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | <i>HK\$'000</i> |
| Interim dividend declared after the interim period end of HK1.2 cents per share on 1,697,406,458 shares (2021: HK1.2 cents per share on 1,697,406,458 shares) | 20,369 | 20,369 |

The interim dividend declared after the interim period end has not been recognised as a liability at the interim period end date.

(b) Dividend attributable to the previous financial year, approved and paid during the interim period:

| | For the six months ended | |
|---|---------------------------------|-----------------|
| | 30th September, | |
| | 2022 | 2021 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | <i>HK\$'000</i> |
| Final dividend in respect of the previous financial year, approved and paid during the interim period, of HK1.2 cents per share on 1,697,406,458 shares (2021: HK1.2 cents per share on 1,697,406,458 shares) | 20,369 | 20,369 |

8. EARNINGS/(LOSS) PER SHARE

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

| | For the six months ended 30th September, | |
|--|---|-------------|
| | 2022 | 2021 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Earnings/(loss) for the purpose of basic earnings/(loss) per share | 74,764 | (13,992) |

There were no dilutive potential ordinary share for both periods.

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 delivery date:

| | 30th September, 2022 | 31st March, 2022 |
|----------------|-------------------------------------|------------------------|
| | (Unaudited) | (Audited) |
| | HK\$'000 | HK\$'000 |
| Within 30 days | 29,986 | 34,089 |
| 31-60 days | 24,493 | 28,950 |
| 61-90 days | 8,032 | 18,006 |
| Over 90 days | 8,995 | 6,801 |
| | 71,506 | 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.

For the six months ended 30th September, 2022, the Group has reversed allowance for expected credit losses of approximately HK\$60,000 for the trade debtor balances. Actual bad debt expenses incurred during the period amounted to approximately HK\$4,000.

10. TRADE CREDITORS

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

| | 30th September, 2022 (Unaudited) HK\$'000 | 31st March, 2022 (Audited) HK\$'000 |
|----------------|--|---|
| Within 30 days | 139,147 | 116,232 |
| 31-60 days | 6,791 | 5,296 |
| 61-90 days | 2,438 | 3,321 |
| Over 90 days | 1,462 | 3,876 |
| | 149,838 | 128,725 |

11. SHARE CAPITAL

| | Number of ordinary shares of HK\$0.10 each | HK\$'000 |
|--|---|----------|
| Authorised | | |
| At 1st April, 2021, 31st March, 2022 and 30th September, 2022 | 3,000,000,000 | 300,000 |
| Issued and fully paid | | |
| At 1st April, 2021, 31st March, 2022 and 30th September, 2022 | 1,697,406,458 | 169,741 |

There was no movement in share capital during the current period and last year.

12. RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following transactions with the associates and related parties:

| | For the six months ended | |
|---|---------------------------------|-------------|
| | 30th September, | |
| | 2022 | 2021 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Net amount of trade purchases from and sharing of administrative services on a cost basis with associates (<i>Notes a, b</i>) | 50,555 | 32,444 |

Notes:

- (a) The trade purchases were carried out in the ordinary course of business and at prices determined by reference to prevailing market price.
- (b) The costs of administrative services were allocated to the parties involved on a cost basis.

Remuneration for key management personnel

The remuneration of Directors and other members of key management personnel during the period is as follows:

| | For the six months ended | |
|-----------------------------------|---------------------------------|-------------|
| | 30th September, | |
| | 2022 | 2021 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Short-term employee benefits | 10,557 | 11,873 |
| Post-employment employee benefits | 277 | 298 |
| | 10,834 | 12,171 |

The remuneration of Directors and key management personnel is determined or proposed by the Remuneration Committee having regard to the performance of individuals and market trends.

13. COMMITMENTS AND CONTINGENT LIABILITIES

At the end of the reporting period, the commitments and contingent liabilities not provided for in the consolidated financial statements are as follows:

| | 30th September, 2022 (Unaudited) HK\$'000 | 31st March, 2022 (Audited) HK\$'000 |
|--|--|---|
| (a) Contracted capital commitments | | |
| Acquisition of property, plant and equipment | 145,471 | 7,185 |
| Capital contribution for investee companies | 24,901 | 20,400 |
| | 170,372 | 27,585 |
| (b) Contingent liabilities and financial guarantees issued | | |
| Guarantees given in respect of banking facilities made available to: | | |
| — associate | 13,058 | 14,887 |

At the end of both reporting periods, the Group's associate had not utilised any of the banking facilities guaranteed by the Company.

At the end of the reporting period, the Directors did not consider it probable that a claim would be made against the Group under any of the guarantees granted by the Group. The Directors consider that the fair values of these financial guarantees of the Group are insignificant and therefore no value has been recognised at the end of both reporting periods.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group recorded positive growth in revenue and net profit for the first-half of 2022/2023 financial year, with Group total revenue of HK\$1,030,008,000 and net profit attributable to shareholders of HK\$74,764,000 for the six months ended 30th September, 2022. Our convenience store business in Vietnam contributed substantial and continuous growth in revenue and net profit.

Convenience Store Operation

For the interim period under review, our convenience store operation recorded segment profit of HK\$48,801,000. Under a series of effective strategies, including the expansion of our retail platform and enhancement of our logistics systems, our convenience store revenue achieved 52% growth in current interim period and hit a multi-year record high of HK\$606,866,000, as compared to revenue of HK\$399,202,000 for the same period last year.

With the improvement in our overall store performance, the Group recorded a gain of HK\$10,947,000 on reversal of prior years' impairment loss on right-of-use assets and equipment. The impairment loss provided in last interim period was HK\$15,906,000.

Rice Operation

The Group's rice operation in Hong Kong performed steadily for the period 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 in the midst of global supply chain disruptions. Preventive controls on sanitization with Rapid Antigen Tests in the workplace are implemented 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 profit before taxation of HK\$58,711,000 (2021: HK\$46,629,000) for the interim period under review.

Packaging Materials Operation

Our packaging materials operation recorded external sales revenue of HK\$71,823,000 for this interim period. 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\$6,420,000 for the interim period ended 30th September, 2022.

Liquidity and Financial Resources

The Group's financial position remains sound and healthy with cash balance of HK\$594,132,000 as at 30th September, 2022.

As at 30th September, 2022, the Group's total current assets and total current liabilities amounted to HK\$1,096,643,000 (31st March, 2022: HK\$995,269,000) and HK\$455,451,000 (31st March, 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 30th September, 2022 was 2.4 times (31st March, 2022: 2.6 times). If excluding the current portion of lease liabilities of HK\$112,762,000 (31st March, 2022: HK\$114,105,000) recognized under HKFRS 16 "Leases", the current ratio was 3.2 times (31st March, 2022: 3.8 times). As at 30th September, 2022, gearing ratio (defined as bank borrowings over shareholders' equity) was 3.3% (31st March, 2022: Nil) based on outstanding bank loans of HK\$39,197,000 (31st March, 2022: Nil) and shareholders' equity of HK\$1,190,653,000.

With cash and other current assets of HK\$1,096,643,000 as at 30th September, 2022 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

Looking forward, the Group believes that the COVID-19 pandemic will be gradually mitigated and 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.

Securities Investment

As at 30th September, 2022, the Group held financial assets at fair value through profit or loss of approximately HK\$134,439,000 (the "Investments"), particulars of which are set out below:

Equity securities

| Stock Code | Name of investee company | Number of shares held | Percentage of share capital owned by the Group | Investment cost | Market value as at 30th September, 2022 | Percentage to the Group's total assets | Unrealized loss on change in fair value for the six months ended 30th September, 2022 | Realized loss on disposal for the six months ended 30th September, 2022 | Dividend income received for the six months ended 30th September, 2022 |
|---------------------------------------|---|-----------------------|--|----------------------|---|--|---|---|--|
| | | | % | (Note 1) HK\$'000 | (Note 1) HK\$'000 | % | (Note 1) HK\$'000 | (Note 1) HK\$'000 | (Note 1) HK\$'000 |
| Listed outside Hong Kong | | | | | | | | | |
| 159901.SZ | E Fund SZSE100 ETF | 800,000 | 0.04 | 1,477 | 2,532 | 0.13 | (259) | — | — |
| 2330.TW | Taiwan Semiconductor Manufacturing Co Ltd | 10,000 | 0.00 | 456 | 1,044 | 0.05 | (433) | — | 12 |
| AMZN.OQ | Amazon.com, Inc. | 560 | 0.00 | 400 | 497 | 0.03 | (220) | — | — |
| | Others | | | | | | | (1,268) | 4 |
| Total listed outside Hong Kong | | | | 2,333 | 4,073 | 0.21 | (912) | (1,268) | 16 |
| Unlisted | | | | 29,968 | 368 | 0.02 | — | — | — |
| Total equity securities | | | | 32,301 | 4,441 | 0.23 | (912) | (1,268) | 16 |

Notes:

- The investment cost, market value as at 30th September, 2022, unrealized loss on change in fair value and realized loss on disposal of the Investments in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Other securities

| Name of investee company | Investment cost <i>HK\$'000</i> | Market value as at 30th September, 2022 <i>HK\$'000</i> | Percentage to the Group's total assets % | Unrealized loss on change in fair value for the six months ended 30th September, 2022 <i>HK\$'000</i> |
|--|---------------------------------------|--|--|--|
| Goldman Sachs (Asia) L.L.C. (Note 2) | 33,794 | 60,079 | 3.10 | (6,644) |
| Morgan Stanley & Co. International plc (Note 3) | 46,542 | 54,610 | 2.82 | (8,320) |
| Unlisted investments — Simple Agreement for Future Equity (Note 4) | 11,682 | 7,459 | 0.38 | — |
| Other unlisted investment | 7,858 | 7,850 | 0.41 | — |
| Total other securities | 99,876 | 129,998 | 6.71 | (14,964) |

Notes:

2. The Group's investment portfolio in Goldman Sachs (Asia) L.L.C. (the "GS portfolio") is managed by Goldman Sachs (Asia) L.L.C. (the "manager") for Billion Trade Development Limited, a wholly-owned subsidiary of the Company. The investments in the portfolio are selected based on a global, multi-asset class discretionary separate account strategy of the manager. In this strategy, the manager utilizes its proprietary asset allocation model when setting the long-term strategic asset allocation with a focus on diversification across asset classes and regions. With respect to implementation, the manager draws from a spectrum of solutions to construct a portfolio with investments in mutual funds and exchange traded funds. Normally, the GS portfolio is long term in nature. However, in the short and medium term the manager may tactically deviate from the strategic allocation when dislocations from long term historical valuations in certain asset classes arise.

As of 30th September, 2022, the GS portfolio was comprised of cash and cash equivalents (31.7%), in addition to mutual funds and exchange traded funds invested in fixed income (26.6%), equities (35.6%) and other investments (6.1%).

As the GS portfolio is a diversified multi-asset class portfolio, future risks include most risks that various asset classes face, including market, credit, interest rate, inflation, emerging market, liquidity, FX, real estate, derivatives and counter-party risks.

During the six months ended 30th September, 2022, the Group partially redeemed cash balance of approximately HK\$36,000,000 from the GS portfolio to increase the Group's cash holding and minimize the risk associated with the volatile global investment markets. As at 30th September, 2022, the GS portfolio recorded marked-to-market fair value loss of approximately HK\$6,644,000. The Group had not made any additional fund injection into the GS portfolio during the six months ended 30th September, 2022.

3. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the discretionary portfolio strategy with Morgan Stanley & Co. International plc (the "MS portfolio") is constructed based on a top-down approach that focuses on asset class, region/country, sector, investment's theme and style selection, as opposed to individual security selection (the "MS Strategy"). The MS Strategy is dynamically managed to provide a balanced allocation taking into account longer-term strategic views, while tactical views are deployed to address shorter term macro-economic and cyclical events.

The MS Strategy's investment objective is to provide a global asset allocation that seeks to achieve long-term capital appreciation over time by gaining exposure to a diversified range of asset classes, geographical markets, sectors and investment styles, primarily through funds, including exchanged traded funds, traditional funds and more sophisticated equity, fixed income, multi-asset class or alternative investment-linked funds.

As at 30th September, 2022, the MS portfolio comprised 23.6% cash or cash equivalents, 16.3% fixed income funds, 57.1% equity funds (in the United States, Europe, Japan, Asia Pacific ex Japan and emerging markets) and the remaining 3.0% alternative strategies (which may, from time to time, include hedge funds, commodities, real estate).

The MS portfolio recorded marked-to-market fair value loss of approximately HK\$8,320,000 on the investment portfolio as at 30th September, 2022. The Group had not made any additional fund injection into the MS portfolio during the six months ended 30th September, 2022.

4. The Group held certain unlisted investments in the form of Simple Agreement for Future Equity ("SAFEs") to grant the Group the future rights to acquire certain equity interests of the investee companies. The SAFEs were classified as financial assets at fair value through profit or loss in the consolidated financial statements.

Redemption of investment portfolios after the end of reporting period

Subsequent to the end of the interim reporting period, in view of the recent volatile market conditions and heightened uncertainties with regard to global central bank policies and economic outlook, the Group considered that it is prudent and necessary to adopt a more cautious investment strategy. In November 2022, the Group fully liquidated the investments in the GS portfolio and MS portfolio to prevent potential losses and redeemed the portfolios for cash to increase cash reserve of the Group. The Group redeemed its investments in the GS portfolio for an aggregate redemption proceeds of approximately HK\$59,790,000 in cash and the MS portfolio for an aggregate redemption proceeds of approximately HK\$55,310,000 in cash.

Save as the Investments as set out in the tables above, the Group did not hold any other significant investments during the six months ended 30th September, 2022.

Investment strategy

The Group's investment strategy is to adopt prudent and liquid investment management so as to pursue a well-balanced and diversified investment portfolio that seeks to achieve long-term capital appreciation and stable investment return for the Group.

During the six months ended 30th September, 2022, the Group recorded total fair value loss on financial assets at fair value through profit or loss of approximately HK\$17,144,000, attributable to unrealized loss of approximately HK\$15,876,000 and realized loss of approximately HK\$1,268,000. Dividend income received from financial assets at fair value through profit or loss amounted to approximately HK\$16,000 during the period. The amounts of financial assets at fair value through profit or loss acquired during the period amounted to approximately HK\$7,858,000. The amounts of financial assets at fair value through profit or loss disposed during the period amounted to approximately HK\$42,722,000, included approximately HK\$36,000,000 from partial redemption of investment portfolio in cash.

DISCLOSEABLE TRANSACTION

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"). Subsequent to the end of the interim reporting period, 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.

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 was incorporated in Hong Kong and will be 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 shall be HK\$10,000,000 and each JV Shareholder undertakes to contribute the respective cash and/or non-cash contributions not later than 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 will be accounted for as an equity investment of the Company and its financial results will be 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

In November, 2022, Billion Trade Development Limited (“Billion Trade”), an indirect wholly-owned subsidiary of the Company, redeemed its investment in portfolios 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 GS Portfolio and MS Portfolio are disclosed in the section headed “Securities Investment” in the Management Discussion and Analysis. Details of the redemption of the investment portfolios are disclosed in the Discloseable Transaction Announcement of the Company dated 1st November, 2022.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK1.2 cents per share for the year ending 31st March, 2023 (2021/2022: HK1.2 cents per share) to the shareholders on the Register of Members of the Company at the close of business on Monday, 19th December, 2022.

It is expected that the interim dividend will be paid to the shareholders on or about Friday, 13th January, 2023.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 14th December, 2022 to Monday, 19th December, 2022, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the interim dividend, 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 in Hong Kong, Tricor Standard Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Tuesday, 13th December, 2022.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30th September, 2022, the interests and short positions of the Directors and their associates in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

Long positions

(a) Ordinary shares of the Company

| Name of director | Number of ordinary shares beneficially held in the Company | | | Approximate percentage of the issued share capital of the Company |
|----------------------------|---|------------------------|------------------------|--|
| | Personal interests | Corporate interests | Total interests | |
| Mr. Laurent LAM Kwing Chee | 23,832,000 | 14,700,000 | 38,532,000 (Note 1) | 2.27% |
| Mr. Anthony LAM Sai Ho | — | 22,050,000 | 22,050,000 (Note 2) | 1.29% |
| Madam LAM Sai Mann | 6,250,000 | 82,771,000 | 89,021,000 (Note 3) | 5.24% |
| Mr. Dennis LAM Saihong | 25,250,000 | 50,000,000 | 75,250,000 (Note 4) | 4.43% |
| Mr. TSANG Siu Hung | 2,500,000 | — | 2,500,000 | 0.14% |

Notes:

1. These 38,532,000 shares are held by Mr. Laurent LAM Kwing Chee, a Director of the Company as beneficial owner in respect of 23,832,000 shares and as corporate interest in respect of 14,700,000 shares held by Elite Solution Investments Limited, a company which is 50% owned by Mr. Laurent LAM Kwing Chee.
2. These 22,050,000 shares are held by Mr. Anthony LAM Sai Ho, a Director of the Company as corporate interests: (i) 7,350,000 shares are held by Great Avenue Group Limited, a company which is 40% owned by Mr. Anthony LAM Sai Ho; and (ii) 14,700,000 shares are held by Elite Solution Investments Limited, a company which is 50% owned by Mr. Anthony LAM Sai Ho.
3. These 89,021,000 shares are held by Madam LAM Sai Mann, a Director of the Company as beneficial owner in respect of 6,250,000 shares and as corporate interest in respect of 82,771,000 shares held by Joint Success Limited, a company which is wholly-owned by Madam LAM Sai Mann.
4. These 75,250,000 shares are held by Mr. Dennis LAM Saihong, a Director of the Company as beneficial owner in respect of 25,250,000 shares and as corporate interest in respect of 50,000,000 shares held by Cheerful Group Holdings Limited, a company which is wholly-owned by Mr. Dennis LAM Saihong.

(b) Non-voting deferred shares of wholly-owned subsidiaries of the Company

| Name of director | Name of subsidiary | Capacity | Number of non-voting deferred shares beneficially held |
|------------------------|--------------------------------------|------------------------------------|--|
| Mr. Anthony LAM Sai Ho | Golden Resources Development Limited | Interest in controlled corporation | 260,000 <i>(Note)</i> |
| Mr. Anthony LAM Sai Ho | Yuen Loong & Company Limited | Interest in controlled corporation | 13,000 <i>(Note)</i> |

Note: These shares are held by Marvel City Holdings Limited, a company which is 40% owned by Mr. Anthony LAM Sai Ho, a Director of the Company.

(c) Ordinary shares of associate of the Company

| Name of director | Name of associate | Capacity | Number of ordinary shares held through corporation |
|-------------------------------|--------------------------|------------------------------------|--|
| Mr. Laurent LAM Kwing Chee | Starland Century Limited | Interest in controlled corporation | 300 (Note) |

Note: These shares are held by L.K.C. Company Limited, a company which is wholly-owned by Mr. Laurent LAM Kwing Chee, a Director of the Company.

Save as disclosed above, as at 30th September, 2022, none of the Directors nor their associates of the Company had or was deemed to have any interests or short positions in the shares or underlying shares of the Company or any of its associated corporations as recorded in the register that required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

The Company has adopted a new share option scheme on 29th August, 2018 for the purpose of providing the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants and for such other purposes as the Board may approve from time to time. Pursuant to the new share option scheme, no option was granted, exercised, lapsed or cancelled during the period or remained outstanding as at 30th September, 2022.

Save as disclosed under the heading "Directors' Interests and Short Positions in the Shares and Underlying Shares" above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate and neither the Directors nor the Chief Executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company.

SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2022, the following persons, other than Directors or Chief Executives of the Company, had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

| Name of shareholder | Number of shares held <i>(Note 1)</i> | Approximate percentage of the issued share capital of the Company |
|---|---|---|
| Yuen Loong International Limited (“Yuen Loong”) | 548,052,026 | 32.28% <i>(Note 2)</i> |
| Chelsey Developments Ltd. (“Chelsey”) | 252,240,000 | 14.86% <i>(Note 2)</i> |

Notes:

1. These shares represent long positions.
2. Mr. Laurent LAM Kwing Chee, a Director of the Company, is interested in approximately 18% of the issued share capital of each of Yuen Loong and Chelsey. Mr. Anthony LAM Sai Ho, a Director of the Company, is interested in 40% of the issued share capital of Marvel City Holdings Limited which in turn is interested in approximately 24% of the issued share capital of each of Yuen Loong and Chelsey. Madam LAM Sai Mann, a Director of the Company, is interested in 30% of the issued share capital of Elegant Investments Holdings Limited which in turn is interested in approximately 24% of the issued share capital of each of Yuen Loong and Chelsey. Mr. Dennis LAM Saihong, a Director of the Company, is interested in 30% of the issued share capital of Elegant Investments Holdings Limited which in turn is interested in approximately 24% of the issued share capital of each of Yuen Loong and Chelsey.

Save as disclosed above, as at 30th September, 2022, the Company had not been notified by any other persons, other than Directors or Chief Executives of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register that required to be kept by the Company pursuant to Section 336 of the SFO and/or were directly or indirectly interested in 5% or more of the nominal value of the share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees for the Group is about 3,769.

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 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 six months ended 30th September, 2022.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company. 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 review period.

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, had 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 unaudited financial statements of the Group for the six months ended 30th September, 2022.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares for the six months ended 30th September, 2022.

BOARD OF DIRECTORS

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

On behalf of the Board
Golden Resources Development International Limited
Laurent LAM Kwing Chee
Chairman

Hong Kong, 29th November, 2022