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**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, 2022**

**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, 2022 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

**For the year ended 31st March, 2022**

	<i>Notes</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>REVENUE</b>	3	<b>1,774,233</b>	1,614,360
Cost of sales		<b>(1,136,338)</b>	(1,014,611)
<b>GROSS PROFIT</b>		<b>637,895</b>	599,749
Net unrealized (loss)/gain on financial assets at fair value through profit or loss		<b>(3,509)</b>	37,883
Surplus on revaluation of investment properties		<b>7,435</b>	7,480
Net other income	4	<b>49,734</b>	7,460
Selling and distribution costs		<b>(383,113)</b>	(366,485)
Administrative expenses		<b>(242,748)</b>	(195,887)
Interest on lease liabilities		<b>(30,447)</b>	(25,282)
<b>PROFIT FROM OPERATIONS</b>		<b>35,247</b>	64,918
Finance costs		<b>(83)</b>	—
Share of results of associates		<b>(360)</b>	(611)
Share of results of joint ventures		<b>(580)</b>	(480)
<b>PROFIT BEFORE TAXATION</b>	5	<b>34,224</b>	63,827
Taxation	6	<b>(22,120)</b>	(23,572)
<b>PROFIT FOR THE YEAR</b>		<b>12,104</b>	40,255
Profit for the year attributable to:			
Shareholders of the Company		<b>18,697</b>	40,212
Non-controlling interests		<b>(6,593)</b>	43
		<b>12,104</b>	40,255
<b>EARNINGS PER SHARE</b>	8		
— Basic		<b>HK1.1 cents</b>	HK2.4 cents
— Diluted		<b>HK1.1 cents</b>	HK2.4 cents

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31st March, 2022**

	<b>2022</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>PROFIT FOR THE YEAR</b>	<b>12,104</b>	40,255
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>		
<b>Item reclassified to profit or loss:</b>		
Release of exchange reserve upon step acquisition from associates to subsidiaries	<b>(3,260)</b>	—
<b>Items to be reclassified to profit or loss in subsequent periods:</b>		
Exchange differences on translation of foreign operations	<b>(4,210)</b>	5,743
Share of other comprehensive (loss)/income of associates	<b>(76)</b>	594
Other comprehensive (loss)/income for the year, net of tax	<b>(7,546)</b>	6,337
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>4,558</b>	46,592
Total comprehensive income attributable to:		
Shareholders of the Company	<b>13,060</b>	45,470
Non-controlling interests	<b>(8,502)</b>	1,122
	<b>4,558</b>	46,592

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 31st March, 2022**

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		206,787	171,570
Right-of-use assets		318,745	260,482
Prepaid lease payments		12,775	13,179
Investment properties		168,740	166,860
Interests in associates		31,022	74,326
Interests in joint ventures		11,912	12,292
Financial assets at fair value through profit or loss		7,806	17,861
Intangible asset		22,505	22,505
Rental and related deposits paid		25,274	27,303
Deposits paid for purchase of properties		12,683	12,683
		<b>818,249</b>	<b>779,061</b>
<b>CURRENT ASSETS</b>			
Inventories		185,673	173,134
Trade debtors	<i>10</i>	87,846	48,248
Other debtors, deposits and prepayments		47,664	43,241
Financial assets at fair value through profit or loss		177,388	177,300
Cash and cash equivalents		455,198	462,867
		<b>953,769</b>	<b>904,790</b>
Asset classified as held for sale		41,500	—
		<b>995,269</b>	<b>904,790</b>
<b>CURRENT LIABILITIES</b>			
Trade creditors	<i>11</i>	128,725	99,128
Other creditors and accruals		125,084	98,178
Lease liabilities		114,105	102,731
Tax liabilities		2,351	12,272
		<b>370,265</b>	<b>312,309</b>
<b>NET CURRENT ASSETS</b>		<b>625,004</b>	<b>592,481</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,443,253</b>	<b>1,371,542</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		257,719	190,530
Deferred tax liabilities		1,632	1,721
		<b>259,351</b>	<b>192,251</b>
		<b>1,183,902</b>	<b>1,179,291</b>
<b>CAPITAL AND RESERVES</b>			
Share capital		169,741	169,741
Reserves		973,676	1,001,008
Shareholders' equity		1,143,417	1,170,749
Non-controlling interests		40,485	8,542
		<b>1,183,902</b>	<b>1,179,291</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

*For the year ended 31st March, 2022*

### **1. BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations (“HK(IFRIC)-Int”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Hong Kong Companies Ordinance.

### **2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS**

In the current year, the Group has adopted the following new or revised standards and amendments to HKFRSs (the “new HKFRSs”) issued by the HKICPA, which are or have become effective for the Group’s financial year beginning on 1st April, 2021:

HKFRS 4, HKFRS 7, HKFRS 9, HKFRS 16 and HKAS 39 (Amendments)	Interest Rate Benchmark Reform - Phase 2
HKFRS 16 (Amendments)	COVID-19-Related Rent Concessions beyond 30 June 2021 (Early adopted)

The adoption of the new HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

## 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

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

HKFRS (Amendments)	Annual Improvements to HKFRSs 2018-2020 Cycle <sup>1</sup>
HKFRS 3 (Amendments)	Reference to the Conceptual Framework <sup>1</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
HKFRS 17	Insurance Contracts and Related Amendment <sup>2</sup>
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
HKAS 1 (Amendments) and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>2</sup>
HKAS 8 (Amendments)	Definition of Accounting Estimates <sup>2</sup>
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>2</sup>
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before intended use <sup>1</sup>
HKAS 37 (Amendments)	Onerous Contracts - Cost of Fulfilling a Contract <sup>1</sup>
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2022

<sup>2</sup> Effective for annual periods beginning on or after 1st January, 2023

<sup>3</sup> Effective date to be determined

<sup>4</sup> Effective for common control combinations that occur on or after beginning of the first annual report period on or after 1st January, 2022

### 3. SEGMENT INFORMATION

For management purposes, the Group is currently organised into six operating divisions, namely convenience store operation, rice operation, packaging materials operation, securities investment, property investment and corporate and others. These divisions are the basis on which the Group reports its operating segment information.

Principal activities are as follows:

Convenience store operation	—	operation of convenience stores in Vietnam
Rice operation	—	sourcing, importing, wholesaling, processing, packaging, marketing and distribution of rice
Packaging materials operation	—	manufacturing and sale of packaging materials
Securities investment	—	investments in equity and debt securities
Property investment	—	property investment and development
Corporate and others	—	corporate income and expenses and other investments

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

#### Operating segments

##### *Statement of profit or loss for the year ended 31st March, 2022*

	Convenience store operation <i>HK\$'000</i>	Rice operation <i>HK\$'000</i>	Packaging materials operation <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>REVENUE</b>								
External sales	822,819	779,218	168,700	—	3,496	—	—	1,774,233
Inter-segment sales	—	—	9,333	—	—	—	(9,333)	—
<b>Total sales</b>	<b>822,819</b>	<b>779,218</b>	<b>178,033</b>	<b>—</b>	<b>3,496</b>	<b>—</b>	<b>(9,333)</b>	<b>1,774,233</b>
<b>RESULTS</b>								
Segment results	(104,700)	126,350	6,865	1,410	8,364	(3,042)	—	35,247
Finance costs	—	—	—	—	—	(83)	—	(83)
Share of results of associates	—	(280)	—	—	(80)	—	—	(360)
Share of results of joint ventures	—	—	—	—	(580)	—	—	(580)
Profit before taxation	—	—	—	—	—	—	—	34,224
Taxation	—	—	—	—	—	—	—	(22,120)
Profit for the year	—	—	—	—	—	—	—	12,104
Profit for the year attributable to:								
Shareholders of the Company								18,697
Non-controlling interests								(6,593)
								12,104

**3. SEGMENT INFORMATION (Continued)**  
**Operating segments (Continued)**

*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
<b>ASSETS</b>							
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							<u>1,813,518</u>
<b>LIABILITIES</b>							
Segment liabilities	428,066	73,280	123,398	—	889	—	625,633
Unallocated corporate liabilities							<u>3,983</u>
Consolidated total liabilities							<u>629,616</u>

*Other information for the year ended 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
Additions to property, plant and equipment	40,654	6,556	15,405	—	26	—	62,641
Additions to right-of-use assets	148,615	—	63,525	—	—	—	212,140
Depreciation and amortisation of property, plant and equipment	(40,438)	(7,058)	(4,498)	—	(1,862)	—	(53,856)
Depreciation of right-of-use assets	(100,438)	(106)	(10,623)	—	—	—	(111,167)
Reversal of impairment loss of equipment	1,292	—	—	—	—	—	1,292
Impairment loss of right-of-use assets	(11,079)	—	—	—	—	—	(11,079)
Amortisation of prepaid lease payments	—	(524)	—	—	—	—	(524)
Surplus on revaluation of investment properties	—	—	—	—	7,435	—	7,435
Net unrealized loss on financial assets at fair value through profit or loss	—	—	—	795	—	(4,304)	(3,509)
Government grants from Anti-Epidemic Fund	—	209	—	—	—	—	209
Allowance for expected credit losses	—	(54)	(153)	—	—	—	(207)
Interest on lease liabilities	(27,620)	(97)	(2,730)	—	—	—	(30,447)

**3. SEGMENT INFORMATION (Continued)**  
**Operating segments (Continued)**

**Statement of profit or loss for the year ended 31st March, 2021**

	Convenience store operation <i>HK\$'000</i>	Rice operation <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>REVENUE</b>						
Total sales	829,566	781,046	—	3,748	—	1,614,360
<b>RESULTS</b>						
Segment results	(121,760)	132,210	41,406	10,335	2,727	64,918
Share of results of associates	—	(122)	—	561	(1,050)	(611)
Share of results of joint ventures	—	—	—	(480)	—	(480)
Profit before taxation						63,827
Taxation						(23,572)
Profit for the year						40,255
Profit for the year attributable to:						
Shareholders of the Company						40,212
Non-controlling interests						43
						40,255

**Segment assets and liabilities as at 31st March, 2021**

	Convenience store operation <i>HK\$'000</i>	Rice operation <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>ASSETS</b>						
Segment assets	527,707	197,058	177,300	231,889	463,279	1,597,233
Interests in associates	—	6,577	—	21,172	46,577	74,326
Interests in joint ventures	—	—	—	12,292	—	12,292
Consolidated total assets						1,683,851
<b>LIABILITIES</b>						
Segment liabilities	419,975	59,366	—	1,010	10,216	490,567
Unallocated corporate liabilities						13,993
Consolidated total liabilities						504,560



**3. SEGMENT INFORMATION (Continued)**  
**Operating segments (Continued)**

**Other information for the year ended 31st March, 2021**

	Convenience store operation <i>HK\$'000</i>	Rice operation <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Additions to property, plant and equipment	32,522	3,953	—	248	—	36,723
Additions to right-of-use assets	120,458	—	—	—	—	120,458
Depreciation and amortisation of property, plant and equipment	(38,006)	(9,249)	—	(1,839)	—	(49,094)
Depreciation of right-of-use assets	(96,614)	(145)	—	—	—	(96,759)
Impairment loss of equipment	(12,300)	—	—	—	—	(12,300)
Impairment loss of right-of-use assets	(27,266)	—	—	—	—	(27,266)
Amortisation of prepaid lease payments	—	(516)	—	—	—	(516)
Surplus on revaluation of investment properties	—	—	—	7,480	—	7,480
Net unrealized gain on financial assets at fair value through profit or loss	—	—	36,226	1,657	—	37,883
Government grants from Anti-Epidemic Fund	—	11,587	—	—	—	11,587
Allowance for expected credit losses	—	(195)	—	—	—	(195)
Interest on lease liabilities	(25,186)	(96)	—	—	—	(25,282)

**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:

	<b>Revenue by geographical markets</b>	
	<b>2022</b>	<b>2021</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Vietnam	<b>822,819</b>	829,566
Hong Kong	<b>815,930</b>	767,500
PRC and others	<b>135,484</b>	17,294
	<b>1,774,233</b>	1,614,360

#### 4. NET OTHER INCOME

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest revenue on:		
— Financial assets at fair value through profit or loss	67	1,458
— Financial assets measured at amortised costs	1,269	2,281
	<b>1,336</b>	3,739
Dividend income from listed financial assets at fair value through profit or loss	72	1,051
Other income from convenience store operation	15,829	16,624
COVID-19-related rent concessions for convenience store operation	7,858	5,076
Net impairment loss of right-of-use assets and equipment	(9,787)	(39,566)
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)/gain on disposal of financial assets at fair value through profit or loss	(410)	2,776
Net foreign exchange gain	8,390	2,393
Government grants from Anti-Epidemic Fund	209	11,587
Interest income from rental deposits	2,716	4,216
Net loss on disposal of plant and equipment	(5,300)	(2,718)
Sundry income	4,453	2,282
	<b>49,734</b>	7,460

## 5. PROFIT BEFORE TAXATION

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Depreciation and amortisation of property, plant and equipment	53,856	49,094
Depreciation of right-of-use assets	111,167	96,759
(Reversal of impairment loss)/impairment loss of equipment	(1,292)	12,300
Impairment loss of right-of-use assets	11,079	27,266
Amortisation of prepaid lease payments	524	516
Allowance for expected credit losses	207	195
Cost of inventories recognised as expense	1,045,141	971,910
Staff costs, including directors' remuneration	300,600	246,919
Interest on lease liabilities	30,447	25,282
Interest on bank loans	83	—

## 6. TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current tax:		
Hong Kong	22,525	24,199
Others	28	22
	<u>22,553</u>	<u>24,221</u>
(Over-provision)/under-provision in prior years:		
Hong Kong	(286)	40
Others	(14)	—
	<u>(300)</u>	<u>40</u>
Deferred tax:		
Current year's credit	(133)	(689)
Taxation attributable to the Company and its subsidiaries	<u>22,120</u>	<u>23,572</u>

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

### (a) Dividends attributable to the year:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interim dividend paid of HK1.2 cents per share on 1,697,406,458 shares (2021: HK1.1 cents per share on 1,697,406,458 shares)	<b>20,369</b>	18,671
Final dividend proposed of HK1.2 cents per share on 1,697,406,458 shares (2021: HK1.2 cents per share on 1,697,406,458 shares)	<b>20,369</b>	20,369
	<b>40,738</b>	39,040

The final dividend of HK1.2 cents per share for the year ended 31st March, 2022 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 end of the reporting period has not been recognised as a liability at the end of the reporting period.

### (b) Dividends approved and paid during the year:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of HK1.2 cents per share on 1,697,406,458 shares (2021: HK1.2 cents per share on 1,697,406,458 shares)	<b>20,369</b>	20,369
Interim dividend in respect of the current financial year, approved and paid during the year, of HK1.2 cents per share on 1,697,406,458 shares (2021: HK1.1 cents per share on 1,697,406,458 shares)	<b>20,369</b>	18,671
	<b>40,738</b>	39,040

## 8. EARNINGS PER SHARE

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

	<b>2022</b>	2021
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Earnings for the purpose of basic earnings per share	<b>18,697</b>	40,212

There is no dilutive potential ordinary share for both years.

## 9. IMPAIRMENT LOSS OF RIGHT-OF-USE ASSETS AND EQUIPMENT

Under the prolonged impact of COVID-19 pandemic which adversely impacted the performance of the Group's convenience store operation in Vietnam, the Group conducted impairment assessment on the carrying values of the Group's convenience store assets ("the convenience store assets") as at 31st March, 2022. An independent qualified professional valuer was engaged to assess the recoverable amounts of the convenience store assets. The recoverable amounts of the assets were determined based on a value-in-use calculation using cash flow projections based on financial forecasts approved by management. Major assumptions were based on the historical data and estimated future growth rate of the Group's convenience store operation in Vietnam.

Based on the result of the impairment assessment, the carrying amounts of the convenience store assets were written down to their recoverable amounts as the assets' carrying amounts were greater than their estimated recoverable amounts. For the convenience store assets with impairment indicators, net impairment loss of HK\$9,787,000 was recognised for the financial year ended 31st March, 2022 to write down the carrying amounts of the convenience store assets to their recoverable amounts, comprising (i) impairment loss of HK\$11,079,000 to write down the carrying value of right-of-use assets under convenience store segment from HK\$268,614,000 to HK\$257,535,000; and (ii) reversal of impairment loss of HK\$1,292,000 to recover the carrying value of equipment under convenience store segment from HK\$110,669,000 to HK\$111,961,000 respectively.

## 10. 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:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	<b>34,089</b>	23,372
31-60 days	<b>28,950</b>	13,290
61-90 days	<b>18,006</b>	9,490
Over 90 days	<b>6,801</b>	2,096
	<hr/> <b>87,846</b>	<hr/> 48,248

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.

During the year, the Group has made allowance for expected credit losses of approximately HK\$180,000 for the trade debtor balances. Actual bad debt expenses incurred during the year amounted to HK\$27,000.

## 11. TRADE CREDITORS

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

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	<b>116,232</b>	95,350
31-60 days	<b>5,296</b>	2,055
61-90 days	<b>3,321</b>	187
Over 90 days	<b>3,876</b>	1,536
	<hr/> <b>128,725</b>	<hr/> 99,128

## **CHAIRMAN STATEMENT**

On behalf of Golden Resources Development International Limited, I would like to present the business review of our Group for the financial year ended 31st March, 2022.

The global business environment remained challenging during the 2021/2022 financial year. Moving forward, with recent relaxation of COVID-19 restrictions, our Vietnam business is embarking on a new stage of robust recovery, while making tentative progress in Hong Kong based on improving trends and latest updates.

### **Circle K Convenience Store Business**

In Vietnam, the fallouts of COVID-19 pandemic brought the economy to a near standstill during the 2021/2022 financial year. The retail sector was especially hit hard by a series of lockdowns, curfews and strict social distancing restrictions. The unprecedented and unpredictable changes in the overall business and social environments with plunging tourist arrivals and foot traffic adversely affected the performance of the Group's convenience store business.

To withstand the impact of COVID-19, the Group continues to strengthen our convenience store business with hygiene maintenance enhancements, innovative marketing initiatives and operating efficiencies. With our solid foundation and well-established distribution network, our Circle K convenience stores were mandated by the Vietnam Government to stay open during the lockdown period in the summer of 2021, to supply essential products to the community and serve the people in need.

As of 31st March, 2022, the Group was operating 383 convenience stores covering 8 major cities in the country.

Going forward with a steadfast outlook, our convenience store business posted strong rebound in sales revenue with positive net profits in the first two months of subsequent financial year. These encouraging results were boosted by replaced under performance stores and relocated stores in better locations during pandemic period.

With a strong recovery momentum, the Group believes that the business environment in Vietnam is returning to normalcy and our convenience store business will be progressing well and delivering favourable financial performances in the current and future reporting periods.

### **Rice Business**

Our rice business performance in Hong Kong remained steady for the year under review. The fifth wave of COVID-19 pandemic battered the business environment. The Group had extended our effective Business Continuity Measures to mitigate the business risks.

To fulfill our social responsibility to serve Hong Kong community with stable rice supply under the COVID-19 challenges, proactive measures were taken to secure rice import amid the global supply chain disruptions. Preventive measures on sanitising and pre-emptive Rapid Antigen Testing for all staff were also implemented in the workplace to safeguard the health and well-being of our employees.

On business development side, the rice market in Hong Kong is saturated with keen competition. The Group continues to leverage on our market leadership with focus on market expansion and product innovation. The Group's strategic expansion of our premium Golden Elephant brand rice to Mainland China market has received overwhelming positive responses with robust growth potential.

## **CHAIRMAN STATEMENT** *(Continued)*

The Group continues to broaden our product range to supply healthy and innovative rice products. Extending from the success of our Golden Elephant Microwavable Cooked Rice series, we have recently collaborated with reputable food producers to launch the new Golden Elephant Microwavable Home Meals to serve our consumers with convenient premium home meals.

As a company with a deep and enduring history in Hong Kong, Golden Resources is committed to serving our community. In August 2021, we opened a Rice Stall in the Hong Kong Heritage Central Market to share our rice culture. We are pleased that our Golden Resources Rice Stall can serve as a platform to curate cherished memories and present the cultural roots of the Hong Kong Rice Industry to younger generations.

Looking ahead, the Group believes that with the vaccination programs steadily achieving their goal of providing a protective shield, the COVID-19 pandemic will soon be better mitigated and the global economy will steadily recuperate. We continue to be vigilant as the path towards normalcy will be arduous with not only covid but other viral, economic and geopolitical adversities.

As of 31st March, 2022, the Group had net cash and bank balances of HK\$455 million with no outstanding bank borrowings. With our strong balance sheet, we are well poised to pursue quality business investment opportunities to generate stable recurring income streams and add value for the shareholders.

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.



## MANAGEMENT DISCUSSION AND ANALYSIS

During the year under review, business environment remained challenging amid the fallouts of COVID-19 pandemic. The Group recorded total revenue of HK\$1,774,233,000 for the year ended 31st March, 2022 as compared to HK\$1,614,360,000 for last year. Revenue of the Group's core businesses recorded slight decrease in revenue on the back of the unprecedented market uncertainties across the globe. Our convenience store operation in Vietnam recorded revenue of HK\$822,819,000 (2021: HK\$829,566,000) and rice operation in Hong Kong recorded revenue of HK\$779,218,000 (2021: HK\$781,046,000). The Group's new business segment of packaging materials operation contributed external sales revenue of HK\$168,700,000 for the year under review.

In the midst of the tough business environment, the Group recorded net profit attributable to shareholders of HK\$18,697,000 for the year ended 31st March, 2022, as compared to net profit attributable to shareholders of HK\$40,212,000 for last year ended 31st March, 2021. The decrease in net profit for the year ended 31st March, 2022 was mainly attributable to the net effect of (i) net unrealized loss on financial assets at fair value through profit or loss of HK\$3,509,000 for the year ended 31st March, 2022 as compared to net unrealized gain of HK\$37,883,000 for last year ended 31st March, 2021; (ii) net impairment loss of HK\$9,787,000 on right-of-use assets and equipment of convenience store operation; (iii) adverse impact of COVID-19 pandemic on the Group's core business results and (iv) gain of HK\$24,368,000 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, during the year ended 31st March, 2022.

### Convenience Store Operation

During the year ended 31st March, 2022, the fallouts of COVID-19 pandemic brought the Vietnam economy to a near standstill. In the wake of the largest outbreak of COVID-19 pandemic in Vietnam during the year, the Government imposed stringent anti-pandemic measures with hard lockdowns, curfews and social distancing restrictions which hampered business and social activities. The unprecedented challenging business environment, with record-low level of tourist arrivals and foot traffics, adversely impacted the Group's convenience store business. Our convenience store operation segment recorded a net loss of HK\$104,700,000 for the year ended 31st March, 2022 (2021: HK\$121,760,000), including net impairment loss of HK\$9,787,000 (2021: HK\$39,566,000) on right-of-use assets and equipment for the year. To withstand the headwinds under COVID-19 pandemic, the Group continues to strengthen our convenience store business with innovative marketing initiatives and operational efficiency enhancements.

Going forward, our convenience store business has embarked on a new stage of robust recovery and posted strong rebound in sales revenue with positive net profits in the first two months of subsequent financial year. These encouraging results were boosted by replaced under performance stores and relocated stores in better locations during pandemic period.

With a strong growth momentum, the Group believes that the business environment in Vietnam is resuming to normalcy and our convenience store business will be progressing well and delivering favourable financial performance for the coming year ending 31st March, 2023 and future financial years.

## **MANAGEMENT DISCUSSION AND ANALYSIS** (*Continued*)

### **Rice Operation**

The Group's rice operation in Hong Kong performed steadily for the year under review. The fifth wave of COVID-19 pandemic and stringent government restrictions continued to batter business environment and weaken consumer sentiments. To meet the challenges, the Group has extended our effective Business Continuity Measures to mitigate the business risks. Proactive measures were taken to secure rice import amid the global supply chain disruptions to serve Hong Kong community with undisturbed supply of rice. Preventive measures on sanitising and pre-emptive Rapid Antigen Testing for all staff were also implemented to safeguard the health and safety of our employees.

To mitigate the potential credit risk under COVID-19 disruptions, the Group has strengthened our credit control policies to closely monitor the trade debtor collections and credit status of customers. The Group continued to maintain a low bad debt ratio amid the global economic downturn, with bad debt expenses of HK\$27,000 incurred for rice operation during the year ended 31st March, 2022.

The Group continues to leverage on our market leadership with focus on market expansion and product innovation. The Group's strategic expansion of our premium Golden Elephant brand rice to Mainland China market has been receiving overwhelming positive responses. On product development side, we have extended from the success of our Golden Elephant microwavable cooked rice series and launched our new Golden Elephant Home Meals, to serve consumers with premium and convenient food products. Our rice operation segment recorded profit before taxation of HK\$126,350,000 for this financial year, as compared to profit before taxation of HK\$132,210,000 for last year.

### **Packaging Materials Operation**

During the year under review, the Group's equity interest in Supreme Development Company Limited and its subsidiaries ("Supreme Development"), the previously held interest in associates, increased from 41.16% to 64.08% under deemed acquisitions of additional equity interests pursuant to the first and second share buy-back transactions of Supreme Development ("the Share Buy-back").

Upon completion of the first Share Buy-back of Supreme Development on 15th April, 2021, the Group's equity interest in Supreme Development increased from 41.16% to 61.75% and Supreme Development has become a non-wholly owned subsidiary of the Group. The Group's equity interest in Supreme Development further increased to 64.08% upon completion of the second Share Buy-back on 6 October, 2021. Details of the two Share Buy-back transactions are disclosed under sections headed "Deemed Acquisition of Subsidiaries" and "Connected Transaction".

In accordance with Financial Reporting Standards HKFRS 3 "Business Combination", the Group recognized a gain of HK\$24,368,000 on deemed acquisition of subsidiaries upon completion of the first Share Buy-back of Supreme Development on 15th April, 2021, arising from remeasurement of fair value of previously held equity interest in Supreme Development and deemed acquisition of additional equity interest therein.

Prior to the first Share Buy-back, Supreme Development was accounted for in the Group's consolidated financial statements as Interest in Associate by using equity method of accounting. After the first Share Buy-back, Supreme Development has become non-wholly owned subsidiary of the Group and its financial results are consolidated into the Group's consolidated financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS (*Continued*)

### Packaging Materials Operation (*Continued*)

Supreme Development is principally engaged in the business of manufacturing and sale of packaging materials. Financial results of Supreme Development are disclosed in the Group's segment results as a new business segment, namely the packaging materials operation segment. Packaging materials operation recorded external sales revenue of HK\$168,700,000 with segment profit before taxation and non-controlling interests of HK\$6,865,000 for the year ended 31st March, 2022, including (i) gain of HK\$24,368,000 on deemed acquisition of subsidiaries by the Company and (ii) loss of HK\$17,503,000 for loss before taxation and non-controlling interests incurred by Supreme Development. As at 31st March, 2022, segment assets and segment liabilities of the new packaging materials operation segment amounted to HK\$161,091,000 and HK\$123,398,000 respectively. Major components of the segment assets and liabilities of packaging materials operation segment included property, plant and equipment of HK\$42,367,000, right-of-use assets of HK\$59,647,000, inventory of HK\$28,937,000, trade debtors of HK\$20,645,000, trade creditors of HK\$16,038,000, other creditors and accruals of HK\$39,884,000 and lease liabilities of HK\$67,476,000.

Looking ahead, the Group believes that with the effective vaccination program, the COVID-19 pandemic will soon be under better control and the global economy will steadily recover. We have laid solid foundation in our core businesses and paved the way for the post-COVID resilience.

### Liquidity and Financial Resources

The Group's financial position remains sound and healthy amid the challenging business environment under COVID-19 pandemic. The Group maintains stable and strong cash inflow with cash balance of HK\$455,198,000 and no outstanding bank borrowings as at 31st March, 2022.

With cash and other current assets of HK\$995,269,000 as at 31st March, 2022 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements, as well as to meet the potential future challenges under COVID-19 pandemic.

As at 31st March, 2022, the Group's total current assets and total current liabilities amounted to HK\$995,269,000 (2021: HK\$904,790,000) and HK\$370,265,000 (2021: HK\$312,309,000) respectively. Total current assets as at 31st March, 2022 included cash and bank deposits of HK\$455,198,000 (2021: HK\$462,867,000) and financial assets at fair value through profit or loss of HK\$177,388,000 (2021: HK\$177,300,000). Total current liabilities included trade creditors of HK\$128,725,000 (2021: HK\$99,128,000) and current portion of lease liabilities of HK\$114,105,000 (2021: HK\$102,731,000).

The Group maintains sound liquidity ratio. Current ratio (defined as total current assets over total current liabilities) as at 31st March, 2022 was 2.6 times (2021: 2.8 times). If excluding the current portion of lease liabilities of HK\$114,105,000 (2021: HK\$102,731,000) recognized under HKFRS 16 "Leases", the current ratio was 3.8 times (2021: 4.3 times).

As at 31st March, 2022, the Group had no outstanding bank borrowings and therefore the gearing ratio is nil (defined as bank borrowings over shareholders' equity).

# MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

## Liquidity and Financial Resources (Continued)

As at 31st March, 2022, the Group recognized total lease liabilities of HK\$371,824,000 (2021: HK\$293,261,000) under HKFRS 16 “Leases”, including current portion of HK\$114,105,000 (2021: HK\$102,731,000) and non-current portion of HK\$257,719,000 (2021: HK\$190,530,000). Shareholders’ equity amounted to HK\$1,143,417,000 as at 31st March, 2022 (2021: HK\$1,170,749,000). The ratio of total lease liabilities over shareholders’ equity (defined as total lease liabilities over shareholders’ equity) as at 31st March, 2022 was 32.5% (2021: 25.0%).

The Group will continue to cautiously manage the Group’s net cashflow position and preserve sound and healthy financial position to meet future opportunities and challenges ahead.

## Securities Investment

As at 31st March, 2022, the Group held financial assets at fair value through profit or loss of approximately HK\$185,194,000 (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 31st March, 2022	Percentage to the Group’s total assets	Unrealized	Realized	Dividend
							gain/ (loss) on change in fair value for the year ended 31st March, 2022	gain/(loss) on disposal for the year ended 31st March, 2022	income received for the year ended 31st March, 2022
			%	HK\$ '000	HK\$ '000	%	HK\$ '000	HK\$ '000	HK\$ '000
<b>Listed outside Hong Kong</b>									
159901.SZ	E Fund SZSE100 ETF	800,000	0.04	1,477	3,113	0.17	(575)	—	—
2330.TW	Taiwan Semiconductor Manufacturing Co Ltd	10,000	0.00	456	1,636	0.09	27	—	23
GOOGL.O	Alphabet Inc Class A	75	0.00	515	1,633	0.09	422	—	—
MSFT.OQ	Microsoft Corporation	1,670	0.00	1,025	4,031	0.22	948	—	21
AMZN.OQ	Amazon.com, Inc.	56	0.00	800	1,429	0.08	73	—	—
BUG.OQ	Global X Cybersecurity ETF	1,400	0.00	358	344	0.02	(16)	—	2
	Others							(102)	26
<b>Total listed outside Hong Kong</b>				<b>4,631</b>	<b>12,186</b>	<b>0.67</b>	<b>879</b>	<b>(102)</b>	<b>72</b>
<b>Unlisted</b>				<b>29,968</b>	<b>368</b>	<b>0.02</b>	<b>—</b>	<b>123</b>	<b>—</b>
<b>Total equity securities</b>				<b>34,599</b>	<b>12,554</b>	<b>0.69</b>	<b>879</b>	<b>21</b>	<b>72</b>

### Notes:

- During the year ended 31st March, 2022, the Group recorded realized loss on disposal of equity securities listed in Hong Kong of approximately HK\$431,000.
- The investment cost, market value as at 31st March, 2022, unrealized gain/(loss) on change in fair value and realized gain/(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.

# MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

## Securities Investment (Continued) Other securities

Name of investee company	Investment cost <i>HK\$ '000</i>	Market value as at 31st March, 2022 <i>HK\$ '000</i>	Percentage to the Group's total assets %	Unrealized gain/(loss) on change in fair value for the year ended 31st March, 2022 <i>HK\$ '000</i>
Goldman Sachs (Asia) L.L.C. (Note 3)	69,794	102,447	5.65	1,430
Morgan Stanley & Co. International plc (Note 4)	46,542	62,755	3.46	(1,514)
Unlisted investments - Simple Agreement for Future Equity (Note 5)	11,682	7,438	0.41	(4,304)
<b>Total other securities</b>	<b>128,018</b>	<b>172,640</b>	<b>9.52</b>	<b>(4,388)</b>

### Notes:

- The Group's investment portfolio in Goldman Sachs (Asia) L.L.C. (the "GS portfolio"), with fair value of HK\$102,447,000 as at 31st March, 2022 represented 5.65% of the Group's total assets as at 31st March, 2022. Details of this significant investment are disclosed below as the size of this investment exceeded the 5% threshold under paragraph 32(4A) of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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 31st March, 2022, the GS portfolio was comprised of cash and cash equivalents (53.5%), in addition to mutual funds and exchange traded funds invested in fixed income (17.1%), equities (25.7%) and other investments (3.7%). The large portfolio cash position is due to the Group's September 2020 instructions to partially redeem certain positions and hold cash.

For the year ended 31st March, 2022, the 12-month period portfolio volatility was 3.25%. 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.

### Outlook

This year the manager expects global growth to slow from last year but remain above trend. On the monetary policy front, the manager expects it will be less uniform across central banks, with the Federal Reserve and Bank of England being the forerunners among developed countries to start tightening.

In March, 2022, the Federal Reserve raised the target range for the federal funds rate by 25 basis points. The updated economic projections from FOMC participants showed sharp upward revisions to the inflation outlook and the policy rate path. Following the hawkish shift in the policy stance, the manager now expects the Fed will raise the policy rate by 250 basis points in 2022.

Despite the risks to the US economic outlook have increased following Russia's invasion of Ukraine and the subsequent rise in commodity prices, the manager expects equities to deliver a high single-digit total return from current levels in the base case, outperforming cash and bonds for the foreseeable future. The manager has focused on two key areas: 1) the Economy, and 2) the Markets.

# MANAGEMENT DISCUSSION AND ANALYSIS (*Continued*)

## Securities Investment (*Continued*)

### *Other securities (Continued)*

*Notes: (Continued)*

#### **The Economy**

Despite a more front-loaded tightening cycle than initially projected, the US economy remains very well balanced. The manager believes the probability of a recession in the next 12 months is relatively low at 15-20%.

Historically, not every Federal Reserve tightening has led to recession. The manager points to four notable buffers that should make the US economy more resilient than normal to negative demand shock: (1) momentum in the labor market recovery from COVID-19, (2) excess personal savings and wealth, (3) excess demand for goods, and (4) excess demand for labor. These buffers suggest rising interest rates will have a smaller-than-normal dampening effect on real activity and the labor market.

Furthermore, with continued declining unemployment, above-trend economic growth, and gradually moderating inflation, the manager does not believe stagflation risk is high.

#### **The Markets**

A confluence of risk events, including the evolution of COVID-19 cases, higher inflation, a more aggressive pace of Federal Reserve tightening, and Ukraine-Russia war led to 10% pullback year-to-date in the S&P 500 through 22nd April, 2022. However, the manager's base case remains that none of these risks are disruptive enough to derail economic growth and trigger imminent recession, and as such the hurdles to underweight equities at this point is high.

The manager now expects S&P 500 earnings per share to grow by 8% in 2022. Historically, during non-recessionary periods with headline inflation at similar levels, median earnings growth has been 13%. The manager has revised the S&P 500 target range to 4700-4800 to reflect slower economic growth, as well as continued disruptions to the supply chain from China's zero-COVID policy and the Ukraine-Russia war.

The manager recommends clients stay invested according to their strategic asset allocations as the base case still implies positive equity returns from current levels and history suggests the revised earnings forecast is conservative. Resilient share buybacks and a reversal from today's bearish sentiment could be catalysts to support further equity upside.

Going forward, the manager continues to monitor risks surrounding escalation of the Ukraine-Russia war, exogenous shock to oil supplies, policy mistakes from the Federal Reserve, COVID-19 evolution and heightened geopolitical risks.

For the year ended 31st March, 2022, the GS portfolio recorded approximately 2% growth from HK\$100,346,000 as at 31st March, 2021 to HK\$102,447,000 as at 31st March, 2022. The growth is largely driven by marked-to-market fair value changes on the investment portfolio as at 31st March, 2022. The Group has not made any additional fund injection into the GS portfolio during the year ended 31st March, 2022.

The Group continues to adopt prudent investment strategy to manage liquid investment portfolio under the backdrop of COVID-19 pandemic. The investment strategy of GS portfolio aligned with the Group investment strategy. The GS portfolio had realized part of the portfolio assets to increase cash holdings and reduce portfolio volatility amid the global market uncertainty.

# MANAGEMENT DISCUSSION AND ANALYSIS (*Continued*)

## Securities Investment (*Continued*)

### *Other securities (Continued)*

*Notes: (Continued)*

- 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 31st March, 2022, the MS portfolio comprised 19.8% cash or cash equivalents, 15.3% fixed income funds, 59.8% equity funds (in the United States, Europe, Japan, Asia Pacific ex Japan and emerging markets) and the remaining 5.1% alternative strategies (which may, from time to time, include hedge funds, commodities, real estate). The 3-month period and 12-month period annualized portfolio volatility of the MS Strategy were 12.3% and 8.5% respectively.

Just as investors associate March of 2020 with the COVID bear market, March of 2022 will be remembered as the beginning of the acceleration of the worst bear market in bonds in 50 years. Reacting to the swift Federal Reserve policy pivot, long-dated US Treasury indexes declined more than 10% in the first quarter, while the Bloomberg US Aggregate Index fell nearly 6%. Volatility in the market portfolio's so-called risk-free asset came amid a worsening inflation outlook and a potential once-in-a-generation shift in the global world order. Already plagued by supply chain disruptions, the inflation picture was complicated by commodity markets roiled by the Russia-Ukraine conflict. Meanwhile, Fed rate hike expectations have soared to more than nine in 2022, resulting in rapid yield curve inversion—a development fraught with implications given the Fed's unorthodox policies of the last 13 years. In this month's issue, Michael Zezas discusses geopolitical developments, and Ellen Zentner offers her views on yield curve dynamics and potential economic impact.

At the same time, US equities staged a comeback in March from the S&P 500's 10% correction and an official 20% bear market in the Nasdaq Composite. Rather than being anxious about the impact of surging interest rates on valuations, equity investors seemed emboldened by still-ample liquidity, potential for a reopening rebound in consumer services and a strong labor market. The consumer undoubtedly holds the key to determining whether or not stocks are correct in assuming that demand will be undented by inflation and higher rates. Consumer confidence at an 11-year low suggests there is risk to this equity market stance. Sarah Wolfe addresses that controversy this month.

Lastly, the Global Investment Committee (GIC) continues to caution that navigating heightened volatility in stocks and bonds requires active risk management with a focus on quality. Transitioning portfolios away from a passive, US-centric stance, featuring mega-cap names and embedded capital gains, presents a challenge for those wanting to reposition for shifts in monetary policy, global politics and inflation. Direct indexing, which we discuss within, may be a valuable tool for some investors in this environment.

For the year ended 31st March, 2022, the MS portfolio recorded approximately 2% decline from HK\$63,842,000 as at 31st March, 2021 to HK\$62,755,000 as at 31st March, 2022. The decline is largely driven by marked-to-market fair value changes on the investment portfolio as at 31st March, 2022. The Group has not made any additional fund injection into the MS portfolio during the year ended 31st March, 2022.

The Group continues to adopt prudent investment strategy to manage liquid investment portfolio under the backdrop of COVID-19 pandemic.

- 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 with total costs of HK\$11,682,000 were classified as financial assets at fair value through profit or loss as at 31st March, 2022. An independent qualified professional valuer was engaged to assess the fair values of the SAFEs as at 31st March, 2022. The decrease in fair values of HK\$4,304,000 has been recognized in the consolidated statement of profit or loss for the year ended 31st March, 2022.

Save as the Investments as set out in the tables above, the Group did not hold any other significant investments during the year ended 31st March, 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS (*Continued*)

### Securities Investment (*Continued*)

#### *Investment strategy*

The 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 year ended 31st March, 2022, the Group recorded total fair value loss on financial assets at fair value through profit or loss of approximately HK\$3,919,000, attributable to unrealized loss of approximately HK\$3,509,000 and realized loss of approximately HK\$410,000. Dividend income received from financial assets at fair value through profit or loss amounted to approximately HK\$72,000 during the year. The amounts of financial assets at fair value through profit or loss acquired during the year amounted to approximately HK\$12,040,000. The amounts of financial assets at fair value through profit or loss disposed during the year amounted to approximately HK\$19,844,000.

### DEEMED ACQUISITION OF SUBSIDIARIES

On 26th March, 2021, Supreme Development Company Limited (“Supreme Development”), a company beneficially owned as to approximately 41.16% by the Company, entered into Share Buy-back Agreement with Sojitz (Hong Kong) Limited (“SJHK”) and Sojitz Pla-Net Corporation (“SPNC”), pursuant to which Supreme Development conditionally agreed to buy-back 3,501,350 Supreme Development’s shares and 1,500,150 Supreme Development’s shares (representing approximately 23.34% and 10% of the total number of issued shares of Supreme Development respectively) from SJHK and SPNC respectively at a total consideration of HK\$27,505,500 (“the Share Buy-back”).

The Share Buy-back transaction is deemed to be an acquisition by the Company as the Group’s percentage of shareholding in Supreme Development increased from approximately 41.16% to 61.75% upon completion.

The Share Buy-back of Supreme Development completed on 15th April, 2021. In accordance with Financial Reporting Standards HKFRS 3 “Business Combination”, the Group recognized a gain of HK\$24,368,000 on deemed acquisition of subsidiaries, arising from remeasurement of fair value of previously held equity interest in Supreme Development and deemed acquisition of additional equity interest therein.

Prior to the completion, Supreme Development was accounted for in the Group’s consolidated financial statements as Interest in Associate by using equity method of accounting. After completion, Supreme Development has become non-wholly owned subsidiary of the Group and its financial results are consolidated into the Group’s consolidated financial statements.

Supreme Development is principally engaged in the business of manufacturing and sale of packaging materials.

On 6th October, 2021, Supreme Development entered into a Share Buy-back Agreement with Mr. Lau Shiu Yin, a director of Supreme Development. Details are disclosed under section headed “Connected Transaction”.



## **CONNECTED TRANSACTION**

On 6th October, 2021, Supreme Development Company Limited (“Supreme Development”), an indirect non-wholly owned subsidiary beneficially owned as to approximately 61.75% by the Company, entered into a Share Buy-back Agreement with Mr. Lau Shiu Yin, a director of Supreme Development and beneficially owner of approximately 23.75% shareholding in Supreme Development, pursuant to which Supreme Development agreed to buy-back 364,000 Supreme Development’s shares (representing approximately 3.64% of the total number of issued shares of Supreme Development) from Mr. Lau Shiu Yin at a cash consideration of HK\$3,003,000 (“the Second Share Buy-back”).

Mr. Lau Shiu Yin is a connected person of the Company at the subsidiary level and the transaction is a connected transaction only because it involved connected persons at the subsidiary level. The size of the transaction is below the 1% de minimis rules under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Second Share Buy-back transaction is deemed to be an acquisition of additional interest in subsidiary by the Company as the Group’s percentage of shareholding in Supreme Development increased from approximately 61.75% to 64.08% upon completion of the Second Share Buy-back.

## **FINAL DIVIDEND**

The Directors have resolved to recommend the payment of a final dividend of HK1.2 cents per share (2021: HK1.2 cents per share) for the year ended 31st March, 2022 to the shareholders on the Register of Members of the Company at the close of business on Monday, 5th September, 2022. Together with the interim dividend of HK1.2 cents per share paid on Monday, 10th January, 2022, the total dividends for the year ended 31st March, 2022 will be HK2.4 cents per share (2021: HK2.3 cents per share).

Subject to the approval of shareholders at the forthcoming annual general meeting to be held on Tuesday, 30th August, 2022, the final dividend will be paid to the shareholders on or about Monday, 19th September, 2022.

## **CLOSURE OF REGISTER OF MEMBERS FOR THE ENTITLEMENT TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING**

For the purpose of determining the entitlement of the shareholders to attend and vote at the forthcoming annual general meeting, the Register of Members of the Company will be closed from Wednesday, 24th August, 2022 to Tuesday, 30th August, 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. Shareholders whose names appear on the Register of Members of the Company at the close of business on Tuesday, 23rd August, 2022 will be entitled to attend and vote at the forthcoming annual general meeting. 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 and Transfer Office in Hong Kong, Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (if the transfer will be lodged before 15th August, 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong (if the transfer will be lodged on or after 15th August, 2022) for registration not later than 4:30 p.m. (Hong Kong time) on Tuesday, 23rd August, 2022.

Remarks: The address of the Company’s Branch Share Registrar and Transfer Office in Hong Kong, Tricor Standard Limited, will be changed to 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong with effect from 15th August, 2022. For details, please refer to the Company’s announcement to be made in due course.

## **LAST DAY FOR TRADING AND RECORD DATE FOR THE ENTITLEMENT TO FINAL DIVIDEND**

The last day for trading in the Company's shares with entitlement to the final dividend will be on Thursday, 1st September, 2022. The Company's shares will be traded ex-entitlement on Friday, 2nd September, 2022.

The record date for the entitlement to the final dividend is at 4:30 p.m. (Hong Kong time) on Monday, 5th September, 2022. In order to qualify for the final dividend, if approved, 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 and Transfer Office in Hong Kong, Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (if the transfer will be lodged before 15th August, 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong (if the transfer will be lodged on or after 15th August, 2022) for registration not later than 4:30 p.m. (Hong Kong time) on Monday, 5th September, 2022. The final dividend will be paid on or about Monday, 19th September, 2022.

## **EMPLOYEES AND REMUNERATION POLICY**

The total number of employees for the Group is about 3,792.

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. Joseph LAM Yuen To, Mr. Michael YU Tat Chi and Mr. Ronald YAN Mou Keung, 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, 2022.

## **SCOPE OF WORK OF THE AUDITOR**

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st March, 2022 have been agreed by the Group's auditor, HLM CPA Limited ("the Auditor"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the Auditor on the preliminary announcement.

## **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 year ended 31st March, 2022.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. 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 year ended 31st March, 2022.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SHARES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed shares for the year ended 31st March, 2022.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

The annual results announcement is published on the website of Hong Kong Exchanges and Clearing Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.grdil.com](http://www.grdil.com)). The 2022 annual report containing all the information required by the Listing Rules will be dispatched to the Company’s shareholders and will be published on the aforementioned websites in due course.

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

Hong Kong, 28th June, 2022

*As at the date of this announcement, 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.*