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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)

**CONNECTED TRANSACTION
FORMATION OF JOINT VENTURE**

The Board wishes to announce that on 6 September 2022 (after trading hours), Radiant Bay, an indirect wholly-owned subsidiary of the Company, entered into the Shareholders' Agreement with Kamakura Foods, Start Wise and the JV Company to establish a joint venture to produce and distribute Japanese light meals and snacks in Hong Kong. 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.

As at the date of this announcement, (i) Kamakura Foods is a substantial shareholder of a non-wholly owned subsidiary of the Company; and (ii) Start Wise is indirect wholly-owned by Yuen Loong, which is a substantial shareholder of the Company. Accordingly, the Formation of JV involving Kamakura Foods and Start Wise constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Group's capital commitment to the Formation of JV exceeds 0.1% but is less than 5%, the Formation of JV is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board wishes to announce that on 6 September 2022 (after trading hours), Radiant Bay, an indirect wholly-owned subsidiary of the Company, entered into the Shareholders' Agreement with Kamakura Foods and Start Wise to establish a joint venture to produce and distribute Japanese light meals and snacks in Hong Kong. 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.

Principal terms of the Shareholders' Agreement are set out below:

THE SHAREHOLDERS' AGREEMENT

Date

6 September 2022 (after trading hours)

Parties

- (1) Radiant Bay;
- (2) Kamakura Foods;
- (3) Start Wise; and
- (4) JV Company.

Principal terms

Business scope of the JV Company

The business scope of the JV Company (the "**Business**") includes but not limited to :

- (i) develop product recipes, including but not limited to Ekiben bento, Onigiri and sushi; and
- (ii) operate central kitchen, retail stores and vending machines for Ekiben bento and Onigiri in Hong Kong.

Contributions by the JV Shareholders

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 as follows:

JV Shareholder	Pro-Rata Percentage (on a fully diluted basis)	Initial Cash Contribution	Initial Non-Cash Contribution
Radiant Bay	45.01%	HK\$4,501,048	--
Kamakura Foods	29.18%	--	HK\$2,918,351
Start Wise	25.81%	HK\$2,580,601	--
Total	100.00%	HK\$7,081,649	HK\$2,918,351

The cash contribution payable by Radiant Bay and Start Wise to the JV Company when the capital expenses and/or the operation expenses so required, but in any event not later than 31 March 2023.

Details of the non-cash contribution payable by Kamakura Foods are as follows:

- (i) equipment injection and design consultation of the central kitchen of value HK\$393,647;
- (ii) sixteen (16) units of vending machines of value HK\$2,524,704;
- (iii) in the event of Kamakura Foods having successfully obtained not less than HK\$1,200,000 by way of grant from government or private agencies to the JV Company as operation expenses, the JV Company shall release eight (8) vending machines back to Kamakura Foods absolutely;
- (iv) in the happening of Kamakura Foods successfully procured outside investment of not less than HK\$3,000,000 and valuation for the JV Company shall exceed HK\$30,000,000 as assessed by valuers, Radiant Bay and Start Wise shall jointly transfer 1,000,000 JV Shares, free of payment, to Kamakura Foods by way of incentive in accordance with their share proportion.

Composition of JV Board and management team

The JV Board shall consist of ten (10) initial directors, of which Radiant Bay shall be entitled to appoint five (5) directors, Kamakura Foods shall be entitled to appoint three (3) directors and Start Wise shall be entitled to appoint two (2) directors. The chairperson of the JV Board shall be nominated by the majority of the directors of the JV Company.

In addition, the JV Shareholders shall form a management committee which shall comprise one (1) representative of Radiant Bay, Kamakura Foods and Start Wise each (who shall also become director of the JV Company) to manage the daily operation and report to the JV Board at intervals to be agreed by the JV Shareholders from time to time.

Dividend Policy

Subject always to requirements under the applicable laws, dividends of the JV Company will be declared and paid to the JV Shareholders pro rata to their Respective Proportions, in accordance with the applicable laws, the recommendations of the JV Board and the audited financial statements of the JV Company which shall take into account the appropriation of prudent and proper reserves and cash, allowance for anticipated costs and expenses and future working capital, and provision for tax for the next financial year.

Lock-in Period

Unless with the prior written consent of the JV Shareholders, no JV Shareholder can sell, transfer or dispose any JV Shares prior to the date of the fifth (5th) anniversary of the date of the Shareholders' Agreement, subject to the usual tag-along rights, drag-along rights and intellectual property rights.

Each of the JV Shareholders shall be eligible to transfer its JV Shares after the fifth (5th) anniversary of the date of the Shareholders' Agreement with majority consent of the JV Shareholders subject to the usual right of first refusal.

Non-Competition

For so long as it holds JV Shares, and for a period of twelve (12) months after it ceases to hold JV Shares, Kamakura Foods agrees that it shall not, directly or indirectly:

- (i) engage in a business directly or indirectly competing with the Business, except through the JV Company pursuant to the terms of the Shareholders' Agreement;
- (ii) seek to by-pass, compete, avoid or circumvent the JV Company, Radiant Bay, Start Wise, or its affiliates from participating in any business opportunity related to the subject matter of the Shareholders' Agreement;
- (iii) seek to by-pass, compete, avoid or circumvent in any way the undertakings detailed above,

unless unanimously approved by the JV Board.

REASONS FOR AND BENEFITS OF THE FORMATION OF JV

Kamakura Foods is a company incorporated in Hong Kong and, through its brand "Wada Bento", operates a "Decentralised Foodservice Platform" using hot-chain bento robot technology. Leveraging on the technology and know-how of Kamakura Foods, the management expertise of Start Wise and the Group's established experience in processing and distribution business, it is expected that the Formation of JV would create business synergies between the JV Shareholders and enable the Group to expand its business scope, increase its profitability and bring long term value to the Group.

The Directors (including the independent non-executive Directors) consider that the Formation of JV is in the ordinary and normal course of business of the Company, under normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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.

INFORMATION ON THE GROUP AND RADIANT BAY

Radiant Bay is an investment holding company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company. The Company is an investment holding company and the principal activities of the Group are sourcing, importing, wholesaling, processing, packaging, marketing and distribution of rice, securities investment, property investment, packaging materials operation, convenience stores operation and investment holding.

INFORMATION ON KAMAKURA FOODS AND START WISE

Kamakura Foods

Kamakura Foods is a company incorporated in Hong Kong with limited liability and owns a 15% shareholding interests in Affluent Woods Limited, a non-wholly owned subsidiary of the Company. Accordingly, Kamakura Foods is a connected person of the Company at the subsidiary level. To the best of the Directors' knowledge, information and belief having made reasonable enquiries, as at the date of this announcement, Kamakura Foods has a diverse shareholder base consisting of 13 shareholders and none of them are connected persons of the Company. The two largest shareholders of Kamakura Foods are Mr. Chen Jun (陳隽) and Mr. Chan Wing Chi Stephen (陳永志), who are both Hong Kong residents holding approximately 17.2% and 17% of the issued share capital of Kamakura Foods respectively.

Start Wise

Start Wise is an investment holding company incorporated in the BVI with limited liability and is indirect wholly owned by Yuen Loong, which owns approximately 32.28% of the issued share capital of the Company and is a substantial shareholder of the Company.

As at the date of this announcement, (i) Mr. Laurent LAM Kwing Chee, an executive Director, is interested in approximately 18% of the issued share capital of Yuen Loong; (ii) Mr. Anthony LAM Sai Ho, an executive Director, 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 Yuen Loong; and (iii) each of Madam LAM Sai Mann, an executive Director, and Mr. Dennis LAM Saihong, a non-executive Director, 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 Yuen Loong.

LISTING RULES IMPLICATIONS

As at the date of this announcement, (i) Kamakura Foods is a substantial shareholder of a non-wholly owned subsidiary of the Company; and (ii) Start Wise is indirect wholly-owned by Yuen Loong, which is a substantial shareholder of the Company. Accordingly, the Formation of JV involving Kamakura Foods and Start Wise constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Group's capital commitment to the Formation of JV exceeds 0.1% but is less than 5%, the Formation of JV is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

By virtue of their indirect shareholding interests held in Start Wise, the following Directors, namely, Mr. Laurent LAM Kwing Chee, Mr. Anthony LAM Sai Ho, Madam LAM Sai Mann and Mr. Dennis LAM Saihong were required to abstain from voting, and had done so, at the Board meeting on the resolutions approving the terms of the Shareholders' Agreement and the Formation of JV.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED, a company incorporated in Bermuda with limited liability and whose Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Formation of JV”	the formation of the JV Company pursuant to the terms of the Shareholders’ Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“JV Board”	the board of directors of the JV Company
“JV Company”	KANADA FOODTECH COMPANY LIMITED, a company incorporated in Hong Kong with limited liability on 23 May 2022 and 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
“JV Share(s)”	the issued share(s) of the JV Company
“JV Shareholder(s)”	the shareholder(s) of the JV Company which, as at the date of the Shareholders’ Agreement, comprise Radiant Bay, Kamakura Foods and Start Wise, and each, a “JV Shareholder”
“Kamakura Foods”	KAMAKURA FOODS LIMITED, a company incorporated in Hong Kong with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Radiant Bay”	RADIANT BAY HOLDINGS LIMITED, a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Respective Proportions”	the proportion of JV Shares owned by a JV Shareholder as a percentage against the total share capital of the JV Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement dated 6 September 2022 entered into between Radiant Bay, Kamakura Foods, Start Wise and the JV Company in relation to the Formation of JV
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Start Wise”	START WISE INVESTMENTS LIMITED, a company incorporated in the BVI with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the same meaning ascribed to it under the Listing Rules
“Yuen Loong”	YUEN LOONG INTERNATIONAL LIMITED, a company incorporated in the BVI with limited liability and a substantial shareholder of the Company
"%"	per cent.

By Order of the Board of
Golden Resources Development International Limited
Laurent LAM Kwing Chee
Chairman

Hong Kong, 6 September 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.