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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)

**2022/2023 INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 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 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
	Notes		
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

	<i>Notes</i>	30th September, 2022 (Unaudited) <i>HK\$'000</i>	31st March, 2022 (Audited) <i>HK\$'000</i>
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		169,741	169,741
Reserves		1,020,912	973,676
		1,190,653	1,143,417
Shareholders' equity		1,190,653	1,143,417
Non-controlling interests		36,077	40,485
		1,226,730	1,183,902

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 <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>
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 <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>	Consolidated <i>HK\$'000</i>
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

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

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

	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>
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 <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>	Consolidated <i>HK\$ '000</i>
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

3. SEGMENT INFORMATION (Continued)

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	2021
	(Unaudited)	(Unaudited)
	HK\$'000	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	2021
	(Unaudited)	(Unaudited)
	HK\$'000	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	2021
	(Unaudited)	(Unaudited)
	HK\$'000	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	HK\$'000
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	HK\$'000
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 (Unaudited) HK\$'000	31st March, 2022 (Audited) 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

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.

CHAIRMAN STATEMENT (Continued)

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.

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.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Liquidity and Financial Resources (Continued)

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 (Note 1) HK\$'000	Market value as at 30th September, 2022 (Note 1) HK\$'000	Percentage to the Group's total assets	Unrealized	Realized	Dividend
							change in fair value for the six months ended 30th September, 2022 (Note 1) HK\$'000	loss on disposal for the six months ended 30th September, 2022 (Note 1) HK\$'000	income received for the six months ended 30th September, 2022 (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.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Securities Investment (Continued) 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:

- 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.

- 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.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Securities Investment (Continued)

Other securities (Continued)

Notes: (Continued)

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 Friday, 16th 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 Monday, 12th December, 2022 to Friday, 16th 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 Friday, 9th December, 2022.

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 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 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.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk) and the website of the Company (www.grdil.com). The 2022/2023 interim report will be dispatched to 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, 29th November, 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.