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**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED**

**金源發展國際實業有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 677)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL  
OF NI CORPORATION\***

**THE AGREEMENT**

The Board is pleased to announce that, on 31 May 2023, the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Agreement with the Vendors pursuant to which the Purchaser conditionally agreed to acquire, and the Vendors conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company, at the Consideration of JPY3,404,000,000 (equivalent to approximately HKD197,432,000).

Upon Completion, the Company will indirectly hold the entire issued share capital of the Target Company, which will in turn hold the Target Group. Further information on the Target Group, including the Land and the Properties, is set out in the section headed “Information on the Target Group” below.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but all of them are below 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements but exempt from the shareholders’ approval requirement under the Listing Rules.

**THE COMPLETION IS CONDITIONAL UPON THE SATISFACTION OF A NUMBER OF CONDITIONS PRECEDENT AS SET OUT IN THE AGREEMENT. ACCORDINGLY, THE ACQUISITION MAY OR MAY NOT PROCEED. POTENTIAL INVESTORS AND SHAREHOLDERS OF THE COMPANY ARE THEREFORE ADVISED TO EXERCISE CAUTION IN DEALING IN THE COMPANY’S SECURITIES.**

## **INTRODUCTION**

On 31 May 2023, the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendors entered into the Agreement, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendors conditionally agreed to sell, the Sale Shares.

A summary of the principal terms of the Agreement is as follows:

## **THE AGREEMENT**

### **Date**

31 May 2023

### **Parties**

- (1) the Purchaser; and
- (2) the Vendors.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors is an Independent Third Party and not connected with the Company and its connected persons.

### **Shares to be acquired**

The Sale Shares represent the entire issued share capital of the Target Company. Upon Completion, the Company will indirectly hold the entire issued share capital of the Target Company, which will in turn hold the Target Group, and the financial statements of the Target Group will be consolidated into the financial statements of the Group.

### **Consideration**

The Consideration for the Acquisition is JPY3,404,000,000 (equivalent to approximately HKD197,432,000), which is payable by the Purchaser (funded by the Group's internal resources) to the designated bank account of each of the Vendors (after setting off the Contract Money) at Completion.

### **Basis of Consideration**

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendors with reference to, among other things, (i) the net asset value of JPY1,635,836,622 (equivalent to approximately HKD94,878,524) as shown in the unaudited consolidated accounts of the Target Group as at 30 November 2022; (ii) the appraisal value in respect of the Land and the Properties amounting to JPY6,139,200,000 (equivalent to approximately HKD356,073,600) as of 20 February 2023 according to a valuation report dated 8 March 2023 issued by Hokkaido Appraisers Firm, an independent property valuer in Japan; (iii) the location and development prospects of the Land and the Properties; and (iv) the current market conditions including the rising price of real estate in Niseko, Hokkaido, Japan and its surrounding areas.

Having considered the above, the Directors are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Conditions Precedent**

Completion shall be subject to and conditional upon the fulfillment (or waiver, where applicable) of the following Conditions Precedent:

- (i) all the representations and warranties given by the Purchaser and the Vendors under the Agreement remaining true and accurate in all material respects as at date of the Agreement and Completion;
- (ii) the Purchaser and each of the Vendors having performed or complied, in all material respects, with its covenants and agreements contained in the Agreement and required to be performed or complied with prior to Completion;
- (iii) no judicial or administrative proceedings having been made to restrict or prohibit the execution of the Acquisition, and no procedure for requesting the judgment of such judicial or administrative proceedings having been filed or is pending;
- (iv) the general meeting of shareholders of the Target Company approving the transfer of the Sale Shares from the Vendors to the Purchaser; and
- (v) no event having occurred between the date of the Agreement to the date of Completion that would have a material adverse effect on the Target Group.

## **Completion**

Completion is expected to take place on 16 June 2023 or the third business day after the date on which all the conditions set out in the section headed “Conditions Precedent” above and any other relevant conditions under the Agreement have been satisfied or waived, whichever is earlier, or unless otherwise agreed between the parties.

## **Further undertaking**

After Completion, the Purchaser shall cause the Target Subsidiary to pay to two current directors of the Target Company, namely Yoshio Nishimura and Sachiko Nishimura, a total of JPY96,000,000 (equivalent to approximately HKD5,568,000) as retirement benefits.

## **INFORMATION ON THE TARGET GROUP**

The Target Company is a joint-stock company established under the laws of Japan on 5 July 2017 and is principally engaged in investment holding. As of the date of this announcement, the Target Company is owned approximately 70.54% by Yoshio Nishimura, approximately 26.35% by Sachiko Nishimura, approximately 1.35% by Urara Nishimura and approximately 1.76% by Ayano Nishimura. The Target Company holds the entire issued share capital of the Target Subsidiary which, together with the Target Company, forms the Target Group.

The Target Subsidiary is a joint-stock company established under the laws of Japan on 26 April 1973 and holds 133 parcels of land with a total site area of 326,292.25 square metres in Niseko and its surrounding areas (the “Land”). Out of the Land, there are more than 80% of the total site area which are located in the

Hirafu and nearby areas of Niseko, on which 11 properties with a total gross floor area of 2,311.87 square metres have been erected (the “Properties”).

The Target Group is principally engaged in the business of real estate transactions, leasing accommodations, operating restaurants, managing sports facilities and parking lots in Niseko and its surrounding areas through its ownership in the Land and the Properties.

### Financial information

Set out below is a summary of the financial information of the Target Group extracted from its unaudited consolidated accounts for the two years ended 30 November 2022 and 30 November 2021:

	<b>For the year ended 30 November 2022</b> <i>(unaudited) JPY</i>	<b>For the year ended 30 November 2021</b> <i>(unaudited) JPY</i>
Net profit/(loss) before taxation	325,978,272 (equivalent to HKD18,906,740)	(30,697,653) (equivalent to HKD(1,780,464))
Net profit/(loss) after taxation	224,213,876 (equivalent to HKD13,004,405)	(31,297,653) (equivalent to HKD(1,815,264))
	<b>As at 30 November 2022</b> <i>(unaudited) (JPY)</i>	
Net assets	1,635,836,622 (equivalent to HKD94,878,524)	

### INFORMATION ON THE GROUP

The Group is principally engaged in the business of sourcing, importing, wholesaling, processing, packaging, marketing and distribution of rice and food products, convenience store operation, packaging materials operation, securities investment, property investment and investment holding.

### REASONS FOR AND BENEFITS OF THE ACQUISITION

All the Land and the Properties located in the Hirafu area of Niseko United area offer a spectacular view of Mount Yotei. They are situated within approximately 10 minutes’ walking distance from the heart of Hirafu and have easy access to destinations in the Niseko United area including the four world-renowned ski resorts, namely Grand Hirafu Ski Resort, Niseko Village Ski Resort, Annupuri International Ski Resort and Hanazono Ski Resort. Furthermore, the Land and the Properties in the Hirafu area of the Niseko United

area are within approximately 30-minute' driving distance from these ski resorts, with Grand Hirafu Ski Resort being approximately only a few minutes by car.

Leveraging on the Group's fast-moving consumer goods (FMCG), food service supply and retailing operations experience, the Board considers that the Acquisition represents a good opportunity for the Group potentially to transform the Land and the Properties into a "retailtainment" destination in the Niseko United area. The Board is of the view that the transformation project, if successfully implemented, will not only enrich holiday experience of visitors but also bring quality products and services to the growing population of working residents in all the new and upcoming hospitality establishments.

In view of the above, the Board is of the view that the terms of the Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but all of them are below 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

**THE COMPLETION IS CONDITIONAL UPON THE SATISFACTION OF A NUMBER OF CONDITIONS PRECEDENT AS SET OUT IN THE AGREEMENT. ACCORDINGLY, THE ACQUISITION MAY OR MAY NOT PROCEED. POTENTIAL INVESTORS AND SHAREHOLDERS OF THE COMPANY ARE THEREFORE ADVISED TO EXERCISE CAUTION IN DEALING IN THE COMPANY'S SECURITIES.**

### **DEFINITIONS**

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

"Acquisition"	the proposed acquisition by the Purchaser of the Sale Shares from the Vendors pursuant to the Agreement
"Agreement"	the share purchase agreement dated 31 May 2023 entered into between the Purchaser and the Vendors in relation to the Sale Shares
"Board"	the board of Directors of the Company
"Company"	Golden Resources Development International Limited (stock code: 677), a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange
"Completion"	completion of the Acquisition in accordance with the terms and conditions of the Agreement as set out in the section headed "Completion"

“Conditions Precedent”	the conditions precedent to Completion pursuant to the Agreement, a summary of which is set out in the section headed “Conditions Precedent”
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate consideration of JPY3,404,000,000 (equivalent to approximately HKD197,432,000) for the Acquisition
“Contract Money”	JPY35,000,000 (equivalent to approximately HKD2,030,000) paid by the Purchaser to Yoshi Nishimura as a form of refundable deposit for the Acquisition on 13 April 2023
“Director(s)”	the director(s) of the Company
“Independent Third Party(ies)”	Person(s) who is/are not connected person(s) (as defined in the Listing Rules) of the Company and are third parties independent of and not connected with the Company or its connected persons (as defined in the Listing Rules)
“Group”	the Company together with its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“JPY”	Japanese Yen, the lawful currency of Japan
“Land”	as defined in the section headed “Information on the Target Group”
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Properties”	as defined in the section headed “Information on the Target Group”
“Purchaser”	Honorwood Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Sale Shares”	the entire issued share capital of the Target Company as at the date of this announcement
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Target Company”	NI Corporation, a joint-stock company with limited liability established under the laws of Japan on 5 July 2017, the entire issued share capital of which is held by the Vendors as at the date of this announcement
“Target Group”	the Target Company and the Target Subsidiary
“Target Subsidiary”	Izumikyo Co., Ltd., a joint-stock company with limited liability established under the laws of Japan on 26 April 1973, the entire issued share capital of which is held by the Target Company as at the date of this announcement
“Vendors”	the existing shareholders of the Target Company, namely Yoshio Nishimura, Sachiko Nishimura, Urara Nishimura and Ayano Nishimura
“%”	per cent.

*\* Translated English names of Japanese natural persons, legal persons or other entities for which no official English translations exist are unofficial translations for identification purposes only.*

*For illustration purposes, amounts denominated in JPY in this announcement have been converted into HKD at an exchange rate of JPY1.00:HKD0.058.*

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

Hong Kong, 31 May 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Laurent LAM Kwing Chee (Chairman and Group Executive Chairman), Mr. Anthony LAM Sai Ho (Vice Chairman and Group 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.*