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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE 2017 ANNUAL REPORT**

Reference is made to the annual report (the “**2017 Annual Report**”) of Golden Resources Development International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the year ended 31 March 2017. The board of directors (the “**Board**”) of the Company wishes to provide additional information in respect of the Group’s financial assets at fair value through profit or loss as disclosed in note 21 to the consolidated statement of financial position of the 2017 Annual Report, as follows:

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 March 2017, the Group held financial assets at fair value through profit or loss of approximately HK\$235.8 million (the “Investments”), particulars of which are set out below:

The Investments

Equity securities

Stock Code	Name of investee company	Number of shares held	Percentage of share capital owned by the Group %	Investment cost (Notes 1 & 2) HK\$'000	Market value as at 31 March (Note 1) HK\$'000	Unrealized gain/(loss) on change in fair value for the year ended 31 March (Note 1) HK\$'000	Realized gain/(loss) on disposal for the year ended 31 March (Note 1) HK\$'000	Dividend received for the year ended 31 March 2017 HK\$'000
<i>Listed in Hong Kong</i>								
0002	CLP Holdings Limited	50,000	0.0020	3,098	4,063	555	—	140
0005	HSBC Holdings PLC	93,200	0.0005	7,536	5,900	1,389	—	369
0857	PetroChina Company Limited	288,000	0.0014	2,756	1,638	153	—	14
0883	CNOOC Limited	220,000	0.0005	2,466	2,042	26	—	73
0941	China Mobile Limited	18,000	0.0001	1,423	1,531	(25)	—	43
1299	AIA Group Limited	100,000	0.0008	3,039	4,900	505	—	73
1398	Industrial and Commercial Bank of China Limited	1,618,910	0.0019	9,083	8,224	1,198	—	401
1972	Swire Properties Limited	12,000	0.0002	320	299	47	—	9
2388	BOC Hong Kong (Holdings) Limited	250,000	0.0024	4,710	7,937	2,150	—	484
	Others						4,624	872
	Total Listed in Hong Kong			34,431	36,534	5,998	4,624	2,478

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<i>Listed outside Hong Kong</i>								
159901.SZ	E Fund SZSE100 ETF	400,000	0.0000	1,477	1,881	122	—	—
2330.TW	Taiwan Semiconductor Manufacturing Co Ltd	10,000	0.0000	456	484	12	—	—
4966.TW	Parade Technologies Ltd	4,000	0.0005	310	361	40	—	—
GOOGL.O	Alphabet Inc Class A	50	0.0000	330	330	—	—	—
WFD.AX	Westfield Corporation	106,000	0.0001	6,004	5,591	(699)	—	200
	Others						623	429
Total Listed outside Hong Kong				8,577	8,647	(525)	623	629
Total Equity Securities				43,008	45,181	5,473	5,247	3,107

Notes:

1. The investment cost, market value as at 31 March 2017, 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.
2. The transactions of the above equity securities were conducted during the period from 1 April 2016 to 31 March 2017.

Debt securities

Name of investee company	Investment cost HK\$'000	Market value as at 31 March 2017 HK\$'000	Unrealized gain/(loss) on change in fair value for the year ended 31 March 2017 HK\$'000	Realized gain/(loss) on disposal for the year ended 31 March 2017 HK\$'000
<i>Listed in Hong Kong</i>				
Sun Hung Kai and Co. (BVI) Limited	7,730	7,888	(194)	78
Agile Property Holdings Limited	7,718	8,107	(2)	(160)
KWG Property Holding Limited	7,501	8,181	(118)	—
China Construction Bank Asia Corporation Ltd	3,102	3,190	17	—
Bank of China Limited	1,550	1,655	40	—
Total listed in Hong Kong	27,601	29,021	(257)	(82)
<i>Listed outside Hong Kong</i>				
The Bank of East Asia, Limited	3,100	3,488	(5)	—
Cloverie Public Limited Company	6,527	6,873	(306)	—
Country Garden Holdings Company Limited	4,608	4,871	(77)	—
Shui On Development (Holding) Limited	6,046	6,372	(32)	—
Total listed outside Hong Kong	20,281	21,604	(420)	—
<i>Unlisted</i>				
Morgan Stanley & Co. International plc	5,588	4,180	(178)	—
Others	—	—	—	4,646
Total debt securities	53,470	54,805	(855)	4,564

Other unlisted securities

Name of investee company	Investment cost HK\$'000	Market value as at 31 March 2017 HK\$'000	Unrealized	Realized
			gain/(loss) on change in fair value for the year ended 31 March 2017 HK\$'000	gain/(loss) on disposal for the year ended 31 March 2017 HK\$'000
ArchiTech Capital Feeder Fund Ltd.	2,715	2,615	(105)	—
Goldman Sachs (Asia) L.L.C. (Note 3)	69,794	81,370	6,272	—
Morgan Stanley & Co. International plc (Note 4)	46,542	47,731	3,536	—
Equity Linked Notes	1,939	1,925	(18)	—
XAU Paper gold	2,329	2,175	(156)	—
Others				(206)
Total other securities	123,319	135,816	9,529	(206)

Notes:

3. The 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 bespoke, 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 bespoke portfolio with investments in mutual funds and exchange traded funds.

As of 31 March 2017, the portfolio was comprised of cash and cash equivalents (1.6%), in addition to mutual funds and exchange traded funds invested in fixed income (40.9%), equities (47.4%) and other investments (10%). The portfolio is long term in nature, but 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. For the fiscal year ended 31 March 2017, the 12-month period portfolio volatility was 3.26%.

As the 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.

The manager believed that global growth in 2017 was underpinned by a longer-than-normal US expansion that will continue in 2018. Potential upside risks in 2017 included changes in US tax policy, deregulation, fiscal expansion and more stable oil prices. While the manager was constructive on the global outlook, myriad global risks also existed. The collective impact of these risks, however, was not sizable enough to undermine the manager's core views.

The manager expects global economic activity to accelerate in 2018 in addition to increased supportive monetary and fiscal policies due to (i) the expected slow and steady pace of Federal Reserve tightening and (ii) a boost to growth from the U.S. Tax Cuts and Jobs Act. As such, the manager believes that 2018 recession risk is low although several global risks continue to persist. To date, the collective impact of these risks is not yet large enough to undermine the manager's core view: that we are in a longer-than-average US recovery that supports equity returns, which are likely to exceed those of cash and bonds.

4. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the strategy with Morgan Stanley & Co. International plc (the "**MS Strategy**") 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'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, primary through funds, including exchanged traded funds, traditional funds and more sophisticated equity, fixed income, multi-asset class or alternative investment-linked funds.

As at 31 March 2017, the MS Strategy comprised 3.8% cash or cash equivalents, 24.5% fixed income funds, 59.7% equity funds (in the United States, Europe, Japan, Asia Pacific ex Japan and emerging markets) and the remaining 12% alternative strategies (including hedge funds, commodities, real estate) and the 3-month period, 6-month period and 12-month period annualized portfolio volatility of the MS Strategy were 3.83%, 4.40% and 4.87%, respectively.

As for the investment outlook, the economic and earnings recovery that began in the first quarter of 2016 has surprised on the upside, led by international economies and markets. Nevertheless, there continues to be a disproportionate amount of attention on the political events/news and the Trump's administration's inability to legislate is close to getting priced out of the market completely. For international markets, Japan has been one of the weakest-performing markets during year 2016 in local currency terms despite having the greatest earnings surprise for the fourth quarter, which is expected to continue in the first quarter and through the year 2017. Political risks remain highest in Europe, but the market has looked through them and focused on the economic and earnings improvement. With regard to rates and credits, long-term interest rates continue to remain lower than "fair-value" and this is key to the expectation for global equity valuations to rise further. As the markets encounter continual headwinds, the MS Strategy will look to increase its directional exposure into the market should there be pockets of weaknesses, assuming market conditions normalized. In particular, it will focus on adding exposure into Japan, Europe and US equities.

The Hong Kong stock market has been volatile during the year ended 31 March 2017, with a plunge in early of the financial year and an upswing afterwards with the launch of the Shenzhen-Hong Kong Stock Connect in December 2016 with a wider investment spectrum. Nevertheless, the Board envisages that the performance of the Group's securities investments will still be susceptible to external factors. In order to mitigate possible financial risks related to the Group's securities investments, the investment strategy will be reviewed frequently to take appropriate actions whenever necessary in response to changes in market situation.

During the year ended 31 March 2017, the Group recorded fair value gain on financial assets at fair value through profit or loss of approximately HK\$23,752,000 attributable to realized gain of approximately HK\$9,605,000 and unrealized gain of approximately HK\$14,147,000. Dividend income received from financial assets at fair value through profit or loss amounted to approximately HK\$3,107,000 during the year. The amounts of financial assets at fair value through profit or loss acquired and disposed during the year amounted to HK\$19,334,000 and HK\$126,541,000 respectively.

The Group believes that the investment portfolio will contribute favourable returns to the Group in the long run. With strong financial position, healthy balance sheet and disciplined financial management, the Group is well equipped to take advantage of any investment opportunities to diversify our operations and broaden its income base so as to generate stable and sustainable return to the shareholders of the Company.

The additional information above does not affect other information contained in the 2017 Annual Report and the contents of the 2017 Annual Report remain unchanged.

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

Hong Kong, 16 March 2018

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.