



GLOBAL RESOURCES
DEVELOPMENT
大地資源

Global Resources Development (Holding) Limited

(formerly known as Neolink Cyber Technology (Holding) Limited

(優能數碼科技(控股)有限公司))

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8116)

Half-Year Report 2009

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

The GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of the GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on the GEM, there is a risk that securities traded on the GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on the GEM.

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This report, for which the directors of Global Resources Development (Holding) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



FINANCIAL HIGHLIGHT

- Recorded an unaudited turnover of approximately HK\$174.7 million for the six months ended 30 June 2009, representing an approximately 2% increase over the same period of the previous year;
- Sustained an unaudited loss attributable to the equity holders of the Company of approximately HK\$16.3 million, for the six months ended 30 June 2009;
- The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2009.

The board of directors (the “Board”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months and six months ended 30 June 2009, together with the unaudited comparative figures for the corresponding period in 2008, are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and six months ended 30 June 2009

	NOTES	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
		2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Turnover	2	111,802	86,608	174,743	171,426
Cost of sales		(108,916)	(81,296)	(170,910)	(160,288)
Gross profit		2,886	5,312	3,833	11,138
Other income	2	4,650	5,713	6,458	8,137
Distribution costs		(1,779)	(2,549)	(3,467)	(5,286)
Administrative expenses		(7,520)	(10,796)	(16,497)	(21,810)
Financial assets at fair value through profit or loss – unrealized		3,850	1,462	1,945	(8,483)
Financial assets at fair value through profit or loss – realized		(1,351)	–	(1,349)	–
Gain on disposal of subsidiaries		–	–	–	1,402
Profit/(Loss) from operations		736	(858)	(9,077)	(14,902)
Finance costs		(2,488)	(813)	(7,041)	(1,353)
Loss before tax	4	(1,752)	(1,671)	(16,118)	(16,255)
Income tax expenses	5	(210)	(2,383)	(210)	(2,383)
Net loss for the period		(1,962)	(4,054)	(16,328)	(18,638)
Loss attributable to:					
Shareholders		(1,962)	(4,054)	(16,328)	(18,634)
Non-controlling interest		–	–	–	(4)
		(1,962)	(4,054)	(16,328)	(18,638)
Dividends		–	–	–	–
		HK cents	HK cents	HK cents	HK cents
Loss Per Share	6	(0.07)	(0.35)	(0.61)	(1.63)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited)		(Unaudited)	
	For the three months		For the six months	
	ended 30 June		ended 30 June	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the period	(1,962)	(4,054)	(16,328)	(18,638)
Other comprehensive income:				
Exchange differences on translation of:				
– financial statements of overseas subsidiary	92	1,725	164	1,362
– financial statements of disposal group	–	–	–	(1,780)
	<u>92</u>	<u>1,725</u>	<u>164</u>	<u>(418)</u>
Total comprehensive income for the period	<u>(1,870)</u>	<u>(2,329)</u>	<u>(16,164)</u>	<u>(19,056)</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(1,870)	(2,329)	(16,164)	(19,052)
Non-controlling interest	–	–	–	(4)
Total comprehensive income for the period	<u>(1,870)</u>	<u>(2,329)</u>	<u>(16,164)</u>	<u>(19,056)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

		(Unaudited) As at 30 June 2009 HK\$'000	(Audited) As at 31 December 2008 HK\$'000
	NOTES		
Non-current assets			
Property, plant and equipment	7	53,944	52,625
Deposits paid for investment projects		–	80,000
Available-for-sales investments		20,000	–
Mining right	8, 14	550,875	–
		<u>624,819</u>	<u>132,625</u>
Current assets			
Inventories		64,595	84,420
Trade receivables	9	62,688	46,045
Bills receivables		15,987	3,931
Other receivables, deposits and prepayments		55,848	49,922
Amounts due from a related companies		–	25
Financial assets held for trading		12,217	14,118
Tax recoverable		2,227	2,437
Cash and bank balances		84,309	52,753
		<u>297,871</u>	<u>253,651</u>
Current liabilities			
Trade payables	10	107,409	64,651
Bills payables		65,118	9,117
Accruals and other payables		29,237	21,732
Deposit received		12,260	2,566
Amounts due to related companies		47,896	44,349
Borrowings	11	–	36,636
		<u>261,920</u>	<u>179,051</u>
Net current assets		<u>35,951</u>	<u>74,600</u>
Total assets less current liabilities		<u>660,770</u>	<u>207,225</u>

		(Unaudited) As at 30 June 2009 <i>HK\$'000</i>	(Audited) As at 31 December 2008 <i>HK\$'000</i>
	<i>NOTES</i>		
Non-current liabilities			
Borrowings	11	–	1,062
Convertible bonds	12	<u>221,344</u>	<u>–</u>
Net assets		<u>439,426</u>	<u>206,163</u>
Capital and reserves			
Share capital	13	66,542	11,682
Reserves		<u>372,884</u>	<u>194,481</u>
		<u>439,426</u>	<u>206,163</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2009

	(Unaudited)	
	Six months ended	
	30 June	
	2009	2008
	HK\$'000	HK\$'000
Net cash inflow/(outflow) from operating activities	61,772	(52,086)
Net cash outflow from investing activities	(34,677)	(23,987)
Net cash (outflow)/inflow from financing activities	(37,698)	28,311
Decrease in cash and cash equivalents	(10,603)	(47,762)
Effect of foreign exchange rate changes	–	–
Cash and cash equivalents at beginning of period	50,741	168,401
Cash and cash equivalents at end of period	40,138	120,639
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	84,309	122,651
Less: pledged bank deposits	(44,171)	(2,012)
	40,138	120,639

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

	Share capital	Share premium	Merger reserve	Revaluation reserve	Convertible bonds Equity Reserve	General reserve	Enterprise expansion fund	Exchange reserve	Share-based compensation reserve	Accumulated losses	Non-controlling interest	Total
	HK\$'000	HK\$'000	HK\$'000 (Note (iii))	HK\$'000	HK\$'000	HK\$'000 (Note (i))	HK\$'000 (Note (i))	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2008	116,816	212,802	(46,815)	1,846	-	6,846	50	6,822	33,424	(60,329)	(451)	271,011
Elimination on disposal of subsidiaries	-	-	-	(1,846)	-	(4,994)	(50)	-	-	6,890	-	-
Total comprehensive income attributable to shareholders	-	-	-	-	-	-	-	(418)	-	(19,089)	451	(19,056)
At 30 June 2008	116,816	212,802	(46,815)	-	-	1,852	-	6,404	33,424	(72,528)	-	251,955
At 1 January 2009	11,682	212,802	(46,815)	-	-	1,852	-	5,813	30,082	(9,253)	-	206,163
Issuing convertible bonds	-	-	-	-	52,898	-	-	-	-	-	-	52,898
Conversion of convertible bonds	54,880	166,632	-	-	(24,963)	-	-	-	-	-	-	196,529
Total comprehensive income attributable to shareholders	-	-	-	-	-	1,942	-	164	-	(18,270)	-	(16,164)
At 30 June 2009	66,542	379,434	(46,815)	-	27,935	3,794	-	5,977	30,082	(27,523)	-	439,426

- (i) The general reserve and enterprise expansion fund are set up by, subsidiaries established and operated in the People's Republic of China ("PRC") by way of appropriation from the profit after taxation in accordance with the relevant laws and regulations in the PRC. The rate of appropriation of the general reserve and enterprise expansion fund is subject to the decision of the board of directors of the PRC subsidiaries, but the minimum appropriation rate for the general reserve is 10% of the profit after taxation for each year, until when the accumulated balance reaches 50% of the total registered capital of the subsidiary. Pursuant to the relevant laws and regulations of the PRC, if approvals are obtained from the relevant government authorities, the general reserve can be used in setting off accumulated losses or to increase the capital, and the enterprise expansion fund can be used to increase the capital.
- (ii) Merger reserve represents the difference between the nominal value of the shares of subsidiaries acquired and the nominal value of the shares issued by the Company as consideration thereof pursuant to the reorganisation.



NOTES:

1. Basis of preparation and principal accounting policies

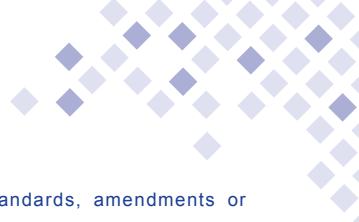
The unaudited consolidated results have been prepared in accordance with accounting principles generally accepted in Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules. They have been prepared under the historical cost convention.

The accounting policies and method of computation used in preparing the unaudited consolidated results are consistent with those used in the audited financial statements for the year ended 31 December 2008 except as described below.

In the current year, the Company has applied the following new standards, amendments and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are or have become effective.

HKFRS 1 and HKAS 27 (Amendments)	Amendments to HKFRS 1 First-time Adoption of HKFRSs and HKAS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations
HKFRS 8	Operating Segments
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.



The Company has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective.

HKFRS 3 (Revised)	Business Combinations ¹
HKAS 39 (Amendments)	Eligible Hedged Items ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) – Int 18	Transfers of Assets from Customers ¹

Apart from the above, the HKICPA has also issued Improvements to HKFRSs* which sets out amendments to a number of HKFRSs. Except for the amendments to HKFRS 5, and HK(IFRIC) – Int 9, which are effective for annual periods beginning on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

¹ *Effective for annual periods beginning on or after 1 July 2009*

* *Improvements to HKFRSs contain amendments to HKFRS 1, HKFRS 4, HKFRS 5, HKFRS 6, HKFRS 7, HKFRS 8, HKAS 2, HKAS 7, HKAS 8, HKAS 10, HKAS 12, HKAS 14, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 21, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 33, HKAS 34, HKAS 36, HKAS 37, HKAS 38, HKAS 39, HKAS 40 and HKAS 41, HK(IFRIC) – Int 2.*

The directors of the Company anticipate that the application of these new standard, amendment or interpretations will have no material impact on the results and the financial position of the Company.

2. Turnover and other revenue

The Group is principally engaged in production and sales of automobile parts and related accessories in PRC, mining of mineral resources and sales of radio trunking systems integration. Revenue recognised is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover				
Sales of automobile stamping and welding parts and related accessories	111,802	76,501	174,743	161,144
Sales of goods Radio trunking systems integration	–	10,107	–	10,282
	<u>111,802</u>	<u>86,608</u>	<u>174,743</u>	<u>171,426</u>
Other revenues				
Interest income	86	291	109	901
Others	4,564	5,422	6,349	7,236
	<u>4,650</u>	<u>5,713</u>	<u>6,458</u>	<u>8,137</u>
Total revenues	<u>116,452</u>	<u>92,321</u>	<u>181,201</u>	<u>179,563</u>

3. Segment information

The Group carries out its activities mainly in the People's Republic of China (the "PRC"). For management purposes, the Group is principally engaged in three production and sales of automobile parts and related accessories and mining of mineral resources and sales of radio trunking systems integration. These divisions are the bases on which the Group reports its primary segment information.

The Group has adopted HKFRS 8 Operating segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the Standard which has been superceded (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. The adoption of HKFRS 8 did not result in any change in the segment information presented.

For management purposes, the Group's operations are organized into three operating divisions namely as the above.

No geographical segment information is presented as secondary segment information as substantially all the Group's turnover and contribution to operating results were carried out in the PRC. An analysis of the Group's segment revenue and result by principal activities for the period is as follows:

All of the segment revenue reported below is from external customers.

	Sales of automobile stamping and welding parts and related accessories				Sales of radio trunking systems integration			
	Three months ended 30 June		Mining of mineral resources Three months ended 30 June		Three months ended 30 June		Three months ended 30 June	
	2009	2008	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
TURNOVER								
Revenue	<u>111,802</u>	<u>76,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,107</u>	<u>111,802</u>	<u>86,608</u>
RESULTS								
Segment results	<u>(953)</u>	<u>3,970</u>	<u>(495)</u>	<u>-</u>	<u>(522)</u>	<u>(362)</u>	<u>(1,970)</u>	<u>3,608</u>
Other income							<u>4,650</u>	<u>5,173</u>
Unallocated corporate expenses							<u>(1,944)</u>	<u>(9,639)</u>
Profit/(loss) from operations							<u>736</u>	<u>(858)</u>
Finance costs							<u>(2,488)</u>	<u>(813)</u>
Loss before tax							<u>(1,752)</u>	<u>(1,671)</u>
Income tax expenses							<u>(210)</u>	<u>(2,383)</u>
Net loss for the period							<u>(1,962)</u>	<u>(4,054)</u>

	Sales of automobile stamping and welding parts and related accessories				Sales of radio trunking systems integration			
	Six months ended 30 June		Mining of mineral resources Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2009	2008	2009	2008	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
TURNOVER								
Revenue	<u>174,743</u>	<u>161,144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,282</u>	<u>174,743</u>	<u>171,426</u>
RESULTS								
Segment results	<u>(3,801)</u>	<u>3,970</u>	<u>(754)</u>	<u>-</u>	<u>(6,607)</u>	<u>(362)</u>	<u>(11,162)</u>	<u>3,608</u>
Other income							<u>6,458</u>	<u>8,137</u>
Gain on disposal of subsidiaries							<u>-</u>	<u>1,402</u>
Unallocated corporate expenses							<u>(4,372)</u>	<u>(28,503)</u>
Loss from operations							<u>(9,076)</u>	<u>(15,356)</u>
Finance costs							<u>(7,041)</u>	<u>(1,353)</u>
Loss before tax							<u>(16,117)</u>	<u>(16,709)</u>
Income tax expenses							<u>(210)</u>	<u>(2,383)</u>
Net loss for the period							<u>(16,327)</u>	<u>(19,092)</u>

4. Loss for the period

	Three months ended 30 June		Six months ended 30 June	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss before tax has been arrived after charging/(crediting):				
Cost of goods sold	108,916	81,296	170,910	160,288
Amortisation of lease premium for land	–	–	–	16
Depreciation of property, plant and equipment	3,702	1,383	9,138	2,103
Operating lease rental in respect of rented premises	440	452	628	907
Research and development costs	1,118	–	1,654	–
Staff costs, including directors' emoluments	2,140	8,600	8,353	14,494
Gain on disposal of subsidiary	–	–	–	(1,402)

5. Income tax expense

The amount of taxation charged to the consolidated income statement represents:

	Notes	Three months ended 30 June		Six months ended 30 June	
		2009	2008	2009	2008
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong profits tax	(i)	–	–	–	–
Overseas taxation	(ii)	210	2,383	210	2,383
		<u>210</u>	<u>2,383</u>	<u>210</u>	<u>2,383</u>

- (i) No provision for Hong Kong profits tax has been made as the Group has no assessable profits for the relevant periods.
- (ii) Overseas taxation represents tax charges on the assessable profits of certain subsidiaries operating in the PRC calculated at the applicable rates.

6. Loss per share

Basic loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Loss attributable to shareholders	<u>(16,327)</u>	<u>(19,088)</u>
	Number of shares	
	2009	2008
Weighted average number of ordinary shares in issue during the period	<u>2,689,030,981</u>	<u>1,168,160,000</u>

7. Property, plant and equipment

	30 June 2009 <i>HK\$'000</i>	31 December 2008 <i>HK\$'000</i>
Net book value, beginning of period/year	52,625	44,404
Additions	10,457	41,506
Disposals	–	(579)
Depreciation	(9,138)	(9,510)
Eliminated on disposal of subsidiaries	–	(25,580)
Exchange rate adjustment	–	2,384
Net book value, end of period/year	<u>53,944</u>	<u>52,625</u>

8. Mining right

The recognition of fair value of the mining right of approximately HK\$55.8 million (*note 14(a)*) arising from the Acquisition which has been determined as the difference between the consideration of HK\$550 million directly attributable to the Acquisition and the Group's interest on net liabilities of Super Surplus Trading Limited ("Super Surplus") and its subsidiaries (the "Super Surplus Group") acquired at book value of approximately HK\$0.875 million.

The amount of fair value of the mining right will be determined based on the final consideration paid by the Group and the Group's interest in the fair value of the identifiable assets and liabilities of the Super Surplus Group.

9. Trade receivables

The Group has a policy of allowing its trade customers with credit period normally ranging from 45 days to 60 days or according to the terms of the sales contracts. The ageing analysis of trade receivables of the Group is as follows:

	0 to 30 days HK\$'000	31 to 60 days HK\$'000	61 to 90 days HK\$'000	91 to 120 days HK\$'000	Over 120 days HK\$'000	Total HK\$'000
As at 30 June 2009	57,426	5,217	–	–	45	62,688
As at 31 December 2008	18,128	16,136	1,630	–	10,151	46,045

10. Trade payables

The ageing analysis of trade payables of the Group is as follows:

	0 to 30 days HK\$'000	31 to 60 days HK\$'000	61 to 90 days HK\$'000	91 to 120 days HK\$'000	Over 120 days HK\$'000	Total HK\$'000
As at 30 June 2009	43,020	8,139	–	30,736	25,514	107,409
As at 31 December 2008	12,510	9,658	41,932	1	550	64,651

11. Borrowings

	The Group	
	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Secured bank loans (<i>Note 1</i>)	–	35,899
Secured loan from a finance company (<i>Note 2</i>)	–	1,799
	–	37,698
Carrying amount repayable:		
On demand or within one year	–	36,636
More than one year, but not exceeding two years	–	787
More than two years, but not more than five years	–	275
	–	37,698
Amounts due within one year shown under current liabilities	–	36,636
	–	1,062

Notes:

- (1) The bank loans are interest-bearing at 7.47% to 8.59% per annum for the year 2008 and are secured by trade receivables of ChangAn Ford Mazda of HK\$23.9 million, plant and machinery at carrying amount of HK\$14.2 million and guaranteed by a third party of the group. The loan was settled in April 2009.
- (2) The loan carries interest at a fixed rate of 2.85% p.a. for the year 2008 is repayable by instalments. It is secured by the Group's motor vehicle with net book value of HK\$3 million as the year end date and a fixed deposit of HK\$2 million. The loan was settled in March 2009.

12. Convertible bonds

On 8 January 2009, the Company issued convertible bonds with an aggregate principal amount of HK\$465 million (the "Convertible Bonds") due to 2014 with conversion price of HK\$0.04 per share.

The Company may redeem the Convertible Bonds at 105% of the principal outstanding amount at any time from the date of issue to the maturity date. Any Convertible Bonds outstanding on the maturity date shall be redeemed by the Company at 105% of the outstanding principal amount.

During the period ended 30 June 2009, the Convertible Bonds were converted into ordinary shares with aggregate principal amounts of 47% of total HK\$219,440,000 at an conversion price of HK\$0.04 per conversion share.

The Convertible Bonds do not bear any interest. The effective interest rate of the liability are 3.44%. The maturity dates are on the fifth anniversary of the date of issue of the Convertible Bonds.

The movement of liabilities component of the Convertible Bonds for the period is set out below:

	As at
	30 June
	2008
	<i>HK\$'000</i>
Amortised cost at the beginning of the period	–
Issued convertible bonds during the period	412,102
Interest expenses	5,770
Converted into ordinary shares	<u>(196,528)</u>
Balance at the end of period	<u>221,344</u>

As at 30 June 2009, Convertible Bonds issued were converted into 5,486,000,000 shares and the outstanding of the Convertible Bonds might be converted into 6,139,000,000 shares.

13. Share capital

	Number of shares of HK\$0.1 each	Number of shares of HK\$0.01 each	Nominal Value HK\$
Authorised:			
At 1 January 2008	2,000,000,000	–	200,000,000
Increase in authorized share capital (<i>note (a)</i>)	3,000,000,000	–	300,000,000
Reduction of capital to set off accumulated losses (<i>note (b)</i>)	(5,000,000,000)	50,000,000,000	–
At 31 December 2008 and 30 June 2009	–	50,000,000,000	500,000,000
Issued and fully paid:			
At 1 January 2008	1,168,160,000	–	116,816,000
Exercise of share option	100	–	10
Reduction of capital to set off accumulated losses (<i>note (b)</i>)	(1,168,160,100)	1,168,160,100	(105,134,409)
At 31 December 2008 and 1 January 2009	–	1,168,160,100	11,681,601
Exercise of convertible bonds (<i>note (c)</i>)	–	5,486,000,000	54,860,000
At 30 June 2009	–	6,654,160,100	66,541,601

- (a) Pursuant to the ordinary resolution passed in the Annual General Meeting of the Company held on 15 April 2008, the authorized share capital was increased from HK\$200 million to HK\$500 million by the creation of an additional 3,000,000,000 ordinary shares of HK\$0.1 each.
- (b) On 25 August 2008, the par value of each issued shares of HK\$0.10 will be reduced to HK\$0.01 by canceling paid-up capital to the extent of HK\$0.09 on each issued shares and each authorized but unissued share will be subdivided into 10 new shares of HK\$0.01 each. The authorized share capital of the Company was HK\$500,000,000 divided into 5,000,000,000 shares of HK\$0.10 each, of which 1,168,160,100 shares were in issue and fully paid. After 25 August 2008, the authorized share capital of company will be HK\$500,000,000 divided into 50,000,000,000 new shares of HK\$0.01 each, of which 6,654,160,100 new shares will have been issued and fully paid as the 30 June 2009.
- (c) During the period ended 30 June 2009, the Company issued convertible bonds in the aggregate principal amount of HK\$465,000,000, in which of HK\$219,440,000 were converted into 5,486,000,000 ordinary shares of HK\$0.01 each of the Company at a conversion price of HK\$0.04 per share. These shares issued rank *pari passu* in all respects with the then existing shares. Details of the convertible notes are set out in note 12.

14. Business combination

In January 2009, the Group completed the acquisition of the Super Surplus Group by acquiring the entire issued share capital of Super Surplus for consideration of HK\$550 million. Super Surplus is principally engaged in investment holding.

- (a) Details of net assets acquired and goodwill recognised in the business combination are as follows:

	<i>HK\$'000</i>
Purchase consideration:	
Cash consideration	85,000
Convertible bonds issued as consideration	465,000
Total purchase consideration	550,000
Fair value of net assets acquired (as shown below)	(550,000)
Goodwill recognised in the business combination	—

The net assets/(liabilities) acquired are as follows:

	Fair value <i>HK\$'000</i>	Acquiree's carrying value <i>HK\$'000</i>
Mining right (<i>note 8</i>)	550,875	—
Property, plant and equipment	574	574
Inventories	218	218
Prepayments, deposits and other receivables	751	751
Cash and cash equivalents	1,489	1,489
Accruals and other payables	(3,907)	(3,907)
Net assets/(liabilities) acquired	550,000	(875)

- (b) Analysis of net outflow of cash and cash equivalents in respect of the acquisition:

	<i>HK\$'000</i>
Purchase consideration settled in cash	(85,000)
Cash and cash equivalents acquired	<u>1,489</u>
Net outflow of cash and cash equivalents in respect of the acquisition	<u>(83,511)</u>

- (c) The Super Surplus Group contributed post-tax losses of HK\$0.7 million to the Group for the period from the acquisition date to 30 June 2009. If the acquisition had occurred on 31 January 2009, consolidated loss of the Group for the six months ended 30 June 2009 would have been HK\$0.7 million. No turnover was contributed to the Group during the period.

15. Dividend

The Board of the Company does not recommend the payment of an interim dividend throughout the six months ended 30 June 2009.

16. Pledge of assets

Pledged bank deposits of HK\$90.1 million, in which of 49% of approximately HK\$44.1 million is recorded in the Group's current assets, is secured for the bills payable by the JV company.

The deposits will be released upon the settlement of the bills payable.

17. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.



BUSINESS REVIEW AND OUTLOOK

Automobile stamping and welding

During the first half year of 2009, the JV Company has sold 323 thousands (2008: 265 thousands) ancillary stamping and welding parts for automobiles respectively, and recorded sales of approximately HK\$357 million (2008: HK\$329 million). The Group has accounted for the sales on proportion and recorded turnover of HK\$175 million for the period in 2009. Its customers include ChangAn Auto Co Ltd, ChangAn Ford Mazda, ChangAn Suzuki Auto Corp, JiangLing Co Ltd and ChangAn Ford Nanjing Corp etc.

Since the automobile market was recovered during the first half year, since automobile market recovery leads extra demand of assembly products. JV Company's sales were able to pick up in second quarter due to increase in production orders from domestic brand models and; the JV Company expected to receive additional manufacturing orders in this year.

The Group is reviewing the business of the JV Company and continuing a negotiation of the business progress with the joint venture partner Chongqing Changan Jinling Automobile Parts Company Limited so as to underpin the growth development of the JV Company, as well as to bring drives for the growth of results in the long run.

The management will keep on consolidating plant and machinery to achieve the best efficiency of production.

Mining Business

On 8 January 2009, the group acquired a mining business in Jiangxi. The mine is located in Lichuan county, Jiangxi Province, PRC with a mining area of approximately 0.5175 km². The mineral reserves of the mine consist of Zinc, Lead, Copper, Tungsten and Silver.

The mining business had not started contributing revenues during the period. It is still subject to revision of production plan and completion of mining license renewal.



Radio Trunking System Integration

For the second quarter of 2009, the radio trunking business has not recorded any revenue and it represents a decrease of approximately HK\$10.1 million as compared to the turnover in 2008. The decrease in turnover of the business was mainly due to the delay for purchasing orders from customers, as there is still yet to finalised the terms of software services and the business is expected to recover during the year.

Last year, the Group disposed a losing operation of radio trunking business and improved its financial performance. The results of the disposal recorded a HK\$1.4 million gain in the year 2008.

The Group increased the effect in mobile terminal software. We kept on launching products and made use of the good customer resources to increase market share. With our aim to open up market practically in public safety and marine products, we paved a good way for software businesses to develop. It was a good stepping stone for stabilizing and raising the Group's results in the future years.

The group has actively promoted its own digital trunking communication system based on the software technology FDMA system. This deepened the understanding of new, existing and potential users towards the features of this technical product, as well as prepared for future market development.

Group development

The Group will develop into a diversify enterprise, with a view to maintain stable growth. As such, the Group will keep looking for and identifying suitable investment opportunities and projects, and continue to bring the largest return to the shareholders.

In 2009, The Group continues to stick with its operation strategy to integrate its resources and make adjustment to its business, the non-performing business will be gradually split out through disposal or other methods, so as to optimize the Group's asset and allocate the limited resources to explore business with brighter prospect, thus pursuit the rapid development and healthy growth of the Group's business.



FINANCIAL REVIEW


For the six months period ended 30 June 2009, the unaudited consolidated turnover of the Group was approximately HK\$174.7 million and HK\$171.4 million for the corresponding period in 2008. The unaudited loss attributable to shareholders for the six months ended 30 June 2009 amounted to approximately HK\$16.3 million.

The turnover for the half year period amounted to approximately HK\$174.7 million is all contributed from the business of automobile stamping and welding and no turnover was recorded from mining of mineral resources and the business of radio trunking systems software integration for the six months period ended 30 June 2009 due to review of production plan and delay of sales order in the software business respectively.

For the period, the Group obtained other income of approximately HK\$6.4 million. It mainly represents the sales of scrap raw materials attributable to the Group of approximately HK\$5.8 million from the business of automobile stamping and welding. During the period, approximately HK\$109 thousands interest income was recorded and decreased by 88%. The decrease in interest income is due to reduction in fixed deposit and result in decrease of the bank interest income in this year.

Distribution costs of HK\$3.5 million for the period mainly represents delivery cost for production of automobiles parts business. The decrease of distribution cost amounted by approximately HK\$1.8 million represents the decrease in distribution cost from radio trunking systems software integration of approximately HK\$1.9 million and the increase in distribution costs from the automobile stamping and welding business of approximately HK\$0.1 million. The decrease was due to effective cost control by radio trunking business and the increase in goods sold to the customers nearby the plant of automobile stamping and welding business.

Administrative expenses of approximately HK\$16.5 million for period 2009 was decreased by approximately 5.3 million. The decrease represented the cost saved from salaries of approximately HK\$0.7 million, social insurance for staff of approximately HK\$0.7 million, travelling expenses of approximately HK\$0.3 million, office rent of approximately HK\$0.3 million and other operation expenses of approximately HK\$3.3 million.



Unrealized loss on financial assets at fair value through profit or loss for half year was approximately HK\$1.9 million (2008 profit: 8.5 million). The change is due to reduction on market value of financial assets at fair value through profit or loss as compared to corresponding period in last year.

No disposal of subsidiaries for the half year of 2009. The gain on disposal of subsidiaries was HK\$1.4 million in the first quarter of 2008. Principal business of the disposed subsidiaries was sales of hardware of radio trunking system integration.

Finance costs of approximately HK\$7 million for the period mainly represented imputed interest on convertible bonds amounted to approximately HK\$5.7 million, bank loan interest and loan interest from a finance company of approximately of approximately HK\$1.3 million. The increase in finance costs for the period of 2009 of approximately HK\$5.6 million are mainly attributed to the imputed interest on convertible bonds for the period of approximately HK\$5.7 million and decreased in bank loan interest and interest from finance company of approximately HK\$0.1 million, which due to the repayment of all loan from a finance company and bank loans in March 2009 and April 2009 respectively.

As a result, the loss attributable to shareholder of HK\$16.3 million for the half year 2009 decreased by approximately HK\$2.7 million in losses as compared to corresponding period in last year.

LIQUIDITY AND FINANCIAL RESOURCE

The Group has settled the borrowings during the period. The liquidity position of the Group was maintained at a satisfactory level during the period. As at 30 June 2009, the Group has a gearing ratio of 50.3% (31 December 2008: 0.5%), calculated on the basis of the Group's non-current liabilities over shareholders' funds. Total bank and cash balances was HK\$84.3 million (31 December 2008: HK\$52.8 million) with no borrowings as at 30 June 2009 (31 December 2008: HK\$37.7 million). The currencies in which cash and cash equivalents held by the Group are mainly RMB and Hong Kong dollars.

Although the Group's liquidity position and gearing ratio are healthy to meet its ongoing operating and development requirements, credit facilities have nevertheless been put in place for contingency purposes. As at 30 June 2009, the Group's available credit facilities approximately amounted to HK\$30.6 million was in trade line.

CAPITAL STRUCTURE

Save as disclosed above, there was no change to the Group's capital structure during the six months ended 30 June 2009.



CHARGE ON GROUP ASSETS

As at 30 June 2009, a bank deposit of HK\$90.1 million, in which of 49% of approximately HK\$44.1 million is recorded in the Group's current assets, is secured for the bills payable by the JV company. The deposits will be released upon the settlement of the bills payable.

FOREIGN CURRENCY EXPOSURE

Since the Group's sales, purchases and loans were substantially denominated in either RMB or Hong Kong dollars, the Board considers that the potential foreign exchange exposure of the Group is limited.

CONTINGENT LIABILITIES

As at 30 June 2009, the Board was not aware of any material contingent liabilities.

STAFF AND REMUNERATION POLICIES

As at 30 June 2009, the Group employed a workforce of approximately 1,110, the majority of whom were employed in the PRC. Staff cost for continuing operations, including directors' remuneration, amounted to approximately HK\$8.4 million for the six months ended 30 June 2009. The Group's remuneration policy has been in line with the prevailing market practice including discretionary bonus and remunerates its employees based on their performance and contribution. Other benefits include contributions to pension scheme and medical insurance.

Future plans for material investments and capital assets

On 24 July 2009, the Group entered into agreement to acquire healthcare information technology group, with a consideration HK\$498 million, the Group to further expand its business lines by diversifying into the healthcare information technology sector in the PRC.

Earlier this year, the PRC State Council passed the long awaited medical reform plan. According to the plan, the PRC government would spend RMB850 billion by 2011 to provide basic medical security to all Chinese people in urban and rural areas. The government will also build hospitals and improve medical services at the county level and in remote areas. It will also expedite the reform of state-run hospitals, strengthening their administration, operation and supervision. A system will also be developed to allow both urban and rural residents to use a universal healthcare account by 2011.

The Directors are of the view that as a result of the medical reform plan, the prospects of providing information technology services to PRC hospitals and medical institutions in relation to the standardization of medical information and services, electronic medical records and hospital management are extremely promising. The Acquisition represents a good opportunity for the Group to participate in the healthcare IT industry with potential enormous growth.

Save as disclosed herein, the Group did not have any details of future plan for material investments or capital assets as at 30 June 2009.

Acquisitions and disposals of subsidiaries and affiliated companies

Save as the above, the Group had no acquisitions or disposals of subsidiaries and affiliated companies of during the period.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2009, the interests of the Directors and the Chief Executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors.

Long positions in the ordinary shares of HK\$0.01 each of the Company

Name	Type of interest	Number of shares	Approximate percentage of issued share capital
Mr. Lu Chunming (<i>Note 1</i>)	Beneficial	830,000	0.01%

Notes:

1. Mr. Lu Chunming, an Executive Director of the Company, has interest in the Company directly.

As at 30 June 2009, none of the Directors or Chief Executives of the Company or their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or its associates corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which are required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.


SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 30 June 2009, as far as known to the Directors of the Company, the following persons (other than the Director and the Chief Executive of the Company) had an interest and a short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Name of the Shareholders	Type of interest	Number of shares	Number of underlying shares (Note 5)	Total	
				Number of shares and underlying shares	Approximate percentage of issued share capital
Absolute Power International Limited ("Absolute Power") (Note 1)	Beneficial	533,000,000	3,277,000,000	3,810,000,000	57.25%
Wide Treasure Investment Limited ("Wide Treasure") (Note 2)	Beneficial	533,000,000	2,862,000,000	3,395,000,000	51.02%
Mr. Lee Hin Cheong	Beneficial	525,000,000	–	525,000,000	7.89%

Notes:

1. Absolute Power is wholly owned by Hu Chao who is deemed to be interested in the shares.
2. Wide Treasure is wholly owned by She Zhangshu who is deemed to be interested in the shares.
3. The underlying shares are in respect of the convertible bonds issued by the Company in 9 January 2009.



Save as disclosed above, as at 30 June 2009, the Company had not been notified of any other person or company (other than a director or chief executive of the Company) who had registered an interests or short positions in the Shares and underlying Shares of the Company that was required to be recorded under Section 336 of the SFO.

SHARE OPTION SCHEME

The old share option scheme adopted in 2003 was terminated on 14 January 2007. All outstanding options granted under the old share option scheme were cancelled upon termination thereof.

The Company adopted a new share option scheme on 30 July 2007 (“the Scheme”), which became effective for a period of 10 years commencing on 10 August 2007. Under the Scheme, the Directors of the Company may at their discretion grant options to any eligible person to subscribe for the shares of the Company (“Share”) at the higher of: (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant; (ii) the average closing price of the Share as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share. The offer of a grant of option shall remain open for acceptance within 21 days from the date of offer. A nominal consideration of HK\$1 is payable on acceptance of the grant of the option. The exercise period of the option must not be more than 10 years from the date of grant of the option.

The Company operates the Scheme for the purpose of advancing the interests of the Company and its shareholders by enabling the Company to grant options to attract, retain and reward any eligible persons which include any director of the Group, any employee of the Group, any consultant, adviser, agent, supplier, customer, business partner or shareholder of the Group for their contribution or potential contribution to the Group.

Pursuant to the Scheme, as at 30 June 2009, the employees and consultants were granted share options to subscribe for shares of the Company, details of which were as follows:

Name of Category of participant	As at 1 January 2009	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	As at 30 June 2009	Date of granted of share options	Exercise period of share options	Exercise price of share options
Employees	29,220,000	-	-	-	-	29,220,000	10 August 2007	10 August 2007 – 9 August 2012	HK\$0.38
Consultants	58,439,900	-	-	-	-	58,439,900	10 August 2007	10 August 2007 – 9 August 2012	HK\$0.38
Total	87,659,900	-	-	-	-	87,659,900			

None of the employees and consultants of the Group had exercised their share options during the period ended 30 June 2009.

The total number of Shares available for issue under the Scheme as at the date thereof was 87,659,900 representing approximately 1.3% of the issued share capital of the Company.

COMPETING INTERESTS

The directors of the Company are not aware of, as at 30 June 2009, any business or interests of each directors of the Company, management shareholders and the respective associates (as defined in the GEM Listing Rules) of each that competes or may compete with the business of the Group and any other conflicts of interests which any such person has or may have with the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2009.



CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules for the six months ended 30 June 2009.

AUDIT COMMITTEE

The audit committee has been established since July 2000 with defined terms of reference, which are of no less exacting terms than those set out in the Code on Corporate Governance Practices of the GEM Listing Rules, to review the Group's financial reporting, internal controls, and corporate governance and risk management matters and to make relevant recommendations to the Board.

The audit committee comprises three Independent Non-executive Directors of the Company, namely Mr. Lee Chi Hwa, Joshua (Chairman), Mr. Tso Hon Sai, Bosco and Mr. Chang Jun. The Group's unaudited results for the six months ended 30 June 2009 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with applicable accounting standards and requirements and that adequate disclosures have been made.

On behalf of the Board
Global Resources Development (Holding) Limited
Stephen William Frostick
Chairman

Hong Kong, 14 August 2009

As at the date hereof, the Board of directors of the Company comprises two executive directors, being Mr. Stephen William Frostick and Mr. Lu Chunming; and three independent non-executive directors being, Mr. Chang Jun, Mr. Tso Hon Sai, Bosco and Mr. Lee Chi Hwa, Joshua.