



GLOBAL RESOURCES
DEVELOPMENT
大地資源

Global Resources Development (Holding) Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8116)

Third Quarterly 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\$302 million for the nine months ended 30 September 2009, representing an approximately 31.75% increase over the same period of the previous year;
- Sustained an unaudited loss attributable to the equity holders of the Company of approximately HK\$17 million, for the nine months ended 30 September 2009;
- The Directors do not recommend the payment of an interim dividend for the nine months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 2009

	Notes	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
		2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Turnover	2	127,492	57,969	302,235	229,395
Cost of sales and services		(110,568)	(55,112)	(281,478)	(215,400)
Gross profit		16,924	2,857	20,757	13,995
Other income	2	2,915	7,411	9,373	15,548
Distribution costs		(4,543)	(360)	(8,010)	(5,646)
Administrative expenses		(16,220)	(12,255)	(32,717)	(34,065)
Financial assets at fair value through profit or loss – unrealized		3,459	(19,139)	5,404	(27,622)
Financial assets at fair value through profit or loss – realized		525	–	(825)	–
Gain on disposal of subsidiaries		–	–	–	1,402
Profit/(loss) from operations		3,060	(21,485)	(6,018)	(36,388)
Finance costs		(2,048)	(763)	(9,088)	(2,116)
Profit/(loss) before taxation		1,012	(22,248)	(15,106)	(38,504)
Income tax expenses	3	(1,828)	(28)	(2,038)	(2,411)
Loss for the period		(816)	(22,276)	(17,144)	(40,915)
Loss attributable to:					
Shareholders		(816)	(22,276)	(17,144)	(40,911)
Minority interests		–	–	–	(4)
		(816)	(22,276)	(17,144)	(40,915)
Dividend		–	–	–	–
Basic loss per share attributable to shareholders	4	(0.02)	(1.90)	(0.42)	(3.50)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited)		(Unaudited)	
	For the three months ended 30 September		For the six months ended 30 September	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the period	(816)	(22,277)	(17,144)	(40,915)
Other comprehensive income:				
Exchange differences on translation of:				
– financial statements of overseas subsidiary	72	(127)	236	1,235
– financial statements of disposal group	–	(1)	–	(1,781)
	<u>72</u>	<u>(128)</u>	<u>236</u>	<u>(546)</u>
Total comprehensive income for the period	<u>(744)</u>	<u>(20,405)</u>	<u>(16,908)</u>	<u>(41,461)</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(744)	(20,405)	16,908	(41,457)
Non-controlling interest	–	–	–	(4)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>(4)</u>
Total comprehensive income for the period	<u>(744)</u>	<u>(20,405)</u>	<u>16,908</u>	<u>(41,461)</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2009 (Unaudited)

	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	Minority interest	Total
	HK\$'000	HK\$'000	HK\$'000 (Note (ii))	HK\$'000	HK\$'000	HK\$'000 (Note (i))	HK\$'000 (Note (i))	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Nine months ended 30 September 2008												
At 1 January 2008	116,816	212,802	(46,815)	1,846	-	6,846	50	6,822	33,424	(60,329)	(451)	271,011
Capital reorganization	(105,134)	-	-	-	-	-	-	-	-	105,134	-	-
Elimination on disposal of subsidiaries	-	-	-	(1,846)	-	(4,994)	(50)	-	-	6,890	-	-
Share option lapsed	-	-	-	-	-	-	-	-	(3,342)	-	-	(3,342)
Total comprehensive income attributable to shareholders	-	-	-	-	-	-	-	(546)	-	(41,366)	451	(41,461)
At 30 September 2008	11,682	212,802	(46,815)	-	-	1,852	-	6,276	30,082	10,329	-	226,208
Nine months ended 30 September 2009												
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	58,360	177,344	-	-	(26,556)	-	-	-	-	-	-	209,148
Total comprehensive income attributable to shareholder	-	-	-	-	-	1,942	-	236	-	(19,086)	-	(16,908)
At 30 September 2009	70,042	390,146	(46,815)	-	26,342	3,794	-	6,049	30,082	(28,339)	-	451,301

Notes:

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

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 income

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 follow:

	Three months ended 30 September		Nine months ended 30 September	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Turnover				
Sales of goods				
Sales of automobile stamping and welding parts and related accessories	127,492	54,591	302,235	215,734
Radio trunking systems integration	–	3,378	–	13,661
	127,492	57,969	302,235	229,395
Other income				
Interest income	52	325	161	1,227
Others	2,863	7,086	9,212	14,321
	2,915	7,411	9,373	15,548
Total revenues	130,407	65,380	311,608	244,943

3. Income tax expenses

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

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Hong Kong profits tax	(i)	–	–	–	–
Overseas taxation	(ii)				
– Provision for the year		1,828	–	2,038	2,383
– Under provision in respected prior years		–	28	–	28
		1,828	28	2,038	2,411

Notes:

- (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.

4. 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 HK\$'000	2008 HK\$'000
Loss attributable to shareholders	(17,144)	(40,915)

	Number of shares	
	2009	2008
Weighted average number of ordinary shares in issue during the period	4,067,550,609	1,168,160,022

No diluted earnings per share for the period ended 30 September 2009 is presented because the exercise price of the Company's options was higher than the average market price of the shares.

5. Dividend

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2009 (2008: Nil).

6. Comparative figures

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




FINANCIAL REVIEW

For the nine months ended 30 September 2009, the unaudited consolidated turnover of the Group was approximately HK\$302.2 million, representing an increase of approximately 31.75% or HK\$72.8 million as compared with the corresponding period in 2008. The unaudited loss attributable to shareholders for the nine months ended 30 September 2009 amounted to approximately HK\$17.1 million.

For the nine months ended 30 September 2009, the turnover amounted to approximately HK\$302.2 million was wholly contributed from the business of automobile stamping and welding parts and related accessories. During the period, the sales was attributed from the selling 493,168 ancillary stamping and welding parts, representing an increase of approximately 143,500 ancillary or approximately 41% compared to the corresponding period in last year. No turnover from the business of radio trunking systems integration for the corresponding period in 2009 because the business of software was due to delay for purchasing orders. It is expected that turnover would be recorded during the year 2009.

For the nine months ended 30 September 2009, the Group obtained approximately HK\$9.3 million of other income, representing the sales of scrap raw materials attributable to the Group of approximately HK\$8.3 million from the business of automobile parts business and approximately HK\$1 million generated from bank interest income, dividend income from securities and profit from disposal of non-current assets.

The decrease in other income by approximately HK\$6.2 million was the consequences of decrease in sales of scrap raw material, bank interest income, value added tax refund and transferred share-based compensation reserve due to share option lapsed in 2008. The decrease in sales of scrap raw material of HK\$0.9 million is due to increase in production by sub-contracted unit during the period.



Distribution costs of HK\$8 million represented delivery cost for production of automobile parts business and radio trunking systems software integration of approximately HK\$5.6 million and HK\$2.4 million respectively. The increase in distribution costs attributable to production of automobile parts business by approximately HK\$3.2 million or 133% compared to the corresponding period for last year was due to the increase in sales volume by approximately 143,500 ancillary or 41% and the increase in cost of transportation. The distribution costs for radio trunking systems remained constant compared to the corresponding period in last year.

Administrative expenses for the nine months ended 30 September 2009 was slightly decreased by approximately HK\$1.3 million to approximately HK\$32.7 million as compared to the corresponding period of 2008. The decrease in administrative expenses of the group is mainly due to reduction of staff members.

The unrealized profit on financial assets at fair value through profit or loss (FVTFL) for the nine months ended 30 September 2009 was approximately HK\$5.4 and the unrealized loss on FVTFL for the corresponding period in 2008 was approximately HK\$27.7 million. The obvious improvement was attributable to the growth of Hong Kong stock market in 2009.

No disposal of subsidiaries for period in 2009. The gain on disposal of subsidiaries of approximately HK\$1.4 million occurred 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\$9 million for the period mainly represented imputed interest on convertible bonds that amounted to approximately HK\$7.6 million, bank loan interest and loan interest from a finance company of approximately HK\$1.4 million. The increase in finance costs for the period of 2009 of approximately HK\$6.9 million were mainly attributed to the imputed interest on convertible bonds for the period of approximately HK\$7.6 million.

As a result, the loss attributable to shareholders for the nine months ended 30 September 2009 was improved by approximately HK\$24.2 million to approximately HK\$17.1 million.



BUSINESS REVIEW AND OUTLOOK


Acquisition of health information technology in the PRC

The Company acquired 100% of Wealthy China Group Limited (“Wealthy China”) which holds a 100% interest in Beijing Upway Science & Technology Development Co. Ltd (“Upway”) and 60% interest in China Chief Medical Standards Database Co. Ltd. (“CCMSD”). The total investment by the Company was approximately HK\$498 million which provides entry into China’s hospital information technology market. The total acquisition was transacted by the issuance of convertible bonds with the initial conversion price of HK\$0.168 per share. The acquisition agreement between the Company and the vendors was entered into on 24 July 2009 and the acquisition was completed on 23 October 2009.

It would accelerate its positioning in Healthcare Information Technology HIT by penetrating its electronic medical records system & application and hospital management evaluation system through its subsidiaries Upway and CCMSD.

The Hospital Management Institute of the Ministry of Health of China and the Beijing State Quality Supervision Certification Consulting Centre were partners in development of the two products.

The medical records system aims at digitizing patients’ medical records, matching historical symptoms to suggested diagnosis and prescriptions, whereas the hospital management evaluation system is able to aggregate all medical data into standardized and categorized medical analytics for evaluation of cost-benefit efficiency. These products target at better identification and medication of various diseases, more accurate matching of diagnoses and prescriptions, more optimal use and production of medicines, more economical allocation of hospital resources, and more effective public hygiene management.



China has 269,000 medical institutions, of which 19,712 are hospitals, 24,000 district clinical service centres, 39,000 village hygiene service points. It has 5,030,000 medical practitioners, of which 2,082,000 are registered doctors, and 1,653,000 registered nurses. In 2008, there were 3.11 billion out-patients, 1.78 billion visits at hospitals, and 862 million at public hygiene service points. There were 115 million patients hospitalized, of which 73.92 million at hospitals, and 33.55 million at public hygiene service points.

The healthcare reform announced by the Chinese government in April 2009 calls for 850 billion yuan for safer and more affordable HIT for China's 1.3 billion citizens by 2011. It is estimated that hospital budgets for HIT investments could amount to 246 billion yuan, 3% of the total hospital revenues.

Automobile stamping and welding

During the nine months period ended 30 September 2009, the JV Company has sold 493 thousands (2008: 350 thousands) ancillary stamping and welding parts for automobiles, and recorded sales of approximately HK\$616.7 million (2008: HK\$440.2 million). The Group has accounted for the sales on proportion and recorded turnover of HK\$302.2 million for the period in 2009. Its major customers include ChangAn Auto Co Ltd, ChangAn Ford Mazda, and ChangAn Ford Nanjing Corp etc.

Since the automobile market has recovered during the year, automobile market recovery leads to extra demand of assembly products. JV Company's sales is expected to pick up in the second half of the year 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 ongoing to review the business of the JV Company and continue 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 drive 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 has 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 nine months period ended 30 September 2009, the radio trunking business has not recorded any revenue and this represented a decrease of approximately HK\$13.6 million as compared to the turnover in 2008. The decrease in turnover of the business was mainly due to the delay of purchasing orders from customers, as there is still yet to finalise the terms of software services and the business is expected to recover during the year.

Last year, the Group disposed of 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 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.



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

As at 30 September 2009, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

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.

Save as disclosed above, as at 30 September 2009, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 30 September 2009, the following persons (other than the director and the chief executive of the Company) had interests and short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

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

Name of the Shareholders	Type of interest	Number of shares	Number of underlying shares (Note 5)	Total	Approximate percentage of issued share capital
				Number of shares and underlying shares	
Absolute Power International Limited ("Absolute Power") (Note 1)	Beneficial	533,000,000	2,927,000,000	3,460,000,000	49.39%
Wide Treasure Investment Limited ("Wide Treasure") (Note 2)	Beneficial	716,000,000	2,862,000,000	3,578,000,000	51.08%

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.

Save as disclosed above, as at 30 September 2009, the Directors were not aware of any other person (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.



SHARE OPTION

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 (“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 to 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 a Group, any consultant, adviser, agent supplier, customer, business partner and shareholder of the Group for their contribution or potential contribution to the Group.

The total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes in force from time to time must not in aggregate exceed 30% of the Share in issue from time to time.

The total number of Shares which may be issued upon exercise of all options to be granted under the Scheme shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of the passing of the relevant resolution for adjusting the scheme.

Pursuant to the Scheme, as at 30 September 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 September 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 September 2009.

The total number of Shares available for issue under the Scheme as at the date thereof was 87,659,900 representing approximately 1.25% of the issued share capital of the Company.

COMPETING INTERESTS

The directors of the Company are not aware of, as at 30 September 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.

CORPORATE GOVERNANCE

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

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 nine months ended 30 September 2009.

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

Hong Kong, 13 November 2009

As at the date hereof, the board of directors of the Company comprises the 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.