



**Golden Resources Development International Limited**  
**金源米業國際有限公司**

Incorporated in Bermuda with limited liability



**2001/2002 Interim Report**



**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED****SUMMARY OF INTERIM RESULTS**

The Directors of Golden Resources Development International Limited ("the Company") are pleased to announce the unaudited consolidated results of the Company and its subsidiaries ("the Group") for the six months ended 30th September, 2001. These interim financial statements have not been audited, but have been reviewed by the Company's auditors, Deloitte Touche Tohmatsu.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

		<b>For the six months ended 30th September,</b>	
		<b>2001 (Unaudited) HK\$'000</b>	2000 (Unaudited) HK\$'000
	<i>Notes</i>		
Turnover	4	<b>574,921</b>	497,912
Cost of sales		<b>(416,699)</b>	(364,477)
Gross profit		<b>158,222</b>	133,435
Deficit on revaluation of investments in securities		<b>(11,534)</b>	(5,309)
Other revenue		<b>8,200</b>	10,218
Selling and distribution costs		<b>(22,671)</b>	(19,557)
Administrative expenses		<b>(63,323)</b>	(59,023)
Profit from operations	5	<b>68,894</b>	59,764
Finance costs		<b>(1,343)</b>	(1,514)
Share of results of associates		<b>61</b>	1,560
Profit before taxation		<b>67,612</b>	59,810
Taxation	6	<b>(13,929)</b>	(11,196)
Profit after taxation		<b>53,683</b>	48,614
Minority interests		<b>1,193</b>	1,876
Net profit for the period		<b><u>54,876</u></b>	<u>50,490</u>
Dividend	7	<b><u>19,228</u></b>	<u>19,894</u>
Interim dividend per share		<b><u>1.5 cents</u></b>	<u>1.5 cents</u>
Earnings per share	8		
– Basic		<b><u>4.3 cents</u></b>	<u>4.5 cents</u>
– Diluted		<b><u>4.2 cents</u></b>	<u>4.5 cents</u>

**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED****CONDENSED CONSOLIDATED BALANCE SHEET**

		<b>30th September, 2001 (Unaudited)</b>	31st March, 2001 (Audited) (As restated)
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		295,432	301,223
Investment properties		21,500	21,500
Interests in associates		132,256	110,479
Investments in securities		104,391	114,399
Advances to investee companies		53,274	54,950
		<u>606,853</u>	<u>602,551</u>
<b>CURRENT ASSETS</b>			
Inventories		50,608	66,683
Trade debtors	9	76,222	67,783
Other debtors, deposits and prepayments		126,912	48,897
Investments in securities		35,406	111,471
Time deposits, bank balances and cash		205,032	158,248
		<u>494,180</u>	<u>453,082</u>
<b>CURRENT LIABILITIES</b>			
Trade creditors	10	32,709	28,728
Other creditors and accruals		33,682	28,047
Provision for taxation		25,718	16,783
Bank loans – due within one year		41,249	42,179
		<u>133,358</u>	<u>115,737</u>
<b>NET CURRENT ASSETS</b>		<u>360,822</u>	<u>337,345</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>967,675</u>	<u>939,896</u>
<b>NON-CURRENT LIABILITIES</b>			
Bank loans – due after one year		1,972	2,959
Deferred taxation		558	681
Advances from minority shareholders		61,850	60,977
		<u>64,380</u>	<u>64,617</u>
<b>MINORITY INTERESTS</b>		<u>6,078</u>	<u>7,288</u>
<b>NET ASSETS</b>		<u>897,217</u>	<u>867,991</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	11	128,188	128,188
Reserves	12	769,029	739,803
<b>SHAREHOLDERS' FUNDS</b>		<u>897,217</u>	<u>867,991</u>

**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED****CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES**

	<b>For the six months ended 30th September,</b>	
	<b>2001 (Unaudited) HK\$'000</b>	2000 (Unaudited) HK\$'000
Share of exchange adjustments of associates	(2)	172
Exchange differences arising from translation of overseas operations	<u>(10)</u>	<u>2</u>
Net (losses) gains not recognised in the income statement	(12)	174
Net profit for the period	<u>54,876</u>	<u>50,490</u>
Total recognised gains	<b>54,864</b>	50,664
Goodwill arising on acquisition of an associate	<u>–</u>	<u>(18,623)</u>
	<b><u>54,864</u></b>	<b><u>32,041</u></b>
Prior period adjustments arising from the effects of changes in accounting policies (see note 3)		
– Decrease in contributed surplus at 1st April, 2000 in relation to derecognition of trade marks		(152,375)
– Decrease in retained earnings at 1st April, 2000 in relation to derecognition of trade marks		<u>(25,329)</u>
		<b><u>(177,704)</u></b>

**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED****CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>For the six months ended 30th September,</b>	
	<b>2001 (Unaudited) HK\$'000</b>	2000 (Unaudited) HK\$'000
Net cash inflow (outflow) from operating activities	<b>98,067</b>	(24,883)
Net cash outflow from returns on investments and servicing of finance	<b>(20,049)</b>	(11,976)
Tax paid	<b>(4,585)</b>	(3,744)
Net cash outflow from investing activities	<b>(25,605)</b>	(122,999)
Net cash inflow (outflow) before financing	<b>47,828</b>	(163,602)
Net cash (outflow) inflow from financing	<b>(1,044)</b>	80,990
Increase (decrease) in cash and cash equivalents	<b>46,784</b>	(82,612)
Cash and cash equivalents at beginning of the period	<b>158,248</b>	196,309
Cash and cash equivalents at end of the period	<b>205,032</b>	113,697
Analysis of the balances of cash and cash equivalents		
Time deposits, bank balances and cash	<b>205,032</b>	119,697
Bank overdraft	–	(6,000)
	<b>205,032</b>	113,697

**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED****NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**For the six months ended 30th September, 2001****1. BASIS OF PREPARATION**

The condensed financial statements have been prepared in accordance with Statement of Standard Accounting Practice ("SSAP") No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**2. PRINCIPAL ACCOUNTING POLICIES**

The condensed financial statements have been prepared under the historical cost convention as modified for the revaluation of certain properties and investments in securities.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2001, except as disclosed below.

In the current period, the Group has adopted, for the first time, a number of new and revised SSAPs issued by the Hong Kong Society of Accountants. This has resulted in the adoption of the following new/revised accounting policies.

**Dividend proposed or declared after the balance sheet date**

In accordance with SSAP No. 9 (Revised) "Events after the Balance Sheet Date", dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date, but are disclosed as a separate component of equity in the notes to the financial statements. This change in accounting policy has been applied retrospectively, resulting in a prior period adjustment (see Note 3).

**Trade marks**

SSAP No. 29 "Intangible Assets" specifies more rigorous criteria for the recognition of intangible assets than were applied in previous periods. Consequently, adoption of SSAP No. 29 has resulted in the derecognition of trade marks, which were reported as intangible assets in prior financial statements. This change in accounting policy has been applied retrospectively, resulting in a prior period adjustment (see Note 3).

**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED****Goodwill**

In the current period, the Group has adopted SSAP No. 30 "Business Combinations" and has elected not to restate goodwill (negative goodwill) previously eliminated against (credited to) reserves. Accordingly, goodwill arising on acquisitions prior to 1st April, 2001 continues to be held in reserves and will be charged to the income statement at the time of disposal of the relevant subsidiary or associate or at such time as the goodwill is determined to be impaired. Negative goodwill arising on acquisitions prior to 1st April, 2001 will be credited to income at the time of disposal of the relevant subsidiary or associate.

Goodwill arising on acquisitions after 1st April, 2001 is capitalised and amortised over its estimated useful life. Negative goodwill arising on acquisitions after 1st April, 2001 is presented as a deduction from assets and will be released to income based on an analysis of the circumstances from which the balance resulted.

**3. PRIOR PERIOD ADJUSTMENTS**

The financial effect of the adoption of the new/revised accounting policies described in Note 2 is summarised below:

	<b>Contributed surplus</b>	<b>Dividend reserve</b>	<b>Retained earnings</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1st April, 2000				
As originally stated	152,375	–	237,527	389,902
Derecognition of trade marks	(152,375)	–	(25,329)	(177,704)
Derecognition of liability for final dividend for the year ended 31st March, 2000	–	20,595	–	20,595
As restated	–	20,595	212,198	232,793
Net profit for the year ended 31st March, 2001	–	–	110,338	110,338
Interim dividend	–	–	(19,943)	(19,943)
Final dividend	–	–	(25,638)	(25,638)
Prior year final dividend paid	–	(20,595)	–	(20,595)
Derecognition of liability for final dividend for the year ended 31st March, 2001	–	25,638	–	25,638
Balance at 31st March, 2001, as restated	–	25,638	276,955	302,593

**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED****4. SEGMENTAL INFORMATION**

The Group's turnover and contribution to profit from operations, analysed by principal activity and geographical location are as follows:

	For the six months ended 30th September, 2001		For the six months ended 30th September, 2000	
	Turnover HK\$'000	Contribution to profit (loss) from operations HK\$'000	Turnover HK\$'000	Contribution to profit (loss) from operations HK\$'000
By principal activity:				
External sales:				
Rice sales	401,902	65,404	444,161	68,338
Warehouse operation	16,508	3,557	17,421	3,406
Security investment	156,148	(329)	35,924	(12,362)
Property investment and others	363	262	406	382
	<u>574,921</u>	<u>68,894</u>	497,912	<u>59,764</u>
Inter-segment sales:				
Warehouse operation	<u>7,222</u>		<u>6,093</u>	
	582,143		504,005	
Eliminations	<u>(7,222)</u>		<u>(6,093)</u>	
Consolidated turnover	<u>574,921</u>		<u>497,912</u>	

**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED**

	<b>For the six months ended 30th September, 2001</b>		For the six months ended 30th September, 2000	
	<b>Turnover HK\$'000</b>	<b>Contribution to profit (loss) from operations HK\$'000</b>	Turnover HK\$'000	Contribution to profit (loss) from operations HK\$'000
By geographical location:				
External sales:				
Hong Kong	527,930	69,319	453,917	60,485
Other regions in the People's Republic of China (the "PRC")	38,864	642	33,889	1,211
Vietnam and others	8,127	(1,067)	10,106	(1,932)
	<u>574,921</u>	<u>68,894</u>	497,912	<u>59,764</u>
Inter-segment sales:				
Vietnam and others	-		1,676	
	<u>574,921</u>		499,588	
Eliminations	-		(1,676)	
Consolidated turnover	<u>574,921</u>		<u>497,912</u>	

**5. PROFIT FROM OPERATIONS**

Profit from operations has been arrived at after charging (crediting):

	<b>For the six months ended 30th September,</b>	
	<b>2001 HK\$'000</b>	2000 HK\$'000
Depreciation	11,457	9,575
Interest income	(6,600)	(8,419)
Dividend income from listed investments in securities	<u>(332)</u>	<u>(154)</u>

**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED****6. TAXATION**

	<b>For the six months ended 30th September,</b>	
	<b>2001 HK\$'000</b>	2000 HK\$'000
The charge comprises:		
The Company and subsidiaries		
Hong Kong Profits Tax	<b>13,508</b>	11,530
PRC Tax	<b>12</b>	22
	<b>13,520</b>	11,552
Deferred tax credit	<b>(123)</b>	(555)
	<b>13,397</b>	10,997
Share of tax attributable to associates	<b>532</b>	199
	<b>13,929</b>	11,196

Hong Kong Profits Tax is calculated at 16% of the estimated assessable profit for the period. Provision of taxation for the profits from PRC operations has been made in accordance with the laws of the PRC.

**7. DIVIDEND**

	<b>For the six months ended 30th September,</b>	
	<b>2001 HK\$'000</b>	2000 HK\$'000
Interim dividend declared of 1.5 cents per share on 1,281,881,460 shares (2000: 1.5 cents per share on 1,278,581,460 shares)	<b>19,228</b>	19,179
Adjustment of final dividend for prior year resulting from exercise of share options	<b>-</b>	715
	<b>19,228</b>	19,894

**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED****8. EARNINGS PER SHARE**

The calculation of the basic and diluted earnings per share is based on the following data:

	<b>For the six months ended 30th September,</b>	
	<b>2001 HK\$'000</b>	2000 HK\$'000
Earnings:		
Earnings for the purposes of both basic and diluted earnings per share (net profit for the period)	<u>54,876</u>	<u>50,490</u>

	<b>For the six months ended 30th September,</b>	
	<b>2001</b>	2000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>1,281,881,460</b>	1,127,387,608
Effect of dilutive potential ordinary shares – Options	<u>22,737,887</u>	<u>933,300</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><b>1,304,619,347</b></u>	<u>1,128,320,908</u>

**9. TRADE DEBTORS**

The Group allows an average credit period of 30-60 days to its trade customers. The following is an aged analysis of trade debtors:

	<b>30th September, 2001 HK\$'000</b>	31st March, 2001 HK\$'000
Within 30 days	47,428	43,415
31 – 60 days	21,124	18,364
61 – 90 days	2,123	3,503
Over 90 days	<u>5,547</u>	<u>2,501</u>
	<u><b>76,222</b></u>	<u>67,783</u>

**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED****10. TRADE CREDITORS**

The following is an aged analysis of trade creditors:

	<b>30th September, 2001 HK\$'000</b>	31st March, 2001 HK\$'000
Within 30 days	29,166	23,530
31-60 days	41	2,010
Over 90 days	3,502	3,188
	<u>32,709</u>	<u>28,728</u>

**11. SHARE CAPITAL**

	<b>Number of shares of HK\$0.10 each</b>	HK\$'000
Authorised:		
At 1st April, 2000	1,000,000,000	100,000
Increase in authorised share capital	<u>1,000,000,000</u>	<u>100,000</u>
At 31st March, 2001 and 30th September, 2001	<u>2,000,000,000</u>	<u>200,000</u>
Issued and fully paid:		
At 1st April, 2000	678,587,640	67,859
Placement of shares	136,000,000	13,600
Bonus issue of shares	426,193,820	42,619
Exercise of share options	<u>41,100,000</u>	<u>4,110</u>
At 31st March, 2001 and 30th September, 2001	<u>1,281,881,460</u>	<u>128,188</u>

## GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED

## 12. RESERVES

	Share premium HK\$'000	Goodwill reserve HK\$'000	Contributed surplus HK\$'000	Capital redemption reserve HK\$'000	Land and buildings revaluation reserve HK\$'000	Exchange reserve HK\$'000	Dividend reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1st April, 2000									
- as originally stated	375,347	(8,672)	152,375	515	81,900	(1,300)	-	237,527	837,692
- Derecognition of trade marks	-	-	(152,375)	-	-	-	-	(25,329)	(177,704)
- Derecognition of liability for final dividend for the year ended 31st March, 2000	-	-	-	-	-	-	20,595	-	20,595
- as restated	375,347	(8,672)	-	515	81,900	(1,300)	20,595	212,198	680,583
Exchange adjustments less minority interests	-	-	-	-	-	276	-	-	276
Share of exchange adjustments of associates	-	-	-	-	-	(202)	-	-	(202)
Premium arising from the issue of new shares	50,716	-	-	-	-	-	-	-	50,716
Bonus issue of shares	(42,619)	-	-	-	-	-	-	-	(42,619)
Expenses paid in connection with the issue of new shares	(739)	-	-	-	-	-	-	-	(739)
Goodwill arising from acquisition of interest in an associate	-	(18,012)	-	-	-	-	-	-	(18,012)
Net profit for the year	-	-	-	-	-	-	-	110,338	110,338
Interim dividend	-	-	-	-	-	-	-	(19,943)	(19,943)
Final dividend	-	-	-	-	-	-	-	(25,638)	(25,638)
Prior year final dividend paid	-	-	-	-	-	-	(20,595)	-	(20,595)
Derecognition of liability for final dividend for the year ended 31st March, 2001	-	-	-	-	-	-	25,638	-	25,638
At 31st March, 2001									
- as restated	382,705	(26,684)	-	515	81,900	(1,226)	25,638	276,955	739,803
Exchange adjustments less minority interests	-	-	-	-	-	(10)	-	-	(10)
Share of exchange adjustments of associates	-	-	-	-	-	(2)	-	-	(2)
Net profit for the period	-	-	-	-	-	-	-	54,876	54,876
Interim dividend	-	-	-	-	-	-	19,228	(19,228)	-
Prior year final dividend paid	-	-	-	-	-	-	(25,638)	-	(25,638)
At 30th September, 2001	<u>382,705</u>	<u>(26,684)</u>	<u>-</u>	<u>515</u>	<u>81,900</u>	<u>(1,238)</u>	<u>19,228</u>	<u>312,603</u>	<u>769,029</u>

**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED****13. RELATED PARTIES TRANSACTIONS**

During the period from 1st April, 2001 to 30th September, 2001, the Group had trade purchases from associates amounted to HK\$7,261,000 (2000: HK\$7,819,000). The purchases were carried out in the ordinary course of business and at prices determined by reference to prevailing market price.

Interests in associates included advances to associates of HK\$56,767,000 as at 30th September, 2001 (31st March, 2001: HK\$34,517,000). The advances are unsecured, non-interest bearing and not repayable in the coming twelve months.

**14. COMMITMENTS AND CONTINGENT LIABILITIES**

At the following reporting dates, the commitments and contingent liabilities not provided for in the financial statements are as follows:

	<b>30th September, 2001 HK\$'000</b>	31st March, 2001 HK\$'000
(a) Contracted capital commitments for:		
Acquisition of property, plant and equipment	339	29
Contribution to an investee company	<u>20,400</u>	<u>20,400</u>
	<u><b>20,739</b></u>	<u><b>20,429</b></u>
(b) Contingent liabilities		
Guarantees given in respect of banking facilities made available to:		
– associates	22,490	19,165
– investee companies	<u>77,676</u>	<u>77,413</u>
	<u><b>100,166</b></u>	<u><b>96,578</b></u>

The extent of banking facilities utilised by the associates and investee companies as at 30th September, 2001 amounted to approximately HK\$10,643,000 (31st March, 2001: HK\$9,378,000) and HK\$35,221,000 (31st March, 2001: HK\$38,839,000) respectively.

**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED****LIQUIDITY AND FINANCIAL RESOURCES**

The Group has cash balance of HK\$205 million as at 30th September, 2001. The Group's bank loans outstanding at 30th September, 2001 amounted to HK\$43 million, representing a decrease of HK\$2 million as compared with the amounts outstanding at 31st March, 2001. With cash and other current assets of HK\$494 million as at 30th September, 2001 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

**BUSINESS REVIEW AND PROSPECTS**

We are pleased to report that the Group had a net profit of HK\$54,876,000 for the half year under review. This represents an increase of 8.7% when compared with same period last year. The growth in profits is attributable to the satisfactory business performance both in the Hong Kong and China rice markets.

Our Group is well positioned to benefit from China's entry into the WTO. We expect it will boost investor confidence and spur higher consumer spending. The China domestic retail market will definitely benefit and offer great opportunities for our Group's rice core business in terms of long term future growth. The Group's rice operation in China performed well during this period. Our business plan to penetrate further into the Pearl River Delta and the Guangdong province has been progressing satisfactorily. Golden Resources believes that this strategic business expansion will lay a solid foundation for future development.

Our Group's liquidity position remains very strong and healthy. Whilst we continue to pursue investment opportunities, we also focus our efforts on the management of the existing investment portfolios to realize their highest return. Our recently acquired investment associate, GR Investment International Limited, has just rationalized its corporate structure and is well poised to create value for its shareholders.

Looking ahead, we are optimistic about the outlook and position of Golden Resources and will work towards the long term higher returns to the shareholders.

**INTERIM DIVIDEND**

The Directors have declared an interim dividend of 1.5 cents per share totalling not less than HK\$19,228,222 for the year ending 31st March, 2002 (2000/2001: HK\$19,178,721) to shareholders on the Register of Members of the Company on Friday, 11th January, 2002.

It is expected that cheques for the interim dividend will be despatched to those entitled thereto on or about Tuesday, 15th January, 2002.

**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED****CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Monday, 7th January, 2002 to Friday, 11th January, 2002, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Standard Registrars Limited, 5/F., Wing On Centre, 111 Connaught Road Central, Hong Kong not later than 4:00 p.m. on Friday, 4th January, 2002.

**DISCLOSURE OF INTERESTS****1. Directors' Interests**

As at 30th September, 2001, the following Directors had personal interests as recorded in the register kept under Section 29 of the Securities (Disclosure of Interests) Ordinance ("the SDI Ordinance"):

<b>Name of Directors</b>	<b>No. of ordinary shares beneficially held in the Company for personal interests</b>	<b>No. of non-voting deferred shares beneficially held in the subsidiaries for personal interests</b>	<b>Note</b>
Mr. David LAM Kwing Chan	7,935,000	260,000 13,000	(1) (2)
Mr. Alvin LAM Kwing Wai	22,500,000	260,000 13,000	(1) (2)
Madam Rosita YUEN LAM Kit Woo	1,504,000	–	
Mr. Laurent LAM Kwing Chee	3,300,000	–	
Mr. TSANG Siu Hung	3,600,000	–	

Notes:

- (1) Mr. David LAM Kwing Chan and Mr. Alvin LAM Kwing Wai are each beneficially interested in 260,000 non-voting deferred shares of Golden Resources Development Limited.
- (2) Mr. David LAM Kwing Chan and Mr. Alvin LAM Kwing Wai are each beneficially interested in 13,000 non-voting deferred shares of Yuen Loong & Company Limited.

Other than as disclosed above, none of the Directors nor their associates had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

## GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED

### 2. Share Options granted to Directors

As at 30th September, 2001, details of share options granted to the Directors under the existing Share Option Scheme of the Company were as follows:

Name of Directors	Date granted	Subscription price per share (HK\$)	Balance outstanding as at 1st April, 2001	Granted during the period	Balance outstanding as at 30th September, 2001	Note
Mr. Alvin LAM	12th January, 2001	0.26	15,000,000	-	15,000,000	(1)
Kwing Wai	28th August, 2001	0.30	-	16,000,000	16,000,000	(2)
Madam Rosita YUEN	12th January, 2001	0.26	15,000,000	-	15,000,000	(1)
LAM Kit Woo	28th August, 2001	0.30	-	10,000,000	10,000,000	(2)
Mr. Laurent LAM	12th January, 2001	0.26	15,000,000	-	15,000,000	(1)
Kwing Chee	28th August, 2001	0.30	-	10,000,000	10,000,000	(2)
Mr. TSANG Siu Hung	30th January, 2001	0.27	2,500,000	-	2,500,000	(3)

*Notes:*

- (1) The subscription price of these option is HK\$0.26 per share. These options are exercisable during the period from 12th January, 2001 to 4th January, 2007.
- (2) The subscription price of these option is HK\$0.30 per share. These options are exercisable during the period from 28th August, 2001 to 4th January, 2007.
- (3) The subscription price of this option is HK\$0.27 per share. This option is exercisable during the period from 30th January, 2002 to 29th January, 2005.

Other than as disclosed above, none of the Directors nor their spouses or children under 18 years of age were granted or had exercised any rights to subscribe for any securities of the Company or any of its associated corporations.

**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED****3. Substantial Shareholders**

As at 30th September, 2001, the following details were recorded in the register kept by the Company under Section 16(1) of the SDI Ordinance:

<b>Name of shareholders</b>	<b>Number of shares held</b>
Yuen Loong International Limited	385,052,026
Chelsey Developments Ltd.	236,940,000

**AUDIT COMMITTEE**

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial statements for the six months ended 30th September, 2001.

**CODE OF BEST PRACTICE**

The Company has, throughout any part of the accounting period covered by this interim financial statements, complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**PURCHASE, SALE OR REDEMPTION OF LISTED SHARES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the period.

**DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE**

The interim financial statements of the Company for the six months ended 30th September, 2001, containing the information required by paragraphs 46(1) to 46(6) of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), will be published on the website of the Stock Exchange in due course.

On behalf of the Board  
**Alvin LAM Kwing Wai**  
*Managing Director*

Hong Kong, 20th December, 2001

**德勤·關黃陳方會計師行**

Certified Public Accountants  
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111 Connaught Road Central  
Hong Kong

香港中環干諾道中111號  
永安中心26樓

**Deloitte  
Touche  
Tohmatsu**

**TO THE BOARD OF DIRECTORS OF  
GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED**  
*(Incorporated in Bermuda with limited liability)*

**Introduction**

We have been instructed by the Company to review the interim financial report set out on pages 1 to 13.

**Directors' responsibilities**

The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

**Review work performed**

We conducted our review in accordance with Statement of Auditing Standards SAS 700 "Engagements to Review Interim Financial Reports" issued by the Hong Kong Society of Accountants. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

**Review conclusion**

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30th September, 2001.

Without modifying our review conclusion, we draw to your attention that the comparative condensed consolidated income statement, condensed consolidated statement of recognised gains and losses and condensed consolidated cash flow statement for the six months ended 30th September, 2000 disclosed in the interim financial report have not been reviewed in accordance with SAS 700.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong

Hong Kong, 20th December, 2001