



2008/2009 *Interim Report*



GOLDEN RESOURCES
DEVELOPMENT INTERNATIONAL LIMITED

Stock Code: 677
Incorporated in Bermuda with Limited Liability



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, 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30th September,	
		2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000 As restated
TURNOVER	3	358,695	251,980
Cost of sales		(268,612)	(183,596)
GROSS PROFIT		90,083	68,384
Net unrealized (loss)/gain on financial assets at fair value through profit or loss		(45,893)	37,157
Unrealized gain on derivative financial instruments		506	—
Other operating income	4	17,092	63,115
Other operating loss	5	(9,743)	—
Selling and distribution costs		(16,597)	(9,474)
Administrative expenses		(49,340)	(55,574)
(LOSS)/PROFIT FROM OPERATIONS	3	(13,892)	103,608
Finance costs		(1,980)	(113)
Share of results of associates		(58,834)	(7,028)
Impairment loss on interests in associate		(22,231)	—
Gain on disposal of associate		—	653
(LOSS)/PROFIT BEFORE TAXATION	6	(96,937)	97,120
Taxation	7	(2,006)	(22,170)
(LOSS)/PROFIT FOR THE PERIOD		(98,943)	74,950
Attributable to:			
Shareholders of the Company		(98,744)	74,619
Minority interests		(199)	331
		(98,943)	74,950
DIVIDEND	8	14,069	17,586
INTERIM DIVIDEND PER SHARE		HK1 cent	HK1.25 cents
(LOSS)/EARNINGS PER SHARE	9		
— Basic		HK(7.0) cents	HK5.3 cents
— Diluted		N/A	HK5.3 cents



CONDENSED CONSOLIDATED BALANCE SHEET

	30th September, 2008 (Unaudited) Notes	31st March, 2008 (Audited)
	HK\$'000	HK\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	70,938	75,414
Investment properties	24,610	27,890
Interests in associates	270,097	340,493
Available-for-sale investments	51,487	88,674
Prepaid lease payments	19,794	19,958
	436,926	552,429
CURRENT ASSETS		
Inventories	107,445	102,597
Trade debtors	10 65,849	56,826
Other debtors, deposits and prepayments	69,408	69,271
Financial assets at fair value through profit or loss	116,293	155,913
Cash and cash equivalents	213,235	221,819
	572,230	606,426
CURRENT LIABILITIES		
Trade creditors	11 4,779	6,875
Other creditors and accruals	18,585	19,491
Derivative financial instruments	1,134	3,017
Tax liabilities	28,978	29,879
	53,476	59,262
NET CURRENT ASSETS	518,754	547,164
TOTAL ASSETS LESS CURRENT LIABILITIES	955,680	1,099,593
NON-CURRENT LIABILITIES		
Deferred tax liabilities	2,549	2,671
Convertible notes	86,401	86,210
	88,950	88,881
	866,730	1,010,712
CAPITAL AND RESERVES		
Share capital	12 140,691	140,691
Reserves	13 712,729	856,964
Shareholders' equity	853,420	997,655
Minority interests	13,310	13,057
	866,730	1,010,712



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	For the six months ended 30th September,	
		2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
Total equity, at 1st April		1,010,712	1,019,309
Exchange adjustments			
— Attributable to shareholders of the Company	13	3,315	3,226
— Attributable to minority interests		452	460
Share of exchange adjustments of associates	13	2,895	1,934
Eliminated on impairment of associate	13	(1,566)	—
Investments revaluation reserve realized on disposal of available-for-sale investments	13	(7,747)	(15,173)
(Deficit)/surplus on revaluation of available-for-sale investments	13	(21,284)	39,595
Net (losses)/gains not recognised in the income statement		(23,935)	30,042
(Loss)/profit for the period			
— Attributable to shareholders of the Company	13	(98,744)	74,619
— Attributable to minority interests		(199)	331
		(98,943)	74,950
Prior year final dividend paid	13	(21,104)	(21,104)
Loss attributable to minority interests included in advances from minority shareholders		—	2
Total equity, at 30th September		866,730	1,103,199



CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	For the six months ended	
	30th September,	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash (used in)/generated from operating activities	(4,423)	27,336
Net cash generated from investing activities	16,277	65,246
Net cash used in financing activities	(22,893)	(28,613)
Net (decrease)/increase in cash and cash equivalents	(11,039)	63,969
Cash and cash equivalents at 1st April	201,404	280,224
Effect of foreign exchange rate changes	2,107	2,742
Cash and cash equivalents at 30th September	192,472	346,935
Analysis of the balances of cash and cash equivalents		
Time deposits, bank balances and cash	213,235	366,957
Less: Pledged bank deposit	(20,763)	(20,022)
	192,472	346,935



NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2008

1. BASIS OF PREPARATION

The unaudited condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") 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 (the "Listing Rules").

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties, available-for-sale investments and financial assets at fair value through profit or loss which are measured at fair values.

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2008.

In the current period, the Group has applied, for the first time, the following amendments and new interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, which are either effective for accounting periods beginning on or after 1 April 2008.

HKAS 39 and HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) — Int 12	Service Concession Arrangements
HK(IFRIC) — Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new HKFRSs had no significant impact on the Group's unaudited interim condensed consolidated financial statements.



3. BUSINESS AND GEOGRAPHICAL SEGMENTS

An analysis of the Group's segment information by business and geographical segments is as follows:

Business segments

Income statement for the six months ended 30th September, 2008

	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
TURNOVER					
External sales	358,103	—	592	—	358,695
RESULT					
Segment results	28,933	(39,437)	(337)	(3,051)	(13,892)
Finance costs					(1,980)
Share of results of associates	(7,292)	—	138	(51,680)	(58,834)
Impairment loss on interests in associate	(22,231)	—	—	—	(22,231)
Loss before taxation					(96,937)
Taxation					(2,006)
Loss for the period					(98,943)
Attributable to:					
Shareholders of the Company					(98,744)
Minority interests					(199)
					(98,943)



3. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Income statement for the six months ended 30th September, 2007

	Rice operation HK\$'000	Securities investment HK\$'000 As restated	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000 As restated
TURNOVER					
External sales	251,469	—	511	—	251,980
RESULT					
Segment results	13,159	84,012	1,493	4,944	103,608
Finance costs					(113)
Share of results of associates	(1,339)	—	—	(5,689)	(7,028)
Gain on disposal of associate	653	—	—	—	653
Profit before taxation					97,120
Taxation					(22,170)
Profit for the period					74,950
Attributable to:					
Shareholders of the Company					74,619
Minority interests					331
					74,950



3. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Geographical segments

The Group's operations are located in Hong Kong, elsewhere in the People's Republic of China (the "PRC") and other regions.

The following table provides an analysis of the Group's sales by location of markets, irrespective of the origin of the goods/services:

	Turnover by geographical markets For the six months ended 30th September,	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
		As restated
Hong Kong	305,402	210,212
Elsewhere in the PRC	42,473	38,453
Others	10,820	3,315
	358,695	251,980



4. OTHER OPERATING INCOME

	For the six months ended 30th September, 2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
		As restated
Interest income	6,527	11,631
Net realized gain on disposal of financial assets:		
— Available-for-sale investments	4,600	23,148
— Financial assets at fair value through profit or loss	—	21,080
	4,600	44,228
Dividend income from listed available-for-sale investments and financial assets at fair value through profit or loss	3,488	1,767
Gain on disposal of investment property	417	—
Net gain on disposal of property, plant and equipment	6	2,764
Sundry income	2,054	2,725
	17,092	63,115

5. OTHER OPERATING LOSS

	For the six months ended 30th September, 2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net realized loss on disposal of financial assets at fair value through profit or loss	(6,378)	—
Impairment loss on loan receivable	(3,365)	—
	(9,743)	—



6. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging:

	For the six months ended 30th September,	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation and amortisation of property, plant and equipment	4,961	5,074
Amortisation of prepaid lease payments	260	254
Effective interest on convertible notes	1,901	—

7. TAXATION

	For the six months ended 30th September,	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	5,672	19,412
Other regions in the PRC	513	2,681
	6,185	22,093
(Over)/underprovision in prior years:		
Hong Kong	(2,856)	—
Other regions in the PRC	(1,200)	130
	(4,056)	130
Deferred tax	(123)	(53)
Taxation attributable to the Company and its subsidiaries	2,006	22,170

Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the period. Taxation arising from other regions in the PRC is calculated in accordance with the relevant laws of the PRC.



8. DIVIDEND

- (a) Dividend attributable to the interim period:

	For the six months ended 30th September,	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interim dividend declared after the interim period end of 1 cent per share on 1,406,906,460 shares (2007: 1.25 cents per share on 1,406,906,460 shares)	14,069	17,586

The interim dividend declared after the interim period end has not been recognised as a liability at the interim period end date.

- (b) Dividend attributable to the previous financial year, approved and paid during the interim period:

	For the six months ended 30th September,	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period, of 1.5 cents per share on 1,406,906,460 shares (2007: 1.5 cents per share on 1,406,906,460 shares)	21,104	21,104



9. (LOSS)/EARNINGS PER SHARE

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

	For the six months ended 30th September, 2008		2007
	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000
(Loss)/earnings for the purposes of both basic and diluted (loss)/earnings per share	(98,744)	74,619	

	For the six months ended 30th September, 2008		2007
	(Unaudited)	(Unaudited)	(Unaudited)

Number of shares:

Weighted average number of shares for the purpose of both basic and diluted (loss)/earnings per share	1,406,906,460	1,406,906,460
---	----------------------	---------------

No diluted loss per share has been presented for the period ended 30th September, 2008 as the exercise price of the Company's convertible notes was higher than the average market price of the Company's share for the period.

10. TRADE DEBTORS

The Group allows an average credit period of 30-60 days to its trade customers. The following is an aging analysis of trade debtors at the balance sheet date:

	30th September, 2008	31st March, 2008
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Within 30 days	36,929	32,465
31-60 days	19,968	14,442
61-90 days	1,345	6,250
Over 90 days	7,607	3,669
	65,849	56,826

The Directors consider that the carrying amounts of trade debtors approximate their fair values.

As at 30th September, 2008, trade debtors over 90 days amounted to HK\$7,607,000 were past due but not impaired as the balances were related to debtors with sound repayment history and no recent history of default.



11. TRADE CREDITORS

The following is an aging analysis of trade creditors at the balance sheet date:

	30th September, 2008 (Unaudited) HK\$'000	31st March, 2008 (Audited) HK\$'000
Within 30 days	4,763	6,749
31-60 days	15	36
61-90 days	—	85
Over 90 days	1	5
	4,779	6,875

The Directors consider that the carrying amounts of trade creditors approximate their fair values.

12. SHARE CAPITAL

	Number of shares of HK\$0.10 each	<i>HK\$'000</i>
Authorised:		
At 1st April, 2007	2,000,000,000	200,000
Increase in authorised share capital	1,000,000,000	100,000
At 31st March, 2008 and 30th September, 2008	3,000,000,000	300,000
Issued and fully paid:		
At 1st April, 2007, 31st March, 2008 and 30th September, 2008	1,406,906,460	140,691

Pursuant to the resolution passed in the Annual General Meeting of the Company held on 29th August, 2007, the authorised share capital was increased from HK\$200 million to HK\$300 million by the creation of an additional 1,000,000,000 ordinary shares of HK\$0.1 each.



13. RESERVES

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Convertible notes		Exchange reserve HK\$'000	Other reserves HK\$'000	Dividend reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
			equity reserve HK\$'000	revaluation reserve HK\$'000					
At 1st April, 2007	404,740	515	—	26,468	15,143	—	21,104	397,963	865,933
Exchange adjustments	—	—	—	—	12,801	—	—	—	12,801
Share of exchange adjustments of associates	—	—	—	—	10,990	—	—	—	10,990
Share of other reserves of associate	—	—	—	—	—	10,291	—	—	10,291
Equity component of convertible notes	—	—	1,187	—	—	—	—	—	1,187
Realized on disposal of available-for-sale investments	—	—	—	(19,776)	—	—	—	—	(19,776)
Surplus on revaluation of available-for-sale investments	—	—	—	5,506	—	—	—	—	5,506
Profit for the year	—	—	—	—	—	—	—	8,722	8,722
Prior year final dividend paid	—	—	—	—	—	—	(21,104)	—	(21,104)
Interim dividend paid	—	—	—	—	—	—	—	(17,586)	(17,586)
Final dividend proposed for the year ended 31st March, 2008	—	—	—	—	—	—	21,104	(21,104)	—
At 31st March, 2008	404,740	515	1,187	12,198	38,934	10,291	21,104	367,995	856,964
Exchange adjustments	—	—	—	—	3,315	—	—	—	3,315
Share of exchange adjustments of associates	—	—	—	—	2,895	—	—	—	2,895
Eliminated on impairment of associate	—	—	—	—	(1,566)	—	—	—	(1,566)
Realized on disposal of available-for-sale investments	—	—	—	(7,747)	—	—	—	—	(7,747)
Deficit on revaluation of available-for-sale investments	—	—	—	(21,284)	—	—	—	—	(21,284)
Loss for the period attributable to shareholders of the Company	—	—	—	—	—	—	—	(98,744)	(98,744)
Prior year final dividend paid	—	—	—	—	—	—	(21,104)	—	(21,104)
Interim dividend	—	—	—	—	—	—	14,069	(14,069)	—
At 30th September, 2008	404,740	515	1,187	(16,833)	43,578	10,291	14,069	255,182	712,729



14. RELATED PARTY TRANSACTIONS

During the period from 1st April, 2008 to 30th September, 2008, the Group had trade purchases from and services rendered to associates with net amount of approximately HK\$166,443,000 (2007: trade purchases from associates amounted to approximately HK\$114,302,000). The purchases and services rendered were carried out in the ordinary course of business and at prices determined by reference to prevailing market price.

Remuneration for key management personnel

The remuneration of directors and other members of key management personnel during the period is as follows:

	For the six months ended	
	30th September,	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Short-term employee benefits	5,972	11,590
Post-employment employee benefits	192	198
	6,164	11,788

The remuneration of directors and key management personnel is determined or proposed by the remuneration committee having regard to the performance of individuals and market trends.

Interests in associates included advances to associates of approximately HK\$90,639,000 as at 30th September, 2008 (31st March, 2008: HK\$117,484,000). The balances of advances to associates as at 30th September, 2008 were unsecured, interest-free and will not be repayable in the coming twelve months.

As at 30th September, 2008, the Group pledged a bank deposit of approximately HK\$20.7 million (31st March, 2008: HK\$20.4 million) and provided guarantees to banks in respect of banking facilities granted to associates as set out in note 15(b).

During the period from 1st April, 2008 to 30th September, 2008, the Group rented a property owned by a landlord in which the Director of the Company, Mr. Alvin LAM Kwing Wai, had a beneficial interest. Total rental expenses incurred for the period amounted to HK\$480,000 (2007: HK\$480,000).



15. COMMITMENTS AND CONTINGENT LIABILITIES

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

	30th September, 2008 (Unaudited) HK\$'000	31st March, 2008 (Audited) HK\$'000
(a) Contracted capital commitments		
Acquisition of property, plant and equipment	25,567	65
Capital contribution for an available-for-sale investment	20,400	20,400
	45,967	20,465
(b) Contingent liabilities and financial guarantees issued		
Guarantees given in respect of banking facilities made available to associates	161,505	176,965

The extent of guaranteed banking facilities utilised by the associates as at 30th September, 2008 amounted to approximately HK\$36,576,000 (31st March, 2008: HK\$50,601,000).

At the above reporting dates, the Directors did not consider it probable that a claim would be made against the Group under any of the guarantees granted by the Group.

The Group has not recognised any deferred income in respect of the financial guarantee contracts granted as the Directors consider that the fair values of the financial guarantee contract is not significant.

MATERIAL TRANSACTION

On 20th August, 2008, a wholly-owned subsidiary of the Company entered into a provisional agreement with an independent third party to acquire a commercial property situated in Hong Kong. Cash consideration of HK\$27,880,000 was funded by internal resources of the Group. The acquisition was completed in October, 2008.



DISCLOSURES PURSUANT TO RULES 13.13 AND 13.16 OF THE LISTING RULES

Advances to entities under Rule 13.13 and financial assistance to and guarantees given for facilities granted to the Company's affiliated companies under Rule 13.16

The following table summarises the loans and guarantees granted by the Group to (i) entities which individually exceeded 8% of the relevant percentage ratios under Rule 13.13 of the Listing Rules as at 30th September, 2008 and (ii) the Company's affiliated companies which in aggregate exceeded 8% of the relevant percentage ratios under Rule 13.16 of the Listing Rules as at 30th September, 2008:

Affiliated companies	Attributable interest held by the Group %	Non-interest bearing advances (A) HK\$'000	Guarantees given (B) HK\$'000	Extent of guaranteed facilities utilised HK\$'000	Aggregate of advances and guarantees given (A + B) HK\$'000	Notes
(i) Dragon Fortune Ltd. and its subsidiaries						
Dragon Fortune Ltd.	28.00	72,106	—	—	72,106	a
Fortune Leader Investment Limited	28.00	—	43,680	2,520	43,680	b
Fortune Leader Overseas Chinese (Daiyawan) Investment Company Limited	22.40	—	33,254	15,800	33,254	c
Aggregate of Dragon Fortune Ltd. and its subsidiaries		72,106	76,934	18,320	149,040	d



DISCLOSURES PURSUANT TO RULES 13.13 AND 13.16 OF THE LISTING RULES (Continued)

Advances to entities under Rule 13.13 and financial assistance to and guarantees given for facilities granted to the Company's affiliated companies under Rule 13.16 (Continued)

Affiliated companies	Attributable interest held by the Group %	Non-interest bearing advances (A) HK\$'000	Guarantees given (B) HK\$'000	Extent of guaranteed facilities utilised HK\$'000	Aggregate of advances and guarantees given (A + B) HK\$'000	Notes
(ii) Sirinumma Company Limited and its subsidiaries						
Sirinumma Company Limited	40.00	7,270	29,000	—	36,270	e, h
Siripattana Rice Company Limited	69.40	29,078	50,771	18,256	79,849	f, g, h
Aggregate of Sirinumma Company Limited and its subsidiaries		36,348	79,771	18,256	116,119	d
(iii) Golden World Enterprises (Wuhan) Limited	25.50	2,229	—	—	2,229	a
(iv) Supreme Development Company Limited	41.16	3,901	—	—	3,901	a
(v) Wellight Development Limited	37.50	10,724	—	—	10,724	a
(vi) Creative Candy International Limited	48.00	4,315	—	—	4,315	a
(vii) 阿爾拔食品(深圳)有限公司	48.00	3,401	4,800	—	8,201	a, h
Total		133,024	161,505	36,576	294,529	i



DISCLOSURES PURSUANT TO RULES 13.13 AND 13.16 OF THE LISTING RULES *(Continued)*

Advances to entities under Rule 13.13 and financial assistance to and guarantees given for facilities granted to the Company's affiliated companies under Rule 13.16 *(Continued)*

The proforma combined balance sheet of the above affiliated companies, as attributable to the Group, as at 30th September, 2008 is as follows:

	<i>HK\$'000</i>
Non-current assets	181,963
Current assets	144,288
Current liabilities	(98,669)
Net current assets	45,619
Non-current liabilities	(139,912)
Minority interests	(23,248)
Shareholders' equity	64,422

Notes:

- (a) The advances were made as shareholder's loans to finance the investments or working capital of respective entity or affiliated company. The balances were interest-free, unsecured and repayable on demand.
- (b) The guarantee was given for loan facilities granted to Fortune Leader Investment Limited ("FL Investment"). FL Investment is a direct wholly-owned subsidiary of Dragon Fortune Ltd.
- (c) The guarantee was given for loan facilities granted to Fortune Leader Overseas Chinese (Daiyawan) Investment Company Limited ("FL Overseas"). FL Overseas is owned as to 80% by FL Investment and as to 20% by an Independent Third Party.



DISCLOSURES PURSUANT TO RULES 13.13 AND 13.16 OF THE LISTING RULES *(Continued)*

Advances to entities under Rule 13.13 and financial assistance to and guarantees given for facilities granted to the Company's affiliated companies under Rule 13.16 *(Continued)*

Notes: (Continued)

- (d) Aggregated pursuant to Rule 13.11(2)(c) of the Listing Rules.
- (e) The advances included a loan made pursuant to a loan agreement dated 30th August, 2002 entered into between Cost Logistics Limited, an indirect wholly-owned subsidiary of the Company ("Cost Logistics"), as lender and Sirinumma Company Limited ("Sirinumma") as borrower and current account balances for expenses paid on behalf of Sirinumma. The loan was interest-free, repayable on demand and secured by the shares in Siripattana Rice Company Limited ("Siripattana") that would be allotted and issued to Sirinumma as a result of Sirinumma's additional capital contribution to Siripattana. The current account balances were interest-free, unsecured and repayable on demand.
- (f) The advances represented shareholder's loans to finance the working capital of Siripattana. The advances were interest-free, unsecured and repayable on demand.
- (g) Siripattana is the Company's associated company and is accounted for using equity accounting method as the entire issued share capital of Siripattana is held as to 51% by Sirinumma (40% of which entire issued capital is indirectly owned by the Company) and as to 49% by Cost Logistics.
- (h) The guarantee was given for banking facilities granted to respective entity or affiliated company.
- (i) Aggregated pursuant to Rule 13.16 of the Listing Rules.



LIQUIDITY AND FINANCIAL RESOURCES

The Group had cash balance of HK\$213 million and no outstanding bank loans as at 30th September, 2008. With cash and other current assets of HK\$572 million as at 30th September, 2008 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

BUSINESS REVIEW AND PROSPECTS

For the period under review, the Group remained focus on its core rice business. Hong Kong rice business continued to be challenging and competitive. The price competition from supermarket chains remained intense. The upsurge in rice costs had affected the profit margin of the rice business. The Group is operating its rice business in a difficult business environment. To embrace these challenges, the Group has been implementing effective procurement measures to alleviate the impact of the cost increase, striving hard on cost controls and improving operational efficiency so as to maintain the profitability of its rice business moderately.

The unprecedented “global financial tsunami” has adverse impact on the Group’s investment portfolio. Our investment portfolio suffered loss of HK\$45,893,000 derived from the unrealised mark-to-market loss on the financial assets. With regards to the share of the results of associate, the Group’s share of loss to the extent of HK\$43,650,000 was due to investment in GR Vietnam Holdings Limited (“GR Vietnam”). The loss of GR Vietnam was also mainly attributable to the unrealised mark-to-market loss on the financial assets. We believe that our investment portfolio will perform once the market conditions normalize. In addition, as a result of the Group’s associate in Thailand suffering continuous losses for its rice operation, the Group considers that the recoverable amount of this investment is uncertain to determine. As such, an impairment loss is recognized on the investment in this associate.

Our investment projects in Vietnam are progressing as planned. Our Group’s associate, GR Vietnam, has secured the franchise and license to operate the convenience store project exclusively in Vietnam. The operation of convenience store will be up and running soon. In the light of current market conditions, the Group will be cautious and prudent in pursuing its investment projects in Vietnam and we believe that we will be able to capitalise on this investment opportunity.



BUSINESS REVIEW AND PROSPECTS *(Continued)*

We are well prepared to manage the challenges ahead of us. With healthy financial strength, as evidenced by having over HK\$213 million cash on hand without any bank borrowings, coupled with steady core rice business operation cash inflows, the Group is adequately equipped to ride through this global financial tsunami. Against this backdrop, the management will continue to focus on achieving stable core rice business development so as to accomplish healthy growth in long run.

INTERIM DIVIDEND

The Directors have declared an interim dividend of 1 cent per share for the year ending 31st March, 2009 (2007/2008: 1.25 cents per share) to shareholders on the Register of Members of the Company on Thursday, 8th January, 2009.

It is expected that cheques for the interim dividend will be despatched to those entitled thereto on or about Thursday, 15th January, 2009.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 2nd January, 2009 to Thursday, 8th January, 2009, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Wednesday, 31st December, 2008.



DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30th September, 2008, the interests and short positions of the directors and their associates in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

Long positions

(a) Ordinary shares of the Company

Name of director	Number of ordinary shares beneficially held in the Company				Approximate percentage of the issued share capital of the Company
	Personal interests	Family interests	Corporate interests	Total interests	
Mr. Alvin LAM Kwing Wai	17,500,000	6,000,000	68,957,000	92,457,000 <i>(Note)</i>	6.57%

Note: These 92,457,000 shares are held by Mr. Alvin LAM Kwing Wai, a director of the Company, as beneficial owner in respect of 17,500,000 shares, as family interests in respect of 6,000,000 shares and as interests in controlled corporation in respect of 68,957,000 shares.



DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES (Continued)

Long positions (Continued)

(b) Non-voting deferred shares of wholly-owned subsidiaries of the Company

Name of director	Name of subsidiary	Capacity	Number of non-voting deferred shares beneficially held
Mr. Alvin LAM Kwing Wai	Golden Resources Development Limited	Beneficial owner	260,000
Mr. Alvin LAM Kwing Wai	Yuen Loong & Company Limited	Beneficial owner	13,000

(c) Ordinary shares of associate of the Company

Name of director	Name of associate	Capacity	Number of ordinary shares held through corporation
Mr. Laurent LAM Kwing Chee	Wellight Development Limited	Interest in controlled corporation	300 (Note)

Note: These shares are held by L.K.C. Company Limited, a company wholly-owned by Mr. Laurent LAM Kwing Chee.

Save as disclosed above, as at 30th September, 2008, none of the directors nor their associates of the Company had or was deemed to have any interests or short positions in the shares or underlying shares of the Company or any of its associated corporations as recorded in the register that required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.



DIRECTORS' RIGHTS TO ACQUIRE SHARES

The Company has adopted an employee share option scheme on 26th August, 2008 under which the Board may grant to eligible employees, including the executive directors, the officers and the full or part-time employees of the Company or its subsidiaries, options to subscribe for shares of the Company. No option was granted, exercised, lapsed or cancelled during the period or remained outstanding as at 30th September, 2008.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate and neither the directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company.

SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2008, the following persons, other than directors or chief executives of the Company, had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of shareholder	Number of shares held <i>(Note 1)</i>	Approximate percentage of the issued share capital of the Company
Yuen Loong International Limited ("Yuen Loong")	485,052,026	34.48% <i>(Note 2)</i>
Chelsey Developments Ltd. ("Chelsey")	236,940,000	16.84% <i>(Note 2)</i>



SUBSTANTIAL SHAREHOLDERS (Continued)

Notes:

- (1) These shares represent long positions.
- (2) Mr. Alvin LAM Kwing Wai, a director of the Company, is a beneficiary of a discretionary trust which is interested in approximately 24% of the issued share capital of each of Yuen Loong and Chelsey. Mr. Laurent LAM Kwing Chee, a director of the Company, is interested in approximately 15% of the issued share capital of each of Yuen Loong and Chelsey through interests in controlled corporation. Madam Rosita YUEN LAM Kit Woo, a director of the Company, is interested in approximately 10% of the issued share capital of each of Yuen Loong and Chelsey through interests in controlled corporation.

Save as disclosed above, as at 30th September, 2008, the Company had not been notified by any persons, other than directors and chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register that required to be kept by the Company pursuant to Section 336 of the SFO and/or were directly or indirectly interested in 5% or more of the nominal value of the share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees for the Group is about 396.

Remuneration packages are reviewed by the Group from time to time. In addition to salary payments, other fringe benefits for the staff include retirement benefits schemes and medical insurance scheme, as well as quarters and housing allowances for certain staff. The Group has taken out personal accident insurance for senior staff and the staff who frequently travel overseas on business trips.



CORPORATE GOVERNANCE

Corporate Governance Practices

The Company has complied with the code provisions as set out in the Code of Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Listing Rules throughout the six months ended 30th September, 2008 except for the following deviation:

Code provision A.2.1 of the Code stipulates that the roles of a Chairman and a Managing Director should be separate and should not be performed by the same individual. During the period, Mr. Alvin LAM Kwing Wai is the Chairman of the Board and the Managing Director of the Company. Given Mr. Alvin LAM Kwing Wai has had extensive experience in the business of the Group, particularly in soliciting for possible new business opportunities and deducing the overall strategic plan for the future development of the Company, the directors consider that it would benefit the Company if Mr. Alvin LAM Kwing Wai is also in charge of overseeing the Company’s operations as its Chairman. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. The Board will regularly review the effectiveness of this arrangement.

Code provision A.4.1 of the Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. All of the independent non-executive directors of the Company were not appointed for a specific term until 31st July, 2008. Since 1st August, 2008, all of the independent non-executive directors have been appointed for a specific term and are subject to retirement by rotation once every three years and are subject to re-election.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by directors. All directors have confirmed, following specific enquiry by the Company, that they fully complied with the required standard as set out in the Model Code throughout the review period.



AUDIT COMMITTEE

The audit committee comprising three independent non-executive directors, Mr. John WONG Yik Chung, Mr. Leo CHAN Fai Yue and Mr. Richard LAU Siu Sun, had 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 financial statements of the Group for the six months ended 30th September, 2008.

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.

BOARD OF DIRECTORS

As at the date of this report, the executive directors of the Company are Mr. Alvin LAM Kwing Wai (Chairman and Managing Director), Madam Rosita YUEN LAM Kit Woo, Mr. Laurent LAM Kwing Chee, Mr. Anthony LAM Sai Ho and Mr. TSANG Siu Hung. The independent non-executive directors of the Company are Mr. John WONG Yik Chung, Mr. Leo CHAN Fai Yue and Mr. Richard LAU Siu Sun.

On behalf of the Board
**Golden Resources Development
International Limited**
Alvin LAM Kwing Wai
Chairman

Hong Kong, 10th December, 2008