

金源 米業

GR

2009/2010

INTERIM REPORT

健康衛生 食得放心



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, 2009 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30th September,	
	Notes	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000 As restated
TURNOVER	3	354,939	358,695
Cost of sales		(265,464)	(268,612)
GROSS PROFIT		89,475	90,083
Net unrealized gain/(loss) on financial assets at fair value through profit or loss		28,627	(45,893)
Net other income	4	19,762	5,024
Selling and distribution costs		(12,826)	(16,597)
Administrative expenses		(49,846)	(46,509)
PROFIT/(LOSS) FROM OPERATIONS	3	75,192	(13,892)
Finance costs		(988)	(1,980)
Share of results of associates		73,123	(58,834)
Write-back of impairment loss on interests in associate		17,731	—
Impairment loss on interests in associate		—	(22,231)
PROFIT/(LOSS) BEFORE TAXATION	5	165,058	(96,937)
Taxation	6	(6,053)	(2,006)
PROFIT/(LOSS) FOR THE PERIOD		159,005	(98,943)
Attributable to:			
Shareholders of the Company		159,834	(98,744)
Minority interests		(829)	(199)
		159,005	(98,943)
DIVIDEND	7	18,175	14,069
INTERIM DIVIDEND PER SHARE		HK1.2 cents	HK1 cent
EARNINGS/(LOSS) PER SHARE	8		
— Basic		HK11.3 cents	HK(7.0) cents
— Diluted		HK10.8 cents	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended	
	30th September, 2009	2008
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	159,005	(98,943)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Surplus/(deficit) on revaluation of available-for-sale investments	361	(21,284)
Investments revaluation reserve realized on disposal of available-for-sale investments	1,022	(7,747)
Exchange differences on translation of foreign operations	142	3,767
Share of other comprehensive income of associates	3,203	2,895
Exchange reserve eliminated on impairment loss on interests in associate	—	(1,566)
Other comprehensive income/(loss) for the period, net of tax	4,728	(23,935)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	163,733	(122,878)
Total comprehensive income/(loss) attributable to:		
Shareholders of the Company	164,536	(123,131)
Minority interests	(803)	253
	163,733	(122,878)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30th September, 2009 (Unaudited) Notes	31st March, 2009 (Audited)
	HK\$'000	HK\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	86,901	94,249
Investment properties	32,603	23,550
Interests in associates	293,429	226,427
Available-for-sale investments	39,967	41,339
Prepaid lease payments	19,279	19,534
	472,179	405,099
CURRENT ASSETS		
Inventories	83,594	84,062
Trade debtors	9 74,588	69,025
Other debtors, deposits and prepayments	42,526	41,821
Financial assets at fair value through profit or loss	148,913	90,706
Cash and cash equivalents	272,259	229,413
	621,880	515,027
CURRENT LIABILITIES		
Trade creditors	10 7,420	2,270
Other creditors and accruals	29,769	16,904
Tax liabilities	36,448	30,817
	73,637	49,991
NET CURRENT ASSETS	548,243	465,036
TOTAL ASSETS LESS CURRENT LIABILITIES	1,020,422	870,135
NON-CURRENT LIABILITIES		
Deferred tax liabilities	2,632	2,422
Convertible notes	61,883	70,787
	64,515	73,209
	955,907	796,926
CAPITAL AND RESERVES		
Share capital	11 144,537	140,691
Reserves	799,859	643,921
Shareholders' equity	944,396	784,612
Minority interests	11,511	12,314
	955,907	796,926

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2009/2010**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30th September, 2009

	Share capital HK\$'000	Share premium HK\$'000	Share redemption reserve HK\$'000	Convertible notes equity reserve HK\$'000	Investments revaluation reserve HK\$'000	Exchange reserve HK\$'000	Other reserves HK\$'000	Dividend reserve HK\$'000	Retained earnings HK\$'000	Total shareholders' equity HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1st April, 2009	140,691	404,740	515	2,169	(2,735)	42,671	10,267	14,049	172,225	784,612	12,314	796,926
Profit for the period	-	-	-	-	-	-	-	-	159,834	159,834	(829)	159,005
Other comprehensive income for the period:												
Surplus on revaluation of available-for-sale investments	-	-	-	-	361	-	-	-	-	361	-	361
Realized on disposal of available-for-sale investments	-	-	-	-	1,022	-	-	-	-	1,022	-	1,022
Exchange adjustments	-	-	-	-	-	116	-	-	-	116	26	142
Share of reserve movements of associates	-	-	-	-	-	2,070	1,133	-	-	3,203	-	3,203
	-	-	-	-	1,383	2,186	1,133	-	-	4,702	26	4,728
Total comprehensive income for the period	-	-	-	-	1,383	2,186	1,133	-	159,834	164,536	(803)	163,733
Issue of ordinary shares from conversion of convertible notes	3,846	6,154	-	(298)	-	-	-	-	-	9,702	-	9,702
Prior year final dividend paid	-	-	-	-	-	-	-	(14,089)	(385)	(14,454)	-	(14,454)
Interim dividend	-	-	-	-	-	-	-	18,775	(18,775)	-	-	-
At 30th September, 2009	144,537	410,894	515	1,871	(1,352)	44,657	11,400	18,775	313,499	944,396	11,511	955,907

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30th September, 2008

	Share capital HK\$'000	Share premium HK\$'000	Capital redemption HK\$'000	Convertible notes equity reserve HK\$'000	Investments revaluation HK\$'000	Exchange reserve HK\$'000	Other reserves HK\$'000	Dividend reserve HK\$'000	Retained earnings HK\$'000	Total shareholders' equity HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1st April, 2008	140,691	404,740	515	1,187	12,198	38,934	10,291	21,104	367,995	997,655	13,057	1,010,712
Loss for the period	-	-	-	-	-	-	-	-	(98,744)	(98,744)	(199)	(98,943)
Other comprehensive (loss)/income for the period:												
Deficit on revaluation of available-for-sale investments	-	-	-	-	(21,284)	-	-	-	-	(21,284)	-	(21,284)
Realized on disposal of available-for-sale investments	-	-	-	-	(7,747)	-	-	-	-	(7,747)	-	(7,747)
Exchange adjustments	-	-	-	-	-	3,315	-	-	-	3,315	452	3,767
Share of reserve movements of associates	-	-	-	-	-	2,895	-	-	-	2,895	-	2,895
Eliminated on impairment loss on interests in associate	-	-	-	-	-	(1,566)	-	-	-	(1,566)	-	(1,566)
	-	-	-	-	(29,031)	4,644	-	-	-	(24,387)	452	(23,935)
Total comprehensive (loss)/income for the period	-	-	-	-	(29,031)	4,644	-	-	(98,744)	(123,131)	253	(122,878)
Prior year final dividend paid	-	-	-	-	-	-	-	(21,104)	-	(21,104)	-	(21,104)
Interim dividend	-	-	-	-	-	-	-	14,069	(14,069)	-	-	-
At 30th September, 2008	140,691	404,740	515	1,187	(16,833)	43,578	10,291	14,069	255,182	853,420	13,310	866,730

金源米業國際有限公司

Golden Resources Development International Limited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended	
	30th September, 2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Net cash generated from/(used in) operating activities	30,143	(4,423)
Net cash (used in)/generated from investing activities	(61,667)	16,277
Net cash used in financing activities	(14,644)	(22,893)
Net decrease in cash and cash equivalents	(46,168)	(11,039)
Cash and cash equivalents at 1st April	210,311	201,404
Effect of foreign exchange rate changes	62	2,107
Cash and cash equivalents at 30th September	164,205	192,472
Analysis of the balances of cash and cash equivalents		
Time deposits, bank balances and cash	272,259	213,235
Less: Pledged bank deposit	(108,054)	(20,763)
	164,205	192,472

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2009

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, as appropriate.

In the current period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants with effect from the beginning of current accounting period:

HKFRSs (Amendments)	Improvements to HKFRSs
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment — Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
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

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

Except as described below, the accounting policies applied 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, 2009.

HKAS 1 (Revised) – Presentation of Financial Statements

HKAS 1 (Revised) has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (Revised) has had no impact on the reported results or financial position of the Group.

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from the beginning of current accounting period. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Management in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.

In prior years, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

For management purposes, the Group is currently organised into four operating divisions, namely rice operation, securities investment, property investment and corporate and others. These divisions are the basis on which the Group reports its operating segment information.

3. SEGMENT INFORMATION (Continued)

Principal activities are as follows:

Rice operation	—	sourcing, importing, wholesaling, processing, packaging, marketing and distribution of rice
Securities investment	—	investments in equity and debt securities
Property investment	—	property investment and development
Corporate and others	—	corporate income and expenses and other investments

An analysis of the Group's segment information by operating segments is as follows:

Operating segments

Income statement for the six months ended 30th September, 2009

	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
TURNOVER					
External sales	354,357	—	582	—	354,939
RESULT					
Segment results	30,837	43,488	(1,341)	2,208	75,192
Finance costs					(988)
Share of results of associates	4	—	82,117	(8,998)	73,123
Write-back of impairment loss on interests in associate	17,731	—	—	—	17,731
Profit before taxation					165,058
Taxation					(6,053)
Profit for the period					159,005
Attributable to:					
Shareholders of the Company					159,834
Minority interests					(829)
					159,005


3. SEGMENT INFORMATION (Continued)*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)

The total assets of the Group as at the interim report date do not differ significantly since the latest annual report date.

4. NET OTHER INCOME

	For the six months ended	
	30th September,	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
		As restated
Interest income	5,054	6,527
Dividend from listed available-for-sale investments and financial assets at fair value through profit or loss	845	3,488
Net realized gain/(loss) on disposal of financial assets:		
— Available-for-sale investments	(799)	4,600
— Financial assets at fair value through profit or loss	10,471	(6,378)
	9,672	(1,778)
Unrealized gain on derivative financial instruments	—	506
Impairment loss on loan receivable	—	(3,365)
Net gain on disposal of property, plant and equipment	113	6
Gain on disposal of an investment property	—	417
Net foreign exchange gain/(loss)	3,139	(2,831)
Sundry income	939	2,054
	19,762	5,024



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5. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

	For the six months ended 30th September,	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation and amortisation of property, plant and equipment	5,345	4,961
Amortisation of prepaid lease payments	260	260
Effective interest on convertible notes	798	1,901
	5,345	4,961

6. TAXATION

	For the six months ended 30th September,	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	5,585	5,672
Other regions in the PRC	258	513
	5,843	6,185
Overprovision in prior years:		
Hong Kong	—	(2,856)
Other regions in the PRC	—	(1,200)
	—	(4,056)
Deferred tax	210	(123)
Taxation attributable to the Company and its subsidiaries	6,053	2,006

Hong Kong Profits Tax is calculated at 16.5% 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.

7. DIVIDEND

- (a) Dividend attributable to the interim period:

	For the six months ended	
	30th September,	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interim dividend declared after the interim period end of 1.2 cents per share on 1,514,598,767 shares (2008: 1 cent per share on 1,406,906,460 shares)	18,175	14,069

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,	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Final dividend in respect of the previous financial year:		
Approved and paid during the interim period	14,069	21,104
Additional final dividend payment for ordinary shares issued during the period	385	—
Total final dividend payment in respect of the previous financial year of 1 cent per share on 1,445,367,998 shares (2008: 1.5 cents per share on 1,406,906,460 shares)	14,454	21,104

9. 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, 2009 (Unaudited) HK\$'000	31st March, 2009 (Audited) HK\$'000
Within 30 days	41,401	38,870
31-60 days	23,727	19,920
61-90 days	5,758	5,933
Over 90 days	3,702	4,302
	74,588	69,025

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

As at 30th September, 2009, trade debtors over 90 days amounted to HK\$3,702,000 (31st March, 2009: HK\$4,302,000) were past due but not impaired as the balances were related to debtors with sound repayment history and no recent history of default.

10. TRADE CREDITORS

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

	30th September, 2009 (Unaudited) HK\$'000	31st March, 2009 (Audited) HK\$'000
Within 30 days	7,358	1,798
31-60 days	2	412
Over 90 days	60	60
	7,420	2,270

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

11. SHARE CAPITAL

	Number of shares of HK\$0.10 each	HK\$'000
Authorised:		
At 1st April, 2008, 31st March, 2009 and 30th September, 2009	3,000,000,000	300,000
Issued and fully paid:		
At 1st April, 2008 and 31st March, 2009	1,406,906,460	140,691
Issue of ordinary shares on 6th August, 2009 pursuant to the exercise of the conversion rights attached to the convertible notes	38,461,538	3,846
At 30th September, 2009	1,445,367,998	144,537

12. RELATED PARTY TRANSACTIONS

During the period from 1st April, 2009 to 30th September, 2009, the Group had trade purchases from and services rendered to associates with net amount of approximately HK\$144,081,000 (2008: HK\$166,443,000). 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,	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Short-term employee benefits	7,593	5,972
Post-employment employee benefits	176	192
	7,769	6,164

12. RELATED PARTY TRANSACTIONS (Continued)

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 the balances of advances to associates of approximately HK\$77,438,000 as at 30th September, 2009 (31st March, 2009: HK\$86,763,000). The balances of advances to associates as at 30th September, 2009 were unsecured, interest-free and will not be repayable in the coming twelve months.

During the period from 1st April, 2009 to 30th September, 2009, the Group rented a property owned by a landlord in which the Director of the Company, Mr. Alvin Leslie LAM Kwing Wai, had a beneficial interest. Total rental expenses incurred for the period amounted to HK\$480,000 (2008: HK\$480,000).

13. 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, 2009 (Unaudited) HK\$'000	31st March, 2009 (Audited) HK\$'000
(a) Contracted capital commitments		
Acquisition of property, plant and equipment	2,994	250
Capital contribution for an available-for-sale investment	20,400	20,400
	23,394	20,650
(b) Contingent liabilities and financial guarantees issued		
Guarantees given in respect of banking facilities made available to associates	50,381	49,525

13. COMMITMENTS AND CONTINGENT LIABILITIES *(Continued)*

The extent of guaranteed banking facilities utilised by the associates as at 30th September, 2009 amounted to approximately HK\$32,546,000 (31st March, 2009: HK\$17,877,000).

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.

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, 2009 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, 2009:

Affiliated companies	Attributable	Non-interest	Guarantees	Extent of	Aggregate	Notes
	interest	bearing			of	
	held by	advances	given	facilities	and	
	the Group	(A)	(B)	utilised	guarantees	
	%	HK\$'000	HK\$'000	HK\$'000	given (A + B)	
					HK\$'000	
(i) Dragon Fortune Ltd. and its subsidiaries						
Dragon Fortune Ltd.	28.00	72,106	—	—	72,106	a
Fortune Leader Investment Limited	28.00	—	2,520	2,520	2,520	b
Fortune Leader Overseas Chinese (Daiyawan) Investment Company Limited	22.40	—	33,290	30,026	33,290	c
Aggregate of Dragon Fortune Ltd. and its subsidiaries		72,106	35,810	32,546	107,916	d
(ii) Sirinumma Company Limited and its subsidiaries						
Sirinumma Company Limited	40.00	7,193	14,571	—	21,764	e, g
Siripattana Rice Company Limited	69.40	20,948	—	—	20,948	f
Aggregate of Sirinumma Company Limited and its subsidiaries		28,141	14,571	—	42,712	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
(iii)	Golden World Enterprises (Wuhan) Limited	25.50	2,229	—	—	2,229	a
(iv)	Supreme Development Company Limited	41.16	2,443	—	—	2,443	a
(v)	Wellight Development Limited	37.50	2,765	—	—	2,765	a
Total			107,684	50,381	32,546	158,065	h

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, 2009 is as follows:

	<i>HK\$'000</i>
Non-current assets	128,531
Current assets	207,363
Current liabilities	(48,145)
Net current assets	159,218
Non-current liabilities	(121,244)
Minority interests	(19,955)
Shareholders' equity	146,550

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:

- (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.
- (d) Aggregated pursuant to Rule 13.11(2)(c) of the Listing Rules.
- (e) The advances included a loan to Sirinumma Company Limited ("Sirinumma") of HK\$7,069,000, which was interest-free 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. This loan balance was fully impaired during last year ended 31st March, 2009. The remaining balances of the advances represented current account balances for expenses paid on behalf of Sirinumma and were interest-free, unsecured and repayable on demand.
- (f) The advances represented shareholder's loans to finance the working capital of Siripattana which were interest-free and unsecured. Out of the outstanding balance of HK\$38,679,000 which was fully impaired during last year ended 31st March, 2009, partial repayment of HK\$17,731,000 was received during current period and written back to the income statement.
- (g) The guarantee was given for banking facilities granted to respective entity or affiliated company.
- (h) Aggregated pursuant to Rule 13.16 of the Listing Rules.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had cash balance of approximately HK\$272 million and outstanding convertible notes amounted to approximately HK\$61 million as at 30th September, 2009. With cash and other current assets of approximately HK\$621 million as at 30th September, 2009 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

BUSINESS REVIEW AND PROSPECTS

I am pleased to report to the shareholders that for the six months ended 30th September, 2009, the Group delivered an encouraging result with the profits attributable to the shareholders amounting to HK\$159,834,000. This encouraging performance was mainly attributable to the share of profits to the extent of approximately HK\$80 million from our Malaysia associate and the gains on the Group's financial assets while the global financial markets are on the way to recovery.

For the period under review, the operating environment for the core rice business in Hong Kong remained tough and challenging. The Group continued to face the keen competition among major supermarket chains and the volatility of rice cost. These challenges are likely to persist within the foreseeable future. To cope with these challenges, the Group continued to focus on maintaining stringent cost controls, enhancing operational efficiency and deepening its market penetration into distribution channels and exploring new ones, so as to sustain the profitability.

With regard to our business development in Vietnam, the Group is taking a cautious approach in pursuing its investment projects to capture the tremendous investment opportunities there. The long term prospect of Vietnam is promising given its steady economic growth, competitive labour costs and growing domestic market size. In June this year, we signed an agreement to build and transfer water distribution network in Vietnam. The development of this project is progressing well as planned.

BUSINESS REVIEW AND PROSPECTS *(Continued)*

As the global financial markets have started to stabilise since the beginning of the year, the Group's investment portfolio benefitted from the recovery of the markets and contributed favourably to the profits of the Group. We will continue to closely monitor the performance of the investment portfolio and are confident that the investment portfolio will deliver results and add value to the shareholders. At the Group treasury level, certain convertible noteholders exercised their conversion rights attached to the convertible notes issued in March 2009 to the extent of HK\$10 million and HK\$18 million in August and October this year respectively at the exercise price of HK\$0.26 per share. This has broadened the shareholder base and reinforced the capital strength. With the net cash position of HK\$272 million and a strong and solid balance sheet, the Group is well equipped to explore investment opportunities for future growth and better value for shareholders.

Looking ahead, the Group will continue to focus on our core business, our investments and our new business. The Group anticipates an overall satisfactory performance for this financial year, and has strong confidence in its long term prospects.

INTERIM DIVIDEND

The Directors have declared an interim dividend of 1.2 cents per share for the year ending 31st March, 2010 (2008/2009: 1 cent per share) to shareholders on the Register of Members of the Company on Friday, 8th January, 2010.

It is expected that cheques for the interim dividend will be despatched to those entitled thereto on or about Friday, 15th January, 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 4th January, 2010 to Friday, 8th January, 2010, both days inclusive, during which period no transfer of shares will be effected.

CLOSURE OF REGISTER OF MEMBERS *(Continued)*

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 Thursday, 31st December, 2009.

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

As at 30th September, 2009, 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	Total interests	
Mr. Alvin Leslie LAM Kwing Wai	17,500,000	6,000,000	23,500,000 <i>(Note)</i>	1.63%

Note: These 23,500,000 shares are held by Mr. Alvin Leslie LAM Kwing Wai, a director of the Company, as beneficial owner in respect of 17,500,000 shares and as family interests in respect of 6,000,000 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 Leslie LAM Kwing Wai	Golden Resources Development Limited	Beneficial owner	260,000
Mr. Alvin Leslie 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)
Mr. Laurent LAM Kwing Chee	Starland Century 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.

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

Long positions *(Continued)*

Save as disclosed above, as at 30th September, 2009, 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, 2009.

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, 2009, 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 (Note 1)	Approximate percentage of the issued share capital of the Company
Yuen Loong International Limited ("Yuen Loong")	485,052,026	33.56% (Note 2)
Chelsey Developments Ltd. ("Chelsey")	236,940,000	16.39% (Note 2)

Notes:

- (1) These shares represent long positions.
- (2) Mr. Alvin Leslie 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. 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.

Save as disclosed above, as at 30th September, 2009, 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 354.

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 adopted all the code provisions in the Code of Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as its own code on corporate governance practices. The Company has complied with the Code throughout the six months ended 30th September, 2009 with deviation from code provision A.2.1 of the Code.

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 Leslie LAM Kwing Wai is the Chairman of the Board and the Managing Director of the Company. Given Mr. Alvin Leslie 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 Leslie 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.

CORPORATE GOVERNANCE *(Continued)***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, 2009.

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 Leslie LAM Kwing Wai (Chairman and Managing Director), Mr. Anthony LAM Sai Ho (Vice Chairman), Madam Rosita YUEN LAM Kit Woo, Mr. Laurent LAM Kwing Chee 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 Leslie LAM Kwing Wai
Chairman

Hong Kong, 17th December, 2009