

GOLDEN RESOURCES
DEVELOPMENT INTERNATIONAL LIMITED
2012/2013 | INTERIM REPORT
(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, 2012 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	For the six months ended 30th September,	
		2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
TURNOVER	3	473,572	454,190
Cost of sales		(347,175)	(327,088)
GROSS PROFIT		126,397	127,102
Net unrealized gain/(loss) on financial assets at fair value through profit or loss		3,773	(49,921)
Net other income	4	17,486	12,598
Selling and distribution costs		(22,629)	(17,410)
Administrative expenses		(66,071)	(65,091)
PROFIT FROM OPERATIONS	3	58,956	7,278
Finance costs		(118)	(125)
Share of results of associates		(4,883)	(3,991)
PROFIT BEFORE TAXATION	5	53,955	3,162
Taxation	6	(8,751)	(7,554)
PROFIT/(LOSS) FOR THE PERIOD		45,204	(4,392)
Profit/(loss) attributable to:			
Shareholders of the Company		44,354	(5,738)
Non-controlling interests		850	1,346
		45,204	(4,392)
EARNINGS/(LOSS) PER SHARE	8		
— Basic		HK2.6 cents	HK(0.4) cents
— Diluted		HK2.6 cents	HK(0.4) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30th September,	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	45,204	(4,392)
OTHER COMPREHENSIVE INCOME/ (LOSS)		
Surplus/(deficit) on revaluation of available-for-sale investments	14	(586)
Exchange differences on translation of foreign operations	527	4,897
Share of other comprehensive income/ (loss) of associates	162	(758)
Other comprehensive income for the period, net of tax	703	3,553
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD	45,907	(839)
Total comprehensive income/(loss) attributable to:		
Shareholders of the Company	45,022	(2,717)
Non-controlling interests	885	1,878
	45,907	(839)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30th September, 2012 (Unaudited) HK\$'000	31st March, 2012 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		78,311	79,082
Investment properties		69,277	69,277
Intangible asset		28,801	29,501
Interests in associates		251,981	249,876
Available-for-sale investments		50,011	49,897
Prepaid lease payments		18,064	18,325
		496,445	495,958
CURRENT ASSETS			
Inventories		121,927	146,823
Trade debtors	9	115,960	100,538
Other debtors, deposits and prepayments		86,359	67,100
Financial assets at fair value through profit or loss		286,493	288,843
Cash and cash equivalents		187,214	176,234
		797,953	779,538
CURRENT LIABILITIES			
Trade creditors	10	5,007	12,412
Other creditors and accruals		20,398	26,660
Financial guarantee contracts		6,820	6,820
Bank loans		24,525	21,702
Tax liabilities		32,789	28,624
		89,539	96,218
NET CURRENT ASSETS		708,414	683,320
TOTAL ASSETS LESS CURRENT LIABILITIES		1,204,859	1,179,278
NON-CURRENT LIABILITY			
Deferred tax liabilities		1,744	1,998
		1,203,115	1,177,280
CAPITAL AND RESERVES			
Share capital	11	168,691	168,691
Reserves		1,014,893	989,943
Shareholders' equity		1,183,584	1,158,634
Non-controlling interests		19,531	18,646
		1,203,115	1,177,280

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 30th September, 2012*

	Shareholders' equity										Non-controlling interests HK\$'000	Total equity HK\$'000	
	Share capital HK\$'000	Share premium HK\$'000	Share redemption reserve HK\$'000	Capital investments revaluation reserve HK\$'000	Property revaluation reserve HK\$'000	Exchange reserve HK\$'000	Share options reserve HK\$'000	Other reserves HK\$'000	Dividend reserve HK\$'000	Retained earnings HK\$'000			Total shareholders' equity HK\$'000
At 1st April, 2012	168,691	449,540	515	(1,265)	5,128	65,939	138	(125)	20,243	449,830	1,158,634	18,646	1,177,280
Profit for the period	-	-	-	-	-	-	-	-	-	44,354	44,354	850	45,204
Other comprehensive income for the period:													
Surplus on revaluation of available-for-sale investments	-	-	-	14	-	-	-	-	-	-	14	-	14
Exchange adjustments	-	-	-	-	-	492	-	-	-	-	492	35	527
Share of reserve movements of associates	-	-	-	-	-	84	-	78	-	-	162	-	162
	-	-	-	14	-	576	-	78	-	-	668	35	703
Total comprehensive income for the period	-	-	-	14	-	576	-	78	-	44,354	45,022	885	45,907
Equity-settled share-based payment expense	-	-	-	-	-	-	171	-	-	-	171	-	171
Prior year final dividend paid	-	-	-	-	-	-	-	(20,243)	-	-	(20,243)	-	(20,243)
Interim dividend	-	-	-	-	-	-	-	20,243	-	(20,243)	-	-	-
At 30th September, 2012	168,691	449,540	515	(1,251)	5,128	66,515	309	(47)	20,243	473,941	1,183,584	19,531	1,203,115

For the six months ended 30th September, 2011

	Shareholders' equity												
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Convertible notes equity reserve HK\$'000	Investments revaluation reserve HK\$'000	Property 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	Non-controlling interests HK\$'000	Total HK\$'000
At 1st April, 2011	155,306	428,125	515	1,087	(1,064)	5,128	56,186	471	18,637	418,972	1,083,313	13,411	1,096,724
Loss for the period	—	—	—	—	—	—	—	—	—	(5,738)	(5,738)	1,346	(4,392)
Other comprehensive income/ (loss) for the period:													
Deficit on revaluation of available-for-sale investments	—	—	—	—	(586)	—	—	—	—	—	(586)	—	(586)
Exchange adjustments	—	—	—	—	—	—	4,365	—	—	—	4,365	532	4,897
Share of reserve movements of associates	—	—	—	—	—	—	589	(1,347)	—	—	(758)	—	(758)
	—	—	—	—	(586)	—	4,954	(1,347)	—	—	3,021	532	3,553
Total comprehensive loss for the period	—	—	—	—	(586)	—	4,954	(1,347)	—	(5,738)	(2,717)	1,878	(839)
Issue of ordinary shares pursuant to conversion of convertible notes	6,462	10,338	—	(501)	—	—	—	—	—	—	16,299	—	16,299
Prior year final dividend paid	—	—	—	—	—	—	—	—	(18,637)	(775)	(19,412)	—	(19,412)
Interim dividend	—	—	—	—	—	—	—	—	19,412	(19,412)	—	—	—
At 30th September, 2011	161,768	438,463	515	536	(1,650)	5,128	61,140	(876)	19,412	393,047	1,077,483	15,289	1,092,772

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30th September,	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash generated from operating activities	27,296	28,769
Net cash used in investing activities	(3,349)	(6,792)
Net cash used in financing activities	(17,538)	(19,533)
Net increase in cash and cash equivalents	6,409	2,444
Cash and cash equivalents at 1st April	169,530	190,952
Effect of foreign exchange rate changes	4	363
Cash and cash equivalents at 30th September	175,943	193,759
Analysis of the balances of cash and cash equivalents		
Time deposits, bank balances and cash	187,214	208,538
Less: Pledged cash and cash equivalents	(11,271)	(14,779)
	175,943	193,759

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2012

1. BASIS OF PREPARATION

The unaudited condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“the 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 unaudited 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 HKICPA with effect from the beginning of current accounting period:

HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets
HKFRS 7 (Amendment)	Disclosure — Transfers of Financial Assets

The adoption of these new HKFRSs has 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.

3. SEGMENT INFORMATION

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, 2012

	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Total HK\$'000	Inter- segment elimination HK\$'000	Consolidated HK\$'000
TURNOVER							
External sales	444,510	—	1,154	27,908	473,572	—	473,572
Inter-segment sales	82	—	—	—	82	(82)	—
Total sales	444,592	—	1,154	27,908	473,654	(82)	473,572
RESULT							
Segment results	47,712	13,807	(6)	(2,557)			58,956
Finance costs							(118)
Share of results of associates	(72)	—	254	(5,065)			(4,883)
Profit before taxation							53,955
Taxation							(8,751)
Profit for the period							45,204
Profit attributable to:							
Shareholders of the Company							44,354
Non-controlling interests							850
							45,204

Segment assets and liabilities as at 30th September, 2012

	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
ASSETS					
Segment assets	285,085	310,073	146,361	300,898	1,042,417
Interests in associates	19,052	—	94,377	138,552	251,981
					<u>1,294,398</u>
Consolidated total assets					<u>1,294,398</u>
LIABILITIES					
Segment liabilities	18,185	1,333	669	12,038	32,225
Unallocated corporate liabilities					59,058
					<u>91,283</u>
Consolidated total liabilities					<u>91,283</u>

Income statement for the six months ended 30th September, 2011

	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
TURNOVER					
External sales	432,072	—	957	21,161	454,190
RESULT					
Segment results	51,754	(42,101)	(47)	(2,328)	7,278
Finance costs					(125)
Share of results of associates	2	—	376	(4,369)	(3,991)
Profit before taxation					3,162
Taxation					(7,554)
Loss for the period					<u>(4,392)</u>
(Loss)/profit attributable to:					
Shareholders of the Company					(5,738)
Non-controlling interests					1,346
					<u>(4,392)</u>

Segment assets and liabilities as at 31st March, 2012

	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
ASSETS					
Segment assets	298,596	311,821	147,155	268,048	1,025,620
Interests in associates	12,019	—	94,026	143,831	249,876
					<hr/>
Consolidated total assets					1,275,496
					<hr/>
LIABILITIES					
Segment liabilities	30,414	—	500	14,978	45,892
Unallocated corporate liabilities					52,324
					<hr/>
Consolidated total liabilities					98,216
					<hr/>

Geographical segments

The Group's operations are located in Hong Kong, elsewhere in 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,	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Hong Kong	359,899	342,222
Elsewhere in the PRC	87,481	93,337
Others	26,192	18,631
	<hr/>	<hr/>
	473,572	454,190
	<hr/>	<hr/>

4. NET OTHER INCOME

	For the six months ended	
	30th September,	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest income on:		
— Financial assets at fair value through profit or loss	6,581	6,575
— Financial assets not designated as at fair value through profit or loss	5,045	2,065
	11,626	8,640
Dividend from:		
— Listed available-for-sale investments	77	55
— Listed financial assets at fair value through profit or loss	2,485	1,425
— Unlisted available-for-sale investments	—	761
	2,562	2,241
Net realized (loss)/gain on disposals of financial assets at fair value through profit or loss	(1,052)	434
Net foreign exchange (loss)/gain	(106)	1,041
Net loss on disposal of property, plant and equipment	(118)	—
Sundry income	4,574	2,507
Net unrealized loss on derivative financial instruments	—	(2,265)
	17,486	12,598

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	For the six months ended 30th September,	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Depreciation and amortisation of property, plant and equipment	6,236	6,401
Amortisation of prepaid lease payments	265	264
Amortisation of intangible asset	700	699
Interests on bank loans wholly repayable within five years	117	—
Interests on other loans	1	—
Effective interest on convertible notes	—	125

6. TAXATION

	For the six months ended 30th September,	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Current tax:		
Hong Kong	6,879	7,826
Other regions in the PRC	1,784	62
	8,663	7,888
Underprovision in prior years:		
Other regions in the PRC	236	—
Others	106	—
	342	—
Deferred tax	(254)	(334)
Taxation attributable to the Company and its subsidiaries	8,751	7,554

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

7. DIVIDEND

- (a) Dividend attributable to the interim period:

	For the six months ended 30th September,	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interim dividend declared after the interim period end of 1.2 cents per share on 1,686,906,458 shares (2011: 1.2 cents per share on 1,617,675,689 shares)	20,243	19,412

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,	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Final dividend in respect of the previous financial year:		
Approved and paid during the interim period	20,243	18,637
Additional final dividend payment for ordinary shares issued during the period	—	775
Total final dividend payment in respect of the previous financial year of 1.2 cents per share on 1,686,906,458 shares (2011: 1.2 cents per share on 1,617,675,689 shares)	20,243	19,412

8. EARNINGS/(LOSS) PER SHARE

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

	For the six months ended 30th September,	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Earnings/(loss) for the purpose of basic and diluted earnings/(loss) per share	44,354	(5,738)

	For the six months ended 30th September,	
	2012 (Unaudited)	2011 (Unaudited)
Number of shares:		
Weighted average number of shares for the purpose of basic and diluted earnings/(loss) per share	1,686,906,458	1,580,954,378

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares to assume conversion of all dilutive potential ordinary shares.

The diluted earnings per share for the period ended 30th September, 2012 was the same as the basic earnings per share as the adjusted exercise prices of the Company's outstanding share options were higher than the average market price of the Company's shares for the period.

The diluted loss per share for last period ended 30th September, 2011 was the same as the basic loss per share as the effect of any incremental shares from the assumed exercise of the Company's outstanding convertible notes would be anti-dilutive.

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 end of the reporting period:

	30th September, 2012 (Unaudited) HK\$'000	31st March, 2012 (Audited) HK\$'000
Within 30 days	67,161	50,542
31-60 days	33,567	29,839
61-90 days	11,148	12,383
Over 90 days	4,084	7,774
	115,960	100,538

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

As at 30th September, 2012, trade debtors over 90 days amounted to HK\$4,084,000 (31st March, 2012: HK\$7,774,000) 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 end of the reporting period:

	30th September, 2012 (Unaudited) HK\$'000	31st March, 2012 (Audited) HK\$'000
Within 30 days	4,636	11,793
31-60 days	222	106
61-90 days	20	64
Over 90 days	129	449
	5,007	12,412

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	<i>HK\$'000</i>
Authorised:		
At 1st April, 2011, 31st March, 2012 and 30th September, 2012	3,000,000,000	300,000
Issued and fully paid:		
At 1st April, 2011	1,553,060,305	155,306
Issue of ordinary shares on 14th July, 2011 and 8th December, 2011 pursuant to the exercise of the conversion rights attached to the convertible notes	133,846,153	13,385
At 31st March, 2012 and 30th September, 2012	1,686,906,458	168,691

On 14th July, 2011 and 8th December, 2011, the convertible notes with principal amounts of HK\$16,800,000 and HK\$18,000,000 respectively were converted into the Company's shares at a conversion price of HK\$0.26 per share. The Company issued an aggregate of 133,846,153 ordinary shares during last year ended 31st March, 2012 as a result of the share conversion.

All new shares issued during the period rank pari passu with all other existing shares outstanding at the date of issue.

12. RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following transactions with the associates and related parties, some of which are also deemed to be connected persons pursuant to the Listing Rules:

	For the six months ended	
	30th September,	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net amount of trade purchases from and sharing of administrative services on a cost basis with associates (<i>Notes a, b</i>)	72,675	95,111
Net amount of trade purchases from related party (<i>Notes a, c</i>)	1,887	—
Net amount of sharing of administrative services on a cost basis with related parties (<i>Notes b, d</i>)	401	245

Notes:

- (a) The trade purchases were carried out in the ordinary course of business and at prices determined by reference to prevailing market price.
- (b) The costs of administrative services were allocated to the parties involved on a cost basis.
- (c) Related party is related to the Group as this party is the substantial shareholder of a non-wholly owned subsidiary of the Company.
- (d) Related parties are related to the Group as they are under the common control with a common director of wholly-owned subsidiaries of the Company.

During the period from 1st April, 2012 to 30th September, 2012, 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 (2011: HK\$480,000).

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	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Short-term employee benefits	8,096	9,435
Post-employment employee benefits	211	189
Share-based payment expense	55	—
	8,362	9,624

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\$160,155,000 as at 30th September, 2012 (31st March, 2012: HK\$160,155,000). The balances of advances to associates as at 30th September, 2012 were unsecured, interest-free and will not be repayable in the coming twelve months.

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, 2012 (Unaudited) HK\$'000	31st March, 2012 (Audited) HK\$'000
(a) Contracted capital commitments		
Acquisition of plant and equipment	1,241	2,087
Capital contribution for an available-for-sale investment	20,400	20,400
Capital contribution for a joint venture company	12,764	12,778
	34,405	35,265
(b) Contingent liabilities and financial guarantees issued		
Guarantees given in respect of banking facilities made available to associates	85,308	85,251

At the end of the reporting period, the extent of guaranteed banking facilities utilised by the associates amounted to approximately HK\$62,201,000 (31st March, 2012: HK\$66,592,000).

At the end of the reporting period, 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.

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, 2012 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, 2012:

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	72,176	—	—	72,176	a
Fortune Leader Investment Limited	28.00	—	22,400	20,720	22,400	b
Fortune Leader Overseas Chinese (Daiyawan) Investment Company Limited	22.40	—	34,568	30,420	34,568	c
Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Company Limited	22.40	—	12,444	11,061	12,444	d
Aggregate of Dragon Fortune Ltd. and its subsidiaries		72,176	69,412	62,201	141,588	e
(ii) Sirinumma Company Limited	40.00	—	15,896	—	15,896	f
(iii) Starland Century Limited	37.50	87,979	—	—	87,979	a
Total		160,155	85,308	62,201	245,463	g

The proforma combined statement of financial position of the above affiliated companies, as attributable to the Group, as at 30th September, 2012 is as follows:

	<i>HK\$'000</i>
Non-current assets	166,905
Current assets	156,124
Current liabilities	(50,637)
Net current assets	105,487
Non-current liabilities	(241,496)
Non-controlling interests	(16,718)
Shareholders' equity	14,178

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 guarantees were 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) The guarantee was given for loan facilities granted to Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Company Limited ("FL Real Estate"). FL Real Estate is owned as to 80% by FL Investment and as to 20% by an Independent Third Party.
- (e) Aggregated pursuant to Rule 13.11(2)(c) of the Listing Rules.
- (f) The guarantee was given for banking facilities granted to respective entity or affiliated company.
- (g) Aggregated pursuant to Rule 13.16 of the Listing Rules.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had cash balance of approximately HK\$187 million and outstanding bank loans amounted to approximately HK\$24 million as at 30th September, 2012. With cash and other current assets of approximately HK\$797 million as at 30th September, 2012 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 half year under review, our Group achieved a profit as compared to a loss for the corresponding period in the last financial year. Last year's loss was mainly attributable to the unrealised loss arising from the fair value changes of the Group's financial assets. The Group's core business remained stable and continued to contribute favorably to the Group's results.

In Hong Kong, the business environment of our Group's rice business remained challenging in the first half of the financial year. The severe market competition among major market operators persisted. The raw rice cost remained high during the period. These posed the challenges to the Group's operating profit. To cope with these challenges, our Group remained focus to carry out various initiatives to control operating costs and streamline the existing operation so as to enhance operation efficiency. The Group also continued to carry out effective marketing initiatives to maintain its leading market position so as to sustain our Group's profitability.

In Mainland China, the business environment of the rice market continued to be tough and challenging. Our China rice business performed steadily and maintained satisfactory profitability during the period under review. Such profitability was the results of the effective marketing strategies and enhanced operating efficiency. Our Group continued to step up efforts on strengthening the marketing initiatives so as to drive sales growth. We are optimistic that the performance of our China rice business will continue to improve and help generate higher return for our shareholders in the long run.

In Vietnam, our Group's Circle K convenience store business is progressing well as scheduled. We continued to focus on initiatives to generate sales and traffic with quality customer service, improve store productivity with cost control measures, and enhance brand preference for Circle K with aggressive marketing and promotional programmes. In selected Circle K stores, we launched hot food service in order to broaden the customer base and improve margin performance. As a

result, the momentum of sales growth continued and we achieved a strong double-digit same store sales increase year-on-year for the period under review. Meanwhile, we are actively expanding the number of stores in a cautious manner in order to reach the critical mass. The Group is confident of the potential of Vietnam market and continues to place significant focus on the expansion of its Vietnam convenience store business.

The financial markets have shown signs of improvement. The Group's investment portfolio is well balanced and diversified and is therefore well poised to reap the benefit from the market improvement. We believe that it will generate shareholder value in the long run. As at 30th September, 2012, we had net cash and bank balances to the extent of HK\$187 million. Our Group has sound financial position and strong balance sheet and we are well placed to pursue investments that are beneficial to our future development.

Looking forward, we see positive prospects for the Group in terms of core business operation and business investments. The Group is committed to maintaining operation efficiency and financial prudence. We have the strength and resources to continue pursuing attractive investments. We are confident in the prospects of the Golden Resources Group.

INTERIM DIVIDEND

The Directors have declared an interim dividend of 1.2 cents per share for the year ending 31st March, 2013 (2011/2012: 1.2 cents per share) to the shareholders on the Register of Members of the Company at the close of business on Monday, 31st December, 2012.

It is expected that the interim dividend will be paid to the shareholders on or about Wednesday, 16th January, 2013.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 21st December, 2012 to Monday, 31st December, 2012, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 20th December, 2012.

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

As at 30th September, 2012, 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 Leslie LAM Kwing Wai	17,500,000	6,000,000	—	23,500,000 (Note 1)	1.39%
Mr. Anthony LAM Sai Ho	—	—	7,350,000	7,350,000 (Note 2)	0.44%

Notes:

1. 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.
2. These 7,350,000 shares are held by Great Avenue Group Limited, a company which is 40% owned by Mr. Anthony LAM Sai Ho, a Director of the Company.

(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
Mr. Anthony LAM Sai Ho	Golden Resources Development Limited	Interest in controlled corporation	260,000 <i>(Note)</i>
Mr. Anthony LAM Sai Ho	Yuen Loong & Company Limited	Interest in controlled corporation	13,000 <i>(Note)</i>

Note: These shares are held by Marvel City Holdings Limited, a company which is 40% owned by Mr. Anthony LAM Sai Ho, a Director of the Company.

(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	Starland Century Limited	Interest in controlled corporation	300 (Note)

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

(d) Share options

Name of director	Capacity	Number of options held	Number of underlying shares
Mr. TSANG Siu Hung	Beneficial owner	5,000,000	5,000,000

The details of the directors' personal interest in the underlying shares of the Company in respect of share options granted by the Company are stated in the following section "Share Options Granted To Directors and Employees".

Save as disclosed above, as at 30th September, 2012, 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.

SHARE OPTIONS GRANTED TO DIRECTORS AND EMPLOYEES

As at 30th September, 2012, details of share options granted to the Directors and employees under the existing share option scheme of the Company were as follows:

	Grant date	Validity period	Exercise price for one share (Note 1) HK\$	Balance outstanding at 1st April, 2012	Granted during the period	Exercised during the period	Balance outstanding at 30th September, 2012
Director							
Mr. TSANG Siu Hung	13th October, 2011	13th October, 2011 – 25th August, 2018 (Note 2)	0.41	5,000,000	—	—	5,000,000
Total				5,000,000	—	—	5,000,000
Employees							
	13th October, 2011	13th October, 2011 – 25th August, 2018 (Note 3)	0.41	6,000,000	—	—	6,000,000
	21st December, 2011	21st December, 2011 – 25th August, 2018 (Note 3)	0.376	6,000,000	—	—	6,000,000
Total				12,000,000	—	—	12,000,000
Grand Total				17,000,000	—	—	17,000,000

Notes:

1. The exercise price of the share options to subscribe for one ordinary share is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
2. The option to subscribe for ordinary share is exercisable during the validity period, subject to the vesting scale as follows:
 - (i) up to 50% or partial exercise of the 5,000,000 ordinary shares exercisable after the 2nd year of the date of acceptance of the option; and
 - (ii) up to 100% or partial exercise of the 5,000,000 ordinary shares exercisable after the 4th year of the date of acceptance of the option.
3. The option to subscribe for ordinary share is exercisable during the validity period, subject to the vesting scale as follows:
 - (i) up to 33.33% or partial exercise of the 6,000,000 ordinary shares exercisable after the 2nd year of the date of acceptance of the options; and
 - (ii) up to 66.67% or partial exercise of the 6,000,000 ordinary shares exercisable after the 3rd year of the date of acceptance of the options; and
 - (iii) up to 100% or partial exercise of the 6,000,000 ordinary shares exercisable after the 4th year of the date of acceptance of the options.

Save 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the headings "Directors' Interests and Short Positions in the Shares and Underlying Shares" and "Share Options Granted to Directors and Employees" 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, 2012, 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")	548,052,026	32.48% <i>(Note 2)</i>
Chelsey Developments Ltd. ("Chelsey")	252,240,000	14.95% <i>(Note 2)</i>

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 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. Mr. Anthony LAM Sai Ho, a Director of the Company, is interested in 40% of the issued share capital of Marvel City Holdings Limited which in turn is interested in approximately 24% of the issued share capital of each of Yuen Loong and Chelsey.

Save as disclosed above, as at 30th September, 2012, the Company had not been notified by any persons, other than Directors or 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 745.

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 Corporate Governance Code and Corporate Governance Report (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. The Company has complied with the Code throughout the six months ended 30th September, 2012 except the following deviations:

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.

Code provision A.6.7 of the Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings. Mr. LAM Ping Cheung, the former Independent Non-executive Director of the Company, was unable to attend the Annual General Meeting of the Company held on 30th August, 2012 due to his other business engagements.

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 the Directors of the Company. 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. Richard LAU Siu Sun and Mr. Michael YU Tat Chi, 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, 2012.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares for the six months ended 30th September, 2012.

BOARD OF DIRECTORS

During the period, Mr. LAM Ping Cheung retired as an Independent Non-executive Director, member of the Audit Committee and the Nomination Committee and the Chairman and member of the Remuneration Committee of the Company at the conclusion of the Annual General Meeting held on 30th August, 2012. Mr. Michael YU Tat Chi was appointed as an Independent Non-executive Director, member of the Audit Committee and the Nomination Committee and the Chairman and member of the Remuneration Committee of the Company after the conclusion of the Annual General Meeting held on 30th August, 2012.

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 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. Richard LAU Siu Sun and Mr. Michael YU Tat Chi.

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

Hong Kong, 28th November, 2012