

GOLDEN RESOURCES 2013/2014 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, 2013 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | | For the six months ended 30th September, | |
|---|-------|---|---------------------------------|
| | Notes | 2013 (Unaudited) HK\$'000 | 2012 (Unaudited) HK\$'000 |
| TURNOVER | 3 | 477,653 | 473,572 |
| Cost of sales | | (346,594) | (347,175) |
| GROSS PROFIT | | 131,059 | 126,397 |
| Net unrealized gain on financial assets at fair value through profit or loss | | 1,094 | 3,773 |
| Net other income | 4 | 15,719 | 17,486 |
| Selling and distribution costs | | (29,480) | (22,629) |
| Administrative expenses | | (73,532) | (66,071) |
| PROFIT FROM OPERATIONS | 3 | 44,860 | 58,956 |
| Finance costs | | (84) | (118) |
| Share of results of associates | | (1,237) | (4,883) |
| PROFIT BEFORE TAXATION | 5 | 43,539 | 53,955 |
| Taxation | 6 | (7,402) | (8,751) |
| PROFIT FOR THE PERIOD | | 36,137 | 45,204 |
| Profit attributable to: | | | |
| Shareholders of the Company | | 36,133 | 44,354 |
| Non-controlling interests | | 4 | 850 |
| | | 36,137 | 45,204 |
| EARNINGS PER SHARE | 8 | | |
| — Basic | | HK2.1 cents | HK2.6 cents |
| — Diluted | | HK2.1 cents | HK2.6 cents |



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | For the six months ended 30th September, | |
|--|---|---------------------------------|
| | 2013 (Unaudited) HK\$'000 | 2012 (Unaudited) HK\$'000 |
| PROFIT FOR THE PERIOD | 36,137 | 45,204 |
| OTHER COMPREHENSIVE INCOME | | |
| Items to be reclassified to profit or loss in subsequent periods: | | |
| Surplus on revaluation of available-for-sale investments | 545 | 14 |
| Exchange differences on translation of foreign operations | 2,196 | 527 |
| Share of other comprehensive (loss)/income of associates | (2,473) | 162 |
| Other comprehensive income for the period, net of tax | 268 | 703 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 36,405 | 45,907 |
| Total comprehensive income attributable to: | | |
| Shareholders of the Company | 36,036 | 45,022 |
| Non-controlling interests | 369 | 885 |
| | 36,405 | 45,907 |



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| <i>Notes</i> | 30th September, 2013 (Unaudited) <i>HK\$'000</i> | 31st March, 2013 (Audited) <i>HK\$'000</i> |
|---|--|--|
| NON-CURRENT ASSETS | | |
| | 79,045 | 75,272 |
| Property, plant and equipment | 76,597 | 76,597 |
| Investment properties | 27,402 | 28,102 |
| Intangible asset | 253,364 | 254,179 |
| Interests in associates | 46,335 | 49,078 |
| Available-for-sale investments | 17,644 | 17,846 |
| Prepaid lease payments | 500,387 | 501,074 |
| CURRENT ASSETS | | |
| | 126,829 | 127,822 |
| Inventories | 106,901 | 96,268 |
| Trade debtors | 74,642 | 69,004 |
| Other debtors, deposits and prepayments | 38,023 | 24,969 |
| Available-for-sale investments | 317,119 | 310,713 |
| Financial assets at fair value through profit or loss | 164,185 | 180,316 |
| Cash and cash equivalents | 827,699 | 809,092 |
| CURRENT LIABILITIES | | |
| | 12,093 | 9,587 |
| Trade creditors | 19,654 | 21,138 |
| Other creditors and accruals | 10,496 | 10,496 |
| Financial guarantee contracts | 7,754 | 14,005 |
| Bank loans | 27,048 | 19,968 |
| Tax liabilities | 77,045 | 75,194 |
| | 750,654 | 733,898 |
| NET CURRENT ASSETS | | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | |
| | 1,251,041 | 1,234,972 |
| NON-CURRENT LIABILITY | | |
| | 1,437 | 1,512 |
| Deferred tax liabilities | 1,249,604 | 1,233,460 |
| CAPITAL AND RESERVES | | |
| | 168,691 | 168,691 |
| Share capital | 1,062,008 | 1,046,044 |
| Reserves | 1,230,699 | 1,214,735 |
| Shareholders' equity | 18,905 | 18,725 |
| Non-controlling interests | 1,249,604 | 1,233,460 |



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 2013

| | Shareholders' equity | | | | | | | | | | Non-controlling interests HK\$'000 | Total HK\$'000 | |
|--|---------------------------|---------------------------|--|---|--|------------------------------|-----------------------------------|----------------------------|------------------------------|-------------------------------|---------------------------------------|-------------------|--|
| | Share capital HK\$'000 | Share premium HK\$'000 | Capital redemption reserve HK\$'000 | 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, 2013 | 168,691 | 449,540 | 515 | (817) | 5,128 | 69,854 | 480 | 29 | 20,243 | 501,072 | 1,214,735 | 18,725 | 1,233,460 |
| Profit for the period | — | — | — | — | — | — | — | — | — | 36,133 | 36,133 | 4 | 36,137 |
| Other comprehensive income for the period: | | | | | | | | | | | | | |
| Surplus on revaluation of available-for-sale investments | — | — | — | 545 | — | — | — | — | — | — | 545 | — | 545 |
| Exchange adjustments | — | — | — | — | — | 1,831 | — | — | — | — | 1,831 | 365 | 2,196 |
| Share of reserve movements of associates | — | — | — | — | — | (3,286) | — | 813 | — | — | (2,473) | — | (2,473) |
| | — | — | — | 545 | — | (1,455) | — | 813 | — | — | (97) | 365 | 268 |
| Total comprehensive income for the period | — | — | — | 545 | — | (1,455) | — | 813 | — | 36,133 | 36,036 | 369 | 36,405 |
| Equity-settled share-based payment expense | — | — | — | — | — | — | 171 | — | — | — | 171 | — | 171 |
| Dividend paid to non-controlling interests | — | — | — | — | — | — | — | — | (20,243) | — | — | (189) | (189) |
| Prior year final dividend paid | — | — | — | — | — | — | — | — | 20,243 | (20,243) | — | — | (20,243) |
| Interim dividend | — | — | — | — | — | — | — | — | — | — | — | — | — |
| At 30th September, 2013 | 168,691 | 449,540 | 515 | (272) | 5,128 | 68,399 | 651 | 842 | 20,243 | 516,962 | 1,230,699 | 18,905 | 1,249,604 |



For the six months ended 30th September, 2012

| | Shareholders' equity | | | | | | | | | | Total shareholders' equity HK\$'000 | |
|--|---------------------------|---------------------------|--|---|--|------------------------------|-----------------------------------|----------------------------|------------------------------|-------------------------------|--|---------------------------------------|
| | Share capital HK\$'000 | Share premium HK\$'000 | Capital redemption reserve HK\$'000 | 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 | | Non-controlling interests HK\$'000 |
| At 1st April, 2012 | 168,691 | 449,540 | 515 | (1,265) | 5,128 | 66,939 | 138 | (125) | 20,243 | 449,830 | 18,646 | 1,171,280 |
| Profit for the period | — | — | — | — | — | — | — | — | — | 44,354 | 850 | 46,204 |
| Other comprehensive income for the period: | | | | | | | | | | | | |
| Surplus on revaluation of available-for-sale investments | — | — | — | 14 | — | — | — | — | — | — | — | 14 |
| Exchange adjustments | — | — | — | — | — | 492 | — | — | — | — | — | 492 |
| Share of reserve movements of associates | — | — | — | — | — | 84 | — | 78 | — | — | — | 162 |
| | — | — | — | 14 | — | 576 | — | 78 | — | — | 698 | 703 |
| Total comprehensive income for the period | — | — | — | 14 | — | 576 | — | 78 | — | 44,354 | 885 | 46,907 |
| Equity-settled share-based payment expense | — | — | — | — | — | — | 171 | — | — | — | — | 171 |
| Prior year final dividend paid | — | — | — | — | — | — | — | — | (20,243) | — | — | (20,243) |
| Interim dividend | — | — | — | — | — | — | — | — | 20,243 | (20,243) | — | — |
| At 30th September, 2012 | 168,691 | 449,540 | 515 | (1,251) | 5,128 | 68,515 | 309 | (47) | 20,243 | 473,941 | 19,531 | 1,203,115 |



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | For the six months ended 30th September, | |
|---|---|--|
| | 2013 (Unaudited) <i>HK\$'000</i> | 2012 (Unaudited) <i>HK\$'000</i> |
| Net cash generated from operating activities | 8,743 | 27,296 |
| Net cash used in investing activities | (481) | (3,349) |
| Net cash used in financing activities | (26,766) | (17,538) |
| Net (decrease)/increase in cash and cash equivalents | (18,504) | 6,409 |
| Cash and cash equivalents at 1st April | 177,546 | 169,530 |
| Effect of foreign exchange rate changes | 390 | 4 |
| Cash and cash equivalents at 30th September | 159,432 | 175,943 |
| Analysis of the balances of cash and cash equivalents | | |
| Time deposits, bank balances and cash | 164,185 | 187,214 |
| Less: Pledged cash and cash equivalents | (4,753) | (11,271) |
| | 159,432 | 175,943 |



NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2013

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 1 (Amendments) | Presentation of Items of Other Comprehensive Income |
| HKAS 19 (Revised) | Employee Benefits |
| HKAS 27 (Revised) | Separate Financial Statements |
| HKAS 28 (Revised) | Investments in Associates and Joint Ventures |
| HKFRS (Amendment) | Annual Improvements to HKFRSs 2009-2011 Cycle |
| HKFRS 1 (Amendment) | Government Loans |
| HKFRS 7 (Amendment) | Disclosure — Offsetting Financial Assets and Financial Liabilities |
| HKFRS 10 | Consolidated Financial Statements |
| HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments) | Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guide |
| HKFRS 11 | Joint Arrangements |
| HKFRS 12 | Disclosures of Interests in Other Entities |
| HKFRS 13 | Fair Value Measurement |
| HK(IFRIC) — Int 20 | Stripping Costs in the Production Phase of a Surface Mine |



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

Statement of profit or loss for the six months ended 30th September, 2013

| | Rice operation <i>HK\$'000</i> | Securities investment <i>HK\$'000</i> | Property investment <i>HK\$'000</i> | Corporate and others <i>HK\$'000</i> | Total <i>HK\$'000</i> | Inter- segment elimination <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
|-----------------------------------|--------------------------------------|---|---|--|--------------------------|---|---------------------------------|
| TURNOVER | | | | | | | |
| External sales | 432,912 | — | 980 | 43,761 | 477,653 | — | 477,653 |
| Inter-segment sales | 72 | — | — | — | 72 | (72) | — |
| Total sales | 432,984 | — | 980 | 43,761 | 477,725 | (72) | 477,653 |
| RESULT | | | | | | | |
| Segment results | 41,950 | 12,438 | (151) | (9,377) | | | 44,860 |
| Finance costs | | | | | | | (84) |
| Share of results of associates | (62) | — | 540 | (1,715) | | | (1,237) |
| Profit before taxation | | | | | | | 43,539 |
| Taxation | | | | | | | (7,402) |
| Profit for the period | | | | | | | 36,137 |
| Profit attributable to: | | | | | | | |
| Shareholders of the Company | | | | | | | 36,133 |
| Non-controlling interests | | | | | | | 4 |
| | | | | | | | 36,137 |



Segment assets and liabilities as at 30th September, 2013

| | Rice operation HK\$'000 | Securities investment HK\$'000 | Property investment HK\$'000 | Corporate and others HK\$'000 | Consolidated HK\$'000 |
|-----------------------------------|-------------------------------|--------------------------------------|------------------------------------|-------------------------------------|--------------------------|
| ASSETS | | | | | |
| Segment assets | 277,471 | 374,621 | 152,251 | 270,379 | 1,074,722 |
| Interests in associates | 21,316 | — | 93,257 | 138,791 | 253,364 |
| Consolidated total assets | | | | | <u>1,328,086</u> |
| LIABILITIES | | | | | |
| Segment liabilities | 22,306 | 1 | 480 | 19,456 | 42,243 |
| Unallocated corporate liabilities | | | | | 36,239 |
| Consolidated total liabilities | | | | | <u>78,482</u> |

Statement of profit or loss 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 | | | | | | | <u>45,204</u> |
| Profit attributable to: | | | | | | | |
| Shareholders of the Company | | | | | | | 44,354 |
| Non-controlling interests | | | | | | | 850 |
| | | | | | | | <u>45,204</u> |



Segment assets and liabilities as at 31st March, 2013

| | Rice operation <i>HK\$'000</i> | Securities investment <i>HK\$'000</i> | Property investment <i>HK\$'000</i> | Corporate and others <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
|--------------------------------------|--------------------------------------|---|---|--|---------------------------------|
| ASSETS | | | | | |
| Segment assets | 268,724 | 357,458 | 152,887 | 276,918 | 1,055,987 |
| Interests in associates | 14,558 | — | 96,014 | 143,607 | 254,179 |
| Consolidated total assets | | | | | <u>1,310,166</u> |
| LIABILITIES | | | | | |
| Segment liabilities | 22,532 | 122 | 729 | 17,838 | 41,221 |
| Unallocated corporate liabilities | | | | | <u>35,485</u> |
| Consolidated total liabilities | | | | | <u>76,706</u> |

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, | |
| | 2013 (Unaudited) <i>HK\$'000</i> | 2012 (Unaudited) <i>HK\$'000</i> |
| Hong Kong | 392,086 | 359,899 |
| Elsewhere in the PRC | 44,282 | 87,481 |
| Others | 41,285 | 26,192 |
| | <u>477,653</u> | <u>473,572</u> |



4. NET OTHER INCOME

| | For the six months ended 30th September, | |
|---|---|--|
| | 2013 (Unaudited) <i>HK\$'000</i> | 2012 (Unaudited) <i>HK\$'000</i> |
| Interest income on: | | |
| — Financial assets at fair value through profit or loss | 5,754 | 6,581 |
| — Financial assets not designated as at fair value through profit or loss | 3,877 | 5,045 |
| | 9,631 | 11,626 |
| Dividend from: | | |
| — Listed available-for-sale investments | 87 | 77 |
| — Listed financial assets at fair value through profit or loss | 2,169 | 2,485 |
| | 2,256 | 2,562 |
| Net realized loss on disposals of financial assets at fair value through profit or loss | (73) | (1,052) |
| Net realized gain on derivative financial instruments | 2,245 | — |
| Net foreign exchange loss | (287) | (106) |
| Net loss on disposal of property, plant and equipment | (12) | (118) |
| Sundry income | 1,959 | 4,574 |
| | 15,719 | 17,486 |



5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

| | For the six months ended 30th September, | |
|--|---|---------------------------------|
| | 2013 (Unaudited) HK\$'000 | 2012 (Unaudited) HK\$'000 |
| Depreciation and amortisation of property, plant and equipment | 7,244 | 6,236 |
| Amortisation of prepaid lease payments | 267 | 265 |
| Amortisation of intangible asset | 700 | 700 |
| Interests on bank loans wholly repayable within five years | 84 | 117 |
| Interests on other loans | — | 1 |

6. TAXATION

| | For the six months ended 30th September, | |
|---|---|---------------------------------|
| | 2013 (Unaudited) HK\$'000 | 2012 (Unaudited) HK\$'000 |
| Current tax: | | |
| Hong Kong | 7,716 | 6,879 |
| Other regions in the PRC | 180 | 1,784 |
| | 7,896 | 8,663 |
| (Overprovision)/underprovision in prior years: | | |
| Other regions in the PRC | (419) | 236 |
| Others | — | 106 |
| | (419) | 342 |
| Deferred tax | (75) | (254) |
| Taxation attributable to the Company and its subsidiaries | 7,402 | 8,751 |

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, | |
|---|---|--|
| | 2013 (Unaudited) <i>HK\$'000</i> | 2012 (Unaudited) <i>HK\$'000</i> |
| Interim dividend declared after the interim period end of 1.2 cents per share on 1,686,906,458 shares (2012: 1.2 cents per share on 1,686,906,458 shares) | 20,243 | 20,243 |

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, | |
|---|---|--|
| | 2013 (Unaudited) <i>HK\$'000</i> | 2012 (Unaudited) <i>HK\$'000</i> |
| Final dividend in respect of the previous financial year, approved and paid during the interim period, of 1.2 cents per share on 1,686,906,458 shares (2012: 1.2 cents per share on 1,686,906,458 shares) | 20,243 | 20,243 |



8. EARNINGS PER SHARE

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

| | For the six months ended 30th September, | |
|---|---|---------------------------------|
| | 2013 (Unaudited) HK\$'000 | 2012 (Unaudited) HK\$'000 |
| Earnings for the purpose of basic and diluted earnings per share | 36,133 | 44,354 |
| | | |
| | For the six months ended 30th September, | |
| | 2013 (Unaudited) | 2012 (Unaudited) |
| Number of shares: | | |
| Weighted average number of shares for the purpose of basic earnings per share | 1,686,906,458 | 1,686,906,458 |
| Effect of dilutive potential ordinary shares: | | |
| Share options | 484,737 | — |
| Weighted average number of shares for the purpose of diluted earnings per share | 1,687,391,195 | 1,686,906,458 |

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

The dilutive effect for the period ended 30th September, 2013 is not significant.

The diluted earnings per share for last 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.



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 according to the delivery date:

| | 30th September, 2013 (Unaudited) HK\$'000 | 31st March, 2013 (Audited) HK\$'000 |
|----------------|--|--|
| Within 30 days | 53,592 | 43,589 |
| 31-60 days | 37,345 | 35,829 |
| 61-90 days | 11,732 | 12,609 |
| Over 90 days | 4,232 | 4,241 |
| | 106,901 | 96,268 |

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

As at 30th September, 2013, trade debtors over 90 days amounted to HK\$4,232,000 (31st March, 2013: HK\$4,241,000) 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, 2013 (Unaudited) HK\$'000 | 31st March, 2013 (Audited) HK\$'000 |
|----------------|--|--|
| Within 30 days | 11,855 | 9,437 |
| 31-60 days | 238 | 62 |
| 61-90 days | — | 23 |
| Over 90 days | — | 65 |
| | 12,093 | 9,587 |

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, 2012, 31st March, 2013 and 30th September, 2013 | 3,000,000,000 | 300,000 |
| Issued and fully paid: | | |
| At 1st April, 2012, 31st March, 2013 and 30th September, 2013 | 1,686,906,458 | 168,691 |

There was no movement in issued share capital during both periods.

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, | |
|---|---|--|
| | 2013 (Unaudited) <i>HK\$'000</i> | 2012 (Unaudited) <i>HK\$'000</i> |
| Net amount of trade purchases from and sharing of administrative services on a cost basis with associates (Notes a, b) | 100,286 | 72,675 |
| Net amount of sharing of administrative services on a cost basis with related parties (Notes b, c) | 394 | 401 |
| Net amount of trade purchases from related party (Notes a, d) | — | 1,887 |

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 parties are related to the Group as they are under the common control with a common director of wholly-owned subsidiaries of the Company.
- (d) Related party was related to the Group as this party was the substantial shareholder of a non-wholly owned subsidiary of the Company. This party is no longer related to the Group since the disposal of this non-wholly owned subsidiary in January 2013.

During the period from 1st April, 2013 to 30th September, 2013, 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 (2012: 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 30th September, | |
|-----------------------------------|---|---------------------------------|
| | 2013 (Unaudited) HK\$'000 | 2012 (Unaudited) HK\$'000 |
| Short-term employee benefits | 9,455 | 8,096 |
| Post-employment employee benefits | 204 | 211 |
| Share-based payment expense | 55 | 55 |
| | 9,714 | 8,362 |

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\$158,334,000 as at 30th September, 2013 (31st March, 2013: HK\$160,155,000). The balances of advances to associates as at 30th September, 2013 were unsecured, interest-free and will not be repayable in the coming twelve months.



13. COMMITMENTS AND CONTINGENT LIABILITIES

At the end of the reporting period, the commitments and contingent liabilities not provided for in the financial statements are as follows:

| | 30th September, 2013 (Unaudited) <i>HK\$'000</i> | 31st March, 2013 (Audited) <i>HK\$'000</i> |
|--|--|--|
| (a) Contracted capital commitments | | |
| Acquisition of plant and equipment | 1,079 | 2,878 |
| Capital contribution for an available-for-sale investment | 20,400 | 20,400 |
| | 21,479 | 23,278 |
| (b) Contingent liabilities and financial guarantees issued | | |
| Guarantees given in respect of banking facilities made available to associates | 79,173 | 79,968 |

At the end of the reporting period, the extent of guaranteed banking facilities utilised by the associates amounted to approximately HK\$50,887,000 (31st March, 2013: HK\$55,697,000).

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, 2013 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, 2013:

| 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 | — | 40,880 | 35,840 | 40,880 | b |
| Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Company Limited | 22.40 | — | 22,712 | 15,047 | 22,712 | c |
| Aggregate of Dragon Fortune Ltd. and its subsidiaries | | 72,176 | 63,592 | 50,887 | 135,768 | d |
| (ii) Sirinumma Company Limited | 40.00 | — | 15,581 | — | 15,581 | e |
| (iii) Starland Century Limited | 37.50 | 86,158 | — | — | 86,158 | a |
| Total | | 158,334 | 79,173 | 50,887 | 237,507 | f |



The proforma combined statement of financial position of the above affiliated companies, as attributable to the Group, as at 30th September, 2013 is as follows:

| | <i>HK\$'000</i> |
|---------------------------|-----------------|
| Non-current assets | 178,327 |
| Current assets | 169,144 |
| Current liabilities | (68,743) |
| Net current assets | 100,401 |
| Non-current liabilities | (255,645) |
| Non-controlling interests | (15,541) |
| Shareholders' equity | 7,542 |

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 guarantees were 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.
- (d) Aggregated pursuant to Rule 13.11(2)(c) of the Listing Rules.
- (e) The guarantee was given for banking facilities granted to respective entity or affiliated company.
- (f) Aggregated pursuant to Rule 13.16 of the Listing Rules.



LIQUIDITY AND FINANCIAL RESOURCES

The Group had cash balance of approximately HK\$164 million and an outstanding bank loan amounted to approximately HK\$7 million as at 30th September, 2013. With cash and other current assets of approximately HK\$827 million as at 30th September, 2013 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, the Group's rice core business performed satisfactorily. The rice market conditions continued to be challenging. The severe market competition among major market operators persisted. Rice costs hovered at high level; labour costs increased steadily and manufacturing costs crept up gradually. High rice costs, together with higher manufacturing overheads, will continue to pose challenges to the Group in the second half financial year. We will continue to mitigate cost pressure through automation, process improvement and stringent cost controls. As always, we will manage our operating cost diligently and maintain an efficient operating structure attentively so as to sustain the Group's profitability. Despite the challenges ahead, we will continue to pursue sustainable growth through the steady expansion of our rice core business and by focusing on strengthening our core competitiveness.

For our business in Vietnam, the Group's Circle K convenience store project was progressing as scheduled during the period. We remained focus on expanding the number of stores with cautious approach to expedite the reach of the critical mass. We have spent considerable efforts in expanding the product category to boost customer traffic and enhance category awareness. The Hot-Food-Eat-In service continued to grow in popularity and is the main driver of revenue and margin growth. We continued to launch aggressive marketing and promotional programmes to improve brand preference for Circle K among convenience store users. With these strategies, coupled with a consistent effort to maintain high standard of customer service, we were able to report an encouraging growth in the same store sales for the period under review. We are confident that this project will generate good return for our shareholders in the long run.

As at 30th September, 2013, we had net cash and bank balances to the extent of HK\$164 million. With a strong financial position and healthy cash flow, we are well poised to capture value enhancing investments and generate higher return for the shareholders.



Looking forward, the Golden Resources Group continues to drive long-term sustainable growth by strengthening its existing business organically and seeking attractive investment. We will continue to pursue quality investments which promise a positive return and good potential to create further value for shareholders. We are confident in the Golden Resources Group's business prospects.

INTERIM DIVIDEND

The Directors have declared an interim dividend of 1.2 cents per share for the year ending 31st March, 2014 (2012/2013: 1.2 cents per share) to the shareholders on the Register of Members of the Company at the close of business on Monday, 30th December, 2013.

It is expected that the interim dividend will be paid to the shareholders on or about Wednesday, 15th January, 2014.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 20th December, 2013 to Monday, 30th December, 2013, 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, 19th December, 2013.



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

As at 30th September, 2013, 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 | | | | Total interests | Approximate percentage of the issued share capital of the Company |
|--------------------------------|--|------------------|---------------------|-------------------------------|-----------------|---|
| | Personal interests | Family interests | Corporate interests | | | |
| Mr. Alvin Leslie LAM Kwing Wai | 17,500,000 | 6,000,000 | — | 23,500,000 <i>(Note 1)</i> | 1.39% | |
| Mr. Anthony LAM Sai Ho | — | — | 7,350,000 | 7,350,000 <i>(Note 2)</i> | 0.44% | |

Notes:

- 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.
- 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, 2013, 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, 2013, 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 <i>(Note 1)</i> HK\$ | Balance outstanding at 1st April, 2013 | Granted during the period | Exercised during the period | Balance outstanding at 30th September, 2013 |
|--------------------|---------------------|--|---|--|---------------------------|-----------------------------|---|
| Director | | | | | | | |
| Mr. TSANG Siu Hung | 13th October, 2011 | 13th October, 2011 - 25th August, 2018 <i>(Note 2)</i> | 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 <i>(Note 3)</i> | 0.41 | 6,000,000 | — | — | 6,000,000 |
| | 21st December, 2011 | 21st December, 2011 - 25th August, 2018 <i>(Note 3)</i> | 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, 2013, 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") | 548,052,026 | 32.48% (Note 2) |
| Chelsey Developments Ltd. ("Chelsey") | 252,240,000 | 14.95% (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 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, 2013, 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 1,122.

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, 2013 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 was 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. On 26th September, 2013, Mr. Alvin Leslie LAM Kwing Wai resigned as the Managing Director of the Company and remains as the Chairman and the Executive Director of the Company. On 26th September, 2013, Mr. Anthony LAM Sai Ho, the Executive Director of the Company, was appointed as the Managing Director of the Company. The Company has complied with the code provision A.2.1 of the Code since then.

Code provision A.5.6 of the Code stipulates that the nomination committee should have a policy concerning diversity of board members, and should disclose the policy in the corporate governance report with effect from 1st September, 2013. The Nomination Committee of the Company has not yet discussed on the requirements of the amendment and how a board diversity policy should be adopted. The Nomination Committee of the Company will discuss this matter in the next meeting in order to allow more time to make reference to market practice.

Code provision A.6.7 of the Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings. Mr. Richard LAU Siu Sun, the former Independent Non-executive Director of the Company, was unable to attend the Annual General Meeting of the Company held on 29th August, 2013 due to his other personal 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.

Changes of Directors' Information

Below are the changes of directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

1. Mr. Michael YU Tat Chi, the Independent Non-executive Director of the Company, resigned as a financial controller and company secretary of Zhuguang Holdings Group Company Limited (a listed company in Hong Kong, stock code: 1176) on 9th August, 2013.
2. Mr. Alvin Leslie LAM Kwing Wai resigned as the Managing Director of the Company on 26th September, 2013. Mr. Anthony LAM Sai Ho was appointed as the Managing Director of the Company and resigned as the Vice Chairman of the Company on 26th September, 2013. Mr. Laurent LAM Kwing Chee was appointed as the Vice Chairman of the Company on 26th September, 2013.
3. Mr. Richard LAU Siu Sun resigned as an Independent Non-executive Director and member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company on 30th September, 2013. Mr. Ronald YAN Mou Keung was appointed as an Independent Non-executive Director and member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company on 30th September, 2013.

AUDIT COMMITTEE

The audit committee comprising three Independent Non-executive Directors, Mr. John WONG Yik Chung, Mr. Michael YU Tat Chi and Mr. Ronald YAN Mou Keung, 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, 2013.



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, 2013.

BOARD OF DIRECTORS

As at the date of this report, the Executive Directors of the Company are Mr. Alvin Leslie LAM Kwing Wai (Chairman), Mr. Laurent LAM Kwing Chee (Vice Chairman), Mr. Anthony LAM Sai Ho (Managing Director), Madam LAM Kit Woo and Mr. TSANG Siu Hung. The Independent Non-executive Directors of the Company are Mr. John WONG Yik Chung, Mr. Michael YU Tat Chi and Mr. Ronald YAN Mou Keung.

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

Hong Kong, 27th November, 2013