

INTERIM  
REPORT  
2015/2016

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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, 2015 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended 30th September,	
		2015	2014
	Notes	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>REVENUE</b>	3	<b>490,159</b>	499,244
Cost of sales		<b>(340,244)</b>	(343,313)
<b>GROSS PROFIT</b>		<b>149,915</b>	155,931
Net unrealized (loss)/gain on financial assets at fair value through profit or loss		<b>(33,342)</b>	6,081
Net other (loss)/income	4	<b>(22,311)</b>	21,710
Selling and distribution costs		<b>(52,341)</b>	(40,080)
Administrative expenses		<b>(76,541)</b>	(76,972)
Write-back of impairment loss on loan receivable		<b>18,541</b>	—
<b>(LOSS)/PROFIT FROM OPERATIONS</b>	3	<b>(16,079)</b>	66,670
Finance costs		<b>(60)</b>	(57)
Share of results of associates		<b>3,665</b>	(1,365)
Gain on disposal of an associate classified as asset held for sale		—	35,350
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	5	<b>(12,474)</b>	100,598
Taxation	6	<b>(8,381)</b>	(10,693)
<b>(LOSS)/PROFIT FOR THE PERIOD</b>		<b>(20,855)</b>	89,905
(Loss)/profit attributable to:			
Shareholders of the Company		<b>(20,597)</b>	89,901
Non-controlling interests		<b>(258)</b>	4
		<b>(20,855)</b>	89,905
<b>(LOSS)/EARNINGS PER SHARE</b>	8		
— Basic		<b>HK(1.2) cents</b>	HK5.3 cents
— Diluted		<b>HK(1.2) cents</b>	HK5.3 cents

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30th September,	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
<b>(LOSS)/PROFIT FOR THE PERIOD</b>	<b>(20,855)</b>	89,905
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>		
<b>Items to be reclassified to profit or loss in subsequent periods:</b>		
Deficit on revaluation of available-for-sale investments	(183)	(142)
Exchange differences on translation of foreign operations	(3,874)	530
Share of other comprehensive (loss)/income of associates	(9,243)	1,342
Other comprehensive (loss)/income for the period, net of tax	(13,300)	1,730
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<b>(34,155)</b>	91,635
Total comprehensive (loss)/income attributable to:		
Shareholders of the Company	(33,371)	91,478
Non-controlling interests	(784)	157
	<b>(34,155)</b>	91,635

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>30th September, 2015 (Unaudited)</b>	<b>31st March, 2015 (Audited)</b>
<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	98,992	94,972
Investment properties	82,940	82,940
Intangible asset	24,603	25,303
Interests in associates	144,158	153,025
Available-for-sale investments	31,470	31,653
Prepaid lease payments	16,428	16,781
	<b>398,591</b>	404,674
<b>CURRENT ASSETS</b>		
Inventories	146,142	160,526
Trade debtors	98,186	96,304
Other debtors, deposits and prepayments	62,562	52,537
Available-for-sale investments	53,724	83,021
Financial assets at fair value through profit or loss	423,750	453,660
Cash and cash equivalents	209,595	177,813
	<b>993,959</b>	1,023,861
<b>CURRENT LIABILITIES</b>		
Trade creditors	25,841	16,890
Other creditors and accruals	28,154	28,068
Bank loans	7,751	7,755
Derivative financial instruments	2,036	—
Tax liabilities	30,183	24,134
	<b>93,965</b>	76,847
<b>NET CURRENT ASSETS</b>	<b>899,994</b>	947,014
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>1,298,585</b>	1,351,688
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	2,131	1,864
	<b>1,296,454</b>	1,349,824
<b>CAPITAL AND RESERVES</b>		
Share capital	169,441	169,141
Reserves	1,109,001	1,161,832
Shareholders' equity	1,278,442	1,330,973
Non-controlling interests	18,012	18,851
	<b>1,296,454</b>	1,349,824

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 2015

	Shareholders' equity								Total shareholders' equity HK\$'000	Non-controlling interests HK\$'000	Total 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
At 1st April, 2015	169,141	451,197	515	(1,175)	5,128	36,735	621	124	20,333	646,354	1,330,973	18,851	1,349,824
Loss for the period	—	—	—	—	—	—	—	—	—	(20,597)	(20,597)	(258)	(20,855)
Other comprehensive loss for the period:													
Deficit on revaluation of available-for-sale investments	—	—	—	(183)	—	—	—	—	—	—	(183)	—	(183)
Exchange adjustments	—	—	—	—	—	(3,348)	—	—	—	—	(3,348)	(526)	(3,874)
Share of reserve movements of associates	—	—	—	—	—	(6,549)	—	(2,694)	—	—	(9,243)	—	(9,243)
	—	—	—	(183)	—	(9,897)	—	(2,694)	—	—	(12,774)	(526)	(13,300)
Total comprehensive loss for the period	—	—	—	(183)	—	(9,897)	—	(2,694)	—	(20,597)	(33,371)	(784)	(34,155)
Equity-settled share-based payment expense	—	—	—	—	—	—	45	—	—	—	45	—	45
Issue of shares upon exercise of share options	300	976	—	—	—	—	(148)	—	—	—	1,128	—	1,128
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(55)	(55)
Prior year final dividend paid	—	—	—	—	—	—	—	—	(20,333)	—	(20,333)	—	(20,333)
Interim dividend	—	—	—	—	—	—	—	—	20,333	(20,333)	—	—	—
At 30th September, 2015	169,441	452,173	515	(1,359)	5,128	26,838	518	(2,570)	20,333	605,424	1,278,442	18,012	1,296,454

For the six months ended 30th September, 2014

	Shareholders' equity										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	Non- controlling interests HK\$'000
At 1st April, 2014	168,691	449,540	515	(1,140)	5,128	42,945	822	247	20,243	543,968	1,252,874	19,113	1,271,987
Profit for the period	—	—	—	—	—	—	—	—	—	89,901	89,901	4	89,905
Other comprehensive income for the period:													
Deficit on revaluation of available-for-sale investments	—	—	—	(142)	—	—	—	—	—	—	(142)	—	(142)
Exchange adjustments	—	—	—	—	—	377	—	—	—	—	377	153	530
Share of reserve movements of associates	—	—	—	—	—	1,352	—	(10)	—	—	1,342	—	1,342
	—	—	—	(142)	—	1,729	—	(10)	—	—	1,577	153	1,730
Total comprehensive income for the period	—	—	—	(142)	—	1,729	—	(10)	—	89,901	91,478	157	91,635
Eliminated on disposal of an associate classified as asset held for sale	—	—	—	—	—	(21,915)	—	—	—	—	(21,915)	—	(21,915)
Equity-settled share-based payment expense	—	—	—	—	—	—	171	—	—	—	171	—	171
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	(20,243)	—	—	(150)	(150)
Prior year final dividend paid	—	—	—	—	—	—	—	—	20,243	—	(20,243)	—	(20,243)
Interim dividend	—	—	—	—	—	—	—	—	20,243	(20,243)	—	—	—
At 30th September, 2014	168,691	449,540	515	(1,282)	5,128	44,674	993	237	20,243	613,626	1,302,365	19,120	1,321,485

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30th September,	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Net cash generated from/(used in) operating activities	54,820	(8,056)
Net cash generated from investing activities	8,344	112,796
Net cash used in financing activities	(19,321)	(20,449)
Net increase in cash and cash equivalents	43,843	84,291
Cash and cash equivalents at 1st April	161,200	145,355
Effect of foreign exchange rate changes	(1,145)	38
Cash and cash equivalents at 30th September	<b>203,898</b>	229,684
Analysis of the balances of cash and cash equivalents		
Time deposits, bank balances and cash	209,595	248,043
Less: Pledged cash and cash equivalents	(5,697)	(18,359)
	<b>203,898</b>	229,684

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2015

## 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 (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

## 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 adopted the following amendments (the “new HKFRSs”) issued by the HKICPA, which are or have become effective for the Group’s financial year beginning on 1st April, 2015:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions

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, 2015*

	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Convenience store operation HK\$'000	Corporate and others HK\$'000	Total HK\$'000	Inter- segment elimination HK\$'000	Consolidated HK\$'000
<b>REVENUE</b>								
External sales	403,674	—	1,244	83,403	1,838	490,159	—	490,159
Inter-segment sales	5	—	—	—	—	5	(5)	—
<b>Total sales</b>	<b>403,679</b>	<b>—</b>	<b>1,244</b>	<b>83,403</b>	<b>1,838</b>	<b>490,164</b>	<b>(5)</b>	<b>490,159</b>
<b>RESULT</b>								
Segment results	48,134	(59,135)	181	(23,348)	18,089			(16,079)
Finance costs								(60)
Share of results of associates	8	—	320	—	3,337			3,665
Loss before taxation								(12,474)
Taxation								(8,381)
Loss for the period								(20,855)
Loss attributable to:								
Shareholders of the Company								(20,597)
Non-controlling interests								(258)
								(20,855)

### Segment assets and liabilities as at 30th September, 2015

	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Convenience store operation HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
<b>ASSETS</b>						
Segment assets	288,745	480,966	155,638	90,701	232,342	1,248,392
Interests in associates	10,468	—	82,867	—	50,823	144,158
Consolidated total assets						<u>1,392,550</u>
<b>LIABILITIES</b>						
Segment liabilities	27,619	2,038	565	21,991	3,818	56,031
Unallocated corporate liabilities						<u>40,065</u>
Consolidated total liabilities						<u>96,096</u>

### Statement of profit or loss for the six months ended 30th September, 2014

	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Convenience store operation HK\$'000	Corporate and others HK\$'000	Total HK\$'000	Inter- segment elimination HK\$'000	Consolidated HK\$'000
<b>REVENUE</b>								
External sales	437,333	—	1,269	50,645	9,997	499,244	—	499,244
Inter-segment sales	65	—	—	—	—	65	(65)	—
Total sales	<u>437,398</u>	<u>—</u>	<u>1,269</u>	<u>50,645</u>	<u>9,997</u>	<u>499,309</u>	<u>(65)</u>	<u>499,244</u>
<b>RESULT</b>								
Segment results	59,421	23,802	228	(16,907)	126			66,670
Finance costs								(57)
Share of results of associates	(78)	—	546	—	(1,833)			(1,365)
Gain on disposal of an associate classified as asset held for sale	—	—	—	—	35,350			35,350
Profit before taxation								100,598
Taxation								(10,693)
Profit for the period								<u>89,905</u>
Profit attributable to:								
Shareholders of the Company								89,901
Non-controlling interests								4
								<u>89,905</u>

*Segment assets and liabilities as at 31st March, 2015*

	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Convenience store operation HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
<b>ASSETS</b>						
Segment assets	293,703	543,379	156,387	81,092	200,949	1,275,510
Interests in associates	13,576	—	90,594	—	48,855	153,025
Consolidated total assets						<u>1,428,535</u>
<b>LIABILITIES</b>						
Segment liabilities	26,386	2	619	14,975	2,976	44,958
Unallocated corporate liabilities						<u>33,753</u>
Consolidated total liabilities						<u>78,711</u>

**Geographical segments**

The Group's operations are located in Hong Kong, elsewhere in the PRC, Vietnam 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:

	<b>Revenue by geographical markets</b>	
	<b>For the six months ended 30th September,</b>	
	<b>2015 (Unaudited) HK\$'000</b>	<b>2014 (Unaudited) HK\$'000</b>
Hong Kong	<b>364,983</b>	401,072
Elsewhere in the PRC	<b>35,101</b>	40,198
Vietnam	<b>83,403</b>	50,645
Others	<b>6,672</b>	7,329
	<b>490,159</b>	499,244

#### 4. NET OTHER (LOSS)/INCOME

	For the six months ended 30th September,	
	2015	2014
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income on:		
— Financial assets at fair value through profit or loss	3,547	5,552
— Financial assets not designated as at fair value through profit or loss	1,644	4,586
	<b>5,191</b>	10,138
Dividend from:		
— Listed available-for-sale investments	100	106
— Listed financial assets at fair value through profit or loss	2,560	2,706
	<b>2,660</b>	2,812
Net realized gain on disposals of financial assets at fair value through profit or loss	291	1,632
Net realized (loss)/gain on derivative financial instruments	(29,065)	5,655
Net unrealized loss on derivative financial instruments	(2,036)	—
Net foreign exchange loss	(2,961)	(519)
Net gain on disposal of property, plant and equipment	223	257
Sundry income	3,386	1,735
	<b>(22,311)</b>	21,710

## 5. (LOSS)/PROFIT BEFORE TAXATION

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

	For the six months ended 30th September,	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Depreciation and amortisation of property, plant and equipment	8,936	7,399
Amortisation of prepaid lease payments	266	267
Amortisation of intangible asset	700	700
Interests on bank loans wholly repayable within five years	60	57

## 6. TAXATION

	For the six months ended 30th September,	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Current tax:		
Hong Kong	7,687	10,007
Other regions in the PRC	42	225
	<b>7,729</b>	10,232
Underprovision/(overprovision) in prior years:		
Hong Kong	506	—
Other regions in the PRC	(121)	539
	<b>385</b>	539
Deferred tax	267	(78)
Taxation attributable to the Company and its subsidiaries	<b>8,381</b>	10,693

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,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interim dividend declared after the interim period end of HK1.2 cents per share on 1,694,406,458 shares (2014: HK1.2 cents per share on 1,686,906,458 shares)	<b>20,333</b>	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,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period, of HK1.2 cents per share on 1,694,406,458 shares (2014: HK1.2 cents per share on 1,686,906,458 shares)	<b>20,333</b>	20,243

## 8. (LOSS)/EARNINGS PER SHARE

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

	For the six months ended 30th September,	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
(Loss)/earnings for the purpose of basic and diluted (loss)/earnings per share	<b>(20,597)</b>	89,901

	For the six months ended 30th September,	
	2015 (Unaudited)	2014 (Unaudited)
Number of shares:		
Weighted average number of shares for the purpose of basic (loss)/earnings per share	<b>1,693,860,010</b>	1,686,906,458
Effect of dilutive potential ordinary shares:		
Share options	—	778,382

Weighted average number of shares for the purpose of diluted (loss)/earnings per share	<b>1,693,860,010</b>	1,687,684,840
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The basic loss per share and diluted loss per share are the same for the period ended 30th September, 2015. The effect of any incremental shares from the assumed exercise of the Company's share options outstanding as at 30th September, 2015 would be anti-dilutive and was not included in the calculation of diluted loss per share.

Diluted earnings per share for last period ended 30th September, 2014 was calculated by adjusting the weighted average number of ordinary shares to assume conversion of all dilutive potential ordinary shares. There was no significant dilutive effect for last 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:

	<b>30th September, 2015 (Unaudited) HK\$'000</b>	31st March, 2015 (Audited) HK\$'000
Within 30 days	<b>53,523</b>	50,834
31-60 days	<b>29,083</b>	29,870
61-90 days	<b>11,949</b>	11,245
Over 90 days	<b>3,631</b>	4,355
	<b>98,186</b>	96,304

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

As at 30th September, 2015, trade debtors over 90 days amounted to HK\$3,631,000 (31st March, 2015: HK\$4,355,000) 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:

	<b>30th September, 2015 (Unaudited) HK\$'000</b>	31st March, 2015 (Audited) HK\$'000
Within 30 days	<b>20,785</b>	15,059
31-60 days	<b>4,813</b>	1,811
61-90 days	<b>111</b>	1
Over 90 days	<b>132</b>	19
	<b>25,841</b>	16,890

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, 2014, 31st March, 2015 and 30th September, 2015	3,000,000,000	300,000
Issued and fully paid:		
At 1st April, 2014	1,686,906,458	168,691
Exercise of share options	4,500,000	450
At 31st March, 2015	1,691,406,458	169,141
Exercise of share options	3,000,000	300
At 30th September, 2015	1,694,406,458	169,441

All new shares issued during the periods 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,	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Net amount of trade purchases from and sharing of administrative services on a cost basis with associates ( <i>Notes a, b</i> )	70,511	58,280
Net amount of sharing of administrative services on a cost basis with related parties ( <i>Notes b, c</i> )	192	782

*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.

During the period from 1st April, 2015 to 30th September, 2015, 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 (2014: 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:

	<b>For the six months ended 30th September,</b>	
	<b>2015</b>	2014
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Short-term employee benefits	<b>10,087</b>	7,664
Post-employment employee benefits	<b>239</b>	181
Share-based payment expense	<b>18</b>	55
	<b>10,344</b>	7,900

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\$86,158,000 as at 30th September, 2015 (31st March, 2015: HK\$86,158,000). The balances of advances to associates as at 30th September, 2015 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:

	<b>30th September, 2015 (Unaudited) HK\$'000</b>	31st March, 2015 (Audited) HK\$'000
(a) Contracted capital commitments		
Acquisition of plant and equipment	<b>2,824</b>	1,463
Capital contribution for an available-for-sale investment	<b>20,400</b>	20,400
	<b>23,224</b>	21,863
(b) Contingent liabilities and financial guarantees issued		
Guarantees given in respect of banking facilities made available to:		
— associates	<b>13,436</b>	15,013

At the end of both reporting periods, the Group's associates had not utilized any of the banking facilities guaranteed by the Company.

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. The Directors consider that the fair values of these financial guarantees of the Group are insignificant and therefore no value has been recognised at the end of each reporting period.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group had cash balance of approximately HK\$209 million and outstanding bank loans amounted to approximately HK\$7 million as at 30th September, 2015. With cash and other current assets of approximately HK\$993 million as at 30th September, 2015 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

## BUSINESS REVIEW AND PROSPECTS

In Hong Kong, the rice market remains challenging. Severe competition amongst major players continues to subsist. To maintain our leading position in the rice industry, we have been relentlessly upgrading our products and services to create value for our customers. Effective marketing initiatives are launched to promote the products and deepen market penetration, widening our customer base. The labour and manufacturing costs continue to rise but at a slower pace, where the Group's profit margin is inevitably affected. To counter these challenges, we have implemented stringent cost control and invested in automation processes to reduce operating costs, while strengthening and improving the production process to enhance efficiency, ensuring our competitive advantage. With the above developments, we believe that our core business will be able to further improve and to sustain a healthy business growth.

In Vietnam, our Circle K convenience store business is progressing as anticipated. We remain focus on the store network expansion in order to secure a market dominance position, and to expedite the reach of the critical mass. Apart from Ho Chi Minh City, we have opened new stores in Hanoi, the Capital City of Vietnam, since April this year. Further expansions into other key cities are also in the plan. Store formats are constantly uplifted to pursue excellent customer service. We have been widening the product spectrum through global procurement and aggressive merchandising plans. The Hot-Food-Eat-In service counters are further developed and expanded, which help drive customers into our stores, and enhance customer traffic and spending. We have also developed a customer-loyalty and reward program to retain existing customers and to attract new ones. Our 4Fs (Fresh, Friendly, Fast and Full) customer service commitment is emphasized to drive customer service excellence and to develop a customer-centric culture. Proactive online marketing in the social media platforms is initiated to appeal to social media group, reaching out to the younger generation public. The social media engagement helps to connect and communicate with the current and potential customers, building the Circle K brand to be the most preferred convenience store brand in Vietnam. Intensive and innovative marketing initiatives are engaged to promote and stimulate the business, resulting in encouraging business results as evidenced by a strong comparable store sales growth. For corporate-culture development and employee engagement program, we continue to boost our CSL (Caring, Sharing and

Learning) philosophy in order to inculcate the employee with senses of commitment and dedication to the Company. In the long run, we are confident that Circle K will be the most preferred convenience store brand in Vietnam, envisioning to become the “Neighbourhood Store” wherever with our presence.

The Group’s investment portfolio did not perform satisfactorily for the period under review, resulting from the substantial downturn in the global stock markets in the third quarter of 2015. With the recent improvement in global stock markets in the fourth quarter of 2015, our high quality investment portfolio had seen some recuperation of the previous mark-to-market losses. As of 30th September, 2015, the Group had net cash and bank balances of HK\$209 million. With the strong balance sheet, the Group is well poised to pursue new business investment opportunities for long-term business development.

Moving ahead, the Group remains focus on the core rice business to maintain sustainable recurring earnings growth. The Group is devoted in developing the Circle K convenience store business in Vietnam and we are confident of its future prospect, which will provide a steady income stream for the Group. With the healthy cash flow generated from the core rice business, together with prudent financial discipline, the Group is well positioned to develop its business. We are confident about the Group’s long term growth prospects.

## INTERIM DIVIDEND

The Directors have declared an interim dividend of HK1.2 cents per share for the year ending 31st March, 2016 (2014/2015: HK1.2 cents per share) to the shareholders on the Register of Members of the Company at the close of business on Thursday, 24th December, 2015.

It is expected that the interim dividend will be paid to the shareholders on or about Wednesday, 13th January, 2016.

## CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 18th December, 2015 to Thursday, 24th December, 2015, 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, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 17th December, 2015.

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

As at 30th September, 2015, 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 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)	0.43%
Madam LAM Sai Mann	—	—	82,771,000	82,771,000 (Note 3)	4.88%
Mr. TSANG Siu Hung	2,500,000	—	—	2,500,000	0.15%

#### 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.
- These 82,771,000 shares are held by Joint Success Limited, a company which is wholly-owned by Madam LAM Sai Mann, a Director of the Company.

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

<b>Name of director</b>	<b>Name of subsidiary</b>	<b>Capacity</b>	<b>Number of non-voting deferred shares beneficially held</b>
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 (Note)
Mr. Anthony LAM Sai Ho	Yuen Loong & Company Limited	Interest in controlled corporation	13,000 (Note)

*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**

<b>Name of director</b>	<b>Name of associate</b>	<b>Capacity</b>	<b>Number of ordinary shares held through corporation</b>
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**

<b>Name of director</b>	<b>Capacity</b>	<b>Number of options held</b>	<b>Number of underlying shares</b>
Mr. TSANG Siu Hung	Beneficial owner	2,500,000	2,500,000

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, 2015, 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, 2015, 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, 2015	Granted during the period	Exercised during the period	Balance outstanding at 30th September, 2015
<b>Director</b>							
Mr. TSANG Siu Hung	13th October, 2011	13th October, 2011 — 25th August, 2018 (Note 2)	0.41	2,500,000	—	—	2,500,000
<b>Total</b>				<b>2,500,000</b>	<b>—</b>	<b>—</b>	<b>2,500,000</b>
<b>Employees</b>							
	13th October, 2011	13th October, 2011 — 25th August, 2018 (Note 3)	0.41	4,000,000	—	—	4,000,000
	21st December, 2011	21st December, 2011 — 25th August, 2018 (Note 3)	0.376	6,000,000	—	3,000,000	3,000,000
<b>Total</b>				<b>10,000,000</b>	<b>—</b>	<b>3,000,000</b>	<b>7,000,000</b>
<b>Grand Total</b>				<b>12,500,000</b>	<b>—</b>	<b>3,000,000</b>	<b>9,500,000</b>

### Notes:

- 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.

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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, 2015, 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:

<b>Name of shareholder</b>	<b>Number of shares held</b> <i>(Note 1)</i>	<b>Approximate percentage of the issued share capital of the Company</b>
Yuen Loong International Limited (“Yuen Loong”)	548,052,026	32.34% <i>(Note 2)</i>
Chelsey Developments Ltd. (“Chelsey”)	252,240,000	14.89% <i>(Note 2)</i>

### Notes:

1. These shares represent long positions.
2. Mr. Alvin Leslie LAM Kwing Wai, a Director of the Company, is personally interested in approximately 4% of the issued share capital of each of Yuen Loong and Chelsey and 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 18% 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 13% 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, 2015, 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 1,699.

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 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 to the Listing Rules as its own code on corporate governance. The Company has complied with the Code throughout the six months ended 30th September, 2015 except the following deviation:

Code provision E.1.2 of the Code stipulates that the Chairman of the Board should attend the annual general meeting. Mr. Alvin Leslie LAM Kwing Wai, the Chairman of the Board and the Nomination Committee, was unable to attend the annual general meeting held on 28th August, 2015 (“the Meeting”) due to his other engagements. Mr. Laurent LAM Kwing Chee, the Vice Chairman of the Board, took the chair of the Meeting and other members of the Board (including the Chairmen and members of the Audit Committee and Remuneration Committee and members of the Nomination Committee) were present to answer questions from shareholders at the Meeting.

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## 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. John WONG Yik Chung resigned as an Independent Non-executive Director, the chairman of the Audit Committee and the member of each of the Remuneration Committee and the Nomination Committee of the Company on 14th August, 2015. Mr. Joseph LAM Yuen To was appointed as an Independent Non-executive Director, the chairman of the Audit Committee and the member of each of the Remuneration Committee and the Nomination Committee of the Company on 14th August, 2015.

2. Mr. Anthony LAM Sai Ho, Managing Director of the Company, obtained the Executive Master of Business Administration degree from the City University of Hong Kong on 2nd October, 2015.
3. Mr. Ronald YAN Mou Keung, Independent Non-executive Director of the Company, has been redesignated as the Convenor of Yau Tsim Mong District Fight Crime Committee (Working Group On Stopping Quick Cash Crime and Cyber Crime).

## AUDIT COMMITTEE

The audit committee comprising three Independent Non-executive Directors, Mr. Michael YU Tat Chi, Mr. Ronald YAN Mou Keung and Mr. Joseph LAM Yuen To, 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, 2015.

## 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, 2015.

## 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, Madam LAM Sai Mann and Mr. TSANG Siu Hung. The Independent Non-executive Directors of the Company are Mr. Michael YU Tat Chi, Mr. Ronald YAN Mou Keung and Mr. Joseph LAM Yuen To.

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

Hong Kong, 25th November, 2015