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GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED

金源米業國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 677)

2012/2013 INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2012

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

		For the six months ended 30th September,	
		2012	2011
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	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		HK 2.6 cents	HK (0.4) cents
- Diluted		HK 2.6 cents	HK (0.4) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30th September,	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) 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

		30th September, 2012 (Unaudited) <i>Notes</i> <i>HK\$'000</i>	31st March, 2012 (Audited) <i>HK\$'000</i>
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		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

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

Segment assets and liabilities as at 30th September, 2012

	Rice operation	Securities investment	Property investment	Corporate and others	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	<u>251,981</u>
Consolidated total assets					<u>1,294,398</u>
LIABILITIES					
Segment liabilities	18,185	1,333	669	12,038	32,225
Unallocated corporate liabilities					<u>59,058</u>
Consolidated total liabilities					<u>91,283</u>

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

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

Segment assets and liabilities as at 31st March, 2012

	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	298,596	311,821	147,155	268,048	1,025,620
Interests in associates	12,019	-	94,026	143,831	<u>249,876</u>
Consolidated total assets					<u><u>1,275,496</u></u>
LIABILITIES					
Segment liabilities	30,414	-	500	14,978	45,892
Unallocated corporate liabilities					<u>52,324</u>
Consolidated total liabilities					<u><u>98,216</u></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,	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Hong Kong	359,899	342,222
Elsewhere in the PRC	87,481	93,337
Others	26,192	18,631
	473,572	454,190

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	2011
	(Unaudited)	(Unaudited)
	HK\$'000	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	2011
	(Unaudited)	(Unaudited)
	HK\$'000	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	<u>44,354</u>	<u>(5,738)</u>
	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	<u>1,686,906,458</u>	<u>1,580,954,378</u>

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
	<u>115,960</u>	<u>100,538</u>

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
	<u>5,007</u>	<u>12,412</u>

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

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.

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 for Securities Transactions by Directors of Listed Issuers (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.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) as well as the website of the Company (www.grdil.com). The 2012/2013 interim report will be dispatched to shareholders and will be published on the aforementioned websites in due course.

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

Hong Kong, 28th November, 2012

As at the date of this announcement, 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.