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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)

**2016/2017 INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2016**

**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, 2016 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

		<b>For the six months ended 30th September,</b>	
		<b>2016</b>	<b>2015</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>REVENUE</b>	3	<b>525,457</b>	490,159
Cost of sales		<b>(350,956)</b>	(340,244)
<b>GROSS PROFIT</b>		<b>174,501</b>	149,915
Net unrealized gain/(loss) on financial assets at fair value through profit or loss		<b>8,910</b>	(33,342)
Net other income/(loss)	4	<b>19,389</b>	(22,311)
Selling and distribution costs		<b>(74,903)</b>	(52,341)
Administrative expenses		<b>(88,188)</b>	(76,541)
Write-back of impairment loss on loan receivable		—	18,541
<b>PROFIT/(LOSS) FROM OPERATIONS</b>	3	<b>39,709</b>	(16,079)
Finance costs		<b>(169)</b>	(60)
Share of results of associates		<b>(1,531)</b>	3,665
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	5	<b>38,009</b>	(12,474)
Taxation	6	<b>(8,182)</b>	(8,381)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>29,827</b>	(20,855)
Profit/(loss) attributable to:			
Shareholders of the Company		<b>32,780</b>	(20,597)
Non-controlling interests		<b>(2,953)</b>	(258)
		<b>29,827</b>	(20,855)
<b>EARNINGS/(LOSS) PER SHARE</b>	8		
— Basic		<b>HK1.9 cents</b>	HK(1.2) cents
— Diluted		<b>HK1.9 cents</b>	HK(1.2) cents

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30th September,	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>29,827</b>	<b>(20,855)</b>
<b>OTHER COMPREHENSIVE LOSS</b>		
<b>Items to be reclassified to profit or loss in subsequent periods:</b>		
Deficit on revaluation of available-for-sale investments	—	(183)
Investments revaluation reserve realized on disposal of available-for-sale investments	1,202	—
Exchange differences on translation of foreign operations	(1,991)	(3,874)
Share of other comprehensive loss of associates	(690)	(9,243)
Other comprehensive loss for the period, net of tax	(1,479)	(13,300)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>28,348</b>	<b>(34,155)</b>
Total comprehensive income/(loss) attributable to:		
Shareholders of the Company	31,923	(33,371)
Non-controlling interests	(3,575)	(784)
	<b>28,348</b>	<b>(34,155)</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	<b>30th September, 2016 (Unaudited) HK\$'000</b>	31st March, 2016 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		121,942	106,747
Investment properties		146,715	79,760
Intangible asset		23,204	23,904
Interests in associates		147,563	152,302
Available-for-sale investments		29,968	31,626
Prepaid lease payments		15,717	16,086
		<b>485,109</b>	410,425
<b>CURRENT ASSETS</b>			
Inventories		111,999	139,361
Trade debtors	9	83,358	91,863
Other debtors, deposits and prepayments		50,654	62,755
Available-for-sale investments		21,254	15,072
Financial assets at fair value through profit or loss		302,335	375,649
Derivative financial instruments		—	2,549
Cash and cash equivalents		343,030	258,755
		<b>912,630</b>	946,004
<b>CURRENT LIABILITIES</b>			
Trade creditors	10	40,738	36,716
Other creditors and accruals		50,038	35,137
Bank loans		18,878	7,755
Tax liabilities		26,094	22,707
		<b>135,748</b>	102,315
<b>NET CURRENT ASSETS</b>		<b>776,882</b>	843,689
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,261,991</b>	1,254,114
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		1,645	1,783
		<b>1,260,346</b>	1,252,331
<b>CAPITAL AND RESERVES</b>			
Share capital		169,441	169,441
Reserves		1,078,067	1,066,477
Shareholders' equity		<b>1,247,508</b>	1,235,918
Non-controlling interests		12,838	16,413
		<b>1,260,346</b>	1,252,331

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

*For the six months ended 30th September, 2016*

### 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 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, 2016:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operations
HKAS 1 (Amendments)	Disclosure Initiative
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements

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, 2016*

	Rice operation <i>HK\$'000</i>	Convenience store 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>
<b>REVENUE</b>						
External sales	375,341	148,840	—	1,276	—	525,457
<b>RESULT</b>						
Segment results	37,917	(22,882)	25,518	(318)	(526)	39,709
Finance costs						(169)
Share of results of associates	(168)	—	—	(398)	(965)	(1,531)
Profit before taxation						38,009
Taxation						(8,182)
Profit for the period						29,827
Profit attributable to:						
Shareholders of the Company						32,780
Non-controlling interests						(2,953)
						29,827

#### *Segment assets and liabilities as at 30th September, 2016*

	Rice operation <i>HK\$'000</i>	Convenience store 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>
<b>ASSETS</b>						
Segment assets	211,096	139,770	324,732	217,917	356,661	1,250,176
Interests in associates	10,228	—	—	84,645	52,690	147,563
Consolidated total assets						1,397,739
<b>LIABILITIES</b>						
Segment liabilities	32,732	54,721	1	708	2,614	90,776
Unallocated corporate liabilities						46,617
Consolidated total liabilities						137,393

**Statement of profit or loss for the six months ended 30th September, 2015**

	Rice operation HK\$ '000	Convenience store 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
<b>REVENUE</b>								
External sales	403,674	83,403	—	1,244	1,838	490,159	—	490,159
Inter-segment sales	5	—	—	—	—	5	(5)	—
<b>Total sales</b>	<b>403,679</b>	<b>83,403</b>	<b>—</b>	<b>1,244</b>	<b>1,838</b>	<b>490,164</b>	<b>(5)</b>	<b>490,159</b>
<b>RESULT</b>								
Segment results	48,134	(23,348)	(59,135)	181	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 31st March, 2016**

	Rice operation HK\$ '000	Convenience store operation HK\$ '000	Securities investment HK\$ '000	Property investment HK\$ '000	Corporate and others HK\$ '000	Consolidated HK\$ '000
<b>ASSETS</b>						
Segment assets	258,483	108,593	396,693	163,081	277,277	1,204,127
Interests in associates	12,920	—	—	85,703	53,679	152,302
<b>Consolidated total assets</b>						<b>1,356,429</b>
<b>LIABILITIES</b>						
Segment liabilities	32,724	35,813	1	572	2,743	71,853
Unallocated corporate liabilities						32,245
<b>Consolidated total liabilities</b>						<b>104,098</b>

## 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>2016</b>	<b>2015</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong	<b>338,515</b>	364,983
Elsewhere in the PRC	<b>31,558</b>	35,101
Vietnam	<b>148,840</b>	83,403
Others	<b>6,544</b>	6,672
	<b>525,457</b>	490,159

## 4. NET OTHER INCOME/(LOSS)

	<b>For the six months ended 30th September,</b>	
	<b>2016</b>	<b>2015</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest income on:		
— Financial assets at fair value through profit or loss	<b>3,013</b>	3,547
— Financial assets not designated as at fair value through profit or loss	<b>1,716</b>	1,644
	<b>4,729</b>	5,191
Dividend from:		
— Listed available-for-sale investments	<b>41</b>	100
— Unlisted available-for-sale investments	<b>1,660</b>	—
— Listed financial assets at fair value through profit or loss	<b>2,214</b>	2,560
	<b>3,915</b>	2,660
Net realized loss on disposal of available-for-sale investments	<b>(632)</b>	—
Net realized gain on disposal of financial assets at fair value through profit or loss	<b>9,363</b>	291
Net realized gain/(loss) on derivative financial instruments	<b>1,451</b>	(29,065)
Net unrealized loss on derivative financial instruments	<b>—</b>	(2,036)
Net foreign exchange loss	<b>(1,228)</b>	(2,961)
Net (loss)/gain on disposal of property, plant and equipment	<b>(526)</b>	223
Sundry income	<b>2,317</b>	3,386
	<b>19,389</b>	(22,311)

## 5. PROFIT/(LOSS) BEFORE TAXATION

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

	For the six months ended 30th September,	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Depreciation and amortisation of property, plant and equipment	10,162	8,936
Amortisation of prepaid lease payments	262	266
Amortisation of intangible asset	700	700
Interests on bank loans wholly repayable within five years	169	60

## 6. TAXATION

	For the six months ended 30th September,	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Current tax:		
Hong Kong	8,336	7,687
Other regions in the PRC	3	42
	<hr/>	<hr/>
	8,339	7,729
(Overprovision)/underprovision in prior years:		
Hong Kong	2	506
Other regions in the PRC	(21)	(121)
	<hr/>	<hr/>
	(19)	385
Deferred tax	(138)	267
	<hr/>	<hr/>
Taxation attributable to the Company and its subsidiaries	8,182	8,381

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,	
	2016	2015
	(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 (2015: HK1.2 cents per share on 1,694,406,458 shares)	20,333	20,333

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,	
	2016	2015
	(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 (2015: HK1.2 cents per share on 1,694,406,458 shares)	20,333	20,333

## 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,	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Earnings/(loss) for the purpose of basic and diluted earnings/(loss) per share	<b>32,780</b>	(20,597)

	For the six months ended 30th September,	
	2016 (Unaudited)	2015 (Unaudited)
Number of shares:		
Weighted average number of shares for the purpose of basic earnings/(loss) per share	<b>1,694,406,458</b>	1,693,860,010
Effect of dilutive potential ordinary shares: Share options	<b>596,244</b>	—
Weighted average number of shares for the purpose of diluted earnings/(loss) per share	<b>1,695,002,702</b>	1,693,860,010

Diluted earnings per share for the period ended 30th September, 2016 is calculated by adjusting the weighted average number of ordinary shares to assume conversion of all dilutive potential ordinary shares. There is no significant dilutive effect for current period.

The basic loss per share and diluted loss per share were the same for last 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.

## 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, 2016 (Unaudited) <i>HK\$'000</i></b>	31st March, 2016 (Audited) <i>HK\$'000</i>
Within 30 days	<b>51,544</b>	47,419
31-60 days	<b>23,540</b>	29,130
61-90 days	<b>5,855</b>	12,673
Over 90 days	<b>2,419</b>	2,641
	<b>83,358</b>	91,863

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

As at 30th September, 2016, trade debtors over 90 days amounted to HK\$2,419,000 (31st March, 2016: HK\$2,641,000) 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, 2016 (Unaudited) <i>HK\$'000</i></b>	31st March, 2016 (Audited) <i>HK\$'000</i>
Within 30 days	<b>37,432</b>	34,213
31-60 days	<b>2,375</b>	2,277
61-90 days	<b>198</b>	174
Over 90 days	<b>733</b>	52
	<b>40,738</b>	36,716

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\$343 million and outstanding bank loans amounted to approximately HK\$18 million as at 30th September, 2016. With cash and other current assets of approximately HK\$912 million as at 30th September, 2016 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 period under review, we are pleased to report a net profit of HK\$32,780,000 for the six months ended 30th September, 2016 when compared with a net loss for the same period last year. Such turnaround from loss to profit was mainly attributable to the net unrealized and realized profit on financial assets at fair value through profit or loss and derivative financial instruments of approximately HK\$19,724,000, resulting from the improvement in the global financial markets in the first half of this financial year (2015: a loss of approximately HK\$64,152,000).

In Hong Kong, the rice business environment is competitive and tough. The competition among major chain stores is severe and the operating costs are on the rise. Despite these headwinds, we focus on cost efficiency to sustain profit margin and healthy business growth.

In Mainland China, the rice business environment is highly competitive and tough. The Group suffered losses for the last two financial years. We expect that this adverse business environment is likely to persist continuously. We have thoroughly reviewed and assessed the current business performance and consider that it is in the best interest of the Group to restructure the operations and suspend the rice plant in Mainland China, starting from the second half of the financial year. The Group anticipates that the costs in relation to the suspension of China rice plant are approximately HK\$10 million and have been fully provided for in the financial results for the six months ended 30th September, 2016.

In Vietnam, our Circle K convenience store business performed satisfactorily as planned. Vietnam tourist arrivals saw a healthy double digit year-on-year growth and the domestic retail market sentiment is robust. The Group achieved a strong double digit comparable store sales growth. Our store network expansion program is growing aggressively with a cautious pace so as to fortify the market position dominance and also to accelerate the reach of the critical mass. Having established a strong foothold in Ho Chi Minh City, we began to foray into Hanoi city and Vung Tau city. The sales are overwhelming and promising. As high growth potential is envisaged, we have put more efforts to branch out the store network expansion to other key cities and tourist attractions. At the same time, we stay focus on improving the store display format, widening the product spectrum, enriching product category and strengthening global procurement. Aggressive merchandising plans are launched to boost store traffic. The Hot-Food-Eat-In food service counter is solidly growing and the customer loyalty and reward program are gaining traction. We strive to uphold our 4Fs (Fresh, Friendly, Fast and Full) customer service commitment to develop a customer centric culture and to pursue excellent customer services. Our CSL (Caring, Sharing and Learning) employee engagement program is playing a growing role for retaining the best talent in Circle K and making us as the most preferred employer. We believe that Circle K is the most preferred convenience store brand and the “Neighbourhood Store” in Vietnam.

As of 30th September, 2016, the Group had net cash and bank balances of HK\$343 million. Our balanced investment portfolio performed well in the period under review. The Group believes that this will contribute favourably to the Group’s results in the long run. With strict financial discipline in managing its core businesses and prudent capital management on all investment activities, the Group is well positioned to pursue favourable investment opportunities and to diversify our operations to generate stable and sustainable return to the shareholders. The Group’s result for the second half of the financial year is expected to be satisfactory and we are optimistic in 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, 2017 (2015/2016: HK1.2 cents per share) to the shareholders on the Register of Members of the Company at the close of business on Friday, 23rd December, 2016.

It is expected that the interim dividend will be paid to the shareholders on or about Wednesday, 11th January, 2017.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Monday, 19th December, 2016 to Friday, 23rd December, 2016, 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 Friday, 16th December, 2016.

## **EMPLOYEES AND REMUNERATION POLICY**

The total number of employees for the Group is about 2,263.

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, 2016.

## **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. Joseph LAM Yuen To, 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, 2016.

## **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, 2016.

## **PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT**

The interim results announcement is published on the website of Hong Kong Exchanges and Clearing Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.grdil.com](http://www.grdil.com)). The 2016/2017 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**  
**Laurent LAM Kwing Chee**  
*Chairman*

Hong Kong, 29th November, 2016

*As at the date of this announcement, the executive directors of the Company are Mr. Laurent LAM Kwing Chee (Chairman), Mr. Anthony LAM Sai Ho (Vice Chairman and Managing Director), Madam LAM Sai Mann and Mr. TSANG Siu Hung. The non-executive director of the Company is Mr. Dennis LAM Saihong. The independent non-executive directors of the Company are Mr. Joseph LAM Yuen To, Mr. Michael YU Tat Chi and Mr. Ronald YAN Mou Keung.*