

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED**

**金源米業國際有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 677)**

**2018/2019 INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2018**

**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, 2018 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

		<b>For the six months ended 30th September,</b>	
		<b>2018</b>	<b>2017</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
	<i>Notes</i>		
<b>REVENUE</b>	<b>3</b>	<b>686,529</b>	<b>585,634</b>
Cost of sales		<b>(481,849)</b>	<b>(384,706)</b>
<b>GROSS PROFIT</b>		<b>204,680</b>	<b>200,928</b>
Net unrealized gain on financial assets at fair value through profit or loss		<b>2,996</b>	<b>9,975</b>
Net other income	<b>4</b>	<b>4,240</b>	<b>7,324</b>
Selling and distribution costs		<b>(133,561)</b>	<b>(112,160)</b>
Administrative expenses		<b>(81,792)</b>	<b>(78,686)</b>
<b>(LOSS)/PROFIT FROM OPERATIONS</b>	<b>3</b>	<b>(3,437)</b>	<b>27,381</b>
Share of results of associates		<b>(2,449)</b>	<b>14,258</b>
Gain on disposal of a subsidiary		<b>—</b>	<b>7,514</b>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	<b>5</b>	<b>(5,886)</b>	<b>49,153</b>
Taxation	<b>6</b>	<b>(3,697)</b>	<b>(8,282)</b>
<b>(LOSS)/PROFIT FOR THE PERIOD</b>		<b>(9,583)</b>	<b>40,871</b>
(Loss)/profit attributable to:			
Shareholders of the Company		<b>(9,511)</b>	<b>43,669</b>
Non-controlling interests		<b>(72)</b>	<b>(2,798)</b>
		<b>(9,583)</b>	<b>40,871</b>
<b>(LOSS)/EARNINGS PER SHARE</b>	<b>8</b>		
— Basic		<b>HK(0.6) cents</b>	<b>HK2.6 cents</b>
— Diluted		<b>N/A</b>	<b>HK2.6 cents</b>

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30th September,	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
<b>(LOSS)/PROFIT FOR THE PERIOD</b>	<b>(9,583)</b>	<b>40,871</b>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>		
<b>Items to be reclassified to profit or loss in subsequent periods:</b>		
Exchange differences on translation of foreign operations	(6,255)	489
Share of other comprehensive (loss)/income of associates	(1,881)	4,371
Other comprehensive (loss)/income for the period, net of tax	(8,136)	4,860
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<b>(17,719)</b>	<b>45,731</b>
Total comprehensive (loss)/income attributable to:		
Shareholders of the Company	(16,446)	47,921
Non-controlling interests	(1,273)	(2,190)
	<b>(17,719)</b>	<b>45,731</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30th September, 2018 (Unaudited) HK\$'000	31st March, 2018 (Audited) HK\$'000
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		160,795	155,517
Investment properties		161,010	161,010
Intangible asset		22,505	22,505
Interests in associates		205,761	216,325
Financial assets at fair value through profit or loss		37,795	—
Available-for-sale investments		—	29,968
Prepaid lease payments		14,343	14,899
		<b>602,209</b>	<b>600,224</b>
<b>CURRENT ASSETS</b>			
Inventories		193,201	166,501
Trade debtors	9	73,861	58,680
Other debtors, deposits and prepayments		59,552	58,935
Financial assets at fair value through profit or loss		256,767	232,611
Cash and cash equivalents		246,842	310,872
		<b>830,223</b>	<b>827,599</b>
<b>CURRENT LIABILITIES</b>			
Trade creditors	10	83,643	49,711
Other creditors and accruals		73,450	64,316
Tax liabilities		10,244	10,096
		<b>167,337</b>	<b>124,123</b>
<b>NET CURRENT ASSETS</b>		<b>662,886</b>	<b>703,476</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,265,095</b>	<b>1,303,700</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		2,458	2,975
		<b>1,262,637</b>	<b>1,300,725</b>
<b>CAPITAL AND RESERVES</b>			
Share capital		169,741	169,741
Reserves		1,085,066	1,121,881
Shareholders' equity		1,254,807	1,291,622
Non-controlling interests		7,830	9,103
		<b>1,262,637</b>	<b>1,300,725</b>

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

*For the six months ended 30th September, 2018*

### 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 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 new or revised standards and amendments (the “new HKFRSs”) issued by the HKICPA, which are or have become effective for the Group’s financial year beginning on 1st April, 2018:

HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HKAS 28 (Amendments)	As part of the Annual Improvements HKFRS 2014-2016 Cycle
HKAS 40 (Amendments)	Transfers of Investment Property
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration

The adoption of the new HKFRSs has had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods except for HKFRS 9 which will be explained below. Accordingly, no prior period adjustment has been required.

HKFRS 9 Financial Instruments replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1st January, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. The Group has applied HKFRS 9 retrospectively to items that existed at 1st April, 2018 in accordance with the transition requirements. The carrying amount of HK\$29,968,000 originally stated under Available-for-sale investments has been reclassified to Financial assets at fair value through profit or loss on 1st April, 2018 under HKFRS 9.

### 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, 2018*

	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>						
Total sales	369,833	314,792	—	1,904	—	686,529
<b>RESULT</b>						
Segment results	18,371	(26,054)	4,134	486	(374)	(3,437)
Share of results of associates	12	—	—	634	(3,095)	(2,449)
Loss before taxation						(5,886)
Taxation						(3,697)
Loss for the period						(9,583)
Loss attributable to:						
Shareholders of the Company						(9,511)
Non-controlling interests						(72)
						(9,583)

*Segment assets and liabilities as at 30th September, 2018*

	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	253,065	233,162	257,245	235,414	247,785	1,226,671
Interests in associates	48,636	—	—	107,399	49,726	205,761
Consolidated total assets						1,432,432
<b>LIABILITIES</b>						
Segment liabilities						157,093
Unallocated corporate liabilities						12,702
Consolidated total liabilities						169,795

**3. SEGMENT INFORMATION (Continued)**  
**Operating segments (Continued)**

*Statement of profit or loss for the six months ended 30th September, 2017*

	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>REVENUE</b>						
Total sales	337,880	245,689	—	2,065	—	585,634
<b>RESULT</b>						
Segment results	42,604	(33,349)	15,152	908	2,066	27,381
Share of results of associates	93	—	—	15,328	(1,163)	14,258
Gain on disposal of a subsidiary	—	—	—	7,514	—	7,514
Profit before taxation						49,153
Taxation						(8,282)
Profit for the period						40,871
Profit attributable to:						
Shareholders of the Company						43,669
Non-controlling interests						(2,798)
						40,871

*Segment assets and liabilities as at 31st March, 2018*

	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	227,263	203,270	233,548	235,411	312,006	1,211,498
Interests in associates	56,677	—	—	107,118	52,530	216,325
Consolidated total assets						1,427,823
<b>LIABILITIES</b>						
Segment liabilities	29,924	71,168	—	1,061	11,874	114,027
Unallocated corporate liabilities						13,071
Consolidated total liabilities						127,098

### 3. SEGMENT INFORMATION (Continued)

#### Geographical segments

The Group's operations are located in Hong Kong, 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:

	Revenue by geographical markets	
	For the six months ended 30th September,	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Hong Kong	364,496	332,931
Vietnam	314,792	245,689
Others	7,241	7,014
	<b>686,529</b>	<b>585,634</b>

### 4. NET OTHER INCOME

	For the six months ended 30th September,	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Interest income on:		
— Financial assets at fair value through profit or loss	1,264	1,983
— Financial assets not designated as at fair value through profit or loss	850	2,302
	<b>2,114</b>	<b>4,285</b>
Dividend from financial assets at fair value through profit or loss	1,149	1,404
Net realized gain on disposal of financial assets at fair value through profit or loss	242	530
Net foreign exchange (loss)/gain	(2,065)	1,868
Net loss on disposal of property, plant and equipment	(912)	(1,736)
Sundry income	3,712	973
	<b>4,240</b>	<b>7,324</b>

## 5. (LOSS)/PROFIT BEFORE TAXATION

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

	<b>For the six months ended 30th September,</b>	
	<b>2018</b>	<b>2017</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Depreciation and amortisation of property, plant and equipment	<b>18,236</b>	<b>15,536</b>
Amortisation of prepaid lease payments	<b>260</b>	<b>260</b>

## 6. TAXATION

	<b>For the six months ended 30th September,</b>	
	<b>2018</b>	<b>2017</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current tax:		
Hong Kong	<b>4,197</b>	<b>8,304</b>
Other regions in the PRC	<b>18</b>	<b>16</b>
	<b>4,215</b>	<b>8,320</b>
Overprovision in prior years:		
Hong Kong	<b>(1)</b>	<b>—</b>
Deferred tax	<b>(517)</b>	<b>(38)</b>
Taxation attributable to the Company and its subsidiaries	<b>3,697</b>	<b>8,282</b>

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:**

	<b>For the six months ended 30th September,</b>	
	<b>2018</b>	<b>2017</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interim dividend declared after the interim period end of HK1.1 cents per share on 1,697,406,458 shares (2017: HK1.2 cents per share on 1,695,406,458 shares)	<b>18,671</b>	<b>20,345</b>

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:**

	<b>For the six months ended 30th September,</b>	
	<b>2018</b>	<b>2017</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Final dividend in respect of the previous financial year, approved and paid during the interim period, of HK1.2 cents per share on 1,697,406,458 shares (2017: HK1.2 cents per share on 1,695,406,458 shares)	<b>20,369</b>	<b>20,345</b>

8. **(LOSS)/EARNINGS PER SHARE**

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

	<b>For the six months ended 30th September,</b>	
	<b>2018</b>	<b>2017</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
(Loss)/earnings for the purpose of basic (loss)/earnings per share and diluted earnings per share	<b>(9,511)</b>	<b>43,669</b>

	<b>For the six months ended 30th September,</b>	
	<b>2018</b>	<b>2017</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Number of shares:		
Weighted average number of shares for the purpose of basic (loss)/earnings per share	<b>1,697,406,458</b>	<b>1,695,406,458</b>
Effect of dilutive potential ordinary shares:		
Share options	<b>N/A</b>	<b>1,826,172</b>
Weighted average number of shares for the purpose of diluted earnings per share	<b>N/A</b>	<b>1,697,232,630</b>

Dilutive loss per share is not applicable for the period ended 30th September, 2018 as the Company has no outstanding share options as at 30th September, 2018.

Diluted earnings per share for the last period 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 the 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, 2018 (Unaudited) HK\$'000</b>	<b>31st March, 2018 (Audited) HK\$'000</b>
Within 30 days	<b>35,795</b>	22,524
31-60 days	<b>27,259</b>	26,788
61-90 days	<b>8,439</b>	6,615
Over 90 days	<b>2,368</b>	2,753
	<b>73,861</b>	58,680

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

As at 30th September, 2018, trade debtors over 90 days amounted to HK\$2,368,000 (31st March, 2018: HK\$2,753,000) 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 according to the delivery date:

	<b>30th September, 2018 (Unaudited) HK\$'000</b>	<b>31st March, 2018 (Audited) HK\$'000</b>
Within 30 days	<b>82,569</b>	48,120
31-60 days	<b>467</b>	287
61-90 days	<b>76</b>	443
Over 90 days	<b>531</b>	861
	<b>83,643</b>	49,711

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\$246 million as at 30th September, 2018. With cash and other current assets of approximately HK\$830 million as at 30th September, 2018 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

## **BUSINESS REVIEW AND PROSPECTS**

While 2018 has been exceptionally challenging with geopolitical factors cascading into the financial and economic spheres, the global rice business was especially hard hit with the increasing negative amplifying effects of climate change, in severity, frequency and unpredictability. This has surprisingly resulted not only in more than 50% increase in the international premium rice price but also reduction in the milling yield, reflecting both reduction in quantity and quality of the rice harvest.

Given the extreme population density and market saturation of the Hong Kong rice market, the competition and business environment are challenging and intense, as usual. To mitigate these various material adverse externalities, we continue to streamline both our operational and overhead cost control programmes, upgrade our production technology and process automation systems, and most importantly, improve our corporate oversight and governance with special focus on CRM, policies and procedures.

We continue to be the market leader in Hong Kong, not only in volume but in quality, with respected leading brands and extensive presence in the retail and consumer mind space. We maintain a very positive and confident outlook as our rice business will continue to contribute stable and reliable earnings to the Group.

In Vietnam, the Group's Circle K Convenience Store business is expanding at a rapid pace and scale. As of end of September 2018, the Group owns and operates 293 stores in Vietnam. The combined revenue of our retail stores and online sales continue double digit comparable store sales growth.

In late August 2018, the Group signed a MOU with SF Holding Co Ltd (listed on the Shenzhen Stock Exchange), to form a Joint Venture to provide market leading domestic and international express delivery, logistic services and warehouse management solutions in Vietnam. The goal of our Joint Venture is to establish a Total Business Solution for our Group Ecosystem in Vietnam.

This vertical integration will augment our increasing presence in Vietnam marketplace, enhancing the seamless service experience of our customers while advancing the core skill-sets and careers development of our team throughout our organization, independent of physical or virtual location. This will provide an integrated operating and financial planning and analysis platform as we continue to leverage our core businesses and skills to improve and expand our businesses, geographically.

The Group is in the process of closing the negotiation with SF Holding Co Ltd. A further announcement will be made as and when appropriate.

## **INTERIM DIVIDEND**

The Directors have declared an interim dividend of HK1.1 cents per share for the year ending 31st March, 2019 (2017/2018: HK1.2 cents per share) to the shareholders on the Register of Members of the Company at the close of business on Friday, 21st December, 2018.

It is expected that the interim dividend will be paid to the shareholders on or about Wednesday, 9th January, 2019.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Monday, 17th December, 2018 to Friday, 21st December, 2018, 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. (Hong Kong time) on Friday, 14th December, 2018.

## **EMPLOYEES AND REMUNERATION POLICY**

The total number of employees for the Group is about 3,030.

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, 2018.

## **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, 2018.

## **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, 2018.

## **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 2018/2019 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, 28th November, 2018

*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 Chief Executive Officer), Madam LAM Sai Mann, Ms. Morna YUEN Mai-tong 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.*