



GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

2003/2004 INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2003

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, 2003 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30th September,	
		2003	2002
		(Unaudited)	(Unaudited)
			(As restated)
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	3	435,453	376,712
Cost of sales		(352,932)	(236,176)
Gross profit		82,521	140,536
Surplus (deficit) on revaluation of investments in securities		8,291	(11,906)
Other operating income		3,865	4,514
Selling and distribution costs		(15,347)	(15,496)
Administrative expenses		(55,942)	(57,554)
Profit from operations	3, 4	23,388	60,094
Finance costs		(531)	(590)
Share of results of associates		7,151	(13,963)
Profit before taxation		30,008	45,541
Taxation	5	(4,811)	(11,386)
Profit after taxation		25,197	34,155
Minority interests		1,404	(244)
		26,601	33,911

Net profit for the period		16,194	19,401
Dividend	6	1.25 cents	1.5 cents
Interim dividend per share			
Earnings per share	7	2.1 cents	2.6 cents
- Basic		2.0 cents	2.6 cents
- Diluted			

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2003

1. BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with Statement of Standard Accounting Practice ("SSAP") No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants 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.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties and investments in securities.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2003, except as described below.

Income Taxes

In the current interim period, the Group has adopted SSAP 12 (Revised) "Income Taxes". The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. In the absence of any special transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively. Comparative amounts for prior periods have been restated accordingly. As a result of this change in policy, the opening balance on retained earnings at 1st April, 2003 has been increased by HK\$3,871,000 (1st April, 2002: HK\$3,498,000). The balance on the Group's land and buildings revaluation reserve at 1st April, 2003 has been

decreased by HK\$13,062,000 (1st April, 2002: HK\$13,062,000). The profit for the six months ended 30th September, 2003 has been increased by HK\$204,000 (six months ended 30th September, 2002: HK\$186,000).

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

An analysis of the Group's segment information by business and geographical segments is as follows:

Business segments

Income statement for the six months ended 30th September, 2003

	Rice operation HK\$'000	Warehouse operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
TURNOVER							
External sales	311,409	879	122,478	687	-	-	435,453
Inter-segment sales	-	11,634	-	-	-	(11,634)	-
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Total	311,409	12,513	122,478	687	-	(11,634)	435,453
Inter-segment sales are charged at prevailing market prices.							
RESULT							
Segment results	20,148	76	2,802	(706)	1,068	-	23,388
Finance costs							(531)
Share of results of associates	(727)	-	5,330	(18)	2,566	-	7,151

Profit before taxation							30,008
Taxation							(4,811)

Profit after taxation							25,197
Minority interests							1,404

Net profit for the period							26,601

Income statement for the six months ended 30th September, 2002, as restated

	Rice operation HK\$'000	Warehouse operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
TURNOVER							
External sales	327,452	13,960	34,699	601	-	-	376,712
Inter-segment sales	-	7,092	-	-	-	(7,092)	-
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Total	327,452	21,052	34,699	601	-	(7,092)	376,712
Inter-segment sales are charged at prevailing market prices.							
RESULT							60,094
Segment results	64,254	4,123	(10,933)	(91)	2,741	-	(590)
Finance costs							
Share of results of associates	(608)	-	(12,338)	(31)	(986)	-	(13,963)

Profit before taxation							45,541
Taxation							(11,386)

Profit after taxation							34,155
Minority interests							(244)

Net profit for the period							33,911

Geographical segments

The Group's operations are located in Hong Kong, elsewhere in the People's Republic of China (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,	
	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	361,257	321,251
Elsewhere in the PRC	36,748	33,339
Others	37,448	22,122
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	435,453	376,712

4. PROFIT FROM OPERATIONS

Profit from operations has been arrived at after charging (crediting):

	For the six months ended 30th September,	
	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation and amortisation of property, plant and equipment	6,707	6,530
Interest income	(2,613)	(3,495)
Dividend income from listed investments in securities	(467)	(221)

5. TAXATION

	For the six months ended 30th September,	
	2003	2002
	<i>HK\$'000</i>	(As restated) <i>HK\$'000</i>
The charge comprises:		
The Company and subsidiaries		
Hong Kong Profits Tax	4,291	11,229
PRC Tax	225	14

	4,516	11,243
	(29)	(232)
Deferred tax credit	4,487	11,011
	324	375
Share of tax attributable to associates	4,811	11,386

Hong Kong Profits Tax is calculated at 17.5% (2002: 16%) of the estimated assessable profit for the period. Provision of taxation for the profits from PRC operations has been made in accordance with the laws of the PRC.

6. DIVIDEND

	For the six months ended 30th September,	
	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim dividend declared of 1.25 cents per share on 1,295,425,460 shares (2002: 1.5 cents per share on 1,292,570,460 shares)	16,193	19,389
Adjustment of final dividend for prior year resulting from exercise of share options	1	12
	16,194	19,401

7. EARNINGS PER SHARE

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

	For the six months ended 30th September,	
	2003	2002
	<i>HK\$'000</i>	(As restated) <i>HK\$'000</i>
Earnings for the purposes of both basic and diluted earnings per share	26,601	33,911

	For the six months ended 30th September,	
	2003	2002

Number of shares:

Weighted average number of shares for the purpose of basic earnings per share	1,293,146,744	1,291,491,258
Effect of dilutive potential shares		
- Options	9,412,478	30,647,520
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Weighted average number of shares for the purpose of diluted earnings per share	1,302,559,222	1,322,138,778

LIQUIDITY AND FINANCIAL RESOURCES

The Group has cash balance of HK\$157 million as at 30th September, 2003. As at 30th September, 2003, the Group has approximately HK\$30 million of bank loans and HK\$7 million of other loan outstanding, representing an increase of HK\$7 million as compared with the amounts outstanding at 31st March, 2003. With cash and other current assets of HK\$470 million as at 30th September, 2003 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

BUSINESS REVIEW AND PROSPECTS

The local rice industry has been facing competitive situation since the liberalization of Hong Kong rice market at the beginning of the year 2003. Industry consolidation is in the process under which the efficient players will survive in the market. Despite the sustained market consolidation, Golden Resources continues to reinforce its leading position by continuously sharpening the operating efficiencies within the Group. We believe that the leading players like ourselves, through effective management and measures, will benefit in the consolidation process.

Golden Resources is committed to Total Quality Management. We continuously uphold a high quality standard on our products and services to customers. Our recent attainment of the upgraded version of ISO certification recognizes our relentless pursuit of quality management. Meanwhile, we have also obtained the renowned HACCP (Hazard Analysis and Critical Control Points) certification, a complete food safety management system. Our accreditation of HACCP certification is the first of its kind in the Hong Kong rice industry and also serves to further recognize our commitment to product excellence.

Our core business expansion in the Mainland China has been progressing steadily. We target at the Pearl River Delta region to act as the platform to penetrate this vast rice market. We believe that we have laid a strong foundation in the Mainland China for long term sustainable core business and development growth.

Golden Resources' financial position remains very healthy. With our strong balance sheet, ample cash reserves and net operating cash inflows, Golden Resources is well positioned to capitalize on the investment opportunities ahead. In the meantime, the Group has actively rationalized its investment portfolio to create better value and returns for the shareholders.

INTERIM DIVIDEND

The Directors have declared an interim dividend of 1.25 cents per share for the year ending 31st March, 2004 (2002/2003: 1.5 cents per share) to shareholders on the Register of Members of the Company on Friday, 9th January, 2004.

It is expected that cheques for the interim dividend will be despatched to those entitled thereto on or about Friday, 16th January, 2004.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 5th January, 2004 to Friday, 9th January, 2004, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Standard Registrars Limited, G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 2nd January, 2004.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees for the Group is about 456.

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.

AUDIT COMMITTEE

The Audit Committee has 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 interim financial statements for the six months ended 30th September, 2003.

CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not, during the period, in compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules except that the independent non-executive directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Bye-Laws.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the period.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

The interim financial statements of the Company for the six months ended 30th September, 2003, containing the information required by paragraphs 46(1) to 46(6) of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), will be published on the website of the Stock Exchange in due course.

On behalf of the Board
Alvin LAM Kwing Wai
Managing Director

Hong Kong, 9th December, 2003

Please also refer to the published version of this announcement in the The Standard.