



GOLDEN RESOURCES
DEVELOPMENT INTERNATIONAL LIMITED

(Stock Code: 677)

Incorporated in Bermuda with Limited Liability

2014/2015

INTERIM REPORT



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, 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended 30th September,	
	Notes	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
TURNOVER	3	499,244	477,653
Cost of sales		(343,313)	(346,594)
GROSS PROFIT		155,931	131,059
Net unrealized gain on financial assets at fair value through profit or loss		6,081	1,094
Net other income	4	21,710	15,719
Selling and distribution costs		(40,080)	(29,480)
Administrative expenses		(76,972)	(73,532)
PROFIT FROM OPERATIONS	3	66,670	44,860
Finance costs		(57)	(84)
Share of results of associates		(1,365)	(1,237)
Gain on disposal of an associate classified as asset held for sale		35,350	—
PROFIT BEFORE TAXATION	5	100,598	43,539
Taxation	6	(10,693)	(7,402)
PROFIT FOR THE PERIOD		89,905	36,137
Profit attributable to:			
Shareholders of the Company		89,901	36,133
Non-controlling interests		4	4
		89,905	36,137
EARNINGS PER SHARE	8		
— Basic		HK5.3 cents	HK2.1 cents
— Diluted		HK5.3 cents	HK2.1 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30th September,	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
PROFIT FOR THE PERIOD	89,905	36,137
OTHER COMPREHENSIVE INCOME		
Items to be reclassified to profit or loss in subsequent periods:		
(Deficit)/surplus on revaluation of available-for-sale investments	(142)	545
Exchange differences on translation of foreign operations	530	2,196
Share of other comprehensive income/(loss) of associates	1,342	(2,473)
Other comprehensive income for the period, net of tax	1,730	268
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	91,635	36,405
Total comprehensive income attributable to:		
Shareholders of the Company	91,478	36,036
Non-controlling interests	157	369
	91,635	36,405

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30th September, 2014 (Unaudited) HK\$'000	31st March, 2014 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		89,635	84,545
Investment properties		76,297	76,297
Intangible asset		26,003	26,703
Interests in associates		154,274	148,345
Available-for-sale investments		31,812	58,255
Prepaid lease payments		17,077	17,319
		395,098	411,464
CURRENT ASSETS			
Inventories		120,906	133,557
Trade debtors	9	119,584	108,501
Other debtors, deposits and prepayments		67,171	90,751
Available-for-sale investments		62,893	21,250
Financial assets at fair value through profit or loss		384,775	329,784
Cash and cash equivalents		248,043	155,161
		1,003,372	839,004
Asset classified as held for sale		—	96,844
		1,003,372	935,848
CURRENT LIABILITIES			
Trade creditors	10	8,556	7,734
Other creditors and accruals		24,016	21,979
Bank loan		7,765	7,758
Tax liabilities		34,975	25,607
		75,312	63,078
Liability directly associated with asset classified as held for sale		—	10,496
		75,312	73,574
NET CURRENT ASSETS		928,060	862,274
TOTAL ASSETS LESS CURRENT LIABILITIES		1,323,158	1,273,738
NON-CURRENT LIABILITY			
Deferred tax liabilities		1,673	1,751
		1,321,485	1,271,987
CAPITAL AND RESERVES			
Share capital	11	168,691	168,691
Reserves		1,133,674	1,084,183
Shareholders' equity		1,302,365	1,252,874
Non-controlling interests		19,120	19,113
		1,321,485	1,271,987

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 2014

	Shareholders' equity													
	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	Amount relating to asset classified as held for sale 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	Total HK\$'000
At 1st April, 2014	168,691	448,540	515	(1,140)	5,128	42,945	21,915	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	—	—	—	—	—	—	—	—	—	—	—	—	(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	448,540	515	(1,282)	5,128	44,674	—	993	237	20,243	613,626	1,302,365	19,120	1,321,485

For the six months ended 30th September, 2013

	Shareholders' equity										Non-controlling interests	Total	
	Share capital	Share premium	Share redemption reserve	Capital investments revaluation reserve	Property revaluation reserve	Exchange reserve	Share options reserve	Other reserves	Dividend reserve	Retained earnings			Total shareholders' equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st April, 2013	188,691	449,540	515	(817)	5,128	69,854	480	29	20,243	501,072	1,214,735	18,725	1,233,460
Profit for the period	—	—	—	—	—	—	—	—	—	36,133	36,133	4	36,137
Other comprehensive income for the period:													
Surplus on revaluation of available-for-sale investments	—	—	—	545	—	—	—	—	—	—	545	—	545
Exchange adjustments	—	—	—	—	—	1,831	—	—	—	—	1,831	365	2,196
Share of reserve movements of associates	—	—	—	—	—	(3,286)	—	813	—	—	(2,473)	—	(2,473)
	—	—	—	545	—	(1,455)	—	813	—	—	(97)	365	268
Total comprehensive income for the period	—	—	—	545	—	(1,455)	—	813	—	36,133	36,036	369	36,405
Equity-settled share-based payment expense	—	—	—	—	—	—	171	—	—	—	171	—	171
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(189)	(189)
Prior year final dividend paid	—	—	—	—	—	—	—	—	(20,243)	—	(20,243)	—	(20,243)
Interim dividend	—	—	—	—	—	—	—	—	20,243	(20,243)	—	—	—
At 30th September, 2013	188,691	449,540	515	(272)	5,128	66,399	651	842	20,243	516,962	1,230,699	18,905	1,249,604

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30th September,	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Net cash (used in)/generated from operating activities	(8,056)	8,743
Net cash generated from/(used in) investing activities	112,796	(481)
Net cash used in financing activities	(20,449)	(26,766)
Net increase/(decrease) in cash and cash equivalents	84,291	(18,504)
Cash and cash equivalents at 1st April	145,355	177,546
Effect of foreign exchange rate changes	38	390
Cash and cash equivalents at 30th September	229,684	159,432
Analysis of the balances of cash and cash equivalents		
Time deposits, bank balances and cash	248,043	164,185
Less: Pledged cash and cash equivalents	(18,359)	(4,753)
	229,684	159,432

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2014

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 27, HKFRS 10 and HKFRS 12 (Amendments)	Separate Financial Statements, Consolidated Financial Statements and Disclosures of Interests in Other Entities: Investment Entities
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) — Int 21	Levies

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, 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
TURNOVER								
External sales	437,333	—	1,269	50,645	9,997	499,244	—	499,244
Inter-segment sales	65	—	—	—	—	65	(65)	—
Total sales	437,398	—	1,269	50,645	9,997	499,309	(65)	499,244
RESULT								
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								89,905
Profit attributable to:								
Shareholders of the Company								89,901
Non-controlling interests								4
								89,905

Segment assets and liabilities as at 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	Consolidated HK\$'000
ASSETS						
Segment assets	279,446	453,243	150,493	74,062	286,952	1,244,196
Interests in associates	15,720	—	93,926	—	44,628	154,274
Consolidated total assets						<u>1,398,470</u>
LIABILITIES						
Segment liabilities	17,739	1,009	598	10,494	2,732	32,572
Unallocated corporate liabilities						44,413
Consolidated total liabilities						<u>76,985</u>

Statement of profit or loss for the six months ended 30th September, 2013

	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
TURNOVER								
External sales	432,912	—	980	33,621	10,140	477,653	—	477,653
Inter-segment sales	72	—	—	—	—	72	(72)	—
Total sales	<u>432,984</u>	<u>—</u>	<u>980</u>	<u>33,621</u>	<u>10,140</u>	<u>477,725</u>	<u>(72)</u>	<u>477,653</u>
RESULT								
Segment results	41,950	12,438	(151)	(10,334)	957			44,860
Finance costs								(84)
Share of results of associates	(62)	—	540	—	(1,715)			(1,237)
Profit before taxation								43,539
Taxation								(7,402)
Profit for the period								<u>36,137</u>
Profit attributable to:								
Shareholders of the Company								36,133
Non-controlling interests								4
								<u>36,137</u>

Segment assets and liabilities as at 31st March, 2014

	Rice operation <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Convenience store operation <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
ASSETS						
Segment assets	280,517	390,594	151,637	66,177	310,042	1,198,967
Interests in associates	10,937	—	93,507	—	43,901	148,345
Consolidated total assets						<u>1,347,312</u>
LIABILITIES						
Segment liabilities	20,022	2	590	8,233	11,362	40,209
Unallocated corporate liabilities						<u>35,116</u>
Consolidated total liabilities						<u>75,325</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, 2014 (Unaudited) <i>HK\$'000</i>	2013 (Unaudited) <i>HK\$'000</i>
Hong Kong	401,072	392,086
Elsewhere in the PRC	40,198	44,282
Vietnam	50,645	33,621
Others	7,329	7,664
	499,244	477,653

4. NET OTHER INCOME

	For the six months ended 30th September,	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Interest income on:		
— Financial assets at fair value through profit or loss	5,552	5,754
— Financial assets not designated as at fair value through profit or loss	4,586	3,877
	10,138	9,631
Dividend from:		
— Listed available-for-sale investments	106	87
— Listed financial assets at fair value through profit or loss	2,706	2,169
	2,812	2,256
Net realized gain/(loss) on disposals of financial assets at fair value through profit or loss	1,632	(73)
Net realized gain on derivative financial instruments	5,655	2,245
Net foreign exchange loss	(519)	(287)
Net gain/(loss) on disposal of property, plant and equipment	257	(12)
Sundry income	1,735	1,959
	21,710	15,719

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	For the six months ended 30th September,	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Depreciation and amortisation of property, plant and equipment	7,399	7,244
Amortisation of prepaid lease payments	267	267
Amortisation of intangible asset	700	700
Interests on bank loan wholly repayable within five years	57	84

6. TAXATION

	For the six months ended 30th September,	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Current tax:		
Hong Kong	10,007	7,716
Other regions in the PRC	225	180
	10,232	7,896
Underprovision/(overprovision) in prior years: Other regions in the PRC	539	(419)
Deferred tax	(78)	(75)
Taxation attributable to the Company and its subsidiaries	10,693	7,402

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,	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Interim dividend declared after the interim period end of HK1.2 cents per share on 1,686,906,458 shares (2013: HK1.2 cents per share on 1,686,906,458 shares)	20,243	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,	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) 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 1,686,906,458 shares (2013: HK1.2 cents per share on 1,686,906,458 shares)	20,243	20,243

8. EARNINGS PER SHARE

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

	For the six months ended 30th September,	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Earnings for the purpose of basic and diluted earnings per share	89,901	36,133

	For the six months ended 30th September,	
	2014 (Unaudited)	2013 (Unaudited)
Number of shares:		
Weighted average number of shares for the purpose of basic earnings per share	1,686,906,458	1,686,906,458
Effect of dilutive potential ordinary shares:		
Share options	778,382	484,737
Weighted average number of shares for the purpose of diluted earnings per share	1,687,684,840	1,687,391,195

Diluted earnings per share is 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 both periods.

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:

	30th September, 2014 (Unaudited) HK\$'000	31st March, 2014 (Audited) HK\$'000
Within 30 days	65,515	57,356
31-60 days	37,037	32,927
61-90 days	14,309	15,586
Over 90 days	2,723	2,632
	119,584	108,501

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

As at 30th September, 2014, trade debtors over 90 days amounted to HK\$2,723,000 (31st March, 2014: HK\$2,632,000) 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, 2014 (Unaudited) HK\$'000	31st March, 2014 (Audited) HK\$'000
Within 30 days	6,968	7,183
31-60 days	1,485	506
61-90 days	92	36
Over 90 days	11	9
	8,556	7,734

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, 2013, 31st March, 2014 and 30th September, 2014	3,000,000,000	300,000
Issued and fully paid: At 1st April, 2013, 31st March, 2014 and 30th September, 2014	1,686,906,458	168,691

There was no movement in issued share capital during both periods.

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,	
	2014 (Unaudited) HK\$'000	2013 (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>)	58,280	100,286
Net amount of sharing of administrative services on a cost basis with related parties (<i>Notes b, c</i>)	782	394

Notes:

- The trade purchases were carried out in the ordinary course of business and at prices determined by reference to prevailing market price.
- The costs of administrative services were allocated to the parties involved on a cost basis.
- 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, 2014 to 30th September, 2014, 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 (2013: 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:

	For the six months ended 30th September,	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Short-term employee benefits	7,664	9,455
Post-employment employee benefits	181	204
Share-based payment expense	55	55
	7,900	9,714

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, 2014 (31st March, 2014: HK\$86,158,000). The balances of advances to associates as at 30th September, 2014 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:

	30th September, 2014 (Unaudited) HK\$'000	31st March, 2014 (Audited) HK\$'000
(a) Contracted capital commitments		
Acquisition of plant and equipment	520	470
Capital contribution for an available-for-sale investment	20,400	20,400
	20,920	20,870
(b) Contingent liabilities and financial guarantees issued		
Guarantees given in respect of banking facilities made available to:		
— associates	15,139	15,076
— asset classified as held for sale (Note 1)	—	63,280
— others (Note 1)	9,862	—
	25,001	78,356

Note:

- (1) At 31st March, 2014, the Company granted guarantees of HK\$63,280,000 in respect of banking facilities made available to an asset classified as held for sale (the "entity"). The Company disposed the entity during the period ended 30th September, 2014. The balance of guarantees granted to the entity reduced to HK\$9,862,000 as at 30th September, 2014 and was subsequently released in full in early November 2014. The extent of guaranteed banking facilities utilized by the entity as at 30th September, 2014 amounted to HK\$7,889,000 (31st March, 2014: HK\$29,960,000).

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.

MATERIAL TRANSACTION

Disposal of interest in an associate

On 7th April, 2014, a wholly-owned subsidiary of Company (the "Vendor") entered into an agreement (the "Agreement") with White Heron Limited (the "Purchaser") to sell the Vendor's entire interest in Dragon Fortune Ltd. (the "Dragon Fortune"), representing approximately 28% of its issued share capital, and the shareholder's loan for a cash consideration of HK\$107,183,362.29, subject to adjustments (the "Consideration") (the "Disposal").

In accordance with the Agreement, the Consideration was determined after arm's length negotiation between the parties with reference to (i) the unaudited consolidated net asset value of Dragon Fortune as of 30th September, 2013 and (ii) the amount of shareholder's loan due from Dragon Fortune to the Vendor as of 30th September, 2013. The Consideration shall be adjusted if the unaudited consolidated net assets of Dragon Fortune as at the completion date of the Disposal are greater than or less than the unaudited consolidated net assets of Dragon Fortune as at 30th September, 2013.

Completion took place on 31st May, 2014. The Consideration was subsequently adjusted to HK\$99,873,929.64 in accordance with the Agreement and was fully settled by cash during the period ended 30th September, 2014.

Prior to the Disposal, the Company accounted the approximately 28% interest in Dragon Fortune as an investment in an associated company and the consolidated financial results of Dragon Fortune were reflected in the consolidated financial statements of the Company by using the equity method of accounting. Following the completion, Dragon Fortune ceased to be an associated company of the Company and the Company recorded a gain on disposal of approximately HK\$35 million, subject to audit. The net proceeds arising from the Disposal were approximately HK\$99 million. The Directors intend to apply all the net proceeds for general working capital of the Group.

DISCLOSURES PURSUANT TO RULE 13.16 OF THE LISTING RULES

Financial assistance to and guarantees given for facilities granted to the Company's affiliated companies under Rule 13.16

The following table summarises the loans and guarantees granted by the Group to the Company's affiliated companies which in aggregate exceeded 8% of the relevant percentage ratios under Rule 13.16 of the Listing Rules as at 30th September, 2014:

Affiliated companies	Attributable interest held by the Group %	Non-interest bearing advances (A) HK\$'000	Guarantees given (B) HK\$'000	Extent of guaranteed facilities utilised HK\$'000	Aggregate of advances and guarantees given (A + B) HK\$'000	Notes
(i) Sirinumma Company Limited	40.00	—	15,139	—	15,139	a
(ii) Stariland Century Limited	37.50	86,158	—	—	86,158	b
Total		86,158	15,139	—	101,297	c

The proforma combined statement of financial position of the above affiliated companies, as attributable to the Group, as at 30th September, 2014 is as follows:

	HK\$'000
Non-current assets	79,525
Current assets	20,596
Current liabilities	(8,813)
Net current assets	11,783
Non-current liabilities	(83,275)
Shareholders' equity	8,033

Notes:

- The guarantee was given for banking facilities granted to respective entity or affiliated company.
- The advance was made as shareholder's loan to finance the investments or working capital of respective entity or affiliated company. The balance was interest-free, unsecured and repayable on demand.
- Aggregated pursuant to Rule 13.16 of the Listing Rules.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had cash balance of approximately HK\$248 million and an outstanding bank loan amounted to approximately HK\$7 million as at 30th September, 2014. With cash and other current assets of approximately HK\$1 billion as at 30th September, 2014 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

BUSINESS REVIEW AND PROSPECTS

We are pleased to report the unaudited results of the Group for the six months ended 30th September, 2014. For the period under review, the Group's net profits was HK\$89,901,000, representing an increase of 148% when compared with the same period last year. Such increase was mainly attributable to the profits on disposal of the Group's associate.

The Hong Kong rice core business performed satisfactorily and steadily. The market operating environment remained challenging. The intense market competition among major operators persisted. The rising labour cost and manufacturing overheads are the major challenges we have to tackle and are putting pressure on the Group's profit margin. With all these challenges we have faced, the Group continued to implement effective initiatives to control the operating costs, improve the operational efficiency and enhance the productivity so as to mitigate the impact on the profit margin and to sustain the Group's competitiveness and profitability. At the same time, we continued to launch marketing campaigns and promotion initiatives to expand our market share and to preserve our leading marketing position. We believe that we have built a sustainable platform for the Group's continuing growth.

In Vietnam, the Group's Circle K convenience store business progressed well as planned. We remained focus on expanding our store network cautiously so as to expedite the reach of critical mass. We also continued to focus on broadening the product category through sourcing across ASEAN countries so as to enhance the product spectrum. The Hot-Food-Eat-In service continued to be the key driver of revenue and margin growth. Our recently established distribution centre was operated effectively for providing efficient supply chain management on our increasingly growing store network. We are committed to fostering the localization program to build a strong and vibrant retail management team with local capable staff. Such program is conducted through mentorship and knowledge transfers by industry pioneers who are currently managing and operating our convenient store business there. We are confident about the long term development of the Group's convenience store business in Vietnam.

The Group will continue pursuing prudent financial management discipline, with the objective to achieving sustainable recurring earnings growth and maintaining a strong financial and liquidity position. As of 30th September, 2014, the Group had net cash and bank balances of HK\$248 million. The Group will continue to explore suitable investment opportunities to maximize shareholder value over the long term.

Looking ahead, the Golden Resources Group will continue to leverage its sound fundamentals to strengthen its existing core business and seek new opportunities to acquire quality assets that will further drive its growth momentum. We are optimistic about the growth prospects for all of our business.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK1.2 cents per share for the year ending 31st March, 2015 (2013/2014: HK1.2 cents per share) to the shareholders on the Register of Members of the Company at the close of business on Monday, 29th December, 2014.

It is expected that the interim dividend will be paid to the shareholders on or about Wednesday, 14th January, 2015.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 19th December, 2014 to Monday, 29th December, 2014, 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, 18th December, 2014.

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

As at 30th September, 2014, 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 of Hong Kong Limited (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				Total interests	Approximate percentage of the issued share capital of the Company
	Personal interests	Family interests	Corporate 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)	0.44%

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.

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

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

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

Name of director	Name of associate	Capacity	Number of ordinary shares held through corporation
Mr. Laurent LAM Kwing Chee	Starland Century Limited	Interest in controlled corporation	300 <i>(Note)</i>

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

Name of director	Capacity	Number of options held	Number of underlying shares
Mr. TSANG Siu Hung	Beneficial owner	5,000,000	5,000,000

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, 2014, 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, 2014, 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, 2014	Granted during the period	Exercised during the period	Balance outstanding at 30th September, 2014
Director						
Mr. TSANG Siu Hung	13th October, 2011 13th October, 2011 - 25th August, 2018 (Note 2)	0.41	5,000,000	—	—	5,000,000
Total			5,000,000	—	—	5,000,000
Employees						
	13th October, 2011 13th October, 2011 - 25th August, 2018 (Note 3)	0.41	6,000,000	—	—	6,000,000
	21st December, 2011 21st December, 2011 - 25th August, 2018 (Note 3)	0.376	6,000,000	—	—	6,000,000
Total			12,000,000	—	—	12,000,000
Grand Total			17,000,000	—	—	17,000,000

Notes:

1. 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.

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, 2014, 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:

Name of shareholder	Number of shares held <i>(Note 1)</i>	Approximate percentage of the issued share capital of the Company
Yuen Loong International Limited ("Yuen Loong")	548,052,026	32.48% <i>(Note 2)</i>
Chelsey Developments Ltd. ("Chelsey")	252,240,000	14.95% <i>(Note 2)</i>

Notes:

- These shares represent long positions.
- Mr. Alvin Leslie LAM Kwing Wai, a Director of the Company, 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 15% 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 10% 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, 2014, 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 1,227.

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 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, 2014 except the following deviations:

Under code provision A.4.3 of the Code, further appointment of an independent non-executive director who serves more than 9 years should be subject to a separate resolution to be approved by the shareholders at an annual general meeting. Mr. John WONG Yik Chung has served as an Independent Non-executive Director of the Company for approximately 9 years. During his tenure of office, Mr. Wong continues to demonstrate impartial judgment in performing his duty. The Board considered that Mr. Wong is able to continue to fulfill his role as an Independent Non-executive Director. A separate resolution was proposed for his re-election and he was re-elected as the Independent Non-executive Director of the Company at the annual general meeting held on 28th August, 2014.

Code provision A.5.6 of the Code stipulates that the nomination committee should have a policy concerning diversity of board members, and should disclose the policy in the corporate governance report with effect from 1st September, 2013. During the period, the Nomination Committee of the Company has not adopted a board diversity policy. In June 2014, the Nomination Committee of the Company has adopted the board diversity policy of the Company. The Company has complied with the code provision A.5.6 of the Code since then.

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, 2014 (“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.

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.

AUDIT COMMITTEE

The audit committee comprising three Independent Non-executive Directors, Mr. John WONG Yik Chung, 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, 2014.

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, 2014.

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 and Mr. TSANG Siu Hung. The Independent Non-executive Directors of the Company are Mr. John WONG Yik Chung, Mr. Michael YU Tat Chi and Mr. Ronald YAN Mou Keung.

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

Hong Kong, 27th November, 2014