

INTERIM REPORT
2017/2018



GOLDEN RESOURCES
DEVELOPMENT INTERNATIONAL LIMITED
(Stock Code: 677)

Incorporated in Bermuda with Limited Liability

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, 2017 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	For the six months ended 30th September,	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
REVENUE	3	585,634	525,457
Cost of sales		(384,706)	(350,956)
GROSS PROFIT		200,928	174,501
Net unrealized gain on financial assets at fair value through profit or loss		9,975	8,910
Net other income	4	7,324	19,389
Selling and distribution costs		(112,160)	(74,903)
Administrative expenses		(78,686)	(88,188)
PROFIT FROM OPERATIONS	3	27,381	39,709
Finance costs		—	(169)
Share of results of associates		14,258	(1,531)
Gain on disposal of a subsidiary	5	7,514	—
PROFIT BEFORE TAXATION	6	49,153	38,009
Taxation	7	(8,282)	(8,182)
PROFIT FOR THE PERIOD		40,871	29,827
Profit attributable to:			
Shareholders of the Company		43,669	32,780
Non-controlling interests		(2,798)	(2,953)
		40,871	29,827
EARNINGS PER SHARE	9		
— Basic		HK2.6 cents	HK1.9 cents
— Diluted		HK2.6 cents	HK1.9 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30th September,	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
PROFIT FOR THE PERIOD	40,871	29,827
OTHER COMPREHENSIVE INCOME/(LOSS)		
Items to be reclassified to profit or loss in subsequent periods:		
Investments revaluation reserve realized on disposal of available-for-sale investments	—	1,202
Exchange differences on translation of foreign operations	489	(1,991)
Share of other comprehensive income/(loss) of associates	4,371	(690)
Other comprehensive income/(loss) for the period, net of tax	4,860	(1,479)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	45,731	28,348
Total comprehensive income attributable to:		
Shareholders of the Company	47,921	31,923
Non-controlling interests	(2,190)	(3,575)
	45,731	28,348



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30th September, 2017 (Unaudited) HK\$'000	31st March, 2017 (Audited) HK\$'000
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		163,107	146,713
Investment properties		152,030	152,030
Intangible asset		22,505	22,505
Interests in associates		178,980	153,124
Available-for-sale investments		45,623	29,968
Prepaid lease payments		14,975	15,358
		577,220	519,698
CURRENT ASSETS			
Inventories		119,361	113,648
Trade debtors	10	70,952	67,930
Other debtors, deposits and prepayments		58,077	50,245
Available-for-sale investments		4,348	16,366
Financial assets at fair value through profit or loss		230,945	235,802
Cash and cash equivalents		369,100	369,343
		852,783	853,334
CURRENT LIABILITIES			
Trade creditors	11	54,282	43,589
Other creditors and accruals		70,550	52,761
Tax liabilities		15,288	12,147
		140,120	108,497
NET CURRENT ASSETS		712,663	744,837
TOTAL ASSETS LESS CURRENT LIABILITIES		1,289,883	1,264,535
NON-CURRENT LIABILITIES			
Deferred tax liabilities		3,013	3,051
		1,286,870	1,261,484
CAPITAL AND RESERVES			
Share capital	12	169,541	169,541
Reserves		1,108,848	1,081,272
Shareholders' equity		1,278,389	1,250,813
Non-controlling interests		8,481	10,671
		1,286,870	1,261,484



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 2017

	Shareholders' equity								Non-controlling interests HK\$'000	Total shareholders' equity HK\$'000	Total HK\$'000	
	Share capital HK\$'000	Share premium HK\$'000	Share redemption reserve HK\$'000	Property revaluation reserve HK\$'000	Exchange reserve HK\$'000	Share options reserve HK\$'000	Other reserves HK\$'000	Dividend reserve HK\$'000				Retained earnings HK\$'000
At 1st April, 2017	169,541	452,498	515	5,128	24,044	477	(745)	20,345	579,010	1,250,813	10,671	1,261,484
Profit for the period	—	—	—	—	—	—	—	—	43,669	43,669	(2,798)	40,871
Other comprehensive income for the period:												
Exchange adjustments	—	—	—	—	(119)	—	—	—	—	(119)	608	489
Share of reserve movements of associates	—	—	—	—	4,155	—	216	—	—	4,371	—	4,371
	—	—	—	—	4,036	—	216	—	—	4,252	608	4,860
Total comprehensive income for the period	—	—	—	—	4,036	—	216	—	43,669	47,921	(2,190)	45,731
Prior year final dividend paid	—	—	—	—	—	—	—	(20,345)	—	(20,345)	—	(20,345)
Interim dividend	—	—	—	—	—	—	—	20,345	(20,345)	—	—	—
At 30th September, 2017	169,541	452,498	515	5,128	28,080	477	(529)	20,345	602,334	1,278,389	8,481	1,286,870

For the six months ended 30th September, 2016

	Shareholders' equity												
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Investments revaluation reserve HK\$'000	Property revaluation reserve HK\$'000	Exchange reserve HK\$'000	Share options 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, 2016	169,441	452,173	515	(1,202)	5,128	31,487	526	(2,409)	20,333	559,926	1,235,918	16,413	1,252,331
Profit for the period	—	—	—	—	—	—	—	—	—	32,780	32,780	(2,953)	29,827
Other comprehensive loss for the period:													
Realized on disposal of available-for-sale investments	—	—	—	1,202	—	—	—	—	—	—	1,202	—	1,202
Exchange adjustments	—	—	—	—	(1,369)	(1,369)	—	—	—	—	(1,369)	(622)	(1,991)
Share of reserve movements of associates	—	—	—	—	(1,528)	(1,528)	—	838	—	—	(690)	—	(690)
	—	—	—	1,202	—	(2,897)	—	838	—	—	(857)	(622)	(1,479)
Total comprehensive income for the period	—	—	—	1,202	—	(2,897)	—	838	—	32,780	31,923	(3,575)	28,348
Prior year final dividend paid	—	—	—	—	—	—	—	—	(20,333)	—	(20,333)	—	(20,333)
Interim dividend	—	—	—	—	—	—	—	—	20,333	(20,333)	—	—	—
At 30th September, 2016	169,441	452,173	515	—	5,128	28,590	526	(1,571)	20,333	573,373	1,247,508	12,838	1,260,346

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash generated from operating activities	40,913	163,366
Net cash used in investing activities	(27,209)	(71,555)
Net cash used in financing activities	(20,345)	(9,369)
Net (decrease)/increase in cash and cash equivalents	(6,641)	82,442
Cash and cash equivalents at 1st April	357,778	245,857
Effect of foreign exchange rate changes	1,861	(1,503)
Cash and cash equivalents at 30th September	352,998	326,796
Analysis of the balances of cash and cash equivalents		
Time deposits, bank balances and cash (including pledged cash balance)	369,100	343,030
Less: Pledged cash and cash equivalents	(16,102)	(16,234)
	352,998	326,796



NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2017

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, 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 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, 2017:

HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle

The adoption of the new HKFRSs has had no material effect on the consolidated financial statements of the Group for the current 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, 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
REVENUE						
Total sales	337,880	245,689	—	2,065	—	585,634
RESULT						
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 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
ASSETS						
Segment assets	195,569	203,536	246,292	234,925	370,701	1,251,023
Interests in associates	24,748	—	—	103,403	50,829	<u>178,980</u>
Consolidated total assets						<u>1,430,003</u>
LIABILITIES						
Segment liabilities	28,456	83,580	—	1,120	11,676	124,832
Unallocated corporate liabilities						<u>18,301</u>
Consolidated total liabilities						<u>143,133</u>

Statement of profit or loss for the six months ended 30th September, 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
REVENUE						
Total sales	375,341	148,840	—	1,276	—	525,457
RESULT						
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 31st March, 2017

	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>
ASSETS						
Segment assets	189,020	176,800	253,089	222,616	378,383	1,219,908
Interests in associates	18,276	—	—	83,757	51,091	<u>153,124</u>
Consolidated total assets						<u>1,373,032</u>
LIABILITIES						
Segment liabilities	29,280	61,714	1,943	860	2,553	96,350
Unallocated corporate liabilities						<u>15,198</u>
Consolidated total liabilities						<u>111,548</u>

Geographical segments

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

	Revenue by geographical markets	
	For the six months ended 30th September,	
	2017	2016
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	332,931	338,515
Vietnam	245,689	148,840
Elsewhere in the PRC	163	31,558
Others	6,851	6,544
	<u>585,634</u>	<u>525,457</u>

4. NET OTHER INCOME

	For the six months ended 30th September,	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Interest income on:		
— Financial assets at fair value through profit or loss	1,983	3,013
— Financial assets not designated as at fair value through profit or loss	2,302	1,716
	<hr/>	<hr/>
	4,285	4,729
	<hr/>	<hr/>
Dividend from:		
— Listed available-for-sale investments	—	41
— Unlisted available-for-sale investments	—	1,660
— Listed financial assets at fair value through profit or loss	1,404	2,214
	<hr/>	<hr/>
	1,404	3,915
	<hr/>	<hr/>
Net realized loss on disposal of available-for-sale investments	—	(632)
Net realized gain on disposal of financial assets at fair value through profit or loss	530	9,363
Net realized gain on derivative financial instruments	—	1,451
Net foreign exchange gain/(loss)	1,868	(1,228)
Net loss on disposal of property, plant and equipment	(1,736)	(526)
Sundry income	973	2,317
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	7,324	19,389
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5. GAIN ON DISPOSAL OF A SUBSIDIARY

Gain on disposal of a subsidiary of approximately HK\$7 million represented the disposal of a wholly owned subsidiary engaged in property investment in Mainland China. The disposal was completed in August 2017 at a consideration of approximately HK\$19 million.



6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	For the six months ended 30th September,	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation and amortisation of property, plant and equipment	15,536	10,162
Amortisation of prepaid lease payments	260	262
Amortisation of intangible asset	—	700
Interests on bank loans wholly repayable within five years	—	169

7. TAXATION

	For the six months ended 30th September,	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	8,304	8,336
Other regions in the PRC	16	3
	8,320	8,339
(Overprovision)/underprovision in prior years:		
Hong Kong	—	2
Other regions in the PRC	—	(21)
	—	(19)
Deferred tax	(38)	(138)
Taxation attributable to the Company and its subsidiaries	8,282	8,182

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.

8. DIVIDEND

(a) Dividend attributable to the interim period:

	For the six months ended 30th September,	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interim dividend declared after the interim period end of HK1.2 cents per share on 1,695,406,458 shares (2016: HK1.2 cents per share on 1,694,406,458 shares)	20,345	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,	
	2017	2016
	(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 1,695,406,458 shares (2016: HK1.2 cents per share on 1,694,406,458 shares)	20,345	20,333



9. 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,	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings for the purpose of basic and diluted earnings per share	43,669	32,780

	For the six months ended	
	30th September,	
	2017	2016
	(Unaudited)	(Unaudited)

Number of shares:

Weighted average number of shares for the purpose of basic earnings per share	1,695,406,458	1,694,406,458
Effect of dilutive potential ordinary shares:		
Share options	1,826,172	596,244

Weighted average number of shares for the purpose of diluted earnings per share	1,697,232,630	1,695,002,702
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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.

10. 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, 2017 (Unaudited) HK\$'000	31st March, 2017 (Audited) HK\$'000
Within 30 days	32,568	35,934
31-60 days	28,354	16,348
61-90 days	4,193	4,504
Over 90 days	5,837	11,144
	70,952	67,930

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

As at 30th September, 2017, trade debtors over 90 days amounted to HK\$5,837,000 (31st March, 2017: HK\$11,144,000) were past due but not impaired as the balances were related to debtors with sound repayment history and no recent history of default.



11. TRADE CREDITORS

The following is an aging analysis of trade creditors at the end of the reporting period according to the delivery date:

	30th September, 2017 (Unaudited) HK\$'000	31st March, 2017 (Audited) HK\$'000
Within 30 days	51,917	35,905
31-60 days	485	2,819
61-90 days	1,744	715
Over 90 days	136	4,150
	54,282	43,589

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

12. SHARE CAPITAL

	Number of shares of HK\$0.10 each	HK\$'000
Authorised:		
At 1st April, 2016, 31st March, 2017 and 30th September, 2017	3,000,000,000	300,000
Issued and fully paid:		
At 1st April, 2016	1,694,406,458	169,441
Exercise of share options	1,000,000	100
At 31st March, 2017 and 30th September, 2017	1,695,406,458	169,541

There was no movement in issued share capital during the current period.

All new shares issued during the last period rank pari passu with all other existing shares outstanding at the date of issue.

13. 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,	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net amount of trade purchases from and sharing of administrative services on a cost basis with associates (<i>Notes a, b</i>)	69,677	31,320

Notes:

- (a) The trade purchases were carried out in the ordinary course of business and at prices determined by reference to prevailing market price.
- (b) The costs of administrative services were allocated to the parties involved on a cost basis.

During the last period ended 30th September, 2016, 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 last period amounted to 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,	
	2017	2016
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Short-term employee benefits	9,794	10,361
Post-employment employee benefits	288	283
	10,082	10,644

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, 2017 (31st March, 2017: HK\$86,158,000). The balances of advances to associates as at 30th September, 2017 were unsecured, interest-free and will not be repayable in the coming twelve months. The Directors consider that the carrying amounts of advances to associates approximate their fair values.

14. 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, 2017 (Unaudited) HK\$'000	31st March, 2017 (Audited) HK\$'000
(a) Contracted capital commitments		
Acquisition of property, plant and equipment	7,963	6,345
Capital contribution for an available-for-sale investment	20,400	20,400
	28,363	26,745
(b) Contingent liabilities and financial guarantees issued		
Guarantees given in respect of banking facilities made available to:		
— associates	14,824	14,130

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. The Directors consider that the fair values of these financial guarantees of the Group are insignificant and therefore no value has been recognised at the end of each reporting period.



LIQUIDITY AND FINANCIAL RESOURCES

The Group had cash balance of approximately HK\$369 million as at 30th September, 2017. With cash and other current assets of approximately HK\$852 million as at 30th September, 2017 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\$43 million for the six months ended 30th September, 2017, representing an increase of 33% when compared with the same period last year. The increase was mainly attributed to a profit of approximately HK\$7 million on the disposal of a wholly owned subsidiary engaged in property investment in Mainland China, and the share of HK\$14 million profits from the Group's investment in an associate, arising from the gain on the disposal of its investment property in Malaysia.

In Hong Kong, the Group's rice business performed satisfactorily. The rice market operating environment remained difficult and tough during the period under review. The competition among major chain stores was persistently intense and the operational costs were climbing. We have continuously boosted the awareness and recognition of our brands through aggressive marketing and advertising campaigns to elevate the positioning of our premium brands in both retail and food service markets. Effective marketing and trade promotions were also launched to preserve our leading market position in both markets. To maintain the profit margin and to sustain profitability, we have placed emphasis in automation to improve the manufacturing process effectively and efficiently, reducing operational costs, and resulting in energy and resources savings. With final re-processing and cleaning of rice in Hong Kong, we can sustain to upgrade the product quality and enhance the product safety. We are confident that the Group will be able to continue our business development with healthy business growth.

In Vietnam, the Group is progressing on track in developing our Circle K convenience store business in three cities: Hanoi, Ho Chi Minh City and Vung Tau. We achieved a solid double digit comparable store sales growth in the wake of the robust tourist arrivals and strong retail market sentiment. To secure our leading market dominance position, we made efforts to streamline the operation so as to strengthen cost efficiency, nurture the corporate culture to pursue excellent customer service and initiate effective marketing promotions to boost store traffic and customer visit. Our 4Fs (Fresh, Friendly, Fast and Full) service commitment to deliver a customer-centric culture and to pursue total customer satisfaction services was further enhanced and our CSL (Caring, Sharing and Learning) employee engagement and retention program was accentuated to keep the best talent in the business. We believe that Circle K is the most preferred convenience store brand and the "Neighbourhood Store" in Vietnam. As of 30th September 2017, the Group had a total of 256 stores in operation in Vietnam, of which 160 stores were in Ho Chi Minh City, 88 stores were in Hanoi and 8 stores in Vung Tau.

As of 30th September, 2017, the Group had net cash balance of HK\$369 million. Our balanced and professional managed investment portfolio performed well in the first half of the financial year and is expected to contribute favourably in the second half of the financial year to the Group. A strong financial position and healthy balance sheet allows the Group to invest in attractive investments when opportunities arise.

Going forward, the Group remains focused on growing its core businesses. Prudent capital management on all investment activities and strict financial discipline in managing our core businesses will allow the Group to pursue its growth initiatives and continue to deliver a steady return to shareholders. We are optimistic about the Group's future prospects.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK1.2 cents per share for the year ending 31st March, 2018 (2016/2017: HK1.2 cents per share) to the shareholders on the Register of Members of the Company at the close of business on Friday, 22nd December, 2017.

It is expected that the interim dividend will be paid to the shareholders on or about Wednesday, 10th January, 2018.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 18th December, 2017 to Friday, 22nd December, 2017, 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, 15th December, 2017.



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

As at 30th September, 2017, 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 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			Approximate percentage of the issued share capital of the Company
	Personal interests	Corporate interests	Total interests	
Mr. Laurent LAM Kwing Chee	—	14,700,000	14,700,000 <i>(Note 1)</i>	0.86%
Mr. Anthony LAM Sai Ho	—	22,050,000	22,050,000 <i>(Note 2)</i>	1.30%
Madam LAM Sai Mann	—	82,771,000	82,771,000 <i>(Note 3)</i>	4.88%
Mr. Dennis LAM Saihong	20,000,000	50,000,000	70,000,000 <i>(Note 4)</i>	4.13%
Mr. TSANG Siu Hung	2,500,000	—	2,500,000	0.15%

Notes:

1. These 14,700,000 shares are held by Elite Solution Investments Limited, a company which is 50% owned by Mr. Laurent LAM Kwing Chee, a Director of the Company.
2. These 22,050,000 shares are held by Mr. Anthony LAM Sai Ho, a Director of the Company as corporate interests: (i) 7,350,000 shares are held by Great Avenue Group Limited, a company which is 40% owned by Mr. Anthony LAM Sai Ho; and (ii) 14,700,000 shares are held by Elite Solution Investments Limited, a company which is 50% owned by Mr. Anthony LAM Sai Ho.
3. These 82,771,000 shares are held by Joint Success Limited, a company which is wholly-owned by Madam LAM Sai Mann, a Director of the Company.
4. These 70,000,000 shares are held by Mr. Dennis LAM Saihong, a Director of the Company, as beneficial owner in respect of 20,000,000 shares and as corporate interest in respect of 50,000,000 shares held by Cheerful Group Holdings Limited, a company which is wholly-owned by Mr. Dennis LAM Saihong.

(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. 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 (Note)

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	2,500,000	2,500,000

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, 2017, 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, 2017, 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, 2017	Granted during the period	Exercised during the period	Balance outstanding at 30th September, 2017
Director							
Mr. TSANG Siu Hung	13th October, 2011	13th October, 2011 — 25th August, 2018 (Note 2)	0.41	2,500,000	—	—	2,500,000
Total				2,500,000	—	—	2,500,000
Employees							
	13th October, 2011	13th October, 2011 — 25th August, 2018 (Note 3)	0.41	4,000,000	—	—	4,000,000
	21st December, 2011	21st December, 2011 — 25th August, 2018 (Note 3)	0.376	2,000,000	—	—	2,000,000
Total				6,000,000	—	—	6,000,000
Grand Total				8,500,000	—	—	8,500,000



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, 2017, 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 (Note 1)	Approximate percentage of the issued share capital of the Company
Yuen Loong International Limited (“Yuen Loong”)	548,052,026	32.33% (Note 2)
Chelsey Developments Ltd. (“Chelsey”)	252,240,000	14.88% (Note 2)

Notes:

1. These shares represent long positions.
2. Mr. Laurent LAM Kwing Chee, a Director of the Company, is interested in approximately 18% 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. Madam LAM Sai Mann, a Director of the Company, is interested in 30% of the issued share capital of Elegant Investments Holdings Limited which in turn is interested in approximately 24% of the issued share capital of each of Yuen Loong and Chelsey. Mr. Dennis LAM Saihong, a Director of the Company, is interested in 30% of the issued share capital of Elegant Investments 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, 2017, 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 2,897.

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, 2017.

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.

CHANGES OF DIRECTORS' INFORMATION

Below are the changes of directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

1. Mr. Michael YU Tat Chi, Independent Non-executive Director of the Company, has been appointed as an Independent Non-executive Director of China Netcom Technology Holdings Limited (a listed company in Hong Kong, stock code: 8071) on 31st August, 2017.
2. Mr. Anthony LAM Sai Ho was redesignated from Managing Director to Chief Executive Officer of the Company on 9th October, 2017.

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, 2017.

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, 2017.

BOARD OF DIRECTORS

As at the date of this report, 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.

On behalf of the Board

Golden Resources Development International Limited

Laurent LAM Kwing Chee

Chairman

Hong Kong, 28th November, 2017

