

INTERIM REPORT
2020/2021



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, 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended 30th September,	
		2020	2019
	<i>Notes</i>	(Unaudited) HK\$'000	(Unaudited) HK\$'000
REVENUE	3	772,023	835,021
Cost of sales		(490,684)	(552,721)
GROSS PROFIT		281,339	282,300
Net unrealized gain on financial assets at fair value through profit or loss		25,162	1,008
Net other income	4	20,985	10,718
Selling and distribution costs		(172,121)	(165,409)
Administrative expenses		(99,714)	(88,761)
Interest on lease liabilities		(12,700)	(10,555)
PROFIT FROM OPERATIONS	3	42,951	29,301
Share of results of associates		(1,256)	3,530
PROFIT BEFORE TAXATION	5	41,695	32,831
Taxation	6	(11,120)	(8,003)
PROFIT FOR THE PERIOD		30,575	24,828
Profit attributable to:			
Shareholders of the Company		30,565	24,768
Non-controlling interests		10	60
		30,575	24,828
EARNINGS PER SHARE	8		
— Basic		HK1.8 cents	HK1.5 cents
— Diluted		HK1.8 cents	HK1.5 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended	
	30th September,	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD	30,575	24,828
OTHER COMPREHENSIVE INCOME/(LOSS)		
Items to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	3,378	(4,452)
Share of other comprehensive income/(loss) of associates	229	(179)
Other comprehensive income/(loss) for the period, net of tax	3,607	(4,631)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	34,182	20,197
Total comprehensive income/(loss) attributable to:		
Shareholders of the Company	33,640	20,904
Non-controlling interests	542	(707)
	34,182	20,197

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30th September, 2020 (Unaudited) HK\$'000	31st March, 2020 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		181,804	199,669
Right-of-use assets		262,474	293,786
Prepaid lease payments		13,317	13,453
Investment properties		159,380	159,380
Interests in associates		81,840	175,238
Interest in a joint venture		11,506	—
Financial assets at fair value through profit or loss		16,159	16,159
Intangible asset		22,505	22,505
Rental and related deposits paid		29,584	30,121
Deposits paid for purchase of properties		9,472	6,318
		788,041	916,629
CURRENT ASSETS			
Inventories		154,442	167,736
Trade debtors	9	54,915	72,336
Other debtors, deposits and prepayments		41,683	46,539
Financial assets at fair value through profit or loss		186,134	215,175
Cash and cash equivalents		436,278	265,039
		873,452	766,825
CURRENT LIABILITIES			
Trade creditors	10	87,593	89,491
Other creditors and accruals		81,753	82,247
Lease liabilities		99,091	102,078
Tax liabilities		32,191	20,958
		300,628	294,774
NET CURRENT ASSETS		572,824	472,051
TOTAL ASSETS LESS CURRENT LIABILITIES		1,360,865	1,388,680
NON-CURRENT LIABILITIES			
Lease liabilities		173,406	198,881
Deferred tax liabilities		1,907	2,410
		175,313	201,291
		1,185,552	1,187,389
CAPITAL AND RESERVES			
Share capital	11	169,741	169,741
Reserves		1,007,849	994,578
Shareholders' equity		1,177,590	1,164,319
Non-controlling interests		7,962	23,070
		1,185,552	1,187,389

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 2020

	Shareholders' equity							Non-controlling interests HK\$'000	Total HK\$'000	
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Property revaluation reserve HK\$'000	Exchange reserve HK\$'000	Dividend reserve HK\$'000	Retained earnings HK\$'000			Total shareholders' equity HK\$'000
At 31st March, 2020	169,741	453,192	515	5,128	22,941	20,369	492,433	1,164,319	23,070	1,187,389
Profit for the period	—	—	—	—	—	—	30,565	30,565	10	30,575
Other comprehensive income for the period:										
Exchange adjustments	—	—	—	—	2,846	—	—	2,846	532	3,378
Share of reserve movements of associates	—	—	—	—	229	—	—	229	—	229
	—	—	—	—	3,075	—	—	3,075	532	3,607
Total comprehensive income for the period	—	—	—	—	3,075	—	30,565	33,640	542	34,182
Repayment of shareholder loans	—	—	—	—	—	—	—	—	(15,650)	(15,650)
Prior year final dividend paid	—	—	—	—	—	(20,369)	—	(20,369)	—	(20,369)
Interim dividend	—	—	—	—	—	18,671	(18,671)	—	—	—
At 30th September, 2020	169,741	453,192	515	5,128	26,016	18,671	504,327	1,177,590	7,962	1,185,552

For the six months ended 30th September, 2019

	Shareholders' equity							Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Property revaluation reserve HK\$'000	Exchange reserve HK\$'000	Dividend reserve HK\$'000	Retained earnings HK\$'000		
At 31st March, 2019 (audited)	169,741	453,192	515	5,128	31,623	20,369	569,324	8,183	1,258,075
Impacts of adopting HKFRS 16	—	—	—	—	—	—	(15,199)	—	(15,199)
At 1st April, 2019 (restated) (audited)	169,741	453,192	515	5,128	31,623	20,369	554,125	8,183	1,242,876
Profit for the period	—	—	—	—	—	—	24,768	60	24,828
Other comprehensive loss for the period:									
Exchange adjustments	—	—	—	—	(3,685)	—	—	(767)	(4,452)
Share of reserve movements of associates	—	—	—	—	(179)	—	—	—	(179)
	—	—	—	—	(3,864)	—	—	(767)	(4,631)
Total comprehensive income for the period	—	—	—	—	(3,864)	—	24,768	(707)	20,197
Capital injection	—	—	—	—	—	—	—	15,468	15,468
Prior year final dividend paid	—	—	—	—	—	(20,369)	—	—	(20,369)
Interim dividend	—	—	—	—	—	18,671	(18,671)	—	—
At 30th September, 2019	169,741	453,192	515	5,128	27,759	18,671	560,222	22,944	1,258,172

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended	
	30th September,	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash generated from operating activities	188,234	98,941
Net cash generated from/(used in) investing activities	29,886	(36,410)
Net cash used in financing activities	(91,800)	(51,109)
Net increase in cash and cash equivalents	126,320	11,422
Cash and cash equivalents at 1st April	262,558	245,002
Effect of foreign exchange rate changes	1,227	(541)
Cash and cash equivalents at 30th September	390,105	255,883
Analysis of the balances of cash and cash equivalents		
Time deposits, bank balances and cash (including pledged bank balances)	436,278	260,833
Less: Pledged cash and cash equivalents	(46,173)	(4,950)
	390,105	255,883

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2020

1. BASIS OF PREPARATION

The unaudited condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties and financial assets at fair value through profit or loss which are measured at fair values, as appropriate.

In the current period, the Group has adopted the following new or revised standards and amendments to Hong Kong Financial Reporting Standards (the “new HKFRSs”) issued by the HKICPA, which are or have become effective for the Group’s financial year beginning on 1st April, 2020:

HKFRS 3 (Amendments)	Definition of a Business
HKFRS 7, HKFRS 9 and HKAS 39 (Amendments)	Interest Rate Benchmark Reform
HKFRS 16 (Amendments)	COVID-19-Related Rent Concessions
HKAS 1 and HKAS 8 (Amendments)	Definition of Material
Revised Conceptual Framework	Revised Conceptual Framework for Financial Reporting

The adoption of the new HKFRSs has had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods. 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, 2020

	Convenience store operation HK\$'000	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
REVENUE						
Total sales	380,632	389,628	—	1,763	—	772,023
RESULTS						
Segment results	(54,809)	65,765	29,800	430	1,765	42,951
Share of results of associates	—	(222)	—	(142)	(892)	(1,256)
Profit before taxation						41,695
Taxation						(11,120)
Profit for the period						30,575
Profit attributable to:						
Shareholders of the Company						30,565
Non-controlling interests						10
						30,575

Segment assets and liabilities as at 30th September, 2020

	Convenience store operation HK\$'000	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
ASSETS						
Segment assets	533,206	191,784	186,134	220,213	436,810	1,568,147
Interests in associates	—	16,906	—	20,713	44,221	81,840
Interest in a joint venture	—	—	—	11,506	—	11,506
Consolidated total assets						<u>1,661,493</u>
LIABILITIES						
Segment liabilities	397,058	32,515	1,162	998	10,110	441,843
Unallocated corporate liabilities						<u>34,098</u>
Consolidated total liabilities						<u>475,941</u>

Statement of profit or loss for the six months ended 30th September, 2019

	Convenience store operation HK\$'000	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
REVENUE						
Total sales	441,254	391,625	—	2,142	—	835,021
RESULTS						
Segment results	(19,293)	45,016	2,484	655	439	29,301
Share of results of associates	—	(161)	—	1,090	2,601	3,530
Profit before taxation						32,831
Taxation						<u>(8,003)</u>
Profit for the period						<u>24,828</u>
Profit attributable to:						
Shareholders of the Company						24,768
Non-controlling interests						<u>60</u>
						<u>24,828</u>

Segment assets and liabilities as at 31st March, 2020

	Convenience store operation HK\$'000	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
ASSETS						
Segment assets	598,060	209,733	215,463	217,907	267,053	1,508,216
Interests in associates	—	19,996	—	108,796	46,446	175,238
Consolidated total assets						<u>1,683,454</u>
LIABILITIES						
Segment liabilities	419,104	42,357	—	1,124	10,112	472,697
Unallocated corporate liabilities						<u>23,368</u>
Consolidated total liabilities						<u>496,065</u>

Geographical segments

The Group's operations are located in Vietnam, Hong Kong 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,	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Vietnam	380,632	441,254
Hong Kong	381,789	386,393
Others	9,602	7,374
	<u>772,023</u>	<u>835,021</u>

4. NET OTHER INCOME

	For the six months ended	
	30th September,	
	2020	2019
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest revenue on:		
— Financial assets at fair value through profit or loss	890	1,233
— Financial assets measured at amortised costs	1,526	1,599
	<hr/>	<hr/>
	2,416	2,832
	<hr/>	<hr/>
Dividend income from listed financial assets at fair value through profit or loss	1,026	1,259
Other income from convenience store operation	7,255	7,279
Net realized gain/(loss) on disposal of financial assets at fair value through profit or loss	2,776	(338)
Net foreign exchange gain/(loss)	1,143	(727)
Net loss on disposal of property, plant and equipment	(1,262)	(812)
Government grants	6,408	—
Sundry income	1,223	1,225
	<hr/>	<hr/>
	20,985	10,718
	<hr/>	<hr/>

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	For the six months ended 30th September,	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation and amortisation of property, plant and equipment	24,535	20,676
Depreciation of right-of-use assets	46,337	38,318
Amortisation of prepaid lease payments	256	257
Interest on lease liabilities	12,700	10,555

6. TAXATION

	For the six months ended 30th September,	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	11,623	8,287
Others	—	12
	<hr/>	<hr/>
	11,623	8,299
	<hr/>	<hr/>
Deferred tax	(503)	(296)
	<hr/>	<hr/>
Taxation attributable to the Company and its subsidiaries	11,120	8,003

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods, except for the first HK\$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%, in accordance with the two-tiered profits tax rate regime. 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,	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interim dividend declared after the interim period end of HK1.1 cents per share on 1,697,406,458 shares (2019: HK1.1 cents per share on 1,697,406,458 shares)	18,671	18,671

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,	
	2020	2019
	(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 1,697,406,458 shares (2019: HK1.2 cents per share on 1,697,406,458 shares)	20,369	20,369

8. EARNINGS PER SHARE

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

	For the six months ended	
	30th September,	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings for the purpose of basic earnings per share	30,565	24,768

There were no dilutive potential ordinary shares 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	31st
	September,	March,
	2020	2020
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Within 30 days	21,757	30,128
31-60 days	16,896	33,850
61-90 days	14,841	6,683
Over 90 days	1,421	1,675
	54,915	72,336

As at 30th September, 2020, the balances of trade debtors over 90 days of approximately HK\$1,290,000 (31st March, 2020: HK\$1,675,000) were past due but not impaired as the balances were relating to debtors with sound repayment history and no recent history of default.

10. TRADE CREDITORS

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

	30th September, 2020 (Unaudited) HK\$'000	31st March, 2020 (Audited) HK\$'000
Within 30 days	84,489	86,008
31-60 days	1,514	2,401
61-90 days	156	230
Over 90 days	1,434	852
	87,593	89,491

11. SHARE CAPITAL

	Number of ordinary shares of HK\$0.10 each	<i>HK\$'000</i>
Authorised		
At 1st April, 2019, 31st March, 2020 and 30th September, 2020	3,000,000,000	300,000
Issued and fully paid		
At 1st April, 2019, 31st March, 2020 and 30th September, 2020	1,697,406,458	169,741

There was no movement in share capital during the current period and last year.

12. RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following transactions with the associates and related parties:

	For the six months ended 30th September,	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net amount of trade purchases from and sharing of administrative services on a cost basis with associates (Notes a, b)	49,643	27,730

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.

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,	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Short-term employee benefits	11,343	8,750
Post-employment employee benefits	298	290
	11,641	9,040

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.

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, 2020 (Unaudited) HK\$'000	31st March, 2020 (Audited) HK\$'000
(a) Contracted capital commitments		
Acquisition of property, plant and equipment	12,410	15,105
Capital contribution for an investee company	20,400	20,400
	32,810	35,505
(b) Contingent liabilities and financial guarantees issued		
Guarantees given in respect of banking facilities made available to:		
— associates	15,455	15,013

At the end of both reporting periods, the Group's associates had not utilised 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.

CHAIRMAN STATEMENT

On behalf of Golden Resources, I would like to present our Group's interim results for the six months ended 30th September, 2020. The Group's net profits after tax amounted to HK\$30 million, representing an increase of 23% when compared to the same period last year.

For the period under review, global economy experienced unprecedented challenges with the outbreak of COVID-19 pandemic in early 2020. The pandemic has caught many consumers and retailers off guard. Traditional convenience store business models were challenged and their market disrupted. However, those with strong online presence are exploring new opportunities resulting from change in demand and supply pattern.

People-led and tech-empowered

Circle K is essentially a PEOPLE BUSINESS. We are a people-led and tech-empowered company. We will continue to invest in New Retail Solutions. Information technologies will create new ways of shopping, promote consumer loyalty programs, data mining to make shopping easier, faster, friendlier and enjoyable for people of all ages. Circle K also provides 24 hours of food services and ample of comfortable seating area with soft music and LED TV for eMarket. New Retail Solutions also help us to improve stores in-stock levels and to prioritize items for restocking.

Establishment of Eco-partnerships

Our unique retail platform and strong financial position mean we can grow our business and expand our capabilities to attract alternate business partners to utilize our retail platform and distribution centers to expand their business in many cities in Vietnam.

Last mile delivery

To meet same-day delivery really means same hour delivery. Circle K cooperated with Zeek, a last mile delivery company based in Vietnam. Now customers in some locations can receive their merchandise within the hour of placing an order.

Sustainable and efficient growth

In order to accelerate growth, Circle K is taking this time as an opportunity to further localize and expand our convenience stores at targeted location with high customers' traffic. The Group wishes to achieve 1,600 Circle K convenience stores by 2025 in over 12 cities in Vietnam.

Our Hong Kong rice business performed steadily for first half of the financial year. As consumers are increasingly growing health conscious with plant-based diet and life style, rice remains the key and staple food in their daily meals. The Group continues to invest in our rice products spectrum and launch new healthy products through our dedicated research and development in Hong Kong, Thailand and Japan.

The Group maintains a strong cash position and balance sheet with the Group's cash and bank balances of HK\$436 million as of 30th September, 2020. The Group remains well positioned to pursue and capitalize on any investment opportunities related to our Group core business.

On behalf of the Board, I would like to express my heartfelt appreciation to all our staffs for taking care of the daily needs of our customers and communities, in Hong Kong and Vietnam.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 30th September, 2020, the Group held financial assets at fair value through profit or loss of approximately HK\$202,293,000 (the “Investments”), particulars of which are set out below:

The Investments Equity securities

Stock Code	Name of investee company	Number of shares held	Percentage of share capital owned by the Group	Investment cost	Market value as at 30th September, 2020	Percentage to the Group's total assets	Unrealized	Realized	Dividend
							gain on change in fair value for the six months ended 30th September, 2020	gain on disposal for the six months ended 30th September, 2020	income received for the six months ended 30th September, 2020
				(Note 1)	(Note 1)		(Note 1)	(Note 1)	
			%	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	HK\$'000
Listed outside Hong Kong									
159901.SZ	E Fund SZSE100 ETF	400,000	0.03	1,477	3,014	0.18	791		—
2330.TW	Taiwan Semiconductor Manufacturing Co Ltd	10,000	0.00	456	1,157	0.07	425		10
5930.KS	Samsung Electronics Co., Ltd.	1,870	0.00	771	722	0.04	130		7
GOOGL.O	Alphabet Inc Class A	75	0.00	515	852	0.05	176		—
MSFT.OQ	Microsoft Corporation	1,670	0.00	1,025	2,722	0.17	681		9
AMZN.OQ	Amazon.com, Inc.	56	0.00	800	1,366	0.08	520		—
	Others							561	10
Total listed outside Hong Kong				5,044	9,833	0.59	2,723	561	36
Unlisted				45,652	16,159	0.97	—	—	—
Total equity securities				50,696	25,992	1.56	2,723	561	36

During the six months ended 30th September, 2020, the Group recorded realized gain on disposal of equity securities listed in Hong Kong of approximately HK\$1,082,000. Dividend income received from those equity securities amounted to approximately HK\$990,000 during the period.

Notes:

1. The investment cost, market value as at 30th September, 2020, unrealized gain on change in fair value and realized gain on disposal of the Investments in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Debt securities

During the six months ended 30th September, 2020, the Group recorded realized gain on disposal of debt securities of approximately HK\$585,000 attributable to those listed in Hong Kong of approximately HK\$379,000 and those listed outside Hong Kong of approximately HK\$206,000.

Other securities

Name of investee company	Investment cost HK\$'000	Market value as at 30th September, 2020 HK\$'000	Percentage to the Group's total assets %	Unrealized gain/(loss) on change in fair value for the six months ended 30th September, 2020 HK\$'000	Realized gain on disposal for the six months ended 30th September, 2020 HK\$'000
Goldman Sachs (Asia) L.L.C. (Note 2)	69,794	95,682	5.76	12,516	
Morgan Stanley & Co. International plc (Note 3)	46,542	58,668	3.53	9,953	
Equity-Linked Notes	2,663	2,633	0.16	(30)	
Wealth Management Products (Note 4)					
— Bank of China (PRC)	19,318	19,318	1.16	—	
Others					548
Total other securities	138,317	176,301	10.61	22,439	548

Notes:

2. The Group's investment portfolio in Goldman Sachs (Asia) L.L.C. (the "GS portfolio"), with fair value of HK\$95,682,000 as at 30th September, 2020, represented 5.76% of the Group's total assets as at 30th September, 2020. Details of this significant investment are disclosed below as the size of this investment exceeded the 5% threshold under paragraph 32(4A) of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The GS portfolio is managed by Goldman Sachs (Asia) L.L.C. (the "manager") for Billion Trade Development Limited, a wholly-owned subsidiary of the Company. The investments in the portfolio are selected based on a global, multi-asset class discretionary separate account strategy of the manager. In this strategy, the manager utilizes its proprietary asset allocation model when setting the long-term strategic asset allocation with a focus on diversification across asset classes and regions. With respect to implementation, the manager draws from a spectrum of solutions to construct a portfolio with investments in mutual funds and exchange traded funds.

As of 30th September, 2020, the GS portfolio was comprised of cash and cash equivalents (57.0%), in addition to mutual funds and exchange traded funds invested in fixed income (18.9%), equities (20.7%) and other investments (3.4%). The GS portfolio is long term in nature, but in the short and medium term, the portfolio may tactically deviate from the strategic allocation when dislocations from long term historical valuations in certain asset classes arise.

As the portfolio is a diversified multi-asset class portfolio, future risks include most risks that various asset classes face, including market, credit, interest rate, inflation, emerging market, liquidity, FX, real estate, derivatives and counterparty risks. For the six months ended 30th September, 2020, the 12-month period portfolio volatility was 13.36%.

2020 is a year marked by unprecedented speed of large equity market moves – both down and up. After reaching record highs on 19 February, the S&P 500 index dropped 34% over 23 trading days and then reversed course at even greater speed. While global economic activity has recovered materially since the trough in April, the recent spike in COVID-19 cases and partial lockdown measures have heightened concerns regarding near-term growth.

Despite the concerns, the manager believes the recession in March is behind us, and there is a strong case to stay invested in equities. The manager has focused on three key areas: (1) Healthcare, (2) the Economy, and (3) the Markets.

Healthcare

In response to the increase in COVID-19 cases in the US and Europe, many governments have re-introduced mobility restrictions. However, measures are generally less stringent than those taken in the spring. The tremendous progress in therapy development, in combination with preparedness of the public health system have also contributed to a substantial decrease in fatality rates.

On the vaccine front, the Pfizer-BioNTech vaccine shows an efficacy rate of over 90% in its phase 3 trial. If an approval is granted by the FDA, high-risk groups will be vaccinated first, while a broader distribution of the vaccine could begin in Q2 2021. Although it will take time to reach a large fraction of the global population, the manager believes availability of an effective vaccine and treatment next year should lead to a meaningful rebound in economic activity, with the US economy outperforming its peers.

The Economy

Since the onset of the pandemic, governments worldwide have instituted a series of fiscal policy easing to support household incomes and prevent waves of corporate bankruptcies via an income support scheme, tax cuts or deferrals and loan guarantees. In the US, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act, 27 March) and the prior Phase 1 bill and Phase 2 bill amount to about 11% of US GDP. These stimulus measures are collectively larger, were introduced faster and are more front-loaded than those seen in response to the Global Financial Crisis.

The manager expects both fiscal and monetary policies in developed markets to stay accommodative beyond 2021, continuing to support the recovery. That said, in the context of the varying degrees of lockdowns and the pace of reopening, as well as different economic structures and policy responses, an uneven recovery across regions is likely to persist. Based on the manager's forecast, the US would return to its pre-pandemic GDP level faster than the Euro Area.

The Markets

If the US is able to avoid a nationwide lockdown, the current trajectory of economic recovery would remain relatively intact. Coupled with positive news surrounding vaccine development and the potential enacting of a \$1 trillion stimulus package before President-elect Joe Biden's inauguration on 20 January, the broader pickup in economic activity and sentiments could leave the markets higher by year-end.

Following the impressively resilient corporate profits recorded in the third quarter, some firms have even raised guidance for future quarters, dissipating some of the concerns Q3 earnings are purely the results of pent-up demand. Against a backdrop of continued rebound in labor compensation and personal spending, an unlikely drastic change to the tax code under a divided government led by Biden's administration should bode well for corporate earnings in the coming year.

Risks to the manager's outlook include the ongoing evolution of the global pandemic, uncertainty surrounding fiscal easing in the US, potential negative Brexit outcomes, and potential increases in public and private debt to name a few.

Nonetheless, the manager believes investors should look beyond the interim volatility that could affect markets and instead focus on the fundamentals of the economy and S&P 500 earnings. Given that we are likely already in the early phase of a multiple-year economic expansion, the manager expects equities to deliver mid-single-digit annualized returns that are superior to those of cash and bonds over the foreseeable future. With that, the manager recommends staying invested.

For the six months ended 30th September, 2020, the GS portfolio recorded approximately 15% growth from HK\$83,209,000 as at 31st March, 2020 to HK\$95,682,000 as at 30th September, 2020. The growth is largely driven by marked-to-market fair value changes on the investment portfolio as at 30th September, 2020, including a reversal of the unrealized revaluation loss previously recognized at last year ended 31st March, 2020. The Group has not made any additional fund injection into the GS portfolio during the six months ended 30th September, 2020.

The Group continues to adopt prudent investment strategy to manage liquid investment portfolio under the backdrop of COVID-19 pandemic. The investment strategy of GS portfolio aligned with the Group investment strategy. The GS portfolio had realized part of the portfolio assets to increase cash holdings and reduce portfolio volatility amid the global market uncertainty.

3. To the best of the Director’s knowledge, information and belief having made all reasonable enquiries, the discretionary portfolio strategy with Morgan Stanley & Co. International plc (the “MS portfolio”) is constructed based on a top-down approach that focuses on asset class, region/country, sector, investment’s theme and style selection, as opposed to individual security selection (the “MS Strategy”).

The MS Strategy is dynamically managed to provide a balanced allocation taking into account longer-term strategic views, while tactical views are deployed to address shorter term macro-economic and cyclical events.

The MS Strategy’s investment objective is to provide a global asset allocation that seeks to achieve long-term capital appreciation over time by gaining exposure to a diversified range of asset classes, geographical markets, sectors and investment styles, primary through funds, including exchanged traded funds, traditional funds and more sophisticated equity, fixed income, multi-asset class or alternative investment-linked funds.

As at 30th September, 2020, the MS portfolio comprised 2% cash or cash equivalents, 29% fixed income funds, 57% equity funds (in the United States, Europe, Japan, Asia Pacific ex Japan and emerging markets) and the remaining 12% alternative strategies (which may, from time to time, include hedge funds, commodities, real estate). The 3-month period and 12-month period annualized portfolio volatility of the MS Strategy were 10.61% and 10.59% respectively.

During the past months, several key risks have surfaced, producing the first meaningful correction in this new bull market. The S&P 500 Index dropped over 10% from its recent highs, led by a 14% decline in the tech-heavy Nasdaq Composite Index. In manager’s view, there are four reasons why this correction is happening.

First, fiscal stimulus is fading and, with Congress embroiled in election-year politics and a tussle over when to fill the Supreme Court vacancy, the odds of the CARES 2.0 legislation passing before the election have dropped considerably. Second is COVID-19, with a looming potential second wave and risk of further lockdowns. Third, real long-term interest rates appear to have bottomed as the Federal Reserve formally told us asset purchases won’t increase from here. Finally, we have the election itself and the uncertainty surrounding both the process and the outcome.

The good news is that investors have started to discount these very visible concerns via lower prices. However, with uncertainty on these events remaining high for the next one to two months, volatility will likely remain high, too. Longer-term support for equity markets—still 5% to 10% lower than current prices—may be tested.

Looking beyond the near term, three of the aforementioned risks are likely to be resolved positively by the end of the year or shortly thereafter. More specifically, additional fiscal stimulus is likely as both parties want to spend more even if they can't come to terms before the election process is completed. More market pressure could assist in accelerating that timeline. Meanwhile, progress on a COVID-19 vaccine and natural herd immunity via a second wave should become clearer and, eventually, the manager will have a conclusion to the election. The one risk the manager think will remain with us is that long-term interest rates are likely to rise further from here. That suggests valuations remain vulnerable for the most expensive growth stocks that have done so well in recent years.

The bottom line is that the recent correction was inevitable, as all bull markets need to consolidate. Trying to trade these corrections is difficult and the best approach is to ride it out given how early the manager are in this new cycle. With the recovery likely to continue in 2021, those stocks most levered to the economic cycle should do best. They include consumer cyclicals and services, materials, industrials and financials. The manager also like high-quality growth stocks once they fully adjust to the rise in long-term interest rates the manager expect.

For the six months ended 30th September, 2020, the MS portfolio recorded approximately 20% growth from HK\$48,740,000 as at 31st March, 2020 to HK\$58,668,000 as at 30th September, 2020. The growth is largely driven by marked-to-market fair value changes on the investment portfolio as at 30th September, 2020, including a reversal of the unrealized revaluation loss previously recognized at last year ended 31st March, 2020. The Group has not made any additional fund injection into the MS portfolio during the six months ended 30th September, 2020.

The Group continues to adopt prudent investment strategy to manage liquid investment portfolio under the backdrop of COVID-19 pandemic.

4. Wealth Management Products held by the Group as at 30th September, 2020 represented structured deposit products issued by Bank of China with maturity less than 3 months.

Save as the Investments as set out in the tables above, the Group did not hold any other significant investments during the six months ended 30th September, 2020.

Investment strategy

The investment strategy is to adopt prudent and liquid investment management so as to pursue a well-balanced and diversified investment portfolio that seeks to achieve long-term capital appreciation and stable investment return for the Group.

During the six months ended 30th September, 2020, the Group recorded net fair value gain on financial assets at fair value through profit or loss of approximately HK\$27,938,000, attributable to unrealized gain of approximately HK\$25,162,000 and realized gain of approximately HK\$2,776,000. Dividend income received from financial assets at fair value through profit or loss amounted to approximately HK\$1,026,000 during the period. The amounts of financial assets at fair value through profit or loss acquired during the period amounted to approximately HK\$138,733,000, including 8 additions of wealth management products in the amount of HK\$9,190,000 to HK\$19,318,000 for each addition. The amounts of financial assets at fair value through profit or loss disposed during the period amounted to approximately HK\$193,010,000, including 7 disposals of wealth management products upon maturity for the amount of HK\$9,190,000 to HK\$18,826,000 for each disposal.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had cash balance of approximately HK\$436 million as at 30th September, 2020. With cash and other current assets of approximately HK\$873 million as at 30th September, 2020 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

The Group did not have any debt financing as at 30th September, 2020.

CONNECTED TRANSACTION

On 15th April, 2019, Affluent Woods Limited (“Affluent Woods”), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement with S.F. Express (Overseas) Limited (“SF Overseas”) to establish a joint venture to provide Logistics Solutions in Vietnam (“JV Agreement”). A joint venture company (“JV Company”) was incorporated in the Republic of Singapore on 28th January, 2019 and was owned as to 61% by Affluent Woods and the remaining 39% by SF Overseas.

On 15th May, 2020, Affluent Woods entered into a termination agreement with SF Overseas to terminate the JV Agreement. On the same date, Affluent Woods entered into a share sale and purchase agreement, pursuant to which, Affluent Woods acquired from SF Overseas its entire 39% shareholding interest in the JV Company at Singapore dollar \$39. After completion, the JV Company becomes a wholly owned subsidiary of the Group.

SF Overseas is a connected person of the Company at the subsidiary level by virtue of its 39% shareholding interests in the JV Company. Accordingly, the transactions involving SF Overseas constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK1.1 cents per share for the year ending 31st March, 2021 (2019/2020: HK1.1 cents per share) to the shareholders on the Register of Members of the Company at the close of business on Friday, 18th December, 2020.

It is expected that the interim dividend will be paid to the shareholders on or about Wednesday, 6th January, 2021.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 14th December, 2020 to Friday, 18th December, 2020, 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Friday, 11th December, 2020.

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

As at 30th September, 2020, 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	11,500,000	14,700,000	26,200,000 <i>(Note 1)</i>	1.54%
Mr. Anthony LAM Sai Ho	—	22,050,000	22,050,000 <i>(Note 2)</i>	1.29%
Madam LAM Sai Mann	6,250,000	82,771,000	89,021,000 <i>(Note 3)</i>	5.24%
Mr. Dennis LAM Saihong	25,250,000	50,000,000	75,250,000 <i>(Note 4)</i>	4.43%
Mr. TSANG Siu Hung	2,500,000	—	2,500,000	0.14%

Notes:

1. These 26,200,000 shares are held by Mr. Laurent LAM Kwing Chee, a Director of the Company as beneficial owner in respect of 11,500,000 shares and as corporate interest in respect of 14,700,000 shares held by Elite Solution Investments Limited, a company which is 50% owned by Mr. Laurent LAM Kwing Chee.
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 89,021,000 shares are held by Madam LAM Sai Mann, a Director of the Company as beneficial owner in respect of 6,250,000 shares and as corporate interest in respect of 82,771,000 shares held by Joint Success Limited, a company which is wholly-owned by Madam LAM Sai Mann.
4. These 75,250,000 shares are held by Mr. Dennis LAM Saihong, a Director of the Company as beneficial owner in respect of 25,250,000 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.

Save as disclosed above, as at 30th September, 2020, 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

The Company has adopted a new share option scheme on 29th August, 2018 for the purpose of providing the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants and for such other purposes as the Board may approve from time to time. Pursuant to the new share option scheme, no option was granted, exercised, lapsed or cancelled during the period or remained outstanding as at 30th September, 2020.

Save as disclosed under the heading "Directors' Interests and Short Positions in the Shares and Underlying Shares" 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, 2020, 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	32.28% <i>(Note 2)</i>
Chelsey Developments Ltd. (“Chelsey”)	252,240,000	14.86% <i>(Note 2)</i>

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, 2020, the Company had not been notified by any other 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.

CHANGE OF DIRECTOR'S INFORMATION

Below is the change of director's information required to be disclosed pursuant to Chapter 13.51B(1) of the Listing Rules:

Mr. Michael YU Tat Chi, Independent Non-executive Director of the Company, had been appointed as an Independent Non-executive Director of Unity Investments Holdings Limited (a listed company in Hong Kong, stock code: 913) on 17th August, 2020.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees for the Group is about 3,903.

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, 2020.

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. 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, 2020.

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, 2020.

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, 25th November, 2020