G - Resources Group Ltd.
國際資源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1051)

2009/2010 INTERIM RESULTS ANNOUNCEMENT

GROUP RESULTS

The Board of Directors (the "Board") of G-Resources Group Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2009, together with the comparative figures for the six months ended 31 December 2008.

* *For identification purpose only*

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2009

	Notes	For the six months ended 31 December 2009 HK$'000 (unaudited)	2008 HK$'000 (unaudited and restated#)
Revenue	(2)	**3,555**	15,173
Cost of sales		**(3,121)**	(14,379)
Gross profit		**434**	794
Other income		**148**	2,634
Distribution costs		**(122)**	(89)
Administrative expenses		**(87,885)**	(24,238)
Net losses on held for trading investments		**(148,475)**	(4,796)
Decrease in fair value of investment properties		**–**	(6,591)
Loss on disposal of available-for-sale investment		**(18,630)**	–
Impairment loss on available-for-sale investment		**–**	(103,964)
Loss for the period from continuing operations		**(254,530)**	(136,250)
Discontinued operation			
Loss for the period from discontinued operation		**–**	(2,820)
Loss for the period, attributable to owners of the Company	(3)	**(254,530)**	(139,070)
Loss per share			
From continuing and discontinued operations			
– Basic and diluted	(5)	**HK(1.83) cents**	HK(37.23) cents
From continuing operations			
–Basic and diluted	(5)	**HK(1.83) cents**	HK(36.48) cents

The comparative figures for the six months ended 31 December 2008 has been restated to present the results from discontinued operation.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2009

	For the six months ended 31 December	
	2009	2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss for the period	**(254,530)**	(139,070)
Other comprehensive expenses:		
Fair value changes on available-for-sale investment	**(61,737)**	–
Reclassification adjustment upon disposal of available-for-sale investment	**18,630**	–
Total other comprehensive expenses for the period	**(43,107)**	–
Total comprehensive expenses for the period, attributable to owners of the Company	**(297,637)**	(139,070)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Notes	**At 31 December 2009 HK$'000 (unaudited)**	At 30 June 2009 HK$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*(6)*	**2,025,944**	2,824
Available-for-sale investment		**–**	228,215
		2,025,944	231,039
CURRENT ASSETS			
Trade and other receivables	*(7)*	**73,228**	14,972
Held for trading investments		**96,940**	18,885
Bank balances and cash		**2,648,310**	236,735
		2,818,478	270,592
CURRENT LIABILITY			
Trade and other payables	*(8)*	**102,757**	4,344
NET CURRENT ASSETS		**2,715,721**	266,248
Total assets less current liabilities		**4,741,665**	497,287
NON-CURRENT LIABILITY			
Deferred tax liability		**170**	170
NET ASSETS		**4,741,495**	497,117
CAPITAL AND RESERVES			
Share capital	*(9)*	**140,668**	8,454
Reserves		**4,600,827**	488,663
		4,741,495	497,117

Notes:

1. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated interim financial statements are consistent with those followed in the preparation of the annual financial statements of the Company and its subsidiaries (the "Group") for the year ended 30 June 2009, except for the following accounting policies for the Group's new mining business as described below:

Mine property and development assets (included in property, plant and equipment)

Mine property and development assets include costs of exploration and evaluation, cost to acquire mineral rights and subsequent costs to develop the mine to the production phase.

Amortisation of mine property and development assets is calculated on the unit of production basis. Amortisation is based on assessments of proven and probable reserves and a proportion of resources available to be mined by the current production equipment to the extent that such resources are considered to be economically recoverable.

The amortisation of mine property and development assets commences when the mine starts commercial production.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 3 (Revised)	Business Combinations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC) - Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009, except for those effective for the annual period beginning on or after 1 January 2010

Except as described below, the adoption of these new and revised HKFRSs had no material effect on the condensed consolidated interim financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has not resulted in a redesignation of the Group's reportable segments (see note 2).

The Group has not early applied the following new or revised HKFRSs that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009[1]
HKAS 24 (Revised)	Related Party Disclosure[4]
HKAS 32 (Amendment)	Classification of Right Issues[3]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[2]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 – Disclosures for First-time Adopters[5]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[2]
HKFRS 9	Financial Instruments[6]
HK(IFRIC) - Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[4]
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments[5]

1 Amendments that are effective for annual periods beginning on or after 1 January 2010
2 Effective for annual periods beginning on or after 1 January 2010
3 Effective for annual periods beginning on or after 1 February 2010
4 Effective for annual periods beginning on or after 1 January 2011
5 Effective for annual periods beginning on or after 1 July 2010
6 Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

2. SEGMENT INFORMATION

The Group has adopted HKFRS 8 *Operating Segments* with effect from 1 July 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker which represents the executive directors in order to allocate resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14 *Segment Reporting*) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments.

In prior period, segment information reported externally was analysed by organising into four operating divisions, namely provision of financial information services, trading of electronic goods and accessories, provision of credit card security device and digital network authorisation services, and securities trading. The operating division of provision of credit card security device and digital network authorisation services (which carried out all of the Group's provision of credit card security device and digital network authorisation services operation) was classified as discontinued operation in the year ended 30 June 2009 upon the disposal of such business operation, which was completed on 26 March 2009, on which date control of the Star Cyber DNA Limited and its subsidiaries passed to the acquirer.

In the past, the Group's principal reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. The adoption of HKFRS 8 changed the basis of measurement of segment profit or loss, by including the net losses on held for trading investments as part of the result of the securities trading segment.

In addition, the Group newly acquired its gold and silver mining business during the period following the completion of the acquisition of assets through acquisition of subsidiaries on 3 July 2009, details of which are set out in note 10. The gold and silver mining business forms a new separate segment in 2009.

Accordingly, segment information reported externally in 2009 was analysed by organising into four operating divisions, namely mining business, provision of financial information services, trading of electronic goods and accessories, and securities trading.

The following is an analysis of the Group's revenue and results by operating segment for the period under review:

	For the six months ended 31 December			
	2009		2008	
	Segment revenue	**Segment results**	Segment revenue	Segment results
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
	(unaudited)	**(unaudited)**	(unaudited)	(unaudited and restated)
Continuing operations				
Provision of financial information services	**2,021**	**(399)**	2,136	(461)
Trading of electronic goods and accessories	**1,534**	**9**	13,037	132
Securities Trading	**–**	**(148,475)**	–	(4,796)
Mining Business	**–**	**(1,546)**	–	–
	3,555	**(150,411)**	15,173	(5,125)
Discontinued operation				
Provision of credit card security device and digital network authorisation services	–	–	1,680	(2,820)
	3,555	**(150,411)**	16,853	(7,945)
Central administrative costs		**(85,497)**		(21,433)
Other income		**8**		863
Decrease in fair value of investment properties		**–**		(6,591)
Loss on disposal of available-for-sale investment		**(18,630)**		–
Impairment loss on available-for-sale investment		**–**		(103,964)
Loss for the period		**(254,530)**		(139,070)

Segment results represent the loss or profit incurred by each segment without allocation of central administrative costs, other income, net gains or losses on available-for-sale investment and decrease in fair value of investment properties. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

The following is an analysis of the Group's assets by operating segments:

	Segment Assets	
	31 December	30 June
	2009	2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Provision of financial information services	**2,423**	1,231
Trading of electronic goods and accessories	**–**	4,156
Securities Trading	**96,940**	18,885
Mining Business	**4,590,969**	–
Total segment assets	**4,690,332**	24,272

3. LOSS FOR THE PERIOD

	For the six months ended 31 December	
	2009	2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	**416**	735
Loss on disposal of property, plant and equipment	**–**	12
Reversal of allowance for bad and doubtful debts	**–**	(1,068)
Interest income	**(1)**	(705)
Share based payment expenses	**41,461**	–
Exchange difference, net	**1,714**	(10)

4. TAXATION

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.

No provision for Hong Kong Profits Tax or taxation in other jurisdictions had been made in the unaudited consolidated interim financial statements for both periods as neither the Company nor any of its subsidiaries has any assessable profit for both periods.

5. LOSS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the loss for the period of HK$254,530,000 (six months ended 31 December 2008: HK$139,070,000) and the weighted average number of 13,922,037,738 ordinary shares (six months ended 31 December 2008: 373,533,323 ordinary shares which has been adjusted for the capital reorganisation of the Company in June 2009) in issue during the period.

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to owners of the Company is based on the loss for the period of HK$254,530,000 (six months ended 31 December 2008: HK$136,250,000) and the weighted average number of 13,922,037,738 ordinary shares (six months ended 31 December 2008: 373,533,323 ordinary shares) in issue during the period.

From discontinued operation

During the six months ended 31 December 2008, the basic and diluted loss per share from discontinued operation attributable to owners of the Company of HK0.75 cents is calculated based on the loss for the period of HK$2,820,000 and the weighted average number of 373,533,323 ordinary shares in issue during that period.

The computation of diluted loss per share does not include adjustments for the Company's outstanding share options as these options have anti-dilutive effect in both periods.

6. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired HK$1,779,915,000 mine property and development assets, mining rights and other property, plant and equipment through acquisition of subsidiaries as detailed in note 10. In addition, the Group acquired approximately HK$243,621,000 property, plant and equipment during the six months ended 31 December 2009 (six months ended 31 December 2008: HK$829,000).

7. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 60 days to its trade customers. The following is the aging analysis of trade receivables at the end of reporting period which is determined based on the invoice date:

	At 31 December 2009	At 30 June 2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0-60 days	**145**	2,860

Included in trade and other receivables is an amount of approximately HK$55,582,000 value added tax paid by a newly acquired subsidiary in connection with its purchase of property, plant and equipment and goods for its mining business, which is refundable from the Indonesian Tax Office.

8. TRADE AND OTHER PAYABLES

As at 30 June 2009, included in trade and other payables are trade creditors of HK$212,000 (31 December 2009: nil) which aged within 30 days. Included in other payables is construction cost payable of HK$66,371,000 (30 June 2009: nil) in respect of the Group's mining business at the end of the reporting period. The average creditor period on purchases of goods is 30 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

9. SHARE CAPITAL

	Number of shares	Value
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 30 June 2009 and 31 December 2009	60,000,000,000	600,000
Issued and fully paid:		
At 1 July 2008	3,740,843,782	37,408
Repurchase of shares	(6,810,000)	(68)
At 31 December 2008 and 1 January 2009	3,734,033,782	37,340
Conversion of convertible notes	4,719,999,998	47,200
Exercise of share options	19	–
Share consolidation	(7,608,630,420)	–
Capital reduction	–	(76,086)
At 30 June 2009 and 1 July 2009	845,403,379	8,454
Issue of shares for acquisition of assets through acquisition of subsidiaries *(note a)*	221,428,571	2,214
Issue of shares *(note b)*	13,000,000,000	130,000
At 31 December 2009	14,066,831,950	140,668

Notes:

(a) As part of the consideration for the acquisition of assets through acquisition of subsidiaries as detailed in note 10, 221,428,571 shares of HK$0.01 each were issued and allotted to the vendor on 3 July 2009. The share consideration is recognised based on the closing price of HK$0.395 per share quoted on The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 3 July 2009.

(b) 12,966,787,000 shares and 33,213,000 shares of HK$0.01 each were issued and allotted at a price of HK$0.35 per share under private share placements on 3 July 2009 and 9 July 2009, respectively. Details of the share placement were announced on 3 July 2009 and 9 July 2009.

10. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

On 24 April 2009, Acewick Holdings Limited, a wholly-owned subsidiary of the Company ("Acewick"), Polytex Investments Inc. ("Polytex", a direct wholly-owned subsidiary of China Sci-Tech Holdings Limited), a company with common directors of the Group, the Company and China Sci-Tech Holdings Limited entered into an option agreement (the "Option Agreement") pursuant to which Polytex conditionally agreed, among other things, to grant a call option to Acewick at a consideration of HK$1 for a period of six months from the Option Agreement date, whereby Acewick may require Polytex to sell or procure the sale of the entire issued share capital in Maxter Investments Limited ("Maxter") to Acewick (the "Acquisition") at a consideration ranged from HK$1,713 million to HK$1,801 million, which would be satisfied by maximum cash consideration of HK$1,723,600,000 and ordinary shares of the Company of HK$0.01 each issued at HK$0.35 each for the remaining balance.

The Group exercised the option pursuant to the Option Agreement and on 3 July 2009, acquired 100% of the issued share capital of Maxter and its subsidiaries, namely G-Resources Martabe Pty Limited, Agincourt Resources (Singapore) Pte Limited, and PT Agincourt Resources (collectively the "Maxter Group") at total consideration of HK$1,768,795,000, satisfied by cash of HK$1,681,331,000 and 221,428,571 ordinary shares of the Company with par value of HK$0.01 each. The fair value of the newly issued shares of the Company, determined using the closing price of HK$0.395 each quoted on the Stock Exchange on 3 July 2009, amounted to approximately HK$87,464,000.

The principal assets of Maxter Group are the mine property and development assets of a mine for gold and silver located in the Regency of South Tapanuli, Northern Sumatra, Indonesia (the "Martabe Project") and related items of property, plant and equipment. At the date of this report, the Martabe Project is under development and has not yet commenced mining operation.

The acquisition has been accounted for as an acquisition of assets and liabilities as the companies acquired are not business. The net asset acquired through the acquisition was summarised as follows:

	HK$'000
Net assets acquired:	
Property, plant and equipment	**1,779,915**
Other receivables	**52,943**
Bank balances and cash	**1,046**
Trade and other payables	**(27,411)**
	1,806,493
Total consideration satisfied by:	
Cash	**1,681,331**
Directly attributable costs	**37,698**
Issue of shares for acquisition of assets and liabilities	**87,464**
	1,806,493
Net cash outflow arising on the acquisition:	
Cash consideration paid	**1,681,331**
Cash paid for directly attributable costs	**37,698**
Less: bank balances and cash acquired	**(1,046)**
	1,717,983

The valuation of the assets and liabilities acquired is still awaiting for its finalisation. Hence, the fair value of assets and liabilities acquired and the equity issued as part of the consideration are subject to further changes upon the finalisation of the valuation.

11. COMMITMENTS

At the balance sheet date, the Group had the following commitments, so far has not provided for in the consolidated interim financial statements, in respect of:

(a) Capital commitments:

	At 31 December 2009 *HK$'000* **(unaudited)**	At 30 June 2009 *HK$'000* (audited)
Capital expenditure contracted for in respect of acquisition of property, plant and equipment	**316,218**	–
Capital expenditure authorised but not contracted for in respect of acquisition of property, plant and equipment	**1,888,657**	–

(b) Operating lease commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

	At 31 December 2009 *HK$'000* **(unaudited)**	At 30 June 2009 *HK$'000* (audited)
Within one year	**1,799**	1,742
In the second to fifth year inclusive	**430**	495
	2,229	2,237

12. SHARE-BASED PAYMENTS

The Company has a share option scheme for directors and eligible employees of the Group. Details of the share options outstanding during the current period are as follows:

	Number of Share options
Outstanding at 30 June 2009	12,383,998
Granted during the period	815,797,563
Cancelled during the period	(6,904,000)
Outstanding at 31 December 2009	821,277,561

During the period ended 31 December 2009, five lots of share options were granted on 15 July 2009, 15 July 2009, 20 October 2009, 23 November 2009 and 4 December 2009 respectively. Fair values of the options, determined at the dates of grant using the Black-Scholes option pricing model, were HK$0.1962, HK$0.1959, HK$0.2288, HK$0.2412 and HK$0.2289 respectively.

The share options are valid upon fulfillment of vesting conditions and up to a maximum period of 5 years from the date of grant. The share options will vest upon the occurrence of: (1) as to one-third of the share options, upon the first gold production by the Martabe Project; (2) as to another one-third of the share options, upon the process plant of the Martabe Project being in operation and having reached its designed capacity within a range of 10% deviation for the average of the first year of production as defined by the mine schedule and plan and as approved by the board for a continuous period of three months; and (3) as to the remaining one-third, upon the average closing price of the share of the Company for a continuous period of 30 days having reached 100% above the exercise price of the share option. No share options shall be vested at any time prior to the expiry of twelve months from the date of the grant of the share options.

The following assumptions were used to calculate the fair values of share options:

Grant date	15 July 2009	15 July 2009	20 October 2009	23 November 2009	4 December 2009
Weighted average share price on date of grant	HK$0.411	HK$0.411	HK$0.484	HK$0.534	HK$0.510
Exercise price	HK$0.385	HK$0.403	HK$0.480	HK$0.550	HK$0.550
Expected life	3 years	3 years	3 years	3 years	3 years
Expected volatility	71.690%	71.690%	71.510%	71.217%	71.450%
Dividend yield	0%	0%	0%	0%	0%
Risk-free interest free	1.037%	1.037%	0.908%	0.720%	0.722%

The Black-Scholes option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

At each reporting date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share option reserve.

INTERIM DIVIDEND

No dividend were paid or proposed during the six months ended 31 December 2009 nor has any dividend been proposed since the interim reporting date (six months ended 31 December 2008: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business review and results

For the period ended 31 December 2009, the Group's turnover from the continuing operations amounted to approximately HK$3.56 million, compared with approximately HK$15.17 million reported for the corresponding period in 2008. The decrease in turnover was in line with our decision to cease the business of trading in electronics goods and accessories following the acquisition of the Martabe Project.

The Group's financial information services (WINFCS) recorded a turnover of approximately HK$2.02 million (2008: approximately HK$2.14 million) which accounted for 57% of the total turnover of the Group for the period under review. The Group's business in trading of electronics goods and accessories contributed a turnover of approximately HK$1.53 million, which accounted for approximately 43% of the total turnover of the Group for the period ended 31 December 2009.

Loss attributable to equity holders of the Company for the current period was approximately HK$254.53 million, compared with a loss of approximately HK$139.07 million in the corresponding period of 2008, representing an increase of 83%. A large part of the loss for the period ended 31 December 2009 was due to the net losses on held for trading investments, which amounted to HK$148.48 million (2008: HK$4.80 million). The Group incurred HK$87.89 million (2008: HK$24.24 million) in administrative expenses for the period, an increase of HK$63.65 million. The increase in administrative expenses was mainly due to the share based payment expense of HK$41.46 million in respect of share options issued to senior staff and management of the Group's developing gold mining business.

As disclosed in the annual report of the Company for the year ended 30 June 2009, to further increase our cash reserve we realised our holdings in Sino Union Petroleum & Chemical International Limited (now known as Sino Union Energy Investment Group Limited) in mid August 2009 and have received a net proceed of approximately HK$166.48 million. Accordingly, a loss of approximately HK$18.63 million for such realisation is recorded for the six months ended 31 December 2009.

Contracts/Agreements

Contracts totalling approximately US$68 million were awarded and equipment orders of approximately US$52 million placed during the final six months of 2009.

On 25 August 2009, an engineering, procurement and commissioning services contract ("EPCM Contract") was signed with Ausenco Group, a leading provider of engineering, project management and operation solutions for the global resources and energy sectors. Based in Brisbane, Australia, Ausenco employs around 2,200 people across 13 countries and has constructed gold plants in many countries around the world. Its market capitalisation as at January 2010 was AU$514.3 million. Under the EPCM Contract, a number of construction contracts have been awarded, including the earthworks and the permanent access road, as well as the logistics contract. The full engineering project team is in place, recruitment of the operations team is underway and operations training programmes for local staff are in progress.

On 6 November 2009, PT Agincourt Resources ("PTAR"), a subsidiary of the Company, signed a Plant Site Bulk Earthworks Contract valued at US$15.16 million with PT Thiess Contractors Indonesia. The Thiess Group, with over 75 years' experience in civil, infrastructure and mining projects, is a wholly-owned subsidiary of Leighton Holdings Limited, a leading global construction contractor listed on the Australian Securities Exchange with a market capitalisation of AU$11.3 billion.

Thiess Indonesia will perform all plant site bulk earthworks, which started at the Martabe site in October 2009.

In early December 2009, the permanent mine access road construction contract was competitively tendered and awarded to Indonesian contractor PT Duta Graha Indah Tbk. The contractor has already mobilised equipment, and works are well advanced.

During the period, Antrak Logistics Pty Limited, a member of the Bollore Group, was awarded the contract provision of transport and logistics for materials and equipment delivery to the Martabe Project site. Antrak, a globally-renowned transport organisation with an asset base of over US$1 billion, manages a large fleet of containers and specialist cargo-handling units throughout the world.

A number of key equipment items were also ordered during the review period, including the oxygen plant, vibrating screens, elution columns, electrowinning cells, cranes, transformers, high voltage variable speed drives, fans, apron feeders, camp accommodation and many others. The total value of these orders is approximately US$32 million.

On 29 December 2009, PTAR signed a Sale & Purchase Agreement at a competitive rate with the Indonesian state owned power provider PT PLN (Persero) to supply power to the Martabe Mine. Under the agreement, power will be supplied for nine years. Consultants have evaluated the stability and the security of the grid in North Sumatra and have established a high level of confidence in the reliability and quality of the power supply.

Net asset value

As at 31 December 2009, the Group's net assets amounted to HK$4,741.50 million, which represented an increase of HK$4,244.38 million as compared to that of the financial year ended 30 June 2009. This significant increment in net assets was mainly due to the fund raisings of HK$4,550 million in July 2009 through the placement of shares of the Company, of which approximately HK$1,719 million was applied for the acquisition of the Martabe Project. Based on the total number of 14,066,831,950 ordinary shares issued as at 31 December 2009, net asset value per share was HK$0.34.

Liquidity and financing

The Group recorded a net cash inflow of approximately HK$2,411.58 million (2008: HK$9.65 million) during the period under review. As at 31 December 2009, cash and bank balances of the Group amounted to approximately HK$2,648.31 million, compared to approximately HK$236.74 million as at 30 June 2009.

The Group's gearing ratio, expressed as the percentage of the Group's total borrowings over shareholders' equity, was nil as at 31 December 2009 (30 June 2009: nil) as the Group did not have any borrowings as at 31 December 2009.

Cash balances of the Group were maintained in United States and Hong Kong dollars. The Group conducted most of its business in United States and Hong Kong dollars in the six months period ended 31 December 2009 and therefore did not have significant exposure to foreign exchange fluctuations. The Group did not enter into any financial instruments for hedging purposes.

Business outlook

The main focus for 2010 is to continue the development and construction of the Martabe Project and exploration in our contract of work area. An updated reserve and resources statement is anticipated to be released in the second half of 2010.

Inevitably, there are always obstacles and challenges in the process of construction and development of any mining project, and the Martabe Project is likely to be no exception. We have a committed management team whose members are dedicated to the completion of the Martabe Project, which is targeted to have first gold production in 2011.

To achieve our target of 1 million ounces per annum gold production in 5 years, we are constantly looking for potential acquisition opportunities. We shall conduct further acquisitions when the right opportunities arise. The Company is particularly interested in opportunities in other Asian countries, especially Indonesia.

Human resources

As at 31 December 2009, the Group had 21 employees in Hong Kong, 185 employees in Indonesia and 2 employees in Australia, respectively. Employees are remunerated at a competitive level and are rewarded according to their performance. Our Group's remuneration packages include a medical scheme, group insurance, mandatory provident fund, performance bonus and options for senior staff.

According to the share option scheme adopted by the Company on 30 July 2004, share options may be granted to directors and eligible employees of the Group to subscribe for shares in the Company in accordance with the terms and conditions stipulated therein.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 31 December 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

Compliance of the Code on Corporate Governance Practices of the Listing Rules

In the opinion of the directors, the Company has complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 31 December 2009, except for the deviation from the Code Provision A.4.1 in respect of the service term of directors.

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election. The existing non-executive and independent non-executive directors do not have a specific term of appointment but are subject to retirement by rotation and re-election at each annual general meeting under the Bye-Laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Enquiry has been made of all directors, and the directors have confirmed compliance with the required standard set out in the Model Code during the six months ended 31 December 2009.

AUDIT COMMITTEE

The Audit Committee, with terms of reference in compliance with the provisions set out in the CG Code, comprises three members who were all independent non-executive directors of the Company for the six months ended 31 December 2009. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing, internal controls and financial reporting matters. The interim report for the six months ended 31 December 2009 has been reviewed by the Company's Audit Committee and the Company's auditors, Deloitte Touche Tohmatsu.

APPRECIATION

The Board would like to thank the Group's management and staff for their hard work and dedication, as well as our shareholders and customers for their support of the Group.

By Order of the Board
G-Resources Group Limited
Chiu Tao
Chairman

Hong Kong, 19 March 2010

As at the date of this announcement, the Board comprises (i) Mr. Chiu Tao, Mr. Owen L Hegarty, Mr. Peter Geoffrey Albert, Mr. Ma Xiao, Mr. Wah Wang Kei, Jackie, Mr. Hui Richard Rui and Mr. Kwan Kam Hung, Jimmy as executive directors of the Company; (ii) Mr. Tsui Ching Hung as non-executive director of the Company; and (iii) Mr. Or Ching Fai, Ms. Ma Yin Fan and Mr. Leung Hoi Ying as independent non-executive directors of the Company.