G-Resources Group Limited
國際資源集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1051)

2011/2012 INTERIM RESULTS ANNOUNCEMENT

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I thank you for your continued support for G-Resources. The six months to end December 2011 was a difficult period world-wide – equity markets fell, credit became tighter, commodity prices fell, currencies were volatile and the world was fixated on solutions to the European debt crisis, a stalled US economy and the risk of a China slowdown.

During this difficult period, G-Resources continued to move forward. We took the Martabe Gold Project from 30% complete to 65% complete; we poured over 9000 m^3 of concrete, we moved over 6 million m^3 of material to prepare and build the plant site earthworks, roads and dams etc, we installed all the process plant tankage, we have installed the SAG and Ball mills, we have commenced steel erection, we delivered the key processing equipment to site and we have commenced mine development at the Purnama Pit. Our team of employees and contractors are to be congratulated for a great effort; and they are still doing it, all 4000 of them. And, whilst this was happening on site at Martabe, we finalised the funding to complete project construction and get into production. In a difficult finance market, with a weaker USD and escalating capital costs, we raised approximately USD210m from the equity capital market. On top of this, at year end we completed a credit line of USD100m with a group of international banks. This capital should see us into production.

Fortunately, the calendar year 2012 and the year of the Dragon have begun in better worldwide economic spirit. Most markets are up so far, including gold and silver. Most importantly, the G-Resources Martabe team continues to perform on site. The Martabe Project is, at mid-Feb, some 80% complete and only a few months from first gold production – an event we all have been looking forward to for some time.

Whilst getting to production has taken some months longer than we expected, I can assure shareholders that we have worked tirelessly, responsibly and safely towards our goal. We would never sacrifice the safety of our people or the quality of our project in the interests of expediency or taking short cuts. Our estimate for first commercial gold and silver production is now mid 2012. Our core principle of social responsibility is also evident in the ways in which we have worked with the nearby communities at Martabe and with the District and Provincial Governments in North Sumatra. We are indebted to them for their support as we build the project and at the same time provide employment, training, business opportunities and social programmes, all aimed at sustainable long term economic and social growth.

At the same time as we have been focussed on building the mine, the plant and infrastructure, we have been assembling the professional, technical, management and operating teams, so there will be a smooth transition from construction to commissioning to operations. This is the team that will finalise commissioning, get the mine and plant up and running to design capacity and standards, and then look at improvement and expansion as time goes by.

Present Martabe Reserves of gold and silver show a proven life of some 10 years – but we have an overall resource envelope and mineral prospectivity that we believe will see Martabe as a very long life mine and at higher production rates. One of the other outstanding achievements of these past 6 months has been our exploration program. We have added significant resources of gold and silver and we have opened up new areas to explore on our very large and highly prospective tenement area.

So, I am pleased to report significant progress on a number of fronts in the past 6 months. We are all looking forward to seeing Martabe into production in these next few months. I can assure you we will be working diligently, safely and responsibly to do this.

Finally, I would like to thank all of our staff and contractors, our senior management team and my fellow Directors for an important and constructive 6 months. And I look forward to their continuing support and contributions as we bring the Company into a positive cash flow and earnings position in 2012.

G-Resources Group Limited
Chiu Tao
Chairman

Hong Kong, 29 February 2012

CEO'S REPORT

Dear Shareholders,

The past six months for G-Resources has been one of significant challenge but also tremendous achievements. Our devoted employees at Martabe, in Jakarta, in Hong Kong and in Melbourne have worked tirelessly to continue to build our first project, the Martabe Gold Mine.

The six months to end December 2011 has been a period of consolidation and preparation for the final push to first gold and silver production. At the end of the period there were close to 4,000 people engaged in construction, operations and exploration activities at Martabe. The overall project was approximately 65% complete and plant construction activities approximately 50% complete. All contractors have established a site presence, with concrete works nearing completion, steel erection and mechanical installation accelerating and electrical and instrumentation activities about to commence.

At the end of the period, it was identified that the aggressive schedule of producing gold by end March 2012 was unlikely to be achieved due to a number of contributing factors. A revised schedule has been developed that puts us into commercial production of gold and silver by mid year – July is our target. Whilst we will be looking to bring that forward if we can – we are very mindful that we do not want to sacrifice the world-class safety record we have achieved to date at Martabe. Overall the project is only a few months from realizing first production and the entire team is focused on achieving this goal; and we are also committed to building a high quality project capable of operating for decades and to nurturing and growing our social license.

On the exploration front, we have had a very exciting year culminating in 1.36 Moz of gold and 7.28 Moz silver being added to our resource base. In the latter half of the year the exploration team commenced re-focusing its attention to new drilling programmes on the wider Contract of Work, as well as planning for a sulphide gold drilling programme and a porphyry copper exploration plan. These will be a focus for our 2012 exploration programme, whilst we will also continue to drill on the Martabe Project area and extend our current resource base.

Another very successful aspect of our activities has been the demonstrated continued support by the Government at all levels. Particular achievements have been in the ongoing support by the Dams Safety Committee, the renewal of forestry licenses by the Forestry Ministry, the approval by the Minister of State Owned Enterprises for access to plantation lands for project related infrastructure as well as numerous local and ongoing licenses required for normal business activities. There was no greater recognition of the importance of Martabe than the inclusion of the project into the National Economic Development Plan, the purpose of which is to advance Indonesia to the forefront of the global economy within 15 years. The Government's support is significantly recognized.

As we head into the final few months prior to first production, I would like to recognize the dedication of the teams at Martabe, including our many contractors, and the teams in Jakarta and Hong Kong for their continued dedication and commitment. I would also like to recognize and thank the support and encouragement of the G-Resources Board as well as the continued support of our loyal shareholders.

G-Resources Group Limited
Peter Geoffrey Albert
Chief Executive Officer

Hong Kong, 29 February 2012

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 2011, together with the comparative figures for the six months ended 31 December 2010.

Condensed Consolidated Income Statement

For the six months ended 31 December 2011

		For the six months ended 31 December	
		2011	2010
	NOTES	**USD'000**	USD'000
		(Unaudited)	(Unaudited)
Revenue		**232**	252
Cost of sales		**(177)**	(198)
Gross profit		**55**	54
Other income		**1,214**	803
Distribution and selling expenses		**-**	(24)
Administrative expenses		**(9,509)**	(9,866)
Fair value change of held for trading investments		**(955)**	161
Loss for the period, attributable to owners of the Company	*4*	**(9,195)**	(8,872)
Loss per share	*6*		
– Basic and diluted (*US cents*)		**(0.06)**	(0.06)

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2011

	For the six months ended 31 December	
	2011	2010
	USD'000	USD'000
	(Unaudited)	(Unaudited)
Loss for the period	**(9,195)**	(8,872)
Other comprehensive (expenses)/income:		
Fair value change on available-for-sale investment	**(2,214)**	269
Exchange difference on translation	**1,385**	1,067
Total other comprehensive (expenses)/income for the period	**(829)**	1,336
Total comprehensive expenses for the period, attributable to owners of the Company	**(10,024)**	(7,536)

Condensed Consolidated Statement of Financial Position

As at 31 December 2011

	NOTES	31 December 2011 USD'000 (Unaudited)	30 June 2011 USD'000 (Audited)
Non-current Assets			
Property, plant and equipment	*7*	**640,515**	467,538
Exploration and evaluation assets		**2,965**	1,942
Available-for-sale investment		**7,115**	9,329
Other receivable	*8*	**34,506**	21,889
		685,101	500,698
Current Assets			
Trade and other receivables	*8*	**3,979**	2,645
Held for trading investments		**2,247**	3,199
Pledged bank deposits		**92**	92
Bank balances and cash		**154,667**	135,627
		160,985	141,563
Current Liability			
Other payables	*9*	**42,694**	49,435
Net Current Assets		**118,291**	92,128
Total Assets less Current Liability		**803,392**	592,826
Non-current Liability			
Provision for mine rehabilitation cost		**4,814**	2,628
		798,578	590,198
Capital and Reserves			
Share capital	*10*	**21,757**	18,147
Reserves		**776,821**	572,051
Total equity		**798,578**	590,198

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2011

1. Basis of Preparation

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

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2011.

2. Principal Accounting Policies

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

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 31 December 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2011.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new or revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKFRS 1 (Amendments)	Severe hyperinflation and removal of fixed dates for first-time adopters
HKFRS 7 (Amendments)	Disclosures - Transfer of Financial Assets
HKAS 24	Related Party Disclosures
HK(IFRIC) - Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied new or revised HKFRSs that have been issued but are not yet effective. The Group is in the process of making an assessment of the impact of these new or revised HKFRSs but is not yet in a position to state whether these new or revised HKFRSs would have significant impact on the Group's results of operations and financial position.

3. Segment Information

For management purposes, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments.

Segment information reported externally was analysed on the basis of the following operating divisions, namely:

- mining business;
- provision of financial information services; and
- securities trading

(a) Segment revenue and results

An analysis of the Group's revenue and results by operating segment is as follows:

	Provision of financial information services USD'000	Securities trading USD'000	Mining business USD'000	Total USD'000
For the six months ended 31 December 2011 (Unaudited)				
Segment revenue	232	-	-	232
Segment result	(10)	(396)	(4,631)	(5,037)
Unallocated corporate expenses				(4,785)
Unallocated income				627
Loss for the period				(9,195)
For the six months ended 31 December 2010 (Unaudited)				
Segment revenue	252	-	-	252
Segment result	(30)	857	(1,615)	(788)
Unallocated corporate expenses				(8,153)
Unallocated income				69
Loss for the period				(8,872)

(b) Segment assets

An analysis of the Group's assets by operating segment is as follows:

	Provision of financial information services USD'000	Securities trading USD'000	Mining business USD'000	Total USD'000
At 31 December 2011 (Unaudited)				
ASSETS				
Segment assets	153	9,530	835,493	845,176
Unallocated corporate assets				910
Total assets				846,086
At 30 June 2011 (Audited)				
ASSETS				
Segment assets	215	18,068	623,157	641,440
Unallocated assets				821
Total assets				642,261

4. Loss for the Period

	For the six months ended 31 December	
	2011	2010
	USD'000	USD'000
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	**121**	118
Share-based payment expenses (included in administrative expenses)	**5,251**	4,829
Loss on disposal of property, plant and equipment	**-**	11
Exchange loss, net	**524**	258
Allowance for other receivables	**746**	-
Interest income	**(1,214)**	(773)

5. 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.

Under the relevant tax law, the tax rate of the Indonesian subsidiary is 25%.

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

6. Loss per Share

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

	For the six months ended 31 December	
	2011	2010
	USD'000	USD'000
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company, for the purposes of basic and diluted loss per share	**9,195**	8,872

	Number of shares	
	2011	2010
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**16,375,625,233**	14,066,831,950

The computation of diluted loss per share for the six months ended 31 December 2011 and 2010 does not include adjustments for the Company's outstanding share options as these options have anti-dilutive effect in both periods.

7. Movement in Property, Plant and Equipment

During the period, the Group increased its property, plant and equipment by approximately USD173,018,000 (six months ended 31 December 2010: USD42,231,000), of which USD33,592,000 (six months ended 31 December 2010: USD15,893,000) and USD139,426,000 (six months ended 31 December 2010: USD24,971,000) were attributable to additions of the mine property and development assets and construction in progress for the construction of Martabe Project respectively.

8. Trade and Other Receivables

	31 December 2011	30 June 2011
	USD'000	USD'000
	(Unaudited)	(Audited)
Trade receivables *(Note a)*	**7**	13
Other receivables, net of allowance *(Note b)*	**38,478**	24,521
	38,485	24,534
Less: Other receivable classified as non-current assets *(Note b)*	**(34,506)**	(21,889)
Trade and other receivables classified as current assets	**3,979**	2,645

Notes:

(a) The Group normally allows an average credit period of 60 days to its trade customers from provision of financial information services. The following is an ageing analysis of trade receivables at the end of the reporting periods which is determinate based on the invoice date:

	31 December 2011 USD'000 (Unaudited)	30 June 2011 USD'000 (Audited)
0-60 days	**7**	13

(b) As at 31 December 2011, included in other receivables is an amount of USD34,506,000 (30 June 2011: USD21,889,000) value added tax ("VAT") paid by an Indonesian subsidiary of the Group in connection with its purchase of equipments and services from suppliers in relation to the construction of the mine site which were classified as non-current portion based on the expected refund time span. The Indonesian subsidiary is in the process of obtaining the approval from the relevant Indonesian tax authority for refund of such VAT paid.

9. Other Payables

Included in other payables is an amount of USD40,502,000 (30 June 2011: USD46,520,000) relating to payables by an Indonesian subsidiary of the Group to its consultants and contractors in connection with the construction of the mine site of the Martabe Project.

10. Share Capital

	Number of shares	Value USD'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 30 June 2011 and 31 December 2011	60,000,000,000	76,923
Issued and fully paid:		
At 1 July 2010 and 30 June 2011 (Audited)	14,066,831,950	18,147
Issue of shares *(Note)*	2,813,364,000	3,610
At 31 December 2011 (Unaudited)	16,880,195,950	21,757

Note:

On 3 August 2011, 2,813,364,000 shares of HK$0.01 each were issued and allotted at a price of HK$0.60 per share pursuant to the placing agreement with the placing agent dated 27 July 2011. Details of the share placement were announced on 28 July 2011 and 3 August 2011.

11. Capital Commitments

At the end of the reporting periods, the Group had the following capital commitments:

	At 31 December 2011 USD'000 (Unaudited)	At 30 June 2011 USD'000 (Audited)
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of property, plant and equipment	**69,370**	145,578
Capital expenditure authorised but not contracted for in respect of acquisition of property, plant and equipment	**22,733**	143,403

INTERIM DIVIDEND

No dividend was paid or proposed during the six months ended 31 December 2011 nor has any dividend been proposed since the interim reporting date (six months ended 31 December 2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Key Financial Information

Financial Position	31 December 2011 USD'000	30 June 2011 USD'000
Current Asset		
Bank balances and cash	154,667	135,627
Others	6,318	5,936
Non-current Assets	685,101	500,698
Total Assets	846,086	642,261
Total Debts	-	-
Other liabilities	(47,508)	(52,063)
Net Assets	798,578	590,198

Income Statement	6 months ended 31 December	
	2011 USD'000	2010 USD'000
Turnover	232	252
Gross profit	55	54
EBITDA	(9,074)	(8,754)
Loss before taxation	(9,195)	(8,872)
Taxation	-	-
Loss for the period	(9,195)	(8,872)

Business Review

During the period under review, the Group has made significant progress towards developing the Martabe Gold and Silver mine situate in Indonesia. The Company invested a total of approximately USD172 million in exploration and development activities during the six months ended 31 December 2011. The same is summarised in the following key categories:

Expenditure on exploration, development and mining activities

	Mine Property & Development* USD'000	Regional Exploration & Evaluation USD'000	Construction in Progress USD'000
Land holding fee	63	-	139
Assets and equipment	693	34	95,784
Earthworks & access	8,128	-	27,138
Drilling & assays expense	3,078	398	500
Consultancy and advisory	909	57	1,020
Staff cost	8,342	439	1,118
Transportation cost	394	-	9,946
Others	9,799	95	3,781
Sub-total	31,406	1,023	139,426
Total			171,855

** Include costs incurred on near mine exploration and evaluation*

Results

The Martabe Project of the Company is still under construction and is not generating any revenue for the Company.

For the six months ended 31 December 2011, the Group's turnover amounted to approximately USD0.2 million, which was generated from the financial information services for the period under review (2010: USD0.2 million). To focus on our mission in gold production in forthcoming months, the Company has determined in January 2012 to cease its financial information service in the second quarter of 2012.

Loss attributable to owners of the Company from the operations for the current period was approximately USD9.2 million, compared to a loss of approximately USD8.9 million in the corresponding period of 2010, representing an increase of 3%. The increase in loss was mainly due to an increase in share-based payment expenses by USD0.4 million which was a non-cash expense of the Group.

Net Asset Value

As at 31 December 2011, the Group's total net asset amounted to approximately USD799 million, represented an increase of USD209 million as compared to approximately USD590 million as at 30 June 2011. The increase in net assets was mainly attributable to the share placement of USD213 million (net proceeds) in August 2011.

Liquidity and Financial Resources

The Group recorded a net cash inflow of approximately USD19 million during the six months ended 31 December 2011. As at 31 December 2011, cash and bank balances of the Group amounted to approximately USD155 million (30 June 2011: approximately USD136 million). Bank deposit of approximately USD92,000 was pledged to a bank to secure the cutting tree permit granted to a subsidiary of the Group as at 31 December 2011 (30 June 2011: USD92,000).

The Group's gearing ratio, expressed as the percentage of the Group's total borrowings over shareholders' equity, was nil as at 31 December 2011 and 30 June 2011 as the Group did not have any borrowings as at the end of the respective reporting period.

Meanwhile, in December 2011, PT Agincourt Resources ("PTAR"), an Indonesian subsidiary of the Group has executed a USD100 million Revolving Credit Facility Agreement with a consortium of international banks ("Facility") for the purpose of standby facility for the Martabe gold and silver mine project. As at 31 December 2011 and upto the date of this report, none of the Facility was utilised.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

There was no material acquisition or disposal of subsidiaries and associated companies during the period.

Exposure to Fluctuations in Exchange Rates and Related Hedge

The Group conducted most of its business in United States dollars ("USD"), Australian dollars ("AUD"), Indonesian Rupiah ("IDR") and Hong Kong dollars ("HKD"). The foreign currency exposure to USD is minimal as HKD is pegged to USD. The Group exposes to foreign currency risk that are denominated in AUD and IDR.

In 2012, the Group has entered into certain forward currency contracts to sell USD and purchase IDR at a fixed rate in the normal course of business in order to limit its exposure to adverse fluctuations in currency exchange rates. These instruments are executed with creditworthy financial institutions. The management will continue to monitor the Group's other foreign currency exposure and impose other hedging policy should the need arise.

Business outlook

We are pleased to report significant progress on a number of fronts in the past 6 months of Martabe Project. We are all looking forward to seeing Martabe into production in these next few months. We will continue to explore on our very large and highly prospective tenement area.

Human resources

As at 31 December 2011, the Group had 24 employees in Hong Kong, 371 employees in Indonesia and 1 employee in Australia. 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 our employees.

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 2011, 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 with 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 2011, 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 2011.

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 2011. 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 2011 has been reviewed by the Company's Audit Committee and the Company's auditors, Deloitte Touche Tohmatsu.

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

Hong Kong, 29 February 2012

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.

** For identification purpose only*