



FOR THE SIX MONTHS
ENDED 31 DECEMBER 2009

INTERIM FINANCIAL REPORT

STOCK CODE: 1051

G-RESOURCES GROUP LTD.
(Incorporated in Bermuda with limited liability)

CORPORATE MILESTONES

13

MAY 2009

- Acquisition of Martabe gold-silver project in Indonesia announced
- Morgan Stanley & Co. International appointed as placing agent for subscription of up to 13 billion new shares
- Mr Owen L Hegarty appointed Executive Director of G-Resources

03

JUNE 2009

- Change of company name to "G-Resources Group Limited"

03

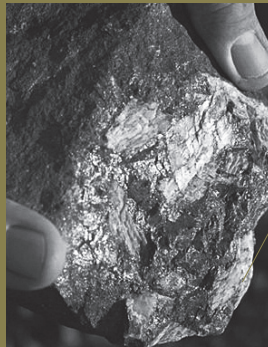
JULY 2009

- Acquisition of Martabe gold-silver project in Indonesia completed
- 12.97 billion new shares placed; nearly US\$600 million raised for Martabe Project

22

JULY 2009

- Mr Or Ching Fai, former Vice-Chairman and Chief Executive Officer of Hang Seng Bank, appointed as Independent Non-Executive Director and Vice-Chairman of G-Resources, and Chairman of the Audit and Remuneration Committees
- Mr Chiu Tao, Mr Peter Geoffrey Albert and Mr Ma Xiao appointed as Executive Directors of G-Resources



19

AUGUST 2009

- Mr Chiu Tao appointed as Chairman of G-Resources
- Mr Owen L Hegarty appointed as Vice-Chairman of G-Resources

25

AUGUST 2009

- Ausenco Services Pty Ltd, a global engineering contractor, appointed as main contractor for Martabe gold-silver project

20

OCTOBER 2009

- New ore reserve statement of Pit 1 Deposit at Martabe announced, substantially increasing gold reserves by 12% to 2.49 million ounces

06

NOVEMBER 2009

- Plant Site Bulk Earthworks contract with PT Thiess Contractors Indonesia signed

29

DECEMBER 2009

- Power contract for nine years signed with PT PLN (Persero), Indonesia's primary power provider, for Martabe gold-silver project



The on-site operating team discussed the progress of the Martabe Project with Vice-Chairman Mr Or Ching Fai (second left) and Chairman Mr Chiu Tao (third left).

CONTENTS

Milestones	25 Interim Dividend
02 Corporate Information	25 Statutory Disclosure
03 Biographical Details of Directors and Senior Management	25 Directors and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company
07 Chairman's Statement	26 Discloseable Interests and Short Positions of Substantial Shareholders other than Directors and Chief Executives
08 Company Profile	27 Share Option
09 Management Discussion and Analysis	29 Purchase, Sale or Redemption of the Company's Listed Securities
12 Group Results	29 Code on Corporate Governance Practices
12 Condensed Consolidated Income Statement	29 Model Code for Securities Transactions by Directors
13 Condensed Consolidated Statement of Comprehensive Income	29 Audit Committee
14 Condensed Consolidated Statement of Financial Position	30 Report on Review of Interim Financial Information
15 Condensed Consolidated Statement of Changes in Equity	31 Our Core Values
16 Condensed Consolidated Statement of Cash Flow	
17 Notes to the Condensed Consolidated Financial Statements	

CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr Chiu Tao, *Chairman*

(appointed on 22 July 2009)

Mr Owen L Hegarty, *Vice-Chairman*

Mr Peter Geoffrey Albert, *Chief Executive Officer*

(appointed on 22 July 2009)

Mr Ma Xiao, *Deputy Chief Executive Officer*

(appointed on 22 July 2009)

Mr Wah Wang Kei, Jackie

Mr Hui Richard Rui

Mr Kwan Kam Hung, Jimmy

Dr Lew Mon Hung (resigned on 3 August 2009)

Non-Executive Director

Mr Tsui Ching Hung

(appointed as Executive Director on 5 March 2009 and
redesignated as non-Executive Director on 22 July 2009)

Independent Non-Executive Directors

Mr Or Ching Fai, *Vice-Chairman*

(appointed on 22 July 2009)

Ms Ma Yin Fan

Mr Leung Hoi Ying

Mr Yu Pan (resigned on 22 July 2009)

Audit Committee

Mr Or Ching Fai, *Chairman*

(appointed on 22 July 2009)

Ms Ma Yin Fan

Mr Leung Hoi Ying

Mr Yu Pan (resigned on 22 July 2009)

Remuneration Committee

Mr Or Ching Fai, *Chairman*

(appointed on 22 July 2009)

Ms Ma Yin Fan

Mr Leung Hoi Ying

Mr Yu Pan (resigned on 22 July 2009)

Company Secretary

Mr Wah Wang Kei, Jackie

(appointed on 1 December 2009)

Ms Cheng Sau Man (resigned on 1 December 2009)

Chief Financial Officer

Mr Arthur Ellis

(appointed on 1 December 2009)

Auditor

Deloitte Touche Tohmatsu

Legal Advisors

Hong Kong: Freshfields Bruckhaus Deringer,
Tung & Co.

Bermuda: Appleby

Indonesia: Brigitta I. Rahayoe and Partners,
Hadiputranto, Hadinoto & Partners,
Christian Teo & Associates

Principal Bankers

Hang Seng Bank Limited

Citibank, N.A.

Share Registrars

Hong Kong

Union Registrars Limited

18/F, Fook Lee Commercial Centre

Town Place, 33 Lockhart Road

Wanchai, Hong Kong

Bermuda

Butterfield Fulcrum Group (Bermuda) Limited

Rosebank Centre

11 Bermudiana Road

Pembroke HM 08, Bermuda

Registered Office

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Head Office and Principal Place of Business

Suite 09, 19/F, Harbour Centre

25 Harbour Road

Wanchai, Hong Kong

Website: www.g-resources.com



Mr Peter Geoffrey Albert

Mr Owen L Hegarty

Mr Chiu Tao

Mr Or Ching Fai

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Chiu Tao, aged 54, was appointed as the Chairman and an executive director of the Company on 19 August 2009 and 22 July 2009, respectively. Mr Chiu is an experienced executive and merchant, and was engaged as a senior manager and chairman of various listed companies in Hong Kong. Mr Chiu has extensive experience in the metal business, trading, investment planning, business acquisitions and development, and corporate management. He is currently the Chairman and an executive director of China Sci-Tech Holdings Limited, whose shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") ("China Sci-Tech").

Owen L Hegarty, aged 62, was appointed as Vice-Chairman and an executive director of the Company on 19 August 2009 and 10 May 2009, respectively. Mr Hegarty has over 35 years of direct experience in the global mining industry. He was the founding managing director and chief executive officer of Oxiana Limited, which was a significant copper and gold explorer, developer and producer in Australia and Asia. Oxiana Limited merged with Zinifex Limited to become OZ Minerals Limited in June 2008. Prior to founding Oxiana Limited, Mr Hegarty worked with Rio Tinto Group for 25 years, where he served as the Managing Director of Rio Tinto Group's Asian business and Australia copper and gold business.

Mr Hegarty is a fellow of the Australasian Institute of Mining and Metallurgy ("AusIMM") and was elected a director of AusIMM in October 2008. He is also a fellow of the Australian Institute of Company Directors and is a member of the South Australian Minerals and Petroleum Expert Group. In 2006, Mr Hegarty was awarded the AusIMM Institute Medal for his leadership and achievements in the mining industry. Mr Hegarty was also awarded the GJ Stokes Memorial Award for his distinguished service to the mining industry in 2008.

Mr Hegarty is currently a non-executive director of Fortescue Metals Group Limited and Range River Gold Limited (both of which are listed on the Australian Stock Exchange). He was a director of Oxiana Limited and OZ Minerals Limited until June 2008 and December 2008, respectively.

Peter Geoffrey Albert, aged 51, was appointed as the Chief Executive Officer and an executive director of the Company on 22 July 2009. Mr Albert is a metallurgist and holds an MBA Executive degree. He has over 25 years of experience in project management, general management and operations management in mining and minerals processing in Australia, Africa and Asia. He is a member of the Institute of Materials, Minerals and Mining (London), a member of the Australasian Institute of Mining and Metallurgy and a Chartered Engineer. He was the executive general manager-Asia of OZ Minerals Limited covering off-shore operations; the Sepon copper and gold operations and projects; the development of the Martabe Project; business development in Asia; and Asian government relations. He joined Oxiana Limited in 2000 from Fluor Daniel, where he held the position of General Manager - Projects. Mr Albert has also worked with Shell-Billiton (Australia), Aker Kvaerner (Australia) and JCI (South Africa).

Ma Xiao, aged 44, was appointed as the Deputy Chief Executive Officer and an executive director of the Company on 22 July 2009. Mr Ma has over 20 years of international minerals and metals trading, financing and hedging experience. Mr Ma also has extensive experience in mineral company acquisitions and development. He previously held senior and executive positions with several base and precious metals companies, including China Minmetals. Mr Ma was based in London for four years working for Minmetals (UK) Limited and was the Managing Director of Guizhou H-Gold & Mining Limited and a director of the China Minerals Acquisition Fund.

Wah Wang Kei, Jackie, aged 43, was appointed as an executive director and Company Secretary of the Company on 9 April 2008 and 1 December 2009, respectively. Mr Wah graduated from The University of Hong Kong in 1990. He is a practising solicitor in Hong Kong and was qualified as a solicitor in 1992. Mr Wah was a partner of Vivien Chan and Company, a law firm in Hong Kong, until 1997 and is a consultant of Messrs. Beiten Burkhardt, an international law firm. Mr Wah is currently an executive director of Fulbond Holdings Limited, whose shares are listed on the main board of the Stock Exchange ("Fulbond").

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Hui Richard Rui, aged 41, was appointed as an executive director of the Company on 5 March 2009. Mr Hui graduated from the University of Technology in Sydney, Australia, with a Bachelor in Mechanical Engineering degree. He has over 10 years of experience in management positions with companies in Australia, Hong Kong and the People's Republic of China. Mr Hui is currently an executive director of China Sci-Tech and an executive director of China Strategic Holdings Limited, whose shares are listed on the main board of the Stock Exchange ("China Strategic"). Mr Hui was an executive director of Wonson International Holdings Limited (now known as China Ocean Shipbuilding Industry Group Limited), whose shares are listed on the main board of the Stock Exchange ("Wonson"), from 20 September 2004 to 1 June 2007.

Kwan Kam Hung, Jimmy, aged 48, was appointed as an executive director of the Company on 25 March 2009. Mr Kwan has been engaged as a senior manager with various listed companies in Hong Kong. He has over 15 years of experience in the fields of finance and accounting and corporate management. Mr Kwan is currently an executive director of China Sci-Tech and an executive director of Fulbond.

Non-Executive Directors

Tsui Ching Hung, aged 56, was appointed as an executive director of the Company on 5 March 2009 and was redesignated as a non-executive director of the Company on 22 July 2009. Mr Tsui holds a Master of Science degree in Polymer Science and a Master of Business Administration degree from the University of Aston and University of Warwick in the United Kingdom, respectively. He has over 10 years of experience in senior management positions with several multinational corporations in Hong Kong. Mr Tsui is currently an executive director of China Sci-Tech and an independent non-executive director of Rising Development Holdings Limited, whose shares are listed on the main board of the Stock Exchange. Mr Tsui was an executive director of Wonson from 29 November 1999 to 1 June 2007.

Independent Non-Executive Directors

Or Ching Fai, aged 60, was appointed as a Vice-Chairman and an independent non-executive director of the Company on 22 July 2009. Mr Or began his career with The Hongkong and Shanghai Banking Corporation Limited in 1972 after receiving a bachelor's degree in Economics and Psychology from the University of Hong Kong. He was the Vice-Chairman, Chief Executive Officer and an executive director of Hang Seng Bank, whose shares are listed on the main board of the Stock Exchange. Mr Or was also an independent non-executive director of Hutchison Whampoa Limited and Cathay Pacific Airways Limited, whose shares are both listed on the main board of the Stock Exchange. Mr Or is currently an independent non-executive director of Esprit Holdings Limited and Chief Executive Officer, Vice-Chairman and an executive director of China Strategic.

Ma Yin Fan, aged 46, was appointed as an independent non-executive director of the Company on 25 March 2009. She obtained a bachelor's degree with honours in accountancy at Middlesex University in the United Kingdom. She also holds an MBA and Master in Professional Accounting degree from Heriot-Watt University in the United Kingdom and Hong Kong Polytechnic University, respectively. Ms Ma is a CPA (Practising) in Hong Kong and has been working in auditing, accounting and taxation for more than 20 years. She is the principal of Messrs. Ma Yin Fan & Company CPAs. Ms Ma is a fellow of the Hong Kong Institute of Certified Public Accountants, Taxation Institute of Hong Kong, Association of Chartered Certified Accountants, Hong Kong Institute of Chartered Secretaries and Institute of Chartered Secretaries and Administrators. She is also a member of the Institute of Chartered Accountant in England and Wales. Ms Ma is currently an independent non-executive director of China Strategic and an independent non-executive director of Fulbond.

Leung Hoi Ying, aged 59, was appointed as an independent non-executive director of the Company on 31 March 2009. Mr Leung graduated from the Guangdong Foreign Trade School in the People's Republic of China. He has over 30 years of experience in international trade and business development. Mr Leung is currently an independent non-executive director of China Strategic and an independent non-executive director of Fulbond.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Senior Management

Arthur Ellis, aged 49, was appointed Chief Financial Officer of the Company on 1 December 2009. Mr Ellis is a member of the Institute of Chartered Accountants in Australia and holds a BA (Hons) Accounting and Finance degree. He has over 15 years' experience in the resources industry. He was the Group Financial Controller for Kingsgate Consolidated Limited ("Kingsgate"), an ASX listed gold mining company. He joined Kingsgate in 2000 as Financial Controller at the start of the construction of the Chatree Gold mine in Thailand. Prior to that, he worked in Australia and Hong Kong and provided accounting, corporate, tax and auditing services.

Timothy John Vincent Duffy, aged 43, was appointed as the General Manager of Operations of the Company on 8 June 2009. Mr Duffy is a Certified Practising Accountant and holds a bachelor's degree in Commerce. He has over 17 years of experience in the mining industry and has extensive knowledge of gold, silver, nickel, copper, uranium, coal, and open cut and underground mining operations. He has been engaged in finance and commercial roles in mining projects and has strategic capability across the full suite of mining activities in an Asian environment. Mr Duffy was the Commercial General Manager-Asia of OZ Minerals Limited, mainly responsible for providing commercial guidance and strategic direction for Asian operations and business.

Stuart Gregory Smith, aged 44, was appointed as the General Manager of Exploration on 1 September 2009. Dr Smith holds a PhD in Economic Geology from the University of Tasmania and a 1st Class Honours degree in Geology from the University of New England. He is a member of the Australian Institute of Geoscientists and the Society of Economic Geologists. He has more than 20 years' experience in the mining industry in Australia, Papua New Guinea, Asia and North America. Dr Smith joined Oxiana Limited (which merged with Zinifex Limited to become OZ Minerals Limited in June 2008) as Chief Exploration Geologist in 2003. Immediately prior to joining G-Resources, he held the position of Group Manager-Geoscience with MMG (formed from the break-up of OZ Minerals in June 2009).

Craig Andrew Parry, aged 36, was appointed as the Manager of Exploration and Business Development Co-ordination of the Company on 8 June 2009. Mr Parry holds a Bachelor of Science degree and is a fellow of the AusIMM. He is a qualified geologist and has spent most of his mining and exploration career in Australia, South America and Asia. Mr Parry has more than 10 years' experience in the mining industry in Australia and internationally and has led exploration programmes for copper, gold, iron ore, bauxite, uranium and diamonds. Mr Parry joined Oxiana Limited as Principal Geologist-New Business in 2008. Prior to joining Oxiana Limited, he worked with Rio Tinto Group from 2000 to 2008.

Linda H D Siahaan aged 48, is the Manager of Permitting & Government Relations for G-Resources' Indonesian subsidiary, PT Agincourt Resources ("PTAR"). Ms Siahaan is based in Jakarta, where she has worked for PTAR since July 2007. Her responsibilities include maintaining harmonious relationships with the government of the Republic of Indonesia to ensure that the company complies with Indonesian laws and regulations. She is also responsible for establishing and maintaining relationships with all relevant stakeholders. Ms Siahaan is from Medan in North Sumatra, the province where the G-Resources Martabe Mine is located. She has accounting qualifications from the University of North Sumatra, as well as a diploma in communications from the Ketchum Institute of Public Relations in Fairfax, USA. Ms Siahaan began her career with Mobil Oil Indonesia. From 1997 until 2007, she worked in the External Relations department of PT Newmont Nusa Tenggara, one of the largest copper and gold mining companies in the world.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to report that during the period under review our Company made great progress towards our target of first production in 2011 at the Martabe gold project, our core starter asset at G-Resources.

In July 2009, we raised nearly US\$600 million which enabled us to purchase the project from OZ Minerals Limited. This also provided the funds we need to develop the project, accelerate exploration and ensure we have sufficient working capital. Following the fund-raising exercise, we moved immediately to put together an experienced management team to restart the project.

In the last several months, we awarded several major construction contracts to Indonesian and foreign contractors, ordered the necessary equipment supply packages and started assembling and training the operating teams required to commission and run the mine and plant.

An important milestone was reached in December 2009, when we signed an electricity supply agreement with Indonesia's state-owned power provider, PLN. This contract, which was signed at a competitive tariff, will provide us with a reliable source of power to operate the mine.

During the review period, we continued to maintain excellent relationships with the Indonesian Government at the national, provincial and regency levels, as well as with the communities nearby the Martabe mine site. This is of vital importance to us, as we are committed to ensuring that all stakeholders benefit from the Martabe Project.

We also recommenced exploration activities for more gold and silver in and around the existing ore bodies and on our large exploration tenement. Our efforts have produced excellent results, and we have since increased our estimate of gold and silver reserves and resources associated with the project and completed a new mining plan based on those reserves. This plan provides a consistent production profile of 250,000 ounces gold and 2-3 million ounces silver per annum.

As you can see, it has been a very busy six months for all of us at G-Resources, and I can assure you that we are approaching 2010 and beyond with the same enthusiasm and vigour.

Though I believe there will be obstacles and challenges ahead, Martabe is a great platform on which to grow a world-class Asian focused gold company. We have a great project, a powerful vision, great people with a great set of values and a positive market environment for gold.

Finally, I would like to take this opportunity to thank all of our employees, contractors and other stakeholders for their hard work and support during these past six months. I look forward to working with you all as we successfully build Martabe and grow G-Resources in the year ahead.

"Our efforts have produced excellent results, and we have since increased our estimate of gold and silver reserves and resources associated with the project..."

Chiu Tao
Chairman

Hong Kong, 19 March 2010

COMPANY PROFILE

Base

G-Resources is an Asia-Pacific gold company, based and listed in Hong Kong.

Our main asset, the Martabe gold and silver project, is located in North Sumatra, Indonesia. The project was purchased by G-Resources for approximately US\$220 million in mid 2009 from OZ Minerals Limited, after fully exercising our option agreement with China Sci-Tech Holdings Limited.

The Martabe Project

Our core starter asset, the world-class gold and silver Martabe Project, was first discovered 10 years ago in the Province of North Sumatra, Indonesia.

Since then, the resource base of the Martabe Project has continued to grow and is currently 6.5 million ounces of gold and 66 million ounces of silver. Just beyond Martabe, we have access to a large scale mineralised district with potential for further gold and gold-copper deposits.

The project offers a number of key advantages. It is established under a 1,639 square kilometre Contract of Work, which is valid for a period of up to 50 years. The project is conveniently located with excellent infrastructure that includes the Trans-Sumatran highway, the nearby port town of Sibolga, a 240MW power station and high-voltage grid, water resources, and existing communications and local business infrastructure.

Strategy

Our strategy is to grow G-Resources into an Asia-Pacific focused world-class gold company by building Martabe on time, on budget and to the highest international standards of quality.

We intend to expand through organic growth from increases in the Martabe reserves and resources and through discovery on the large Martabe licence area. Also part of our strategic vision is to acquire and develop other quality projects or income producing assets in Asia, Australasia and the Pacific Region. This will be achieved by leveraging our management team's regional gold and base metals experience and knowledge.

Our target is to reach 1 million ounces per annum gold production within 5 years.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 raising 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Business outlook

The main focus of the Group 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 Group 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.

GROUP RESULTS

The Board of Directors (the "Board") of G-Resources Group Limited (the "Company") presents 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, which comprises the condensed consolidated statement of financial position as at 31 December 2009 and the related condensed consolidated statement of income, consolidated statement of comprehensive income, changes in equity and cash flows for the six months period ended, and explanatory notes.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2009

		For the six months ended 31 December	
		2009 HK\$'000 (unaudited)	2008 HK\$'000 (unaudited and restated#)
	<i>Notes</i>		
Revenue	(3)	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	(4)	(254,530)	(139,070)
Loss per share			
From continuing and discontinued operations			
– Basic and diluted	(6)	HK(1.83)cents	HK(37.23) cents
From continuing operations			
– Basic and diluted	(6)	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 HK\$'000 (unaudited)	2008 HK\$'000 (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	(7)	2,025,944	2,824
Available-for-sale investment		-	228,215
		2,025,944	231,039
CURRENT ASSETS			
Trade and other receivables	(8)	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	(9)	102,757	4,344
NET CURRENT ASSETS			
Total assets less current liabilities		2,715,721	266,248
		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	(10)	140,668	8,454
Reserves		4,600,827	488,663
		4,741,495	497,117

The condensed consolidated interim financial statements on pages 12 to 24 were approved and authorised for issue by the Board of Directors on 19 March 2010 and are signed on its behalf by:

Wah Wang Kei, Jackie
Director

Kwan Kam Hung, Jimmy
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2009

	Attributable to owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Share options reserve HK\$'000	Exchange reserve HK\$'000	Investment revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
(Unaudited)									
At 1 July 2008	37,408	970,461	807	–	28,863	1,110	–	(575,313)	463,336
Loss for the period and total comprehensive expenses for the period	–	–	–	–	–	–	–	(139,070)	(139,070)
Repurchase of shares	(68)	(781)	–	–	–	–	–	–	(849)
Cancellation of share options	–	–	–	–	(3,207)	–	–	3,207	–
At 31 December 2008	37,340	969,680	807	–	25,656	1,110	–	(711,176)	323,417
(Unaudited)									
At 1 July 2009	8,454	–	1,656	1,155,483	10,174	–	43,107	(721,757)	497,117
Loss for the period	–	–	–	–	–	–	–	(254,530)	(254,530)
Other comprehensive expenses for the period	–	–	–	–	–	–	(43,107)	–	(43,107)
Total comprehensive expenses for the period	–	–	–	–	–	–	(43,107)	(254,530)	(297,637)
Issue of shares	130,000	4,420,000	–	–	–	–	–	–	4,550,000
Issue of shares for acquisition of assets through acquisition of subsidiaries (note 11)	2,214	85,250	–	–	–	–	–	–	87,464
Transaction costs attributable to issue of shares	–	(136,910)	–	–	–	–	–	–	(136,910)
Recognition of equity-settled share based payment	–	–	–	–	41,461	–	–	–	41,461
Cancellation of share options	–	–	–	–	(5,585)	–	–	5,585	–
At 31 December 2009	140,668	4,368,340	1,656	1,155,483	46,050	–	–	(970,702)	4,741,495

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 31 December 2009

	Notes	For the six months ended 31 December	
		2009 HK\$'000 (unaudited)	2008 HK\$'000 (unaudited)
Net cash used in operating activities		(272,761)	(30,406)
Investing activities:			
Acquisition of assets through acquisition of subsidiaries	(11)	(1,717,983)	–
Purchase of property, plant and equipment		(177,250)	(829)
Proceeds from disposal of available-for-sale investment		166,478	50,000
Other investing cash flows		1	(8,268)
Net cash (used in)/generated from investing activities		(1,728,754)	40,903
Financing activities:			
Proceeds from issue of shares	(10)	4,550,000	–
Expenses on issue of shares		(136,910)	–
Other financing cash flows		–	(849)
Net cash generated from/(used in) financing activities		4,413,090	(849)
Net increase in cash and cash equivalents		2,411,575	9,648
Cash and cash equivalents at the beginning of the period		236,735	80,441
Cash and cash equivalents at the end of the period, representing bank balances and cash		2,648,310	90,089

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2009

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with 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") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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 2009.

2. 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 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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2009

2. PRINCIPAL ACCOUNTING POLICIES (continued)

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 3).

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.

3. 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

3. SEGMENT INFORMATION (continued)

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 11. 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 HK\$'000 (unaudited)	Segment results HK\$'000 (unaudited)	Segment revenue HK\$'000 (unaudited)	Segment results HK\$'000 (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 2009 HK\$'000 (unaudited)	30 June 2009 HK\$'000 (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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2009

4. LOSS FOR THE PERIOD

	For the six months ended 31 December	
	2009 HK\$'000 (unaudited)	2008 HK\$'000 (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)

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.

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.

6. 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.

7. 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 11. 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).

8. 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 HK\$'000 (unaudited)	At 30 June 2009 HK\$'000 (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.

9. 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.

10. 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 11, 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 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2009

11. 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)
	<hr/> 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
	<hr/> 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)
	<hr/> 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.

12. COMMITMENTS

At the balance sheet date, the Group had the following commitments so far has not provided for in the condensed 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

13. RELATED PARTY TRANSACTIONS

(a) During the six months ended 31 December 2008, the Group has entered into the following transactions with a company which was an associate of a former subsidiary of the Group:

	For the six months ended 31 December 2009 HK\$'000 (unaudited)	2008 HK\$'000 (unaudited)
Service income received from 廣州易聯商業服務有限公司	–	557

(b) Key management personnel compensation

	For the six months ended 31 December 2009 HK\$'000 (unaudited)	2008 HK\$'000 (unaudited)
Salaries, bonus and other benefits	47,390	16,002
Contributions to retirement benefit scheme	37	40
	47,427	16,042

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2009

14. 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).

STATUTORY DISCLOSURE

DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

At 31 December 2009, the interests and short positions of the directors and chief executive of the Company and their respective associates in the shares, underlying shares, convertible notes or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by directors and chief executive of the Company (the "Model Code"), were disclosed as follows in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

Long positions in shares and underlying shares of the Company

Name of director and chief executive	Number of *shares / underlying shares				Approximate % of the issued share capital of the Company	Note
	Personal interests	Corporate interests	Share options	Total		
Chiu Tao	-	-	140,000,000	140,000,000	1.00%	
Owen L Hegarty ("Mr Hegarty")	1,002,000	175,179,000	201,681,050	377,862,050	2.69%	(1)
Or Ching Fai	9,999,000	-	9,000,000	18,999,000	0.14%	
Peter Geoffrey Albert ("Mr Albert")	33,213,000	-	201,681,050	234,894,050	1.67%	(2)
Ma Xiao	-	-	35,000,000	35,000,000	0.25%	
Wah Wang Kei, Jackie	1,272,000	-	37,000,000	38,272,000	0.27%	
Hui Richard Rui	-	-	35,000,000	35,000,000	0.25%	
Kwan Kam Hung, Jimmy	-	-	15,000,000	15,000,000	0.11%	
Arthur Ellis	-	-	28,000,000	28,000,000	0.20%	

* Ordinary shares unless otherwise specified in the Note

Notes:

- 175,179,000 shares are held by Asia Linkage International Corp. ("Asia Linkage"), and Asia Linkage was wholly-owned by Mr Hegarty. By virtue of SFO, Mr Hegarty is deemed to have interest in all of the shares.

Pursuant to a share option agreement entered into between Mr Hegarty and the Company on 10 May 2009, the Company agreed to grant to Mr Hegarty 201,681,050 share options upon the fulfilment of certain conditions precedent pursuant to such share option agreement. Upon fulfilment of these conditions precedent, the share options granted to Mr Hegarty became effective on 24 July 2009 and shall be valid for a maximum period of five years thereafter.

STATUTORY DISCLOSURE

- Pursuant to an investment agreement entered into between Mr Albert and the Company on 8 June 2009, Mr Albert agreed to subscribe for 33,213,000 shares at HK\$0.35 each in an aggregate amount of US\$1,500,000. The shares were issued and allotted to Mr Albert on 9 July 2009 upon completion of placing of new shares under specific mandate.

Pursuant to a share option agreement entered into between Mr Albert and the Company on 10 May 2009, the Company agreed to grant to Mr Albert 201,681,050 share options upon the fulfilment of certain conditions precedent pursuant to such share option agreement. Upon fulfilment of these conditions precedent, the share option granted to Mr Albert became effective on 24 July 2009 and shall be valid for a maximum period of five years thereafter.

Save as disclosed above, none of the directors of the Company nor their associates had any interests and short positions in the shares, underlying shares, convertible notes or debentures of the Company or any of its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company pursuant to the Model Code required to be disclosed in accordance with the Listing Rules as at 31 December 2009.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS OTHER THAN DIRECTORS AND CHIEF EXECUTIVES

As at 31 December 2009, so far as known to the directors or chief executives of the Company, the following persons/entity are the substantial shareholders (other than the interests and short positions of the directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or substantial shareholders as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified the Company.

Long positions in shares and underlying shares of the Company

Name of shareholders	Capacity	Number of shares/ underlying shares	Approximate % of the issued share capital	Notes
Blackrock, Inc.	Interest of controlled corporation	1,260,000,000	8.96%	(1)
China Sci-Tech Holdings Limited ("CST")	Interest of controlled corporation	1,392,391,571	9.90%	(2)
Skytop Technology Limited ("Skytop")	Beneficial owner	1,392,391,571	9.90%	(2)

Notes:

- These interests comprised 1,260,000,000 ordinary shares of the Company.

These interests comprised the respective direct interests held by:

	Number of shares
BlackRock (Channel Islands) Limited	720,000,000
BlackRock Investment Management (UK) Limited	188,100,000
BlackRock Fund Managers Limited	350,000,000
BlackRock Investment Management (Korea) Limited	1,900,000

Blackrock, Inc. is deemed to be interested in these interests through its controlling interests of 100% in all of the above companies.

- CST is the ultimate beneficial owner of Skytop. Under Part XV of the SFO, CST is deemed to have interest in the shares of the Company held by Skytop.

Save as disclosed above, the Company has not been notified by any person (other than the directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or substantial shareholders as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified the Company as at 31 December 2009.

SHARE OPTION

1. Share Option Scheme

The following table discloses movements in the Company's share options held by each of the directors and the employees of the Company in aggregate granted under the share option scheme of the Company during the six months ended 31 December 2009:

Name or Category of participants	Date of grant	Exercisable period	Note	Exercise price HK\$	Outstanding as at 1.7.2009	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 31.12.2009	Closing price of the shares immediately before the date of grant HK\$	Option value per share HK\$
(a) Directors												
Chiu Tao	23.11.2009	23.11.2009 - 22.11.2014	(2)	0.5500	-	140,000,000	-	-	-	140,000,000	0.5400	0.2412
Or Ching Fai	23.11.2009	23.11.2009 - 22.11.2014	(2)	0.5500	-	9,000,000	-	-	-	9,000,000	0.5400	0.2412
Ma Xiao	20.10.2009	20.10.2009 - 19.10.2014	(2)	0.4800	-	3,954,057	-	-	-	3,954,057	0.4750	0.2288
	23.11.2009	23.11.2009 - 22.11.2014	(2)	0.5500	-	31,045,943	-	-	-	31,045,943	0.5400	0.2412
Wah Wang Kei, Jackie	08.01.2008	08.01.2008 - 07.01.2010		2.5500	2,000,000	-	-	-	-	2,000,000	2.4900	0.8370
	20.10.2009	20.10.2009 - 19.10.2014	(2)	0.4800	-	3,954,057	-	-	-	3,954,057	0.4750	0.2288
	23.11.2009	23.11.2009 - 22.11.2014	(2)	0.5500	-	31,045,943	-	-	-	31,045,943	0.5400	0.2412
Hui Richard Rui	20.10.2009	20.10.2009 - 19.10.2014	(2)	0.4800	-	3,954,057	-	-	-	3,954,057	0.4750	0.2288
	23.11.2009	23.11.2009 - 22.11.2014	(2)	0.5500	-	31,045,943	-	-	-	31,045,943	0.5400	0.2412
Kwan Kam Hung, Jimmy	23.11.2009	23.11.2009 - 22.11.2014	(2)	0.5500	-	15,000,000	-	-	-	15,000,000	0.5400	0.2412
Lew Mon Hung ("Dr Lew")	08.01.2008	08.01.2008 - 07.01.2010	(1)	2.5500	1,374,000	-	-	(1,374,000)	-	-	2.4900	0.8370
Total for directors					3,374,000	269,000,000	-	(1,374,000)	-	271,000,000		
(b) Employees												
	08.01.2008	08.01.2008 - 07.01.2010		2.5500	7,209,998	-	-	(3,730,000)	-	3,479,998	2.4900	0.8370
	16.04.2008	16.04.2008 - 15.04.2010		2.5500	1,800,000	-	-	(1,800,000)	-	-	1.8800	0.7280
	20.10.2009	20.10.2009 - 19.10.2014	(2)	0.4800	-	25,546,266	-	-	-	25,546,266	0.4750	0.2288
	23.11.2009	23.11.2009 - 22.11.2014	(2)	0.5500	-	19,200,000	-	-	-	19,200,000	0.5400	0.2412
	4.12.2009	04.12.2009 - 03.12.2014	(2)	0.5500	-	28,000,000	-	-	-	28,000,000	0.5200	0.2289
Total for employees					9,009,998	72,746,266	-	(5,530,000)	-	76,226,264		
(c) Others												
	23.11.2009	23.11.2009 - 22.11.2014	(2)	0.5500	-	4,000,000	-	-	-	4,000,000	0.5400	0.2412
Total for others					-	4,000,000	-	-	-	4,000,000		
Total for scheme					12,383,998	345,746,266	-	(6,904,000)	-	351,226,264		

STATUTORY DISCLOSURE

Notes:

- Dr Lew resigned as Director of the Company on 3 August 2009.
- The share options will vest upon the occurrence of:
 - as to one-third, upon the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Gold and Silver Project owned by PT Agincourt Resources in the Regency of South Tapanuli, Northern Sumatra, Indonesia (the "Martabe Project");
 - as to one-third, 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 of three months; and
 - as to the remaining one-third, upon the average closing share price of the Company for a continuous period of 30 days having reached 100% above the exercise price of the share option granted,
 provided always that, in each case, no share options shall be vested at any time prior to the expiry of 12 months from the date of the grant of the share options and no option is exercisable until upon and after vesting.

2. Share Option Agreements

On 10 May 2009 and 8 June 2009, two Directors and five employees of the Company entered into share option agreements with the Company respectively, pursuant to which the Company agreed to grant to each of them an option to subscribe for shares of the Company subject to fulfilment of the conditions under the share option agreement. The options were subsequently granted on 15 July 2009.

Movements of the options granted pursuant to the above share option agreements during the period under review were as follows:

Name or Category of participants	Date of grant	Exercisable period	Note	Exercise price HK\$	Outstanding as at 1.7.2009	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 31.12.2009	Closing price of the shares immediately before the date of grant HK\$	Option value per share HK\$
(a) Directors												
Owen L Hegarty	15.07.2009	24.07.2009 - 23.07.2014	(1)	0.3850	-	201,681,050	-	-	-	201,681,050	0.4150	0.1962
Peter Geoffrey Albert	15.07.2009	24.07.2009 - 23.07.2014	(1)	0.3850	-	201,681,050	-	-	-	201,681,050	0.4150	0.1962
Total for directors					-	403,362,100	-	-	-	403,362,100		
(b) Employees												
	15.07.2009	03.08.2009 - 02.08.2014	(1)	0.4025	-	66,689,197	-	-	-	66,689,197	0.4150	0.1959
Total for employees					-	66,689,197	-	-	-	66,689,197		
Total					-	470,051,297	-	-	-	470,051,297		

Note:

- The share options will vest upon the occurrence of:
 - as to one-third, upon the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Gold and Silver Project owned by PT Agincourt Resources in the Regency of South Tapanuli, Northern Sumatra, Indonesia (the "Martabe Project");
 - as to one-third, 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 of three months; and
 - as to the remaining one-third, upon the average closing share price of the Company for a continuous period of 30 days having reached 100% above the exercise price of the share option granted,
 provided always that, in each case, no share options shall be vested at any time prior to the expiry of 12 months from the date of the grant of the share options and no option is exercisable until upon and after vesting.

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.

By Order of the Board

Chiu Tao

Chairman

Hong Kong, 19 March 2010

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



TO THE BOARD OF DIRECTORS OF G-RESOURCES GROUP LIMITED
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 12 to 24, which comprise the condensed consolidated statement of financial position of G-Resources Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 31 December 2009 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months then ended and certain explanatory notes. The Main Board Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong, 19 March 2010



OUR CORE VALUES

We strive to be a great company in all of our operations and dealings with people. This is reflected in our “GREAT” core values.

Growth in value for all our stakeholders

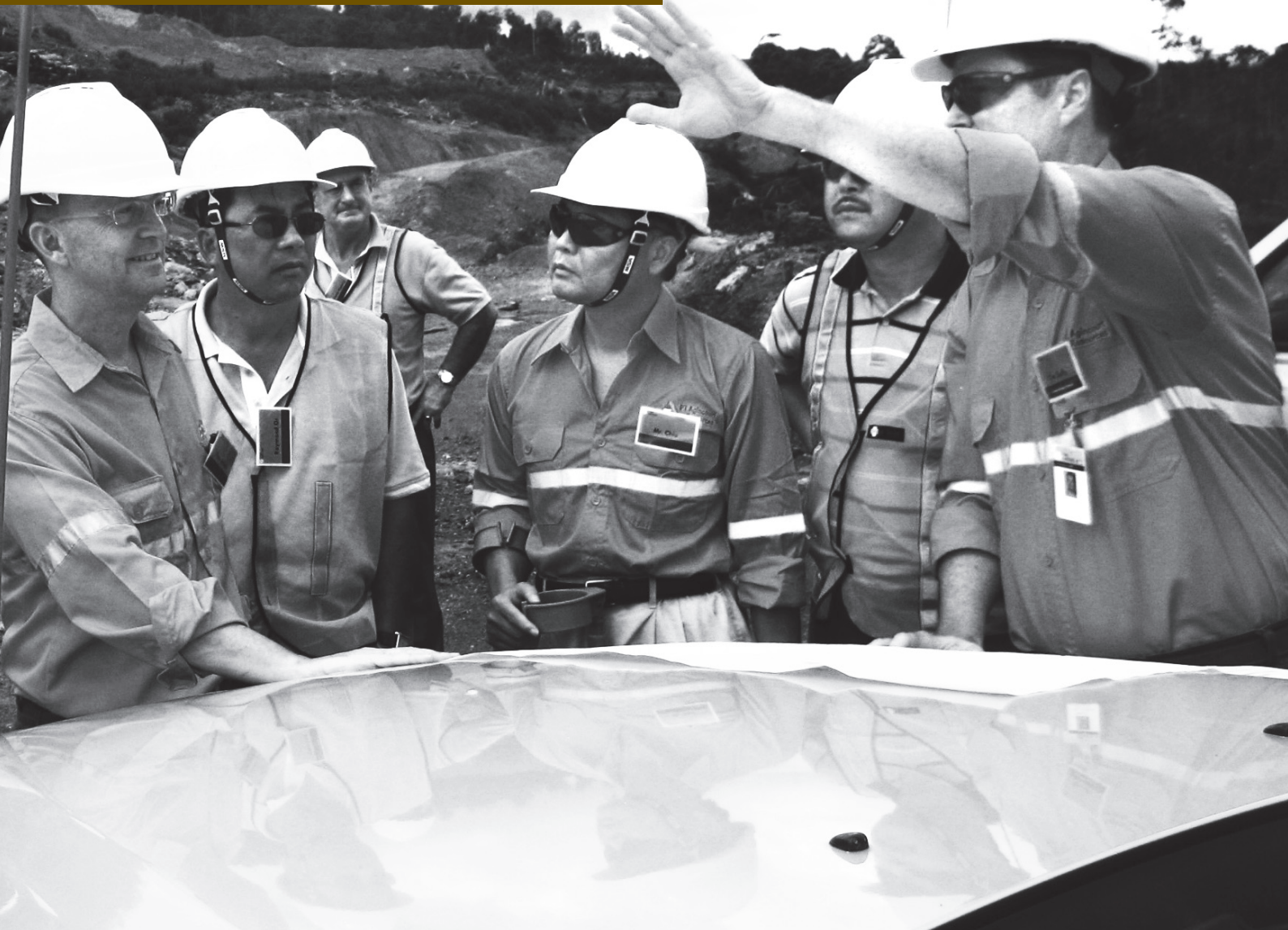
Respect for our people, our communities and for all stakeholders

Excellence in everything we do

Action to be ahead of the competition

Transparency, openness, honesty and good governance

01/ The professional operation team is explaining to the executive team including (from left) Mr. Peter Albert, Mr. Or Ching Fai, Mr. Chiu Tao and Mr. Ma Xiao, the progress of the Martabe Project
專業營運團隊正在向(左起) Peter Albert 先生、柯清輝先生、趙渡先生及馬驍先生等管理層解釋 Martabe 項目的進度



02/ Drilling for Gold at the Martabe Project in North Sumatra 鑽探黃金

03/ (from left) Mr Or Ching Fai, Mr Ma Xiao and Mr Chiu Tao discuss development strategy. (左起)柯清輝先生、馬驍先生及趙渡先生正在制訂發展策略

G-Resources made strong progress towards first production of gold at the Martabe Project, which is targeted for 2011. At the project site, senior management met regularly with the operating team to discuss the preparatory works. Senior managers of the Company also held discussions with members of the local community, who are important stakeholders of the project.

國際資源在Martabe金銀礦項目實現於二零一一年首次出產黃金的目標上取得重大進展。在項目現場，高級管理層與營運團隊定期會晤，討論籌備工作。本公司高級經理亦與當地社群人士進行討論，彼等為該項目重要的利益相關者。



05/ The bulk earthworks at the Martabe Project site 礦地大型土建工程



06/ G-Resources has launched a literacy programme, Napa Reading Garden, for children in the local community.

成立社區關懷項目「Napa閱讀園地」為土著兒童進行啟蒙教育



07/ The operations team reports to Mr Owen Hegarty (1st left) on the progress of the gold ore dressing.

營運團隊正在向(左一) Owen Hegarty 先生匯報黃金礦石選礦之情況