G-RESOURCES
國際資源

Gold – It's At Our Core

Annual Report 2010

Corporate Philosophy

Our Company

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 CST Mining Group Limited (formerly known as China Sci-Tech Holdings Limited).

We intend to expand the Company through organic growth from increases in the Martabe resources and reserves and through discovery on the large Martabe COW area. Also part of our strategic mission 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 Mission

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

Our target as a Company is to be producing 1 Moz per annum gold within 5 years.

Our 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 deliver on our commitments

Transparency, openness, honesty and good governance

"

Milestones

13 May 2009

Acquisition of Martabe Gold and 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

3 June 2009

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

3 July 2009

Acquisition of Martabe Gold and Silver project in Indonesia completed

12.97 billion new shares placed; almost 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 also 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 the main contractor for Martabe Gold and 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 Moz

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 and Silver project

8 March 2010

G-Resources becomes constituent member of Hang Seng Composite Index, Hang Seng Composite Industry Index (Information Technology) and Hang Seng Composite Small Cap Index

31 March 2010

Addition of Barani Reserve increases total gold reserves to 2.7 Moz

12 May 2010

G-Resources added to Morgan Stanley Capital International Hong Kong Small Cap Index

12 July 2010

Continued exploration at Martabe shows 62 out of 84 drill holes returning significant gold intersections

26 July 2010

PT Leighton Contractors Indonesia, a subsidiary of Leighton Holdings, is selected as mining contractor for the Martabe Project

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AT OUR CORE:

MARTABE

A world-class gold and silver project in North Sumatra, Indonesia

6.45 Moz of **gold**, **66.36 Moz** of **silver**

Targeting production of **250,000 ounces of gold and 2 – 3 million ounces of silver per annum**

Excellent location and infrastructure

6.45 Moz
of gold

Chairman's Statement

> I am convinced that we are on the right track with the Martabe Project. I am supported in this by a dedicated management team

The past year has been a very busy, and at times challenging, period in our development as a mining company.

During the 12 months ended 30 June 2010, we completed the acquisition and fund raising for the Martabe Project and started construction of the site facilities. We also carried out further exploration work, updated our Resource and Reserve Statement, and made progress towards achieving first gold production in 2011.

We decided to acquire the Martabe Project in April 2009. At that time, the price of gold was about US$900/ounce and the price of silver was about US$13/ounce; today, gold is over US$1,300/ounce and silver is over US$24/ounce. When the acquisition was completed in July 2009, the gold resources and reserves of the Martabe Project were 5.9 Moz and 2.2 Moz respectively. Extensive exploration in the past year has increased the gold resources and reserves of Martabe for the period ending 30 June 2010 to 6.45 Moz and 2.72 Moz. I believe this reflects well on our management and their commitment to the Martabe Project.

It has always been our goal to build a world class mining company, but we also knew there would be many challenges along the way. When we experienced a one-in-twenty-five-year rainstorm that could have caused a landslip at our plant site, we immediately conducted an extensive geotechnical survey. Based on the results of this survey, we made appropriate changes to the design and location of the plant facilities and the tailing storage facilities. Although these changes have come at a cost, we believe they are necessary for a sustainable long term operation and the fulfillment of our goal.

Since then, we have awarded some of the major contracts, including the selection of Leighton Asia as our mining contractor, continued with the engineering activities and ordered additional equipment. We have also made a number of key management appointments, including a project manager who has many years of experience in the construction and building of mining facilities.

At the Martabe site, we continued to invest aggressively in exploration activities. As of 30 June 2010, we had five rigs in operation and during the year have drilled 167 holes amounting to 28,175 m of drilling in total. What's more, we began a deep drilling programme targeting a possible porphyry copper-gold deposit beneath the current Martabe deposits. I am confident that our exploration activities will add value to our Martabe Project and further increase our resources and reserves.

We also felt it was important to create value for the local community through a comprehensive programme of community relations, a vital aspect of any modern mining operation. Despite the challenges of constructing the site facilities, we successfully carried out a number of community relations initiatives. During the year, we enhanced local employment opportunities and encouraged members of the community to develop businesses that support our mining operations. We also requested that our contractors provide as many local employment opportunities as possible. Other initiatives included a child nutrition programme for the villages neighbouring the Martabe Project and assistance in building a library for local children.

These activities have been well received, and we are very happy to see continued support from the local community and at all levels of the Indonesian government for our Martabe Project. I believe this forms a strong foundation for the sustainable growth of our business in Indonesia.

I am convinced that we are on the right track with the Martabe Project. I am supported in this by a dedicated management team of highly qualified and experienced professionals, who are 100% committed and focused on bringing Martabe to completion. Since the aforementioned incident on site in the first quarter of 2010, our CEO or Deputy CEO has been on site at all times to oversee the construction activities. Indeed, the entire management team is closely monitoring each milestone towards our first production of gold, which is targeted for December 2011.

To show my own commitment to the Martabe Project, I have proposed to the Board of Directors that payment of my salary be suspended from October 2010 until first gold production in Martabe begins.

As we are still developing the Martabe Project, we are yet to see any revenue from mining. However, we do believe in our vision and the bright prospects of our Martabe Project, and I trust our shareholders will also share our vision and the great potential of Martabe when it goes into production.

On behalf of our board and senior management, I would like to thank all of our shareholders and staff, our partners in Indonesia, and our contractors for their understanding and support during the past year. I would like to make particular mention of our teams operating at Martabe, Jakarta and Hong Kong, whose unwavering commitment and dedication during the past year is greatly appreciated by me and the rest of the G-Resources Board of Directors.

I look forward to reporting back to you again this time next year, which promises to be an even more productive and rewarding stage in our history.

Chiu Tao
Chairman
Hong Kong, 15 October 2010

Dialogue with Vice-Chairman

Vice-Chairman Owen Hegarty discusses the past, present and future prospects of G-Resources, as well as his personal perspective on one of the world's most prized precious metals – gold.

Q: Could you give us a brief background on the Martabe Project?

A: The first discovery of gold at Martabe was made in the 1990's by a joint venture between Normandy Australia and Anglo Limited. Later, Newmont Mining Corporation acquired Normandy (including the Martabe Project) and continued with the drilling programme and the detailed technical and social work, through to the pre-feasibility stage.

Q: How did G-Resources become involved with the project?

A: For their own reasons, Newmont decided to sell the project in 2006. I was interested in the project at that time whilst still with Oxiana Limited (an Australian listed copper and gold mining company with assets in Australia and Asia). However, we were conducting another acquisition at that time thus we decided to temporarily forego the opportunity and Martabe was bought by Agincourt Resources of Australia. Twelve months later, we circled back and took over the project by taking over Agincourt.

Oxiana completed the Definitive Feasibility Study, received all the necessary Government permits and put Martabe into construction in March 2008. Oxiana via a merger became OZ Minerals and due to the disastrous global financial crisis at the end of 2008, OZ Minerals had to suspend all development projects, including Martabe which was put up for sale along with many of its other assets. G-Resources got involved at that time-bidding for and winning Martabe.

Once the deal was agreed upon with OZ Minerals, we immediately raised almost US$600 million to purchase Martabe and build the mine. We put the team in place and restarted project development. We then resumed the exploration and increased the resources and reserves base; we were eager to promptly place Martabe back on track.

My personal involvement here at Martabe actually traces back quite a few years. It is a great gold project – one of the world's best!

Q: What are your views on the prospects of Martabe, both operationally and financially?

A: I have always believed Martabe has world class characteristics as a mining project. It has good scale, good gold and silver grades, good metallurgical response, a great location, long life and lots of upside in the stable and secure Province of North Sumatra. These are the key factors for operational and financial success.

The outlook for Martabe is bright. We simply need to get the mine and plant into production as quickly and safely as we can. Once in production, we will be considering ways for expansion, as we already have an excellent resources base and all of our exploration work is pointing towards growth. We will be looking to add to our resources in and around the existing ore bodies, in the nearby domain and on our very large tenement area, which is over 1,600 square kilometres.

Martabe is a gold district, and we have literally only scratched the surface. We are lucky to have this opportunity and must give the area the attention, work, expenditure and technical expertise it deserves. I am really excited about the prospectivity of this area, not only for more gold and silver deposits but also for copper-gold deposits.

Q: What do you think of Indonesia as a country for mining?

A: Indonesia is a truly wonderful country that I have been travelling to and from for over 30 years during all of the ventures for the various companies I was associated with. During my university life, I studied with many Indonesian students and learned about the Indonesian country and culture of that time.

It is a welcoming country with friendly people and a gracious culture. Most importantly, it is mining friendly. Indonesia has been mining gold, copper, other base and precious metals, and coal on a world class scale for many decades; it also has a strong oil and gas sector. Hence, it has the background and understands the importance of the resources sector to the economy and the livelihood of its people.

Indonesia has built a strong core of technical and operational mining professionals, and these people not only work in Indonesia but all round the region. Importantly, the Government Departments are staffed with experienced and dedicated professionals who are very supportive when reviewing and permitting mining projects.

The general economy of Indonesia is strong and is now one of the fastest growing economies in the world with resources and mining being a key element in this growth.

So as I have always said to people all over the world, we cannot have enough of Indonesia, because it is simply a great place to be!

Q: What are your thoughts on the outlook of gold and the gold market?

A: I am very much a *gold bull*. I describe it as the perfect metal, as it is a commodity, a currency, a store of value, and a hedge against geopolitical and financial uncertainty. The demand side of the gold equation is strong and growing, whether for jewellery, or to hoard, or as a sovereign reserve. On the supply side, the annual new supply of gold to the market from the mining industry (the only place gold can come from) has been falling over the past 10 years due to few new discoveries. Grades have also been declining globally.

As a result of strong demand and subdued supply response, we have a commodity under tension that will see its price behave in a volatile way. You will see spikes, ups and downs, but also underlying strength and generally an upward trend.

I personally love gold. You can never ever have enough of it!

AT OUR CORE:

PARTNERSHIP

World's leading gold mining specialists on board

World class project execution team, led by Ausenco

Expert guidance of Leighton Asia, mining contractor

Involvement of Indonesian companies and personnel

Close co-operation with Indonesian government

US$ 210 Millions
in contracts
awarded

Project Overview: Martabe

The Martabe Project, our core starter asset located in the Province of North Sumatra, Indonesia, is the site of one of the world's great reserves of gold and silver. First discovered about 10 years ago, the project is currently known to contain 6.5 Moz of gold and 66 Moz of silver within four of the six known deposits.

Overview

G-Resources acquired the Martabe Project in July 2009 and began constructing the mining facilities later that same year. Since then, the known resource base at the Martabe has continued to grow. Extensive exploration activities during the period up to 30 June 2010 have uncovered additional resources of gold and silver in and around the existing deposits.

Opportunities also exist for further discoveries in the immediate area around the mine site as well as on the larger Contract of Work ("COW") area. The Martabe Project is not only an exceptional project in its own right but also serves as an ideal platform for the future organic growth of the Company – within Indonesia as well as other parts of Asia.

Under the leadership of a highly experienced board and a team of mining professionals, G-Resources expects to begin producing gold at Martabe by the end of 2011 and with a production target of 250,000 ounces of gold per annum and 2-3 million ounces of silver per annum.

Competitive Strengths

Scope. The Martabe Project is strategically located within one of the world's largest gold and copper-gold belts, which contains total resources and past production estimated at over 300 Moz.

Following a major exploration programme in the area around the COW, resulted in two resource upgrades in October 2009 and March 2010 adding a total of 500,000 ounces of gold and 3.1 Moz of silver to the Martabe Ore Reserve.

Based on the current reserves only, the life of the mine is expected to be ten years, with annual production of approximately 250,000 ounces of gold and 2-3 Moz of silver.

Low cost. The cost of production at the Martabe site is very low (around US$280/oz of gold over the life of the mine), in comparison with competitive mining operations. This is due to the size and scale of the project, the mine's low-strip ratio, the ore grade, the simple processes required to extract the gold from the ore, and the high value of the silver by-product. In addtion Indonesia has a long and successful history as a mining experienced country and as such has a large pool of talented, trained and skilled mining professionals.

Excellent location. The location of the Martabe Project offers a number of strategic advantages. It is close to key infrastructure, adjacent to the trans-Sumatra highway and about 350 kilometres from Medan, the regional centre of Sumatra and third largest city in Indonesia. Just 40 kilometres away is the seacoast town of Sibolga, with port facilities.

At Sibolga a 230MW coal fired power station has recently been commissioned and is providing power to the high voltage power grid which runs only 8 km from the project site. An agreement with the country's power provider, PLN, was negotiated in December 2009, guaranteeing power to the project for the mine life.

Two local airstrips serviced by commercial carriers as well as the company's own air charter service, ample water supply, existing good communications infrastructure, plus the power availability and available transport routes, provides Martabe with a unique competitive advantage.

Strong local support. As a company that recognises and fulfils its social obligations, G-Resources enjoys a high level of support from the local community as well as the government at the provincial, regency, district and village levels.

The Company operates according to high international standards of environmental sustainability, especially in regard to water resources.

G-Resources has meaningful programmes in place to safeguard the wellbeing of the local community. These include programmes of community engagement, education, communication and local business development with the goal that area residents will continue to thrive long after the

Martabe Project comes to a close.

Awarded Contracts

During the year under review, G-Resources made significant progress in the awarding of contracts for the construction, operation and support of the Martabe Project. Some of the major contracts awarded included the following:

- On 25 August 2009, the Engineering, Procurement, Construction Management (EPCM) Contract was awarded to Ausenco Services Pty Ltd.
- On 9 November 2009, the Plant Site Bulk Earthworks Contract was awarded to PT Thiess Contractors Indonesia.
- On 22 December 2009, the Transport and Logistics Contract was awarded to Antrak Logistics Pty Ltd.
- On 29 December 2009, a Life of Mine Power Contract was awarded to PT PLN (Persero) ("PLN"), Indonesia's primary power provider.
- On 26 July 2010, the Mining Contract was awarded to PT Leighton Contractors Indonesia, a subsidiary of Leighton Holdings and one of the world's leading mining contractors.
- On 1 September 2010, the camp catering and services contract was awarded to PT Prasmanindo Boga Utama.

Mineral Resource & Reserve Statement (As At 30 June 2010)

The Martabe COW occurs within one of the world's great gold and copper-gold belts. Total gold contained in resources and past production in the Indonesia-PNG-Southern Philippines magmatic arcs is estimated at over 300 Moz. The Sumatra-Java section of the arc is significantly underexplored compared to many of the world's other major gold belts, yet contains over 18 Moz in resources and past production.

G-Resources believes that the Martabe area and the remaining COW hold excellent potential for further discoveries and has initiated major exploration programmes as part of its commitment to the development of a long term sustainable project in the Martabe region.

Geological core in the core storage area of Martabe.

Martabe – Resource and Reserve Development

On acquisition of the Martabe Project in July 2009, G-Resources accelerated resource development programmes significantly by hiring additional staff, mobilising additional drill rigs and undertaking major geophysical programmes. Within three months of acquiring the project, a new Mineral Resource Estimation was completed resulting in an increase in total contained gold of 550,000 ounces and total contained silver by 4.9 Moz.

These new resource estimates were used to re-estimate the Martabe Ore Reserves, which were announced in October 2009 (Pit 1) and March 2010 (Barani). The Pit 1 Ore Reserve saw an increase in grade from 1.9 grams/tonne (g/t) gold to 2.2 g/t gold and an increase in silver grade from 25.9 g/t Ag to 28.8 g/t. Total Ore Reserves in the Pit 1 deposit increased by 275,000 ounces of gold and 2.7 Moz of silver, representing 12% and 9% increases respectively.

In March 2010, G-Resources added further to the Martabe Ore Reserves with addition of the maiden Ore Reserve for the Barani deposit, contributing a further 225,000 ounces of gold and 412,000 ounces of silver. This was the first Ore Reserve estimate for the Barani deposit and represented a milestone in the life of the Martabe Project being the first Ore Reserve outside the Pit 1 deposit and demonstrating that the Martabe operation will develop as a multi-pit mine.

With the updated Pit 1 Ore Reserves and addition of Barani, G-Resources has added a total of 500,000 ounces of gold and 3.1 Moz of silver to the Martabe Ore Reserve since acquisition.

Mineral Resources as at the end of June 2010 are 6.45 Moz of gold and 66.36 Moz of silver contained within 136.76 million tonnes of material at an average grade of 1.5 grams/tonne gold and 15 grams/tonne of silver (Table 1). Ore Reserves from Pit 1 and Barani total 2.72 Moz of gold and 32.82 Moz of silver in 39.5 million tonnes of ore at a grade of 2.1 grams/tonne gold and 25.8 grams/tonne of silver (Table 2).

Table 1: Martabe Mineral Resource Estimates, 0.5 g/t Au Cut-Off Grade

Deposit 0.5 g/t Au Cut-Off Grade	Category	Tonnes (Mt)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Contained Metal Gold (Moz)	Contained Metal Silver (Moz)
Pit 1[1,2,3]	Measured	4.36	3.1	53	0.43	7.46
	Indicated	36.44	2.0	24	2.36	28.46
	Inferred	41.24	1.3	17	1.74	22.54
	Total	**82.04**	**1.7**	**22**	**4.53**	**58.46**
Ramba Joring[4,3]	Inferred	36.56	1.0	4	1.20	5.20
	Total	**36.56**	**1.0**	**4**	**1.20**	**5.20**
Barani[5,3]	Indicated	10.3	1.3	3.5	0.42	1.14
	Inferred	6.60	1.1	2.4	0.24	0.63
	Total	**16.90**	**1.2**	**3.2**	**0.66**	**1.77**
Uluala Hulu[5,3]	Indicated	0.77	2.3	31	0.06	0.77
	Inferred	0.49	1.5	12	0.02	0.18
	Total	**1.26**	**2.0**	**24**	**0.08**	**0.95**
Total Resources		**136.76**	**1.5**	**15**	**6.45**	**66.36**

Significant figures do not imply precision. Figures are rounded according to JORC Code guidelines.

The information in this report is based on and accurately reflects reports prepared by the Competent Persons for each Resource Estimation as listed below. All Competent Persons have given consent to the inclusion of the material in the form and context in which it appears in this report.

1. Michael Stewart (Member of AusIMM (209311), employee of Quantitative Group Pty Ltd) was responsible for those aspects of Pit 1 resources related to statistical and geostatistical analysis and estimation.
2. Bosta Pratama (Member of AusIMM (211701), employee of Quantitative Group Pty Ltd) was responsible for those aspects of Pit 1 resources related to statistical and geostatistical analysis and estimation.
3. Graham Petersen (Member of AusIMM (109633), employee of G-Resources) was responsible for all remaining aspects of Pit 1, Barani, Uluala Hulu and Ramba Joring resource estimates (including data, geological interpretation and modelling, classification).
4. Ingvar Kirchner (Member of AusIMM (108770), employee of Coffey Mining Ltd.) for those aspects of resources related to statistical and geostatistical analysis and estimation.
5. David Slater (Member of AusIMM (201414), employee of Coffey Mining Ltd.) for those aspects of resources related to statistical and geostatistical analysis, estimation and classification.

Table 2: Martabe Ore Reserve Estimates

Deposit	Category	Tonnes (Mt)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Contained Metal Gold (Moz)	Contained Metal Silver (Moz)
Pit 1	Proved Reserves	4.4	3.0	53.5	428	7,548
	Probable Reserves	30.6	2.1	25.3	2,066	24,860
Barani	Probable Reserves	4.5	1.6	2.8	225	412
Total Ore Reserves		**39.5**	**2.1**	**25.8**	**2,719**	**32,820**

Significant figures do not imply precision. Figures are rounded according to JORC Code guidelines.

Ore Reserves are estimated using a gold price of US$820/oz and silver price of US$12.50/oz.

Competent Persons: The information in this report is based on and accurately reflects reports prepared by Mr Quinton de Klerk. Mr de Klerk is a Director and Principal Consultant of Cube Consulting Pty Ltd and qualifies as a "Competent Person" under the JORC Code for Reporting of Mineral Resources and Ore Reserves (JORC, 2004 Edition). Mr de Klerk has given his consent to the inclusion of the material in the form and context in which it appears.

Resource development drilling has continued throughout the year and has been accelerated with five drill rigs operating on site at the end of June 2010. The Martabe resource development department's strategy is to add value through increasing the resource inventory and by increasing the resource to reserve conversion rate.

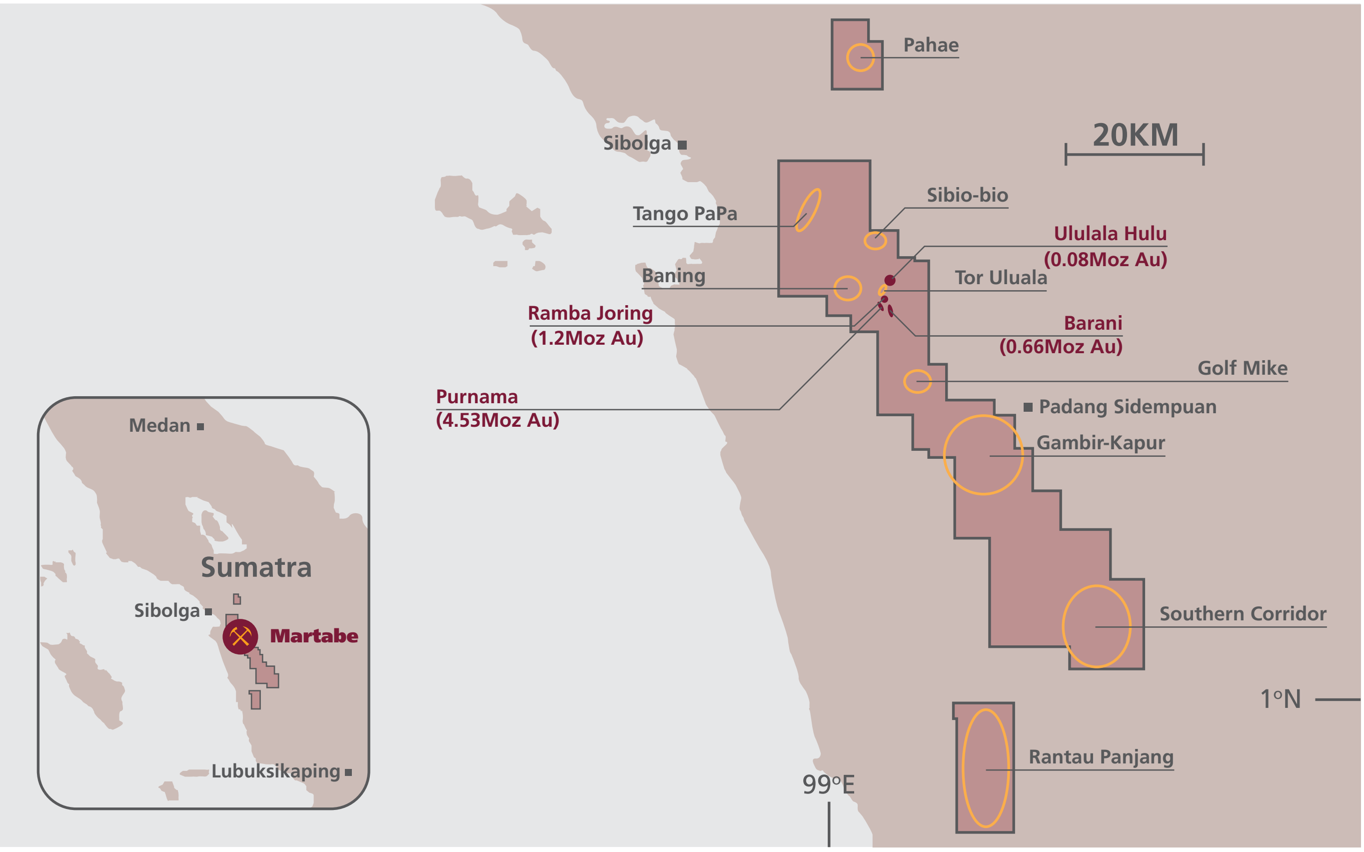
Increasing the resource inventory is being pursued by testing extensions to known deposits and testing the higher grade portions of known deposits. Increasing the resource to reserve conversion rate is being pursued by bringing the maximum proportion of each resource into Indicated or Measured categories through infill drilling within current resource boundaries.

During the year, 167 drill holes for a total of 28,175 metres of resource definition and exploration drilling was completed at Martabe with activities focused on the Ramba Joring, Pit 1 and Barani deposits.

At Ramba Joring, the existing resource estimate was completed in 2007 and is entirely within the JORC Inferred resource category. This resource was estimated using drill holes with an approximate spacing of 50 m x 50 m. Over 15,000 metres of diamond drilling was completed at Ramba Joring during the year with the aim of closing the typical drill spacing down to 25 x 25 metres to allow classification into Indicated and Measured categories. The programme was highly successful and was able to provide improved confidence within the 2007 resource boundaries and also returned some outstanding results from outside the 2007 resource. These included APSD878 67.2 m @ 3.37 g/t Au, APSD874 11.4 m @ 3.15 g/t Au, and APSD822 19.5 m @ 5.4 g/t Au.

Detailed geological modelling commenced in June 2010, and an updated Mineral Resource estimate for Ramba Joring is in preparation.

> "Increasing the resource inventory is being pursued by testing extensions to known deposits"



The 1,639 km² tenement, highlighting the Martabe Project area.

Martabe Overview:

The Martabe Project is a world class gold and silver project located in North Sumatra Province, Indonesia

- Discovered some 10 years ago
- 7.4 million ounces of gold equivalent resources
- 5 known deposits within a 5 x 6 km area
- 3.3 million ounces of gold equivalent reserves at Pit 1 and Barani
- Part of a large-scale mineralised district with potential for further gold and gold-copper deposits
- Fully permitted under a sixth generation Contract of Work
- Construction underway with completion for 2011
- Excellent location and infrastructure
- Low cost of production

In the vicinity of Pit 1, drilling was focused in the area of Pit 1 East where surface mapping, geophysics and existing drilling indicated possible extensions to the deposit. Drilling was also undertaken in the northern part of the Pit 1 deposit, within and adjacent to the 2009 resource in order to better define high-grade zones in that vicinity. Some of this Pit 1 drilling was incorporated into the October 2009 resource update; however, drilling continued after that date and an updated resource estimate will be completed once all data is to hand.

Some drilling was conducted at the Barani deposit, principally in the southern section of the deposit where two discrete vein structures exist. Previous drilling had not adequately defined the structures, such that in this area the majority of the resource was in the Inferred category. Drilling was able to define the structure much more clearly and returned some excellent results, including APSD896 21.6 metres @ 2.37 g/t and 26.9 metres @ 1.13 g/t, APSD895 27 metres @ 1.42 g/t, APSD907 48.8 metres @ 2.22 g/t and 27.0 metres @ 1.85 g/t and APSD884 30.9 metres @ 4.27 g/t and APSD873 22.4 metres @ 3.47 g/t Au. Additional work during the later part of 2010 will focus on extensions of the Barani system up to 1 kilometre to the south.

The Martabe COW consists of 1,639 square kilometres within the highly prospective Sumatran gold belt, which outside the immediate Martabe area has been relatively underexplored.

During the year, G-Resources has increased the focus on geological understanding of the deposits and the area immediately surrounding the Martabe deposits. This has included a major Short Wave Infrared Reflectance (SWIR) programme designed to define the deposits' alteration zoning patterns, a 3D re-interpretation of the geology of the near mine area, an updated alteration map of the near mine area, 3D magnetic inversion modelling and acquisition of detailed high resolution aeromagnetic data. All of these studies are aimed at providing an increased geological understanding of the deposits and their setting that will improve drill targeting, resource estimation and ultimately mining practices.

Martabe – District Exploration

Within the immediate vicinity of the existing Martabe deposits, a range of high quality exploration targets exist. These targets range from extensions of known Mineral Resources to areas of previously identified mineralisation through to more grass roots testing of geophysical and geological targets. Due to the heavy focus during 2009 and early 2010 on resource drilling programmes, testing of nearby exploration targets only commenced late in the year. These programmes will be emphasised during the later part of 2010 and into 2011.

One major near mine exploration initiative was launched during the year with a dedicated programme devised to search for large scale porphyry copper-gold deposits at depth beneath the Martabe district. High sulphidation epithermal deposits (HSE), such as those in the Martabe district, are well established through many years of worldwide research associated with deposits of the porphyry style (such as Newmont's Batu Hijau deposit on Sumbawa Island, Indonesia). In some cases, large-scale HSE gold deposits and porphyry copper-gold deposits are formed in close proximity, as part of an extensive, single, zoned mineral system. Well known examples include Lepanto-Far South East, Philippines and Wafi-Golpu, Papua New Guinea. These targets have never been tested in the Martabe district with no deep drilling ever conducted beneath the gold deposits. An integrated targeting study was conducted and five deep drill holes (500 to 800 metres) are planned to test the length of the district from Pit 1 to Uluala Hulu.

Martabe – COW Exploration

The Martabe COW consists of 1,639 square kilometres within the highly prospective Sumatran gold belt, which outside of the immediate Martabe area has been relatively underexplored. Areas of anomalous rock and stream sediment samples occur and outcropping zones of alteration and gold mineralisation are known from numerous areas within the contract.

On acquisition of the Martabe Project, a major review of the Martabe COW was undertaken in order to prioritise exploration activities. This review highlighted the potential of the Gambir-Kapur district approximately 35 kilometres southeast of Martabe as having the highest potential to yield an economic deposit. This area contains multiple prospects, including vein-hosted gold systems and potential porphyry systems. The district is the only area on the COW, outside the immediate Martabe area, where drilling has been conducted by previous owners. Outstanding intersections* have been recorded from this early work include 60 m @1.2 g/t Au, 64.5 m @ 2.6 g/t Au and 100.8 m @ 1.1 g/t Au from the Kapur prospect. Follow up drilling in this area is planned for 2010.

G-Resources' work is ongoing at Gambir-Kapur and has consisted of extensive field mapping, large ground geophysics (Induced Polarisation) surveys and detailed aeromagnetics. This work will lead to drilling at these prospects in the second half of 2010.

Review work in the later part of 2009 also highlighted previous samples of float material from a creek to the northwest of Martabe with definitive porphyry-style alteration and quartz-magnetic veining. Extensive field follow up of this sample successfully located additional samples of similar material in creek float as well as potentially related copper-lead-zinc-gold bearing vein material in float and minor outcrop in an area now referred to as the Sibio-bio prospect.

Other high quality undrilled targets exist such as Tango Papa, Golf Mike and Southern Corridor. These will be pursued with field mapping campaigns and geophysics as appropriate and followed up with drilling.

* Calculated using a 0.2 g/t Au cut-off and maximum of 2 metres of internal dilution

AT OUR CORE:

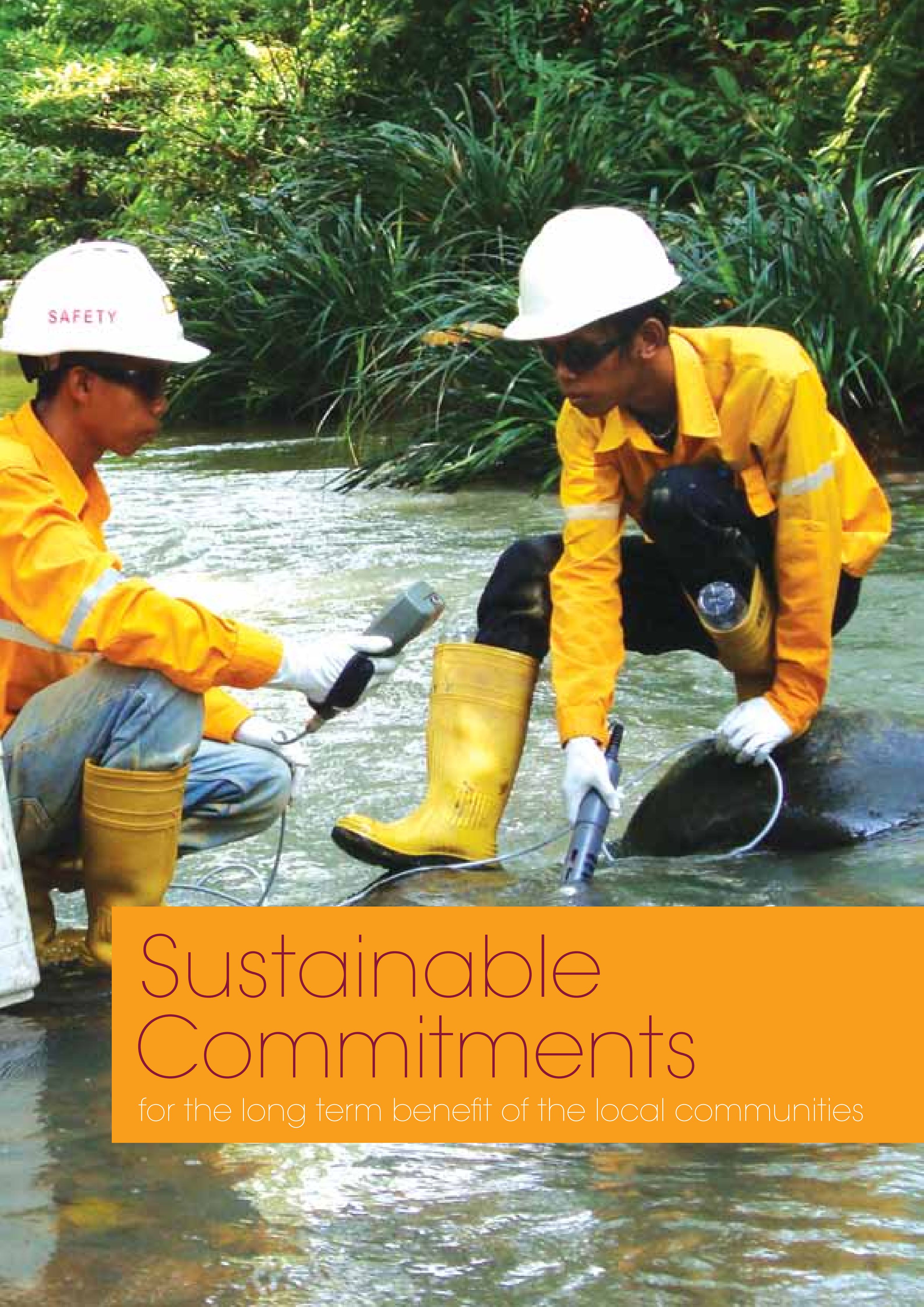
SUSTAINABILITY

Best practices in safety, health, the environment and community relations

A commitment to working with the **local community**

Social programmes that benefit all stakeholders

Creating **sustainable growth** for the future



Sustainable Commitments

for the long term benefit of the local communities

Corporate Sustainability Report

As a modern mining company, we follow best practices and standards in the areas of safety, health, the environment and community relations.

Working in and with the local community at Martabe.

Our Approach to Sustainability

As a modern mining company, we follow best practices and standards in the areas of safety, health, the environment and community relations. We are also committed to working with both the local community and all levels of the Indonesian government in a spirit of partnership and cooperation.

During the year, we undertook a number of initiatives that are benefiting members of the community by providing them with employment opportunities, clean water, educational resources and a safe, clean environment.

Environmental Stewardship

Disturbance of the natural terrain is unavoidable in any mining operation; however, it can be mitigated through a programme of active rehabilitation. At Martabe, this involves reshaping the ground surface so that it is stable and resistant to erosion, followed by a revegetation programme of sowing a ground cover crop to bind the topsoil and planting selected and native tree species.

We also monitor the impact of our operations and the success of the mine-site revegetation programme by collecting satellite imagery of the Martabe Project area from the QuickBird™ Satellite.

To maintain air quality in the project area, on a biannual basis we collect samples from numerous areas on site, which are analysed for Total Suspended Particulates (TSP) content. When the mine begins operation, we will also monitor for SOx (the family of Sulphur oxides e.g. SO, SO2, SO3, etc).

Air quality sampling is a specialised activity and air pollution a sensitive topic. To answer concerns about the impartiality of our results, we have engaged the University of North Sumatera (USU) to carry out the air quality monitoring programme.

With the clearance and development of the mining site in Martabe comes the responsibility of managing the environmental and social effects of this activity. For example, vegetation clearance can lead to dust or sediment from the development site, while noise from heavy equipment may cause disturbance to nearby communities.

In order to manage and mitigate these possible impacts, the Martabe Project team has developed a Land Access and Disturbance Request (LADR) form requiring senior management approval prior to any new project activity commencing. Completed LADR forms help to identify the possible social and environmental impacts of the planned development activity as well as appropriate strategies for eliminating and/or mitigating those impacts. Submission and review of the LADR ensures that project managers, as well as operations staff, are always aware of overall project activities.

As the Martabe Project is located in an ecologically sensitive area of biodiversity, the Company has introduced conservation measures aimed at reducing its impact on the local flora and fauna. For example, restrictions on hunting, feeding of wildlife and lighting of fires is strictly prohibited in the project area. The Martabe Project team also takes part in regular biodiversity monitoring surveys in cooperation with national consultants from leading Indonesian educational institutions.

Economic Development

The operations team has been working closely with residents in the Martabe area and providing them with employment opportunities that will instil new job skills and knowledge, while contributing to the long-term development of the local economy.

One of the initiatives we launched during the year was the Martabe Community Consultative Committee (MC3), a key stakeholder group representing 11 Directly Affected Villages (DAVs) around the Martabe Project. In order to provide employment opportunities to villagers in the area, we assisted the MC3 in producing a comprehensive database of all residents of the DAVs who are seeking employment opportunities and training. This database will be used as the only resource for the Martabe Project and its contractors for local employment.

We have also requested that our contractors give priority in their hiring practices to area residents and actively encourage members of the community to start businesses that support our mining operations.

Nursery for environmental rehabilitation at Martabe.

Child Health Programme with local community.

As part of our on-going education programme, we continued to support the "Napa Reading Garden", which we established in February 2009 as a small library designed to improve the reading ability of young children.

Social Commitment

As part of our on-going education programme, we continued to support the "Napa Reading Garden", which we established in February 2009 as a small library designed to improve the reading ability of young children.

The library is located in Napa Village, the oldest village within Batang Toru district and one of 11 DAVs in the area. The Company donated the building materials for the library's construction and provides new books for the children. The success of this initiative has led to the construction of another Reading Garden in the village of Wek III under the same model of cooperation.

Working with a local community health centre, we established two healthcare programmes for improving children's nutrition. One of these is a monthly visit managed by midwives and women, designed to prevent malnutrition among children under the age of five. In support of this programme, we encouraged our female staff to volunteer at the centre and supplied supplementary food, such as milk formula and health biscuits. We also provided a health counselling service led by one of the doctors at the Company's clinic.

Access to clean water is a vital concern in many developing countries, and we have been working with the local community to ensure they have an additional water resource beyond the local river system. At the outset, we took into account the community's ideas and identified the best source of clean water before implementing the project.

> "G-Resources has been working closely with residents in the Martabe area and providing them with employment opportunities"

Sustainability Overview:

G-Resources is committed to ensuring the health and safety of its employees, a clean environment and good community relations:

- Active rehabilitation of the Martabe mine site, including extensive revegetation
- Programme of monitoring and maintaining air quality
- Local employment opportunities and training
- Support for development of local businesses
- Literacy and healthcare programmes for local community
- Provision of new sources of clean water
- Strict conservation measures in place to protect biodiversity

AT OUR CORE:

MANAGEMENT

A top-flight management team experienced in mining, finance and other professions

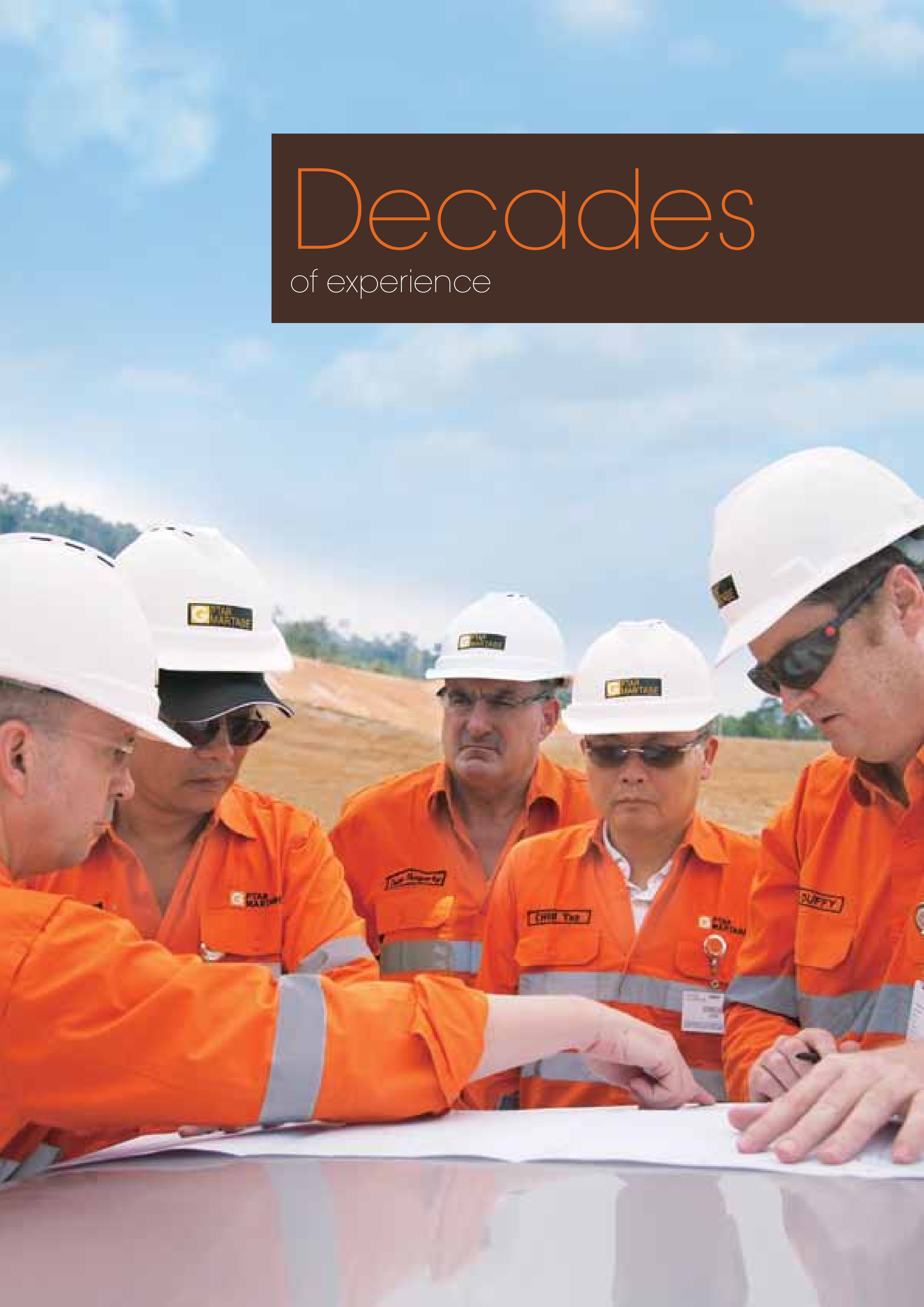
Deep knowledge of regional gold and base metals industry

A project team of vast experience in building mining projects in Asia

A strong commitment to the success of the Martabe Project

Decades

of experience



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 CST Mining Group Limited (formerly known as China Sci-Tech Holdings Limited), whose shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") ("CST").

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 some 40 years' experience in the global mining industry. Mr Hegarty had 25 years with the Rio Tinto group where he was Managing Director of Rio Tinto Asia and Managing Director of the Group's Australian copper and gold business. He was the founder and chief executive officer of Oxiana Limited, which grew from a small exploration company to a multi-billion dollar Australia, Asia and Pacific focused base and precious metals producer, developer and explorer. Oxiana Limited later became OZ Minerals Limited.

For his achievements and leadership in the mining industry Mr Hegarty was awarded the AusIMM Institute Medal in 2006 and the G.J. Stokes Memorial Award in 2008.

Mr Hegarty is currently an executive director and the vice-chairman of CST; a non-executive director of Australian Fortescue Metals Group Limited (whose shares are listed on the Australian Stock Exchange); a director of the Australasian Institute of Mining and Metallurgy ("AusIMM"); and a member of the South Australian Minerals and Petroleum Expert Group, advising the Premier on mining in that State; and a director of the Western Australia based Mining Hall of Fame Foundation – a mining education foundation. Mr Hegarty was a non-executive director of Range River Gold Limited (whose shares are listed on the Australian Stock Exchange).

Mr Hegarty is also Chairman of Tigers Realm Minerals Ltd, a private Melbourne based mining company looking to grow a diversified mining group.

Peter Geoffrey Albert, aged 52

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).

(From left) Mr Peter Geoffrey Albert, Mr Owen L Hegarty, Mr Chiu Tao and Mr Or Ching Fai.

Ma Xiao, aged 45

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.

Mr Ma's monthly remuneration was revised to HK$135,000 plus an on-site allowance of HK$45,000 with effect from 1 March 2010. Mr Ma's remuneration was determined with regard to his duties and responsibilities and with reference to prevailing market condition.

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") and an executive director of CST.

Hui Richard Rui, aged 42

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's degree in Mechanical Engineering. He has more than 10 years' experience in management positions with companies in Australia, Hong Kong and PRC. Mr Hui is currently an executive director of CST 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 also an executive director of China Ocean Shipbuilding Industry Group Limited, whose shares are listed on the main board of the Stock Exchange ("China Ocean"), 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 was 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 CST and an executive director of Fulbond.

Non-Executive Directors

Tsui Ching Hung, aged 57

was appointed as an executive director of the Company on 5 March 2009 and 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 CST 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 China Ocean 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; the shares of both companies are 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.

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 44

was appointed as the General Manager of Operations of the Company on 8 June 2009. Mr Duffy is a Certified Practicing Accountant and holds a bachelor's degree in Commerce. He has over 18 years of experience in the mining industry and has operational experience in 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 General Manager Finance - Asia of OZ Minerals Limited, mainly responsible for providing commercial guidance and strategic direction for Asian operations and business.

Stuart Gregory Smith, aged 45

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).

Linda H D Siahaan, aged 49

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.

Graeme Walsh, aged 55

was appointed as General Manager Projects on 8 August 2010. Mr Walsh is a Member of the Australian Institute of Engineering Associates. He has more than 30 years experience in project and construction management in Australia, the Middle East, Central and South East Asia. Mr Walsh has worked for a number of the major international construction and project management companies including Barclay Mowlen, Kinhill, Leighton, Transfield and Ausenco. He has also worked on international projects for the British Foreign Office, the United Nations and US Aid. He was most recently the Project Manager for Centerra Gold on the Gatsuurt Project in Mongolia.

Management Discussion and Analysis

Key Financial Information

	2010 HK$'M	2009 HK$'M	*For indicative purpose only* *2010 USD$'M*	*2009 USD$'M*
Financial Position				
Current Asset				
Bank balances and cash	2,176	237	*279*	*30*
Others	181	34	*23*	*4*
Non-current Assets	2,471	231	*317*	*30*
Total Assets	4,828	502	*619*	*64*
Total Debts	–	–	–	–
Other liabilities	(141)	(5)	*(18)*	–
Net Assets	4,687	497	*601*	*64*
Income Statement				
Turnover	6	29	*1*	*4*
Gross profit	1	1	–	–
EBITDA	(351)	(153)	*(45)*	*(20)*
Loss before taxation	(352)	(153)	*(45)*	*(20)*
Taxation	–	–	–	–
Loss for the year	(352)	(153)	*(45)*	*(20)*

Business Review

On 3 July 2009, the Group raised HK$4,550 million through the placement of 13 billion fully paid ordinary shares of the Company to fund the purchase and construction of the Martabe Project in Indonesia. The Group acquired the Martabe Project through the purchase of all the issued share capital of Maxter Investments Limited. The purchase was satisfied by a cash payment of HK$1,681 million and the issue of 221,428,571 ordinary shares of the Company, at a fair value of HK$0.395 each (approximately HK$87 million).

Expenditure on exploration, development and mining activities

During the year, the Martabe Project of the Company was under development and construction. The Company invested a total of HK$584 million on the exploration and development activities and which is summarised in the following key categories:

	Mine Property & Development* HK$'M	Regional Exploration & Evaluation HK$'M	Construction in Progress HK$'M
Land holding fee	2	–	–
Assets and equipment	4	–	324
Earthworks & access	–	–	89
Drilling & assays expense	30	–	5
Consultancy and advisory	–	1	20
Staff cost	39	2	3
Transportation cost	4	–	25
Others	27	1	8
Sub-total	**106**	**4**	**474**
Total			**584**

** includes 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 year ended 30 June 2010, the Group's turnover amounted to approximately HK$5.8 million, comparing to approximately HK$29.1 million reported for the financial year of 2009. The decrease in turnover was in line with our decision to cease the business of trading of electronics goods and accessories following the acquisition of the Martabe Project.

The Group's financial information services (WINFCS) recorded a turnover of approximately HK$4.3 million (2009: approximately HK$4.1 million), which accounted for 74% of the total turnover of the Group for the year under review. The Group's business in trading of electronics goods and accessories contributed a turnover of approximately HK$1.5 million, which accounted for approximately 26% of the total turnover of the Group for the year ended 30 June 2010.

Loss attributable to owners of the Company from the continuing operations for the current year was approximately HK$352.0 million, compared to loss of approximately HK$153.3 million in the corresponding year of 2009, representing an increase of 130%. The increase in loss was mainly due to (i) the recognition of share-based payment expense of approximately HK$79.9 million (2009: nil) in respect of share options granted to senior staff and management of the Group's newly acquired gold mining business; (ii) adverse fair value change of held for trading investments which amounted to HK$172.6 million (of which a fair value change of HK$148.5 million had already been recorded as at 31 December 2009) as a result of the combined effect of the increased investment portfolio during the year and the continue unfavourable market fluctuation on our enlarged investment portfolio after 31 December 2009; and (iii) additional operating expenses incurred for business expansion during the year including professional and consultancy fees for business development purposes and staff cost for senior staff and management of the Group's newly acquired gold mining business.

Net Asset Value

As at 30 June 2010, the Group's total net asset amounted to approximately HK$4,687 million, represented an increase of HK$4,190 million as compared to approximately HK$497 million as at 30 June 2009. The significant increment in net assets was mainly due to the fund raising of HK$4,550 million in July 2009 through placement of share 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 shares issued as at 30 June 2010, net asset value per share was HK$0.33 (2009: HK$0.59).

Liquidity and Financial Resources

The Group recorded a net cash inflow of approximately HK$1,940 million during the year ended 30 June 2010. At 30 June 2010, cash and bank balances of the Group amounted to approximately HK$2,176 million (2009: approximately HK$237 million). Bank deposit of approximately HK$714,000 was pledged to a bank to secure cutting tree permit granted to a subsidiary of the Group as at 30 June 2010 (2009: nil).

As at 30 June 2010, a fixed charge on the entire share interest of Agincourt Resources (Singapore) Pte Limited and a floating charge over all the assets of G-Resources Martabe Pty Limited, both being wholly-owned subsidiary of the Company, were granted to an independent third party to secure its contractual obligations to pay royalty to this independent third party.

The Group's gearing ratio, expressed as the percentage of the Group's total borrowings over shareholders' equity, was nil at 30 June 2010 (2009: nil) as the Group did not have any borrowings as at 30 June 2010 and 2009.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

Save as disclosed under the section headed "Business Review" above, there was no material acquisitions or disposals of subsidiaries and associated companies during the year.

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. The Group currently does not have hedging policy against AUD and IDR. However, management monitors the Group's foreign currency exposure and will consider hedging significant foreign exchange rate exposure should the need arise.

Business Outlook

In the upcoming year, G-Resources will continue to develop the Martabe Project in accordance with its **GREAT** Core Values: **G**rowth in value for all of our stakeholders; **R**espect for our people, our communities and all stakeholders; **E**xcellence in everything we do; **A**ction to deliver on our commitments; and **T**ransparency, openness, honesty and good governance.

This will be achieved by working with key stakeholders, especially the local community; achieving excellence in all areas, particularly those involving the safety of employees, the environment and the community; pursuing quality in all of its activities; and ensuring that stakeholders are kept fully informed about the progress of the Martabe Project.

The Company has every confidence that it will remain on target for starting first gold production before the end of 2011. In the year ahead, G-Resources will complete the construction of the site facilities, award the remaining contracts and hire additional staff in preparation for the opening of the mine.

Regarding exploration and development, the Company will continue exploration activities aiming to add to its resources and reserves in and around the existing ore bodies and on Martabe's highly prospective 1,639 sq km tenement area. G-Resources will also investigate the investment potential of countries outside Indonesia. Although the immediate focus will be on the Asia-Pacific mineral belts, this will not preclude looking further afield on other continents.

Finally, and of equal importance, G-Resources will fulfil its social obligations by continuing to provide programmes that meet the needs of the local community.

Human Resources

As at 30 June 2010, the Group had 22 employees in Hong Kong, 218 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.

Directors' Report

The Board is pleased to present their report and the audited financial statements for the year ended 30 June 2010.

Principal Activities

The principal activity of the Company is gold and related metals mining business. The principal activities of the Company's subsidiaries as at 30 June 2010 are set out in note 36 to the financial statements.

Results and Dividend

The results of the Group for the year ended 30 June 2010 are set out in the consolidated income statement on page 50 of the annual report.

The Board does not recommend the payment of a dividend during the year.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 100 of the annual report.

Reserves

Details of the movements during the year in the reserves of the Group are set out in the consolidated statement of changes in equity on page 53 to the annual report.

Share Capital and Share Options

Details of movements in the Company's share capital, share options and convertible notes during the year are set out in notes 22, 24 and 23 to the financial statements, respectively.

Contributed Surplus

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is available for distribution to shareholders. However, the Company shall not declare or pay a dividend or make a distribution out of contributed surplus if there are reasonable grounds for believing that:

(a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 12 to the financial statements.

The Martabe Team.

Mining Contract Signing Ceremony with PT Leighton Contractors Indonesia on 26 July 2010.

Directors

The directors of the Company (the "Directors") during the year and up to the date of this report are:

Executive Directors	
Chiu Tao (Chairman)	(appointed on 22 July 2009)
Owen L Hegarty (Vice-Chairman)	
Peter Geoffrey Albert (Chief Executive Officer)	(appointed on 22 July 2009)
Ma Xiao (Deputy Chief Executive Officer)	(appointed on 22 July 2009)
Wah Wang Kei, Jackie	
Hui Richard Rui	
Kwan Kam Hung, Jimmy	
Lew Mon Hung	(resigned on 3 August 2009)

Non-Executive Directors	
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	
Or Ching Fai (Vice-Chairman)	(appointed on 22 July 2009)
Ma Yin Fan	
Leung Hoi Ying	
Yu Pan	(resigned on 22 July 2009)

In accordance with clause 99 of the Company's Bye-laws, at each annual general meeting one third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest but not less than one-third, shall retire from office by rotation. Accordingly, Mr Kwan Kam Hung, Jimmy, Mr Tsui Ching Hung, Ms Ma Yin Fan and Mr Leung Hoi Ying will retire by rotation at the forthcoming annual general meeting. Each of Mr Kwan Kam Hung, Jimmy, Mr Tsui Ching Hung, Ms Ma Yin Fan and Mr Leung Hoi Ying, being eligible, have offered themselves for re-election.

The term of office of each Non-Executive Director is the period from the date of appointment up to his retirement by rotation as required by the Company's Bye-laws.

No Director being proposed for re-election at the forthcoming annual general meeting has any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

Purchase, Sale or Redemption of the Company's Listed Securities

The Company has not redeemed any of its securities during the year ended 30 June 2010. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the year.

Directors and Executive Officers' Interests in Securities

At 30 June 2010, the interests and short positions of the Directors and Executive Officers 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 Executives 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, underlying shares of the Company

	Number of *shares / underlying shares					
Name of Director/ Executive Officers	**Personal interests**	**Corporate interests**	**Share options**	**Total**	**Approximate % of the issued share capital of the Company**	***Notes***
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	–	35,000,000	36,272,000	0.26%	
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:

1. 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.

2. 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 and Executive Officers of the Company or 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 by the Company pursuant to the Model Code required to be disclosed in accordance with the Listing Rules as at 30 June 2010.

Share Option

Particulars of the share option scheme of the Company are set out in note 24 to the financial statements.

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 year ended 30 June 2010:

Name or Category of participants	Date of grant	Exercisable period	*Notes*	Exercise price HK$	Outstanding as at 01.07.2009
(a) Directors					
Chiu Tao	23.11.2009	23.11.2009-22.11.2014	2	0.5500	–
Or Ching Fai	23.11.2009	23.11.2009-22.11.2014	2	0.5500	–
Ma Xiao	20.10.2009	20.10.2009-19.10.2014	2	0.4800	–
	23.11.2009	23.11.2009-22.11.2014	2	0.5500	–
Wah Wang Kei, Jackie	08.01.2008	08.01.2008-07.01.2010		2.5500	2,000,000
	20.10.2009	20.10.2009-19.10.2014	2	0.4800	–
	23.11.2009	23.11.2009-22.11.2014	2	0.5500	–
Hui Richard Rui	20.10.2009	20.10.2009-19.10.2014	2	0.4800	–
	23.11.2009	23.11.2009-22.11.2014	2	0.5500	–
Kwan Kam Hung, Jimmy	23.11.2009	23.11.2009-22.11.2014	2	0.5500	–
Lew Mon Hung	08.01.2008	08.01.2008-07.01.2010	1	2.5500	1,374,000
Total for Directors					**3,374,000**
(b) Employees	08.01.2008	08.01.2008-07.01.2010		2.5500	7,209,998
	16.04.2008	16.04.2008-15.04.2010		2.5500	1,800,000
	20.10.2009	20.10.2009-19.10.2014	2	0.4800	–
	23.11.2009	23.11.2009-22.11.2014	2	0.5500	–
	04.12.2009	04.12.2009-03.12.2014	2	0.5500	–
	13.05.2010	13.05.2010-12.05.2015	2	0.5500	–
Total for Employees					**9,009,998**
(c) Others	23.11.2009	23.11.2009-22.11.2014	2	0.5500	–
Total for Others					–
Total for Scheme					**12,383,998**

Notes:

1. Dr Lew Mon Hung resigned as Director of the Company on 3 August 2009.

2. The share options will vest upon the occurrence of:
   i) 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");
   ii) 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
   iii) 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.

Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding as at 30.06.2010	Market value per share at date of grant of options HK$	Option value per share HK$
140,000,000	–	–	–	140,000,000	0.5400	0.2412
9,000,000	–	–	–	9,000,000	0.5400	0.2412
3,954,057	–	–	–	3,954,057	0.4750	0.2288
31,045,943	–	–	–	31,045,943	0.5400	0.2412
–	–	–	(2,000,000)	–	2.4900	0.8370
3,954,057	–	–	–	3,954,057	0.4750	0.2288
31,045,943	–	–	–	31,045,943	0.5400	0.2412
3,954,057	–	–	–	3,954,057	0.4750	0.2288
31,045,943	–	–	–	31,045,943	0.5400	0.2412
15,000,000	–	–	–	15,000,000	0.5400	0.2412
–	–	(1,374,000)	–	–	2.4900	0.8370
269,000,000	**–**	**(1,374,000)**	**(2,000,000)**	**269,000,000**		
–	–	(3,730,000)	(3,479,998)	–	2.4900	0.8370
–	–	(1,800,000)	–	–	1.8800	0.7280
25,546,266	–	–	–	25,546,266	0.4750	0.2288
19,200,000	–	–	–	19,200,000	0.5400	0.2412
28,000,000	–	–	–	28,000,000	0.5200	0.2289
5,000,000	–	–	–	5,000,000	0.4750	0.1929
77,746,266	**–**	**(5,530,000)**	**(3,479,998)**	**77,746,266**		
4,000,000	–	–	–	4,000,000	0.5400	0.2412
4,000,000	–	–	–	4,000,000		
350,746,266	**–**	**(6,904,000)**	**(5,479,998)**	**350,746,266**		

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.

Details of movements of the options granted pursuant to the above share option agreements during the year under review were as follows:

Name or Category of participants	Date of grant	Exercisable period	*Note*	Exercise price HK$	Outstanding as at 01.07.2009	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding as at 30.06.2010	Market value per share at date of grant of options 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:

1. The share options will vest upon the occurrence of:
   i) 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");
   ii) 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
   iii) 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.

Valuation of Share Option

The valuation of share options is set out in note 24 to the financial statements.

Retirement Benefit Scheme

Details of the Group's retirement benefit scheme for the year ended 30 June 2010 are set out in note 34 to the financial statements.

Directors' and Executive Officers' Rights to Acquire Shares or Debentures

Save as disclosed in the section headed "Directors and Executive Officers' Interests in Securities" disclosed above, at no time during the year was the Company or its subsidiaries or jointly controlled entity a party to any arrangement that enabled any Director or Executive Officers to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate.

Save as disclosed above, none of the Directors or Executive Officers or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company or had exercised any such right during the year.

Directors' Interests in Contracts of Significance

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company or any of its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Interest in Competing Business

During the year up to the date hereof, none of the Directors of the Company, or any of their respective associates (as defined in the Listing Rules) had any material interest in a business that competes or may compete with the business of the Group.

Independent Non-Executive Directors

The Company has received from each of its independent non-executive directors written confirmation of their independence pursuant to Rule 3.13 of the Listing Rules.

Discloseable Interests and Short Positions of Persons other than Directors and Executive Officers

As at 30 June 2010, so far as known to the Directors or Executive Officers of the Company, the following persons/entities are the shareholders (other than the Directors or Executive Officers 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 who were 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*
China Sci-Tech Holdings Limited (now known as CST Mining Group Limited) ("CST")	Interest of a controlled corporation	1,392,391,571	9.90%	1
Skytop Technology Limited ("Skytop")	Beneficial owner	1,392,391,571	9.90%	1
Blackrock, Inc.	Interest of a controlled corporation	1,260,000,000	8.96%	2
JPMorgan Chase & Co.	Investment manager Custodian corporation / approved lending agent	722,981,436	5.14%	3

Notes:

1. 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.

2. 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.

3. These interests comprised 722,981,436 ordinary shares of the Company which include 127,014,000 shares in lending pool.

   These interests comprised the respective direct interests held by:

	Number of shares
JPMorgan Chase Bank, N.A.	127,014,000
JF Asset Management Limited	63,464,436
JPMorgan Asset Management (UK) Limited	532,503,000

   JPMorgan Chase & Co. is deemed to be interested in these interests through its controlling interests of 100% in all of the above companies.

Save as disclosed above, the Company has not been notified by any person (other than the Directors or Executive Officers 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 who were 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 30 June 2010.

Major Customers and Suppliers

For the year ended 30 June 2010, the five largest customers accounted for approximately 39% of the Group's turnover, and the largest customer included therein amounted to approximately 26%. Purchases from the five largest suppliers accounted for approximately 88% of the total purchase for the year, and purchases from the largest supplier included therein amounted to approximately 31%.

At no time during the year, none of the Directors, their associates or the shareholders of the Company, which to the knowledge of the Directors owned more than 5% of the Company's issued share capital, had any interests in the above customers or suppliers.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's Bye-laws or the applicable laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

Emolument Policy

The emolument policy of the employees of the Group is set up by the board of Directors on the basis of their merit, qualifications and competence. The emoluments of the Directors of the Company are decided by the Directors, who are authorised by the shareholders in the annual general meeting, having regard to the Group's operating results, individual performance and comparable market statistics. The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of which are set out in note 24 to the financial statements.

Public Float

From information publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules at all times during the year under review and as at the date of this report.

Corporate Governance

The information set out in pages 41 to 45 and information incorporated by reference, if any, constitutes the Corporate Governance Report of the Company.

Sibolga port, just 40 kilometres away from Martabe.

Opening of Children's Library.

Audit Committee

The Company has established an audit committee with written terms of reference based upon the recommendations set out in *A Guide for Effective Audit Committees* published by the Hong Kong Institute of Certified Public Accountants and the code provisions set out in the Corporate Governance Code. The duties of the audit committee include reviewing the Company's annual reports and interim reports and providing advice and comments thereon to the Directors. The audit committee is also responsible for reviewing and supervising the financial reporting and internal control procedures of the Group.

As at the date of this report, the audit committee comprises three independent non-executive Directors, namely, Mr Or Ching Fai, Ms Ma Yin Fan, and Mr Leung Hoi Ying, with Mr Or Ching Fai being the chairman of the committee. The audited financial statements of the Company for the year ended 30 June 2010 have been reviewed by the audit committee.

Auditors

SHINEWING (HK) CPA Limited, who acted as the auditor of the Company since 2005, resigned on 14 May 2009 and Deloitte Touche Tohmatsu was appointed as the auditor of the Company on 14 May 2009.

The consolidated financial statements of the Group for the year ended 30 June 2010 have been audited by Deloitte Touche Tohmatsu who shall retire and, being eligible, offer themselves for re-appointment in the forthcoming annual general meeting. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Chiu Tao
Chairman

Hong Kong, 15 October 2010

Corporate Governance Report

The Group is committed to maintaining a high standard of corporate governance and enhancing its transparency so as to protect shareholders' interest in general. The Group will continue to raise the standard by formalising the best practices of corporate governance as far as possible.

The Company has adopted the code provisions set out in the Code of Corporate Governance Practices (the "Corporate Governance Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of corporate governance practices.

Board of Directors

As at 30 June 2010, the board of Directors (the "Board") of the Company comprised seven executive directors, one non-executive director and three independent non-executive directors ("INEDs") (collectively the "Directors").

Save as disclosed under the section headed "Biographical Details of Directors and Senior Management" of this annual report, there is no financial, business, family or other material/relevant relationship between the Directors and the Board, which is comprised of the following:

Executive Directors	
Chiu Tao (Chairman)	(appointed on 22 July 2009)
Owen L Hegarty (Vice-Chairman)	
Peter Geoffrey Albert (Chief Executive Officer)	(appointed on 22 July 2009)
Ma Xiao (Deputy Chief Executive Officer)	(appointed on 22 July 2009)
Wah Wang Kei, Jackie	
Hui Richard Rui	
Kwan Kam Hung, Jimmy	
Lew Mon Hung	(resigned on 3 August 2009)

Non-Executive Directors	
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	
Or Ching Fai (Vice-Chairman)	(appointed on 22 July 2009)
Ma Yin Fan	
Leung Hoi Ying	
Yu Pan	(resigned on 22 July 2009)

The principal functions of the Board are to supervise the management of the business and Company's affairs; to approve the Company's strategic plans, investment and funding decisions; to review the Group's financial performance and operative initiatives. The role of the INEDs is to bring an independent and objective view to the Board's deliberations and decisions. The INEDs must have appropriate professional qualifications, or accounting or related financial management expertise, so that they are of sufficient calibre and number for their views to carry weight. The INEDs may also take independent professional advice at the Company's expense in carrying out their functions. Thus, the Board considers the current board size as adequate for its present operations. The day-to-day running of the Company is delegated to the management, with divisional heads responsible for different aspects of the business.

The Company has received from each of the INEDs an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the INEDs to be independent.

The Board has delegated the management of the daily operation and investment matters of the Company and its subsidiaries to an investment and management committee ("IMC"). The IMC comprised of 5 members of the Board, namely, Mr Chiu Tao, Mr Owen L Hegarty, Mr Peter Geoffrey Albert, Mr Ma Xiao and Mr Hui Richard Rui.

The Board will also conduct meetings on a regular basis and on an ad hoc basis, as required by business needs. The Bye-laws of the Company allow board meetings to be conducted by way of telephone or videoconference. The Board held a total of 4 full board meetings during the year, and the individual attendance records are as follows:

Name of Director	Number of Full Board Meetings Attented	Attendance Rate
Executive Directors		
Chiu Tao (appointed on 22 July 2009)	4/4	100%
Owen L Hegarty	4/4	100%
Peter Geoffrey Albert (appointed on 22 July 2009)	4/4	100%
Ma Xiao (appointed on 22 July 2009)	4/4	100%
Wah Wang Kei, Jackie	4/4	100%
Hui Richard Rui	4/4	100%
Kwan Kam Hung, Jimmy	2/4	50%
Lew Mon Hung (resigned on 3 August 2009)	N/A	N/A
Non-Executive Directors		
Tsui Ching Hung (appointed on 5 March 2009 and redesignated on 22 July 2009)	3/4	75%
Independent Non-Executive Directors		
Or Ching Fai (appointed on 22 July 2009)	4/4	100%
Ma Yin Fan	4/4	100%
Leung Hoi Ying	3/4	75%
Yu Pan (resigned on 22 July 2009)	N/A	N/A

Chairman and Chief Executive Officer

The posts of Chairman and the Chief Executive Officer are separate and are not held by the same individual to ensure their independence, accountability and responsibility. The Chairman is responsible for overseeing the function of the Board and formulating overall strategies and policies of the Company. The Chief Executive Officer, supported by other members and the senior management, is responsible for managing the Group's business, implementing major strategies, making day-to-day decisions and coordinating overall business operations.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix 10 of the Listing Rules (the "Model Code") as the code of conduct regarding directors' securities transactions.

Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year under review.

Directors' Responsibility for the Financial Statements

The Directors acknowledge their responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and in presenting the interim and annual financial statements and announcements to shareholders, the Directors aim to present a balanced and understandable assessment of the Group position and prospects.

Remuneration Committee

As at 30 June 2010, the Remuneration Committee comprised three members, all of whom are INEDs, namely, Mr Or Ching Fai (Chairman), Ms Ma Yin Fan and Mr Leung Hoi Ying. The primary function of the Remuneration Committee is to make recommendations to the Board on the remuneration of Directors and senior management.

The roles and duties of the Remuneration Committee are to

- conduct regular reviews of the remuneration policy of the Group's Directors and senior management;
- make recommendations to the Board on the policy and structure of the remuneration of the Company's Directors and senior management and on establishment of a formal and transparent procedures for developing remuneration policy;
- make recommendations to the Board on remuneration packages of the Company's Directors;
- review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- review the proposals for the award of share options to executive directors and senior management based on their performance and contribution to the Company from time to time;
- recommend to the Board of the structure of long-term incentive plans for executive directors and certain senior management; and
- review the Terms of Reference of the Remuneration Committee.

The Remuneration Committee met once during the year, and the individual attendance records are set out below:

Name of Member	Number of Remuneration Committee Meeting Attended	Attendance Rate
Or Ching Fai (appointed on 22 July 2009)	N/A	N/A
Ma Yin Fan	1/1	100%
Leung Hoi Ying	1/1	100%
Yu Pan (resigned on 22 July 2009)	N/A	N/A

Audit Committee

As at 30 June 2010, the Audit Committee comprised three members, all of whom are INEDs, namely, Mr Or Ching Fai (Chairman), Ms Ma Yin Fan and Mr Leung Hoi Ying. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group.

In accordance with the terms of reference of the Audit Committee, the Audit Committee meets at least twice a year to review the interim results and the final results of the Company. The terms of reference of the Committee are aligned with the recommendations set out in *A Guide For Effective Audit Committees* issued by the Hong Kong Institute of Certified Public Accountants and the code provisions set out in the Corporate Governance Code.

The major duties of the Audit Committee are to

- consider the appointment of the external auditors and the audit fee;
- discuss with the external auditors before the audit commences, the nature and scope of the audit and confirm their independence and objectivity;
- review the interim and annual financial statements before submission to the Board;
- discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary);
- review the external auditor's management letter and management's response; and
- review the Terms of Reference of the Audit Committee.

The Audit Committee met twice during the year, and the individual attendance records are set out below:

Name of Member	Number of Audit Committee Meetings Attended	Attendance Rate
Or Ching Fai (appointed on 22 July 2009)	2/2	100%
Ma Yin Fan	2/2	100%
Leung Hoi Ying	2/2	100%
Yu Pan (resigned on 22 July 2009)	N/A	N/A

Auditor's Remuneration

For the year ended 30 June 2010, the Group engaged Deloitte Touche Tohmatsu, auditors of the Company, to perform an audit service. Their reporting responsibilities on the financial statements of the Group are set out in the Independent Auditor's Report on pages 48 to 49 of this annual report.

The services provided by Deloitte Touche Tohmatsu and the fees thereof were as follows:

Nature of services	2010 HK$'000
Audit services	2,288
Non-audit services in relation to tax advisory	50
	2,338

Nomination of Directors

The Company has not set up any nomination committee. Directors are responsible for identifying suitable qualified individuals for directorship and making recommendation to the Board for consideration. The Board will identify and recommend the proposed candidates to the Board for approval of an appointment as a Director based on certain criteria such as appropriate experience and personal skills that the nominated individual can bring to the Board, his or her capability to maintain and improve the competitiveness of the Company, and his or her ability to contribute to the Board in formulating Company policy and strategies, as well as effective ways of discharging the Board's responsibilities.

Internal Control and Risk Management

The Board has overall responsibility for maintaining a sound and effective internal control system for the Group. The Group's system of internal control, which includes a defined management structure with limits of authority, is designed to help the achievement of business objectives, safeguard assets against their unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant legislation and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.

The Board, through the Audit Committee, has conducted an annual review of the effectiveness of the Group's system of internal control. The Board is satisfied that the Group has fully complied with the code provisions ("Code Provision(s)") of the Corporate Governance Code on internal control during the year under review although an internal audit function was not set up in the internal control system of the Group. The Group has appointed Messrs PricewaterhouseCoopers to conduct review on the internal control of PT Agincourt Resources, the Martabe Project development company, on some aspects of operation.

Corporate Governance Code

In the opinion of the Directors, throughout the year ended 30 June 2010 the Company has applied the principles of the Corporate Governance Code and complied with all the applicable code provisions thereof, except that the existing non-executive Director and INEDs were not appointed for a specific term as required under the Code Provision A.4.1 but are subject to retirement by rotation and re-election at each annual general meeting in accordance with 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.

AT OUR CORE:

VISION

Development of a **strong and sustainable** business model

Potential for continued organic growth at Martabe and in Asia

Continuing demand for gold and base metals

A future with **bright prospects** for growth

Technical Excellence

at the heart of our business

Independent Auditor's Report

Deloitte.
德勤

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

We have audited the consolidated financial statements of G-Resources Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 50 to 99, which comprise the consolidated statement of financial position as at 30 June 2010, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30 June 2010 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
15 October 2010

Consolidated Income Statement

For the year ended 30 June 2010

	Notes	2010 HK$'000	2009 HK$'000
Continuing operations			
Revenue		**5,811**	29,052
Cost of sales		**(4,809)**	(27,662)
Gross profit		**1,002**	1,390
Other income		**4,525**	1,340
Distribution and selling expenses		**(212)**	(190)
Administrative expenses		**(86,161)**	(45,054)
Share-based payment expenses	24	**(79,928)**	–
Fair value change of held for trading investments		**(172,569)**	(7,009)
Loss on disposal of available-for-sale investment	15	**(18,630)**	–
Impairment loss on available-for-sale investment	15	**–**	(103,964)
Effective interest expense on convertible notes		**–**	(449)
Gain on disposal of subsidiaries	26	**–**	626
Loss before taxation	6	**(351,973)**	(153,310)
Taxation	7	**–**	23
Loss for the year from continuing operations		**(351,973)**	(153,287)
Discontinued operation			
Loss for the year from discontinued operation	8	**–**	(10,997)
Loss for the year, attributable to owners of the Company		**(351,973)**	(164,284)
Loss per share	11		
From continuing and discontinued operations			
– Basic and diluted (HK cent)		**(2.5)**	(38.4)
From continuing operations			
– Basic and diluted (HK cent)		**(2.5)**	(35.9)

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2010

	Note	2010 HK$'000	2009 HK$'000
Loss for the year		**(351,973)**	(164,284)
Other comprehensive (expenses)/income:			
Fair value change on available-for-sale investment		**(61,379)**	43,107
Reclassification adjustment upon disposal of available-for-sale investment		**18,630**	–
Exchange difference on translating the foreign operations		**4,186**	–
Exchange reserve released upon disposal of subsidiary	26	**–**	(1,110)
Total other comprehensive (expenses)/income for the year		**(38,563)**	41,997
Total comprehensive expenses for the year, attributable to owners of the Company		**(390,536)**	(122,287)

Consolidated Statement of Financial Position

At 30 June 2010

	Notes	2010 HK$'000	2009 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	**2,378,017**	2,824
Investment properties	13	**–**	–
Intangible assets	14	**–**	–
Available-for-sale investments	15	**93,298**	228,215
		2,471,315	231,039
CURRENT ASSETS			
Trade and other receivables	16	**102,175**	14,972
Held for trading investments	17	**78,104**	18,885
Pledged bank deposits	18	**714**	–
Bank balances and cash	18	**2,175,860**	236,735
		2,356,853	270,592
CURRENT LIABILITY			
Trade and other payables	19	**130,111**	4,344
NET CURRENT ASSETS		**2,226,742**	266,248
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,698,057**	497,287
NON-CURRENT LIABILITIES			
Deferred tax liability	20	**170**	170
Provision for mine rehabilitation cost	21	**10,824**	–
		10,994	170
		4,687,063	497,117
CAPITAL AND RESERVES			
Share capital	22	**140,668**	8,454
Reserves		**4,546,395**	488,663
TOTAL EQUITY		**4,687,063**	497,117

The consolidated financial statements on pages 50 to 99 were approved and authorised for issue by the Board of Directors on 15 October 2010 and are signed on its behalf by:

Wah Wang Kei, Jackie
Director

Kwan Kam Hung, Jimmy
Director

Consolidated Statement of Changes in Equity

For the year ended 30 June 2010

	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$'000	Convertible notes reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 July 2008	37,408	970,461	807	–	28,863	1,110	–	–	(575,313)	463,336
Loss for the year	–	–	–	–	–	–	–	–	(164,284)	(164,284)
Fair value change on available-for-sale investments	–	–	–	–	–	–	43,107	–	–	43,107
Released upon disposal (Note 26)	–	–	–	–	–	(1,110)	–	–	–	(1,110)
Total comprehensive income/ (expenses) for the year	–	–	–	–	–	(1,110)	43,107	–	(164,284)	(122,287)
Recognition of equity component of convertible notes	–	–	–	–	–	–	–	57,406	–	57,406
Transaction costs attributable to issue of convertible notes	–	–	–	–	–	–	–	(1,436)	–	(1,436)
Conversion of convertible notes	47,200	109,717	–	–	–	–	–	(55,970)	–	100,947
Cancellation/laspe of share options	–	–	–	–	(18,689)	–	–	–	18,689	–
Repurchase and cancellation of shares	(68)	(781)	849	–	–	–	–	–	(849)	(849)
Capital reorganisation (Note 22(d))	(76,086)	(1,079,397)	–	1,155,483	–	–	–	–	–	–
At 30 June 2009 and 1 July 2009	**8,454**	**–**	**1,656**	**1,155,483**	**10,174**	**–**	**43,107**	**–**	**(721,757)**	**497,117**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(351,973)**	**(351,973)**
Fair value change on available-for-sale investment	**–**	**–**	**–**	**–**	**–**	**–**	**(61,379)**	**–**	**–**	**(61,379)**
Released on disposal of available-for-sale investment	**–**	**–**	**–**	**–**	**–**	**–**	**18,630**	**–**	**–**	**18,630**
Exchange difference on translating the foreign operations	**–**	**–**	**–**	**–**	**–**	**4,186**	**–**	**–**	**–**	**4,186**
Total comprehensive income/ (expenses) for the year	**–**	**–**	**–**	**–**	**–**	**4,186**	**(42,749)**	**–**	**(351,973)**	**(390,536)**
Issue of shares during the year	**130,000**	**4,420,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,550,000**
Issue of shares upon acquisition of assets through acquisition of subsidiaries (Note 25)	**2,214**	**85,250**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**87,464**
Transaction costs attributable to issue of shares	**–**	**(136,910)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(136,910)**
Recognition of equity-settled share-based payment	**–**	**–**	**–**	**–**	**79,928**	**–**	**–**	**–**	**–**	**79,928**
Cancellation/laspe of share options	**–**	**–**	**–**	**–**	**(10,174)**	**–**	**–**	**–**	**10,174**	**–**
Transfer from contributed surplus to eliminate the accumulated losses	**–**	**–**	**–**	**(1,063,556)**	**–**	**–**	**–**	**–**	**1,063,556**	**–**
At 30 June 2010	**140,668**	**4,368,340**	**1,656**	**91,927**	**79,928**	**4,186**	**358**	**–**	**–**	**4,687,063**

Note: During the year ended 30 June 2010, HK$1,063,556,000 of the Company's contributed surplus was transferred to eliminate the accumulated losses in accordance with the Company's Bye-Law.

Consolidated Statement of Cash Flows

For the year ended 30 June 2010

	Notes	2010 HK$'000	2009 HK$'000
OPERATION ACTIVITIES			
Loss for the year		**(351,973)**	(164,284)
Adjustments for:			
Taxation		–	(23)
Interest income		**(93)**	(1,154)
Dividend income		–	(99)
Effective interest expense on convertible notes		–	449
Depreciation		**963**	1,224
Reversal of allowance for bad and doubtful debts		–	(1,065)
Share-based payment expenses		**79,928**	–
Fair value change of held for trading investments		**172,569**	7,009
Loss on disposal of available-for-sale investment		**18,630**	–
Loss on disposal of property, plant and equipment		**26**	12
Loss on disposal of subsidiaries, net	26	–	186
Decrease in fair value of investment properties		–	6,591
Impairment losses on available-for-sale investments		–	103,964
Operating cash flows before movements in working capital		**(79,950)**	(47,190)
Increase in trade and other receivables		**(34,260)**	(8,365)
Increase in held for trading investments		**(231,788)**	(19,205)
Increase in trade and other payables		**104,236**	1,341
Cash used in operations		**(241,762)**	(73,419)
Income tax paid		–	(1,522)
Net cash used in Operating Activities		**(241,762)**	(74,941)

	Notes	2010 HK$'000	2009 HK$'000
INVESTING ACTIVITIES			
Acquisition of assets through acquisition of subsidiaries	25	**(1,717,983)**	–
Purchases of property, plant and equipment		**(582,511)**	(1,575)
Purchase of exploration and evaluation assets		**(4,027)**	–
Purchases of available-for-sale investments		**(92,940)**	(13,900)
(Increased)/decrease in pledged bank deposits		**(714)**	162
Proceeds from disposal of available-for-sale investment		**166,478**	50,000
Interest received		**93**	648
Disposal of subsidiaries	26	**–**	40,173
Dividend received		**–**	99
Proceeds from disposal of property, plant and equipment		**–**	9
Net cash (used in)/from Investing Activities		**(2,231,604)**	75,616
FINANCING ACTIVITIES			
Net proceeds from issue of shares		**4,413,090**	–
Net proceeds from issue of convertible notes		**–**	156,468
Payment on repurchase of shares		**–**	(849)
Net cash from Financing Activities		**4,413,090**	155,619
Net increase in cash and cash equivalents		**1,939,724**	156,294
Cash and cash equivalents at the beginning of the year		**236,735**	80,441
Effect of foreign exchange rate changes		**(599)**	–
Cash and cash equivalents at end of the year, represented by Bank Balances and Cash		**2,175,860**	236,735

1. General

The Company is an exempted company with limited liability incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The address of the registered office and principal place of business of the Company is disclosed in the Corporate Information to the annual report.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 36.

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendment and interpretations (the "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are or have become effective.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 27 (Revised)	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 9 & HKAS 39 (Amendments)	Embedded Derivatives
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	Distribution of Non-cash Assets to Owners
HK(IFRIC) – Int 18	Transfer 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

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") (continued)

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

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated 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 5).

Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

HKFRS 3 (Revised) Business Combinations and HKAS 27 (Revised) Consolidated and Separate Financial Statements

The Group applies HKFRS 3 (Revised) prospectively to business combinations for which the acquisition date is on or after 1 July 2009. The requirements in HKAS 27 (Revised) in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 July 2009.

As there was no transaction during the current year in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009[1]
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010[2]
HKAS 24 (Revised)	Related Party Disclosures[5]
HKAS 32 (Amendment)	Classification of Right Issues[4]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 – Disclosures for First-time Adopters[6]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 9	Financial Instruments[7]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[5]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[6]

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 July 2010 and 1 January 2011, as appropriate
3 Effective for annual periods beginning on or after 1 January 2010
4 Effective for annual periods beginning on or after 1 February 2010
5 Effective for annual periods beginning on or after 1 January 2011
6 Effective for annual periods beginning on or after 1 July 2010
7 Effective for annual periods beginning on or after 1 January 2013

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") (continued)

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 all 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 new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. Significant Accounting Policies

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sales of goods is recognised when goods are delivered and title has passed.

Service income is recognised when services are rendered.

Proceeds from sales of financial assets at fair value through profit and loss/available-for-sale investments are recognised on a trade date basis when the risks and rewards of ownership are transferred and title has passed.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments including financial assets at fair value through profit or loss is recognised when the shareholders' rights to receive payment have been established.

3. Significant Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment, including building held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment (other than construction in progress, and mine property and development assets) over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Exploration and evaluation assets represent costs of acquiring exploration and mining rights and the expenditures in the search for mineral resources on an area of interest basis. Costs incurred before the Group has obtained the legal right to explore an area are recognised in profit or loss.

Mineral rights comprise identifiable exploration and evaluation assets including mineral reserves and mineral resources. Mineral rights are attributable to specific areas of interest and are classified within mine property and development asset. The mineral rights are amortised when commercial production commences on a unit of production basis over the estimated economic reserve of the mine.

Exploration and evaluation assets are recognised at cost.

Exploration and evaluation assets are only recognised if the rights to the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability; or
- facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral reserves in an area of interest are demonstrated, any previously recognised exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine property and development assets (included in property, plant and equipment).

Mine property and development assets include costs of exploration and evaluation assets and subsequent costs to develop the mine to the production phase.

The amortisation of mine property and development assets commences when the mine starts commercial production and is calculated on the unit of production basis. Amortisation is based on assessments of proved 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is derecognised.

3. Significant Accounting Policies (continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Intangible assets

Intangible assets represent the cost of acquisition of patents and technology for the provision of credit card security device and digital network authorisation services.

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on assets below).

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

Foreign currencies (continued)

For the purposes of preparing the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HKD) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the exchange reserve).

Retirement benefits scheme

The retirement benefits scheme contributions relating to the mandatory provident fund scheme charged to profit or loss represent contributions payable to the scheme by the Group at rates specified in the rules of the scheme.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly to equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

3. Significant Accounting Policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets are within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss

Financial assets at FVTPL represent financial assets held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from re-measurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

Available-for-sale financial assets are measured at fair value at the end of each reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in investment revaluation reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at the end of each reporting period.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amounts are reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve.

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified as other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities including trade and other payables are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect is material).

Provision for mine rehabilitation cost

The Group is required to make payments for rehabilitation of the land in the mining area after the sites have been mined. Provision for mine rehabilitation cost is required when the Group has a present obligation as a result of past event, and it is probable that the Group will be required to settle that obligation. Provision is measured in accordance with the relevant rules and regulations applicable in Indonesia at the end of the reporting period, and using the cash flows estimated to settle the present obligation. Its carrying amount is the present value of those cash flows (where the effect is material).

Mine rehabilitation cost is provided in the period in which the obligation is identified and is capitalised to the costs of mine property and development assets. The cost is charged to profit or loss through depreciation of assets, which are depreciated using the unit of production method based on the actual production volume over the estimated total proved and probable reserves.

3. Significant Accounting Policies (continued)

Impairment losses on assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amounts, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Share-based payment transactions

Equity settled share-based payment transactions

Share options granted to directors and employees of the Company

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expenses on a straight-line basis over the vesting period/in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share-options reserve).

At the end of each reporting period, 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 or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share-options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-options reserve will be transferred to accumulated losses.

Share options granted to suppliers/consultants

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets. Corresponding adjustment has been made to equity (share options reserve).

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (continued)

Critical judgments in applying the Group's accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Value added tax recoverable (included in other receivables)

Included in other receivables is HK$82,038,000 value added tax ("VAT") paid by an Indonesian subsidiary of the Group in connection with its purchase of goods and services from suppliers. According to relevant tax law and regulations in Indonesia, such VAT payment is refundable upon application by the Group, subject to approval by the relevant Indonesian tax authority. While the Indonesian subsidiary is in the process of obtaining the relevant approval, the relevant approvals have not yet obtained as at 30 June 2010 and as at the date these consolidated financial statements are authorised for issue. The directors are not aware of any non-compliance with the relevant tax laws and are of the opinion that the approval from relevant tax office will be obtained and VAT will be fully refunded.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Ore reserve and resources estimates

The estimated quantities of economically recoverable reserves and resources are based upon interpretations of geological and geophysical models and require assumptions to be made regarding factors such as estimates of future operating performance, future capital requirements, short and long term commodity prices, and short and long term exchange rates. Changes in reported reserves and resources estimates can impact the carrying value of property, plant and equipment, provisions for rehabilitation obligations, the recognition of deferred tax assets or liabilities, as well as the amount of depreciation and amortisation recognised.

Estimated impairment on mine property and development assets and construction in progress

In determining whether there is an impairment of the mine property and development assets and construction in progress of the Group's gold and silver mine located in the Regency of South Tapanuli, Northern Sumartra, Indonesia (the "Martabe Project"), an estimation of the value-in-use of the cash-generating units (i.e. the Martabe Project) is required. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the Martabe Project, a suitable discount rate and the estimated period of production in order to calculate the present value. The management estimated that the production would commence before the end of 2011. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 30 June 2010, the carrying amount of mine property and development assets and construction in progress are HK$1,564,880,000 and HK$798,753,000, respectively.

Provision for mine rehabilitation cost

Provision for mine rehabilitation cost has been estimated by the directors based on current regulatory requirements and the area affected in the Martabe project area estimated by the management and is discounted to their present value. Significant changes in the regulatory requirements in relation to such costs will result in changes to the provision amounts from period to period. In addition, the expected timing of cash outflows of such mine rehabilitation cost is estimated based on the expected completion date of the Martabe Project and is subject to any significant changes to the production plan. As at 30 June 2010, the balance of provision for mine rehabilitation cost was HK$10,824,000.

5. Segment Information

The Group has adopted *HKFRS 8 Operating Segments* with effect from 1 July 2009. HKFRS 8 is a disclosure standard that 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 ("CODM") representing the executive directors, for the purpose of allocating resources to segments and to assessing 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. In the past, the Group's primary 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. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

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

In addition, the Group newly acquired its gold and silver mining business during the year following the completion of the acquisition of assets through acquisition of subsidiaries on 3 July 2009, details of which are set out in note 25. The gold and silver mining business forms a new separate segment during the year ended 30 June 2010.

Accordingly, segment information reported externally in 2010 was analysed on the basis of the four operating divisions, namely mining business, provision of financial information services, trading of electronic goods and accessories, and securities trading.

5. Segment Information (continued)

(a) Segment revenue and results

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

For the year ended 30 June 2010

	Continuing operations				
	Provision of financial information services HK$'000	Trading of electronic goods and accessories HK$'000	Securities trading HK$'000	Mining business HK$'000	Total HK$'000
Segment revenue	**4,277**	**1,534**	**–**	**–**	**5,811**
Segment result	**(72)**	**9**	**(174,748)**	**(74,297)**	**(249,108)**
Unallocated corporate expenses					**(84,388)**
Unallocated income					**153**
Losses on disposal of an available-for-sale investment					**(18,630)**
Loss before taxation					**(351,973)**

For the year ended 30 June 2009

	Continuing operations				Discontinued operation	
	Provision of financial information services HK$'000	Trading of electronic goods and accessories HK$'000	Securities trading HK$'000	Total HK$'000	Provision of credit card security device and digital network authorisation services HK$'000	Consolidated HK$'000
Segment revenue	4,086	24,966	–	29,052	2,125	31,177
Segment result	(919)	274	(7,009)	(7,654)	(3,594)	(11,248)
Unallocated corporate expenses				(42,539)	(812)	(43,351)
Unallocated income				1,296	–	1,296
Effective interest expense on convertible notes				(449)	–	(449)
Decrease in fair value of investment properties				–	(6,591)	(6,591)
Impairment losses on an available-for-sale investment				(103,964)	–	(103,964)
Loss before taxation				(153,310)	(10,997)	(164,307)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment result represents the profit earned by/loss from each segment without allocation of central administration costs, certain bank interest income, effective interest expense on convertible notes, fair value changes in investment properties, impairment losses on available-for-sale investment and loss on disposal of available-for-sale investment. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

5. Segment Information (continued)

(b) Segment assets and liabilities

At 30 June 2010

	Continuing operations				
	Provision of financial information services HK$'000	Trading of electronic goods and accessories HK$'000	Securities trading HK$'000	Mining business HK$'000	Total HK$'000
ASSETS					
Segment assets	**1,719**	**–**	**171,402**	**4,628,853**	**4,801,974**
Unallocated corporate assets					**26,194**
Total assets					**4,828,168**
LIABILITIES					
Segment liabilities	**1,743**	**–**	**–**	**132,291**	**134,034**
Unallocated corporate liabilities					**7,071**
Total liabilities					**141,105**

At 30 June 2009

	Continuing operations			Discontinued operation	
	Provision of financial information services HK$'000	Trading of electronic goods and accessories HK$'000	Securities trading HK$'000	Provision of credit card security device and digital network authorisation services HK$'000	Consolidated HK$'000
ASSETS					
Segment assets	1,231	4,156	18,885	–	24,272
Available-for-sale investments					228,215
Unallocated corporate assets					249,144
Total assets					501,631
LIABILITIES					
Segment liabilities	1,725	–	–	–	1,725
Unallocated corporate liabilities					2,789
Total liabilities					4,514

For the purposes of monitoring segment performances and allocating resources between segments, segment assets and liabilities represent assets and liabilities of the subsidiaries carrying out the respective segment activities.

5. Segment Information (continued)

(c) Other segments information

At 30 June 2010

	Continuing operations					
	Provision of financial information services HK$'000	**Trading of electronic goods and accessories HK$'000**	**Securities trading HK$'000**	**Mining business HK$'000**	**Unallocated HK$'000**	**Total HK$'000**
Amounts included in measure of segment profit or loss or segment assets:						
Additions to non-current assets (Note)	**–**	**–**	**–**	**588,715**	**3,943**	**592,658**
Depreciation	**268**	**–**	**–**	**–**	**695**	**963**
Loss on disposal of property, plant and equipment	**–**	**–**	**–**	**–**	**26**	**26**

At 30 June 2009

	Continuing operations				Discontinued operation	
	Provision of financial information services HK$'000	Trading of electronic goods and accessories HK$'000	Securities trading HK$'000	Unallocated HK$'000	Provision of credit card security device and digital network authorisation services HK$'000	Consolidated HK$'000
Amounts included in measure of segment profit or loss or segment assets:						
Additions to non-current assets (Note)	559	–	–	219	797	1,575
Depreciation	184	–	–	578	462	1,224
Allowance/(reversal of allowance) for bad and doubtful debts	3	–	–	–	(1,068)	(1,065)
Loss on disposal of property, plant and equipment	–	–	–	1	11	12

Note: Non-current assets excluded available-for-sale investments.

5. Segment Information (continued)

(d) Geographical information

Revenue from the Group's continuing operations of HK$5,811,000 (2009: HK$29,052,000) was derived from Hong Kong, based on the geographical market irrespective of the origin of the goods/services.

Revenue from the Group's discontinued operation of provision of credit card security device and digital network authorisation services derived from Hong Kong and the People's Republic of China (the "PRC") amounted to HK$379,000 and HK$1,746,000, respectively for the year ended 30 June 2009.

The following is an analysis of the non-current assets by the geographical area in which the assets are located:

	Non-current assets excluding financial instrument	
	2010	2009
	HK$'000	HK$'000
Hong Kong	**5,778**	2,824
Indonesia	**2,372,239**	–
	2,378,017	2,824

Note: Non-current assets excluded available-for-sale investments.

(e) Information about major customers

The Group's revenue arising from trading of electronic goods and accessories of HK$1,534,000 (2009: HK$24,966,000), which contributes 26% (2009: 86%) of the Group's total revenue from continuing operations, come from only one (2009: one) customer.

6. Loss before Taxation

	Continuing operations		Discontinued operation		Consolidated	
	2010 HK$'000	2009 HK$'000	**2010 HK$'000**	2009 HK$'000	**2010 HK$'000**	2009 HK$'000
Loss before taxation has been arrived at after charging/(crediting):						
Staff costs						
– Directors' emoluments (note 9(a))	**89,392**	23,968	**–**	–	**89,392**	23,968
– Other staff costs	**14,458**	6,962	**–**	4,021	**14,458**	10,983
– Contributions to retirement benefits schemes, excluding directors	**298**	138	**–**	190	**298**	328
– Share-based payment expenses, excluding directors	**13,468**	–	**–**	–	**13,468**	–
Total staff costs	**117,616**	31,068	**–**	4,211	**117,616**	35,279
Auditors' remuneration	**1,480**	950	**–**	–	**1,480**	950
Depreciation of property, plant and equipment	**963**	762	**–**	462	**963**	1,224
Cost of inventories recognised as expense	**1,507**	24,525	**–**	–	**1,507**	24,525
Allowance/(reversal of allowance) for bad and doubtful debts	**–**	3	**–**	(1,068)	**–**	(1,065)
Operating lease payments in respect of office premises and warehouse	**2,674**	2,075	**–**	453	**2,674**	2,528
Loss on disposal of property, plant and equipment	**26**	1	**–**	11	**26**	12
Rental income under operating leases	**–**	–	**–**	(768)	**–**	(768)
Less: Direct operating expenses that generated rental income during the year	**–**	–	**–**	75	**–**	75
	–	–	**–**	(693)	**–**	(693)
Dividend income	**–**	(99)	**–**	–	**–**	(99)
Exchange gain, net	**(4,186)**	(4)	**–**	–	**(4,186)**	(4)
Interest income	**(93)**	(1,143)	**–**	(11)	**(93)**	(1,154)

7. Taxation

	Continuing operations		Discontinued operation		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Hong Kong Profits Tax						
– Overprovision in prior years	**–**	(23)	**–**	–	**–**	(23)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. 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 28%.

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

The taxation for the year can be reconciled to the loss before taxation per the consolidated income statement as follows:

	2010	2009
	HK$'000	HK$'000
Loss before taxation		
– Continuing operations	**(351,973)**	(153,310)
– Discontinued operation	**–**	(10,997)
	(351,973)	(164,307)
Tax at Hong Kong Profits Tax rate of 16.5%	**(58,076)**	(27,111)
Tax effect of expenses not deductible for tax purpose	**18,265**	17,534
Tax effect of income not taxable for tax purpose	**(388)**	(250)
Tax effect of tax losses not recognised	**40,328**	9,827
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(129)**	–
Overprovision in respect of prior years	**–**	(23)
Taxation for the year	**–**	(23)

Details of the Group's deferred taxation are set out in note 20.

8. Discontinued Operation

On 3 March 2009, a wholly-owned subsidiary of the Company, Star Cyberpower V.F. Limited ("Star Cyberpower VF"), entered into a sale agreement with an independent third party, to dispose of 100% interest in its subsidiaries, namely, Star Cyber DNA Limited, Star Mobile DNA Payment Gateway Limited, Credit Card DNA Security System (Shenzhen) Limited ("CCDNA(SZ)"), Supreme Zone Limited and Startruck Group Limited (collectively referred to as the "Star Cyber DNA Group"), which carried out all of the Group's provision of credit card security device and digital network authorisation service operations. The disposal was effected in order to generate cash flows for the expansion of the Group's other businesses. The disposal was completed on 26 March 2009, on which date control of the Star Cyber DNA Group passed to the acquirer.

The business segment of provision of credit card security device and digital network authorisation services was classified as discontinued operation in 2009.

The loss for the period from the discontinued operation, attributable to owners of the Company, is analysed as follows:

	Period ended 26 March 2009 HK$'000
Loss from provision of credit card security device and digital network authorisation services operation for the period	(10,185)
Loss on disposal of provision of credit card security device and digital network authorisation services (see Note 26)	(812)
	(10,997)

The results of the provision of credit card security device and digital network authorisation services operations for the period from 1 July 2008 to the date of disposal, which have been included in the consolidated income statement, were as follows:

	Period ended 26 March 2009 HK$'000
Turnover	2,125
Cost of sales	(1,149)
Decrease in fair value of investment properties	(6,591)
Other income	2,077
Distribution expenses	(1,014)
Administrative expenses	(5,633)
Loss for the period	(10,185)

The carrying amounts of the assets and liabilities of the Star Cyber DNA Group at the date of disposal are disclosed in note 26.

During the period ended 26 March 2009, the contribution of the discontinued operation to the Group's net operating cash flows, investing activities and financing activities were analysed as follows:

	Period ended 26 March 2009 HK$'000
Net cash used in operating activities	(509)
Cash used in investing activities	(777)
Net cash outflows	(1,286)

9. Directors' and Employees' Emoluments

(a) Directors' Emoluments

The emoluments paid or payable to each of the directors for the year were as follows:

For the year ended 30 June 2010

		Other emoluments					
	Fees HK$'000	Salaries and other emoluments HK$'000	Discretionary bonus HK$'000	Contributions to retirement benefits scheme HK$'000	Joining fee HK$'000	Share-based payments HK$'000	Total HK$'000
Executive directors:							
Chiu Tao (Note a)	–	4,869	–	12	–	11,373	16,254
Owen L Hegarty	–	4,663	–	12	1,552	22,252	28,479
Peter Geoffrey Albert (Note a)	–	4,219	–	12	1,551	22,252	28,034
Ma Xiao (Note a)	–	1,264	34	12	–	2,878	4,188
Wah Wang Kei, Jackie	–	2,160	180	12	–	2,878	5,230
Hui Richard Rui	–	1,494	65	12	–	2,878	4,449
Kwan Kam Hung, Jimmy	–	–	–	–	–	1,218	1,218
Lew Mon Hung (Note b)	–	–	–	1	–	–	1
Non-executive director:							
Tsui Ching Hung	–	–	–	–	–	–	–
Independent non-executive directors:							
Or Ching Fai (Note a)	602	–	–	–	–	731	1,333
Ma Yin Fan	100	–	–	–	–	–	100
Leung Hoi Ying	100	–	–	–	–	–	100
Yu Pan (Note c)	6	–	–	–	–	–	6
	808	18,669	279	73	3,103	66,460	89,392

Notes:
(a) Appointed on 22 July 2009
(b) Resigned on 3 August 2009
(c) Resigned on 22 July 2009

9. Directors' and Employees' Emoluments (continued)

(a) Directors' Emoluments (continued)

For the year ended 30 June 2009

	Fees HK$'000	Other emoluments: Salaries and other emoluments HK$'000	Other emoluments: Discretionary bonus HK$'000	Other emoluments: Contributions to retirement benefits scheme HK$'000	Other emoluments: Share-based payments HK$'000	Total HK$'000
Executive directors:						
Owen L Hegarty (Note a)	–	777	–	2	–	779
Wah Wang Kei, Jackie	–	2,160	2,060	12	–	4,232
Hui Richard Rui (Note b)	–	–	–	–	–	–
Kwan Kam Hung, Jimmy (Note c)	–	–	–	–	–	–
Wong Kam Fu (Note d)	–	3,600	8,235	9	–	11,844
Lew Mon Hung (Note e)	–	–	5,000	12	–	5,012
Tam Wai Keung, Billy (Note d)	–	630	490	9	–	1,129
Wong Hong Loong (Note f)	–	388	100	10	–	498
Sin Chi Keung, Mega (Note g)	–	88	–	4	–	92
Non-executive director:						
Tsui Ching Hung (Note l)	–	–	–	–	–	–
Independent non-executive directors:						
Ma Yin Fan (Note c)	27	–	–	–	–	27
Leung Hoi Ying (Note h)	25	–	–	–	–	25
Wong Che Man, Eddy (Note d)	50	–	150	–	–	200
Tang King Fai (Note i)	–	–	45	–	–	45
Dai Zhongcheng (Note d)	–	–	45	–	–	45
Tai Chun Kit (Note j)	–	–	15	–	–	15
Yu Pan (Note k)	25	–	–	–	–	25
	127	7,643	16,140	58	–	23,968

Notes:
(a) Appointed on 10 May 2009.
(b) Appointed on 5 March 2009.
(c) Appointed on 25 March 2009.
(d) Resigned on 25 March 2009.
(e) Resigned on 3 August 2009.
(f) Resigned on 22 April 2009.
(g) Retired on 12 November 2008.
(h) Appointed on 31 March 2009.
(i) Resigned on 31 March 2009.
(j) Appointed on 12 November 2008 and resigned on 31 March 2009.
(k) Appointed on 31 March 2009 and resigned on 22 July 2009.
(l) Appointed as executive director on 5 March 2009 and re-designated as non-executive director on 22 July 2009.

No director waived any emoluments in both years. However, subsequent to the end of the reporting period, Mr Chiu Tao proposed to suspend his salary with effect from October 2010 until the first gold production in Martabe Project begins. The remuneration of directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

9. Directors' and Employees' Emoluments (continued)

(b) Employees' Emoluments

Of the five individuals with the highest emoluments in the Group, four (2009: four) were executive directors of the Company whose emoluments are included in the disclosures above. The emoluments of the remaining one (2009: one) individual were as follows:

	2010 HK$'000	2009 HK$'000
Salaries and other benefits	**1,680**	958
Retirement benefits scheme contributions	**7**	12
Share-based payment expenses	**2,129**	–
	3,816	970

The emoluments were within the following bands:

	2010 Number of employees	2009 Number of employees
HK$ Nil to HK$1,000,000	**–**	1
HK$3,000,001 to HK$3,500,000	**1**	–
	1	1

(c) Save as disclosed above, no emoluments have been paid by the Group to any directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office for both years.

10. Dividend

No dividend was paid or proposed during 2010, nor has any dividend been proposed since the end of the reporting period (2009: nil).

11. Loss Per Share

For continuing and discontinued operations

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

	2010 **HK$'000**	2009 HK$'000
Loss for the year attributable to owners of the Company, for the purposes of basic and diluted loss per share	**(351,973)**	(164,284)

	Number of shares **2010**	2009
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**13,993,839,799**	427,559,296

The weighted average number of ordinary shares for the year ended 30 June 2009 has been adjusted for the capital reorganisation of the Company in June 2009. Details of which are disclosed in note 22(d).

The computation of diluted loss per share for the year ended 30 June 2010 and 2009 does not include adjustments for the Company's outstanding share options as these options have anti-dilutive effect.

From continuing operations

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

	2010 **HK$'000**	2009 HK$'000
Loss for the year attributable to owners of the Company	**(351,973)**	(164,284)
Less: Loss for the year from discontinued operation	**–**	(10,997)
Loss for the year attributable to owners of the Company from continuing operations	**(351,973)**	(153,287)

The denominators used are the same as those detailed above for the basic and diluted loss per share.

From discontinued operation

Basic and diluted loss per share for the discontinued operation was HK2.6 cents per share, based on the loss for the year ended 30 June 2009 from the discontinued operation of HK$10,997,000 and the denominators detailed above for the basic and diluted loss per share.

12. Property, Plant and Equipment

	Buildings HK$'000	Plant and equipments HK$'000	Mine property and development assets HK$'000	Exploration and evaluation assets HK$'000	Construction in progress HK$'000	Leasehold improvements HK$'000	Furniture, fixtures & equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST									
At 1 July 2008	–	–	–	–	–	835	6,904	3,130	10,869
Additions	–	–	–	–	–	–	1,575	–	1,575
Disposal of subsidiaries	–	–	–	–	–	(446)	(2,157)	(1,281)	(3,884)
Disposals	–	–	–	–	–	–	(136)	–	(136)
At 30 June 2009 and 1 July 2009	–	–	–	–	–	389	6,186	1,849	8,424
Exchange realignments	14	3	3,315	–	1,444	–	9	–	4,785
Additions	–	–	110,918	4,027	473,771	2,176	1,766	–	592,658
Arising from acquisition of assets through acquisition of subsidiaries (Note 25)	3,019	828	1,450,647	–	323,538	–	1,867	–	1,779,899
Disposals	–	–	–	–	–	–	(33)	–	(33)
At 30 June 2010	3,033	831	1,564,880	4,027	798,753	2,565	9,795	1,849	2,385,733
ACCUMULATED DEPRECIATION									
At 1 July 2008	–	–	–	–	–	605	4,914	607	6,126
Provided for the year	–	–	–	–	–	56	630	538	1,224
Eliminated on disposal of subsidiaries	–	–	–	–	–	(272)	(790)	(573)	(1,635)
Eliminated on disposals	–	–	–	–	–	–	(115)	–	(115)
At 30 June 2009 and 1 July 2009	–	–	–	–	–	389	4,639	572	5,600
Provided for the year (Note)	349	228	–	–	–	104	1,072	370	2,123
Eliminated on disposals	–	–	–	–	–	–	(7)	–	(7)
At 30 June 2010	349	228	–	–	–	493	5,704	942	7,716
CARRYING VALUES									
At 30 June 2010	2,684	603	1,564,880	4,027	798,753	2,072	4,091	907	2,378,017
At 30 June 2009	–	–	–	–	–	–	1,547	1,277	2,824

12. Property, Plant and Equipment (continued)

Construction in progress represents the construction of mine structures and mining site infrastructure for the Martabe Project.

Depreciation on the mine property and development assets is provided using the unit of production method based on the actual production volume over the total estimated proved and probable reserves of the gold and silver mine.

The other items of property, plant and equipment, except for explanation and evaluation assets and construction in progress, are depreciated on a straight-line basis after taking into account their estimated residual value, at the following rates per annum:

Buildings	10%
Plant and equipments	20%
Leasehold improvements	10% to 50% or over the terms of the leases whichever is shorter
Furniture, fixtures and equipment	20%
Motor vehicles	20%

Note: Depreciation expense of building, plant and equipments, and furniture, fixtures and equipment of HK$349,000, HK$228,000 and HK$583,000, respectively incurred during the year ended 30 June 2010 by a subsidiary in respect of the development of the gold and silver mine was capitalised as part of mine property and development assets (included in property, plant and equipment).

13. Investment Properties

	HK$'000
FAIR VALUE	
At 1 July 2008	20,227
Decrease in fair value recognised in the consolidated income statement	(6,591)
Disposal of subsidiaries (Note 26)	(13,636)
At 30 June 2009, 1 July 2009 and 30 June 2010	–

The Group's investment properties were situated in the PRC and were held under medium-term leases. All of the Group's property interests held under operating leases to earn rentals were measured using the fair value model and were classified and accounted for as investment properties.

The fair values of the Group's investment properties at 1 July 2008 and at the date of disposal of subsidiaries have been arrived at on the basis of valuations carried out on the relevant dates by Greater China Appraisal Limited, independent qualified professional valuers. The valuations, which conform to Hong Kong Institute of Surveyors Standards on Properties, were arrived at by reference to market evidence of transaction prices for similar properties.

14. Intangible Assets

	Patents and technology HK$'000
COST	
At 1 July 2008	85,884
Disposal of subsidiaries (Note 26)	(85,884)
At 30 June 2009, 1 July 2009 and 30 June 2010	–
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSS	
At 1 July 2008	85,884
Disposal of subsidiaries (Note 26)	(85,884)
At 30 June 2009, 1 July 2009 and 30 June 2010	–
CARRYING VALUES	
At 30 June 2009 and 30 June 2010	–

15. Available-For-Sale Investments

	2010 HK$'000	2009 HK$'000
Unlisted equity securities, at cost less impairment		
W-Phone, Inc. ("W-Phone") (Note a)	–	–
Listed equity securities, at fair value		
Sino Union Energy Investment Group Limited (previously known as "Sino Union Petroleum & Chemical International Limited) ("SEIG") (Note b)	–	228,215
Listed debt securities, at fair value		
Senior Note Due 2015 (Note c)	**93,298**	–
	93,298	228,215

Notes:

(a) W-Phone is a private entity incorporated in the United States of America. The unlisted investment in W-Phone, whose cost amounted to HK$3,420,000, is measured at cost less accumulated impairment losses at the end of each reporting period. The investment was fully impaired as at 30 June 2010 and 2009.

(b) On 17 April 2008, the Group entered into an agreement with SEIG, whereby, the Company agreed to dispose of its entire 36% equity interest in another available-for-sale investment, Madagascar Petroleum International Limited ("MPIL"). 253,571,428 shares of SEIG, being 4.15% interest in SEIG, was part of the considerations for this acquisition and whose fair value as at that date amounted to HK$289,072,000 based on its published share price of HK$1.14 per share at the date of completion of the acquisition of SEIG. Such investment in SEIG was accounted for as available-for-sale investment during the year ended 30 June 2009.

As at 31 December 2008, an impairment loss in investment in SEIG of HK$103,964,000 was recognised in the consolidated income statement, determined using SEIG's published share price at 31 December 2008. For the six months ended 30 June 2009, a fair value increase of HK$43,107,000 was recognised in reserve determined using SEIG's published share price at 30 June 2009.

In August 2009, the Group disposed of its entire investment in SEIG at net consideration of approximately HK$166,478,000, based on its average published share price of HK$0.66 per share at the date of disposal and resulted in a loss on disposal of approximately HK$18,630,000.

(c) During the year, the Group acquired senior notes with principal amount of HK$92,940,000 issued by a company with its shares listed on the Hong Kong Stock Exchange with maturity date of 18 May 2015 (the "Senior Notes Due 2015"). These notes are listed on the Singapore Exchange Securities Trading Limited, carry interest at a fixed rate of 11.75% per annum, payable semi-annually in arrears on 18 May and 18 November of each year, commencing on 18 November 2010.

The Senior Notes Due 2015 may be redeemed anytime under certain conditions before the maturity date in the following circumstances:

(1) At any time prior to 18 May 2013, the Senior Notes issuer may redeem up to 35% of the aggregate principal amount of the Senior Notes at a redemption price equal to 111.75% of the principal amount of the Senior Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date, subject to not less than 30 nor more than 60 days notice.

(2) At any time prior to 18 May 2013, the Senior Notes issuer may at its option redeem the Senior Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Senior Notes redeemed, plus the make-whole premium as of, and accrued and unpaid interest, if any, to the redemption date, subject to not less than 30 nor more than 60 days notice.

(3) At any time on or after 18 May 2013, the Senior Notes issuer may redeem the Senior Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, on the Senior Notes redeemed, to the redemption date, if redeemed during the 12-month period commencing on 18 May of any year set forth below:

Period	**Redemption price**
2013	105.8750%
2014 and thereafter	102.9375%

The Senior Notes Due 2015 were initially measured at fair value. The fair value measurements are derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). During the year ended 30 June 2010, an increase in fair value of HK$358,000 was recognised in the investment revaluation reserves.

In the absence of quoted market price in an active market, the fair value of the Senior Notes Due 2015 as at 30 June 2010 is determined using the Hull-White term structure model with the following assumptions:

Effective interest rate:	12.52%
Time to maturity:	4.964 years
Mean Reverting rate:	0.02289
Volatility	0.00720

16. Trade and Other Receivables

	2010 HK$'000	2009 HK$'000
Trade receivables (Note a)	**132**	2,860
Other receivables (Note b)	**102,043**	12,115
Less: allowance for other receivables	**–**	(3)
	102,175	14,972

Notes:

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

	2010 HK$'000	2009 HK$'000
0-60 days	**132**	2,860
61-90 days	**–**	–
Over 90 days	**–**	–
	132	2,860

Before accepting any new customer, the Group will assess the potential customer's credit quality and define its credit limit. Credit sales are made to customers with appropriate credit history. Credit limits attributed to customers are reviewed regularly.

At the end of the reporting periods, the directors considered the trade receivables which were neither past due nor impaired were of good credit quality.

(b) Included in other receivables is HK$82,038,000 VAT paid by an Indonesian subsidiary of the Group in connection with its purchase of goods and services from suppliers. The Indonesian subsidiary is in the process of obtaining the approval from the relevant Indonesian tax authority for refund of such VAT paid.

Movement in the allowance for other receivables:

	2010 HK$'000	2009 HK$'000
Balance at beginning of the year	**3**	1,646
Amounts written off	**(3)**	–
Reversal of allowance for other receivables	**–**	(1,065)
Disposal of subsidiaries	**–**	(578)
Balance at the end of the year	**–**	3

At the end of reporting periods, the Group's receivables were individually determined to be impaired. The individually impaired receivables are recognised based on the credit history of the debtors, such as financial difficulties or default in payments, and current market conditions. The Group does not hold any collateral over these balances.

17. Held for Trading Investments

	2010 HK$'000	2009 HK$'000
Equity securities listed in Hong Kong, at fair value	**78,104**	18,885

18. Pledged Bank Deposit and Bank Balances and Cash

As at the end of the reporting period, there was approximately HK$714,000 (2009: nil) pledged to a bank to secure cutting tree permit granted to a subsidiary.

The pledged deposits carry no interest for the year.

Bank balances carry interest at market rates which range from 0.001% to 4.44% (2009: 0.428% to 0.564%) per annum.

19. Trade and Other Payables

As at 30 June 2009, included in trade and other payables were trade creditors of HK$212,000 (2010: nil) which aged within 30 days as at the end of the reporting period.

The average credit 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.

Included in other payables is an amount of HK$114,608,000 relating to payables by an Indonesian subsidiary of the Group to its consultants and contractors in connection with the construction of the mining site of the Martabe Project.

20. Deferred Tax Liability

The following is the major deferred tax liability recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation HK$'000
At 1 July 2008, 30 June 2009 and 30 June 2010	170

At the end of reporting period, the Group has unused tax losses of HK$450,077,000 (2009: HK$206,399,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profits streams. HK$858,000 (2009: nil) of unused tax losses can be carried forward for five years following the loss year. The remaining tax losses may be carried forward indefinitely.

21. Provision for Mine Rehabilitation Cost

In accordance with relevant rules and regulations in Indonesia, the Indonesian subsidiary of the Group accrued for the cost of land rehabilitation and mine closure for the Group's gold and silver mine. The provision for rehabilitation cost has been determined by the directors based on their best estimates in accordance with the Indonesian rules and regulations.

	HK$'000
At 1 July 2008 and 30 June 2009	–
Acquisition of assets through acquisition of subsidiaries (Note 25)	5,864
Additions	4,960
At 30 June 2010	10,824

Provision for mine rehabilitation cost incurred for the year of HK$4,960,000 was capitalised as part of mine property and development assets (included in property, plant and equipment) during the year ended 30 June 2010.

22. Share Capital

	Number of shares	Value HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
At 1 July 2008	60,000,000,000	600,000
Share Consolidation (Note d)	(54,000,000,000)	–
Share Subdivision (Note d)	54,000,000,000	–
At 30 June 2009 and 30 June 2010	60,000,000,000	600,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 July 2008	3,740,843,782	37,408
Share repurchase (Note a)	(6,810,000)	(68)
Conversion of convertible notes (Note b)	4,719,999,998	47,200
Exercise of share options (Note c)	19	–
Share consolidation (Note d)	(7,608,630,420)	–
Capital reduction (Note d)	–	(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 e)	221,428,571	2,214
Issue of shares (Note f)	13,000,000,000	130,000
At 30 June 2010	14,066,831,950	140,668

22. Share Capital (continued)

Notes:

(a) During the year ended 30 June 2009, the Company repurchased its own shares on the Hong Kong Stock Exchange as follows:

Month of repurchase	No. of ordinary shares of HK$0.01 each	Price per share Highest HK$	Lowest HK$	Aggregate consideration paid HK$'000
July 2008	2,570,000	0.142	0.135	353
August 2008	4,240,000	0.127	0.103	489

The above shares were cancelled upon repurchase.

(b) During the year ended 30 June 2009, 4,719,999,998 shares of the Company of HK$0.01 each were issued upon conversion of convertible notes with an aggregate principal amount of HK$160,480,000.

(c) On 5 March 2009, 19 new shares of HK$0.01 each were issued upon 19 share options being exercised by an employee of the Company at a subscription price of HK$0.255 per share for a consideration of HK$5.

(d) On 20 April 2009, the Company proposed reorganisation of the share capital (the "Capital Reorganisation"). The Capital Reorganisation became effective on 1 June 2009 after the approval by the shareholders. The Capital Reorganisation involved the following:

(i) every ten existing shares of HK$0.01 each in both the issued and unissued share capital of the Company were consolidated (the "Share Consolidation") into one consolidated share of HK$0.10 each (the "Consolidated Share");

(ii) the par value of each issued Consolidated Share was reduced from HK$0.10 to HK$0.01 by cancellation of HK$0.09 (the "Capital Reduction") and to form a reorganised share of HK$0.01 each;

(iii) each of the authorised but unissued Consolidated Share in the capital of the Company of HK$0.10 each was subdivided into ten unissued shares of $0.01 each;

(iv) the entire amount standing to the credit of the share premium account of the Company as at 29 May 2009 was reduced and cancelled (the "Share Premium Reduction");

(v) the credit of approximately HK$76,086,000 and HK$1,079,397,000 arising from the Capital Reduction and the Share Premium Reduction, respectively, was credited to the contributed surplus account of the Company which can be applied to against the accumulated losses of the Company; and

(vi) subsequent to the Share Consolidation, the authorised share capital of the Company of HK$600,000,000 is divided into 60,000,000,000 shares of HK$0.01 each.

Immediately after the Capital Reorganisation, the number of issued shares of the Company was reduced to 845,403,379 shares of HK$0.01 each and the paid-up capital was reduced to HK$8,454,000.

(e) As part of the consideration for the acquisition of assets through acquisition of subsidiaries as (detailed in note 25) 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.

(f) 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.

All these shares issued by the Company during both years rank pari passu with the then existing ordinary shares in all respects.

23. Convertible Notes

On 27 March 2009 and 20 May 2009, the Company issued zero coupon convertible notes at their principal value of HK$24,480,000 and HK$136,000,000, respectively. The convertible notes holders are entitled at any time before the maturity date of 30 June 2012 to convert the outstanding convertible notes into ordinary shares of the Company of HK$0.01 each at an initial conversion price of HK$0.034 per conversion share (subject to anti-dilutive adjustments). If the convertible notes have not been converted, they will be redeemed on 30 June 2012 at the principal amount of the convertible notes then outstanding.

On initial recognition on 27 March 2009 and 20 May 2009, the fair value of the liability component of convertible notes is determined using the prevailing market interest rate of similar non-convertible debts at 19.58% and 14.41%, respectively. The fair values of the liability components at the respective date of issue are HK$13,658,000 and HK$89,416,000. The convertible notes are denominated in HKD. The difference between the gross proceeds of the issue of the convertible notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the convertible notes into equity, is included in equity (convertible notes reserve).

The entire amount of convertible notes with an aggregate principal amount of HK$160,480,000 were converted into 4,719,999,998 ordinary shares of HK$0.01 each of the Company as follows:

Date of conversion	Principal amount of convertible notes HK$'000	Number of ordinary share of HK$0.01 each
1 April 2009	12,240	360,000,000
7 May 2009	12,240	360,000,000
22 May 2009	17,680	520,000,000
26 May 2009	77,180	2,269,999,998
27 May 2009	41,140	1,210,000,000

The movement of the liability component of the convertible notes for the year is set out below:

	HK$'000
Liability component:	
At 1 July 2008	–
Issue of convertible notes, net of transaction cost	100,498
Effective interest expense	449
Conversion of convertible notes	(100,947)
At 30 June 2009, 1 July 2009 and 30 June 2010	–

24. Share-Based Payment Transactions

The Company's share option scheme was adopted pursuant to a resolution passed on 30 July 2004 (the "2004 Scheme"), for the purpose of providing incentives or rewards to directors, employees, invested entities, suppliers and customers of the Group and entities that provide research, development or technological support or other services to the Group, any shareholders of any members of the Group or any invested entities or any holders of any securities issued by any members of the Group or any invested entities. The 2004 Scheme will expire on 29 July 2014. Under the 2004 Scheme, the Board of Directors of the Company may grant options to eligible employees, including executive directors of the Company or its subsidiaries, to subscribe for shares in the Company.

The maximum number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2004 Scheme or any other share option scheme adopted by the Company must not in aggregate exceed 30% of its issued share capital from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the 2004 Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue unless it is approved by shareholders in a general meeting of the Company. The maximum number of shares issuable under the options to each eligible participant in any 12-month period is limited to 1% of the shares in issue unless it is approved by shareholders in a general meeting of the Company. Any grant of options under the 2004 Scheme to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). Any share options granted to a substantial shareholder or an independent non-executive director of the Company or to any of their respective associates, in excess of 0.1% of the shares in issue and with an aggregate value (based on the closing price of the shares at the date of grant) in excess of HK$5 million, in any 12-month period, are subject to shareholders' approval in a general meeting of the Company.

At 30 June 2010, the number of shares of the Company in respect of which options had remained outstanding under the 2004 Scheme of the Company was 350,746,266 (2009: 12,383,998), representing 2.5% (2009: 1.5%) of the shares of the Company in issue at that date.

Total consideration received during the year from eligible participants for taking up the options granted during the year then ended was HK$20 (2009: nil).

Options granted must be taken up within 28 days of the date of grant, upon payment of HK$1 as the consideration for accepting the grant. The exercise period of the share options granted under the 2004 Scheme shall be determined by the Board of Directors when such options are granted, provided that such period shall not end more than 10 years from the date of grant. The exercise price is determined by the Board of Directors of the Company, and will not be less than the highest of the closing price of the Company's shares at the date of grant, the average closing price of the Company's shares for the five trading days immediately preceding the date of grant and the nominal value of the Company's shares.

As part of the remuneration package to five key managements, the Company also entered into share option agreements (the "Share Option Agreements") with the key managements on 10 May 2009 and 8 June 2009 upon signing of the service contracts whereby the Company agrees (subject to Shareholders' approval) to grant share options to each of the five key managements upon the terms and conditions as set out therein.

24. Share-Based Payment Transactions (continued)

The following table discloses the movements of the Company's share options for both years:

Share options granted under 2004 Scheme

Category of participants	Date of grant	Exercise period	Exercise price per share (Note) HK$	Outstanding at 1.7.2008	Adjustment during the year (Note)	Exercised during the year	Cancelled/ lapsed during the year	Outstanding at 1.7.2009	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	Outstanding at 30.6.2010
Directors	3.1.2007	3.1.2007-2.1.2009	1.52	24,000,000	–	–	(24,000,000)	–	–	–	–	–
	8.1.2008	8.1.2008-7.1.2010	2.55	61,480,000	(30,366,000)	–	(27,740,000)	3,374,000	–	–	(3,374,000)	–
	20.10.2009	20.10.2009-19.10.2014	0.48	–	–	–	–	–	11,862,171	–	–	11,862,171
	23.11.2009	23.11.2009-22.11.2014	0.55	–	–	–	–	–	257,137,829	–	–	257,137,829
Employees of the Group	8.1.2008	8.1.2008-7.1.2010	2.55	252,000,000	(64,889,973)	(19)	(179,900,010)	7,209,998	–	–	(7,209,998)	–
	16.4.2008	16.4.2008-15.4.2010	2.55	18,000,000	(16,200,000)	–	–	1,800,000	–	–	(1,800,000)	–
	20.10.2009	20.10.2009-19.10.2014	0.48	–	–	–	–	–	25,546,266	–	–	25,546,266
	23.11.2009	23.11.2009-22.11.2014	0.55	–	–	–	–	–	19,200,000	–	–	19,200,000
	4.12.2009	4.12.2009-3.12.2014	0.55	–	–	–	–	–	28,000,000	–	–	28,000,000
	13.5.2010	13.5.2010-12.5.2015	0.55	–	–	–	–	–	5,000,000	–	–	5,000,000
Others	23.11.2009	23.11.2009-22.11.2014	0.55	–	–	–	–	–	4,000,000	–	–	4,000,000
				355,480,000	(111,455,973)	(19)	(231,640,010)	12,383,998	350,746,266	–	(12,383,998)	350,746,266
Exercisable at the end of the year								12,383,998				–
Weighted average exercise price (HK$)				2.48	2.55	2.55	2.44	2.55	0.54	–	2.55	0.54

Note: The exercise price and the number of share options outstanding at 30 June 2009 have been adjusted to reflect the effect of the Capital Reorganisation as detailed in note 22(d).

Share options granted under Share Option Agreement

Category of participants	Date of grant	Exercise period	Exercise price per share HK$	Outstanding at 1.7.2008	Adjustment during the year	Exercised during the year	Cancelled/ lapsed during the year	Outstanding at 1.7.2009	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	Outstanding at 30.6.2010
Directors	15.7.2009	24.7.2009-23.7.2014	0.3850	–	–	–	–	–	403,362,100	–	–	403,362,100
Employees	15.7.2009	3.8.2009-2.8.2014	0.4025	–	–	–	–	–	66,689,197	–	–	66,689,197
				–	–	–	–	–	470,051,297	–	–	470,051,297
Exercisable at the end of the year								–				–
Weighted average exercise price (HK$)								–	0.3875	–	–	0.3875

24. Share-Based Payment Transactions (continued)

In respect of the share options exercised during year ended 30 June 2009, the weighted average share price at the dates of exercise is HK$0.39.

During the year ended 30 June 2010, two lots of share options were granted on 15 July 2009 under the Share Option Agreements and four lots of share options were granted under the 2004 Scheme on 20 October 2009, 23 November 2009, 4 December 2009 and 13 May 2010 respectively, and are detailed as follow:

Grant date	15 July 2009	15 July 2009	20 October 2009	23 November 2009	4 December 2009	13 May 2010
Number of share options granted	403,362,100	66,689,197	37,408,437	280,337,829	28,000,000	5,000,000
Estimated fair value of share options granted (per option)	HK$0.1962	HK$0.1959	HK$0.2288	HK$0.2412	HK$0.2289	HK$0.1929

All the share options granted during the year ended 30 June 2010 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.

Fair values of the options, determined at the dates of grant using the Black-Scholes option pricing model on respective grant date. Share-based payment was recognised over the vesting period based on the management's estimation of the timing when the vesting conditions (1) to (3) disclosed above are met. The fair value of the total share options granted during the year ended 30 June 2010 is HK$175,757,000 (2009: nil). For the year ended 30 June 2010, the Group recognised the share-based expenses of HK$79,928,000 (2009: nil) in relation to these 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	13 May 2010
Weighted average share price on date of grant	HK$0.411	HK$0.411	HK$0.484	HK$0.534	HK$0.510	HK$0.463
Exercise price	HK$0.385	HK$0.403	HK$0.480	HK$0.550	HK$0.550	HK$0.550
Expected life	3 years	3 years	3 years	3 years	3 years	3 years
Expected volatility	71.690%	71.690%	71.510%	71.217%	71.450%	69.837%
Dividend yield	0%	0%	0%	0%	0%	0%
Risk-free interest rate	1.037%	1.037%	0.908%	0.720%	0.722%	1.064%

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.

Expected volatility was determined by using the volatility of a set of companies in the mining industry. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioral considerations.

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.

25. 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 CST Mining Group Limited, previously known as "China Sci-Tech Holdings Limited" ("CST")), a company with common directors of the Group, the Company and CST 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 the Martabe Project and related items of property, plant and equipment. As at 30 June 2010, 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	1,779,899
Other receivables	52,943
Bank balances and cash	1,046
Trade and other payables	(21,531)
Provision for mine rehabilitation cost	(5,864)
	1,806,493
Total consideration satisfied by:	
Cash	1,681,331
Directly attributable costs	37,698
Issue of shares for acquisition of assets and liabilities	87,464
	1,806,493
Net cash outflow arising on the acquisition:	
Cash consideration paid	1,681,331
Cash paid for directly attributable costs	37,698
Less: bank balances and cash acquired	(1,046)
	1,717,983

26. Disposal of Subsidiaries

As detailed in note 8, on 26 March 2009, the Group discontinued its credit card security device and digital network authorisation services operation through the disposal of the Star Cyber DNA Group to an independent third party at a cash consideration of HK$18,000,000. The loss on disposal of Star Cyber DNA Group is approximately HK$812,000.

On 26 February 2009, the Group through its wholly-owned subsidiary, Credit Card DNA Securities System Limited, entered into a sale agreement with Fast Sky Investments Limited, an independent third party, to dispose of its entire 100% interest in Star EPS.com Limited ("EPS.com"), Star EPS.com (HK) Limited, Ming Yuen Assets Limited, Star EPS.com (Shenzhen) Limited, 香港好易聯投資集團有限公司 and Shenzhen Payment Express Business Services Limited (collectively the "Star EPS Group") at a cash consideration of HK$23,800,000. The Star EPS Group was engaged in investment holding.

The net assets of the Star Cyber DNA Group and Star EPS Group at the date of disposal were as follows:

	Star Cyber DNA Group HK$'000	Star EPS Group HK$'000	Total HK$'000
NET ASSETS DISPOSED OF			
Property, plant and equipment	2,182	67	2,249
Investment properties	13,636	–	13,636
Available-for-sale investments	3,283	22,713	25,996
Intangible assets	–	–	–
Interest in a jointly controlled entity (Note a)	–	–	–
Trade and other receivables	614	11	625
Bank balances and cash	1,302	325	1,627
Trade and other payables	(956)	(81)	(1,037)
	20,061	23,035	43,096
Exchange reserve	(1,249)	139	(1,110)
(Loss)/gain on disposal of subsidiaries	(812)	626	(186)
	18,000	23,800	41,800
Satisfied by:			
Cash	18,000	23,800	41,800
Cash inflow/(outflow) arising on disposal:			
Cash consideration	18,000	23,800	41,800
Bank balances and cash disposed of	(1,302)	(325)	(1,627)
	16,698	23,475	40,173

The contribution of the Star Cyber DNA Group on the Group's results and the net cash flows resulted from the disposal of Star Cyber DNA Group for the period from 1 July 2008 to the date of disposal are disclosed in note 8.

Note:

(a) The Group has discontinued recognition of its share of losses of the jointly controlled entity since the Group's share of losses in the jointly controlled entity has exceeded its interest in the jointly controlled entity. The amounts of unrecognised share of this jointly controlled entity, extracted from the relevant unaudited management account in respect of the Group's jointly controlled entity, both for the period from 1 July 2008 to the date of its disposal through the disposal of subsidiaries and cumulatively, are as follows:

	Period ended 26 March 2009 HK$'000
Unrecognised share of losses of a jointly controlled entity for the period	259
Accumulated unrecognised share of losses of a jointly controlled entity	628

27. Major Non-Cash Transactions

During the year ended 30 June 2010, as detailed in note 25, a total number of 221,428,571 ordinary shares of the Company were issued as part of the consideration for the acquisition of Maxter Group.

During the year ended 30 June 2009, the Group had the following major non-cash transactions:

(a) An aggregate principal amount of HK$160,480,000 convertible notes were converted into 4,719,999,998 shares of HK$0.01 each of the Company.

(b) As a result of Capital Reorganisation as detailed in note 22(d), a credit of approximately HK$76 million and HK$1,079 million arising from the Capital Reduction and the Share Premium Reduction respectively, were credited to the contributed surplus account of the Company.

(c) As detailed in note 15(b), 253,571,428 shares of SEIG were received as part of the consideration for the disposal of the 36% equity interest of MPIL, an available-for-sale investment of the Group.

28. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net of cash and cash equivalents, and equity attributable to equity holders of the Company, comprising issued share capital, reserves and accumulated losses.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues, share buy-backs or raising of new debt.

29. Financial Instruments

29a. Categories of financial instruments

	2010 HK$'000	2009 HK$'000
Financial assets		
Financial assets classified as loans and receivables (including cash and cash equivalents)	**2,193,080**	245,527
Available-for-sale financial assets	**93,298**	228,215
Held for trading investments	**78,104**	18,885
Financial liabilities		
Amortised cost	**117,363**	1,091

29b. Financial risk management objectives and policies

The Group's major financial instruments include held for trading investments, trade and other receivables, available-for-sale investments, pledged bank deposits and bank balances, and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

29. Financial Instruments (continued)

29b. Financial risk management objectives and policies (continued)

Market risk

(i) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and fair value interest risk in relation to fixed-rate investment in Senor Note Due 2015.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

The exposures of the Group to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note. The cash flow interest rate risk of the Group is mainly concentrated on the fluctuation of Hong Kong Interbank Offer Rate arising from the bank balances.

Sensitivity analysis

The Company considers the Group's explosure to cash flow interest rate risk is not significant as those interest-bearing bank balances are within short maturity period. Accordingly, no sensitivity analysis was prepared.

The sensitivity analyses below have been determined based on the exposure to fair value for its investments in fixed-rate Senior Notes Due 2015 as at 30 June 2010. If the interest rate used to assess the fair value had been 2% higher/lower and all other variables were held constant, the Group's investment revaluation reserve as at 30 June 2010 would decrease by HK$6,008,000/increase by HK$3,218,000.

(ii) Other price risk – Investments in equity securities

The Group is exposed to equity price risk through the Group's held for trading investments and investments in listed equity securities (classified as available-for-sale investments). Management manages this exposure by maintaining a portfolio of investments with different risks. The Group's listed equity price risk is mainly concentrated on equity instruments quoted on the Hong Kong Stock Exchange.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks, excluding unlisted investments which are measured at cost less impairment, at the reporting date.

If the prices of the respective equity securities had been 10% (2009: 10%) higher/lower:

- the Group's post-tax loss for the year would decrease/increase by HK$6,522,000 (2009: HK$1,577,000) as a result of the changes in fair value of held for trading investments; and
- investment revaluation reserve would increase/decrease by HK$22,822,000 (2010: nil) as a result of the change in fair value of investment is listed equity securities (classified as available-for-sales investment) for the year ended 30 June 2009.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to discharge their obligations in relation to each class of recognised financial assets are the amounts stated in the consolidated statement of financial position. In order to minimise the credit risk, management of the Group has determined credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debtor at the end of each reporting periods to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are financial institutions with good reputation.

The Group has concentrations of credit risk comprising deposits placed at one financial institutions for the Group's bank balances of HK$2,157,338,000 (2009: HK$233,134,000), which represents approximately 99% (2009: 98%) of the Group's total bank balances and cash, and investments in the Senior Notes Due 2015 of HK$93,298,000 (2009: nil) issued by a single counter party. Management considered the credit risk on such balances held at financial institutions and the counter party is limited because the financial institutions are with good reputation and the single counter party which has its shares listed on the Hong Kong Stock Exchange is in good financial position.

29. Financial Instruments (continued)

29b. Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the operations of the Group and to maintain a balance between continuity of funding and flexibility through the use of bank borrowings.

The following tables detail the remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity tables

	Weighted average effective interest rate %	Less than 1 month HK$'000	1-3 months HK$'000	3 months to 1 year HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 30 June HK$'000
2010						
Non-derivative financial liability						
Trade and other payables	**–**	**117,363**	**–**	**–**	**117,363**	**117,363**
2009						
Non-derivative financial liability						
Trade and other payables	–	1,091	–	–	1,091	1,091

29c. Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of held for trading investments and the listed equity securities (classified as available-for-sale investments) with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices; and
- the fair value of other financial assets and financial liabilities (excluding held for trading investments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 and 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

29. Financial Instruments (continued)

29c. Fair value (continued)

	2010 Level 1 HK$'000	2010 Level 3 HK$'000	2010 Total HK$'000
Listed debt securities (classified as available-for-sale investments)	**–**	**93,298**	**93,298**
Held for trading investments	**78,104**	**–**	**78,104**
Total	**78,104**	**93,298**	**171,402**

Reconciliation of Level 3 fair value measurements of financial asset

	Listed debts securities (classified as available-for-sale investments) HK$'000
At 1 July 2009	–
Purchases	92,940
Gain recognised in other comprehensive income (Note)	358
At 30 June 2010	93,298

Note: All the above gains and losses included in other comprehensive income for the current year related to the debt investments held at the end of the reporting period and are reported as change of "investment revaluation reserves".

30. Operating Leases

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2010 HK$'000	2009 HK$'000
Within one year	**4,817**	1,742
In the second to fifth year inclusive	**9,219**	495
	14,036	2,237

Operating lease payments represented rentals payables by the Group for certain of its office premises and warehouse. Leases are negotiated for terms ranging from one to four years.

31. Capital Commitments

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

	2010 HK$'000	2009 HK$'000
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of property, plant and equipment	**365,706**	–
Capital expenditure authorised but not contracted for in respect of acquisition of property, plant and equipment	**2,206,798**	–

32. Pledge of Assets

As at 30 June 2010, a fixed charge on the entire share interest of Agincourt Resources (Singapore) Pte Limited and a floating charge over all the assets of G-Resources Martabe Pty Limited, both being wholly-owned subsidiary of the Company, were granted to an independent third party to secure its contractual obligations to pay royalty to this independent third party. The royalty payments is determined based on a fixed amount on gold produced from the Martabe Project. The fair value of the royalty is estimated to be approximately HK$39,000,000.

33. Related Party Disclosures

Key management personnel compensation

	2010 HK$'000	2009 HK$'000
Short-term benefits	**23,731**	24,867
Share-based payments (Note)	**67,858**	–
Post-employment benefits	**80**	70
	91,669	24,937

Note: Share-based payments represent the portion of the total fair value at the grant date of share options issued under the 2004 Scheme and the Share Option Agreements which has been charged to the consolidated income statement during the year ended 30 June 2010. The total fair value of the share option granted was HK$148,117,000.

34. Retirement Benefits Schemes

The Group participates in a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all its employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Under the rules of MPF Scheme, the employer and its employees are each required to make contributions to MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to MPF Scheme is to make the required contributions under the MPF Scheme. No forfeited contributions are available to reduce the contributions payable in future years.

The employees in the subsidiaries in the PRC are members of the state-sponsored pension scheme (the "PRC State-sponsored Pension Scheme") operated by the government in the PRC. The subsidiaries in the PRC are required to contribute a certain percentage of their payroll to the State-sponsored Pension Scheme to fund the benefits. The only obligation of the Group with respect to the State-sponsored Pension Scheme is to make the required contributions under State-sponsored Pension Scheme.

The employees in the Group's subsidiary in Indonesia are members of the state-managed retirement benefit scheme (the "Indonesia State-managed Retirement Benefit Scheme") operated by the Indonesian government. The subsidiary is required to contribute a certain percentage of payroll costs to the retirement benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make specified contributions.

During the year, the total amount contributed by the Group to the MPF Scheme and the PRC State-sponsored Pension Scheme charged to the consolidated income statement, were HK$371,000 (2009: HK$268,000) and HK$ Nil (2009: HK$118,000), respectively. The Group also contributed HK$606,000 (2009: nil) to the Indonesia State-managed Retirement Benefit Scheme operated by the Indonesian government and the amount was capitalised as mine property and development assets (included in property, plant and equipment).

35. Statement of Financial Position of the Company

As at 30 June 2010

	Notes	**2010 HK$'000**	2009 HK$'000
Assets			
Property, plant and equipment		**3,826**	24
Investments in subsidiaries		**1**	1
Other receivables		**3,102**	5,671
Amounts due from subsidiaries	(a)	**2,669,514**	428,919
Bank balances and cash		**2,162,739**	1,202
		4,839,182	435,817
Liabilities			
Trade and other payables		**6,411**	2,520
Amounts due to subsidiaries	(a)	**155,447**	28,990
		161,858	31,510
		4,677,324	404,307
Capital and reserves			
Share capital		**140,668**	8,454
Reserves	(b)	**4,536,656**	395,853
Total equity		**4,677,324**	404,307

35. Statement of Financial Position of the Company (continued)

Notes:

(a) Amounts due from/(to) subsidiaries

The amount due from subsidiaries are unsecured, non-interest bearing and repayable on demand. The directors are of the opinion that the amount would be recovered in the next twelve months. The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

(b) Reserves

	Share premium HK$'000	Capital redemption reserve HK$'000	Contribution surplus HK$'000	Share options reserve HK$'000	Convertible notes reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 July 2008	970,461	807	93,289	28,863	–	(875,663)	217,757
Loss for the year and total comprehensive expenses for the year	–	–	–	–	–	(6,926)	(6,926)
Recognition of equity component of convertible notes	–	–	–	–	57,406	–	57,406
Transaction costs attributable to issue of convertible notes	–	–	–	–	(1,436)	–	(1,436)
Conversion of convertible notes	109,717	–	–	–	(55,970)	–	53,747
Cancellation of share options	–	–	–	(18,689)	–	18,689	–
Repurchase and cancellation of shares	(781)	849	–	–	–	(849)	(781)
Capital reorganisation (Note 22(d))	(1,079,397)	–	1,155,483	–	–	–	76,086
At 30 June 2009 and 1 July 2009	–	1,656	1,248,772	10,174	–	(864,749)	395,853
Loss for the year and total comprehensive expenses for the year	–	–	–	–	–	(307,465)	(307,465)
Issue of shares during the year	4,420,000	–	–	–	–	–	4,420,000
Issue of shares for acquisition of a subsidiary	85,250	–	–	–	–	–	85,250
Transaction costs attributable to issue of new shares	(136,910)	–	–	–	–	–	(136,910)
Recognition of equity settled share-based payment	–	–	–	79,928	–	–	79,928
Cancellation of share options	–	–	–	(10,174)	–	10,174	–
Transfer from contributed surplus to eliminate accumulated losses	–	–	(1,063,556)	–	–	1,063,556	–
At 30 June 2010	4,368,340	1,656	185,216	79,928	–	(98,484)	4,536,656

The contributed surplus of the Company includes (i) the difference between the consolidated shareholders' funds of the subsidiaries at the date at which they were acquired by the Company, and the nominal amount of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1994; (ii) the surplus arising from the group reorganisation in 1998; and (iii) the surplus arising from Capital Reorganisation in 2009, details of which are set out in note 22(d).

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

In the opinion of the directors, reserves available for distribution to shareholders at 30 June 2010 were HK$86,732,000 (2009: HK$384,023,000).

36. Principal Subsidiaries

Particulars of the principal subsidiaries at 30 June 2010 and 2009 are as follows:

Name of subsidiary	Place of incorporation/ operation	Class of shares equity held	Nominal value of issued and fully paid share capital/ registered capital	Effective percentage of equity interests/ voting rights held by the Company				Principal activities
				Directly		Indirectly		
				2010	2009	**2010**	2009	
				%	%	**%**	%	
Agincourt Resources (Singapore) Pte Limited	Singapore	Ordinary	US$803	**–**	–	**100**	–	Investment holding
Giant Win Limited	Hong Kong	Ordinary	HK$1	**–**	–	**100**	100	Operating fund management
G-Resources Martabe Pty Limited	Australia	Ordinary	A$1	**–**	–	**100**	–	Investment holding
PT Agincourt Resources	Indonesia	Ordinary	US$5,000,000	**–**	–	**100**	–	Exploration and mining of gold and other minerals
Star Cyberpower Management Limited	Hong Kong	Ordinary	HK$10,000	**100**	100	**–**	–	Provision of management services and trading of electronic goods and accessories
Star Cyberpower V.F. Limited	BVI/Hong Kong	Ordinary	US$1	**–**	–	**100**	100	Investment holding
Star Financial Limited	Hong Kong	Ordinary	HK$200	**–**	–	**100**	100	Provision of financial information services
Winner Force Limited	Hong Kong	Ordinary	HK$1	**–**	–	**100**	100	General administration
Win Genius Investments Limited	Hong Kong	Ordinary	HK$1	**–**	–	**100**	100	Securities investment

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries of the Group had any debt securities outstanding at the end of reporting period or at any time during the year.

Five-year Financial Summary

(a) Results

For the year ended 30 June

	2006 HK$'000	2007 HK$'000	2008 HK$'000	2009 HK$'000	**2010** **HK$'000**
Revenue					
– Continuing operations	2,560	2,875	10,680	29,052	**5,811**
– Discontinued operation	1,414	3,963	3,993	2,125	**–**
	3,974	6,838	14,673	31,177	**5,811**
Loss before taxation	(73,318)	(44,539)	(205,348)	(153,310)	**(351,973)**
Taxation	–	6,263	(170)	23	**–**
(Loss)/profit for the year from discontinued operation	(9,875)	(5,276)	2,338	(10,997)	**–**
Loss before non-controlling interests	(83,193)	(43,552)	(203,180)	(164,284)	**(351,973)**
Loss attributable to non-controlling interests	–	46	169	–	**–**
Loss attributable to owners of the Company	(83,193)	(43,506)	(203,011)	(164,284)	**(351,973)**

(b) Assets and Liabilities

As at 30 June

	2006 HK$'000	2007 HK$'000	2008 HK$'000	2009 HK$'000	**2010** **HK$'000**
Total assets	187,363	305,495	519,091	501,631	**4,828,168**
Total liabilities	(12,952)	(4,416)	(55,755)	(4,514)	**(141,105)**
	174,411	301,079	463,336	497,117	**4,687,063**
Equity attributable to owners of the Company	174,411	301,022	463,336	497,117	**4,687,063**
Non-controlling interests	–	57	–	–	**–**
	174,411	301,079	463,336	497,117	**4,687,063**

Shareholder Information

Investor Communication

G-Resources makes every effort to maintain regular communication with its institutional and private investors and distributes information about the Company's activities through its interim and annual reports.

The Company also publishes information on its business activities through its website, http://www.g-resources.com. In addition to financial reports, the website contains the following:

- Announcements and notices
- Information on change of share capital
- Circulars
- Press releases
- Company presentations
- Interviews

Furthermore, the investor relations team at G-Resources holds regular dialogues with institutional investors in person and during road shows.

Questions about the Company's activities may be directed to **information@g-resources.com**.

Investor Relations Contacts

In Hong Kong:
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Richard Hui
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In Melbourne:
Craig Parry
T. +61 3 8644 1300

Owen Hegarty
T. +61 3 8644 1300

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

Rooms 4501-02, 4510, 45/F
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

Website:

www.g-resources.com

G-Resources Group Limited
(Incorporated in Bermuda with limited liability)
Stock code: 1051

Registered office
Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

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