Creon Resources plc

Annual Report and Financial Statements
For the year ended 31 January 2013

Registered Number 05216336

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CORPORATE INFORMATION

Directors	Ghanim Bin Saad Al Saad Al Kuwari (*Non-Executive Chairman*) Lau Lian Seng Glen (*Chief Executive Officer*) August Johannes Francisca Maria Berting (*Non-Executive Director*) Aamir Quraishi (*Non-Executive Director*)
Principal Place of Business	201 Temple Chambers 3-7 Temple Avenue London EC4Y 0DT
Company Secretary	John Bromley 201 Temple Chambers 3-7 Temple Avenue London EC4Y 0DT
Nominated Adviser	Daniel Stewart & Company plc Becket House 36 Old Jewry London EC2R 8DD
Corporate Consultant	CMS Corporate Consultants Ltd 201 Temple Chambers 3-7 Temple Avenue London EC4Y 0DT
Solicitors to the Company	Ashfords LLP Tower Wharf Cheese Lane Bristol BS2 0JJ
Independent Auditor	Chantrey Vellacott DFK LLP Russell Square House 10-12 Russell Square London WC1B 5LF
Registrar	Capita Registrars Limited The Registry 34 Beckenham Road Beckenham, Kent BR3 4TU
Website	www.creonresources.com
Country of Incorporation	England and Wales

CHAIRMAN'S STATEMENT

I am pleased to present this annual report of Creon Resources plc ("Creon" or the "Company") and its subsidiaries (the "Group") for the year ended 31 January 2013.

Introduction

The 2012/13 year has been a transformational one for Creon:

- In June 2012, we raised more than £12.0 million from new and existing shareholders;
- In July 2012, we made our first significant resources investment when we invested US$15.3 million into YZJ Offshore Engineering PTE Ltd ("YZJ Offshore"), a joint venture with multi-billion dollar shipbuilding giant, Yangzijiang Shipbuilding (Holdings) Ltd ("Yangzijiang"), for a 46.45% stake in YZJ Offshore;
- In December 2012, the 40% associate of YZJ Offshore, Jiangsu Yangzijiang Offshore Engineering Co Ltd ("YZJOE"), secured its first rig order worth US$170 million for delivery in mid-2015; and
- In April 2013, we acquired a 49% stake in ferrous metal and ore trader, MGR Resources PTE Ltd.

Background

Creon is an investment company with a broad investment policy which has focused on the resources sector. Its aim is to deliver significant shareholder returns through capital growth and to provide the services of its directors and management to its investee companies, when necessary. The background and experience of the Company's directors ("Directors") and its advisory network are crucial to the Group's success, providing it with the necessary access to value enhancing deals, particularly in the high growth regions such as the Middle East and South East Asia.

Review of Creon's investments

<u>YZJ Offshore</u>

Creon made its largest investment to date in July 2012, when the Company entered into a joint venture with multi-billion dollar China based shipbuilding giant, Yangzijiang, in the offshore oil and gas infrastructure sector ("JV Agreement").

Under the terms of the JV Agreement, Creon and Yangzijiang each invested in a joint venture company, YZJ Offshore, a Singapore registered company specifically set up by Yangzijiang to be a leading player in the design and construction of marine offshore oil and gas vessels (jack-up and semi-submersible rigs) ("the JV Investment"). Creon invested US$15.33 million into YZJ Offshore with Yangzijiang and its associates having invested a further US$14.67 million.

The joining of forces with Yangzijiang under this JV Agreement represented a substantial endorsement of Creon's standing and that of its management in the oil and gas infrastructure sector. The Directors are confident of identifying and executing further significant deals with similar industry heavyweights in order to deliver material shareholder value.

The Offshore oil and gas market

The Directors believe demand for newly designed rigs will be underpinned by the phasing out of the existing stock of rigs over the next few years. The Directors consider that based on the current stock and new rig builds in the pipeline, there could be an under supply by almost 200 jack-up rigs by 2020, given that almost half the

current fleet of jack-up rigs are more than 30 years old. Both Creon and Yangzijiang believe the requirement to provide higher specification rigs to enable even deeper and more efficient drilling represents an excellent investment opportunity.

About Yangzijiang Shipbuilding (Holdings) Ltd

Yangzijiang was established in 1956 and is listed on the main board of the Singapore stock exchange. Yangzijiang is the largest non-state owned container shipbuilder in China. In the year ended 31 December 2012, Yangzijiang generated sales of approximately US$2.3 billion and net profits of approximately US$0.6 billion. Yangzijiang reported net assets of approximately US$2.6 billion as at 31 December 2012. The Directors were aware that Yangzijiang had been exploring opportunities to diversify from its traditional container shipbuilding sector into the offshore oil and gas infrastructure sector for some time and were open to collaborating with partners with expertise, such as Creon.

As a consequence, Yangzijiang invited Creon to participate in the JV Investment to further enhance YZJ Offshore's access to the necessary skills and expertise in rig design, sales and procurement so as to enable YZJ Offshore to grow into a successful and significant business.

First new rig order

In December 2012, Creon was delighted to announce that YZJ Offshore's 40% associate, YZJOE, the entity in which Creon has an indirect 18.58% shareholding, had secured a US$170 million order for a drilling rig to be delivered in mid-2015. The order, to deliver one unit of a Le Tourneau Super 116E Class design self-elevating Mobile Offshore Jack-up Drilling Rig ("First Rig"), is currently on track for delivery, albeit now designed to an even higher specification with an increased order value.

The First Rig is currently being built at one of Yangzijiang's existing yards, with the laying of the keel due to take place later this month.

Long term strategy

Not only does YZJ Offshore have aspirations to become a leading player in the provision of front end engineering, design and management consultancy services for the construction, fabrication and repair of oil and gas marine vessels and platforms, but YZJ Offshore's longer term strategy is to own and construct its own purpose built rig-building yard in China. To that end, in July 2012, YZJOE secured the land rights to approximately 1.6 million square metres of prime shorefront land in Taicang, Jiangsu Province on China's east coast, some 50 miles north of Shanghai ("Land"). The Land is the ideal location for the construction of YZJOE's new rig yard ("New Yard") due to its deep water and absence of bridges en route to the open sea. Since July 2012, Creon can report that part of the Land is currently being compacted in order to prepare for construction thereon and building of the skidway is expected to get underway shortly.

<u>MGR Resources</u>

In early April 2013, Creon's wholly owned subsidiary, Creon Resources (Asia) PTE Ltd ("Creon Asia") acquired 49% of MGR Resources PTE Ltd ("MGR"). MGR is a wholesale trader of ferrous metals and ore, sourced principally from Africa, India and the Middle East and sold on to buyers in East Asia, including China.

As part of the investment into MGR, Creon also provided MGR with an US$1.95 million three year convertible loan with a coupon of 15%.

Although only a recent investment, Creon can announce that MGR is in advanced negotiations over long term supply contracts from sub-Saharan Africa for iron ore and chromium ore. These contracts, if secured on the current expected terms, will generate significant returns for MGR and accordingly, Creon. Trading in MGR

since Creon's investment is in line with MGR's management's expectations and Creon anticipates receiving a return on its investment in the second half of the year.

Other legacy investments

Creon retains its holding of 400,000 unquoted preference shares of £1 each in privately owned Pinnacle Plus Limited ("Pinnacle") made in 2008 ("the Preference Share"). Pleasingly, Pinnacle traded profitably during its latest financial year ended 30 April 2012 and as such, although the Directors continue to account for the Preference Share prudently, having previously made significant provisions against the carrying value of the Preference Share, the Directors now believe that a material proportion, if not all, of the par value of this investment (£0.4 million), together with interest due thereon (£0.14 million), may now be realizable on its due date in September 2013.

Financial review

The Directors' focus during the year was to strengthen the Company's balance sheet, which was successfully achieved through the raising of more than £12.0 million via the open offer to all shareholders in June 2012, and to contemplate on and then execute its investment strategy, which resulted in the Company's US$ 15.3 million investment into YZJ Offshore in July 2012.

In June 2012, shareholders approved the Company issuing approximately 2.4 billion new ordinary shares of 0.1 pence each ("Ordinary Shares") via an open offer to all shareholders ("Open Offer") in order to raise approximately £12.0 million (US$18.8 million) of new funds for the Company. The Company had secured a partial underwriting of the Open Offer from Qatar Investment Corporation ("QIC"), a company controlled by Mr Ghanim Al Saad, who became non-executive Chairman of Creon in October 2012.

Having undertaken extensive research on a number of possible investments, the Directors invested US$15.3 million (£9.96 million) into YZJ Offshore through its wholly owned subsidiary, Creon Asia, which was specifically set up to hold its Asian-based investments.

The Group reported a consolidated loss for the year of £1.09 million (2012: £0.65 million). This was primarily made up of administration costs of £0.74 million, comprised of £0.35 million costs incurred in connection with the investment in YZJ Offshore, £0.1 million of which were professional fees relating to the Open Offer and £0.29 million were the Company's normal cost administration fees, which includes a £0.1 million non-cash charge on the issue of warrants to Directors' in lieu of fees. £0.2 million of the Group's overall costs of £1.09 million was the non-cash loss on foreign exchange due to the strengthening of the US$ against £Sterling between the making of the JV Investment in July 2012 and the end of the financial year. The balance of costs of £0.15 million was Creon Asia's 46.65% share of YZJ Offshore's reported losses during the period.

There was no income generated in the year.

The Group's net assets as at 31 January 2013 of £11.21 million (2012: £0.07 million) were made up primarily of the carrying value at cost of Creon Asia's 46.45% in YZJ Offshore of £9.52 million. Cash at the year-end was £1.75 million (2012: £0.1 million). Since the year end, Creon has made an equity investment of £0.05 million into MGR and has also provided MGR with a three year 15% coupon convertible loan of US$1.95 million (£1.23 million). As at the date of this report, Creon has cash of approximately £0.25 million and normal annualised running costs of less than £0.2 million.

Net asset value as at 31 January 2013 was up almost 18-fold to 0.41 pence per share (2012: 0.023 pence).

Investment policy

The Company's investment policy is set out below and remains unchanged from that approved by its shareholders at the Company's annual general meeting held on 31 July 2012 ("2012 AGM").

The investment policy allows the Company to invest principally, but not exclusively, in the resources and/or resources infrastructure sectors, with no specific national or regional focus. The Company may be either an active investor and acquire control of a single company or it may acquire non-controlling shareholdings.

The proposed investments to be made by the Company may be either quoted or unquoted; made by direct acquisition or through farm-ins; may be in companies, partnerships, joint ventures; or direct interests in resources projects. Target investments will generally be involved in projects in the exploration and/or development stage. The Company's equity interest in a proposed investment may range from a minority position to 100 per cent. ownership.

The Company will initially focus on projects located in Asia and the Middle East but will also consider investments in other geographical regions, including Europe.

The Company will identify and assess potential investment targets and where it believes further investigation is required, intends to appoint appropriately qualified advisers to assist.

The Company proposes to carry out thorough project review processes in which all material aspects of any potential investment will be subject to appropriate due diligence, as appropriate. It is likely that the Company's financial resources will be invested in either a small number of projects or potentially in just one investment which potentially may or may not be deemed to be a reverse takeover under the AIM Rules, depending on the circumstances.

Where this is the case, the Company intends to mitigate risks by undertaking appropriate due diligence processes. Any transaction constituting a reverse takeover under the AIM Rules will be subject to shareholder approval. The possibility of building a broader portfolio of investment assets has not, however, been excluded.

The Company intends to deliver shareholder returns principally through capital growth rather than income distribution via dividends. Given the nature of the Company's investment policy, the Company does not intend to make regular periodic disclosures or calculations of net asset value.

Warrants

During the year, the Company issued a total of 87.0 million warrants to acquire Ordinary Shares ("Warrants"), of which 82.0 million were granted to Directors (or entities connected with the Directors) and 5.0 million to key advisers. The Warrants, all of which have vested, have exercise prices of either 0.5 pence (5 year exercise period) or 0.75 pence (10 year exercise period) per Warrant and were granted as incentives and in part in lieu of fees. The Warrants represent approximately 3% of the Company's current issued share capital. No Warrants have been exercised during the year or after the year end. The overall non-cash cost to the Company of issuing the Warrants was £0.15 million, which has been expensed in the year. It remains the intention of the Directors to implement a long term incentive plan at the appropriate time.

Director changes

Mr Ghanim Al Saad joined the board of the Company as Non-executive Chairman on 5 October 2012 and Mr Glen Lau joined the board of the Company as Chief Executive Officer on 19 September 2012, replacing Mr Jeswant Natarajan, who stepped down as Chief Executive Officer on the same day having been appointed to the position on 4 April 2012.

Current position and outlook

The year ended 31 January 2013 has clearly been an exceptional one for Creon, transforming itself into a well capitalised and well respected investment company with investments in sectors with high growth potential over both the short and long term.

We are delighted with our JV Investment alongside Yangzijiang into YZJ Offshore, which is on schedule to deliver its first order on budget and on time. The development of YZJOE's rig yard just north of Shanghai ought to deliver significant value uplift to Creon as construction on that site continues apace. Our recent investment in MGR is starting to bear fruit and we anticipate receiving our first returns from that investment in the second half of the year.

We are financially secure with a strong management team and we look forward to updating shareholders on further developments during the course of the current financial year.

Lastly, I would like to thank all our shareholders for their continuing support and commitment.

Annual general meeting

You will find set out at the end of this document a notice convening an annual general meeting of the Company ("AGM") to be held at 201 Temple Chambers, Temple Avenue, London EC4Y ODT at 11:00 a.m. on 31 July 2013 which includes, inter alia, the following resolutions:

- Receiving of the accounts;
- Appointments of Ghanim Al Saad and Glen Lau, both of whom were appointed since the last annual general meeting;
- Appointment of Aamir Quraishi, who retires by rotation, as a director of the Company;
- Re-appointment of the Company's auditor;
- Directors' powers to allot securities; and
- Directors' powers to disapply pre-emption rights.

The notice of AGM, together with a form of proxy for use at the AGM, has today been sent to shareholders.

The board

The following Directors served during the period under review and up to the date of this report:

Ghanim Al Saad
Non-executive Chairman (appointed 5 October 2012)
Mr Ghanim Al Saad is the founder of Ghanim Bin Saad Al Saad & Sons Group Holdings (GSSG) which is one of Qatar's most successful private sector business groups with investments in more than 40 companies around the world operating in the fields of aviation, maritime, automobiles, oil & gas, real estate, manufacturing,

finance & asset management, engineering, education, fitness, hotels and hospitality, information technology and telecommunications.

Until 2012, Mr Al Saad was managing director of Qatari Diar Real Estate Investment Company, which was established in 2005 by the Qatar Investment Authority, the sovereign wealth fund of the State of Qatar.

Glen Lau
Chief Executive Officer (appointed 19 September 2012)
Glen graduated from the National University of Singapore in 1989 with a BSC in Mathematics and Economics and achieved a MSC in Financial Engineering from the same university in 2001. Glen has over 23 years' experience working in the financial sector, with a particular expertise in investment banking and fund management. Mr Lau is a director of Fulton Capital Management Limited ("Fulton Capital"), and was instrumental in helping to secure the Company's JV Investment with Yangzijiang, as announced to the market on 17 July 2012.

Guus Berting
Non-executive Director
An experienced non-executive director, Guus previously worked for Sotheby's Amsterdam. Guus is a non-executive director of a number of AIM traded and private companies.

Aamir Quraishi
Non-Executive Director (appointed 16 December 2011)
Aamir has over 15 years of investment banking experience in London and the Middle East and has worked at Dresdner Kleinwort Benson and Libertas Capital Group Plc. Aamir is currently a member of the senior investment banking team of MAC Capital Limited, a fully regulated investment bank registered with the Dubai Financial Services Authority and located in the Dubai International Financial Centre in Dubai, UAE. Aamir qualified as a chartered accountant with Price Waterhouse and is a member of the ICAEW and the Securities Institute. Aamir holds an M.A. (Hons) in Economics from Cambridge University. During his career, Aamir has advised on and raised capital for a number of resources companies in the oil & gas and mining sectors. These have included companies from across Africa, Europe, the Asia-Pacific, the Americas and more recently from South Asia.

Jeswant Natarajan
Chief Executive Officer (appointed 4 April 2012; resigned 19 September 2012)
Jeswant graduated from the University of Malaya in 1974 with a BA in Economics (Business Administration). Having started his career as a merchant banker, Jeswant moved into industry in corporate advisory, management and board roles during which time he oversaw the execution of various acquisition, divestment and restructuring strategies. Between 1983 and 2004, amongst others, he served on the board of Kuala Lumpur Stock Exchange-listed YTL Corp Bhd and Sunrise Bhd. Most recently, from 2003 to 2011, Jeswant served as an advisor to Kuala Lumpur-based UOA Bhd, and oversaw the listing of its Malaysian-based real estate investment trust (REIT) on the Kuala Lumpur Stock Exchange. He served on the board of the REIT until late 2010.

On behalf of the board

Ghanim Bin Saad Al Saad Al Kuwari
Non-executive Chairman
5 July 2013

CORPORATE GOVERNANCE

Creon Resources plc was admitted to trading on AIM on 25 November 2004. As an AIM traded company it is not required to comply with the UK Corporate Governance Code. However, the board is committed to complying with best corporate governance practice as set out in the Quoted Companies Alliance guidelines where appropriate, given the size of the Company. This includes evaluating directors' performance, the management of the Company, and ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues.

There is no separate Audit, Remuneration or Nomination Committee as the board considers that, given its current size, all members of the board should participate in those roles and responsibilities normally reserved for such committees. Therefore, the full board of Directors will provide a forum for reporting by the Company's external auditors.

During the year ended 31 January 2013 the board discharged these responsibilities by:

- Reviewing the Company's draft annual financial statements and interim results statement prior to board approval and reviewing the external auditor's detailed reports when applicable;
- Reviewing the appropriateness of the Company's accounting policies;
- Reviewing the audit fee;
- Reviewing the terms of engagement for the audit;
- Reviewing the internal controls operated in relation to the Company's business; and
- Reviewing the performance of the Company's advisers.

The Company does not have an independent internal audit function as it is not deemed appropriate given the size of the Company and the nature of the Company's business. However the board considers annually whether there is a need for such a function**.**

Relations with shareholders

The Directors seek to build a mutual understanding of objectives between the Company and its shareholders. The Company reports formally to shareholders in its interim and annual reports setting out details of its activities. In addition, the Company keeps shareholders informed of events and progress during the year through the issue of press releases. The Company continues to maintain the investor relations page on its website (www.creonresources.com).

Shareholders have the opportunity to meet the board at the AGM where the board members will be happy to respond to questions. The board will also respond to written queries made by shareholders during the course of the year and may also meet with major shareholders if so requested.

Directors are required to attend AGM's of the Company unless unable to do so for personal reasons or due to pressing commercial commitments. Shareholders are given the opportunity to vote on each separate issue.

Internal control

The Directors of the Company have overall responsibility for the Company's system of internal control. Internal control systems are designed to meet the particular needs of the Company and the risks to which it is exposed. By their nature these controls can provide reasonable but are not absolute assurance against material misstatement or loss.

The board's appointment of CMS Corporate Consultants Limited ("CMS") has delegated much of the administration of the Company to CMS which has an established system of control, including internal financial controls, to enable it to ensure that proper accounting records are maintained and that the financial information

for use within the business and for reporting to shareholders is accurate and reliable and that the Company's assets are safeguarded. This delegation of administration by the board and the use of CMS is monitored by the board with regard to its appropriateness and with regard to the performance of CMS in carrying out its work on behalf of Creon.

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements for the year ended 31 January 2013.

Activities

The principal activity of the Company during the year has been as an investment company.

Results and review of business

The results for the year to 31 January 2013 are set out in the accompanying statements and attached notes. Further details of the review of the business and future business developments including opportunities and risks are set out in the Chairman's Statement on pages 4 to 9. The Directors propose that no dividend be paid in respect of the year.

Directors

The Directors of the Company who served during the year and up to the date of this report are as shown on pages 8 and 9.

Substantial shareholdings

Shareholders on the register of shareholders with a 3% or more interest in the Company's share capital at the date of this report are detailed below:

	Percentage of issued ordinary share capital (%)
Qatar Investment Corporation *	72.84
Global Tech Investments 1 PTE Ltd^	6.30
Dune Engineering PTE Limited	6.19
Pershing Nominees Limited	3.06

Notes

* Qatar Investment Corporation ("QIC"), is a wholly owned investment vehicle of Mr Ghanim Al Saad, non-executive chairman of the Company.

^ Mr Glen Lau, chief executive office of the Company, is a director but not a shareholder of Global Tech Investments 1 PTE Ltd.

Creditors payment policy and practice

It is the Company's usual policy to settle suppliers' invoices in accordance with the stated terms of the invoices as far as cash resources allow. At the year-end trade creditors had been outstanding for approximately 30 days (2012: 30 days).

Post balance sheet events

The detail in the chairman's statement and in note 23 to the accounts sets out the post balance sheet events to date, including the Company taking a 49% stake in MGR.

Auditor

A resolution to re-appoint Chantrey Vellacott DFK LLP will be proposed at the AGM.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under the AIM Rules for Companies, the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and have elected to prepare the Company financial statements on the same basis.

The Group and Company financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position of the Group and the Company and the performance of the Group for each financial year. Under company law in the United Kingdom the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation. In preparing each of the Group and Company financial statements the Directors are required to:

- select suitable accounting policies in accordance with "IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors" and apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- state that the Group has complied with the IFRS, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the board and signed on its behalf.

Guus Berting
Director
London
5 July 2013

DIRECTORS' REMUNERATION REPORT

Whilst the Board has prepared this report it is not intended to be in accordance with the requirements of the Companies Act 2006.

Directors' fees

The board considers at least annually the level of the directors' fees, in accordance with the UK Corporate Governance Code. The company secretary provides information on comparative levels of directors' fees to the board in advance of each review. The board concluded following the review of the level of directors' fees for the forthcoming year that the amounts should remain unchanged at present.

Policy on directors' fees

The board's policy is that the level of remuneration should be sufficient to attract and retain the directors needed to properly oversee the Company and to reflect the specific circumstances of the Company, the duties and responsibilities of the directors, and the value and amount of time committed to the Company's affairs. It is intended that this policy will continue for the year ending 31 January 2014 and subsequent years. Fees for non-executive directors are determined in accordance with the Company's Articles of Association.

Directors' service agreements and letters of appointment

The Directors who served during the year received remuneration either in the form of fees or emoluments

	Cash		Share incentives		Total	
Director	2013	2012	2013	2012	2013	2012
	£'000	£'000	£'000	£'000	£'000	£'000
Ghanim Al Saad (appointed 5 October 2012)	-	-	-	-	-	-
Robert Eijkelhof (resigned 16 December 2011)	-	4	-	-	-	4
Glen Lau (appointed 19 September 2012)	22	-	-	-	22	-
Jeswant Natarajan (appointed 4 April 2012; resigned 19 September 2012)	43	-	75	-	118	-
Guus Berting	12	12	9	-	21	12
Aamir Quraishi	12	2	12	-	24	2
Total	89	18	96	-	185	18

The non-executive Director services of Mr Guus Berting are delivered through Melotti Art Management Limited ("Melotti").

The appointments of Mr Lau, Mr Berting and Mr Quraishi are terminable upon either party giving not less than 3 months' written notice.

No pension scheme contributions or other retirement benefit contributions were paid. There is currently no share option scheme in place for the directors, but all Directors, or entities connected with the Directors, save for Mr Al Saad hold Warrants in the Company, see note 16. It remains the Directors' intention, as previously announced, to put in place an appropriate long term share incentive plan for the Directors.

Guus Berting
Director
London
5 July 2013

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CREON RESOURCES PLC

We have audited the financial statements of Creon Resources plc for the year ended 31 January 2013 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Changes in Equity, the Group and Company Statements of Financial Position, the Group and Company Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistences with the audited financial statements. If we become aware of any apparent material misstatements or inconsistences, we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 January 2013 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following where under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

IAN STAUNTON (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
London
5 July 2013

CREON RESOURCES PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 January 2013

	Note	2013 £'000	2012 £'000
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses	3	(744)	(645)
Share of loss of associate	4	(148)	-
Foreign exchange loss	5	(202)	-
Loss from operations		**(1,094)**	**(645)**
Finance income		-	-
Loss on ordinary activities before taxation		**(1,094)**	**(645)**
Taxation	6	-	-
Retained loss for the year		**(1,094)**	**(645)**
Basic and diluted loss per share	7	(0.07)p	(0.83)p

All of the Group's activities are classed as continuing and there were no recognised gains or losses in either year other than those included above.

The accompanying notes are an integral part of these financial statements.

The Company has elected to take exemption under section 408 of the Companies Act 2006 from presenting the Company statement of comprehensive income. The loss for the Company for the year was £0.68 million, (2012: £0.65 million).

STATEMENTS OF CHANGES IN EQUITY

Group

	Share capital £'000	Share premium account £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity attributable to equity holders of parent £'000
At 1 February 2011	440	3,816	-	(3,840)	416
Loss for the year	-	-	-	(645)	(645)
Issue of share capital	280	22	-	-	302
At 31 January 2012	720	3,838	-	(4,485)	73
Loss for the year	-	-	-	(1,094)	(1,094)
Share-based payments	-	-	150	-	150
Issue of share capital	2,417	9,665	-	-	12,082
At 31 January 2013	3,137	13,503	150	(5,579)	11,211

Company

	Share capital £'000	Share premium account £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity attributable to equity holders of parent £'000
At 1 February 2011	440	3,816	-	(3,841)	415
Loss for the year	-	-	-	(644)	(644)
Issue of share capital	280	22	-	-	302
At 31 January 2012	720	3,838	-	(4,485)	73
Loss for the year	-	-	-	(682)	(682)
Share-based payments	-	-	150	-	150
Issue of share capital	2,417	9,665	-	-	12,082
At 31 January 2013	3,137	13,503	150	(5,167)	11,623

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
as at 31 January 2013

		Group		Company	
Assets	**Note**	**2013**	**2012**	**2013**	**2012**
Non-current assets		**£'000**	**£'000**	**£'000**	**£'000**
Investment in subsidiaries	8	-	-	5	-
Investment in associates	9	9,517	-	-	-
		9,517	-	5	-
Current assets					
Loans receivable	11	-	-	9,971	-
Investments in quoted shares	12	4	4	4	4
Investment in unquoted preference shares	10	20	20	20	20
Other receivables	13	4	-	4	-
Cash and cash equivalents		1,750	104	1,703	104
		1,778	128	11,702	128
Total assets		**11,295**	**128**	**11,707**	**128**
Liabilities					
Current liabilities					
Trade and other payables	14	(84)	(55)	(84)	(55)
Total liabilities		(84)	(55)	(84)	(55)
Net assets		**11,211**	**73**	**11,623**	**73**
Equity					
Called up share capital	15	3,137	720	3,137	720
Share premium account		13,503	3,838	13,503	3,838
Share warrant reserve	16	150	-	150	-
Retained earnings		(5,579)	(4,485)	(5,167)	(4,485)
Total equity		**11,211**	**73**	**11,623**	**73**

Approved by the Board and authorised for issue on 5 July 2013 and signed on behalf of the Board by

Guus Berting
Director
Registered Number 05216336
The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

	Group		Company	
	2013	**2012**	**2013**	**2012**
	£	£	£	£
Loss for the year before tax	(1,094)	(645)	(682)	(644)
Adjustments for:				
Foreign exchange loss		-	181	-
Impairment of investment	-	380	-	380
Share-based payments	150	-	150	-
Loan receivable provision	-	68	-	68
Change in receivables	(4)	35	(4)	34
Change in payables	29	(48)	29	(48)
Share of loss of associates	148	-	-	-
Cash flows from operating activities	**(771)**	**(210)**	**(326)**	**(210)**
Investing activities				
Investment in associates	(9,665)	-	(5)	-
Loans made to subsidiaries	-	-	(10,152)	
Loans receivable repaid	-	12	-	12
Net cash used in investing activities	**(9,665)**	**12**	**(10,157)**	**12**
Financing activities				
Issue of share capital	12,082	302	12,082	302
Net cash from financing activities	**12,082**	**302**	**12,082**	**302**
Net increase in cash and equivalents	**1,646**	**104**	**1,599**	**104**
Cash and equivalents at beginning of year	**104**	**-**	**104**	**-**
Cash and equivalents at end of year	**1,750**	**104**	**1,703**	**104**

The accompanying notes are an integral part of these financial statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year unless stated.

Basis of accounting
The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board as adopted by European Union.

The financial statements have been prepared under the historical cost convention, with the exception of financial instruments.

As at the date of authorisation of these financial statements, the following standards, which have not been applied, were in issue but not yet effective (and, in some cases, had not yet been adopted by the EU):

IAS 1 Presentation of Financial Statement – Presentation of Items of Other Comprehensive Income, effective for annual periods beginning on or after 1 July 2012;

IAS 12 (amended), Deferred Tax: Recovery of Underlying Assets (effective 1 January 2013);

IAS 19 Employee Benefits (Amendment), effective for annual periods beginning on or after 1 January 2013;

IAS 27 Separate Financial Statements (as revised in 2011), effective for annual periods beginning on or after 1 January 2013;

IAS 28 (Revised), Investments in Associates and Joint Ventures (effective 1 January 2013);

IAS 32 (amendments), Offsetting Financial assets and Financial Liabilities (effective 1 January 2014);

IFRS 7 (amendments), Offsetting Financial assets and Financial Liabilities (effective 1 January 2013);

IFRS 9 Financial Instruments: Classification and Measurement, effective for annual periods beginning on or after 1 January 2013;

IFRS 10 Consolidated Financial Statements, effective for annual periods beginning on or after 1 January 2013;

IFRS 11 Joint Arrangements, effective for annual periods beginning on or after 1 January 2013;

IFRS 12 Disclosure of Involvement with Other Entities, effective for annual periods beginning on or after 1 January 2013; and

IFRS 13 Fair Value Measurement, effective for annual periods beginning on or after 1 January 2013.

It is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Going concern
The Directors have reviewed the current budgets and cash flow projections for a period of more than 12 months from the date of this report, which take into account the current cash balances. Accordingly, the Directors have prepared the financial statements on the going concern basis.

Basis of consolidation
Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its two subsidiary undertakings, Creon Resources (Asia) PTE Ltd ("Creon Asia") and Creon Corporation Limited ("Corporation"), the latter of which is dormant, as if they formed a single entity. Inter-company transactions and balances between Group companies are therefore eliminated in full.

Revenue
There was no revenue recorded in the year ended 31 January 2013 (2012: nil).

Investments in subsidiaries
Investment in subsidiary companies is stated at cost less provision for any impairment in value. Subsequent measurement of all investments is at fair value.

Investments in unquoted and quoted shares
Investments in unquoted and quoted shares are initially measured at cost, including transaction costs. Subsequent measurement of all investments is at fair value. The fair values of listed investments are based on bid prices at the financial year end date.

Assets held by the Group at the year end include unlisted ordinary equity shares, unlisted redeemable preference shares and listed investments.

When managing its investments, the Group aims to profit from changes in the fair value of equity investments. Accordingly, all quoted equity investments are designated as "at fair value through the profit and loss" and are subsequently recorded in the statement of financial position as current assets at fair value.

Where the Company, or its wholly owned subsidiaries, hold more than 20% but less than 50% of the voting control of an entity, such as Creon Asia's holding in YZJ Offshore, then that investment is classified as an associate and is equity accounted for, see note 4.

Loans and receivables
Loans and receivables are valued at nominal amount less provisions against recoverability. The maximum exposure of the Company in respect of the loan portfolio at the year end is the amount receivable shown in note 11. No hedging transactions have been entered into with respect to the loan portfolio.

Impairment
At each financial year end date, the Group reviews the carrying amounts of its property and equipment and intangible assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amounts of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of the individual asset, the Group estimates that recoverable amount of the cash-generating unit to which the asset belongs.

Cash
Cash and cash equivalents comprise cash at bank and in hand.

Financial liabilities and equity
Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations rather than the financial instrument's legal form. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial assets
The Group has only financial assets classified as loans and receivables. The Group's loans and receivables comprise loans and other receivables and cash and cash equivalents in the statement of financial position.

Trade payables
Trade payables are not interest bearing and are stated at their nominal value.

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

Current and deferred tax
The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the financial year end date. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will arise against which the temporary difference will be utilised.

Foreign currencies
The financial information is presented in United Kingdom pounds sterling which is the functional currency of the Company.

Monetary assets and liabilities denominated in foreign currencies in each company are translated at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are translated at the rate prevailing at the date of transaction.

On consolidation, revenues, costs and cash flows of undertakings abroad are included in the Company income statement at average rates of exchange for the year. The assets and liabilities denominated in foreign currencies are translated into United Kingdom pounds sterling using rates of exchange ruling at the balance sheet date.

Exchange differences on the re-translation of opening net assets and results for the year of foreign subsidiary undertakings are dealt with through reserves net of differences on related foreign currency borrowings. Other gains and losses arising from foreign currency transactions, including trading, are included in the consolidated income statement.

Share-based payments

All share-based payments are accounted for in accordance with IFRS 2 – "Share-based payments". The Company issues equity-settled share based payments in the form of share warrants to certain directors and key advisers. Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

Fair value is estimated using a Black Scholes probability valuation model. The expected life used in the model has been adjusted, on the basis of management's best estimate for the effects of volatility of share price and exercise restrictions.

Critical accounting estimates and judgments

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of investment in associated company:

The investment in the associated company is stated on an equity accounting basis supported by the audited accounts of the associate. The Group is also required to determine whether any impairment loss should be recognised in accordance with IAS 39. The recoverable amount is determined based on value in use calculations. In determining the value in use, the Company estimates:

(i) its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate or joint venture and the proceeds from the ultimate disposal of the investment; or

(ii) the present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

It then compares the product of these estimates with the total carrying value of the associate.

(b) Recoverability of loans receivable:

Separately the Company determines the recoverability of its loans to its subsidiary. As the loans were used to purchase the interest in the associate, consideration of the recoverability of the loans is related to consideration of the carrying value of the associate.

2. Segmental reporting

No segmental analysis is considered necessary as the Directors believe that the Group has only one segment in the year under review, being that of an investment company with a focus on investments in, but not exclusively, the resources and/or resources infrastructure sectors, with no specific national or regional focus.

3. Administrative expenses

Expenses included in administrative expenses (net) are analysed below

	2013	**2012**
	£'000	**£'000**
Administration, legal, professional and financial costs	165	92
Directors' fees	185	18
Professional costs of acquiring investment in associate	354	-
Unrecovered VAT	40	61
Impairment of quoted investment	-	1
Impairment of investments	-	380
Impairment of receivables	-	93
	744	645

£96,000 of the Directors' fees expense of £185,000 was the charge incurred in the issue of Warrants to Directors. See note 16. Unrecovered VAT represents input VAT incurred during the periods which the Directors have decided to prudently provide for whist the Company is in dispute with HMRC over its ability to recover input VAT. See note 14. The auditor's fees in the year ended 31 January 2013 were £19,500 (2012 - £10,000)

4. Share of loss of associate

	2013 £'000	2012 £'000
YZJ Offshore	148	-
	148	-

The Company's wholly owned Singapore registered subsidiary, Creon Asia holds a 46.45% investment in YZJ Offshore, a Singapore registered company. £148,000 represents Creon Asia's share of YZJ Offshore's loss for the period from the date of the investment on 17 July 2012 to 31 January 2013. See note 9.

5. Foreign exchange losses

	2013 £'000	2012 £'000
Loss on conversion of loans made to subsidiary	202	-
	202	-

During the year, the Company made a number of foreign currency denominated interest free, unsecured loans to its wholly owned subsidiary, Creon Asia. An unrealised loss on foreign exchange of £0.19 million arose on one such loan, for US$15.5 million (£9.96 million), made in July 2012 to enable Creon Asia to make the investment into YZJ Offshore ("Investment Loan"). At 31 January 2013, the Investment Loan was translated at £9.77 million. As at the date of this report, the Investment Loan is carried at £10.06 million, resulting in an unrealised gain on foreign exchange of approximately £0.29 million in the current financial year to date. In August 2012, the Company made a further loan of approximately £0.2 million to Creon Asia. The Company does not hedge against movements in foreign exchange rates.

6. Taxation	2013 £'000	2012 £'000
UK Corporation tax		
Factors affecting tax charge in the year		
Loss on ordinary activities before tax	(1,094)	(645)
Loss on ordinary activities at the effective rate of corporation tax 20% (2011: 20%)	(219)	(129)
Unrelieved losses	219	129
	-	-

7. Loss per share

The basic and diluted loss per share for the year ended 31 January 2013 was 0.07p. (2012: 0.83p) The calculation of loss per share is based on the loss of £1,094,000 for the year ended 31 January 2013 (2012: £645,000) and the weighted average number of shares in issue during the year of 166,122,339 (2012: 77,613,559). 87.0 million Warrants were granted in the year ended 31 January 2013, see note 16, all of which were outstanding as of 31 January 2013 (2012: nil). The outstanding Warrants represent approximately 3% of the Company's current issued share capital and, due to losses, are considered by the Directors to be anti-dilutive.

8. Investment in subsidiaries

	Company	
	2013	**2012**
Cost or valuation	£	£
At 1 February	-	-
Additions	5	-
Disposals	-	-
Provision against carrying value	-	-
At 31 January	5	-

The investment in subsidiaries shown in 2013 is the investment in Creon Asia.

Creon's subsidiaries were as follows:

Name	**Country of incorporation**	**Proportion of ownership interest at 31 January**	
		2013	**2012**
Creon Investments Ltd	England	-	100%
Creon Estates Ltd	England	-	100%
Creon Corporation Ltd	England	100%	-
Creon Resources (Asia) PTE Ltd	Singapore	100%	-

Creon Investments Ltd was dissolved on 28 February 2012. Creon Estates Ltd was dissolved on 21 February 2012. Creon Corporation Ltd (formerly named Creon Resources Ltd) was incorporated on 24 November 2011 and acquired by Company on 16 December 2011. It swapped names with Creon Corporation on 16 December 2011 and is dormant. Creon Asia was incorporated on 10 July 2012 to hold the Company's Asian based investments.

9. Investment in associate

Creon's wholly owned subsidiary, Creon Asia has a 46.45% holding in YZJ Offshore, which was acquired in July 2012 ("JV Investment"). The JV Investment is held at cost less share of losses. YZJ Offshore equity accounted for its 40% interest in YZJOE. Creon provided an interest free unsecured loan to Creon Asia to make the JV Investment. See note 5.

	2013	**2012**
Amounts relating to associate	**£'000**	**£'000**
Total assets	20,515	-
Total liabilities	27	-
Net assets	20,488	-
Group's share of net assets of associate	**9,517**	**-**
Total revenue	2	-
Loss	(318)	-
Group's share of loss of associate	**(148)**	**-**

10. Investment in unquoted preference shares

	Group and Company	
	2013	**2012**
Cost or valuation	**£'000**	**£'000**
At 1 February	20	400
Provision against carrying value	-	(380)
At 31 January	20	20

The investment in unquoted preference shares represents 400,000 £1 non-voting redeemable preference shares held in Pinnacle Plus Limited ("the Preference Share") and is held at the Directors' valuation. The Preference Share, which was acquired in 2008, accrues interest at a rate of 7.0 per cent. per annum, payable on the date of redemption, with redemption being at Pinnacle's discretion at any time up to 30 September 2013, upon which date the Preference Share will be automatically redeemed. The Company has not recognized any interest income accrued on the Preference Share to date.

Whilst the Directors continue to believe that a material part or all of the Preference Share may be redeemed when due, and the Directors will be taking every step to ensure that the full £400,000 of redeemable preference share, together with the full interest due of £140,000 is repaid, the Directors have taken a prudent view of the carrying value of the investment at the balance sheet date. The carrying value of the Preference Share will continue to be monitored closely by the Directors.

11. Loans receivable

	Group		Company	
	2013	**2012**	**2013**	**2012**
	£'000	**£'000**	**£'000**	**£'000**
Balance brought forward	-	80	-	80
Loans advanced	-	-	9,971	-
Bad debt provision	-	(68)	-	(68)
Loans repaid	-	(12)	-	(12)
Balance carried forward	-	-	9,971	-

During the year, the Company made a number of interest free, unsecured and repayment on demand loans to its wholly owned subsidiary, Creon Resources (Asia) PTE Ltd , totalling £9.97 million at the year end (2012: "nil). The Directors consider that the carrying amount of loans receivable approximates to their fair value.

12. Investments in quoted shares

	Group	
	2013	**2012**
Cost or valuation	**£'000**	**£'000**
At 1 February	4	5
Impairment provision	-	(1)
At 31 January	4	4

The investment represents 2,775 ordinary shares in the capital of Ashcourt Rowan PLC.

13. Other receivables

	Group		Company	
	2013	**2012**	**2013**	**2012**
	£'000	**£'000**	**£'000**	**£'000**
Prepayments and sundry debtors	4	-	4	-
	4	-	4	-

The Directors consider that the carrying amount of other receivables approximates to their fair value.

14. Trade and other payables

Current liabilities	Group and Company	
	2013	**2012**
	£'000	**£'000**
Creditors and accrual	59	30
VAT provision	25	25
	84	55

The VAT provision of £25,000 represents the amount of VAT previously recovered by the Company which HMRC are now disputing. The Directors strongly refute HMRC's claim and maintain that the Company should have validly reclaimed such amounts. The Company is taking such legal and professional advice to protect its position. The £25,000 provision is included on the grounds of prudent accounting and in no way is an indication of the Directors' belief in the outcome of the dispute. See note 3. The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

15. Share capital

	2013	**2012**
Allotted, called up and fully paid	**£'000**	**£'000**
2,738,619,633 Ordinary Shares of 0.1p each	2,739	322
44,190,545 Deferred Shares of 0.9p each	398	398
	3,137	720

On 12 July 2012, the Company issued and allotted 2,416,429,088 ordinary shares of 0.1p ("Ordinary Shares") for cash at a price of 0.5p per via a partially underwritten open offer to all shareholders raising gross proceeds of £12.08 million for the Company.

The 44,190,545 deferred shares of 0.9p each ("Deferred Shares") do not entitle the holder thereof to receive notice of or attend and vote at any general meeting of the Company or to receive a dividend or other distribution or to participate in any return on capital on a winding up unless the assets of the Company are in excess of £1,000,000,000,000. The Company retains the right to purchase the Deferred Shares from any Shareholder for a consideration of one penny in aggregate for all that shareholder's Deferred Shares. As such, the Deferred Shares effectively have no value. Share certificates have not and will not be issued in respect of the Deferred Shares.

16. Warrants

The Company had no outstanding Warrants or options over Ordinary Shares at the beginning of the year. During the year ended 31 January 2013, the Company issued Warrants as set out in the table below.

Date of grant	Exercise period	Number of Warrants granted	Exercise price	Number exercised	Number of Warrants at 31 Jan 2013
4 April 2012	4 April 2022	16,000,000	0.75 pence	-	16,000,000
31 August 2012	31 August 2017	71,000,000	0.5 pence	-	71,000,000
		87,000,000		-	87,000,000

All of the Warrants granted during the year have vested and there are no outstanding conditions to exercise. The Company incurred a total charge in relation to the issue of the Warrants of £150,200. The Directors used the Black-Scholes option model when calculating the non-cash charge. The share prices used for 0.75 pence Warrants and the 0.5 pence Warrants were 0.64 pence and 0.6 pence, respectively. The expected volatility of the 0.75 pence Warrants and the 0.5 pence Warrants was 12.5% and 10%, respectively and was based on the historic closing mid-market share price of the Company's shares from the date of the grant of the respective Warrants to the date of this report. The Directors, having taken advice, deemed the Company's risk free interest rate to be 5%

The following table sets out the Warrants held by Directors, or entities connected with the Directors, who served during the year and up to the date of this report:

Warrant holder	Number of Warrants	Date of grant	Exercise period	Exercise price	Number exercised
J Natarajan*	16,000,000	4 April 2012	4 April 2022	0.75 pence	-
J Natarajan*	29,000,000	31 August 2012	31 August 2017	0.5 pence	-
A Berting	5,000,000	31 August 2012	31 August 2017	0.5 pence	-
A Quraishi	7,000,000	31 August 2012	31 August 2017	0.5 pence	-
Fulton Capital Management Ltd^	25,000,000	31 August 2012	31 August 2017	0.5 pence	-

Notes

* J Natarajan served as the Company's chief executive officer from 4 April 2012 until 19 September 2012.

^ Fulton Capital Management Limited is a company owned and controlled by Mr G Lau, the Company's chief executive office who was appointed on 19 September 2012.

17. Asset value per share

The net asset value per share at 31 January 2013 was £0.0043 (31 January 2012; £0.0002). Net asset value is based on the net assets as at 31 January 2013 of £11.21 million (31 January 2012: £73,000) and on the number of Ordinary Shares in issue at 31 January 2013 being 2,738,619,633 ordinary shares (31 January 2012: 322,190,545).

18. Staff numbers and costs

The average monthly number of employees of the Group, including directors, during the year was 4 (2012: 2). The Directors are considered the key management of the Group. The aggregate remuneration of the Directors is set out in the remuneration report.

19. Capital commitments

There were no capital commitments at the year end (2012 - £nil).

20. Related party transactions

As part of the investment made by the Company's wholly owned subsidiary, Creon Asia into YZJ Offshore in July 2012, Creon Asia paid a fee to Fulton Capital, a company owned and controlled by Mr G Lau, CEO of the Company, of £192,590 (2012: £nil).

On 10 April 2013, Creon Asia acquired a 49% equity interest in Singapore based MGR for US$49,900 (the "Investment"). Creon Asia has acquired the Investment from Fortus PTE Ltd, a company of which Mr G Lau is a director, but not a shareholder. As part of the Investment, Creon has provided a three year unsecured 15% coupon convertible loan to MGR of up to US$1.95 million to assist MGR to increase its trading operations ("Convertible Loan"). The Convertible Loan can be converted at any time during the three year period at Creon's option into new shares in MGR at US$1 per new share.

The non-executive Director services of A Berting are provided to the Company through Melotti, a Company of which Mr A Berting is the sole shareholder and director. During the year, fees of £12,000 were paid to Melotti (2012: nil) and there were no balances outstanding at the year end.

21. Analysis of cash and cash equivalents	**2013**	**2012**
	£'000	**£'000**
Cash at bank and in hand	1,750	104
	1,750	104

22. Financial instruments and risk management

Investments

All of the Company's intended investments present a risk of loss of capital. Such investments are subject to investment-specific price fluctuations as well as to macro-economic, market and industry-specific conditions including, but not limited to, international economic conditions, international financial policies and performance, governmental events and changes in laws. Moreover, the Company may only have a limited ability to vary its investments in response to changing economic, financial and investment conditions.

The success of the Company will be dependent upon, inter alia, the identification, making, management and realisation of suitable investments. There can be no guarantee that such investments can or will be made or that such investments will be successful. Poor performance by an investment could severely affect the Net Asset Value per share. In particular, investors should note that:-

- Shareholders will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Directors and, accordingly, will be dependent on the judgement and ability of the Directors in investing and managing the assets of the Company. No assurance can be given that the Directors will be successful in making suitable investments or that, if such investments are made, the investment objectives will be achieved;
- the Company may have minority interests in the companies, partnerships and ventures in which it invests ("Investments") and may be unable to exercise control over the operations of such Investments or control over any exit, or timing of any exit, by other investors in such Investments;

- the management of the investee companies targeted by the Directors may not always welcome proactive shareholder involvement and may be resistant to change;
- the Company may be unable to effect an investment in an identified opportunity and, in particular, resources of the Company may be expended investigating potential projects which are subsequently rejected as being unsuitable;
- the Company may dispose of investments in certain circumstances and may be required to give representations and warranties about those investments and to pay damages to the extent that such representations and warranties turn out to be inaccurate or other terms of sale are breached;
- an investee company's competitors may develop or market technologies that are more effective or less expensive than those developed or marketed by the investee company, or that would render the invests company's technology or business model obsolete or uncompetitive;
- the Company cannot guarantee that the value of investments as reported from time to time will in fact be realised; and
- although the Directors will use all due care and diligence when implementing the investment strategy, the situation may arise whereby an unquoted investee company does not proceed with a successful IPO or trade sale. In such instance, the Company may find it difficult to achieve an exit, or may do so at a loss to the initial investment, or may lose the entirety of its investment.

Investments in unquoted companies

It is intended that the Company's investment portfolio will comprise interests predominantly in unquoted, growth companies, which may be difficult to value and/or realise. Investments in unquoted growth companies may involve greater risks than is customarily associated with investments in larger, more established quoted companies. In particular, such companies may have limited product offerings, markets or resources and may be dependent on a small number of key individuals. As at 31 January 2013, the Company’s holding of unquoted investments was valued at approximately £9.5 million (2012: £0.02 million).

Market risk

It is possible that certain investments will represent a significant proportion of the Company's total assets, such as Creon Asia’s investment in YZJ Offshore. As a result, the impact on the Company's performance and the potential returns to investors will be adversely affected to a greater degree if anyone of those investments were to perform badly than would be the case if the Company's portfolio of investments was more diversified. At 31 January 2013 the overall investment allocation was a portfolio of 3 investments, of which one was in a quoted company and two investments were in unquoted companies. As at 31 January 2013, the Company’s investment in YZJ Offshore represented 99% of the value of the Company’s investment portfolio and almost 85% of the Company’s gross assets.

Interest rate risk

The majority of the Group's financial assets and liabilities are not interest bearing. As a result, the Group is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any cash and cash equivalents are held in short notice accounts. The table below summarises the Group’s exposure to interest rate risks.

As at 31 January 2013	Non-interest bearing	Variable interest	Fixed interest	Total
Assets	£'000	£'000	£'000	£'000
Investments at fair value	9,521	-	20	9,541
Other receivables	4	-	-	4
Cash and cash equivalents	1,750	-	-	1,750
Total financial assets	11,275	-	20	11,295
Liabilities				
Trade and other payables	84	-	-	84
Total financial liabilities	84	-		84

As at 31 January 2012	Non-interest bearing	Variable interest	Fixed interest	Total
Assets	£'000	£'000	£'000	£'000
Investments at fair value	4	-	20	24
Other receivables	-	-	-	-
Cash and cash equivalents	104	-	-	104
Total financial assets	108	-	20	128
Liabilities				
Trade and other payables	55	-	-	55
Total financial liabilities	55	-		55

Hedging and currency risk

As the current focus of the Company's investment has been outside of the UK, the majority of the Company's investments are expected to be denominated in US$. The Directors may hedge the Company's exposure to fluctuations in foreign currency movements to reduce currency risk, although they acknowledge that it is not possible to hedge fully or perfectly against currency fluctuations. Accordingly investors may, at certain times, be exposed to exchange rate risks between sterling and other currencies, such that if the value of other currencies falls relative to sterling, the Company's assets will, in sterling terms, be worth less. There were no hedging arrangements in place at the year end (2011: nil).

Liquidity risk

The Company's financial instruments include minority equity investments in unquoted Singapore registered companies and an investment in an AIM traded company As a result, the Company may not be able to liquidate quickly some of its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements.

The Company has a procedure to manage liquidity risk whereby the board meet regularly to review investment holdings and current and anticipated levels of financial liabilities. Where liquidity of the investments within the portfolio is believed to be at a level which may adversely affect the Company's ability to service its financial obligations, the board will consider taking action to improve cash flow, which may include utilising bank overdrafts or other credit arrangements.

The table below details the contractual, undiscounted cash flows of the Group's financial liabilities

	Less than 1 month	1-3 months	3 months to 1 year	No stated maturity
31 January 2013	£	£	£	£
Trade and other payables	84	-	-	-
Tota	84	-	-	-
31 January 2012				
Trade and other payables	55	-	-	-
Total	55	-	-	-

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group. The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date.

Capital risk management

The Company is currently financed solely through equity and manages its capital to ensure that it has sufficient financial resources to implement its planned operations while maximising the return to stakeholders. Details of additional equity raised in the year are set out in note 15.

23. Post balance sheet events

Other than as set out below, the Directors consider that there are no events not disclosed in the Directors' report or elsewhere in this report that require disclosure as post balance sheet events.

On 10 April 2013, Creon Asia acquired a 49% equity interest in Singapore based MGR. See note 20.

CREON RESOURCES PLC

(Registered in England and Wales under registered number 5216336)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting ("Meeting") of Creon Resources Plc will be held at 11:00 a.m. on 31 July 2013, at 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y ODT for the following purposes:

You will be asked to consider and vote on the resolutions below. Resolutions 1 to 6 will be proposed as ordinary resolutions and resolution 7 will be proposed as a special resolution.

Ordinary Resolutions

1. To receive the annual accounts for the Company for the year ended 31 January 2013 together with the directors' report for that year and the independent auditors report thereon.
2. To re-appoint as a Director of the Company, Aamir Quraishi who retires by rotation under the Company's Articles of Association.
3. To re-appoint as a Director of the Company, Ghanim Al Saad, who was appointed as a Director since the last annual general meeting.
4. To re-appoint as a Director of the Company, Glen Lau, who was appointed as a Director since the last annual general meeting.
5. To re-appoint Chantrey Vellacott DFK LLP as auditor to the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting of the Company at which accounts are laid before the shareholders in accordance with the provisions of the Companies Act 2006 (Act) and to authorise the directors to fix their remuneration.
6. That in substitution for all existing authorities for the allotment of shares by the Directors, which are hereby revoked, but without prejudice to any allotment, offer or agreement already made pursuant thereto, the Directors be and they are hereby generally and unconditionally authorised, pursuant to section 551 of the Companies Act 2006 (the "2006 Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (all of which transactions are hereafter referred to as an allotment of "relevant securities") up to an aggregate nominal amount of £2,000,000 generally, in each case for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) 15 months after the date of the passing of this resolution or at the conclusion of the next annual general meeting of the Company, whichever occurs first, provided that the Company may before such expiry, variation or revocation make an offer or agreement which would or might require such relevant securities to be allotted after such expiry, variation or revocation and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired or been varied or revoked.

Special Resolution

7. That, subject to the passing of Resolution 6 the directors be and they are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred by Resolution 6 above as if section 561(1) of the Act did not apply to any such allotment up to an aggregate nominal amount of £2,000,000; and such authority shall expire fifteen months from the date this resolution is passed or at the conclusion of the next annual general meeting of the Company (whichever date is earlier) (unless previously revoked, varied or extended by the Company in general meeting), save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board

JOHN BROMLEY
Company Secretary
5 July 2013

Notes to the Notice of Annual General Meeting

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
   - 11:00 a.m. on 29 July 2013; or,
   - if this Meeting is adjourned, at 11:00 a.m. on the day two days prior to the adjourned meeting,

   shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.
7. To appoint a proxy using the proxy form, the form must be:
   - completed and signed;
   - sent or delivered to the Company Secretary at 201 Temple Chambers, Temple Avenue, London EC4Y ODT; and
   - received by the Company Secretary no later than 11:00 a.m. on 29 July 2013.
8. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
9. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

10. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

11. To change your proxy instructions simply submit a new proxy form. Note that the cut-off time for receipt of proxy forms (see above) also apply in relation to new proxy forms; any amended proxy appointment received after the relevant cut-off time will be disregarded.
12. If you submit more than one valid proxy form, the form received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

13. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to John Bromley at 201 Temple Chambers, Temple Avenue, London EC4Y ODT. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the

revocation notice. In either case, the revocation notice must be received by Company Secretary no later than 11:00 a.m. on 30 July 2013.

14. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Communication

15. Except as provided above, members who have general queries about the Meeting should call +44 (0)20 7583 8304 (no other methods of communication will be accepted).
16. You may not use any electronic address provided either:
    - in this notice of annual general meeting; or
    - any related documents (including the chairman's letter and proxy form),

to communicate with the Company for any purposes other than those expressly stated.