

Annual Financial Report – 30 June 2013

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**CHAIRMAN'S REPORT
30 JUNE 2013**

Dear Shareholders,

On behalf of the Board of Directors, it is a pleasure to provide the shareholders an update on CWH Resources Limited's ("the Company") progress over the last twelve months.

During the financial year CWH sought to enter into two significant transactions, being for the acquisition of Peko tenements in the Northern Territory and entry into an agreement to farm into exploration permits of Tangiers Petroleum Limited (ASX:TPT). Unfortunately, neither of those transactions was able to be successfully completed by CWH, however we continue to search for potential resources transactions that the Board considers will add to CWH's existing exploration in Queensland. In relation to EPM18042 and EPM18158, during the financial year we undertook planning work with GEOS Mining Minerals Consultants. We hope to move into physical exploration of the tenements in the second half of 2014. In August 2007 CWH acquired a 45% interest in a multi-metal inter-grown mine located in the state of East Kazakhstan, through Discovery Co. The permit is located in the Alisher mining areas of Jiliangnuofsike Region of the Republic of Kazakhstan, with size of 11.89 square kilometres. The main resources of the permit are copper and nickel ores.

The sale of Chongqing Yuao Building Material Company (CYBM) continues to be delayed by outstanding regulatory approvals. The Directors are confident that the restructured operations of CYBM will be profitable and generate positive cash flow in the future. In the meantime, I propose to enter into arrangements with CWH on arms length terms to fund CWH until completion of the sale of CYBM or alternative funding is obtained.

On behalf of the Board, we wish to express our sincere appreciation for the continued support from our shareholders and all the staff who have contributed to the Company.



Bao Cheng Luo
CHAIRMAN OF THE BOARD

28 February 2014

Directors' Report

Your directors present this report together with the financial report of CWH Resources Ltd ("the Company"), and of the Group ("CWH Group"), being the company and its controlled entities, for the year ended 30 June 2013 and the independent audit report thereon.

Directors

The following persons were directors of the Company at any time during or since the end of the financial year.

Bao Cheng Luo	- appointed on 15 August 2003
Hock Guan Charles Sher	- appointed on 15 August 2003
Wei Guo Wang	- appointed on 9 February 2009
Peter Blair	- appointed on 20 January 2011
Shun Ming Li	- appointed on 28 March 2011

Company Secretary

The Company secretaries are:

- Bao Cheng Luo, who was appointed on 29 January, 2007;
- Alistair McKeough, who was appointed on 10 February 2012.

Principal Activities

The principal activities of CWH during the year were:

- manufacturing and selling of building products in China (via its subsidiary, Chongqing Yuao Building Materials Co., Ltd); and
- Undertaking mining exploration.

Dividends

The directors of CWH recommend that no dividend be paid in respect of the year ended 30 June 2013.

Review of Operations

Australia

CWH has assembled an international group of directors with a blend of corporate, strategic, industry and financial skills and experience to lead the Group in the next few years where it will seek major growth in revenue and diversify investment activities.

CWH will also be seeking to strengthen its local management team by appointment of an executive officer familiar with the operation of ASX listed companies.

Tenements EPM18007 and EPM18160 in Queensland were granted in 2010 and planning work has been undertaken on those tenements. CWH expects to commence physical exploration of the tenements in the second half of 2014.

China

On 3 June 2010, the Directors approved the decision to sell Chongqing Yuao Building Materials Co., Ltd ("CYBM"), a wholly owned subsidiary of CWH Resources Ltd. A sale agreement was entered on 6 December 2010. The sale has not yet been completed. Refer to Note 4 for further information.

Singapore

The Singapore subsidiary is presently non-operating.

**CWH RESOURCES LTD
YEAR ENDED 30 JUNE 2013**

Director's Report (Continued)

Hong Kong

The Hong Kong subsidiary is presently non-operating.

Operating Results

The net loss after tax of the CWH Group for the year ended 30 June 2013 was \$5,673,335 (net loss for 2012: \$3,305,404). In the opinion of the directors, the operating results of the CWH Group for the year ended 30 June 2013 were not affected by any item, transaction or event of a material or unusual nature, other than the recognition of an impairment expense in relation to assets of CYBM, a discontinued operation, of \$2.2 million.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the year.

Matters Subsequent to the End of the Financial Year

Subsequent to the end of the financial year:

- the agreement with Tangiers Petroleum Limited (ASX:TPT) by which CWH was to farm into exploration activities to earn a 70 per cent interest in blocks WA-442-P and NT/P81 located in the Bonaparte Basin was terminated on 8 October 2013;
- litigation previously commenced against CWH by RFGT was dismissed with an order that RFGT pay CWH's costs.

Likely Developments and Expected Results of Operations

Except as disclosed in the Chairman's Report, the Directors are of the opinion that further or specific information as to likely developments in the operations of the CWH Group or the expected results of those operations is likely to result in unreasonable prejudice to the CWH Group in future years and has not been included in this Annual Report.

Environmental Regulation

The CWH Group is not subject to significant environmental regulation, other than the general environmental regulations operational in Australia and China.

Qualifications, Experience and Responsibilities of Directors

**Bao Cheng Luo
Executive Chairman**

Appointed to the Board on 15 August 2003. Mr Luo was responsible for introducing new management techniques to Chongqing Yuao and completed a major restructure of the company's operations. Mr Luo has over 15 years of experience in management having held managerial posts in various organisations. These include Chong Xing Mortgage Co., Ltd (between 1992 and 1994), Shanghai Stock Exchange, Chengdu Branch (between 1994 and 1998) and Chengdu Weian Investment Co., Ltd (between 1998 and 1999). Mr Luo was the President of Shenzhen Sunfield S&T Investment Holding Co., Ltd between 1999 and 2000. Currently, he is the President of Shenzhen Webmoney Investment Co., Ltd, a post he has held since 2001, and he is also the President of Chendu Xuyang Investment Consulting Co., Ltd, which he has held since 1998. Mr Luo holds a postgraduate degree in Economics from Sichuan University.

Special Responsibilities

Member of the Audit and Remuneration Committee

Interest in shares: 5,723,607

Interest in options: Nil

**CWH RESOURCES LTD
YEAR ENDED 30 JUNE 2013**

Director's Report (Continued)

**Hock Guan Charles Sher
Non-Executive Director and Chairman of the Audit Committee**

Appointed to the Board on 15 August 2003. Mr Sher is currently the President of Xiamen Huadian Switchgear Co., Ltd., a manufacturing company located in Xiamen involved in design, manufacturing and sales of medium voltage switchgear and circuit breakers. He is also currently the Chairman of Xiamen Fucheng Real Estate Development Company Limited, a real estate development company located in Xiamen. Between 1990 and 2003, Mr Sher held various management and operational positions with the Asea Brown Boveri ("ABB") group of companies in Hong Kong, Xiamen and Singapore. He last held the position of Vice President of ABB Industry Pte Ltd in Singapore, where he was the Head of Business Area Low Voltage Products for Asia South Region and the Head of Business Area Manufacturing and Electronic Industries for Asia Region before he left the ABB group in 2003. An electrical engineer by training, Mr Sher was involved in the areas of electrical and mechanical projects in various organisations where he worked, including Sunyen Engineering Pte Ltd, Mass Rapid Transit Corporation and Asia Cement (Singapore) Pte Ltd in Singapore. In addition, he has been conferred as an Honorary Citizen of Xiamen Municipal Government since 1996.

Mr Sher holds a Bachelor of Applied Science in Electrical Engineering from the University of Ottawa, Ontario, Canada. He has attended the Asian International Executive Programme by INSEAD Euro-Asia Centre.

Special Responsibilities

Chairman of the Audit and Remuneration Committee.

Interest in shares: Nil

Interest in options: Nil

**Wei Guo Wang
Non-Executive Director**

Appointed to the Board on 9 February 2009. Mr Wang has been a securities market consultant since 2005. In 1992 Mr Wang participated in the establishment of China Securities Co. Ltd and has filled various roles up to Vice President and Chairman of the Supervisory Committee. Mr Wang has also held various management roles within the People's Bank of China and ICBC.

Mr Wang is a graduate of the Xiamen University with a Master's degree in Economics.

Special Responsibilities

None.

Interest in shares: Nil

Interest in options: Nil

**Peter Blair
Non-Executive Director**

In the past ten years Mr. Blair has had work experience at various professions. From 2000 to 2004, Mr. Blair worked as the General Manager for Tad Electrical Pty Ltd. He performed the roles of Research and Development Commercial Manager and Business Development. As of the year 2005, Mr. Blair is a Private Business Owner and Investor in the following fields: Waste Management Consultancy, Electrical Consultancy, Mining/Mineral Exploration Consultancy and Property Development.

Special Responsibilities

None.

Interest in shares: Nil

Interest in options: Nil

**CWH RESOURCES LTD
YEAR ENDED 30 JUNE 2013**

Director's Report (Continued)

**Shun Ming Li
Non-Executive Director**

Mr Shun Ming Li was born in Fuzhou, Fujian Province in China, in April 1962 and studied at Fujian Chang Le Sha Jing Elementary School and Fujian No. 1 Middle School between 1970 and 1980. He graduated from Fuzhou University with Bachelor Degree of Science in 1984 and held a position as a teacher in Fu Zhou No. 7 Middle School between 1985 and 1987. Then he was employed by Fujian International Trade Association in 1988. Mr Li came to Australia around August 1990 for further education.

Mr Li held a position as Managing Director in Australia of Fujian Mining Pty Ltd which was established by him in 1985. He was also the chairman of Hunan Huiyuan Mining Pty Ltd which was also founded by him in 2002. He was appointed as Vice President and General Manager in Fujian Xianglong Wine Pty Ltd in 1997 and Vice President and Deputy of Asia Department in ACP Mining Pty Ltd in Australia since 2010.

Special Responsibilities

None.

Interest in shares: Nil
Interest in options: Nil

Alistair McKeough BA, LLB, LLM

Alistair McKeough was appointed as Company Secretary on 10 February 2012. Alistair is an experienced corporate lawyer and company secretary who brings extensive legal and corporate experience to his role as Company Secretary for CWH.

In addition to being Company Secretary for CWH, Alistair is currently company secretary for other ASX listed companies and is used to dealing with the ASX and ASIC. Alistair is also Managing Director of Whittens & McKeough, a Sydney law firm that specialises in corporate and commercial law with expertise in mining and resources.

Meetings of Directors

There were three meetings of the Board during the year ended 30 June 2013.

The number of Board meetings each was eligible to attend and the number of meetings attended are as follows:

	Directors		Audit and Remuneration Committee	
	Meetings Eligible	Meetings Attended	Meetings Eligible	Meetings Attended
Bao Cheng Luo	3	3	-	-
Hock Guan Charles Sher	3	3	-	-
Wei Guo Wang	3	1	-	-
Peter Blair	3	2	-	-
Shun Ming Li	3	1	-	-

Remuneration Report

The remuneration report is set out under the following main headings:

- A Principles Used to Determine the Nature and Amount of Remuneration
- B Details of Remuneration
- C Share-Based Compensation
- D Additional Information

Director's Report (Continued)

A. Principles Used to Determine the Nature and Amount of Remuneration

Non-executive directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the directors. Non-Executive Directors' fees and payments are reviewed annually by the Board based on comparative roles in the external market.

Non-Executive Directors' fees are determined within an aggregate directors' fee pool limit, which will be periodically submitted for approval by shareholders. The pool limit currently stands at \$100,000.

Retirement Allowances for Directors

There are no retirement allowances for directors, other than payment of statutory superannuation for executive directors.

Executives including Executive Directors

The objective of the Company's executive reward framework is to ensure that reward for performance is competitive within the industry sector and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market standards. The Board ensures that the executive remuneration system satisfies the following key criteria to ensure good reward governance practices:

- Competitive within the Company's sector and appropriate to attract and retain high calibre executives
- Reasonable with respect to the financial status of the Company, and considered acceptable to shareholders
- Providing appropriate recognition of capabilities and experience, balanced against reward for contribution and achievements
- Providing a clear and transparent structure for earning of rewards

The framework provides a mix of fixed and variable pay.

Executive Pay

The executive pay and reward framework has two components:

- Base pay and benefits (fixed)
- Short-term performance incentives (variable; paid as a cash bonus)

The combination of these comprises the executive's total remuneration.

Base Pay

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed benefits including superannuation. Base pay for senior executives is reviewed by the Audit and Remuneration Committee to ensure that the executive's pay is competitive within the market. There is no guaranteed base pay increases included in any senior executives' contracts.

Benefits

The Company continue to provide a motor vehicle subject to a finance lease arrangement to one director.

B. Details of Remuneration

Amounts of Remuneration

Details of remuneration of the directors and the key management personnel of CWH Resources Ltd and the CWH Group for the financial years ended 30 June 2013 and 30 June 2012 are set out in the following tables:

CWH RESOURCES LTD
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Director's Report (Continued)

Remuneration of Directors and Key Management Personnel

Year Ended 30 June 2013	Short-Term Benefits			Post Employment Benefits	Share- Based Payment	Total \$
Name	Cash Salary and Fees \$	Cash Bonus \$	Non-Monetary Benefits \$	Super-annuation \$	Share Options \$	
Non-Executive Directors						
Charles Sher*	-	-	-	-	-	-
Wei Guo Wang*	-	-	-	-	-	-
Shun Ming Li*	-	-	-	-	-	-
Peter Blair	26,000	-	-	2,340	-	28,340
Subtotal	26,000	-	-	2,340	-	28,340
Executive Directors						
Bao Cheng Luo**	292,215	-	23,922	32,286	-	348,423
Subtotal	292,215	-	23,922	32,286	-	348,423
Other Key Management Personnel						
Chong Xing Luo	43,688	110,000	-	3,932	-	157,620
Ke Qin Xie	20,578	-	-	1,497	-	22,075
De Yu Ren	11,224	-	-	1,310	-	12,534
Sub-total	75,490	110,000	-	6,739	-	192,229
Total	393,705	110,000	23,922	41,365	-	568,992

* No remuneration has been recorded for this Director as remuneration agreed was Nil.

Remuneration of Directors and Key Management Personnel

Year Ended 30 June 2012	Short-Term Benefits			Post Employment Benefits	Share- Based Payment	Total \$
Name	Cash Salary and Fees \$	Cash Bonus \$	Non-Monetary Benefits \$	Super-annuation \$	Share Options \$	
Non-Executive Directors						
Charles Sher*	-	-	-	-	-	-
Wei Guo Wang*	-	-	-	-	-	-
Shun Ming Li*	-	-	-	-	-	-
Peter Blair	26,000	-	-	2,340	-	28,340
Man Chang Fu* ¹	-	-	-	-	-	-
Anthony Mokdassi ¹	8,921	-	-	803	-	9,724
Subtotal	34,921	-	-	3,143	-	38,064
Executive Directors						
Bao Cheng Luo	291,395	-	23,922	24,924	-	340,241
Subtotal	291,395	-	23,922	24,924	-	340,241
Other Key Management Personnel						
Chong Xing Luo	43,688	-	-	3,932	-	47,620
Ke Qin Xie	20,127	-	-	1,464	-	21,591
De Yu Ren	10,978	-	-	1,281	-	12,259
Sub-total	74,793	-	-	6,677	-	81,470
Total	401,109	-	23,922	34,744	-	459,775

* No remuneration has been recorded for this Director as remuneration agreed was \$Nil.

¹ Resigned or ceased holding office during the year.

**CWH RESOURCES LTD
YEAR ENDED 30 JUNE 2013**

Director's Report (Continued)

C. Share – Based Compensation

At present the company does not have a share option plan and no share options have been issued to directors during the year.

D. Additional Information

Principles used to determine the nature and amount of remuneration: relationship between remuneration and Company performance

The overall level of executive reward will take into account the performance of the CWH Group over a number of years, with greater emphasis given to the most recent year.

Loans to Directors and Executives

There are no loans provided to directors or executives.

Insurance of officers

Directors and Officers insurance policy is currently in place, costing \$20,020.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-Audit Services

The CWH Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the CWH Group are important.

No non-audit services were provided by the auditor during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

Indemnification and auditors

The Company has agreed to indemnify all directors and officers of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has also agreed to indemnify all directors and officers of its controlled entities for all liabilities to another person (other than the company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

**CWH RESOURCES LTD
YEAR ENDED 30 JUNE 2013**

Director's Report (Continued)

The company has not during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

This report is made in accordance with a resolution of the directors.



Bao Cheng Luo
Director

28 February 2014

CWH RESOURCES LTD

ACN 009 230 111

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of CWH Resources Ltd for the year ended 30 June 2013 I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; or
- (ii) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to CWH Resources Ltd and the entities it controlled during the year.



D K Swindells
Partner

28 February 2014

Corporate Governance Statement

The Board's role is set out in the Board charter which establishes the relationship between the Board and management and describes their respective functions and responsibilities.

The Board is responsible for the oversight and performance of the CWH Group, including matters such as:

- Overall corporate governance;
- Formulating, approving and monitoring corporate objectives with a view to maximising shareholder value;
- Selecting, appointing and reviewing key consultants and executives;
- Identifying management and business risks;
- Monitoring systems of internal control and compliance;
- Evaluating, approving and monitoring the strategic and financial plans and performance objectives for the CWH Group;
- Evaluating, approving and monitoring the annual budgets and business plans;

Set out below are the corporate governance policies and procedures adopted by the Board of the Company. At regular intervals the Board will review the policies and procedures adopted, as it is expected that requirements will change as the CWH Group develops and grows in complexity. The policies in place are described under the headings of eight ASX Principles.

Principle 1

Lay Solid Foundations for Management and Oversight

Role of the Board

The Board has the primary responsibility for guiding and monitoring the business and affairs of the CWH Group, including compliance with the CWH Group's corporate governance objectives.

The Board is responsible for the oversight and performance of the CWH Group, which includes:

- Monitoring and approving all financial reports and all other reporting and external communications by the CWH Group;
- Evaluation of Board and individual director performance;
- Appointing, removing and managing the performance of, and the succession planning for, senior executives of the CWH Group;
- Overseeing and ratifying the terms of appointment and, where appropriate, removal, of senior executives, including their remuneration;
- Reporting to shareholders on the CWH Group's strategic direction and performance;
- Monitoring the CWH Group's performance in relation to best practice principles of corporate governance; and
- Approving and monitoring the CWH Group's risk management strategy and internal controls and accountability systems and their effectiveness.

Role of Management

The Board has delegated the day to day management of the CWH Group to the committees outlined above who, in turn, may delegate responsibilities to senior management. The delegations to committees each lead by a committee chairman includes:

- Developing business plans, budgets and Group strategies for consideration by the Board and, to the extent approved by the Board, implementing those plans, budgets and strategies;
- Operating the business of the CWH Group within the parameters determined by the Board and keeping the Board promptly informed of all developments material to the CWH Group and its business;
- Identifying and managing operational risks and formulating strategies for managing those risks for consideration by the Board; and
- Managing the CWH Group's financial and other reporting mechanisms and control and monitoring systems to ensure that they capture all relevant material information on a timely basis and are functioning effectively.

Corporate Governance Statement (continued)

Letters of Appointment

Not all directors of the CWH Group have been provided with letters of appointment as suggested in the ASX Guidelines. Executives of the CWH Group are employed under contracts which outline their duties, rights and responsibilities, and entitlement on termination.

Principle 2

Structure the Board to Add Value

Board Composition

The Board has six directors at the date of this report, five of whom are non-executive, one of whom is executive.

The names, date of first appointment and status of the Company's directors at the date of this report are set out below. More details on the background qualifications and particular skills of these directors are provided in Qualifications, Experience and Responsibilities of Directors on pages 3 to 5.

Name	Appointed	Executive	Non-Executive	Independent
Bao Cheng Luo	15 August 2003	Yes	No	No
Hock Guan Charles Sher	15 August 2003	No	Yes	Yes
Wei Guo Wang	9 February 2009	No	Yes	Yes
Peter Blair	20 January 2011	No	Yes	Yes
Shun Ming Li	4 April 2011	No	Yes	Yes

Director Independence

Directors are expected to bring independent views and judgment to the Board's deliberations. The Board has reviewed the position and associations of each of the six directors in office and has determined that five of the directors are independent. In making this determination the Board has had regard to the independence criteria in ASX Principle 2 and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of the other directors, as appropriate.

The directors who do not meet the independence criteria are Bao Cheng Luo who is an executive and employee of the CWH Group and Mr Ke Qin Xie, a former director who is an employee of a subsidiary company.

Meetings of the Board

The Board meets formally on a regular basis, as required. On the invitation of the Board, members of senior management attend and make presentations at Board meetings. See page 5 for the number of Board meetings held.

Retirement and Re-Election

The constitution of the Company requires one third of the directors, other than the Executive Chairman, to retire from office at each annual general meeting. Directors who have been appointed by the Board are required to retire from office at the next annual general meeting and are not taken into account in determining the number of directors to retire at that annual general meeting. Directors cannot hold office for a period in excess of three years (or later than the third annual general meeting following their appointment) without submitting themselves for re-election. Retiring directors may be eligible for re-election by shareholders. The Audit and Remuneration Committee (see below) is responsible for assessment of the needs of the Board for best governance of the CWH Group, and in determining whether retiring directors would appropriately fill these needs if re-elected.

Committees of the Board

Included in the committees outlined above is a standing Audit and Remuneration Committee which assists the Board in the discharge of its responsibilities.

This committee reviews matters on behalf of the Board and makes recommendations for consideration by the entire Board. The charter for this committee is set out in the Corporate Governance Policy noted above.

Corporate Governance Statement (continued)

Audit and Remuneration Committee

Membership of this committee is:

- Charles Sher - Chairman
- Bao Cheng Luo

The primary purpose of the Audit and Remuneration Committee is to support and report to the Board in fulfilling its responsibilities to shareholders in relation to:

- identification and appointment of directors and executives;
- executive remuneration policy;
- the remuneration of executive directors;
- the Company's recruitment, retention and termination policies and procedures;
- superannuation arrangements; and
- all bonus and equity-based plans.

In addition the Audit and Remuneration Committee monitors and reviews the effectiveness of the Company's control environment in the areas of operational risk, legal/regulatory compliance and financial reporting. It will advise and assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to:

- reporting of financial information to users of financial reports, in particular the quality and reliability of such information;
- assessing the consistency of disclosures in the financial reports with other disclosures made by the CWH Group to the financial markets, governmental and other public bodies;
- review and application of accounting policies;
- financial management;
- review of external audit reports to ensure that where weaknesses in controls or procedures have been identified, appropriate and prompt remedial action is taken by management;
- evaluation of the CWH Group's compliance and risk management structure and procedures, internal controls, corporate governance and ethical standards;
- review of business policies and practices;
- conduct of any investigation relating to financial matters, records or accounts, and to report those matters to the Board;
- protection of the CWH Group's assets; and
- Compliance with applicable laws, regulations, standards and best practice guidelines.

See page 5 for the number of Audit and Remuneration Committee meetings held.

**Principle 3
Promote Ethical and Responsible Decision-Making**

The CWH Group has adopted principles of appropriate conduct for employees and directors as part of its general Corporate Governance Policy. Through its oversight of Group activities, the Board ensures that best practice standards of ethics and integrity in all business dealings and operations are maintained, including the CWH Group's interactions with its shareholders, employees, business partners, customers, suppliers, and the community.

The CWH Group has adopted a policy on Share Trading, for employees and directors or their related entities. Employees, executives and directors of the CWH Group may not trade in the Company's shares when in possession of inside information and outside of specified trading windows declared by the chairman and/or with permission of the chairman.

The CWH Group acknowledges that it has no official diversity policy at the moment but it complies with all employee and workplace laws both in Australia and in China. The CWH Group is committed to establish the diversity policy in the near future.

Corporate Governance Statement (continued)

**Principle 4
Safeguard Integrity in Financial Reporting**

Executive Director and CFO Declaration:

Consistent with ASX Principle 4, the CWH Group's financial report preparation and approval process involves the Executive Chairman providing a written statement to the Board that "to the best of my knowledge and belief, the CWH Group's financial report presents a true and fair view, in all material respects, of the CWH Group's financial condition and operating results and is in accordance with applicable accounting standards."

Audit and Remuneration Committee, Governance and Independence

As outlined under Principle 2, the Board has established an Audit and Remuneration Committee, with a formal charter, to verify the integrity of the CWH Group's financial reporting. This committee is structured according to the guidelines set down in the ASX Principles, and reports to the Board. As part of the CWH Group's commitment to safeguarding integrity in financial reporting, the CWH Group has implemented procedures and policies to monitor the independence and competence of the CWH Group's external auditors. It is noted that the committee did not meet during the current year.

Appointment of Auditors

The CWH Group's current external auditors are HLB Mann Judd. The effectiveness, performance and independence of the external auditors are reviewed by the Audit and Remuneration Committee. If it becomes necessary to replace the external auditors for performance or independence reasons, the Committee will then formalise a procedure and policy for the selection and appointment of new auditors. It is a requirement, given that the Company is listed, that the audit engagement partners be rotated at least every five years.

**Principle 5
Make Timely and Balanced Disclosure**

The Board has established written Group policies on Continuous Disclosure (including requirements for approval for release of information by the CWH Group), and on Shareholder Communications, to promote effective communication with its shareholders.

In addition to its disclosure obligations under the ASX Listing Rules, the CWH Group communicates with its shareholders through a number of means including:

- annual and half-yearly reports, including material presented at the Annual General Meeting
- quarterly shareholder updates released to the ASX, sent by email to shareholders and others who so request, and placed on the CWH Group's website; and
- media releases, public announcements and investor briefings

All material disclosed, where feasible, and as authorised by the Board, is posted to the CWH Group's website.

**Principle 6
Respect the Rights of Shareholders**

The CWH Group has a positive and formal strategy to communicate with shareholders and actively promote shareholder involvement in the CWH Group. This is outlined above. It aims to continue to increase and improve the information available to shareholders on its website. All Group announcements, presentations to analysts and other significant briefings are posted on the CWH Group's website after release to the Australian Securities Exchange. Consistent with ASX Principle 6 and the Corporations Act 2001, the CWH Group's auditors attend, and are available to answer questions at, the CWH Group's Annual General Meetings.

The CWH Group encourages shareholders to register for receipt of announcements and updates electronically. It is exploring means to provide remote access to Group meetings for those unable to attend in person.

Corporate Governance Statement (continued)

**Principle 7
Recognise and Manage Risk**

The CWH Group is committed to the identification, monitoring and management of risks associated with its business activities and has established, as part of its management and reporting systems, a number of risk management controls. The CWH Group has adopted a general Risk Management Statement addressing the profile of risk relevant to the CWH Group given its operational context supported by a set of internal procedures. Approval of detailed procedures and monitoring of their implementation has been delegated to the Audit and Remuneration Committee of the Board.

In particular:

- The CWH Group has approved delegations and limits for approval of expenditure and for incurring contractual obligations.
- The Executive Chairman provides the Board with an annual written statement that:
 - the statement given with respect to the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
 - the CWH Group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The risk profile can be expected to change and procedures will be adapted as the CWH Group's business develops and it grows in size and complexity. Regular review by the Audit and Remuneration Committee will ensure that procedures adopted continue to be appropriate.

**Principle 8
Remunerate Fairly and Responsibly**

The CWH Group's remuneration policy and details of director and executive remuneration are outlined on pages 5 through 8 of the attached Directors' Report. The guiding principles of this policy are to balance the need to provide industry-competitive remuneration in order to attract and retain high quality personnel, with the objectives of ensuring effective use of shareholder funds.

As detailed under Principle 2, the CWH Group has established an Audit and Remuneration Committee, with responsibility for reviewing general remuneration policies for the CWH Group, and approving remuneration for senior executives. The composition of this committee is according to the ASX guidelines.

Non-executive directors are remunerated by director's fees only. No schemes for retirement benefits (other than statutory contributions to a superannuation scheme where relevant) or termination payments are in place.

CWH Resources Ltd

(formerly China West International Holdings Limited)

Annual Financial Report – 30 June 2013

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This Financial Report is provided in relation to the consolidated entity consisting of CWH Resources Ltd and its controlled entities. The Financial Report is presented in Australian currency.

CWH Resources Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office is:

CWH Resources Ltd
c/o Whittens
Level 5, 137-139 Bathurst Street
Sydney NSW 2000

Principal place of business:

11a/10-12 Woodville Street
Hurstville NSW 2420

CWH Resources Ltd
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2013

		Consolidated	
		2013	2012
Notes		\$	\$
Continuing operations			
Other income	6	13,811	16,111
Administrative expenses		(1,109,799)	(797,614)
Impairment loss on investments		(24,459)	(128,559)
Results from operating activities		(1,120,447)	(910,062)
Finance expenses	7(a)	(11,170)	(17,339)
Other expenses	7(b)	-	(1,661)
Profit/(Loss) before income tax		(1,131,617)	(929,062)
Income tax expense	8	-	-
Profit/(Loss) after income tax		(1,131,617)	(929,062)
Profit/(Loss) from discontinued operation	4.3	(3,643,251)	(2,322,842)
Profit/(Loss) attributable to members of CWH Resources Ltd		(4,774,868)	(3,251,904)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation difference for foreign operations (no income tax applicable)		(898,467)	(53,500)
Total comprehensive income/(loss) for the year		(5,673,335)	(3,305,404)
Earnings per share			
Basic and diluted earnings (loss) per share (cents)	23	(5.04)	(3.92)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CWH Resources Ltd and Controlled Entities
Consolidated Balance Sheet
As at 30 June 2013

		Consolidated	
		2013	2012
Notes		\$	\$
Current Assets			
	Cash and cash equivalents	56,286	1,148,609
	Trade and other receivables	10,175	3,646
	Financial assets	26,150	50,608
		92,611	1,202,863
	Assets classified as held for sale	4,959,492	10,456,878
	Total current assets	5,052,103	11,659,741
Non-current Assets			
	Other receivables	48,388	58,119
	Property, plant and equipment	78,150	96,970
	Investment accounted for using equity method	2,149	2,149
	Total non-current assets	128,687	157,238
	Total Assets	5,180,790	11,816,979
LIABILITIES			
Current Liabilities			
	Trade and other payables	521,692	406,993
	Liabilities directly associated with assets classified as held for sale	11,089,202	11,957,414
	Total current liabilities	11,610,894	12,364,407
Non-current Liabilities			
	Loans and borrowings	244,361	716,892
	Total non-current liabilities	244,361	716,892
	Total Liabilities	11,855,255	13,081,299
	Net Assets/(Liabilities)	(6,674,465)	(1,264,320)
EQUITY			
	Share capital	18,698,814	18,435,624
	Reserves	(2,479,628)	(1,581,161)
	Accumulated losses	(22,893,651)	(18,118,783)
	Total Equity (Deficiency)	(6,674,465)	(1,264,320)

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

CWH Resources Ltd
Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2013

Consolidated

	Share Capital	General Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2011	15,188,814	646,067	(2,173,728)	(14,866,878)	(1,205,725)
Total comprehensive income for the period	-	-	(53,500)	(3,251,905)	(3,305,405)
Issue of shares	2,510,000	-	-	-	2,510,000
Share issue on conversion of options	736,810	-	-	-	736,810
Balance at 30 June 2012	18,435,624	646,067	(2,227,228)	(18,118,783)	(1,264,320)
Total comprehensive income for the period	-	-	(898,467)	(4,774,868)	(5,673,335)
Issue of shares	-	-	-	-	-
Share issue on conversion of options	263,190	-	-	-	263,190
Balance at 30 June 2013	18,698,814	646,067	(3,125,695)	(22,893,651)	(6,674,465)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CWH Resources Ltd
Consolidated Statement of Cash Flows
For the Year Ended 30 June 2013

	Note	Consolidated	
		2013	2012
		\$	\$
Cash Flows From Operating Activities			
Receipts from customers		7,120,845	8,817,601
Payments to suppliers, employees and others		(7,310,494)	(9,824,780)
Interest received/(paid)		3,144	(2,135)
Net cash inflow (outflow) from operating activities	22	(186,505)	(1,009,314)
Cash Flows from Investing Activities			
Payments for property, plant & equipment		(1,182)	(32,940)
Purchase of intangible assets		(400,181)	-
Payments for other investments		(854)	(869,327)
Net cash inflow (outflow) from investing activities		(402,217)	(902,267)
Cash Flows From Financing Activities			
Proceeds from issues of shares, options, etc.		263,190	3,246,810
Repayment of borrowing		(15,279)	(17,308)
Proceeds of loan from related parties		542,697	998,983
Repayment of loan to related parties		(1,323,046)	(1,151,219)
Net cash inflow (outflow) from financing activities		(532,438)	3,077,266
Net increase/(decrease) in cash and cash equivalents		(1,121,160)	1,165,685
Cash and cash equivalents at the beginning of the year		1,179,543	12,842
Effects of exchange rate changes on cash and cash equivalents		535	1,016
Cash and cash equivalents at the end of the year	9	58,918	1,179,543

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Notes to the Consolidated Financial Statements

1. Summary of Significant Accounting Policies

The financial report of CWH Resources Ltd ("CWH" or "the Company") for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the Directors on 4 October 2013.

CWH Resources Ltd (the parent) is a company limited by shares, incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange ("ASX"). The consolidated financial report of the company for the year ended 30 June 2013 comprises the company and its controlled entities ("the Group"), "the CWH Group" or "the Consolidated Entity".

The nature of operations and principal activities of the CWH Group are described in the Directors' Report.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, including Australian Accounting Interpretations, and the *Corporations Act 2001*.

Compliance with IFRS

The consolidated financial statements of the CWH Group also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, except for financial assets that have been classified as at fair value through profit and loss, which are measured at fair value.

Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the CWH Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Going Concern

The financial report has been prepared on the basis of going concern and the Group contemplates continuity of normal business activities, the realisation of assets and the settlement of liabilities in the normal course of business.

As at 30 June 2013 the balance sheet of the group shows a net asset deficiency of \$6,674,465 of which \$6,129,710 relates to a discontinued operation (refer to Note 4), leaving a net liability of \$544,755 relating to the continuing operations.

The Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2013 shows a loss after income tax from continuing operations of \$1,131,617 and a loss from discontinued operation of \$3,643,251 and a translation of foreign operations of \$898,467 - a comprehensive loss for the year of \$5,673,335.

Notes to the Consolidated Financial Statements (continued)

(a) Basis of Preparation (continued)

As stated in Note 4, some of the production facilities of a controlled entity, Chongqing Yuao Building Materials Co., Ltd, which are expected to be sold under an agreement dated 6 December 2010, were closed during 2013, due to a Chinese government regulation.

The directors believe that the Company and the consolidated entity will be able to fund future operations through the proceeds from the sale of Chongqing Yuao Building Materials Co., Ltd ("CYBM"), or from cash generated by CYBM if the company is not sold. The Board will also consider an additional fund raising in the near future if required. Without this fund raising and the proceeds from disposal of, or in the event the sale does not complete, achievement of positive cash flow from CYBM operations, there is material uncertainty whether the consolidated entity will be able to continue as a going concern.

If the consolidated entity is unable to continue as a going concern, it may be required to make adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities, and may be unable to realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

(b) Discontinued operation

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Statement of Profit or Loss and Other Comprehensive Income.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

(c) Principles of Consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of CWH and its subsidiaries as at 30 June 2013 and the results of these companies for the year then ended. Subsidiaries are all those entities over which the CWH Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the CWH Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the CWH Group.

Inter-company transactions, balances and unrealised income and expenses on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the CWH Group.

Notes to the Consolidated Financial Statements (continued)

(c) Principles of Consolidation (continued)

(ii) Associates

Associates are all entities over which the CWH Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The CWH Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The CWH Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the CWH Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the CWH Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the CWH Group and its associates are eliminated to the extent of the CWH Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the CWH Group.

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Makers ("CODM"). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(e) Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each of the CWH Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is CWH Resources Ltd's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(iii) Foreign Operations

The results and financial position of all the CWH Group foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation exchange differences arising from the translation of any net investment in foreign entities are taken to equity as other comprehensive income.

Notes to the Consolidated Financial Statements (continued)

(f) Revenue Recognition

Revenue from sale of goods is recognised upon the delivery of goods to customers.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

All revenue is stated net of the amount of goods and services tax (GST).

Interest income is recognised as it accrues, using the effective interest rate method.

(g) Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(h) Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised on the Group's balance sheet.

(i) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Notes to the Consolidated Financial Statements (continued)

(i) Impairment of Assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(j) Cash and Cash Equivalents

For cash flow statement presentation purposes cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement between 30 and 90 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (Provision for impairment of trade receivables) is established when there is objective evidence that the CWH Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in profit or loss with other expenses.

(l) Inventories

Finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual inventory items on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to make the sale.

(m) Investments and Other Financial Assets

(i) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the CWH Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet. Subsequent to initial recognition at fair value plus any directly attributable transaction costs, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses.

(ii) Fair value Through Profit or Loss

An instrument is classified as at fair value through profit and loss if it is held for trading or is designated as such upon initial recognition. Assets in this category are classified as current assets.

Financial assets at fair value through profit and loss are carried at their fair value. Realised and unrealised gains and losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

Notes to the Consolidated Financial Statements (continued)

(n) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the CWH Group for similar financial instruments.

(o) Property, Plant and Equipment

Plant and equipment is stated at historical cost and is depreciated over its useful life using the straight line method. Historical cost includes expenditure directly attributable to the acquisition of the items. The expected useful life for asset classes is as follows:

Plant and office equipment – between 5 and 10 years.
Motor vehicles – between 5 and 10 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(i)).

Gains and losses on disposals are determined by comparing proceeds with the asset's carrying amount, and are included in profit or loss.

(p) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the CWH Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

(q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the CWH Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(r) Employee Benefits

(i) Wages and Salaries and Annual Leave

Liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Notes to the Consolidated Financial Statements (continued)

(r) Employee Benefits (continued)

(iii) Retirement Benefit Obligations

The CWH Group contributes the required statutory superannuation or pension rate on behalf of employees to licensed superannuation or pension funds. The CWH Group's legal or constructive obligation is limited to these contributions.

Contributions to a defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Profit-Sharing and Bonus Plans

The CWH Group recognises a liability and an expense for bonuses annually on assessment of employee performance. The CWH Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(s) Intangible Assets

(t) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Earnings per Share

The CWH Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees (there are no outstanding convertible notes or share options as at 30 June 2013).

(v) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST or VAT incurred is not recoverable from the relevant Taxation Office. In these circumstances the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST or VAT as appropriate.

Cash flows are presented in the Statement of Cash Flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(w) New Accounting Standards and Interpretations

A number of new accounting standards, amendments to standards and interpretations have been issued prior to 30 June 2013 that are effective for future financial periods. They are available for early adoption at 30 June 2013, but have not been applied in preparing the financial report:

These standards etc are not expected to have a material impact on future financial reports of the group.

Notes to the Consolidated Financial Statements (continued)

2. Financial Risk Management

The CWH Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk. The CWH Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the CWH Group. The CWH Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, and investment of excess liquidity, as outlined below:

(a) Market risk

(i) Foreign currency risk

The Group is exposed to foreign currency risks in relation to the assets, liabilities and net assets of its subsidiary in China (see note 4) and its investment in Kazakhstan.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the CWH Group for similar financial instruments.

(ii) Interest rate risk

The Group is exposed to interest rate risk in relation to its cash holdings.

(iii) Price risk

The Group is exposed to price risk in relation to its investments in shares in listed entities.

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The CWH Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The CWH Group has policies that limit the amount of credit exposure to any one entity. The compliance with credit limits by customers is regularly monitored by line management.

The average credit period on sale of goods and rendering services is 60 days. No interest is charged on overdue debtors. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods determined by reference to past default experience.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external ratings (if available) or to historical information about counterparty default rates.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The CWH Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial asset and liabilities. Surplus funds are generally only invested in instruments that are tradable in highly liquid markets.

Notes to the Consolidated Financial Statements (continued)

(c) Liquidity Risk (continued)

Financing arrangements

The CWH Group does not have access to any undrawn borrowing facilities at the reporting date.

Maturities of financial liabilities

A subsidiary of the CWH Group has a bank borrowing in China. The term of this facility has expired. With the exception of Director loans all liabilities are classified as current.

(d) Fair Value Estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the CWH Group is the current bid price.

The CWH Group did not have any financial instruments not traded on an active market as at 30 June 2013 (2012: Nil), other than its interest in an equity accounted associate.

(e) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board will focus in the next twelve months on strengthening its working capital position and does not expect that it will be in a position to pay a dividend within the next two years.

3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Impairment Provision of Trade Receivables

The CWH Group undertakes a detailed analysis of trade receivables on a monthly basis and writes off those debtors which it considers not recoverable and makes an impairment provision for those where recovery is considered doubtful.

(b) Income Taxes

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

For the year ended 30 June 2013 the CWH Group did not recognise deferred tax assets on temporary differences or on tax losses.

(c) Fair Value of Assets of Discontinued Operations

The assets and liabilities within the discontinued operation have been recognised based on the Directors assessment of value with consideration given to the value of the agreement for sale.

Notes to the Consolidated Financial Statements (continued)

4. Discontinued operations of Chongqing Yuao Building Materials Co., Ltd

On 6 December 2010 CWH Resources Ltd entered into a contract to sell its investment in Chongqing Yuao Building Materials Co., Ltd (“CYBM”) at a price of RMB 12,910,000 (equal to Australian Dollars 1,993,022 as at 30 June 2013). The consideration will be paid in Australian Dollars.

This sale agreement is subject to the approval of the relevant Chinese government authority. The Directors consider that this approval will be obtained. The recoverable amount of the assets of the discontinued operation has been determined for the group of assets of CYBM as a whole. Due to the time lag in obtaining that government approval, material uncertainty exists as to whether that approval will be given. Should the sale not proceed, a re-assessment of recoverable amount of the assets of CYBM will be required, and as a result adjustments might be required to the recoverable amount of the assets of the discontinued operation, which may be below their carrying amount.

The group has engaged on independent expert to determine the fair value of the CYBM asset. At the date of this report the valuation has not yet been completed.

Under a general Notice of Reinforcement for Elimination of Undeveloped Production Capacity (Yufufa [2010] No. 75), published by a Chinese local government authority, CYBM’s production facilities are not compliant. Although the Company has improved the production facilities, a portion of the operations of CYBM were required by the local government to be shut down in 2013. Production at the facility has decreased and some of the facility has been decommissioned.

4.1 Assets classified as held for sale

	30 June 2013	30 June 2012
	\$	\$
Current Assets		
Cash and cash equivalents	2,632	30,934
Trade and other receivables	998,516	878,130
Inventories	454,107	4,212,866
Total current assets	1,455,255	5,121,930
Non-current Assets		
Property, plant and equipment	2,207,366	4,510,466
Intangible assets (mining rights)	1,296,871	824,482
Total non-current assets	3,504,237	5,334,948
Total Assets	4,959,492	10,456,878

Note: Included in the trade receivables balance are amounts due from CWH group entities.

The value of property, plant and equipment has been impaired during the year to reflect the anticipated recoverable value of equipment that is no longer utilised.

The recoverable amount of the assets of the discontinued operation has been determined for the group of assets of the discontinued operation as a whole, assuming that the sale referred to above will complete.

Notes to the Consolidated Financial Statements (continued)

4. Discontinued operations of Chongqing Yuao Building Materials Co., Ltd
(continued)

4.2 Liabilities directly associated with assets classified as held for sale

	30 June 2013	30 June 2012
	\$	\$
LIABILITIES		
Current Liabilities		
Trade and other payables	7,160,048	7,355,448
Related party loans	1,260,312	1,105,745
Bank loans	1,665,175	1,465,049
Current tax liabilities	1,003,667	2,031,172
Total current liabilities	11,089,202	11,957,414
Total Liabilities	11,089,202	11,957,414

4.3 Chongqing Yuao Building Materials Co., Ltd
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2013

	30 June 2013	30 June 2012
	\$	\$
Sales revenue	6,014,249	5,696,574
Cost of sales	(6,306,239)	(5,729,207)
Gross profit	(291,990)	(32,633)
Other income	-	23,228
Net Income before overheads	(291,990)	(9,405)
Property, plant and equipment write down	(2,232,407)	-
Selling and operating expenses	(73,115)	(95,291)
Administrative expenses	(938,016)	(1,962,994)
Results from operating activities	(3,535,528)	(2,067,690)
Finance costs	(107,567)	(113,610)
Other expenses	(156)	(141,542)
	(107,723)	(255,152)
Loss before income tax	(3,643,251)	(2,322,842)
Income tax expense	-	-
Loss after income tax	(3,643,251)	(2,322,842)
Other comprehensive income	-	-
Total comprehensive income	(3,643,251)	(2,322,842)

4.4 Chongqing Yuao Building Materials Co., Ltd
Statement of Cash Flows
For the Year Ended 30 June 2013

	30 June 2013	30 June 2012
	\$	\$
Net operating cash flows	787,426	(121,169)
Net investing cash flows	(400,181)	(900,120)
Net financing cash flows	(416,082)	1,040,321
Net increase in cash generated by discontinued operation	(28,837)	19,032

Notes to the Consolidated Financial Statements (continued)

5. Share Capital

	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	Number of Shares	Number of Shares	\$	\$
Share Capital				
Fully paid ordinary shares	94,748,968	93,200,791	18,698,814	18,435,624

Movement in share capital

	2013	2013
	Number of Shares	\$
Balance at the beginning of the period	93,200,791	18,435,624
Conversion of convertible notes	1,548,177	263,190
Balance at the end of the period	94,748,968	18,698,814

Convertible notes

During the year the Company issued convertible notes for consideration of \$263,190.

On 14 March 2013 1,548,177 ordinary shares were issued on conversion of those notes for the consideration of \$0.17 per share.

Movement in options

	Number of Options	\$
Options at 1 July 2011	4,334,176	736,810
Options issued for cash at 17c per option	-	-
Options converted to ordinary shares	(4,334,176)	(736,810)
Options at 30 June 2012	-	-
Options at 30 June 2013	-	-

On 28 January 2011 4,334,176 options were issued at a price of \$0.17 per option to raise \$736,810. These options had an exercise price of \$Nil, and had an expiry date of 30 June 2013.

6. Revenue

	Consolidated	
	30 Jun 2013	30 Jun 2012
	\$	\$
Other Revenue		
Gain on disposal of fixed assets	-	-
Interest income	13,811	16,111
Total	13,811	16,111
Revenue From Discontinued Operation (Note 4.3)		
Sale of goods	6,014,249	5,696,574
Total Revenue	6,028,060	5,712,685

7. Expenses

	Consolidated	
	2013	2012
	\$	\$
(a) Finance expenses		
Interest expense	10,667	16,837
Other finance expenses	503	502
Total net finance expenses	11,170	17,339
(b) Other expenses		
Other expenses	-	1,661
Total net finance expenses	-	1,661

Notes to the Consolidated Financial Statements (continued)

8. Income Tax

(a) Tax Losses

The CWH Group has unrecognised tax losses in Australia of approximately \$15.2 million (2012: \$14.29 million). The benefit at 30% of approximately \$4.56 million (2012: \$4.28 million) associated with the tax losses will only be obtained if:

- The CWH Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised in Australia;
- The CWH Group continues to comply with the conditions for deductibility imposed by the Australian income tax law; and
- No changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

No account has been taken of any tax losses of Chongqing Yuao Building Materials Co., Ltd, as this entity is subject to a contract for sale, and therefore any losses will not be available to the Group.

(b) Income Tax Expense

	Consolidated 2013	2012
	\$	\$
Income Tax Expense		
Current Tax	-	-
	-	-
Income Tax Recognised in Profit or Loss		
The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:		
Profit/(Loss) from continuing operations before income tax expense	(1,131,617)	(929,062)
Loss from discontinuing operations before tax	(3,643,251)	(2,322,842)
	(4,774,868)	(3,251,904)
Tax at the Australian tax rate of 30% (2012: 30%)	(1,432,460)	(975,571)
Adjustments for:		
Non-deductible items	51,031	68,732
Adjustment of temporary differences	16,821	(130,863)
Tax losses not recognised – foreign jurisdiction	1,364,608	1,037,702
Income tax expense	-	-

9. Cash and Cash Equivalents

	Consolidated 2013	2012
	\$	\$
Cash at bank and on hand	56,286	1,148,609

Reconciliation to cash and cash equivalents at the end of the financial year.

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	2013	2012
	\$	\$
Balances as above	56,286	1,148,609
Cash and cash equivalents – classified as held for sale (Note 4)	2,632	30,934
Balance used in the Statement of Cash Flows	58,918	1,179,543

The CWH Group's exposure to interest rate risk and foreign currency is discussed in Note 2.

Notes to the Consolidated Financial Statements (continued)

10. Trade and Other Receivables

	Consolidated	
	2013	2012
	\$	\$
Current		
Other receivables	10,175	3,646
	10,175	3,646
Non-current		
Rental deposit/bonds	7,535	18,119
Loan – HK subsidiaries	853	-
Bank Guarantee	40,000	40,000
	48,388	58,119

11. Financial Assets

	Consolidated	
	2013	2012
	\$	\$
Current		
<i>Fair value through profit and loss assets</i>		
Shares in listed entities*	26,150	50,608

* This investment in listed entities is measured by reference to quoted prices (unadjusted) in active markets for identical assets which represents “level 1” of the fair value hierarchy measurement method.

12. Property, Plant and Equipment

Consolidated	Plant & Office Equipment	Motor Vehicles	Total
	\$	\$	\$
2013			
Cost	15,276	114,921	130,197
Accumulated depreciation	(10,676)	(41,371)	(52,047)
Carrying amount	4,600	73,550	78,150
Movement			
Carrying amount at 1 July 2012	5,033	91,937	96,970
Additions	1,182	-	1,182
Depreciation expense	(1,615)	(18,387)	(20,002)
Carrying amount at 30 June 2013	4,600	73,550	78,150
	\$	\$	\$
2012			
Cost	14,094	114,921	129,015
Accumulated depreciation	(9,061)	(22,984)	(32,045)
Carrying amount	5,033	91,937	96,970
Movement			
Carrying amount at 1 July 2011	6,446	-	6,446
Additions	-	114,921	114,921
Depreciation expense	(1,413)	(22,984)	(24,397)
Carrying amount at 30 June 2012	5,033	91,937	96,970

Notes to the Consolidated Financial Statements (continued)

13. Investment

	Consolidated	
(a) Investment Accounted for Using Equity Method	2013	2012
	\$	\$
Investment in unlisted entity – at cost	206,834	206,834
Provision for impairment	(206,834)	(206,834)
	-	-

The investment comprises a 45% (2012: 45%) interest in Discovery Company Limited, a company registered in Kazakhstan. The Company was not operating as at 30 June 2013.

	Consolidated	
(b) Other Investment	2013	2012
	\$	\$
	2,149	2,149

14. Trade and Other Payables

	Consolidated	
Current	2013	2012
	\$	\$
Trade creditors	123,407	147,200
Other payables and accrued expenses	398,285	136,171
Payable to Director	-	123,622
	521,692	406,993

The CWH Group's exposure to foreign exchange risk is detailed in Note 2.

15. Loans and Borrowings

	Consolidated	
Non-current	2013	2012
	\$	\$
Loan from director	244,361	716,892
	244,361	716,892

The loan from a director is unsecured, and carries an interest rate of Nil% p.a. CWH Resources has the right to defer repayment of this loan at least until after 30 June 2014.

The loans are repayable only when the borrower resolves that it has sufficient cash to repay the loan.

A liability of \$611,160 has also been recognised on the balance sheet of CYBM as disclosed in Note 4 relating to a loan provided by a director.

Notes to the Consolidated Financial Statements (continued)

16. Reserves

Nature and Purpose of Reserves

Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in Note 1 (e) (iii). The reserve is recognised in profit or loss when the net investment is disposed of.

General Reserve

The general reserve records statutory funds set aside from an overseas controlled entity of the parent entity under the company law requirements and relevant financial regulations in the country of domicile, for future expansion of the economic entity and for providing employees facilities and other collective benefits. The reserve amount cannot be distributed as a dividend by the controlled entity.

17. Key Management Personnel Disclosures

The following persons were directors of CWH Resources Ltd during the year.

(a) Directors

Bao Cheng Luo	- appointed on 15 August 2003
Hock Guan Charles Sher	- appointed on 15 August 2003
Wei Guo Wang	- appointed on 9 February 2009
Peter Blair	- appointed on 20 January 2011

(b) Key Management Personnel Compensation

	Consolidated	
	2013	2012
	\$	\$
Short-term employee benefits	527,627	425,031
Post-employment benefits	41,365	34,744
	568,992	459,775

Key management personnel disclosures previously required by AASB 124 Related Party Disclosures paragraphs AUS 25.2 to AUS 25.6 and AUS 25.7.1 and AUS 25.7.2 are included in the Remuneration Report section of the Directors' Report.

(ii) Share Holdings

The numbers of shares in the Company held during the financial year by each director of CWH Resources Ltd and other key management personnel of the CWH Group, including their personally related parties, are set out below.

Name	Balance at the start of the year	Bought	Other changes during the year	Balance at the end of the year
2013				
Directors of CWH Resources Ltd				
<i>Ordinary shares</i>				
Bao Cheng Luo	5,723,607	-	-	5,723,607
Total directors' share holdings	5,723,607	-	-	5,723,607

Notes to the Consolidated Financial Statements (continued)

17. Key Management Personnel Disclosures (Continued)

Name	Balance at the start of the year	Bought	Other changes during the year	Balance at the end of the year
2012				
Directors of CWH Resources Ltd				
<i>Ordinary shares</i>				
Bao Cheng Luo	5,723,607	-	-	5,723,607
Total directors' share holdings	5,723,607	-	-	5,723,607

(c) Loans to Key Management Personnel

There were no loans made to directors of CWH Resources Ltd or other key management personnel of the CWH Group, including their personally related parties, during the years ended 30 June 2013 and 30 June 2012.

(d) Loans from Directors

(i) Loans from directors to continuing operations

	2013	2012
	\$	\$
Loans from director (Mr Bao Cheng Luo) – Non-Current	244,361	716,892
Total	244,361	716,892

(ii) Loans from directors to discontinued operation

	2013	2012
	\$	\$
Loans from director (Mr Bao Cheng Luo) – Current (Note 4.2)	1,260,312	1,105,745
Less receivable (Mr Bao Cheng Luo related entity)	(649,152)	(571,044)
Total	611,160	534,701

These loans are unsecured and interest free.

18. Commitments and Contingencies

The CWH Group had no significant commitments for capital expenditure that were authorised and contracted as at 30 June 2013. Operating and finance lease arrangements continue to be in place as disclosed below.

In October 2010 the Company entered into a Memorandum of Understanding with R.F.G.T. Australia Pty Ltd (“RFGT”) for the provision of geotechnical services. On 22 January 2011 CWH executed a Geotechnical Services Agreement with RFGT. The agreement provides for payment to RFGT of US\$396,000 and the issue of shares in the Company to the value of 2.5% of any mineral resource identified by RFGT.

RFGT provided a report to the Company and demanded payment of the sum of \$360,980. The Company asserted that the report is not in the agreed format and did not meet the required JORC standard, and that the Company is not liable to make any payment to RFGT. The Company asserted that it was misled into entering the Geotechnical Services Agreement.

On 23 February 2012 the Company was served with a statement of claim in the District Court, whereby RFGT claimed \$360,890 plus interest and costs in connection with payment for the services said to have been provided to the Company.

The matter was dismissed by the Supreme Court of NSW on 27 September 2013.

Notes to the Consolidated Financial Statements (continued)

18. Commitments and Contingencies (continued)

On 22 May 2013 CWH entered a conditional agreement with Tangiers Petroleum Limited under which CWH would farm into exploration activities to earn a 70% interest in certain petroleum exploration projects in 250km south-west of Darwin.

The agreement was terminated on 8 October 2013.

Commitments for minimum lease payments in relation to non-cancellation operating leases are payable as follows:

	2013	2012
	\$	\$
Within one year	15,468	-
Later than one year but no later than five years	26,717	-
Later than five years	-	-
Total	42,185	-

19. Remuneration of Auditors

	Consolidated	
	2013	2012
	\$	\$
During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related firms:		
(a) HLB Mann Judd		
(i) <i>Audit and other assurance services</i>		
Audit and review of financial statements	94,866	76,647
(ii) <i>Other services</i>		
Independent Accountant's Report	-	18,066
Total remuneration of HLB Mann Judd	94,866	94,713
(b) Non-HLB Mann Judd Firms		
(i) <i>Audit and other assurance services</i>		
Audit and review of financial statements	16,150	12,000
Total remuneration of non-HLB Mann Judd firms	16,150	12,000
Total auditors' remuneration	111,016	106,713

20. Related Party Transactions

(a) Parent Entities

CWH Resources Ltd is the parent entity of the CWH group and is an Australian registered Company. The ultimate parent entity of the CWH Group is believed to be Beltrading International Corp, registered in the British Virgin Islands.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 21.

(c) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 17.

(d) Rent

Rental fees of \$15,600 (2012: \$Nil) were paid to Bao Cheng Luo for the use of premises for the period 1 October 2012 to 12 March 2013.

Notes to the Consolidated Financial Statements (continued)

21. Subsidiaries

The consolidated financial statements incorporate the assets and liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(d).

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	Equity Holding
			%	%
			2013	2012
Chongqing Yuao Building Materials Co., Ltd (refer to Note 4)	China	Ordinary	100%	100%
CWH Global Exploration Pty Ltd	Australia	Ordinary	100%	100%
China West International Pte Ltd	Singapore	Ordinary	100%	100%

22. Reconciliation of profit after income tax to net cash inflow/(outflow) from operating activities

	Consolidated 2013	2012
	\$	\$
<i>Reconciliation of profit/(loss) after income tax to net cash inflow/(outflow) from operating activities</i>		
Profit/(loss) for the year	(4,774,868)	(3,251,904)
Depreciation	577,459	572,405
Amortisation of intangible assets	90,716	52,910
Write down of Plant, Property & Equipment	2,232,407	-
Addition/(Reverse) of inventory provision	-	716,954
Financial expenses	120,721	114,985
Loss on stock trading	-	-
Fair value loss on investments	24,458	128,559
Debt forgiveness	102,999	136,620
Unrealised foreign exchange gain/loss	(97,248)	(9,356)
<i>Changes in working capital and provisions</i>		
Increase in receivables	173,014	(2,523,418)
Increase in inventories	752,346	(105,903)
Increase in payables	617,020	3,117,055
Increase/(Decrease) in borrowings	(5,529)	41,779
Net cash inflow/(outflow) from operating activities	(186,505)	(1,009,314)

23. Earnings per Share

	Consolidated 2013	2012
	\$	\$
(a) Basic and diluted earnings per share, cents	(5.04)	(3.92)
(b) Earnings used in calculating earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating earnings per share	(4,774,868)	(3,251,904)
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share and diluted earnings per share	94,748,968	82,975,595

Notes to the Consolidated Financial Statements (continued)

24. Parent Entity Disclosures

As at, and throughout, the financial year ended 30 June 2013 the parent company of the CWH Group was CWH Resources Ltd.

	2013	2012
	\$	\$
Result of parent entity		
Profit/(loss) for the year	(1,131,617)	(929,062)
Other comprehensive income		-
Total comprehensive income for the year	(1,131,617)	(929,062)
Financial position of parent entity at year end		
Current assets	188,114	1,742,197
Total assets	316,802	1,899,435
Current liabilities	521,692	406,992
Total liabilities	766,053	406,992
Total equity of the parent entity comprising of:		
Share capital	18,698,814	18,435,624
Accumulated Losses	(19,241,149)	(16,943,181)
Total Equity	(542,335)	1,492,443

The parent entity does not have any capital commitments or contingences as at 30 June 2013 (2012: Nil), other than those disclosed in Note 18.

The parent entity has provided a written undertaking to its subsidiary Chongqing Yuao Building Materials Co., Ltd with respect to meeting the subsidiary's financial obligations should the subsidiary be unable to do so.

25. Events after reporting date

On 21 August 2013 the Australian Securities Exchange ("ASX") confirmed that CWH required shareholder approval for the proposed transaction with Tangiers Petroleum Limited, as described in note 18. The ASX also confirmed that CWH is required to re-comply with chapters 1 and 2 of the ASX listing rules.

The Tangiers agreement was terminated on 8 October 2013.

On 27 September 2013 the supreme court of NSW dismissed the claim against the company made by R.F.G.T Australia Pty Ltd as described in note 18.

No other matters have risen since 30 June 2013 that have significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in subsequent financial years.

Notes to the Consolidated Financial Statements (continued)

26. Segment Information

The CWH Group has two separate segments described below which are the CWH Group's strategic business units. The China business comprises a cement production plant while the Australia business is primarily a corporate office, also undertaking strategic investments.

	China	Australia	Consolidated
2013	\$	\$	\$
Revenue			
External Sales	6,014,249	-	6,014,249
Other Income	-	13,811	13,811
Total Revenue	6,014,249	13,811	6,028,060
Results			
Segment result before tax	(3,643,251)	(1,131,617)	(4,774,868)
Income tax expense	-	-	-
Profit for the year	(3,643,251)	(1,131,617)	(4,774,868)
Assets			
Segment assets	4,959,492	221,298	5,180,790
Segment liabilities			
Segment liabilities	11,089,202	766,053	11,855,255
Other Segment Information			
Investment in an associate (Note 13)	-	2,149	2,149
Acquisitions of other non-current segment assets	401,363	-	401,363
Depreciation and amortisation expense	(557,457)	(20,002)	(577,459)

	China	Australia	Consolidated
2012	\$	\$	\$
Revenue			
External Sales	5,696,573	-	5,696,573
Other Income	23,228	16,111	39,339
Total Revenue	5,719,801	16,111	5,735,912
Results			
Segment result before tax	(2,322,842)	(929,062)	(3,251,904)
Income tax expense	-	-	-
Profit for the year	(2,322,842)	(929,062)	(3,251,904)
Assets			
Segment assets	10,456,878	1,360,101	11,816,979
Segment liabilities			
Segment liabilities	11,957,414	1,123,885	13,081,299
Other Segment Information			
Investment in an associate (Note 13)	-	2,149	2,149
Acquisitions of other non-current segment assets	33,346	114,921	148,267
Depreciation and amortisation expense	(548,008)	(24,397)	(572,405)

Directors' Declaration CWH Resources Ltd and its Controlled Entities

1. In the opinion of the directors of CWH Resources Ltd ("the Company"):
 - (a) the financial statements and notes set out on pages 17 to 42 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of CWH Group's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable as outlined in Note 1(a).
2. The directors have been given the declaration required by Section 295A of the Corporations Act 2001 from the Chairman of the Board for the financial year ended 30 June 2013.
- 33 The directors draw attention to Note 1(a) to the consolidated financial statements, which include a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



Bao Cheng Luo
Chairman of the Board

28 February 2014

CWH RESOURCES LTD

ACN 009 230 111

INDEPENDENT AUDITOR'S REPORT

To the members of CWH Resources Ltd:

Report on the Financial Report

We have audited the accompanying financial report of CWH Resources Ltd ("the company"), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the consolidated financial report complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's and its controlled entities' 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 financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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CWH RESOURCES LTD

ACN 009 230 111

INDEPENDENT AUDITOR'S REPORT

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the Corporations Act 2001, given to the directors of the company on 28 February, 2014 would be in the same terms if provided to the directors as at the time of this auditor's report.

Basis for Disclaimer of Opinion

The consolidated entity's assets at 30 June 2013 include assets in a controlled entity, deemed to be a discontinued operation, at \$4,959,492. We have been unable to obtain sufficient appropriate audit evidence that the assets of the discontinued operation are measured at the lower of their carrying value and fair value less costs to sell. We have also been unable to obtain sufficient appropriate audit evidence of the liability of \$1,665,175 at 30 June 2013 for bank loans of the discontinued operation.

As a result, we were unable to determine whether any adjustments were necessary in respect of the carrying amounts of those assets in the statement of financial position, or the amount recognised as a liability for those borrowings, and the elements making up the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial report.

Material Uncertainty Regarding Continuation as a Going Concern

Without further qualification to our opinion expressed above, we draw attention to Note 1(a) to the financial report, which describes the reasons for which the financial report has been prepared on a going concern basis. Note 1(a) indicates that the continuation of normal business activities is dependent on the completion of the disposal of Chongqing Yuao Building Materials Co. Ltd, or if not the sale does not complete the generation of positive cash flow from the operations of Chongqing Yuao Building Materials Co. Ltd, and the completion of additional fund raising if required. The note indicates the existence of material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, whether it will realise its assets at their carrying values and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Our auditor's report for the year ended 30 June 2012 included a similar comment.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 7 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

CWH RESOURCES LTD

ACN 009 230 111

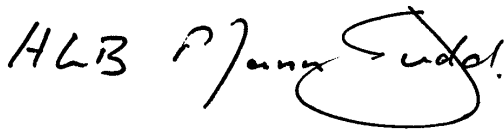
INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion, the Remuneration Report of CWH Resources Ltd for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

Matters relating to the electronic presentation of the audited financial report and remuneration report

This auditor's report relates to the financial report and remuneration report of CWH Resources Ltd for the financial year ended 30 June 2013 published in the annual report and included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report and remuneration report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report and remuneration report. If users of the financial report and remuneration report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information contained in this website version of the financial report and remuneration report.

A handwritten signature in black ink that reads 'HLB Mann Judd'.

**HLB Mann Judd
Chartered Accountants**

**Sydney, NSW
28 February 2014**

A handwritten signature in black ink that reads 'D K Swindells'.

**D K Swindells
Partner**

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 19 February 2013.

a) Twenty Largest Shareholders

The names of the twenty largest holders of quoted ordinary shares are:

Rank	Name	Units	% of Units
1.	BELTRADING INTERNATIONAL CORP	40,476,059	42.72
2.	MR CHANGXING XU	9,429,670	9.95
3.	HONG KONG BENLING INTERNATIONAL INDUSTRIAL LTD	5,882,353	6.21
4.	LONGMAX CORPORATION LIMITED	5,000,000	5.28
5.	RING & KING INVESTMENT CO LIMITED	5,000,000	5.28
6.	BAO CHENG LUO	5,723,607	6.04
7.	GREATLINK DEVELOPMENT LIMITED	3,333,333	3.52
8.	MR YUEXI YU	2,539,000	2.68
9.	CITICORP NOMINEES PTY LIMITED	1,358,918	1.43
10.	JESSIE LIM SIEW LING	842,818	0.89
11.	YOKE NGOH FONG	661,200	0.70
12.	MS JIAQIN MOU	514,883	0.54
13.	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	449,564	0.47
14.	MS FENGXIAN WANG	310,000	0.33
15.	MRS JIAQIN MOU	309,700	0.33
16.	MR SHUPING HUANG + MRS HUI WANG	303,500	0.32
17.	MR PHIROSE MAINE	300,000	0.32
18.	STORMINION PASTORAL COMPANY PTY LIMITED	300,000	0.32
19.	MRS JIAQIN MOU	290,000	0.31
20.	MS TING ZHANG	258,299	0.27
Totals: Top 20 holders of ORDINARY SHARES (GROUPED)		83,282,904	87.90
Total Remaining Holders Balance		11,466,064	12.10

b) Distribution of Equity Securities

The numbers of shareholders, by size of holding, in each class of shares are:

	Number of Holders	Number of Ordinary Shares
1 to 1,000	71	25,249
1,001 to 5,000	43	137,138
5,001 to 10,000	394	3,651,860
10,001 to 100,000	191	6,170,401
100,001 and over	31	84,764,320
Total	730	94,748,968

ASX ADDITIONAL INFORMATION (continue)

c) Substantial shareholders

Substantial shareholders (owning more than 5% of the share capital) in CWH Resources Ltd on 9 December 2013 are set out below.

	Number of Ordinary Shares	%
BELTRADING INTERNATIONAL CORP	40,476,059	42.72
MR CHANGXING XU	9,429,670	9.95
HONG KONG BENLING INTERNATIONAL INDUSTRIAL LTD	5,882,353	6.21
LONGMAX CORPORATION LIMITED	5,000,000	5.28
RING & KING INVESTMENT CO LIMITED	5,000,000	5.28
BAO CHENG LUO	5,723,607	6.04

d) Voting Rights

All ordinary shares carry one vote per share without restriction.

e) Securities Exchange

The Company's securities are not quoted on any securities exchange other than the Australian Securities Exchange.

f) Directors' Interests in Securities

Directors' relevant interests in securities of which the director is the registered holder

Shares

Director	Direct Interests
Bao Cheng Luo	5,723,607

Corporate Directory

CWH Resources Ltd
30 June 2013

Directors

Bao Cheng Luo
Hock Guan Charles Sher
Wei Guo Wang
Peter Blair
Sjun Ming Li

Company Secretary

Alistair McKeough

Registered Office

WHITTENS
Level 5, 137-139 Bathurst Street
Sydney NSW 2000

Auditors

HLB Mann Judd
Level 19, 207 Kent Street
Sydney
NSW 2000

Share Registry

Computershare Registry Investors Pty Ltd
Level 3
60 Carrington Street
Sydney NSW 2000

Web-site

www.cwh.com.au

Contact Information

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