G-RESOURCES

DELIVERING PROMISED GROWTH

Annual Report 2013

(for the six months ended 31 December 2013)

CORPORATE PHILOSOPHY

G-Resources is an Asian gold mining company listed on the Hong Kong Stock Exchange (HKEx: 1051).

OUR COMPANY

The Martabe gold and silver mine is G-Resources Group's core starter asset. Martabe is located in North Sumatra, Indonesia and has a resource base of 8.1 million ounces of gold and 73.8 million ounces of silver. Production commenced at Martabe on 24 July 2012.

G-Resources has strong support from the Indonesian Central, Provincial and Local Governments and the communities of Batangtoru. The Company believes that mines should be developed, operated and decommissioned in a manner that is socially responsible. Caring for our people, the communities in which we conduct our business and the environment is our philosophy, and the core that underpins the way we conduct business.

OUR MISSION

G-Resources is seeking to grow gold production through exploration success on the large and highly prospective Contract of Work area at Martabe and through acquisition of other quality gold assets in the Asian region.

OUR VALUES

We strive to be a GREAT company in all of our operations and dealings with people. The GREAT values are the foundation of our Company, and provide a core commitment to achieve the best we can for all of G-Resources' stakeholders.

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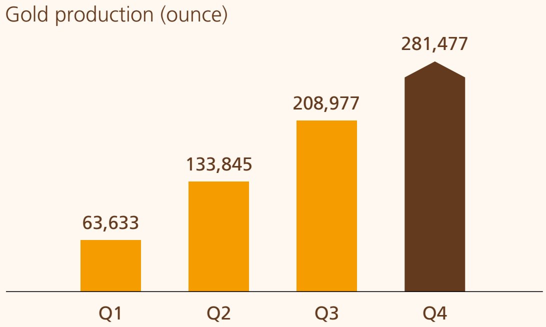
ROBUST PRODUCTION


TEREX

KEY PERFORMANCE INDICATORS

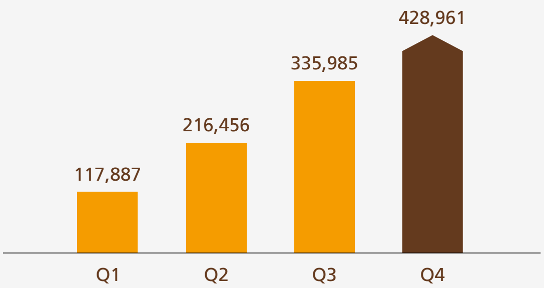
Gold Production – Cumulative

281,477 ounces



Total Revenue – Cumulative

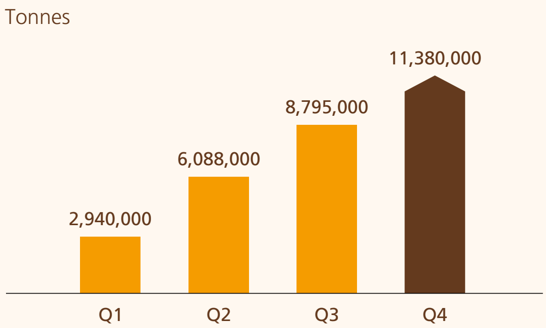
USD'000



USD **428,916,000**

Tonnes Mined – Cumulative

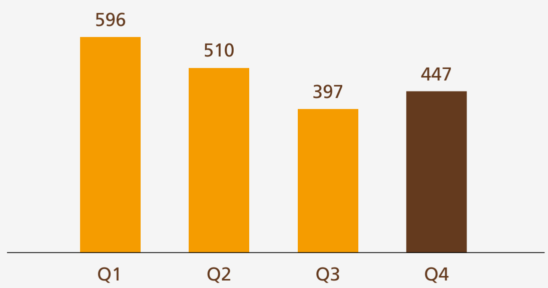
11,380,000 tonnes



NAGIS – Cash Cost

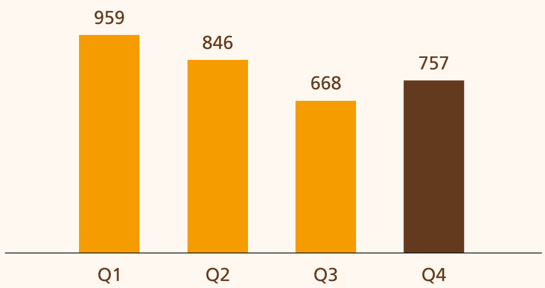
USD **447** per ounce

USD per ounce produced



WGC – All-in Sustaining Cost

USD per ounce sold

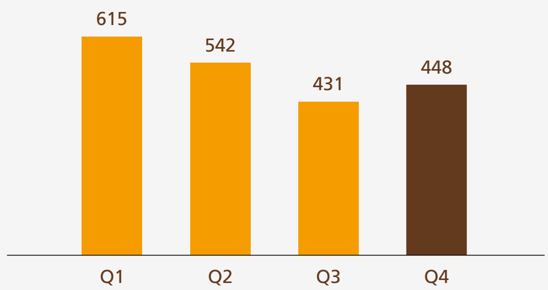


USD **757** per ounce

WGC – Operating Cash Costs

USD **448** per ounce

USD per ounce sold



Notes:

Q1 – For the quarter ended 31 March 2013
Q2 – For the quarter ended 30 June 2013
Q3 – For the quarter ended 30 September 2013
Q4 – For the quarter ended 31 December 2013

NAGIS – North American Gold Institute Standard
WGC – World Gold Council
WGC – Operating cash costs are prepared based on WGC Guidance Note on Non-GAAP metrics June 2013

OUR BUSINESS MODEL

GREAT VALUES

GROWTH in value for all our stakeholders

RESPECT for our people, our communities and for all stakeholders

EXCELLENCE in everything we do

ACTION to deliver on our commitments

TRANSPARENCY openness, honesty and good governance

EXPLORATION

8.1M ounces of gold / **73.8M** ounces of silver

143 diamond drill holes were completed for a total of 10,325 metres of core. Depletion due to mining and processing operations in the final six months of 2013 was 0.2 million ounces ("Moz") of gold and 1.5 Moz of silver. Since mining commenced in 2012, additional exploration has replaced the gold and silver in both Resources and Reserves.

Total Resources are now 8.1 Moz of gold and 73.8 Moz of silver.

PRODUCTION FORECAST

230,000-250,000

ounces of gold

The production forecast for 2014 is between 230,000 to 250,000 ounces of gold and 2 Moz of silver.

The World Gold Council all-in sustaining costs are estimated to be between USD750/ounce and USD850/ounce for the full year. Again, demonstrating the robustness and highly competitive position of the Martabe Mine against global peers.

GOVERNMENT

SUPPORT and RECOGNITION

Through 2013, the Martabe Mine continued to enjoy the full support of all levels of Government – Central, Provincial and Regional.

Renewal of licenses and permits is a normal ongoing requirement and the various government bodies have continued to support the Mine and provide the necessary approvals.

COMMUNITY

LOCAL PROGRAMMES

well received

2013 has been a year of consolidation for the Martabe Mine's activities and programmes within the local villages and communities.

In the first full year of operation, the Company has been able to implement programmes aligned to the long term sustainable vision for the maintaining and securing of the Social License. Education, health, provision of clean water, local business development and local infrastructure improvements have been the focus.

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CHAIRMAN'S STATEMENT

2013 was another defining year for G-Resources. It was our first full calendar year of operations since beginning production of gold and silver in the second half of 2012. For the six months ended 31 December 2013, we recorded a Net Profit of USD39.1 million.

Dear shareholders,

I am pleased and proud to deliver to you another profit making Annual Report of G-Resources Group Limited ("G-Resources") since our acquisition of the Martabe Project in 2009. Our Financial Year is now aligned with the Calendar Year starting with 2013.

2013 was another defining year for G-Resources. It was our first full calendar year of operations since beginning production of gold and silver in the second half of 2012. For the six months ended 31 December 2013, we recorded a Net Profit of USD39.1 million.

I must say we could not have made all these achievements without the patient support, trust and confidence of our shareholders. During construction and commissioning of the Martabe Project, we faced a number of challenges, both technical and commercial, but with the support of the Government of Indonesia, the local community and our loyal shareholders, we overcame all those challenges and we have successfully brought the Martabe Mine into profitable operation. Martabe is one of Asia's high performing gold and silver mines.

The Martabe Mine is designed to produce 250,000 ounces of gold per annum. In 2013, which included final ramp up in the first half, we produced over 280,000 ounces of gold and 1.5 million ounces of silver. The credit for these excellent production numbers must go to the professional and dedicated operations team led by our CEO, Mr Peter Albert. I would like to take this opportunity to publicly thank our department heads, senior managers and all of our staff for their contribution and effort. Without this seasoned

management team led by Peter, we would not have been able to ramp up our production so rapidly and outperform.

I am also grateful for the support of the Governments within Indonesia at the Central, Provincial and District levels and also the local community. The Martabe Mine has been recognised as one of the businesses able to contribute to Indonesia's strategic plan to become one of the top ten world economies by 2025. We shall try our best to meet this expectation.

As the Chairman of G-Resources, I am very proud of our Martabe Mine, a rare, high quality world class mining asset. It is located in North Sumatra, Indonesia, a highly mineralised region with great prospects for further discoveries of gold and other precious and base metals. Our exploration team has identified a number of exciting prospects in our Contract of Work area.

For gold price, I see continued strong demand for gold. Pursuant to World Gold Council, demand for gold in China set a remarkable new record of 1,065.8 ton in 2013.

I am pleased to see that gold price rebound from USD1,221/ounce to over USD1,350/ounce in the early months of 2014. The Martabe Mine has now entered the ranks of one of the world's best and lowest cost gold producers. Through a continued focus on lowering production costs, delivering optimal production ounces and increasing our Resources and Reserves, we intend to sustain and cement this position for the longer term benefit of all of our stakeholders.

We see a good start in 2014 and we are well-positioned to benefit from any positive movement of gold price. In 2013, we have better performed than all expectations and targets. In 2014, we shall continue our effort, especially on cost control. I have strong confidence in Peter and our team. I believe we shall meet our guidance for 2014.

I am confident that all of our staff at G-Resources will continue to work with professionalism and dedication in order to create the best value and return for our shareholders.

Lastly, I would like to thank again all our staff and contractors for their support and contribution to G-Resources.

Chiu Tao
Chairman
Hong Kong, 28 March 2014

CEO'S REPORT

By year end, Martabe's all-in sustaining costs was down to USD750/ounce (with the year average less than USD800/ounce). This outcome puts Martabe in the lowest cost quartile of global gold mines.

Dear shareholders,

This Annual Report for the six months ended 31 December 2013 is G-Resources first Annual Report aligned to the calendar year and also aligned to the reporting calendar for the Indonesian subsidiary, PT Agincourt Resources.

2013 was the Company's first full year of operations post commissioning and whilst the first three months was a time of ramping up the mine to capacity, the operating year as a whole was very successful.

In January 2013, the Company provided guidance to the market of 250,000 ounces of gold production in 2013; in July 2013, this guidance was revised upwards to 280,000 ounces. In this first full production year 2013, over 280,000 ounces of gold and 1,500,000 ounces of silver were produced. The operational performance of the mine has been better than expected with a head grade of 2.76 grammes per tonne of gold and a much better than anticipated gold recovery of 88.4% over the year. Gold production has consistently exceeded plan. Silver production, due to lower than anticipated head grade at the top of the ore body, has been lower than the plan, though silver production typically increased month by month during the year.

The rapid ramp up of the operations and acceleration to design levels is a testament to the highly skilled and dedicated management team at Martabe led by Tim Duffy, the Executive General Manager Operations and Linda Siahaan, the Deputy President Director responsible for External Affairs. In the early part of the year an organisation re-structure saw the appointment of two new key roles, being Deputy General Manager Services – Matthew Orr and Deputy General Manager Operations – Ed Cooney. These two appointments have added considerably to the depth and capability at Martabe.

In April 2013, the prices of gold and silver dropped dramatically and the team at G-Resources responded immediately to consider what actions could be taken to curtail, suspend, defer and/or optimise costs. We called this our margin improvement plan ("MIP 25/25"), i.e. more ounces for less dollars, where the target was to produce 25,000 more ounces and reduce costs by USD25 million. Both of these were achieved with the mine producing more than 30,000 more ounces than plan and reducing costs in excess of target. These outcomes were a great achievement and resulted in significantly reducing Martabe's overall unit costs. By year end, Martabe's all-in sustaining costs ("AISC") was down to USD750/ounce (with the year average less than USD800/ounce). This outcome puts Martabe in the lowest cost quartile of global gold mines, reflecting the mine's very robust and competitive position. Reported against

the North American Gold Industry Standard ("NAGIS") the mine site cash cost for the year was USD483/ounce.

Earlier in 2013 our two outstanding technical challenges were silver production and mill throughput. A detailed study of the silver deportment in the ore reserves provided the reason for the initially lower production of silver and in latter months the mine is operating at close to anticipated long term silver levels. Mill throughput remains a challenge and whilst a number of significant technical improvements were made during the year, the issue is yet to be fully resolved. Improvements have been made in the mining drill and blast performance, in the crusher performance and in the circuits around the mills. There remain a number of initiatives still to be finally implemented including the potential installation of a secondary crusher to improve overall plant throughput. The target is to be producing at mill throughput design levels by the end of 2014 and then increasing upwards to 5 Mtpa in 2015.

The Government Relations, Community Relations and Public Relations teams continued their good work. All operating licences remain in place, including a number of standard renewals; the Social Licence at Martabe is probably as good as it has historically ever been, and the recognition by multiple stakeholders of the performance and benefits of Martabe due to our PR efforts has been especially pleasing.

During the latter half of the year, the Company paid all of its outstanding debts to the syndicate of international banks who had provided USD100 million facility to the Company. Prior to this happening, the mine achieved and passed its technical and environmental performance tests – including an assessment against the International Finance Corporation's Equator Principles.

At Martabe, we are absolutely committed to the training and development of our workforce; we are committed to a culturally sensitive leadership style; we are committed to excellence in everything we do; and we are committed to engagement and listening by, and with, everybody in the team. In no other area does this get demonstrated more clearly than in the safety performance at the mine site. In the full year 2013, there were just two accidents at Martabe that caused a worker to be absent from work. The management takes both of these incidents very seriously, however the overall statistics are still an excellent achievement at any mine site, but at a new mine with a new workforce, this is even more remarkable.

Regional exploration programmes continued to generate additional geological information on the tenement area with additional work targeted and planned for the future.

I must also make mention of the support disciplines at the mine – the administration staff, the HR team, the finance and accounting group, the camp management, supply and logistics and everybody at Martabe, Jakarta and Hong Kong who help to keep the wheels turning, but more importantly are ever striving to continuously improve the Company performance.

I would like to take this opportunity to recognise the support of the Governments within Indonesia at the Central, Provincial and District levels. Without their support and guidance, our tasks would be that much harder. Within the Indonesian Government, there is a clear recognition of the sustained value that can be added to the country and standards of living by long term mining projects.

I would also like to give my thanks to our Directors for their encouragement over the past year as well as our shareholders who continued to demonstrate their confidence in the Martabe operation. In particular, I would like to give special mention to our staff and contractors at the Martabe Mine, who have worked so hard over the past year to achieve all of the milestones that we have met.

In only its first year of operation, G-Resources has demonstrated its outstanding qualities and has taken its place amongst the top tier of Asian mines.

Peter Geoffrey Albert
Chief Executive Officer
Hong Kong, 28 March 2014

OUTSTANDING SAFETY PERFORMANCE

PROJECT OVERVIEW: MARTABE

In 2013, the mine produced more than 280,000 ounces of gold and over 1.5 million ounces of silver. For the calendar year 2014, the mine is forecasting production of between 230,000 and 250,000 ounces of gold and 2.0 million ounces of silver.

Name	Martabe
Location	North Sumatra Province, Indonesia
Product	Gold and Silver
Mining Method	Open pit
Processing Method	Mine, crush, SAG/Ball mill, carbon-in-leach (“CIL”) operation
First Production	July 2012
Annual Production Target	250,000 ounces gold and approximately 2 million ounces silver over life of mine
Workforce	Approximately 2,500 employees and contractors in December 2013

G-Resources is a Hong Kong based and listed gold mining company. The Martabe Mine in North Sumatra, Indonesia is the Company’s core starter asset, with significant further potential on the large tenement area. The mine has been in production for over one year and after an initial commissioning and ramp-up stage, is now operating at full capacity, i.e. in excess of 250,000 ounces of gold per annum.

G-Resources is seeking to grow gold production through exploration success on the large and highly prospective Martabe Contract of Work (“CoW”) area. The Martabe Mine enjoys the strong support of the Indonesian Central, Provincial and Local Governments as well as the communities in and around Batangtoru.

Martabe

The Martabe Mine is located on the western side of the Indonesian island of Sumatra in the Province of North Sumatra, in the Batangtoru sub-district (Figure 1).

The project is established under a sixth generation CoW which was signed in April 1997. The CoW defines all of the terms, conditions and obligations of both G-Resources and the Government of Indonesia for the life of the CoW.

Martabe has a resource base of 8.1 million ounces (“Moz”) of gold and 73.8 Moz of silver. The Purnama deposit comprises of an open pit mine with a life-of-mine low strip ratio of 0.8:1, a conventional processing plant with 4.5 Mtpa capacity, a permanent village, haulage roads, a high voltage

Aerial view of site facilities showing process plant and tailings storage.

switchyard, an onsite workshop and warehousing, and a tailings storage facility with associated water catchment and diversion systems.

In the first calendar year of operations, including the commissioning and ramp-up phases, the mine produced more than 280,000 ounces of gold and over 1.5 Moz of silver. For the calendar year 2014, the mine is forecasting production of between 230,000 and 250,000 ounces of gold and 2.0 Moz of silver.

Costs at Martabe have continued to decrease as the mine has moved from commissioning into ramp-up and then into steady state operations. Cash costs[1] at the mine for the full twelve months from January to December 2013 were USD483 per ounce. The World Gold Council ("WGC") "all-in sustaining costs" ("AISC") for the same twelve month period was USD799 per ounce[2].These costs compare very favourably with other gold mine operations around the world, with the average being approximately USD750 per ounce for North American Gold Institute Standard ("NAGIS") and USD1,200 per ounce for AISC.

The Martabe operation has been built to the best international standards and the rapid commissioning and ramp up of the operations has been a testament to the quality of the facilities, the quality of the ore body, as well as the quality of the site management team.

Through the commitment of many parties – including shareholders, contractors, the local community and the various government entities – the Company has successfully accomplished more than 18 months of operations since first gold pour on 24 July 2012.

1 Cash costs are calculated according to the Gold Institute Standard, commonly referred to as NAGIS and include all site based costs on a per ounce poured basis.
2 World Gold Council AISC guideline is an extension of NAGIS costs and includes off-site administration and support services, sustaining capital costs and resource development (near mine exploration) costs, calculated on a per ounce sold basis.

Crushed ore feed conveyor to the process plant.

Operations

The Martabe Mine has now entered a phase of continuous improvement. In the last year, the mine and process plant rapidly reached design output capacity and the operations team is now focused on incremental improvements, debottlenecking to achieve optimum throughput and identifying future opportunities for further improvement. The decrease in both gold and silver prices in April 2013 resulted in an immediate focus on potential margin improvements, i.e. more ounces for less dollars, and this has already achieved significant outcomes. In May 2013, the Company introduced the Margin Improvement Programme – MIP 25/25, whereby the goals were to produce 25,000 more ounces and spend USD25 million less than budgeted. Both of these were achieved with over 280,000 ounces produced and the AISC costs reducing by approximately USD200 per ounces over the whole year.

The mine employs approximately 2,500 employees and contractors. Management's commitment is to have 70% of the workforce engaged from the local villages with current levels already reaching more than 65%. The total work force is more than 95% Indonesian. The mine also has a gender programme focusing on employment opportunities and careers for women; to date there are more than 300 women employed in more than 30 career disciplines.

The training and development of the operations team has been highly successful as demonstrated by the good production results. However, perhaps the greatest signal demonstrating the success of the leadership and the commitment to training and development activities, is the outstanding safety record achieved at Martabe. In the 18 months to December 2013, the mine experienced only two Lost Time Injuries – this is an outstanding result, especially for a new mine and workforce with limited experience in an industrial or mining environment.

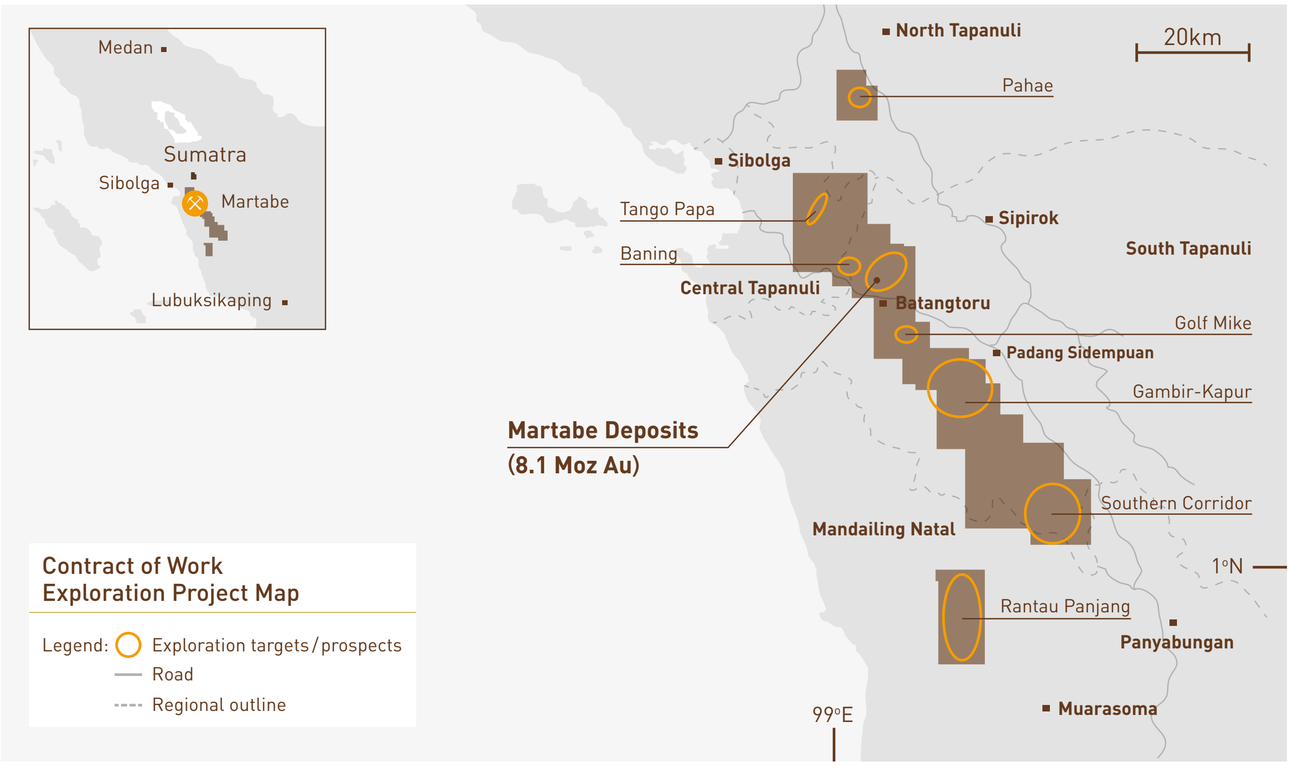


Figure 1. Martabe location, showing deposit and regional prospect locations within the CoW.

Mining

Total ore and waste tonnes mined during the year met plan. There was a higher overall strip ratio of approximately 1.85:1 as compared to life of mine expectation for Purnama of around 0.8:1 as a result of additional waste material being mined in one section of the Purnama pit to open up and expose ore for future mining. The Purnama ridge was lowered by up to 65 metres to an RL410 in some places, from RL480 at the start of the year. A reverse circulation drill provided samples from grade control drilling for ore and grade definition. A total of 1,331,000 tonnes of ore at 1.1 g/t gold and 8.8 g/t silver was stockpiled at the end of December 2013.

Processing

In 2013, the process plant operated at better than design output leading to a revised forecast in July for 2013 of 280,000 ounces of gold from the previous 250,000 ounces. This improved production was largely as a result of good grades and good recoveries. Achieving milled ore throughput proved problematic throughout the year, with a number of mechanical and electrical challenges holding back the full potential of the milling circuit. By end of December 2013, most of these had been resolved, but the hardness of some parts at the ore body prevented design throughput from being achieved. A number of improvement options are being investigated with the assistance of experienced consultants. The Mine operating staff is confident of achieving design tonnage throughput by the end of 2014.

For the twelve months from January to December 2013, the following mill production was achieved:

	January to December 2013
Tonnes Mined Ore	3,999,000
Tonnes Mined Waste	7,381,000
Tonnes Milled	3,615,000
Gold Head Grade, g/t	2.76
Silver Head Grade, g/t	17.2
Gold Recovery, %	88.4
Silver Recovery, %	77.5
Gold Poured, ounces	281,477
Silver Poured, ounces	1,515,228

Costs and Finance

The Martabe Mine has an anticipated life of mine cash cost structure well into the lowest quartile for global gold producers. The low cost structure is due to a number of factors including: the capacity and size of the project, the shallow location of the Purnama deposit that results in a low strip ratio, the good grade of the ore and straightforward gold extraction process. In addition, Martabe benefits from the advantageous location of the project, with the potential to reduce transportation costs and has access to a large national skilled and mining experienced Indonesian workforce.

Along with the natural advantages of a low cost structure, the management and operations team at Martabe are diligent in controlling costs. Through the year, the mine produced more ounces of gold than planned, but in April 2013, the world market prices of gold and silver dropped substantially, potentially impacting revenue. As a result of the reducing revenue stream, the Company rapidly accelerated a number of continuous improvement activities as well as seeking to reduce or defer expenditure wherever possible.

At end of December 2013, the Company had USD209 million in cash and marketable securities. In the third quarter of 2013 the Company undertook a Rights Issue and raised USD156 million. The revolving credit facility was fully repaid in October 2013. Bullion sales data for the year ended 31 December 2013 was as follows:

	January to December 2013
Gold Sold Ounces	280,363
Silver Sold Ounces	1,464,079
Gold Sold Average Price, USD/ounce	1,410
Silver Sold Average Price, USD/ounce	23
Receipts from Sales, USD in millions	429

During the year, and as a result of the operation bedding down as well as the implementation of the MIP 25/25, costs reduced significantly. NAGIS cash costs for the period January to December 2013 were USD483/ounce and WGC AISC costs USD799/ounce for the same period.

Martabe Exploration and Mineral Resource and Reserve Statement (As at 31 December 2013)

1. Exploration Overview

The Martabe Contract of Work ("CoW") occurs within the Java-Sumatra portion of the Sunda-Banda magmatic arc. The magmatic arc has approximately 70 Moz of gold in resources and past production, yet remains under-explored relative to many of the world's major gold-copper belts.

The Martabe CoW covers 1,639 km^2 along 110 km of strike length of the Sumatra fault, which is a major structural control for mineral deposits along the Java-Sumatra Arc. Ongoing success in expanding the resource and additional discoveries made at Martabe is an indication of the potential of this fertile tectonic setting. G-Resources is aggressively exploring at Martabe, both close to the existing Martabe deposits and regionally across the CoW holding, in the belief that this world class mineral province will produce further discoveries.

Exploration continued during the second half of 2013. Significant activities included:

- 143 diamond drill holes for 10,235 metres were completed between 1 July 2013 and 31 December 2013. These drill holes targeted extensions of the Purnama Deposit at depth and to the west, and extensions of the Uluala Hulu Deposit.
- Increases in the Resources and Reserves in July 2013 were sufficient to replace mined Ore Reserves and depleted Mineral Resources during the first 18 months of operation, for both tonnes and contained gold.
- Advances in the understanding of deposit geology and the application of new techniques resulted in additional targets in the Martabe District and the Martabe CoW.

2. Martabe Resource Development

The total G-Resources JORC Compliant Mineral Resources as at 31 December 2013 are estimated at 205.5 Mt at 1.2 g/t gold and 11 g/t silver, for total metal content of 8.1 Moz of gold and 73.8 Moz of silver.

The Mineral Resources are provided in Table 1 below.

Comparison with the previously stated Mineral Resources (30 June 2013) include:

- Depletion due to mining and processing operations of approximately 0.2 Moz (-1.2%) of gold and 1.5 Moz (-1.9%) of silver.[1]

When mining commenced at the Purnama Open Pit in July 2012, the total estimated Mineral Resources were 190.72 Mt at 1.3 g/t gold and 12 g/t silver, for a total metal content of 8.05 Moz of gold and 77.0 Moz of silver. During this time, the Resource Development programme has replaced mined ounces of contained gold, while contained silver was reduced by 3.2 Moz (-4.2%) from the July 2012 Mineral Resource.

The ongoing increase in Mineral Resources and Ore Reserves has been a standout success at the Martabe Gold Mine. G-Resources has increased the total Mineral Resource estimate by 67 Mt comprising 2.2 Moz of contained gold and 13.8 Moz of contained silver since acquiring the project in 2009. This represents a 37% increase in contained gold and 22% increase in contained silver since acquisition.

The Resource Development programme remains focused on replacing mined Mineral Resources and converting these into Ore Reserves. The company is optimistic this programme will continue to be successful as knowledge of the Martabe deposits improves.

1 Rounding effect causes the reduction of gold to be expressed as 0.1 Moz in the total estimated Mineral Resource, and silver reduction remains at 1.5 Moz.

3. Martabe Reserve Development

The total G-Resources JORC Compliant Ore Reserves as at 31 December 2013 are 48.8 Mt at 1.9 g/t gold and 20.3 g/t silver for a total metal content of 3 Moz of gold and 31.9 Moz of silver.

The Ore Reserves are provided in Table 2 below.

Comparison with the previously stated Ore Reserves (30 June 2013) shows:

- Depletion due to mining and processing operations of approximately 0.2 Moz (-6%) of gold and 1.5 Moz (-4.5%) of silver.
- Pit designs for Purnama, Barani South and Ramba Joring remain the same as June 2013 Ore Reserves.
- 0.8 Mt of Probable reserves associated with stockpiles are now reclassified as Proved, given confidence of mine to mill reconciliations to date.

Comparison with the estimated Ore Reserve before mining commenced (July 2012) shows:

- There is no net change in the Ore Reserve total contained gold ounces, while total contained silver ounces were reduced by 1.8 Moz.
- Because gold ounces were replaced there was effectively an additional year's mine life added to the Purnama Deposit in 2013.

Mine to Reserve reconciliations at Purnama have confirmed the integrity of the Mineral Resource and Ore Reserve Estimate models. Reconciliation for the period ended 30 June 2013 and 31 December 2013 shows a variance of +0.7% for contained gold and -1.1% for contained silver between mined ore and the Ore Reserve Model.

4. Martabe District Exploration

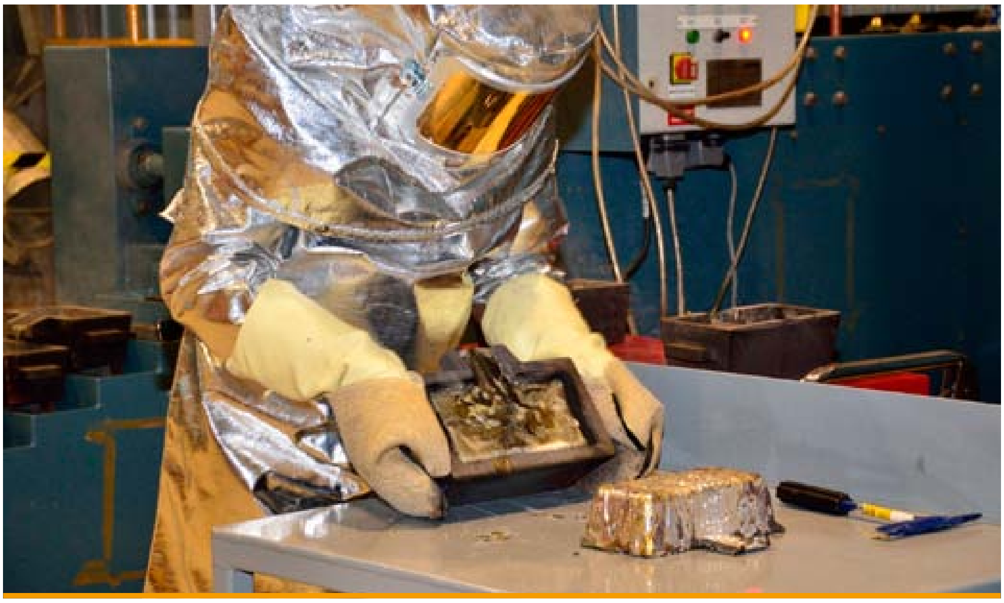
Exploration in the Martabe district is focused on the discovery of:

- Near surface and buried "epithermal gold-silver" deposits (of similar style to Martabe).
- Buried "porphyry copper-gold" style deposits.

After more than fifteen years of exploration after the initial discovery of Martabe, the district is considered to have continuing high potential remaining for additional discoveries. An example is the discovery in 2010 of the previously unrecognised Horas Deposit, only two kilometres south of the well explored Barani Ore Reserve.

Complex geology, challenging terrain, and a focus on resource development programmes at known deposits have historically resulted in a lesser focus on new targets near the Martabe deposits.

At the same time, the Martabe district is covered by comprehensive geological datasets. These include several types of geophysics, geochemistry, surface mapping, spectral mineral analysis and drill hole information.



Final product gold and silver bullion.

To fully utilise the large datasets, G-Resources commenced a focused programme of interpretation and target generation in the second half of 2013. This work involved G-Resources staff and international consultants in a number of specialist fields.

By the end of 2013, several targets were identified and drill testing planned. The interpretation work will continue throughout 2014 and it is anticipated further targets will be generated.

TABLE 1: G-RESOURCES JORC COMPLIANT MINERAL RESOURCES AS AT 31 DECEMBER 2013

Deposit	Category	Tonnes	Gold Grade	Silver Grade	Contained Metal	
					Gold	Silver
		(Mt)	(g/t Au)	(g/t Ag)	(Moz)	(Moz)
Purnama	Measured	4.8	2.3	39	0.4	6.1
	Indicated	65.2	1.6	19	3.3	40.1
	Inferred	31.4	0.9	11	1.0	11.4
	Total	**101.4**	**1.4**	**18**	**4.6**	**57.6**
Mine Stockpiles	Measured	1.3	1.3	10	0.1	0.4
	Total	**1.3**	**1.3**	**10**	**0.1**	**0.4**
Ramba Joring	Measured	–	–	–	–	–
	Indicated	33.7	1.0	4	1.1	4.5
	Inferred	4.6	0.8	4	0.1	0.5
	Total	**38.3**	**1.0**	**4**	**1.2**	**5.0**
Barani	Measured	–	–	–	–	–
	Indicated	15.6	1.4	2	0.7	1.0
	Inferred	0.4	0.9	2	0.1	0.1
	Total	**16.0**	**1.4**	**2**	**0.8**	**1.1**
Tor Uluala	Measured	–	–	–	–	–
	Indicated	–	–	–	–	–
	Inferred	31.5	0.9	8	0.9	7.8
	Total	**31.5**	**0.9**	**8**	**0.9**	**7.8**
Horas	Measured	–	–	–	–	–
	Indicated	–	–	–	–	–
	Inferred	15.7	0.8	2	0.4	0.9
	Total	**15.7**	**0.8**	**2**	**0.4**	**0.9**
Uluala Hulu	Measured	–	–	–	–	–
	Indicated	0.8	2.3	31	0.1	0.8
	Inferred	0.5	1.5	12	0.03	0.2
	Total	**1.3**	**2.0**	**24**	**0.1**	**1.0**
Combined	**Total**	**205.5**	**1.2**	**11**	**8.1**	**73.8**

Mineral Resources are inclusive of Ore Reserves.

Note on Cut-off grade:
With the exception of Tor Uluala, all resources are reported using a cut off grade of 0.5 g/t gold. Tor Uluala is reported using a 0.5 g/t Au equivalent cut off grade, using the formula Gold equivalent = gold g/t + silver/60 g/t for each estimated resource model block.

Note on Mine depletion:
This Mineral Resource Statement accounts for depletion due to mining operations until 31 December 2013.

Competent Person Statement:
The information in this report that relates to Mineral Resources is based on information compiled by Mr Shawn Crispin, a Competent Person who is a Member and Certified Professional of the Australasian Institute of Mining and Metallurgy. Mr Crispin is a full time employee of G-Resources.

Mr Crispin has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Crispin consents to the inclusion of the matters based on his information in the form and context in which it appears.

TABLE 2: G-RESOURCES JORC COMPLIANT ORE RESERVES AS AT 31 DECEMBER 2013

Deposit	Reserve Category	Tonnes (Mt)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Contained Metal Gold (Koz)	Contained Metal Silver (Koz)
Purnama	Proved	4.2	2.5	42.2	300	5,700
	Probable	34.5	1.9	22.3	2,100	24,700
Barani	Probable	3.5	2.0	2.6	200	300
Ramba Joring	Probable	5.2	1.8	4.4	300	700
Stockpile	Proved	1.3	1.3	9.6	100	400
Subtotals	Proved	5.6	2.2	34.4	400	6,200
	Probable	43.2	1.9	18.5	2,600	25,700
Total Ore Reserves		**48.8**	**1.9**	**20.3**	**3,000**	**31,900**

Calculations are rounded to the nearest 100,000 tonnes; 0.1 g/t Au and Ag grade; 100,000 ounces Au and Ag metal. Errors of rounding may occur. Minor calculated differences between the June 2013 and December 2013 Reserve statements are due to rounding errors.

Ore Reserves are estimated using a gold price of USD1,433/ounce and silver price of USD26.90/ounce.

Competent Person's Statement – Open Pit Ore Reserves:
The information in this report that relates to Open Pit Ore Reserves is based on information compiled by Quinton de Klerk of Cube Consulting, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr de Klerk has sufficient experience which is relevant to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr de Klerk consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

SUSTAINABLE COMMUNITY RELATIONS


TERPADU
G-RESOURCES

SUSTAINABILITY

OUR APPROACH TO SUSTAINABILITY

The Board of G-Resources believe that mines should be developed, operated and closed in a manner that is socially responsible. This must take into account a range of potentially complex issues relating to project approval, protection of the environment, and social welfare. By working towards these outcomes in a consistent manner we aim to establish and maintain a reputation for being a valued and trusted member of the communities in which we operate.

The Company's progress in managing sustainability outcomes during the period July to December 2013 is described below:

Safety

Our safety goal remains the elimination of workplace injuries. We are also committed to the reduction of accidents away from work.

In the six month period, we experienced only one Lost Time Injury ("LTI"). In this case, a contractor employee assisting with a mill re-line was hit on the back by a falling hand tool. We are pleased to report that after a short period of recuperation, this worker experienced a full recovery. This was the second LTI for 2013 and as a consequence the site's Lost Time Injury Frequency Rate for 2013 was 0.30 (per million man hours). By industry standards, this is a very good result.

Notwithstanding the very good results so far for safety, we remain committed to further reductions in safety risk. To this end, we continue to develop our safety management system in line with best practice and in conformance with international standards. Some highlights in this regard include:

ASA Programme

The Active Safety Agreement process ("ASA") is a behavioral safety management technique designed to address unsafe behavior through positively motivating the workforce. An ASA requires the practitioner firstly to observe a person at work, and then engage the person in an open conversation about the safety risk associated with the work and the required controls.

The site ASA programme commenced in August 2013 and by the end of the year, the team, comprising 36 senior staff, had conducted 228 ASA conversations. Our target for 2014 is 780 conversations. Through this process, we aim to achieve ongoing improvement in workforce awareness and commitment to safe behavior.

Environmental monitoring team at work.

Workplace Inspection Programme

The Workplace Inspection Programme provides for systematic inspection of all work areas for safety hazards on a regular basis. A standard inspection protocol addressing a full range of common safety hazards is used to generate a score, identify specific safety concerns and provide the basis for ongoing improvement. This programme commenced in November 2013, and resulted in 15 inspections covering 8 general locations. Our target for 2014 is 96 inspections.

Improvements to incident management practice

In the latter half of 2013, we progressively improved our approach to incident management. This included appointment of an experienced safety adviser to administer our on-line incident management system, and to provide ongoing review of all incident investigations and associated corrective actions.

Our interest in safety extends to the safety of employees and families away from work. The Community Safe Riding Programme, established in 2012, was maintained. This programme aims to encourage the use of helmets by motorcyclists, by providing incentives such as access to a covered parking area at the entrance to the site and "lucky dip" competitions for those employees wearing helmets when arriving to work. During the months from June to December, compliance was generally greater than 90%, a marked improvement over behavior prior to commencement of the programme.

Environment

Environmental management efforts continued to be directed on a range of issues typical for an open-cut mining operation in the tropics, including:

- Environmental monitoring.
- Statutory reporting.
- Tailings disposal.
- Treatment and discharge of excess mine water.
- Runoff water management.
- Waste rock management and site rehabilitation.
- Industrial waste management.
- Closure planning.

Waste Rock Management and Site Rehabilitation

Almost all of the waste rock generated by mining operations to-date has been utilised for construction of the Tailings Storage Facility ("TSF"). As a consequence, final waste rock rehabilitation has yet to become an important activity at the site, and areas requiring rehabilitation remain relatively small. In the six month period, all available disturbed areas at the site were rehabilitated, comprising a total of 3.36 hectares and including the planting of 2,597 tree seedlings. Planning is in place for the rehabilitation of 6 hectares in 2014.

Development of a waste rock management strategy continued with ongoing work on a waste rock model and waste rock schedule. This is preparatory work to support detailed waste rock characterisation and modeling to be conducted by consultants in early 2014.

The Company supported the One Billion Indonesian Trees event by means of a tree planting ceremony in December attended by Government and community representatives.

Industrial Waste Management

An important environmental management milestone in 2013 was completion of a new waste storage facility. This facility provides for the safe storage of designated "hazardous waste" such as used oil prior to dispatch to a licensed waste recycling facility.

Treatment and Discharge of Excess Mine Water

Due to relatively high rainfall and associated runoff into the TSF, the site has a net positive water balance. This requires excess water to be released to the Batangtoru River following treatment in the Water Polishing Plant ("WPP") to remove potential contaminants. This discharge is fully permitted under Indonesian law and the site implements a comprehensive water quality monitoring programme to measure conditions in local waterways. In addition, we have engaged the University of North Sumatra to conduct independent aquatic monitoring of the same.

Given the public interest in discharge of treated water to the Batangtoru River, in July 2013, an independent monitoring team was established by Decree of the Governor of North Sumatra. The role of this team is to assess compliance with the site's discharge permit by means of independent water sampling, analysis and review. This team comprises representation from local Government, local community and the University of North Sumatra.

We are pleased to confirm that during the year, the site satisfied all compliance reporting requirements related to the discharge of water to the Batangtoru River.

Support for aquaculture business development in local community.

"Martabe Goes to School" – Mine personnel supporting local education.

Community

The success of the Martabe Gold Mine is heavily dependent on our relationship with the local community, and we have worked hard to retain the trust and support of all our local stakeholders. To this end, we maintain a very active community relations programme that focuses on communication, local business development, health and education, infrastructure and community services. Highlights and achievements during the period July to December 2013 are described below.

Local Business Development

The Company continued to support development of local enterprises. This included:

- Assisting in the development of aquaculture businesses at 12 villages, including delivery of training and provision of supplies.
- Support for ongoing development of rice production, including various communication and training events, donation of seed, fertiliser and tools, and improvement of irrigation systems.
- Support to several local women's groups for the establishment of small bakery businesses.
- An entrepreneur motivational training session held in December attended by 31 participants.

In order to provide ongoing support for established local businesses, the site maintains a policy of local purchase of goods and services whenever quality and cost requirements can be met. In the period July to December 2013, over USD1 million was spent on locally provided goods and services.

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Small business development support – agricultural education and improvement.


Martabe staff and local teachers participatory in "Martabe Goes to School".

Infrastructure

Direct assistance with local infrastructure development continued, including 25 projects at 15 villages across the sub districts of Batangtoru and Muara Batangtoru. This included drinking water wells and water reticulation, public toilets, road improvement, public lighting, road safety signage, and construction of a mosque and a classroom.

Community Support

The Company remained active in supporting community events, both religious and secular:

- To mark the commencement of the Islamic holy fasting month of Ramadan, the Company organised a mass prayer recital in Batangtoru on 1 July known as *Tabligh Akbar*. About 2,000 people participated in this event, which was conducted with the support of local Islamic religious groups. A second such event was organised for November and attracted about 5,000 participants.
- During Ramadan, the Company conducted a series of events in eight local villages to celebrate breaking of the daily fast, attended by a total of 560 people including village authorities, elders and religious leaders. An event was also held at the Martabe Gold Mine to celebrate breaking of the fast. At this event, public donations were distributed to 422 orphans and 883 elderly persons.
- At the conclusion of Ramadan, 4,600 food parcels were distributed to local families in need.
- In September, a Christian revival service was organised at site. About 1,000 people attended in this open air concert that included well-known presenters and musicians from Jakarta.
- To promote local culture, the South Tapanuli Performing Cultural Arts Festival In December was organised in collaboration with South Tapanuli Arts Council and South Tapanuli Indigenous Communication Forum. An estimated 4,000 people attended this event, and its success has encouraged its establishment as an annual event.

The Company maintained support for various community health programmes, including:

- Targeted health services for infants, adolescents and the elderly in collaboration with local Government health clinics.
- HIV awareness sessions for local students.
- Exercise classes for elderly.
- Free community health programmes in Medan in partnership with the Indonesian Journalists Association.

Assistance for community education was maintained in the form of ongoing support for "reading gardens" in eight local villages and the opening of an additional facility in Hapesong Baru village.

The Company provided donations and sponsorship for a wide range of groups and activities based on need and benefit to the community. It should be noted that various contractor companies working in partnership with the Company at the Martabe Gold Mine are also engaged in supporting the community through donations and sponsorship.

Communication and Awareness of Mining Activities

The programme of community site visits was maintained with various groups being taken around the site to gain a better understanding of mining activities including operation of the WPP. By the close of 2013, a total of 1,609 people had visited the site as part of this programme.

A Martabe Gold Mine Story Book was published and distributed. This is a pictorial explanation of activities at the Martabe Gold Mine aimed at younger readers. A book launch was conducted in November and attracted about 300 persons including Government officials, Heads of villages, school principals and students.

In November 2013, a capacity building project entitled the Dynamics of Indonesian Mining Industry was successfully held for some 20 media networks at local and regional levels. Various topics on geology, mine engineering, good mining practices with respect towards social & environment sustainability were intensely discussed to increase their understanding which in turn should enable them to continuously educate the wider public about mining related issues.

Assistance to Communities Affected by the 2013 Mount Sinabung Eruptions

Mount Sinabung is an active volcano located in North Sumatra. In November 2013, it erupted for the third time in as many months, forcing the evacuation of thousands of local residents. In partnership with a media group, Martabe Gold Mine assisted with a 10 day relief effort to five refugee camps that included delivery of clean water, personal hygiene supplies and health care by medical team. An estimated 2,664 Internal Displaced Persons ("IDPs") benefited from this effort.

Another ten-day emergency response was launched in January 2014. The Company deployed its Emergency Response Team members and paramedics to support the Ministry of Energy and Mineral Resources' Disaster Response Team. The team offered free health services and medications to more than 1,000 IDPs in several evacuation centers.

DELIVERING DISCIPLINED GROWTH


CAT
G-RESOURCES
MARTABE

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

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

Executive Directors

Chiu Tao, aged 58

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

Owen L Hegarty, aged 66

was appointed as Vice-Chairman and an executive director of the Company on 19 August 2009 and 10 May 2009, respectively. Mr Hegarty has some 40 years' experience in the global mining industry. Mr Hegarty had 25 years with the Rio Tinto group where he was Managing Director of Rio Tinto Asia and Managing Director of the Group's Australian copper and gold business. He was founder and chief executive officer of Oxiana Limited Group which grew from a small exploration company to a multi-billion dollar Australia, Asia and Pacific-focused base and precious metals producer, developer and explorer. Oxiana Limited became OZ Minerals Limited.

For his achievements and leadership in the mining industry, Mr Hegarty was awarded the AusIMM Institute Medal in 2006 and the G.J. Stokes Memorial Award in 2008. Mr Hegarty was also awarded the "Mining Personality of the Year", at the 2013 Mines and Money Hong Kong Asia Mining Awards Gala dinner.

Mr Hegarty was the executive director and vice chairman of CST. He is currently a non-executive director of Fortescue Metals Group Limited, Tigers Realm Coal Limited and Highfield Resources Limited (whose shares are all listed on the Australian Stock Exchange ("ASX")); chairman of Tigers Realm Minerals Pty Ltd and EMR Capital Pty Ltd and a Director of the Australasian Institute of Mining and Metallurgy ("AusIMM"); Mr Hegarty is also a member of a number of Government and industry advisory groups.

Peter Geoffrey Albert, aged 55

was appointed as the Chief Executive Officer and an executive director of the Company on 22 July 2009. Mr Albert is a metallurgist and holds an Executive MBA degree. He has 30 years of experience in project management, general management and operations management in mining and minerals processing in Australia, Africa and Asia. He is a member of the Institute of Materials, Minerals and Mining (London), a member of the AusIMM and a Chartered Engineer.

For his achievements and leadership in the mining industry, and voted by his peers, Mr Albert was awarded the "Mining CEO of the Year", at the 2012 Asia Mining Congress. Mr Albert was also awarded the "Mining Executive of the Year", at the 2013 Asia Mining Congress.

He was the Executive General Manager – Asia of OZ Minerals Limited covering off-shore operations; the Sepon copper and gold operations and projects; the development of the Martabe Project; business development in Asia, and Asian government relations. He joined Oxiana Limited in 2000 from Fluor Daniel, where he held the position of General Manager – Projects. Mr Albert has also worked with Shell-Billiton (Australia), Aker Kvaerner (Australia) and JCI (South Africa).

Ma Xiao, aged 48

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

Wah Wang Kei, Jackie, aged 47

was appointed as an executive director and Company Secretary of the Company on 9 April 2008 and 1 December 2009, respectively. Mr Wah graduated from The University of Hong Kong in 1990 and was qualified as a solicitor in 1992. Up until 1997, Mr Wah was a partner of a Hong Kong law firm. He was also an executive director of CST and China New Energy Power Group Limited, whose shares are listed on the main board of the Stock Exchange ("China New Energy Power"). He is currently also an independent non-executive director of Symphony Holdings Ltd., whose shares are listed on the main board of the Stock Exchange.

Hui Richard Rui, aged 45

was appointed as an executive director of the Company on 5 March 2009. Mr Hui graduated from the University of Technology, Sydney in Australia with a Bachelor's degree in Mechanical Engineering. He has more than 10 years' experience in management positions with companies in Australia, Hong Kong and PRC. Mr Hui is currently an executive director of CST and an executive director of China Strategic Holdings Limited, whose shares are listed on the main board of the Stock Exchange ("China Strategic"). He is also a member of AusIMM.

Independent Non-Executive Directors

Or Ching Fai, aged 64

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

Ma Yin Fan, aged 50

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

Leung Hoi Ying, aged 63

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

Senior Management

Arthur Ellis, aged 53

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

Timothy John Vincent Duffy, aged 47

was appointed as the General Manager of Operations of the Company on 8 June 2009 and subsequently appointed as Executive General Manager of PT Agincourt Resources ("PTAR") on 1 January 2013. Mr Duffy is a Certified Practicing Accountant and holds a bachelor's degree in Commerce. He has 20 years of experience in the mining industry and has operational experience in gold, silver, nickel, copper, uranium, coal and open cut and underground mining operations. He has been engaged in finance and commercial roles in mining projects and has strategic capability across the full suite of mining activities in an Asian environment. Mr Duffy was the General Manager Finance – Asia of OZ Minerals Limited, mainly responsible for providing commercial guidance and strategic direction for Asian operations and business.

Linda H D Siahaan, aged 52

was appointed as the Director Government Relations for G-Resources' Indonesian subsidiary, PTAR on 31 March 2011 and subsequently appointed as the Director External Relations of PTAR on 1 October 2011. From 1 January 2013, Ms Siahaan has been appointed as the Deputy President Director of PTAR reporting directly to the G-Resources's CEO. Ms Siahaan is based in Jakarta, where she has worked for PTAR since July 2007. Her responsibilities include maintaining harmonious relationships with the government of the Republic of Indonesia to ensure that the Company complies with Indonesian laws and regulations. She is also responsible for establishing and maintaining relationships with all relevant stakeholders. Ms Siahaan is from Medan in North Sumatra, the province where the G-Resources Martabe Mine is located. She has accounting qualifications from the University of North Sumatra, as well as a diploma in communications from the Ketchum Institute of Public Relations in Fairfax, USA. Ms Siahaan began her career with Mobil Oil Indonesia. From 1997 until 2007, she worked in the External Relations department of PT Newmont Nusa Tenggara, one of the largest copper and gold mining companies in the world.

Shawn David Crispin, aged 46

was appointed as Senior Manager, Resource Development and Exploration on 6 November 2010. He was promoted to the position of Chief Geologist of PTAR on 1 January 2013. Mr Crispin has over 18 years mining industry experience which covers open pit and underground mine geology, resource drilling and estimation programmes, project acquisition and greenfields and brownfields exploration. This experience was gained with a wide range of commodities including gold and copper. He is an Australian citizen with international experience in Papua New Guinea and South America. Previously Mr Crispin was Principal Exploration Geologist for OK Tedi Mining Ltd in Papua New Guinea. Mr Crispin is a member of the AusIMM and Chartered Professional.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 31 December 2013, the Group continued its strong operational and financial performances and achieved a net profit after tax of USD39.1 million representing a 33% increase from the previous 12 months ended 30 June 2013.

2013 is the first full calendar year of production for the Group's Martabe Gold Mine in Indonesia. In December 2013, the Group announced that the change of its financial year end from 30 June to 31 December effective immediately and that the next financial year end date of the Company will be 31 December 2013. Accordingly, this Report covers the six month period from 1 July 2013 to 31 December 2013.

Operational Review

Mining

For the six months ended 31 December 2013, total materials mined met plan and 2.2 million tonnes of ore were mined, with a slightly lower waste to ore strip ratio of approximately 1.4:1 as compared to the previous 12 month period of 2:1. The Purnama ridge was lowered by up to 55 metres during the period. Reverse circulation drilling provided samples from grade control drilling for ore and grade definition. A total of 1,331,000 tonnes of ore at 1.1 g/t gold and 8.8 g/t silver was stockpiled at the end of December 2013.

Processing

In 2013, the process plant operated at better than design output leading to a revised forecast in July 2013 for 2013's full year production of 280,000 ounces of gold from the previous guidance of 250,000 ounces.

In the six months ended 31 December 2013, the plant continued to operate at better than design output and 147,632 ounces of gold were produced. This improved production was largely as a result of good grades and good recoveries. Achieving milled ore throughput proved problematic throughout the year, with a number of mechanical and electrical challenges holding back the full potential of the milling circuit. By end of December 2013, most of these had been resolved, but the hardness of some parts at the ore body prevented design throughput from being achieved. A number of improvement options are being investigated with the assistance of experienced consultants. The Mine operating staff is confident of achieving design tonnage throughput by the end of 2014.

Mining and Milling statistics are as follows:

	(Six months) July 2013 to December 2013	(Twelve months) July 2012 to June 2013	(Twelve months) Full Year 2013
Tonnes Mined Ore	2,213,000	2,957,000	3,999,000
Tonnes Mined Waste	3,079,000	7,137,000	7,381,000
Tonnes Milled	1,841,000	2,527,000	3,615,000
Gold Head Grade, g/t	2.89	2.54	2.76
Silver Head Grade, g/t	20.4	13.5	17.2
Gold Recovery, %	86.7	91.2	88.4
Silver Recovery, %	74.8	80.88	77.5
Gold Poured, ounces	147,632	181,703	281,477
Silver Poured, ounces	888,525	845,064	1,515,228

Business Review and Results

For the six months ended 31 December 2013, the Group continued its strong operational and financial performance and achieved a net profit after tax of USD39.1 million representing a 33% increase from the previous 12 months ended 30 June 2013.

There was large volatility in spot gold prices in 2013 falling from a high of USD1,694 per ounce in January 2013 to a low of USD1,192 per ounce in June 2013 and for the remainder of the year (July 2013 to December 2013) it ranged between USD1,195 to USD1,400 per ounce. Revenue generated for the six months ended 31 December 2013 was USD212.5 million from the sale of 149,359 ounces of gold and 881,444 ounces of silver at an average selling spot price of USD1,299 per ounce of gold and USD21.0 per ounce of silver respectively. For the previous 12 months (year ended 30 June 2013), revenue was USD258.4 million, gold sold was 153,351 ounces, silver sold was 701,648 ounces, and the average selling spot prices were USD1,562 per ounce of gold and USD26.9 per ounce of silver respectively.

The Group's gross profit margin was 41.8% and it earned a gross profit of USD88.9 million (the year ended 30 June 2013: 42.5% and USD109.9 million respectively). Gross profit margin was in line with the previous 12 months even though there was a fall in the average selling spot price of gold achieved of USD1,299 from USD1,562 per ounce (or 16.8% decrease) as the Group successfully reduced costs through a number of efficiency improvements.

Below is a summary of the financial information:

	(Six months) 01.07.2013 to 31.12.2013 *USD'000*	(Twelve months) 01.07.2012 to 30.06.2013 *USD'000*
PROFIT OR LOSS		
Revenue	**212,505**	258,378*
Cost of sales	**(123,592)**	(148,488)
Gross Profit	**88,913**	109,890
EBITDA	**107,058**	117,900
Profit before taxation	**52,193**	58,888
Taxation	**(13,088)**	(29,608)
Profit for the period/year	**39,105**	29,280
Gold sold (ounces)	**149,359**	153,351
Silver sold (ounces)	**881,444**	701,648
Average gold price achieved (USD)	**1,229**	1,562
Average silver price achieved (USD)	**21.0**	26.9

* *Exclude bullion sale proceeds of USD16 million from test production*

The cash cost for the mine calculated according to the Gold Institute reporting guideline for the six months ended 31 December 2013 was USD422 per ounce of gold poured, a decrease of 28% from the previous 12 months ended 30 June 2013 due to the implementation of a number of operational efficiency measures.

	(Six months) July 2013 to December 2013 USD	(Twelve months) July 2012 to June 2013 USD	(Twelve months) Full Year 2013 USD
Cash cost per ounce poured [1,2]	422	585	483

The all-in sustaining costs ("AISC") for the six months ended of December 2013 were USD708 and a reduction of 22% from the previous six months ended 30 June 2013 of USD904.

	(Six months) January to June 2013 USD	(Six months) July to December 2013 USD	(Twelve months) Full Year 2013 USD
AISC per ounce sold [2]	904	708	799

	31 December 2013 ***USD'000***	30 June 2013 *USD'000*
FINANCIAL POSITION		
Current Assets		
Bank balances and cash	**200,575**	51,133
Inventories	**42,980**	44,022
Others	**59,301**	13,459
Non-current Assets	**929,924**	985,886
Total Assets	**1,232,780**	1,094,500
Total Debts	**–**	(48,521)
Other Liabilities	**(95,845)**	(101,572)
Net Assets	**1,136,935**	944,407

Total assets were USD1,232.8 million (30 June 2013: USD1,094.5 million) an increase of USD138.3 million as the Group invested in both non-current and current assets. Non-current assets were USD929.9 million (30 June 2013: USD985.9 million) a decrease of USD56.0 million as the Group reclassified other receivables of USD44.4 million from non-current to current as a VAT refund was received subsequent to year end. Current assets were USD302.9 million (30 June 2013: USD108.6 million) an increase of USD194.3 million which was mainly due to an increasing bank balance and cash after the Rights Issue of USD152.3 million as well as reclassification of other receivables.

Total liabilities were USD95.8 million (30 June 2013: USD150.1 million) a decrease of USD54.3 million as the Group repaid bank borrowings of USD50.0 million, repaid trade and other payables of USD21.1 million which is offset by an increase in tax payable of USD7.9 million and deferred tax liability of USD5.2 million.

1 Cash costs are calculated according to the Gold Institute reporting guidelines, commonly referred to as NAGIS and include all site based costs on a per ounce poured basis.

2 Both NAGIS and AISC are non-GAAP financial performance measures and are intended to provide additional information only. They do not have any standardised definitions under HKAS, HKFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with HKFRS. Although WGC has published a standardised definition, other companies may calculate these measures differently.

Net Asset Value

As at 31 December 2013, the Group's total net assets amounted to approximately USD1,136.9 million, representing an increase of USD192.5 million as compared to approximately USD944.4 million as at 30 June 2013. The increase in net assets was mainly due to the profit for the year of USD39.1 million and net proceeds from the Rights Issue of USD152.3 million in September 2013.

Cash Flow, Liquidity and Financial Resources

	(Six months) 01.07.2013 to 31.12.2013 ***USD'000***	(Twelve months) 01.07.2012 to 30.06.2013 *USD'000*
CASH FLOW SUMMARY		
Net cash generated by Operating Activities	**96,150**	94,128
Net cash used in Investing Activities	**(48,068)**	(170,201)
Net cash from Financing Activities	**101,086**	58,323
Net increase/(decrease) in cash and cash equivalents	**149,168**	(17,750)
Cash and cash equivalents at the beginning of the period/year	**51,133**	65,338
Effect of foreign exchange rate changes	**274**	3,545
Cash and cash equivalents at the end of the period/year	**200,575**	51,133

The Group's cash balance at the end of December 2013 was USD200.6 million (30 June 2013: USD51.1 million). The Group generated net cash inflows from operating activities for the six months ended 31 December 2013 of USD96.2 million, mainly from the sale of gold and silver in the period. Cash used in investing activities was USD48.1 million as USD47.7 million was invested in property, plant and equipment (which included USD4.1 million in near mine exploration and evaluation), USD1.3 million for regional exploration and USD0.9 million from interest received.

There were net cash inflows from financing activities of USD101.1 million as receipts of USD152.3 million from the Rights Issue and offset by USD50.0 million was used to repay the syndicated revolving credit facility in the period.

During the period the Group repaid in full its secured revolving credit facility with a syndicate of four banks, BNP Paribas, Commonwealth Bank of Australia, Hang Seng Bank Limited and Sumitomo Mitsui Banking Corporation.

	31 December 2013 ***USD'000***	30 June 2013 *USD'000*
Within one year	–	48,521
More than one year, but not exceeding two years	–	–
Total borrowings	–	48,521

The Group's gearing ratio as a percentage of the Group's total borrowing over shareholders' equity was nil as at 31 December 2013 (30 June 2013: 5%).

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

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

Exposure to Fluctuations in Exchange Rates and Related Hedge

The Group conducted most of its business in United States dollars ("USD"), Australian dollars ("AUD"), Indonesian Rupiah ("IDR") and Hong Kong dollars ("HKD"). The foreign currency exposure of HKD to USD is minimal as HKD is pegged to USD. The Group has exposure to foreign currency risk that is denominated in AUD and IDR. Management will continue to monitor the Group's foreign currency exposure and consider other hedging policies should the need arise.

Business Outlook

Spot gold and silver prices in 2013 were highly volatile and at the end of the year, gold and silver prices reached a low of USD1,195 per ounce (gold) and USD19 per ounce (silver). At the time of writing, spot gold and silver prices have recovered to around USD1,300 per ounce and USD20 per ounce respectively.

The production guidance for calendar year 2014 is between 230,000 to 250,000 ounces of gold and 2 million ounces of silver. AISC is estimated to range between USD750/ounce and USD850/ounce for the full year. The above demonstrates the robustness and highly competitive position of the Group's Martabe Gold Mine against global peers.

The Group will closely monitor cost and changes in the operating environment. It will continue to focus on operational improvements in costs and production and optimise its resources to enhance and create value for shareholders.

The Group will continue its near mine and regional exploration programmes at Martabe.

The Group continues to review opportunities in the gold sector for quality gold projects or gold producing assets in Asia Pacific region which could deliver substantial value to shareholders.

Human Resources

As at 31 December 2013, the Group had 18 employees in Hong Kong, 698 employees in Indonesia and 1 employee in Australia, respectively. Employees are remunerated at a competitive level and are rewarded according to their performance. Our Group's remuneration packages include a medical scheme, group insurance, mandatory provident fund, performance bonus and options for senior staff.

According to the share option scheme adopted by the Company on 30 July 2004, share options may be granted to directors and eligible employees of the Group to subscribe for shares in the Company in accordance with the terms and conditions stipulated therein.

DIRECTORS' REPORT

The Board is pleased to present their report and the audited financial statements for the six months ended 31 December 2013.

Principal Activities

The principal activity of the Company is gold and related metals mining business. The principal activities of the Company's subsidiaries as at 31 December 2013 are set out in note 37 to the financial statements.

Results and Dividend

The results of the Group for the six months ended 31 December 2013 are set out in the consolidated statement of profit or loss on page 65 of the annual report.

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

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 118 of the annual report.

Reserves

Details of the movements during the period in the reserves of the Group are set out in the consolidated statement of changes in equity on page 68 to the annual report.

Share Capital and Share Options

Details of movements in the Company's share capital and share options during the period are set out in notes 26 and 29 to the financial statements, respectively.

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group during the period are set out in note 15 to the financial statements.

Directors

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

Executive Directors
Chiu Tao (Chairman)
Owen L Hegarty (Vice-Chairman)
Peter Geoffrey Albert (Chief Executive Officer)
Ma Xiao (Deputy Chief Executive Officer)
Wah Wang Kei, Jackie
Hui Richard Rui

Independent Non-Executive Directors
Or Ching Fai (Vice-Chairman)
Ma Yin Fan
Leung Hoi Ying

In accordance with clause 99 of the Company's Bye-laws, at each annual general meeting one third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest but not less than one-third, shall retire from office by rotation. Accordingly, Mr Owen L Hegarty, Mr Peter Geoffrey Albert and Mr Hui Richard Rui will retire by rotation at the forthcoming annual general meeting. Each of Mr Owen L Hegarty, Mr Peter Geoffrey Albert and Mr Hui Richard Rui, being eligible, have offered themselves for re-election.

Directors' Service Contracts

Mr Owen L Hegarty was appointed for a term of 3 years expiring on 9 May 2012 and subsequently extended to 31 December 2014.

Both Mr Peter Geoffrey Albert and Mr Hui Richard Rui have entered into a service agreement with the Company. These service agreements shall be valid unless terminated by either party by giving a six months' written notice and a three months' written notice respectively.

Save as disclosed above, none of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

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

The Company has not redeemed any of its securities during the six months ended 31 December 2013. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the period.

Directors and Executive Officers' Interests in Securities

As at 31 December 2013, the interests and short positions of the Directors and Executive Officers of the Company and their respective associates in the shares, underlying shares, convertible notes or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors and Chief Executives of the Company (the "Model Code"), were disclosed as follows in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

Long positions in shares, underlying shares of the Company

	Number of * shares/underlying shares					
Name of Director/ Executive Officers	Personal interests	Corporate interests	Share options	Total	Approximate % of the issued share capital of the Company	*Notes*
Chiu Tao	–	–	316,316,000	316,316,000	1.19%	
Owen L Hegarty ("Mr Hegarty")	1,402,800	245,250,600	363,967,932	610,621,332	2.30%	1
Or Ching Fai	13,998,600	–	123,137,300	137,135,900	0.51%	
Peter Geoffrey Albert ("Mr Albert")	38,501,200	–	340,809,082	379,310,282	1.43%	2
Ma Xiao	–	–	56,484,999	56,484,999	0.21%	
Wah Wang Kei, Jackie	1,780,800	–	56,484,999	58,265,799	0.21%	
Hui Richard Rui	–	–	56,484,999	56,484,999	0.21%	
Arthur Ellis	294,000	–	42,928,600	43,222,600	0.16%	

* *Ordinary shares unless otherwise specified in the Note*

Notes:

1. 245,250,600 shares are held by Asia Linkage International Corp. ("Asia Linkage"), and Asia Linkage was wholly-owned by Mr Hegarty. By virtue of SFO, Mr Hegarty is deemed to have interest in all of the shares.

   Pursuant to a share option agreement entered into between Mr Hegarty and the Company on 10 May 2009, the Company agreed to grant to Mr Hegarty 227,839,082 share options (after adjustments on rights issue) upon the fulfilment of certain conditions precedent pursuant to such share option agreement. Upon fulfilment of these conditions precedent, the share options granted to Mr Hegarty became effective on 24 July 2009 and shall be valid for a maximum period of five years thereafter.

2. Pursuant to an investment agreement entered into between Mr Albert and the Company on 8 June 2009, Mr Albert agreed to subscribe for 33,213,000 shares at HKD0.35 each in an aggregate amount of USD1,500,000. The shares were issued and allotted to Mr Albert on 9 July 2009 upon completion of placing of new shares under specific mandate.

   Pursuant to a share option agreement entered into between Mr Albert and the Company on 10 May 2009, the Company agreed to grant to Mr Albert 227,839,082 share options (after adjustments on rights issue) upon the fulfilment of certain conditions precedent pursuant to such share option agreement. Upon fulfilment of these conditions precedent, the share option granted to Mr Albert became effective on 24 July 2009 and shall be valid for a maximum period of five years thereafter.

Save as disclosed above, none of the Directors and Executive Officers of the Company or their associates had any interests and short positions in the shares, underlying shares, convertible notes or debentures of the Company or any of its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified by the Company pursuant to the Model Code required to be disclosed in accordance with the Listing Rules as at 31 December 2013.

Share Option

Particulars of the share option scheme of the Company are set out in note 29 to the financial statements.

1. Share Option Scheme

The following table discloses movements in the Company's share options held by each of the Directors and the employees of the Company in aggregate granted under the share option scheme of the Company during the six months ended 31 December 2013:

Name or Category of participants	Date of grant	Exercisable period	*Notes*	Exercise price *HKD*	Outstanding as at 01.07.2013
(a) DIRECTORS					
Chiu Tao	23.11.2009	23.11.2009-22.11.2014	1	0.4869	158,158,000
	01.12.2010	01.12.2010-30.11.2015	2	0.6196	158,158,000
Owen L Hegarty	01.12.2010	01.12.2010-30.11.2015	2	0.6196	136,128,850
Or Ching Fai	23.11.2009	23.11.2009-22.11.2014	1	0.4869	10,167,300
	03.03.2011	03.03.2011-02.03.2016	2	0.6196	112,970,000
Peter Geoffrey Albert	01.12.2010	01.12.2010-30.11.2015	2	0.6196	112,970,000
Ma Xiao	20.10.2009	20.10.2009-19.10.2014	1	0.4249	4,466,898
	23.11.2009	23.11.2009-22.11.2014	1	0.4869	35,072,601
	01.12.2010	01.12.2010-30.11.2015	2	0.6196	16,945,500
Wah Wang Kei, Jackie	20.10.2009	20.10.2009-19.10.2014	1	0.4249	4,466,898
	23.11.2009	23.11.2009-22.11.2014	1	0.4869	35,072,601
	01.12.2010	01.12.2010-30.11.2015	2	0.6196	16,945,500
Hui Richard Rui	20.10.2009	20.10.2009-19.10.2014	1	0.4249	4,466,898
	23.11.2009	23.11.2009-22.11.2014	1	0.4869	35,072,601
	01.12.2010	01.12.2010-30.11.2015	2	0.6196	16,945,500
Total for Directors					**858,007,147**
(b) EMPLOYEES	20.10.2009	20.10.2009-19.10.2014	1	0.4249	6,075,708
	23.11.2009	23.11.2009-22.11.2014	1	0.4869	25,813,645
	04.12.2009	04.12.2009-03.12.2014	1	0.4869	31,631,600
	13.05.2010	13.05.2010-12.05.2015	1	0.4869	5,648,500
	01.12.2010	01.12.2010-30.11.2015	2	0.6196	30,625,256
	01.12.2010	01.12.2010-30.11.2015	2	0.5311	27,564,680
	02.03.2011	02.03.2011-01.03.2016	2	0.6196	30,501,900
	08.07.2011	08.07.2011-07.07.2016	3	0.6816	22,029,150
	03.01.2012	03.01.2012-02.01.2017	4	0.5311	43,493,450
	10.01.2012	10.01.2012-09.01.2017	4	0.5311	3,953,950
Total for Employees					**227,337,839**
(c) OTHERS	23.11.2009	23.11.2009-22.11.2014	1	0.4869	4,518,800
	01.12.2010	01.12.2010-30.11.2015	2	0.5311	3,389,100
Total for Others					**7,907,900**
Total for Scheme					**1,093,252,886**

Notes:

1. The share options will vest upon the occurrence of:
   i) as to one-third, upon the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Gold and Silver Project owned by PT Agincourt Resources in the Regency of South Tapanuli, Northern Sumatra, Indonesia (the "Martabe Project");
   ii) as to one-third, upon the process plant of the Martabe Project being in operation and having reached its designed capacity within a range of 10% deviation for the average of the first year of production as defined by the mine schedule and plan and as approved by the Board for a continuous of three months; and
   iii) as to the remaining one-third, upon the average closing share price of the Company for a continuous period of thirty days having reached 100% above the exercise price of the share option granted,

   provided always that, in each case, no share options shall be vested at any time prior to the expiry of twelve months from the date of the grant of the share options and no option is exercisable until upon and after vesting.

2. The share options will vest upon the occurrence of:
   i) as to 50%, upon the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Project;
   ii) as to 25%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly average of gold production of 90% of the board approved production output for that year over a period of any six consecutive months after the first gold production at the Martabe Project; and
   iii) as to 25%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly average of gold production of 90% of the board approved production output for that year over a period of any twelve consecutive months after the first gold production at the Martabe Project,

   provided always that, in each case, no share options shall be vested at any time prior to the expiry of twelve months from the date of grant of the share options.

Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 31.12.2013	Market value per share at date of grant of options *HKD*	Option value per share *HKD*
–	–	–	–	158,158,000	0.5400	0.2412
–	–	–	–	158,158,000	0.5200	0.1814
–	–	–	–	136,128,850	0.5200	0.1814
–	–	–	–	10,167,300	0.5400	0.2412
–	–	–	–	112,970,000	0.5400	0.2170
–	–	–	–	112,970,000	0.5200	0.1814
–	–	–	–	4,466,898	0.4750	0.2288
–	–	–	–	35,072,601	0.5400	0.2412
–	–	–	–	16,945,500	0.5200	0.1814
–	–	–	–	4,466,898	0.4750	0.2288
–	–	–	–	35,072,601	0.5400	0.2412
–	–	–	–	16,945,500	0.5200	0.1814
–	–	–	–	4,466,898	0.4750	0.2288
–	–	–	–	35,072,601	0.5400	0.2412
–	–	–	–	16,945,500	0.5200	0.1814
–	**–**	**–**	**–**	**858,007,147**		
–	–	–	–	6,075,708	0.4750	0.2288
–	–	(1,129,700)	–	24,683,945	0.5400	0.2412
–	–	–	–	31,631,600	0.5200	0.2289
–	–	–	–	5,648,500	0.4750	0.1929
–	–	(564,850)	–	30,060,406	0.5200	0.1814
–	–	–	–	27,564,680	0.5200	0.2021
–	–	(11,297,000)	–	19,204,900	0.5400	0.2174
–	–	–	–	22,029,150	0.6400	0.2474
–	–	(12,991,550)	–	30,501,900	0.4400	0.1426
–	–	(564,850)	–	3,389,100	0.4400	0.1287
–	**–**	**(26,547,950)**	**–**	**200,789,889**		
–	–	–	–	4,518,800	0.5400	0.2412
–	–	(3,389,100)	–	–	0.5200	0.2021
–	**–**	**(3,389,100)**	**–**	**4,518,800**		
–	**–**	**(29,937,050)**	**–**	**1,063,315,836**		

3. The share options will vest upon the occurrence of:
   i) as to 50%, 90 days after the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Project;
   ii) as to 25%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly average of gold production of 90% of the board approved production output for that year over a period of any six consecutive months after the first gold production at the Martabe Project; and
   iii) as to 25%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly average of gold production of 90% of the board approved production output for that year over a period of any twelve consecutive months after the first gold production at the Martabe Project,

   provided always that, in each case, no share options shall be vested at any time prior to the expiry of twelve months from the date of grant of the share options.

4. The share options will vest upon the occurrence of:
   i) as to 50%, 180 days after the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Project;
   ii) as to 25%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly cumulated average of gold production of 90% of the board approved production output for that year over a period of any six consecutive months after the first gold production at the Martabe Project; and
   iii) as to 25%, upon the process plant of the Martabe Project being in operation and having reached its designed capacity of not less than a monthly cumulated average of gold production of 90% of the board approved production output for that year over a period of any twelve consecutive months after the first gold production at the Martabe Project,

   provided always that, in each case, no share options shall be vested at any time prior to the expiry of nine months from the date of grant of the share options.

5. The Company has made adjustments to the outstanding share options and exercise price upon the completion of the rights issue which was announced on 28 August 2013 and completed on 7 October 2013.

2. Share Option Agreements

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

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

Name or Category of participants	Date of grant	Exercisable period	*Note*	Exercise price *HKD*	Outstanding as at 01.07.2013	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 31.12.2013	Market value per share at date of grant of options *HKD*	Option value per share *HKD*
(a) DIRECTORS												
Owen L Hegarty	15.07.2009	24.07.2009-23.07.2014	1	0.3408	227,839,082	–	–	–	–	227,839,082	0.4150	0.1962
Peter Geoffrey Albert	15.07.2009	24.07.2009-23.07.2014	1	0.3408	227,839,082	–	–	–	–	227,839,082	0.4150	0.1962
Total for Directors					**455,678,164**	**–**	**–**	**–**	**–**	**455,678,164**		
(b) EMPLOYEES	15.07.2009	03.08.2009-02.08.2014	1	0.3563	30,378,543	–	–	–	–	30,378,543	0.4150	0.1959
Total for Employees					**30,378,543**	**–**	**–**	**–**	**–**	**30,378,543**		
Total					**486,056,707**	**–**	**–**	**–**	**–**	**486,056,707**		

Note:

1. The share options will vest upon the occurrence of:
   i) as to one-third, upon the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Gold and Silver Project owned by PT Agincourt Resources in the Regency of South Tapanuli, Northern Sumatra, Indonesia (the "Martabe Project");
   ii) as to one-third, upon the process plant of the Martabe Project being in operation and having reached its designed capacity within a range of 10% deviation for the average of the first year of production as defined by the mine schedule and plan and as approved by the Board for a continuous period of three months; and
   iii) as to the remaining one-third, upon the average closing share price of the Company for a continuous period of thirty days having reached 100% above the exercise price of the share option granted,

   provided always that, in each case, no share options shall be vested at any time prior to the expiry of twelve months from the date of the grant of the share options and no option is exercisable until upon and after vesting.
2. The Company has made adjustments to the outstanding share options and exercise price upon the completion of the rights issue which was announced on 28 August 2013 and completed on 7 October 2013.

Valuation of Share Options

The valuation of share options is set out in note 29 to the financial statements.

Retirement Benefit Scheme

Details of the Group's retirement benefit scheme for the six months ended 31 December 2013 are set out in note 35 to the financial statements.

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

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

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

Directors' Interests in Contracts of Significance

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

Directors' Interest in Competing Business

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

Independent Non-Executive Directors

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

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

As at 31 December 2013, so far as known to the Directors or Executive Officers of the Company, the following persons/entities are the shareholders (other than the Directors or Executive Officers of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or who were recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified the Company.

Long positions in shares and underlying shares of the Company

Name of shareholders	Capacity	Number of shares/ underlying shares	Approximate % of the issued share capital	*Notes*
CST Mining Group Limited ("CST")	Interest of a controlled corporation	4,418,307,741 (L)	16.68%	2
Skytop Technology Limited ("Skytop")	Beneficial owner	4,418,307,741 (L)	16.68%	2
BlackRock, Inc.	Interest of a controlled corporation	2,031,212,109 (L)	7.66%	3
The Bank of New York Mellon Corporation	Interest of a controlled corporation	1,528,522,000 (L)	5.77%	4
		1,527,472,000 (P)	5.76%	
Market Vectors ETF – Market Vectors Gold Miners ETF	Beneficial owner	1,476,711,000 (L)	5.57%	

Notes:

1. "L" denotes long position and "P" denotes lending pool.
2. CST is the ultimate beneficial owner of Skytop. Under Part XV of the SFO, CST is deemed to have interest in the shares of the Company held by Skytop.
3. These interests comprised 2,031,212,109 ordinary shares of the Company.

   These interests comprised the respective direct interests held by:

	Number of shares (in Long Position)
BlackRock (Isle of Man) Ltd	11,762,800
BlackRock Advisors (UK) Limited	61,549,109
BlackRock Asset Management North Asia Limited	1,257,200
BlackRock Fund Advisors	57,721,800
BlackRock Institutional Trust Company, N.A.	120,838,000
BlackRock Investment Management (Australia) Limited	4,657,800
BlackRock Investment Management (UK) Ltd	1,738,426,800
BlackRock Japan Co Ltd	34,998,600

   BlackRock, Inc. is deemed to be interested in 2,031,212,109 shares held by various of its indirectly wholly owned subsidiaries.

4. The Bank of New York Mellon Corporation is deemed to be interested in 1,528,522,000 shares held by The Bank of New York Mellon, its wholly-owned subsidiary.

Save as disclosed above, the Company has not been notified by any person (other than the Directors or Executive Officers of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or who were recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified the Company as at 31 December 2013.

Major Customers and Suppliers

The aggregate percentage of turnover attributable to one customer of 94% of the Group's total turnover for the period. Purchases from the five largest suppliers accounted for approximately 73% of the total purchase for the period, and purchases from the largest supplier included therein amounted to approximately 27%.

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

Pre-emptive Rights

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

Emolument Policy

The emolument policy of the employees of the Group is set up by the board of Directors on the basis of their merit, qualifications and competence. The emoluments of the Directors of the Company are decided by the Directors, who are authorised by the shareholders in the annual general meeting, having regard to the Group's operating results, individual performance and comparable market statistics. The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of which are set out in note 29 to the financial statements.

Public Float

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

Corporate Governance

The information set out in pages 52 to 61 and information incorporated by reference, if any, constitutes the Corporate Governance Report of the Company.

Audit Committee

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

As at the date of this report, the audit committee comprises three independent non-executive Directors, namely, Mr Or Ching Fai, Ms Ma Yin Fan, and Mr Leung Hoi Ying, with Mr Or Ching Fai being the chairman of the committee. The audited financial statements of the Company for the six months ended 31 December 2013 have been reviewed by the audit committee.

Auditors

The consolidated financial statements of the Group for the six months ended 31 December 2013 have been audited by Deloitte Touche Tohmatsu who shall retire and, being eligible, offer themselves for re-appointment in the forthcoming annual general meeting. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Chiu Tao
Chairman
Hong Kong, 28 March 2014

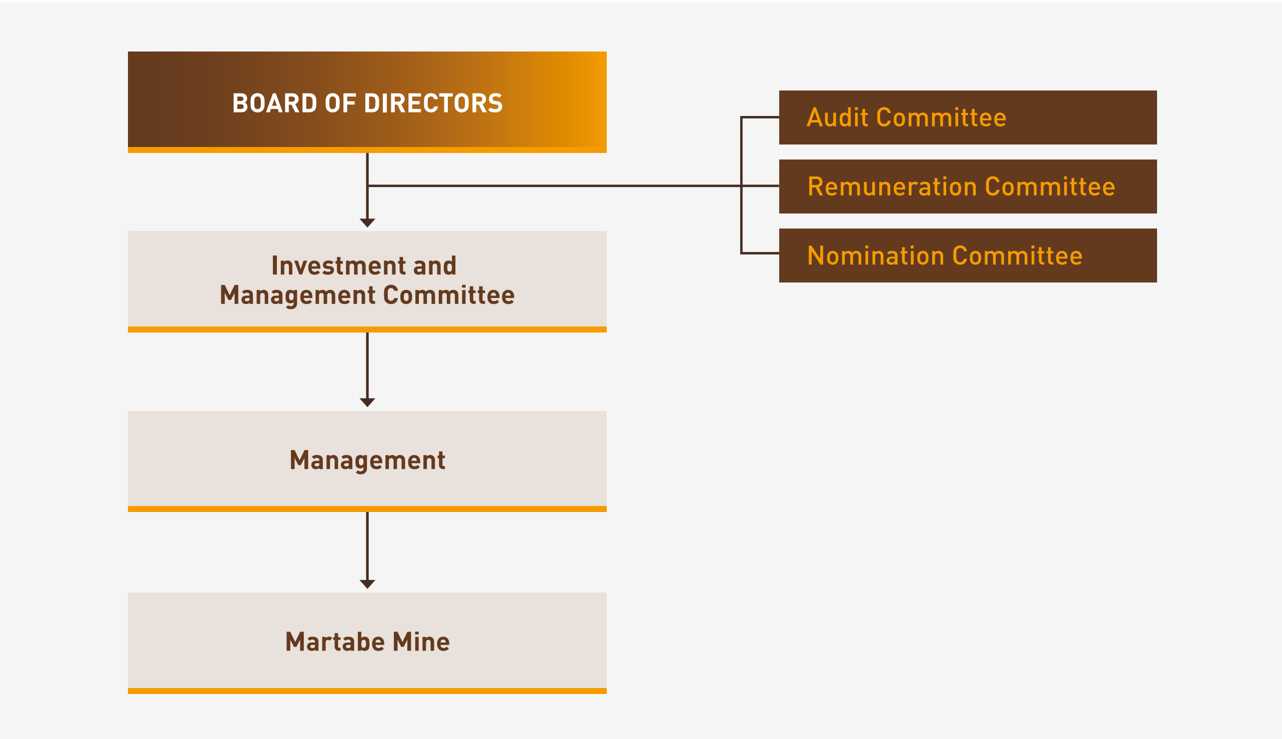
CORPORATE GOVERNANCE REPORT

The Group is committed to maintaining a high standard of corporate governance, enhancing transparency to protect shareholders' interests, and formalising the best practices of corporate governance.

G-Resources Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") is committed to maintaining a high standard of corporate governance and enhancing its transparency so as to protect shareholders' interests in general. The Group will continue to raise the standard by formalising the best practices of corporate governance as far as possible.

The Company has adopted the principles and complied with the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the six months ended 31 December 2013.

Organisation Chart of the Group and Various Board Committees



Board of Directors

As at 31 December 2013, the board of directors (the "Board") of the Company comprises six executive directors and three independent non-executive directors ("INEDs") (collectively the "Directors").

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

Executive Directors
Chiu Tao (Chairman)
Owen L Hegarty (Vice-Chairman)
Peter Geoffrey Albert (Chief Executive Officer)
Ma Xiao (Deputy Chief Executive Officer)
Wah Wang Kei, Jackie
Hui Richard Rui

Independent Non-Executive Directors
Or Ching Fai (Vice-Chairman)
Ma Yin Fan
Leung Hoi Ying

The principal functions of the Board are to supervise the management of the business and Company's affairs; to approve the Company's strategic plans, investment and funding decisions; to review the Group's financial performance and operating initiatives.

The role of the INEDs is to bring an independent and objective view to the Board's deliberations and decisions. The INEDs must have appropriate professional qualifications, or accounting or related financial management expertise, so that they are of sufficient calibre and number for their views to carry weight. The INEDs may also take independent professional advice at the Company's expense in carrying out their functions.

The Board considers the current board size as adequate for its present operations. The day-to-day running of the Company is delegated to the senior management team, with divisional heads responsible for different aspects of the business. The Board is characterised by significant diversity, whether considered in term of gender, nationality, professional background and skills. The Board has adopted the Board Diversity Policy at the Board meeting held on 18 June 2013. The Nomination Committee is responsible for reviewing and assessing Board composition and its effectiveness on an annual basis.

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

The Board is responsible for overseeing the development of good corporate governance practice of the Group.

Role and Function on Corporate Governance	
• to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board	• to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors
• to review and monitor the training and continuous professional development of Directors and senior management	• to review the Company's compliance with the code provision and disclosure in this Corporate Governance Report
• to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements	

Summary of work during the period	
• reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements	• reviewed the Code
• reviewed the terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee	• arranged suitable training for Directors, placing an appropriate emphasis on the roles, functions and duties of a listed company director

BOARD COMMITTEES

Investment and Management Committee ("IMC")

The Board has delegated the management of the daily operation and investment matters of the Company and its subsidiaries to the IMC. The IMC comprises five members of the Board, namely:

IMC Members
Chiu Tao
Owen L Hegarty
Peter Geoffrey Albert
Ma Xiao
Hui Richard Rui

Audit Committee

As at 31 December 2013, the Audit Committee comprises three members, all of whom are INEDs, namely:

Audit Committee Members
Or Ching Fai (Chairman)
Ma Yin Fan
Leung Hoi Ying

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group.

The terms of reference of the Audit Committee have been reviewed with reference to the Code. The terms of reference of the Audit Committee are posted on the websites of the Company and the Stock Exchange and are also available from the Company Secretary on request.

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

Role and Function	
• to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of external auditor, any questions of its resignation or dismissal	• to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences
• to develop and implement policy on engaging an external auditor to supply non-audit services	• to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response
• to review the Group's financial and accounting policies and practices	• to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter
• to consider major investigation findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings	• to report to the Board on the matters contained in code provision of the Code in Appendix 14
• to review the Group's financial controls, internal control and risk management systems	• to consider other topics, as defined by the Board
• to discuss the internal control system with management to ensure that management has performed its duty to have an effective internal control system	• to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters
• where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Group, and to review and monitor its effectiveness	• to establish a whistleblowing policy and system for employees and those who deal with the Group (e.g. customers and suppliers) to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Group
• to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them	• to act as the key representative body for overseeing the Company's relations with the external auditor

Summary of work during the period	
• reviewed and made recommendation for the Board's approval for the draft 2013 annual report and accounts	• meeting, discussion and reviewed 2013 annual accounting and financial reporting issues
• reviewed management letter, tax issues, compliance and salient features of 2013 annual accounts presented by Deloitte Touche Tohmatsu, the external auditor ("DTT")	• meeting, discussion and reviewed the reports, on internal control system and its effectiveness for the six months ended 31 December 2013
• reviewed the enhancements to the 2013 audit planning process	• reviewed the terms of reference of the Audit Committee
• approved the audit and non-audit services provided by DTT	• reviewed and monitored the external auditor's independence and objectivity and the effectiveness of the audit process
• reviewed DTT's fees proposal for the 2013 audit	

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Remuneration Committee

As at 31 December 2013, the Remuneration Committee comprises three members, all of whom are INEDs, namely:

Remuneration Committee Members
Or Ching Fai (Chairman)
Ma Yin Fan
Leung Hoi Ying

The primary function of the Remuneration Committee is to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. The remuneration packages include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

The terms of reference of the Remuneration Committee have been reviewed with reference to the Code. The terms of reference of the Remuneration Committee are posted on the websites of the Company and the Stock Exchange and are also available from the Company Secretary on request.

Role and Function	
• to make recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy	• to recommend to the Board the structure of long-term incentive plans for executive directors and certain senior management
• to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives	• to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group
• to make recommendations to the Board on the remuneration packages of individual executive directors and senior management (including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment)	• to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive
• to make recommendations to the Board on the remuneration of non-executive directors	• to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate
• to review the proposals for the award of share options to executive directors and senior management based on their performance and contribution to the Company from time to time	• to ensure that no director or any of his associates is involved in deciding his own remuneration

Summary of work during the period	
• reviewed and recommended the remuneration and bonus of executive directors and senior management	• reviewed the terms of reference of the Remuneration Committee
• conducted an annual review of the remuneration packages for executive, non-executive directors and senior management	• reviewed the major terms of the new service agreement with executive director

Nomination Committee

As at 31 December 2013, the Nomination Committee comprises three members, namely:

Nomination Committee Members
Chiu Tao (Chairman)
Or Ching Fai (INED)
Ma Yin Fan (INED)

The primary duties of the Nomination Committee are to develop and maintain a formal and transparent process for the appointment and re-appointment of members of the Board. The Nomination Committee also reviews and assesses Board composition and its effectiveness on an annual basis.

The terms of reference of the Nomination Committee have been reviewed with reference to the Code. The terms of reference of the Nomination Committee are posted on the websites of the Company and the Stock Exchange and are also available from the Company Secretary on request.

Role and Function	
• review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy	• make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive
• identify individuals suitably qualified to become Board Members and select or make recommendations to the Board on the selection of individuals nominated for directorships	• assess the independence of independent non-executive directors

Summary of work during the period	
• reviewed the Board Diversity Policy	• reviewed the terms of reference of the Nomination Committee
• reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board	• proposed the Directors for re-election at annual general meeting
• assessed the independence of INED and confirmed that all INED are considered independent	

Company Secretary

The Company Secretary, Mr Wah Wang Kei, Jackie, plays the role in supporting the Board by ensuring good information flow within the Board, as well as communications with Shareholders and management. The Company Secretary's biography is set out in the Biographical Details of Directors and Senior Management section of this Annual Report. For the period from 1 July 2013 to 31 December 2013, the Company Secretary undertook 13.5 hours of professional training to update his skills and knowledge.

Attendances of Meetings

The Board will also conduct meetings on a regular basis and on an ad hoc basis, as required by business needs. The Bye-laws of the Company allow Board meetings to be conducted by way of telephone or videoconference. The Board held a total of two full Board meetings during the period.

Details of Directors' attendance at the Annual General Meeting ("AGM"), Board and Board Committees' meetings held during the period from 1 July 2013 to 31 December 2013 are set out in the following table:

	Meeting Attended/Held				
Name of Directors	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee	2013 AGM[5]
EXECUTIVE DIRECTORS					
Chiu Tao[1,4]	2/2	–	–	1/1	1/1
Owen L Hegarty[1]	2/2	–	–	–	1/1
Peter Geoffrey Albert[1]	2/2	–	–	–	1/1
Ma Xiao[1]	2/2	–	–	–	1/1
Hui Richard Rui[1]	2/2	–	–	–	1/1
Wah Wang Kei, Jackie	2/2	–	–	–	1/1
INDEPENDENT NON-EXECUTIVE DIRECTORS					
Or Ching Fai[2,3,4]	2/2	1/1	1/1	1/1	1/1
Ma Yin Fan[2,3,4]	2/2	1/1	1/1	1/1	1/1
Leung Hoi Ying[2,3]	2/2	1/1	1/1	–	1/1

Notes:
1. Investment and Management Committee members
2. Audit Committee members
3. Remuneration Committee members
4. Nomination Committee members
5. The 2013 AGM was held on 3 December 2013

Chairman and Chief Executive Officer

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

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies, contained in Appendix 10 of the Listing Rules (the "Model Code"), as the code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the period under review.

Directors' Responsibility for the Financial Statements

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

Auditor's Remuneration

For the six months ended 31 December 2013, the Group engaged Deloitte Touche Tohmatsu, auditors of the Company, to perform audit service. Their reporting responsibilities on the financial statements of the Group are set out in the Independent Auditor's Report on page 64 of this annual report.

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

Nature of services	For the 6 months ended 31 December 2013 *USD'000*
Audit services	**199**
Non-audit services in relation to Rights Issue	**133**
	332

Supply and Access to Information

The financial plans, including budgets and forecasts, are regularly discussed at Board meetings. Monthly reports to all Directors (including non-executive directors) are issued, covering financial and operating highlights.

Internal Control and Risk Management

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

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

The Audit Committee has established and adopted a whistleblowing policy and system on 29 February 2012 for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company. The whistleblowing policy is posted on the websites of the Company and is also available from the Company Secretary on request.

Directors' Commitments

The Company has received confirmation from each Director that he/she has given sufficient time and attention to affairs of the Company for the period. Directors have disclosed to the Company the number and nature of offices held in Hong Kong or overseas listed public companies or organisations and other significant commitments, with the identity of the public companies or organisations and an indication of the time involved. Directors are also reminded to notify the Company Secretary in a timely manner and bi-annually confirm to the Company Secretary any change of such information. In respect of those Directors who stand for re-election at the 2014 AGM, all their directorships held in listed public companies in the past three years are set out in the Notice of AGM.

Participation in Continuous Professional Development Programme for the period from 1 July 2013 to 31 December 2013

During the period, Directors received regular updates and presentations on changes and developments to the Group's business and to the legislative and regulatory environments in which the Group operates. All Directors are also encouraged to attend relevant training courses at the Company's expense. With effect from 1 January 2012, all Directors are required to provide the Company with his or her training record.

During the financial period, the Company arranged and funded a seminar on 3 December 2013 on compliance with legal and regulatory requirements to the Directors. The seminar covered a broad range of topics including legal framework for corporate governance, duties and liabilities of directors, transactions with directors and conflicts and disclosure of information. Most of the Directors have attended the seminar.

	Reading Regulatory Updates	Attending expert briefings/seminars/ conferences relevant to the business or Directors' duties
EXECUTIVE DIRECTORS		
Chiu Tao	✓	✓
Owen L Hegarty	✓	✓
Peter Geoffrey Albert	✓	✓
Ma Xiao	✓	✓
Hui Richard Rui	✓	✓
Wah Wang Kei, Jackie	✓	✓
INDEPENDENT NON-EXECUTIVE DIRECTORS		
Or Ching Fai	✓	✓
Ma Yin Fan	✓	✓
Leung Hoi Ying	✓	✓

Insurance Arrangement

Pursuant to the Code Provision A.1.8 under the Code, the Company should arrange appropriate insurance to cover potential legal actions against its Directors. The Company has renewed its corporate liability insurance purchased for its Directors and senior management.

Term of Appointment of Non-executive Directors

The Company had letter of appointment with each of the independent non-executive directors (including Mr Or Ching Fai, Ms Ma Yin Fan and Mr Leung Hoi Ying) specifying the terms of his/her continuous appointment as an independent non-executive Director and a member of the relevant Board Committees, for a period of two years.

SHAREHOLDERS

The Company recognises the importance of effective communication with our shareholders. Transparency is part of who we are and included in our GREAT core values. We uphold good corporate transparency and continue to review and improve our communications with shareholders through their consultation and feedback.

Shareholders' Right and Communication

Since we started building the Martabe Project in 2009, we have been reporting our financial and non-financial results in a transparent fashion. Besides the annual report and the interim report, we published and released, from time to time, announcements, press releases and quarterly updates on the latest development of our Martabe Mine and the Company. We also published regular updates on exploration drilling results and new Resource and Reserve Statements of our Martabe Mine pursuant to Chapter 18 of the Listing Rules.

The Company's corporate website – www.g-resources.com, provides an excellent channel for our shareholders and other interested parties to access information about the Company and our Martabe Mine. Shareholders can find from the website all key corporate information and information on our Martabe Mine including but not limited to:

- Financial Reports
- Announcements and Press Releases
- Information on Change of Share Capital
- Circulars
- Press Releases
- Company Presentations
- Interviews
- Terms of Reference of the various Board Committees
- Latest Resource and Reserve Statement of the Martabe Mine
- Shareholders Communication Policy
- Whistleblowing Policy

Shareholders are encouraged to attend all general meetings of the Company and have the right to convene special general meetings, if shareholders find necessary.

Pursuant to Section 74 of the Bermuda Companies Act 1981, the Board, notwithstanding anything in its Bye-laws shall, on the requisition of members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carrying the right of voting at general meetings of the Company, forthwith proceed duly to convene a special general meeting of the Company. The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionists.

The Company arranges for the notice to its shareholders to be sent at least 20 clear business days before each of the annual general meetings of the Company in accordance with Code Provision E.1.3 of the Code. Separate resolutions are proposed at the annual general meetings on each substantially separate issue, including the election or re-election of each individual director.

The Board established a shareholders' communication policy on 29 February 2012 and has posted it on the website of the Company. The Board reviews it on a regular basis to ensure its effectiveness.

Enquiries, comments and suggestions to the Board or the Company are welcome and can be addressed to the Investor Relations Department by mail to Rooms 4501-02, 45th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong or by email at investor.relations@g-resources.net.

TRANSPARENT FINANCIAL MANAGEMENT

INDEPENDENT AUDITOR'S REPORT

Deloitte.
德勤

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

We have audited the consolidated financial statements of G-Resources Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 65 to 117, which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months from 1 July 2013 to 31 December 2013, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2013, and of the Group's profit and cash flows for the six months from 1 July 2013 to 31 December 2013 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 March 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31 December 2013

	Notes	**(Six months) 01.07.2013 to 31.12.2013 *USD'000***	(Twelve months) 01.07.2012 to 30.06.2013 *USD'000*
Revenue	7	**212,505**	258,378
Cost of sales		**(123,592)**	(148,488)
Gross profit		**88,913**	109,890
Other income		**937**	1,530
Loss attributable to temporary suspension of production	8	**–**	(7,244)
Administrative expenses		**(33,892)**	(38,430)
Fair value changes of held for trading investments		**(480)**	90
Finance cost	9	**(3,285)**	(6,948)
Profit before taxation		**52,193**	58,888
Taxation	10	**(13,088)**	(29,608)
Profit for the period/year	11	**39,105**	29,280
Profit for the period/year attributable to:			
Owners of the Company		**38,320**	26,444
Non-controlling interests		**785**	2,836
		39,105	29,280
Earnings per share			(Restated)
– Basic and diluted (US cent)	14	**0.17**	0.13

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2013

	(Six months) 01.07.2013 to 31.12.2013 *USD'000*	(Twelve months) 01.07.2012 to 30.06.2013 *USD'000*
Profit for the period/year	**39,105**	29,280
Other comprehensive income/(expenses):		
Items that will not be reclassified subsequently to profit or loss:		
Exchange differences arising on translation	**310**	(83)
	310	(83)
Items that may be reclassified subsequently to profit or loss:		
Fair value gain on:		
Available-for-sale investment	**343**	1,300
Hedging instruments designated in cash flow hedges	**–**	1,204
	343	2,504
Other comprehensive income for the period/year	**653**	2,421
Total comprehensive income for the period/year	**39,758**	31,701
Total comprehensive income for the period/year attributable to:		
Owners of the Company	**38,973**	28,865
Non-controlling interests	**785**	2,836
	39,758	31,701

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	Notes	31.12.2013 USD'000	30.06.2013 USD'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**885,575**	897,174
Exploration and evaluation assets	16	**11,340**	10,051
Available-for-sale investment	17	**7,081**	6,738
Other receivable	18	**19,703**	68,093
Inventories	19	**6,225**	3,830
		929,924	985,886
CURRENT ASSETS			
Inventories	19	**42,980**	44,022
Other receivables	18	**57,841**	11,561
Held for trading investments	20	**1,418**	1,898
Pledged bank deposits	21	**42**	–
Bank balances and cash	21	**200,575**	51,133
		302,856	108,614
CURRENT LIABILITIES			
Trade and other payables	22	**35,891**	57,355
Borrowings	23	**–**	48,521
Tax payable		**21,691**	13,831
		57,582	119,707
NET CURRENT ASSETS/(LIABILITIES)		**245,274**	(11,093)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,175,198**	974,793
NON-CURRENT LIABILITIES			
Other payables	22	**2,805**	2,439
Deferred tax liabilities	24	**21,005**	15,777
Provision for mine rehabilitation cost	25	**14,453**	12,170
		38,263	30,386
		1,136,935	944,407
CAPITAL AND RESERVES			
Share capital	26	**34,150**	24,390
Reserves		**1,082,899**	900,916
Equity attributable to owners of the Company		**1,117,049**	925,306
Non-controlling interests		**19,886**	19,101
TOTAL EQUITY		**1,136,935**	944,407

The consolidated financial statements on pages 65 to 117 were approved and authorised for issue by the Board of Directors on 28 March 2014 and are signed on its behalf by:

Peter Geoffrey Albert
Director

Hui Richard Rui
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2013

	Attributable to owners of the Company											
	Share capital USD'000	Share premium USD'000	Capital redemption reserve USD'000	Contributed surplus USD'000	Share options reserve USD'000	Cash flow hedges reserve USD'000	Exchange reserve USD'000	Investment revaluation reserve USD'000	(Accumulated losses)/ Retained earnings USD'000	Total USD'000	Non-controlling interests USD'000	Total USD'000
At 1 July 2012	21,757	773,200	212	11,658	31,588	(1,204)	784	(4,487)	(40,691)	792,817	–	792,817
Profit for the year	–	–	–	–	–	–	–	–	26,444	26,444	2,836	29,280
Fair value gain on:												
Available-for-sale investment	–	–	–	–	–	–	–	1,300	–	1,300	–	1,300
Hedging instruments designated in cash flow hedges (Note 27)	–	–	–	–	–	1,204	–	–	–	1,204	–	1,204
Exchange difference arising on translation	–	–	–	–	–	–	(83)	–	–	(83)	–	(83)
Total comprehensive income/ (expenses) for the year	–	–	–	–	–	1,204	(83)	1,300	26,444	28,865	2,836	31,701
Issue of shares	2,633	97,379	–	–	–	–	–	–	–	100,012	–	100,012
Transaction costs attributable to issue of shares	–	(1,014)	–	–	–	–	–	–	–	(1,014)	–	(1,014)
Transfer of interest in a subsidiary without losing control (Note 28)	–	–	–	–	–	–	–	–	–	–	12,265	12,265
Capital injection in a subsidiary from non-controlling interests	–	–	–	–	–	–	–	–	–	–	4,000	4,000
Reversal of equity-settled share-based payment	–	–	–	–	(364)	–	–	–	364	–	–	–
Recognition of equity-settled share-based payment	–	–	–	–	4,626	–	–	–	–	4,626	–	4,626
At 30 June 2013	**24,390**	**869,565**	**212**	**11,658**	**35,850**	**–**	**701**	**(3,187)**	**(13,883)**	**925,306**	**19,101**	**944,407**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**38,320**	**38,320**	**785**	**39,105**
Fair value gain on:												
Available-for-sale investment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**343**	**–**	**343**	**–**	**343**
Exchange difference arising on translation	**–**	**–**	**–**	**–**	**–**	**–**	**310**	**–**	**–**	**310**	**–**	**310**
Total comprehensive income/ (expenses) for the period	**–**	**–**	**–**	**–**	**–**	**–**	**310**	**343**	**38,320**	**38,973**	**785**	**39,758**
Issue of shares	**9,760**	**146,409**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**156,169**	**–**	**156,169**
Transaction costs attributable to issue of shares	**–**	**(3,919)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,919)**	**–**	**(3,919)**
Reversal of equity-settled share-based payment	**–**	**–**	**–**	**–**	**(590)**	**–**	**–**	**–**	**590**	**–**	**–**	**–**
Recognition of equity-settled share-based payment	**–**	**–**	**–**	**–**	**520**	**–**	**–**	**–**	**–**	**520**	**–**	**520**
At 31 December 2013	**34,150**	**1,012,055**	**212**	**11,658**	**35,780**	**–**	**1,011**	**(2,844)**	**25,027**	**1,117,049**	**19,886**	**1,136,935**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2013

	(Six months) 01.07.2013 to 31.12.2013 USD'000	(Twelve months) 01.07.2012 to 30.06.2013 USD'000
OPERATING ACTIVITIES		
Profit before taxation	**52,193**	58,888
Adjustments for:		
Interest income	**(937)**	(1,514)
Amortisation and depreciation	**51,580**	52,064
Share-based payment expenses	**520**	4,626
Fair value changes of held for trading investments	**480**	(90)
(Reversal of provision)/provision for impairment of inventories	**(723)**	723
Finance cost	**3,285**	6,948
Operating cash flows before movements in working capital	**106,398**	121,645
Increase in inventories	**(746)**	(38,428)
Increase in other receivable (non-current portion)	**(9,138)**	(27,969)
Decrease in other receivables	**11,248**	2,955
(Decrease)/increase in trade and other payables	**(11,612)**	35,925
Net cash generated by Operating Activities	**96,150**	94,128
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(47,674)**	(167,083)
Additions of exploration and evaluation assets	**(1,289)**	(4,713)
Interest received	**937**	1,514
(Increase in)/withdrawal of pledged bank deposits	**(42)**	81
Net cash used in Investing Activities	**(48,068)**	(170,201)
FINANCING ACTIVITIES		
Finance costs paid	**(1,164)**	(5,675)
Net proceeds from issue of shares	**152,250**	98,998
Bank borrowings raised, net of transaction costs	**–**	1,000
Repayments of bank borrowings	**(50,000)**	(36,000)
Net cash from Financing Activities	**101,086**	58,323
Net increase/(decrease) in cash and cash equivalents	**149,168**	(17,750)
Cash and cash equivalents at beginning of the period/year	**51,133**	65,338
Effect of foreign exchange rate changes	**274**	3,545
Cash and cash equivalents at end of the period/year, represented by Bank Balances and Cash	**200,575**	51,133

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2013

1. General

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

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 37.

The consolidated financial statements are presented in United States Dollars ("USD"), which is different from the Company's functional currency of Hong Kong Dollars ("HKD"). The management adopted USD as presentation currency as the management controls and monitors the performance and financial position of the Group based on USD. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

2. Basis of Preparation of Consolidated Financial Statements

During the current financial period, the financial year end date of the Group was changed from 30 June to 31 December because the directors of the Company determine to bring the annual financial year end date of the Group in line with that of the Indonesian subsidiary. Such alignment will facilitate the preparation and reporting of the Group's consolidated financial statements. Accordingly, the consolidated financial statements for the current period cover the six months ended 31 December 2013. The corresponding comparative amounts shown for the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover a twelve-month period from 1 July 2012 to 30 June 2013, and therefore may not be comparable with amounts shown for the current period.

3. Application of New and Revised Hong Kong Financial Reporting Standards

Adoption of new and revised HKFRSs

In the current period, the Group has applied the following new and revised Hong Kong Accounting Standards ("HKAS"s), Hong Kong Financial Reporting Standards ("HKFRS"s), amendments and interpretations ("Int"s) (hereinafter collectively referred to as "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time.

HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle
HKFRS 7 (Amendments)	Disclosure – Offsetting Financial Assets and Financial Liabilities

IMPACT OF THE APPLICATION OF HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. The directors of the Company reviewed and assessed its interests in subsidiaries and determined that none of the Group's subsidiaries that have non-controlling interests are material to the consolidated financial statements as a whole to disclose more extensive information in the consolidated financial statements.

3. Application of New and Revised Hong Kong Financial Reporting Standards (continued)

Adoption of new and revised HKFRSs (continued)

HKFRS 13 FAIR VALUE MEASUREMENT

The Group has applied HKFRS 13 for the first time in the current period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of *HKFRS 2 Share-based Payment*, leasing transactions that are within the scope of *HKAS 17 Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements. HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the June 2013 comparative period, which are set out in note 17, 20 and 31(c). Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

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

New and revised HKFRSs issued but not yet effective

At the date of this report, the Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[3]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[1]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[5]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle[4]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-financial Asset[1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) – Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised
4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
5 Effective for annual periods beginning on or after 1 January 2016

3. Application of New and Revised Hong Kong Financial Reporting Standards (continued)

New and revised HKFRSs issued but not yet effective (continued)

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. *HKFRS 9 Financial Instruments* (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of *HKAS 39 Financial Instruments: Recognition and Measurement* are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of the reporting periods. All other debt investments and all equity investments are measured at fair value at the end of accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors of the Company anticipate that based on the Group's financial statements as at 31 December 2013 the adoption of HKFRS 9 in the future will not affect the classification and measurement of the Group's financial instruments.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

4. Significant Accounting Policies

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. Significant Accounting Policies (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of subsidiaries acquired or disposed of period/year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests.

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

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

4. Significant Accounting Policies (continued)

Revenue recognition

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

Revenue from sales of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service income is recognised when services are provided.

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

4. Significant Accounting Policies (continued)

Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of items of property, plant and equipment (other than construction in progress, mine property and development assets) less their estimated residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Mine property and development assets include costs of exploration and evaluation, cost to acquire mineral rights, subsequent costs to develop the mine to the production phase, costs which are necessarily incurred during commissioning of the plant and net of proceeds from the sale of test production.

Mine property and development assets are reclassified to mining properties when the mine starts commercial production.

Mining properties represent the accumulated mine property and development assets and other costs, including construction cost of the mining site infrastructure, incurred in relation to areas of interest in which commercial production of minerals has commenced.

Buildings are situated on the land which is located in Indonesia. The land is included in mining properties.

When further development expenditure is incurred in respect of an area of interest in production, such expenditure is capitalised as part of the cost of that mining property only if future economic benefits are probable. Otherwise such expenditure is classified as part of the cost of production and expensed in profit and loss.

The amortisation of mining properties and plant and equipment related to production commences when the mine starts commercial production and is provided on the unit of production basis, based on the actual production volume over the total estimated proved and probable reserves of the gold and silver mine.

The estimated reserves and life of mine are reassessed at least annually. Where there is a change in the reserves, depreciation and amortisation rates are adjusted prospectively from that reporting period.

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

4. Significant Accounting Policies (continued)

Stripping cost

The costs from waste removal activity ("stripping cost") incurred in the development phase of a surface mine are capitalised as part of the mining properties and are subsequently amortised over the life of the mine on a unit of production basis.

To the extent that stripping costs incurred in the production phase of a surface mine ("production stripping costs") provide improved access to ore, such costs are recognised as a non-current asset ("stripping activity asset") when certain criteria are met. The costs of normal ongoing operational stripping activities are accounted as inventories. The stripping activity asset is accounted for as an addition to, or as an enhancement of mining properties and classified as tangible assets according to the nature of the mining properties of which it forms part.

The stripping activity asset is then depreciated on a unit of production basis over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

Exploration and evaluation assets

Exploration and evaluation assets are recognised at cost.

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

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

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

Exploration and evaluation assets are assessed for impairment if:

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

Where a potential impairment is indicated, an assessment is performed for each area of interest or at the cash generating unit level. To the extent that capitalised expenditure is not expected to be recovered, it is charged to the profit or loss.

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

Non-controlling interests

Non-controlling interests that are present ownership interests and entitle their holdings to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

ALLOCATION OF TOTAL COMPREHENSIVE INCOME TO NON-CONTROLLING INTERESTS

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

4. Significant Accounting Policies (continued)

Inventories

Inventories comprise raw materials, work in progress and finished goods. Work in progress inventories mainly comprise ore stockpiles and other partly processed materials.

Inventories are stated at the lower of cost and net realisable value. Cost is determined primarily on a weighted average cost basis.

Cost for inventories comprises labour costs, material costs and contractor expenses which are directly attributable to the extraction and processing of ore; and a systematic allocation of the amortisation and depreciation of mining properties and of property, plant and equipment used in the extraction and processing of ore; and production overheads. Cost for purchased materials is determined after deducting discounts.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Stockpiles represent ore that has been extracted and is awaiting further processing. If there is significant uncertainty as to when the stockpiled ore will be processed it is expensed as incurred. Where the future processing of this ore can be predicted with reasonable certainty, it is valued at the lower of cost and net realisable value.

Leasing

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

THE GROUP AS LESSEE

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in the profit or loss in the period in which they arise.

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

4. Significant Accounting Policies (continued)

Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sales.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefits scheme

The retirement benefits scheme contributions relating to the mandatory provident fund scheme for all employees in Hong Kong and state-managed retirement benefit scheme for all employees in Indonesia charged to profit and loss represent contributions payable to the schemes by the Group at rates specified in the rules of the schemes.

Taxation

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4. Significant Accounting Policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

FINANCIAL ASSETS

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

Effective interest method

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

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

Financial assets at fair value through profit or loss

Financial assets at FVTPL represent financial assets held for trading.

A financial asset is classified as held for trading if:

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

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from re-measurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend earned on the financial assets. Fair value is determined in the manner described in note 31(c).

Loans and receivables

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

Available-for-sale financial assets

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

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

4. Significant Accounting Policies (continued)

Financial instruments (continued)

FINANCIAL ASSETS (continued)

Impairment of financial assets

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

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

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contracts, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

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

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

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

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

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

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

4. Significant Accounting Policies (continued)

Financial instruments (continued)

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

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

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities (including trade and other payables and borrowings) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

DERECOGNITION

Financial assets are derecognised only when the contractual rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

4. Significant Accounting Policies (continued)

Provisions

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

Provision for mine rehabilitation cost

Provision for mine rehabilitation cost is required when the Group has a present obligation as a result of past event, and it is probable that the Group will be required to settle that obligation. Provision is measured based on the area of land disturbed by the mine as a whole in accordance with the relevant rules and regulations applicable in Indonesia at the end of the reporting period, and using the cash flows estimated to settle the present obligation. Its carrying amount is the present value of those cash flows (where the effect is material). The payments for the mine rehabilitation cost is required by the local authority upon the closure of the respective mine project.

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

Impairment losses on assets

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

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

Share-based payment transactions

EQUITY SETTLED SHARE-BASED PAYMENT TRANSACTIONS

Share options granted to directors and employees of the Company

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

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

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

4. Significant Accounting Policies (continued)

Share-based payment transactions (continued)

EQUITY SETTLED SHARE-BASED PAYMENT TRANSACTIONS (continued)

Share options granted to suppliers/consultants

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

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgments in applying the Group's accounting policies

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

VALUE ADDED TAX RECOVERABLE (INCLUDED IN OTHER RECEIVABLE)

Included in other receivable (non-current portion) of USD19,703,000 (30 June 2013: USD68,093,000) and other receivables (current portion) of USD44,377,000 (30 June 2013: nil) are value added tax ("VAT") paid by an Indonesian subsidiary of the Group in connection with its purchase of equipment and services from suppliers for the operation and construction of the mine site. According to relevant tax law and regulations in Indonesia, such VAT payment is refundable upon application by the Group, subject to approval by the relevant Indonesian tax authority. The directors are not aware of any non-compliance with the relevant tax laws and are of the opinion that the approval from relevant tax office will be obtained and VAT will be fully refunded.

Key sources of estimation uncertainty

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

ORE RESERVE AND RESOURCES ESTIMATES

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

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

Key sources of estimation uncertainty (continued)

ESTIMATED IMPAIRMENT ON MINING PROPERTIES, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

In determining whether there is an impairment of the mining properties, plant and equipment and construction in progress of the Group's gold and silver mine located in the Regency of South Tapanuli, Northern Sumartra, Indonesia (the "Martabe Gold Mine"), management will consider whether there is any objective evidence that indicates the carrying value of these assets are less than the recoverable value. As at 31 December 2013, the carrying amount of mining properties, plant and equipment and construction in progress are USD539,688,000 (30 June 2013: USD567,096,000), USD221,468,000 (30 June 2013: USD238,031,000) and USD106,557,000 (30 June 2013: USD72,279,000) respectively.

ESTIMATED IMPAIRMENT ON EXPLORATION AND EVALUATION ASSETS

In determining whether there is an impairment of the exploration and evaluation assets of the Martabe Gold Mine, management is required to assess whether there is any impairment indicator which indicates that there is impairment on the exploration and evaluation assets including (a) the period for which the Indonesian subsidiary has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Indonesian subsidiary has decided to discontinue such activities in the specific area; (d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale. As at 31 December 2013, the carrying amount of exploration and evaluation assets is USD11,340,000 (30 June 2013: USD10,051,000).

PROVISION FOR MINE REHABILITATION COST

Provision for mine rehabilitation cost has been estimated by the directors based on current regulatory requirements and the area affected in drilling and construction activities in the Martabe Gold Mine area estimated by the management and discounted to their present value. Significant changes in the regulatory requirements in relation to such costs will result in changes to the provision amounts from period to period. In addition, the expected timing of cash outflows of such mine rehabilitation cost is estimated based on the expected closure date of the Martabe Gold Mine and is subject to any significant changes to the production plan. As at 31 December 2013, the balance of provision for mine rehabilitation cost was USD14,453,000 (30 June 2013: USD12,170,000).

FAIR VALUE MEASUREMENTS AND VALUATION PROCESSES

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The fluctuation in the fair value of the assets and liabilities is reported and analysed periodically.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. The detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities are set out in note 31(c).

6. Segment Information

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purpose of resource allocation and assessment of segment performance focuses on the nature of their operations and types of products and services provided. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments.

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

- Mining business; and
- Securities trading.

(a) Segment revenue and results

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

For the six months ended 31 December 2013

	Securities trading *USD'000*	**Mining business** *USD'000*	**Total** *USD'000*
Segment revenue	**–**	**212,505**	**212,505**
Segment results	**111**	**56,310**	**56,421**
Unallocated corporate expenses			**(4,314)**
Unallocated income			**86**
Profit before taxation			**52,193**

For the year ended 30 June 2013

	Securities trading *USD'000*	Mining business *USD'000*	Total *USD'000*
Segment revenue	–	258,378	258,378
Segment results	1,274	68,443	69,717
Unallocated corporate expenses			(10,967)
Unallocated income			138
Profit before taxation			58,888

6. Segment Information (continued)

(b) Segment assets and liabilities

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

At 31 December 2013

	Securities trading *USD'000*	Mining business *USD'000*	Total *USD'000*
ASSETS			
Segment assets	**48,606**	**1,183,684**	**1,232,290**
Unallocated corporate assets			**490**
Total assets			**1,232,780**
LIABILITIES			
Segment liabilities	**2**	**90,995**	**90,997**
Unallocated corporate liabilities			**4,848**
Total liabilities			**95,845**

At 30 June 2013

	Securities trading *USD'000*	Mining business *USD'000*	Total *USD'000*
ASSETS			
Segment assets	8,747	1,085,414	1,094,161
Unallocated corporate assets			339
Total assets			1,094,500
LIABILITIES			
Segment liabilities	2	149,472	149,474
Unallocated corporate liabilities			619
Total liabilities			150,093

For the purposes of monitoring segment performances and allocating resources between segments:

- All assets are allocated to operating segment other than certain property, plant and equipment and other receivables.
- All liabilities are allocated to operating segment other than certain other payables.

6. Segment Information (continued)

(c) Other segment information

For the six months ended 31 December 2013

	Securities trading USD'000	Mining business USD'000	Unallocated USD'000	Total USD'000
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets (Note)	**–**	**41,115**	**3**	**41,118**
Depreciation				
Cost of sales	**–**	**48,028**	**–**	**48,028**
Administrative expenses	**–**	**3,549**	**3**	**3,552**

For the year ended 30 June 2013

	Securities trading USD'000	Mining business USD'000	Unallocated USD'000	Total USD'000
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets (Note)	–	146,140	7	146,147
Depreciation				
Cost of sales	–	47,408	–	47,408
Administrative expenses	–	4,548	108	4,656

Note: Non-current assets excluded available-for-sale investment, other receivable (non-current portion) and inventories (non-current portion).

(d) Geographical information

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

	Non-current assets excluding financial instruments	
	31.12.2013 USD'000	30.06.2013 USD'000
Hong Kong	**6**	6
Indonesia	**903,134**	911,049
	903,140	911,055

Note: Non-current assets excluded available-for-sale investment and other receivable (non-current portion).

For the six months ended 31 December 2013 and the year ended 30 June 2013, the Group's revenue arose from the production of gold and silver in Indonesia from the mining business segment.

(e) Information about major customers

For the six months ended 31 December 2013, an individual customer contributed over 10% of the total revenue. For the year ended 30 June 2013, revenue was derived from a single customer under a sales agreement at spot price less fixed sales commission.

7. Revenue

Revenue represents revenue arising on sale of gold and silver for the period/year.

	(Six months) 01.07.2013 to 31.12.2013 *USD'000*	(Twelve months) 01.07.2012 to 30.06.2013 *USD'000*
Gold	**194,041**	239,484
Silver	**18,464**	18,894
	212,505	258,378

Bullion sale from test production were credited to property, plant and equipment until commercial production was achieved in September 2012.

8. Loss Attributable to Temporary Suspension of Production

For the year ended 30 June 2013, production at Martabe Gold Mine was suspended for six weeks starting mid-September 2012 due to interruption of construction of certain pipelines for the mine. Accordingly, the cost incurred during the six-week period to maintain the mine operation of USD7,244,000 (the six months ended 31 December 2013: nil) is recognised as loss attributable to temporary suspension of production.

9. Finance Cost

	(Six months) 01.07.2013 to 31.12.2013 *USD'000*	(Twelve months) 01.07.2012 to 30.06.2013 *USD'000*
Interest expense on bank borrowings wholly repayable within five years	**924**	4,327
Loan facility expenses	**1,639**	2,638
Discount unwinding on provision	**722**	660
Total borrowing costs	**3,285**	7,625
Less: amounts capitalised	**–**	(677)
	3,285	6,948

Borrowing cost of approximately USD677,000 (the six months ended 31 December 2013: nil) incurred during the year ended 30 June 2013 by a subsidiary in respect of the development of the gold and silver mine was capitalised as part of mine property and development assets (included in property, plant and equipment).

10. Taxation

	(Six months) 01.07.2013 to 31.12.2013 ***USD'000***	(Twelve months) 01.07.2012 to 30.06.2013 *USD'000*
Current tax		
Hong Kong	**–**	–
Indonesia	**7,860**	13,831
	7,860	13,831
Deferred tax (note 24)		
Undistributed profits of subsidiary	**1,737**	5,143
Accelerated tax depreciation	**3,491**	10,634
	5,228	15,777
Taxation for the period/year	**13,088**	29,608

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for period/year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

No provision for Hong Kong Profits Tax or taxation in other jurisdictions besides Indonesia has been made in the consolidated financial statements for period/year as neither the Company nor any of its subsidiaries had any assessable profits or they had sufficient tax loss to cover assessable profits in period/year.

10. Taxation (continued)

Pursuant to the relevant laws and regulations in Indonesia, dividend withholding tax is imposed at a rate of 7.5% on dividend declared in respect of profits earned by Indonesian subsidiary that are received by non-Indonesian resident entities. Dividend withholding tax of approximately USD1,737,000 (the year ended 30 June 2013: USD5,143,000) was recognised as deferred tax expense in the current reporting period.

The taxation for the period/year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

	(Six months) 01.07.2013 to 31.12.2013 *USD'000*	(Twelve months) 01.07.2012 to 30.06.2013 *USD'000*
Profit before taxation	**52,193**	58,888
Tax at Indonesian Corporate Income Tax rate of 25%	**13,048**	14,722
Tax effect of expenses not deductible for tax purpose	**1,870**	5,791
Tax effect of income not taxable for tax purpose	**(5,616)**	(221)
Tax effect of tax losses not recognised	**771**	1,289
Utilisation of tax losses previously not recognised	**–**	(16)
Effect of different tax rates of group companies operating in other jurisdictions	**(1,761)**	2,900
Withholding tax on interest	**3,039**	–
Deferred tax for undistributed profits of subsidiary	**1,737**	5,143
Taxation for the period/year	**13,088**	29,608

The domestic tax rate, which is Indonesian corporate income tax rate in the jurisdiction where the operation of the Group is substantially based, is used.

Details of the Group's deferred tax are set out in note 24.

11. Profit for the Period/Year

	(Six months) 01.07.2013 to 31.12.2013 *USD'000*	(Twelve months) 01.07.2012 to 30.06.2013 *USD'000*
Profit for the period/year has been arrived at after charging/(crediting):		
Staff costs		
– Directors' emoluments (Note 12(a))	**2,632**	7,688
– Other staff costs		
– Cost of sales	**7,102**	12,774
– Administrative expenses	**3,003**	6,716
– Contributions to retirement benefits schemes, excluding directors	**256**	416
– Share-based payment expenses, excluding directors	**98**	888
Total staff costs	**13,091**	28,482
Auditors' remuneration	**199**	208
Amortisation and depreciation of property, plant and equipment, included in		
– Cost of sales	**48,028**	47,408
– Administrative expenses	**3,552**	4,656
Operating lease payments in respect of office premises and warehouse	**288**	427
Exchange loss, net	**10,713**	4,167
(Reversal of provision)/provision for impairment of inventories	**(723)**	723
Royalties expense	**1,146**	1,197
Other taxes	**2,924**	2,291
Interest income	**(937)**	(1,514)
Gain on disposal of held for trading investments	**–**	(14)

12. Directors', Chief Executive's and Employees' Emoluments

(a) Directors' Emoluments

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

For the six months ended 31 December 2013

	Fees *USD'000*	Salaries and other emoluments *USD'000*	Discretionary bonus *USD'000*	Contributions to retirement benefits scheme *USD'000*	Allowances *USD'000*	Share-based payments *USD'000*	Total *USD'000*
EXECUTIVE DIRECTORS:							
Chiu Tao	–	–	–	–	–	114	114
Owen L Hegarty	–	301	100	–	–	98	499
Peter Geoffrey Albert (Note a)	–	360	613	1	46	81	1,101
Ma Xiao	–	132	154	1	42	12	341
Wah Wang Kei, Jackie	–	155	78	1	–	12	246
Hui Richard Rui	–	112	56	1	–	12	181
INDEPENDENT NON-EXECUTIVE DIRECTORS:							
Or Ching Fai	45	–	–	–	–	93	138
Ma Yin Fan	6	–	–	–	–	–	6
Leung Hoi Ying	6	–	–	–	–	–	6
	57	1,060	1,001	4	88	422	2,632

12. Directors', Chief Executive's and Employees' Emoluments (continued)

(a) Directors' Emoluments (continued)

For the year ended 30 June 2013

	Fees USD'000	Salaries and other emoluments USD'000	Discretionary bonus USD'000	Contributions to retirement benefits scheme USD'000	Allowances USD'000	Share-based payments USD'000	Total USD'000
EXECUTIVE DIRECTORS:							
Chiu Tao	–	–	–	–	–	918	918
Owen L Hegarty	–	601	100	1	–	810	1,512
Peter Geoffrey Albert (Note a)	–	607	1,398	2	89	721	2,817
Ma Xiao	–	241	110	2	77	141	571
Wah Wang Kei, Jackie	–	301	49	2	–	141	493
Hui Richard Rui	–	217	35	2	–	141	395
Kwan Kam Hung, Jimmy (Note b)	–	–	–	–	–	51	51
NON-EXECUTIVE DIRECTOR:							
Tsui Ching Hung (Note c)	–	–	–	–	–	–	–
INDEPENDENT NON-EXECUTIVE DIRECTORS:							
Or Ching Fai	90	–	–	–	–	815	905
Ma Yin Fan	13	–	–	–	–	–	13
Leung Hoi Ying	13	–	–	–	–	–	13
	116	1,967	1,692	9	166	3,738	7,688

Notes:

(a) Mr Peter Geoffrey Albert is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

(b) Mr Kwan Kam Hung, Jimmy resigned as executive director on 31 December 2012 and remained as employee of the Company.

(c) Mr Tsui Ching Hung resigned as non-executive director on 31 December 2012 and remained as a consultant of the Company.

Bonuses which are discretionary are determined with reference to individual performance. Mr Chiu Tao suspended his salary with effect from October 2010 until the gold production in Martabe Gold Mine begins and reaches certain level. Mr Chiu has not drawn any salary for the six months ended 31 December 2013 and the year ended 30 June 2013. No other director waived any emoluments in the period/year. The remuneration of directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

12. Directors', Chief Executive's and Employees' Emoluments (continued)

(b) Employees' Emoluments

(i) Of the five individuals with the highest emoluments in the Group, three were executive directors of the Company (the year ended 30 June 2013: three were executive directors and one was independent non-executive director of the Company) whose emoluments are included in the disclosures above. The remaining two (the year ended 30 June 2013: one) individuals were the senior management and the emoluments were as follows:

	(Six months) 01.07.2013 to 31.12.2013 USD'000	(Twelve months) 01.07.2012 to 30.06.2013 USD'000
Salaries and other benefits	481	524
Retirement benefits scheme contributions	1	–
Share-based payment expenses	14	69
Discretionary bonus	316	167
	812	760

The emoluments were within the following bands:

	Number of Employees (Six months) 01.07.2013 to 31.12.2013	Number of Employees (Twelve months) 01.07.2012 to 30.06.2013
HKD2,500,001 (USD322,406) to HKD3,000,000 (USD386,887)	1	–
HKD3,500,001 (USD451,368) to HKD4,000,000 (USD515,849)	1	–
HKD5,500,001 (USD709,293) to HKD6,000,000 (USD773,774)	–	1
	2	1

(ii) The emoluments of senior management were within the following bands:

	Number of Employees (Six months) 01.07.2013 to 31.12.2013	Number of Employees (Twelve months) 01.07.2012 to 30.06.2013
HKD1,500,001 (USD193,444) to HKD2,000,000 (USD257,925)	1	–
HKD2,500,001 (USD322,406) to HKD3,000,000 (USD386,887)	1	–
HKD3,500,001 (USD451,368) to HKD4,000,000 (USD515,849)	1	–
HKD4,500,001 (USD580,331) to HKD5,000,000 (USD644,812)	–	2
HKD5,500,001 (USD709,293) to HKD6,000,000 (USD773,774)	–	1
	3	3

The senior management of the Group are solely determined by the directors and the senior management for the period/year are Arthur Ellis, Timothy John Vincent Duffy, and Shawn David Crispin. Two (the year ended 30 June 2013: One) of the senior management are included as five individuals with the highest emoluments in the Group.

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

13. Dividend

No dividend was paid or declared during the six months ended 31 December 2013, nor has any dividend been declared or proposed since the end of the reporting period (the year ended 30 June 2013: nil).

14. Earnings Per Share

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

	(Six months) 01.07.2013 to 31.12.2013 ***USD'000***	(Twelve months) 01.07.2012 to 30.06.2013 *USD'000*
Profit for the period/year attributable to owners of the Company, for the purposes of basic and diluted earnings per share	**38,320**	26,444

	Number of shares	
	31.12.2013	30.06.2013 (Revised)
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**22,911,447,833**	21,072,350,524

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share for the period/year has been adjusted for the rights issue of shares as detailed in note 26(b).

The computation of diluted earnings per share does not assume the exercise of the Group's outstanding share options as the exercise price of those options is higher than the average market price for shares for the six months ended 31 December 2013 and the year ended 30 June 2013.

15. Property, Plant and Equipment

	Buildings USD'000	Plant and equipment USD'000	Mine property & development assets USD'000	Mining properties USD'000	Construction in progress USD'000	Leasehold improvements USD'000	Furniture, fixtures & equipment USD'000	Motor vehicles USD'000	Total USD'000
COST									
At 1 July 2012	390	107	332,590	–	492,005	265	535	239	826,131
Exchange realignments	–	–	–	(10)	–	–	–	(1)	(11)
Additions	–	–	47,782	21,695	71,950	–	7	–	141,434
Transfer to/(from) mine property & development assets	–	–	(380,372)	380,372	–	–	–	–	–
Transfer to/(from) construction in progress	16,155	255,248	–	211,452	(491,676)	–	7,765	1,056	–
Disposals	–	–	–	–	–	–	(21)	–	(21)
On disposals of subsidiaries	–	–	–	–	–	–	(3)	(238)	(241)
At 30 June 2013 and 1 July 2013	16,545	255,355	–	613,509	72,279	265	8,283	1,056	967,292
Exchange realignments	–	–	–	37	–	–	–	–	37
Additions	–	–	–	5,404	34,422	–	3	–	39,829
Transfer to/(from) construction in progress	10	100	–	–	(144)	–	–	34	–
At 31 December 2013	16,555	255,455	–	618,950	106,557	265	8,286	1,090	1,007,158
ACCUMULATED DEPRECIATION									
At 1 July 2012	135	86	–	–	–	200	491	219	1,131
Exchange realignments	–	–	–	(1)	–	–	–	–	(1)
Provided for the year	3,082	17,238	–	46,414	–	65	1,740	709	69,248
Eliminated on disposals	–	–	–	–	–	–	(21)	–	(21)
On disposal of subsidiaries	–	–	–	–	–	–	(1)	(238)	(239)
At 30 June 2013 and 1 July 2013	3,217	17,324	–	46,413	–	265	2,209	690	70,118
Exchange realignments	–	–	–	1	–	–	–	–	1
Provided for the period	319	16,663	–	32,848	–	–	1,498	136	51,464
At 31 December 2013	3,536	33,987	–	79,262	–	265	3,707	826	121,583
CARRYING VALUES									
At 31 December 2013	13,019	221,468	–	539,688	106,557	–	4,579	264	885,575
At 30 June 2013	13,328	238,031	–	567,096	72,279	–	6,074	366	897,174

15. Property, Plant and Equipment (continued)

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

Depreciation on the mining properties and plant and equipment related to production are provided using the unit of production method ("UOP") based on the actual production volume over the total estimated proved and probable reserves of the gold and silver mine. These estimations are prepared by appropriately qualified party who is independent of the Group.

The effective depreciation rate of mining properties and plant and equipment related to production is approximately 6% (the year ended 30 June 2013: 7%).

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

Buildings	10%
Plant and equipment	12.5% to 25%
Leasehold improvements	10% to 50% or over the terms of the leases whichever is shorter
Furniture, fixtures and equipment	20% to 50%
Motor vehicles	20% to 25%

Note: Depreciation expense of USD7,037,000 (the six months ended 31 December 2013: nil) incurred during the year ended 30 June 2013 by a subsidiary in respect of the development of the gold and silver mine was capitalised as part of mine property and development assets (included in property, plant and equipment). Depreciation of USD47,912,000 (the year ended 30 June 2013: USD57,555,000) incurred during the six months ended 31 December 2013 were capitalised as inventories of which USD48,028,000 (the year ended 30 June 2013: USD47,408,000) were subsequently charged to profit or loss as cost of sales during the period.

16. Exploration and Evaluation Assets

	USD'000
At 1 July 2012	5,338
Additions	4,713
At 30 June 2013 and 1 July 2013	10,051
Additions	1,289
At 31 December 2013	11,340

Exploration and evaluation assets represent the costs of acquiring exploration rights and expenditures in the search for mineral resources on an area of interest basis. The addition on the exploration and evaluation assets represents drilling, assaying costs, consultancy and advisory fee, staff costs and other expenditures incurred in the search for mineral resources during the period/year in mining areas where the existence of economically recoverable reserves could not be reasonably assessed.

17. Available-For-Sale Investment

	31.12.2013	30.06.2013
	USD'000	*USD'000*
Listed debt securities, at fair value		
Senior Note Due 2015	**7,081**	6,738

The available-for-sale investment represents the Group's investment in senior notes with principal amount of USD10,000,000 issued by a company with its shares listed on the Hong Kong Stock Exchange with maturity date of 18 May 2015 (the "Senior Notes Due 2015"). These notes are listed on the Singapore Exchange Securities Trading Limited, carry interest at a fixed rate of 11.75% per annum, payable semi-annually in arrears on 18 May and 18 November of each year, commencing on 18 November 2010.

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

(1) At any time prior to 18 May 2013, the Senior Notes Due 2015 issuer may redeem up to 35% of the aggregate principal amount of the Senior Notes Due 2015 at a redemption price equal to 111.75% of the principal amount of the Senior Notes Due 2015 redeemed, plus accrued and unpaid interest, if any, to the redemption date, subject to not less than 30 nor more than 60 days notice.

(2) At any time prior to 18 May 2013, the Senior Notes Due 2015 issuer may at its option redeem the Senior Notes Due 2015, in whole or in part, at a redemption price equal to 100% of the principal amount of the Senior Notes Due 2015 redeemed, plus the make-whole premium as of, and accrued and unpaid interest, if any, to the redemption date, subject to not less than 30 nor more than 60 days notice.

(3) At any time on or after 18 May 2013, the Senior Notes Due 2015 issuer may redeem the Senior Notes Due 2015, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, on the Senior Notes Due 2015 redeemed, to the redemption date, if redeemed during the 12-month period commencing on 18 May of any year set forth below:

Period	Redemption price
2013	105.8750%
2014 and thereafter	102.9375%

The Senior Notes Due 2015 were initially measured at fair value. In the absence of quoted market price in an active market, the fair value measurements are derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). During the six months ended 31 December 2013, an increase in fair value of USD343,000 (the year ended 30 June 2013: USD1,300,000) was recognised in the investment revaluation reserve.

The fair value of the Senior Notes Due 2015 as at 31 December 2013 and 30 June 2013 are determined using the Hull-White term structure model with the following assumptions:

	31.12.2013	30.06.2013
Discount rate	**48.16%**	42.50%
Time to maturity	**1.38 years**	1.88 years
Mean Reverting rate	**0.01905**	0.01887
Volatility	**0.01192**	0.01222

18. Other Receivables

	31.12.2013 USD'000	30.06.2013 USD'000
Other receivables, net of allowance (Note a)	**77,544**	79,654
Less: Other receivable classified as non-current assets (Note a)	**(19,703)**	(68,093)
Other receivables classified as current assets (Note c)	**57,841**	11,561

Notes:

(a) As at 31 December 2013, USD19,703,000 (30 June 2013: USD68,093,000) and USD44,377,000 (30 June 2013: nil) of VAT paid by an Indonesian subsidiary of the Group, were classified as other receivables non-current portion and current portion respectively based on the expected time span, in connection with its purchase of equipment and services from suppliers for the operation and construction of the mine site. As at 31 December 2013, USD44,377,000 was classified as current portion as the Indonesian subsidiary received the refund in March 2014.

(b) There are no trade receivables as at 31 December 2013 and 30 June 2013. The Group allows a credit period of less than a week for its trade customers.

(c) An amount of USD4,000,000 (30 June 2013: USD4,000,000), which is the consideration of capital injection into PT Agincourt Resources ("PTAR"), due from PT Artha Nugraha Agung ("PTANA") was included in other receivables. The balance will be settled by PTANA through reduction of its share of dividend declared by PTAR.

19. Inventories

	31.12.2013 USD'000	30.06.2013 USD'000
Raw materials	**22,903**	19,855
Stockpiles	**7,443**	6,014
Work in progress	**18,859**	21,983
	49,205	47,852
Less: inventories classified as non-current assets		
Stockpiles	**(6,225)**	(3,830)
Inventories classified as current assets	**42,980**	44,022

The portion of the stockpile that is to be processed more than twelve months from the reporting date is classified as non-current inventories.

20. Held for Trading Investments

	31.12.2013 USD'000	30.06.2013 USD'000
Equity securities listed in Hong Kong, at fair value	**1,418**	1,898

All held for trading investments are Hong Kong listed equity securities held by the Group as at the end of the reporting periods. The fair value is determined based on the closing price per share quoted on the Hong Kong Stock Exchange as at the end of the respective reporting periods.

21. Pledged Bank Deposits and Bank Balances and Cash

As at 31 December 2013, there was approximately USD42,000 (30 June 2013: nil) pledged to a bank to secure the cutting tree permit granted to a subsidiary. The pledged deposits carry no interest for the six months ended 31 December 2013.

Bank balances carry interest at market rates which range from 0.001% to 6.5% (the year ended 30 June 2013: 0.001% to 6%) per annum.

22. Trade and Other Payables

	31.12.2013 USD'000	30.06.2013 USD'000
Trade payables (Note a)	**3,423**	14,203
Other payables (Note b)	**35,273**	45,591
Trade and other payables	**38,696**	59,794
Less: Other payables classified as non-current liabilities	**(2,805)**	(2,439)
Trade and other payables classified as current liabilities	**35,891**	57,355

Notes:

(a) The following is an analysis of trade payables by age, presented based on the invoice date.

	31.12.2013 USD'000	30.06.2013 USD'000
0-60 days	**3,268**	9,502
61-90 days	**97**	4,184
> 90 days	**58**	517
	3,423	14,203

(b) Included in other payables are USD21,783,000 and USD11,638,000 (30 June 2013: USD23,929,000 and USD21,044,000) relating to payables by an Indonesian subsidiary of the Group for the operation of the Martabe Gold Mine and to its consultants and contractors in connection with the construction of the Martabe Gold Mine, respectively.

23. Borrowings

During the year ended 30 June 2013, the Group raised bank borrowings of USD1,000,000 (the six months ended 31 December 2013: nil). The effective rate of interest of the Group's borrowings during the six-month period was at a range of 4.21% to 4.78% (the year ended 30 June 2013: 4.77% to 4.78%) per annum based on the London Interbank Offered Rate plus 4% or 4.5% (the year ended 30 June 2013: 4.5%). Borrowing cost of approximately USD677,000 (the six months ended 31 December 2013: nil) was capitalised in the property, plant and equipment during the year ended 30 June 2013 which are set out in note 9.

The bank borrowings net of capitalised transaction costs are repayable as follows:

	31.12.2013 USD'000	30.06.2013 USD'000
Within one year	**–**	48,521

As at 30 June 2013, certain equity interests in the Group's subsidiaries representing the Indonesian subsidiary and certain investment holding companies were charged to banks as security for the banking facility including the above borrowings granted to the Group. The fiduciary security covered moveable assets and insurance claims. During the six months ended 31 December 2013, the borrowings were repaid and the banking facility was terminated, all the securities were in the progress of release.

24. Deferred Tax Liabilities

The following is the major deferred tax liabilities recognised and movements thereon during the current period and prior year:

	Undistributed profits of subsidiary *USD'000*	Accelerated tax depreciation *USD'000*	Total *USD'000*
At 1 July 2012	–	–	–
Charged to profit or loss	5,143	10,634	15,777
At 30 June 2013 and 1 July 2013	5,143	10,634	15,777
Charged to profit or loss	1,737	3,491	5,228
At 31 December 2013	6,880	14,125	21,005

At the end of the reporting period, the Group has unused tax losses of USD75,698,000 (30 June 2013: USD71,028,000) available for offset against future profits. During the year ended 30 June 2013, there was disposal of subsidiaries with unused tax losses of USD11,699,000 (the six months ended 31 December 2013: nil). No deferred tax asset has been recognised in respect of unused tax losses due to the unpredictability of future profits streams. The tax losses may be carried forward indefinitely.

25. Provision for Mine Rehabilitation Cost

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

	USD'000
At 1 July 2012	10,615
Additions	895
Unwinding of discount	660
At 30 June 2013 and 1 July 2013	12,170
Additions	1,561
Unwinding of discount	722
At 31 December 2013	14,453

Provision for mine rehabilitation cost of USD1,561,000 (the year ended 30 June 2013: USD895,000) was capitalised as part of mining properties (included in property, plant and equipment) during the six months ended 31 December 2013.

26. Share Capital

	Number of shares	Value USD'000
Authorised:		
Ordinary shares of HKD0.01 each		
At 1 July 2012, 30 June 2013 and 31 December 2013	60,000,000,000	76,923
Issued and fully paid:		
Ordinary shares of HKD0.01 each		
At 1 July 2012	16,880,195,950	21,757
Issue of shares (Note a)	2,041,287,000	2,633
At 30 June 2013	18,921,482,950	24,390
Issue of shares (Note b)	7,568,593,180	9,760
At 31 December 2013	26,490,076,130	34,150

Notes:

(a) On 24 August 2012, 2,041,287,000 shares of HKD0.01 each were issued and allotted at a price of HKD0.38 per share pursuant to the placing agreement with the placing agent dated 17 August 2012. Details of the share placement were announced on 17 August 2012 and 24 August 2012.

(b) 7,568,593,180 shares of HKD0.01 each were issued through 7,568,593,180 rights shares at a subscription price of HKD0.16 per rights share on the basis of two rights shares for every five existing shares held. Details of the rights issue were set out in the Company's announcement dated 28 August 2013 and prospectus dated 11 September 2013.

All the shares issued by the Company during the six months ended 31 December 2013 and the year ended 30 June 2013 rank pari passu with the then existing ordinary shares in all respects.

27. Derivative Financial Liabilities

On 7 February 2012, the Group had entered into 12 foreign currency forward contracts with one of the local banks in Jakarta for a monthly purchase of IDR for an aggregate notional amount of IDR27,150,000,000 (equivalent to USD3,000,000) at a rate of USD1 to IDR9,050 each month for the period from February 2012 to January 2013. As at 30 June 2012, 7 (30 June 2013 and 31 December 2013: nil) foreign currency forward contracts remained outstanding and the terms of all the foreign currency forward contracts have been negotiated to match the expectation of the IDR payments.

As at 30 June 2012, the directors of the Company considered those outstanding foreign currency forward contracts were designated as highly effective hedging instruments in order to manage the Group's foreign currency exposure in relation to those highly probable IDR payments.

For the year eneded 30 June 2013, USD1,204,000 (the six months ended 31 December 2013: nil) were reclassified from the cash flow hedges reserve into the profit or loss as the forecast payments that were hedged occurred.

28. Transfer of Interest in a Subsidiary without Losing Control

During the year ended 30 June 2013, the Group effected the transfer of 5% interest in a subsidiary PTAR to the Provincial Government of North Sumatra ("PGNS") and Government of South Tapanuli Regency ("GSTR"). The transfer was made pursuant to the terms of a memorandum of intent (the "MOI") signed by Agincourt Resources (Singapore) Pte Ltd, PTANA, PGNS, GSTR and a shareholder of PTANA on 12 June 2008, prior to the acquisition of the Martabe Gold Mine by the Group in July 2009. The MOI provided for the transfer of 5% interest of PTAR at Nil consideration to PGNS and GSTR upon the commencement of production at Martabe. Such transfer resulted in a decrease of the Group's interest in PTAR to 95% and recognition of non-controlling interests of an amount of USD12,265,000, which was determined based on the original consideration amount paid by the Group for acquisition of PTAR in 2009. Corresponding adjustment was made to mine property and development assets included in property, plant and equipment.

29. Share-Based Payment Transactions

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

The maximum number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2004 Scheme or any other share option scheme adopted by the Company must not in aggregate exceed 30% of its issued share capital from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the 2004 Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue unless it is approved by shareholders in a general meeting of the Company. The maximum number of shares issuable under the options to each eligible participant in any 12-month period is limited to 1% of the shares in issue unless it is approved by shareholders in a general meeting of the Company. Any grant of options under the 2004 Scheme to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). Any share options granted to a substantial shareholder or an independent non-executive director of the Company or to any of their respective associates, in excess of 0.1% of the shares in issue and with an aggregate value (based on the closing price of the shares at the date of grant) in excess of HKD5,000,000 (approximately USD641,000), in any 12-month period, are subject to shareholders' approval in a general meeting of the Company.

As at 31 December 2013, the number of shares of the Company in respect of which options had remained outstanding under the 2004 Scheme of the Company was 1,063,315,836 (30 June 2013: 967,737,355), representing 4.0% (30 June 2013: 5.1%) of the shares of the Company in issue at that date.

No option was granted during the six months ended 31 December 2013 and the year ended 30 June 2013.

Options granted must be taken up within 28 days of the date of grant, upon payment of HKD1 as the consideration for accepting the grant. The exercise period of the share options granted under the 2004 Scheme shall be determined by the Board of Directors when such options are granted, provided that such period shall not end more than 10 years from the date of grant. The exercise price is determined by the Board of Directors of the Company, and will not be less than the highest of the closing price of the Company's shares at the date of grant, the average closing price of the Company's shares for the five trading days immediately preceding the date of grant and the nominal value of the Company's shares.

As part of the remuneration package to certain key employees, the Company also entered into share option agreements (the "Share Option Agreements") on 10 May 2009 and 8 June 2009 upon signing of the Service Contracts with these employees whereby the Company agrees (subject to Shareholders' approval) to grant share options to each of the key employees upon the terms and conditions as set out therein. Details of the terms and conditions of the Share Option Agreements are set out in the Company's circular dated 18 June 2009.

29. Share-Based Payment Transactions (continued)

The following table discloses the movements of the Company's share options for the reporting periods:

Share options granted under 2004 Scheme

Category of participants	Date of grant	Exercise period	Exercise price per share HKD	Adjusted exercise price per share (Note 7) HKD	Notes	Outstanding at 01.07.2012	Granted during the year	Exercised during the year	Transfer from director to employee during the year	Forfeited during the year	Lapsed during the year	Outstanding at 01.07.2013	Granted during the period	Exercised during the period	Adjustment during the period (Note 7)	Forfeited during the period	Outstanding at 31.12.2013
Directors	20.10.2009	20.10.2009-19.10.2014	0.48	0.4249	1	11,862,171	-	-	-	-	-	11,862,171	-	-	1,538,523	-	13,400,694
	23.11.2009	23.11.2009-22.11.2014	0.55	0.4869	1	257,137,829	-	-	(15,000,000)	-	-	242,137,829	-	-	31,405,274	-	273,543,103
	01.12.2010	01.12.2010-30.11.2015	0.70	0.6196	2	412,000,000	-	-	(6,500,000)	-	-	405,500,000	-	-	52,593,350	-	458,093,350
	03.03.2011	03.03.2011-02.03.2016	0.70	0.6196	2	100,000,000	-	-	-	-	-	100,000,000	-	-	12,970,000	-	112,970,000
Employees	20.10.2009	20.10.2009-19.10.2014	0.48	0.4249	1	5,378,161	-	-	-	-	-	5,378,161	-	-	697,547	-	6,075,708
	23.11.2009	23.11.2009-22.11.2014	0.55	0.4869	1	12,850,000	-	-	15,000,000	(5,000,000)	-	22,850,000	-	-	2,963,645	(1,129,700)	24,683,945
	04.12.2009	04.12.2009-03.12.2014	0.55	0.4869	1	28,000,000	-	-	-	-	-	28,000,000	-	-	3,631,600	-	31,631,600
	13.05.2010	13.05.2010-12.05.2015	0.55	0.4869	1	5,000,000	-	-	-	-	-	5,000,000	-	-	648,500	-	5,648,500
	01.12.2010	01.12.2010-30.11.2015	0.70	0.6196	2	21,109,194	-	-	6,500,000	(500,000)	-	27,109,194	-	-	3,516,062	(564,850)	30,060,406
	01.12.2010	01.12.2010-30.11.2015	0.60	0.5311	2	26,650,000	-	-	-	(2,250,000)	-	24,400,000	-	-	3,164,680	-	27,564,680
	01.12.2010	01.12.2010-30.11.2015	0.60	-	3	12,500,000	-	-	-	(12,500,000)	-	-	-	-	-	-	-
	02.03.2011	02.03.2011-01.03.2016	0.70	0.6196	2	27,500,000	-	-	-	(500,000)	-	27,000,000	-	-	3,501,900	(11,297,000)	19,204,900
	08.07.2011	08.07.2011-07.07.2016	0.77	0.6816	4	40,250,000	-	-	-	(20,750,000)	-	19,500,000	-	-	2,529,150	-	22,029,150
	03.01.2012	03.01.2012-02.01.2017	0.60	0.5311	5	51,250,000	-	-	-	(12,750,000)	-	38,500,000	-	-	3,923,425	(11,921,525)	30,501,900
	03.01.2012	03.01.2012-02.01.2017	0.60	-	6	12,500,000	-	-	-	-	(12,500,000)	-	-	-	-	-	-
	10.01.2012	10.01.2012-09.01.2017	0.60	0.5311	5	3,500,000	-	-	-	-	-	3,500,000	-	-	389,100	(500,000)	3,389,100
Others	23.11.2009	23.11.2009-22.11.2014	0.55	0.4869	1	4,000,000	-	-	-	-	-	4,000,000	-	-	518,800	-	4,518,800
	01.12.2010	01.12.2010-30.11.2015	0.60	0.5311	2	3,000,000	-	-	-	-	-	3,000,000	-	-	389,100	(3,389,100)	-
						1,034,487,355	-	-	-	(54,250,000)	(12,500,000)	967,737,355	-	-	124,380,656	(28,802,175)	1,063,315,836
Exercisable at the end of the year/period						-						699,200,665					943,481,719
Weighted average exercise price (HKD)						0.64	-	-	-	0.66	0.60	0.64	-	-	-	0.57	0.57

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29. Share-Based Payment Transactions (continued)

Share options granted under 2004 Scheme (continued)

Notes :

1. The share options will vest upon the occurrence of:
   i) as to one-third, upon the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Gold Mine;
   ii) as to one-third, upon the process plant of the Martabe Gold Mine being in operation and having reached its designed capacity within a range of 10% deviation for the average of the first year of production as defined by the mine schedule and plan and as approved by the board of directors ("the board") for a continuous of three months; and
   iii) as to the remaining one-third, upon the average closing share price of the Company for a continuous period of 30 days having reached 100% above the exercise price of the share option granted,

   provided always that, in each case, no share options shall be vested at any time prior to the expiry of twelve months from the date of the grant of the share options and no option is exercisable until upon and after vesting.

2. The share options will vest upon the occurrence of:
   i) as to 50%, upon the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Gold Mine;
   ii) as to 25%, upon the process plant of the Martabe Gold Mine being in operation and having reached its designed capacity of not less than a monthly average of gold production of 90% of the board approved production output for that year over a period of any six consecutive months after the first gold production at the Martabe Gold Mine; and
   iii) as to 25%, upon the process plant of the Martabe Gold Mine being in operation and having reached its designed capacity of not less than a monthly average of gold production of 90% of the board approved production output for that year over a period of any twelve consecutive months after the first gold production at the Martabe Gold Mine,

   provided always that, in each case, no share options shall be vested at any time prior to the expiry of twelve months from the date of grant of the share options.

3. The share options will vest upon the occurrence of:
   i) as to 50%, upon completion of the Martabe Gold Mine and the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Gold Mine on the condition that the first gold production of the Martabe Gold Mine must be on or before 31 December 2011; and
   ii) as to 50%, upon the process plant of the Martabe Gold Mine being in operation and having reached its designed capacity within a range of 10% deviation for the average of the first year of production as defined by the mine schedule and plan for a continuous period of three months as approved by the board.

4. The share options will vest upon the occurrence of:
   i) as to 50%, 90 days after the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Gold Mine;
   ii) as to 25%, upon the process plant of the Martabe Gold Mine being in operation and having reached its designed capacity of not less than a monthly average of gold production of 90% of the board approved production output for that year over a period of any six consecutive months after the first gold production at the Martabe Gold Mine; and
   iii) as to 25%, upon the process plant of the Martabe Gold Mine being in operation and having reached its designed capacity of not less than a monthly average of gold production of 90% of the board approved production output for that year over a period of any twelve consecutive months after the first gold production at the Martabe Gold Mine,

   provided always that, in each case, no share options shall be vested at any time prior to the expiry of twelve months from the date of grant of the share options.

5. The share options will vest upon the occurrence of:
   i) as to 50%, 180 days after the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Gold Mine;
   ii) as to 25%, upon the process plant of the Martabe Gold Mine being in operation and having reached its designed capacity of not less than a monthly cumulated average of gold production of 90% of the board approved production output for that year over a period of any six consecutive months after the first gold production at the Martabe Gold Mine; and
   iii) as to 25%, upon the process plant of the Martabe Gold Mine being in operation and having reached its designed capacity of not less than a monthly cumulated average of gold production of 90% of the board approved production output for that year over a period of any twelve consecutive months after the first gold production at the Martabe Gold Mine,

   provided always that, in each case, no share options shall be vested at any time prior to the expiry of nine months from the date of grant of the share options.

6. The share options will vest upon completion and the first gold production of the Martabe Gold Mine on the condition that the first gold production of the Martabe Gold Mine must be on or before certain date.

7. The Company has made adjustments to the outstanding share options and exercise price upon the completion of the rights issue which was announced on 28 August 2013 and completed on 7 October 2013 as detailed in note 26.

29. Share-Based Payment Transactions (continued)

Share options granted under Share Option Agreement

Category of participants	Date of grant	Exercise period	Exercise price per share HKD	Adjusted exercise price per share (Note 2) HKD	Notes	Outstanding at 01.07.2012	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 01.07.2013	Granted during the period	Exercised during the period	Adjustment during the period (Note 2)	Forfeited during the period	Outstanding at 31.12.2013
Directors	15.07.2009	24.07.2009-23.07.2014	0.3850	0.3408	1	403,362,100	–	–	–	403,362,100	–	–	52,316,064	–	455,678,164
Employees	15.07.2009	03.08.2009-02.08.2014	0.4025	0.3563	1	26,890,806	–	–	–	26,890,806	–	–	3,487,737	–	30,378,543
						430,252,906	–	–	–	430,252,906	–	–	55,803,801	–	486,056,707
Exercisable at the end of the year/period						–				286,835,270					324,037,805
Weighted average exercise price (HKD)						0.3861	–	–	–	0.3861	–	–	–	–	0.3418

Notes:

1. The share options will vest upon the occurrence of:
   i) as to one-third, upon the first gold production by G-Resources Martabe Pty Ltd and its subsidiary under the Martabe Gold Mine;
   ii) as to one-third, upon the process plant of the Martabe Gold Mine being in operation and having reached its designed capacity within a range of 10% deviation for the average of the first year of production as defined by the mine schedule and plan and as approved by the board for a continuous period of three months; and
   iii) as to the remaining one-third, upon the average closing share price of the Company for a continuous period of 30 days having reached 100% above the exercise price of the share option granted,

   provided always that, in each case, no share options shall be vested at any time prior to the expiry of 12 months from the date of the grant of the share options and no option is exercisable until upon and after vesting.

2. The Company has made adjustments to the outstanding share options and exercise price upon the completion of the rights issue which was announced on 28 August 2013 and completed on 7 October 2013 as detailed in note 26.

No share option was granted for the six months ended 31 December 2013 and the year ended 30 June 2013. For the six months ended 31 December 2013, the Group recognised the share-based expenses of USD520,000 (the year ended 30 June 2013: USD4,626,000) in relation to these share options.

As at 30 June 2013, the aggregate amount of the fair value of the outstanding unvested options which will be recognised in the future vesting periods amounts to approximately USD567,000 (the six months ended 31 December 2013: nil).

29. Share-Based Payment Transactions (continued)

The following assumptions were used to calculate the fair values of share options:

Grant date	8 July 2011	8 July 2011	8 July 2011
Lot	1	2	3
Weighted average share price on date of grant*	HKD0.649	HKD0.649	HKD0.649
Exercise price*	HKD0.770	HKD0.770	HKD0.770
Expected life	3.0 years	3.3 years	3.5 years
Expected volatility	61.82%	62.52%	64.18%
Dividend yield	0%	0%	0%
Risk-free interest rate	0.711%	0.833%	0.937%

Grant date	3 January 2012	3 January 2012	3 January 2012	3 January 2012
Tranche/Lot	A1	A2	A3	B
Weighted average share price on date of grant*	HKD0.439	HKD0.439	HKD0.439	HKD0.439
Exercise price*	HKD0.600	HKD0.600	HKD0.600	HKD0.600
Expected life	2.9 years	3.0 years	3.3 years	2.6 years
Expected volatility	58.68%	63.42%	68.17%	56.59%
Dividend yield	0%	0%	0%	0%
Risk-free interest rate	0.496%	0.527%	0.581%	0.452%

Grant date	10 January 2012	10 January 2012	10 January 2012
Lot	1	2	3
Weighted average share price on date of grant*	HKD0.417	HKD0.417	HKD0.417
Exercise price*	HKD0.600	HKD0.600	HKD0.600
Expected life	2.9 years	3.0 years	3.3 years
Expected volatility	58.64%	61.88%	68.23%
Dividend yield	0%	0%	0%
Risk-free interest rate	0.487%	0.513%	0.567%

* *Before the adjustments for the rights issue as detailed in note 26*

29. Share-Based Payment Transactions (continued)

The following assumptions were used to calculate the fair values of share options: (continued)

Grant date	3 March 2011	3 March 2011	3 March 2011
Lot	1	2	3
Weighted average share price on date of grant*	HKD0.547	HKD0.547	HKD0.547
Exercise price*	HKD0.700	HKD0.700	HKD0.700
Expected life	3.0 years	3.5 years	3.7 years
Expected volatility	66.53%	67.82%	65.95%
Dividend yield	0%	0%	0%
Risk-free interest rate	1.099%	1.283%	1.393%

Grant date	1 December 2010	1 December 2010	1 December 2010	2 March 2011	2 March 2011	2 March 2011
Tranche/Lot	A	B	C	1	2	3
Weighted average share price on date of grant*	HKD0.512	HKD0.512	HKD0.512	HKD0.546	HKD0.546	HKD0.546
Exercise price*	HKD0.700	HKD0.600	HKD0.600	HKD0.700	HKD0.700	HKD0.700
Expected life	3.0 years	3.0 years	3.0 years	3.0 years	3.5 years	3.7 years
Expected volatility	68.35%	68.35%	68.35%	66.51%	67.81%	65.94%
Dividend yield	0%	0%	0%	0%	0%	0%
Risk-free interest rate	0.828%	0.828%	0.828%	1.062%	1.250%	1.361%

Grant date	15 July 2009	15 July 2009	20 October 2009	23 November 2009	4 December 2009	13 May 2010
Weighted average share price on date of grant*	HKD0.411	HKD0.411	HKD0.484	HKD0.534	HKD0.510	HKD0.463
Exercise price*	HKD0.385	HKD0.403	HKD0.480	HKD0.550	HKD0.550	HKD0.550
Expected life	3.0 years	3.0 years	3.0 years	3.0 years	3.0 years	3.0 years
Expected volatility	71.69%	71.69%	71.51%	71.22%	71.45%	69.84%
Dividend yield	0%	0%	0%	0%	0%	0%
Risk-free interest rate	1.037%	1.037%	0.908%	0.720%	0.722%	1.064%

* *Before the adjustments for the rights issue as detailed in note 26*

The Black-Scholes option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

Expected volatility was determined by using the volatility of a set of companies in the mining industry. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioral considerations. At each reporting date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share options reserve.

30. Capital Risk Management

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

The capital structure of the Group consists of debt, which included the borrowings disclosed in note 23, and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses/retained earnings.

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

31. Financial Instruments

31a. Categories of financial instruments

	31.12.2013 *USD'000*	30.06.2013 *USD'000*
FINANCIAL ASSETS		
Financial assets classified as loans and receivables (including cash and cash equivalents)	**273,521**	126,147
Available-for-sale financial assets	**7,081**	6,738
Held for trading investments	**1,418**	1,898
FINANCIAL LIABILITIES		
Amortised cost	**17,106**	91,005

31b. Financial risk management objectives and policies

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

MARKET RISK

(i) Interest rate risk

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

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

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

31. Financial Instruments (continued)

31b. Financial risk management objectives and policies (continued)

MARKET RISK (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to cash flow interest rate risk for borrowings. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. An increase or decrease of 100 basis points (the six months ended 31 December 2013: nil) is used when reporting the interest rate risk internally and represents management's assessment of the reasonably possible change in interest rates.

At the end of the reporting period, if interest rates had increased/decreased by 100 basis points (the six months ended 31 December 2013: nil) and all other variables were held constant, the Group's profit before taxation would decrease/increase by approximately USD500,000 (the six months ended 31 December 2013: nil) for the year ended 30 June 2013.

The sensitivity analysis below has been determined based on the exposure to fair value for the investments in fixed-rate Senior Notes Due 2015 as at 31 December 2013. If the interest rate used to assess the fair value had been 2% (30 June 2013: 2%) higher/lower and all other variables were held constant, the Group's investment revaluation reserve as at 31 December 2013 would decrease by USD120,000 (30 June 2013: USD156,000)/increase by USD124,000 (30 June 2013: USD162,000).

(ii) Other price risk – Investments in equity securities

The Group is exposed to equity price risk through the Group's held for trading investments. Management manages this exposure by maintaining a portfolio of investments with different risks. The Group's listed equity price risk is mainly concentrated on equity instruments quoted on the Hong Kong Stock Exchange.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

If the prices of the respective equity securities had been 10% (30 June 2013: 10%) higher/lower:

- the Group's post-tax profit for the six months ended 31 December 2013 would increase/decrease by USD118,000 (the year ended 30 June 2013: USD158,000) as a result of the changes in fair value of held for trading investments.

CREDIT RISK

The Group's maximum exposure to credit risk in the event of the counterparties' failure to discharge their obligations in relation to each class of recognised financial assets are the amounts stated in the consolidated statement of financial position. In order to minimise the credit risk, management of the Group has determined credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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

The Group has concentrations of credit risk comprising deposits placed at a financial institution for the Group's bank balances of USD95,246,000 (30 June 2013: USD31,823,000), which represents approximately 47% (30 June 2013: 62%) of the Group's total bank balances and cash, and investments in the Senior Notes Due 2015 of USD7,081,000 (30 June 2013: USD6,738,000) issued by a single counterparty. Management considered the credit risk on such balances held at financial institutions and the counter party is limited because the financial institutions are with good reputation and the single counterparty which has its shares listed on the Hong Kong Stock Exchange is in good financial position.

31. Financial Instruments (continued)

31b. Financial risk management objectives and policies (continued)

CURRENCY RISK

Most of the Group's financial assets and liabilities are denominated in USD which is the same as the functional currency of the respective Group entities. In addition, the Group has certain financial assets and financial liabilities denominated in IDR and Australian Dollar ("AUD").

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow:

	31.12.2013 ***USD'000***	30.06.2013 *USD'000*
ASSETS		
AUD	**96**	329
IDR	**68,197**	69,981
LIABILITIES		
AUD	**935**	5,057
IDR	**11,377**	16,138

Sensitivity analysis

The Group's foreign currency risk is mainly concentrated on the fluctuation among AUD and IDR against USD. The following table details the Group's sensitivity to a 7% (the year ended 30 June 2013: 7%) increase and decrease in the USD against the foreign currencies. 7% (the year ended 30 June 2013: 7%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. As at 31 December 2013, a positive/(negative) number indicates and increase/decrease in profit before taxation for the period/year where the USD strengthens against the relevant foreign currencies. For a 7% (the year ended 30 June 2013: 7%) weakening of the USD against the relevant foreign currencies, there would be an equal and opposite impact on profit before taxation.

	Profit before taxation	
	(Six months) **01.07.2013 to** **31.12.2013** ***USD'000***	(Twelve months) 01.07.2012 to 30.6.2013 *USD'000*
AUD	**59**	331
IDR	**(3,977)**	(3,769)
	(3,918)	(3,438)

31. Financial Instruments (continued)

31b. Financial risk management objectives and policies (continued)

LIQUIDITY RISK

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

The Group used bank borrowings and share placements as part of the source of funds and managing its liquidity risk. During the year ended 30 June 2013, the directors of the Company had further issued 2,041,287,000 new ordinary shares of the Company by share placement with the net proceeds of approximately USD99 million from the placement received. During the current reporting period, the Company issued 7,568,593,180 shares though rights issue at a price of HKD0.16 per rights share with the estimated net proceeds of approximately USD152 million. Details of the share placement and rights issue are set out in note 26.

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

Liquidity tables

	Weighted average effective interest rate %	On demand or less than 1 month *USD'000*	1-3 months *USD'000*	3 months to 1 year *USD'000*	More than 1 year *USD'000*	Total undiscounted cash flows *USD'000*	Carrying amount at *USD'000*
At 31 December 2013							
Non-derivative financial liabilities							
Trade and other payables	–	**17,106**	–	–	–	–	**17,106**
At 30 June 2013							
Non-derivative financial liabilities							
Trade and other payables	–	41,005	–	–	–	41,005	41,005
Borrowings	4.78	206	12,904	38,407	–	51,517	50,000
		41,211	12,904	38,407	–	92,522	91,005

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

31c. Fair value measurements of financial instruments

THE FAIR VALUE OF FINANCIAL ASSETS ARE MEASURED AT FAIR VALUE ON A RECURRING BASIS:

- the fair value of held for trading investments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices; and
- the fair value of available-for-sale investment is determined in accordance with the Hull-White term structure model, the valuation technique and key inputs are detailed in note 17.

31. Financial Instruments (continued)

31c. Fair value measurements of financial instruments (continued)

THE FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES ARE NOT MEASURED AT FAIR VALUE ON A RECURRING BASIS:

- the fair value of other financial assets and financial liabilities (excluding held for trading investments and available-for-sale investment) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

FAIR VALUE MEASUREMENTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

There is no transfer between Level 1, 2 and 3 during the period/year. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the input to the fair value measurements are observable and the significance of the inputs to the fair value measurement:

	Level 1 *USD'000*	Level 2 *USD'000*	Level 3 *USD'000*	Total *USD'000*
At 31 December 2013				
FINANCIAL ASSETS				
Listed debt securities				
(classified as available-for-sale investment)	**–**	**–**	**7,081**	**7,081**
Held for trading investments	**1,418**	**–**	**–**	**1,418**
	1,418	**–**	**7,081**	**8,499**
At 30 June 2013				
FINANCIAL ASSETS				
Listed debt securities				
(classified as available-for-sale investment)	–	–	6,738	6,738
Held for trading investments	1,898	–	–	1,898
	1,898	–	6,738	8,636

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL ASSET

	Listed debts securities (classified as available-for-sale investment) *USD'000*
At 1 July 2012	5,438
Gain recognised in other comprehensive income (Note)	1,300
At 30 June 2013	6,738
Gain recognised in other comprehensive income (Note)	343
At 31 December 2013	7,081

Note: All the above gain included in other comprehensive income for the period/year related to the debt investments held at the end of the reporting period and are reported as changes of "investment revaluation reserve".

32. Operating Leases

The Group as lessee

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

	31.12.2013	30.06.2013
	USD'000	*USD'000*
Within one year	**797**	733
In the second to fifth year inclusive	**1,134**	1,380
	1,931	2,113

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

33. Capital Commitments

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

	31.12.2013	30.06.2013
	USD'000	*USD'000*
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of property, plant and equipment	**4,352**	6,162
Capital expenditure authorised but not contracted for in respect of acquisition of property, plant and equipment	**57,302**	42,225

34. Related Party Disclosures

Key management personnel compensation

	(Six months) 01.07.2013 to 31.12.2013	(Twelve months) 01.07.2012 to 30.06.2013
	USD'000	*USD'000*
Short-term benefits	**2,489**	4,352
Share-based payments (Note)	**337**	3,020
Post-employment benefits	**5**	11
	2,831	7,383

Note: Share-based payments represent the portion of the total fair value at the grant date of share options issued under the 2004 Scheme and the Share Option Agreements which has been charged to the consolidated statement of profit or loss during the six months ended 31 December 2013 and the year ended 30 June 2013.

35. Retirement Benefits Schemes

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

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

During the six months ended 31 December 2013, the total amount contributed by the Group to the MPF Scheme charged to the consolidated statement of profit or loss was USD21,000 (the year ended 30 June 2013: USD47,000). The Group also contributed to the Indonesia State-managed Retirement Benefit Scheme operated by the Indonesian government. For the six months ended 31 December 2013, USD239,000 (the year ended 30 June 2013: USD378,000) charged to the consolidated statement of profit or loss. For the year ended 30 June 2013, USD60,000 (the six months ended 31 December 2013: nil) was capitalised as mine property and development assets (included in property, plant and equipment).

36. Statement of Financial Position of the Company

	Note	**31.12.2013** ***USD'000***	30.06.2013 *USD'000*
ASSETS			
Property, plant and equipment		**6**	6
Investments in subsidiaries		**–**	–
Other receivables		**467**	315
Amounts due from subsidiaries		**984,601**	878,151
Bank balances and cash		**85,296**	17,469
		1,070,370	895,941
LIABILITIES			
Other payables		**1,811**	613
Tax payable		**3,039**	–
Amounts due to subsidiaries		**–**	–
		4,850	613
		1,065,520	895,328
CAPITAL AND RESERVES			
Share capital		**34,150**	24,390
Reserves	a	**1,031,370**	870,938
Total equity		**1,065,520**	895,328

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

Note:

(a) Reserves

	Share premium USD'000	Capital redemption reserve USD'000	Contribution surplus USD'000	Share options reserve USD'000	Exchange reserve USD'000	Accumulated losses USD'000	Total USD'000
At 1 July 2012	773,200	212	23,618	31,588	677	(46,591)	782,704
Loss for the year	–	–	–	–	–	(12,650)	(12,650)
Exchange realignment	–	–	–	–	(107)	–	(107)
Total comprehensive expenses for the year	–	–	–	–	(107)	(12,650)	(12,757)
Issue of shares	97,379	–	–	–	–	–	97,379
Transaction costs attributable to issue of shares	(1,014)	–	–	–	–	–	(1,014)
Reversal of equity-settled share-based payment	–	–	–	(364)	–	364	–
Recognition of equity-settled share-based payment	–	–	–	4,626	–	–	4,626
At 30 June 2013 and 1 July 2013	869,565	212	23,618	35,850	570	(58,877)	870,938
Profit for the period	–	–	–	–	–	17,054	17,054
Exchange realignment	–	–	–	–	368	–	368
Total comprehensive income for the period	–	–	–	–	368	17,054	17,422
Issue of shares	146,409	–	–	–	–	–	146,409
Transaction costs attributable to issue of shares	(3,919)	–	–	–	–	–	(3,919)
Reversal of equity-settled share-based payment	–	–	–	(590)	–	590	–
Recognition of equity-settled share-based payment	–	–	–	520	–	–	520
At 31 December 2013	1,012,055	212	23,618	35,780	938	(41,233)	1,031,370

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

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

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

No reserve was available for distribution to shareholders at 31 December 2013 (30 June 2013: nil).

37. Principal Subsidiaries

General information of subsidiaries

Particulars of the principal subsidiaries at 31 December 2013 and 30 June 2013 are as follows:

Name of subsidiary	Place of incorporation/ operation	Class of shares/ equity held	Nominal value of issued and fully paid share capital/ registered capital	Proportion of ownership interest held by the Company				Proportion of voting power held by the Company				Principal activities
				Directly		Indirectly		Directly		Indirectly		
				31.12. 2013 %	30.06. 2013 %	**31.12. 2013 %**	30.06. 2013 %	**31.12. 2013 %**	30.06. 2013 %	**31.12. 2013 %**	30.06. 2013 %	
Agincourt Resources (Singapore) Pte Limited	Singapore	Ordinary	USD135,472,753	**–**	–	**100**	100	**–**	–	**100**	100	Investment holding
Giant Win Limited	Hong Kong	Ordinary	HKD1	**–**	–	**100**	100	**–**	–	**100**	100	Operating fund management
G-Resources Martabe Pty Limited	Australia	Ordinary	AUD1	**–**	–	**100**	100	**–**	–	**100**	100	Investment holding
Prime Classic Holdings Limited	British Virgin Island	Ordinary	USD1	**100**	–	**–**	–	**100**	–	**–**	–	Securities investment
PT Agincourt Resources	Indonesia	Ordinary	USD85,000,000	**–**	–	**95**	95	**–**	–	**95**	95	Exploration and mining of gold and other minerals
Winner Force Limited	Hong Kong	Ordinary	HKD1	**–**	–	**100**	100	**–**	–	**100**	100	General administration
Win Genius Investments Limited	Hong Kong	Ordinary	HKD1	**–**	–	**100**	100	**–**	–	**100**	100	Securities investment

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

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

The directors of the Company are of the option that none of the Group's subsidiaries that have non-controlling interests are material to the consolidated financial statements as a whole, therefore, the financial information in respect of those subsidiaries that have non-controlling interests are not presented.

FIVE-YEAR FINANCIAL SUMMARY

(a) Results

	(Twelve months)				(Six months)
	01.07.2009 to 30.06.2010 *USD'000*	01.07.2010 to 30.06.2011 *USD'000*	01.07.2011 to 30.06.2012 *USD'000*	01.07.2012 to 30.06.2013 *USD'000*	**01.07.2013 to 31.12.2013** ***USD'000***
Revenue					
– Continuing operations	198	–	–	258,378	**212,505**
– Discontinued operation	549	535	388	–	**–**
	747	535	388	258,378	**212,505**
(Loss)/profit before taxation	(45,288)	(21,419)	(19,244)	58,888	**52,193**
Taxation	–	22	–	(29,608)	**(13,088)**
Loss for the year/period from discontinued operation	(9)	(8)	(42)	–	**–**
(Loss)/profit for the year/period	(45,297)	(21,405)	(19,286)	29,280	**39,105**
(Loss)/profit for the year/period attributable to:					
Owners of the Company	(45,297)	(21,405)	(19,286)	26,444	**38,320**
Non-controlling interests	–	–	–	2,836	**785**
	(45,297)	(21,405)	(19,286)	29,280	**39,105**

(b) Assets and Liabilities

	30.06.2010 *USD'000*	30.06.2011 *USD'000*	30.06.2012 *USD'000*	30.06.2013 *USD'000*	**31.12.2013** ***USD'000***
Total assets	620,220	642,261	959,115	1,094,500	**1,232,780**
Total liabilities	(18,126)	(52,063)	(166,298)	(150,093)	**(95,845)**
	602,094	590,198	792,817	944,407	**1,136,935**
Equity attributable to owners of the Company	602,094	590,198	792,817	925,306	**1,117,049**
Non-controlling interests	–	–	–	19,101	**19,886**
	602,094	590,198	792,817	944,407	**1,136,935**

INVESTOR RELATIONS

Investor Communication

We are committed to maintaining a continuing dialogue with institutional investors, fund managers and analysts as a mean of developing their understanding of our strategy, the latest development of our Martabe Mine, our management and plans. Our Investor Relations Department is headed by our Vice-Chairman, Mr Owen Hegarty and Executive Director, Mr Richard Hui. We conduct regular overseas road shows, and attend most of the major mining conferences. In the road shows or mining conferences attended, there were meetings with investors where issues on different aspects of our operation and the Martabe Mine were discussed within the boundary of information already publicly disclosed. We also arranged site visits to Martabe for analysts and investors to enable them to have a more detailed understanding of our Martabe Mine. The Investor Relations Department provides regular reports to the Board on investor relations activities conducted and comments and feedbacks from investors and analysts.

The Company also publishes information on its business activities through its website, http://www.g-resources.com.

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

Investor Relations Contacts

In Hong Kong:

Ms Joanna Ip
T. +852 3610 6700

Mr Richard Hui
T. +852 3610 6700

In Melbourne, Australia:

Ms Murraya Nuzli
T. +61 3 8644 1330

Mr Owen Hegarty
T. +61 3 8644 1330

Email address: investor.relations@g-resources.net

CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr Chiu Tao, *Chairman*
Mr Owen L Hegarty, *Vice-Chairman*
Mr Peter Geoffrey Albert, *Chief Executive Officer*
Mr Ma Xiao, *Deputy Chief Executive Officer*
Mr Wah Wang Kei, Jackie
Mr Hui Richard Rui

Independent Non-Executive Directors

Mr Or Ching Fai, *Vice-Chairman*
Ms Ma Yin Fan
Mr Leung Hoi Ying

Investment and Management Committee

Mr Chiu Tao, *Chairman*
Mr Owen L Hegarty
Mr Peter Geoffrey Albert
Mr Ma Xiao
Mr Hui Richard Rui

Audit Committee

Mr Or Ching Fai, *Chairman*
Ms Ma Yin Fan
Mr Leung Hoi Ying

Remuneration Committee

Mr Or Ching Fai, *Chairman*
Ms Ma Yin Fan
Mr Leung Hoi Ying

Nomination Committee

Mr Chiu Tao, *Chairman*
Mr Or Ching Fai
Ms Ma Yin Fan

Company Secretary

Mr Wah Wang Kei, Jackie

Chief Financial Officer

Mr Arthur Ellis

Auditor

Deloitte Touche Tohmatsu

Legal Advisors

Hong Kong: Sullivan & Cromwell,
Mayer Brown JSM,
Tung & Co.
Bermuda: Appleby
Indonesia: Christian Teo & Associates

Principal Bankers

Hang Seng Bank Limited
UBS AG
Industrial and Commercial Bank of China (Asia) Limited
Sumitomo Mitsui Banking Corporation

Share Registrars

Hong Kong

Union Registrars Limited
18/F, Fook Lee Commercial Centre
Town Place, 33 Lockhart Road
Wanchai, Hong Kong

Bermuda

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Head Office and Principal Place of Business

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

Website

www.g-resources.com

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

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

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

www.g-resources.com

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