G-RESOURCES

FOCUSED ON A SUSTAINABLE FUTURE

Annual Report 2014

Corporate Philosophy

OUR COMPANY

The Martabe gold and silver mine is G-Resources Group's core asset. Martabe is located in North Sumatra, Indonesia and has a resource base of 7.4 million ounces of gold and 70 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.

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.

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

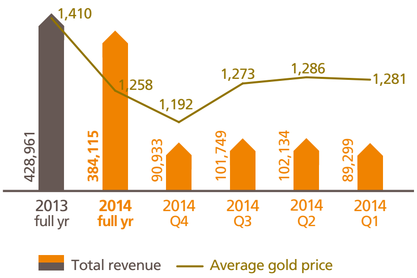
G-Resources is an Asian gold mining company listed on the Hong Kong Stock Exchange HKEx: 1051

OUR PERFORMANCE

Total Revenue

USD'000

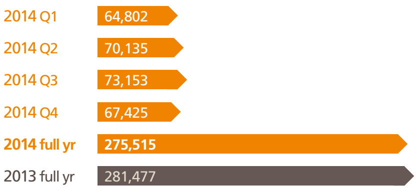
USD 384,115,000



Gold Production

Gold production (ounces)

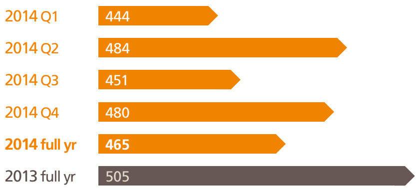
275,515 ounces



WGC – Adjusted Operating Cost

USD per ounce sold

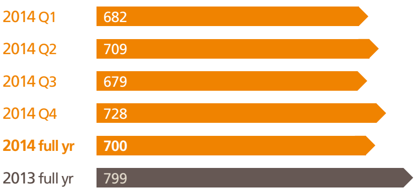
USD 465 per ounce sold



WGC – All-in Sustaining Costs

USD per ounce sold

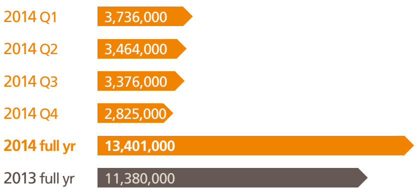
USD 700 per ounce sold



Total Tonnes Mined

Tonnes

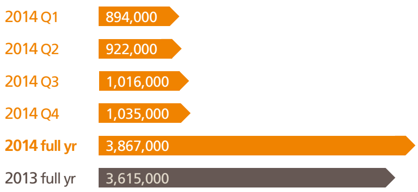
13,401,000 tonnes



Tonnes Milled

Tonnes

3,867,000 tonnes



Notes:
2013 full yr – For the period from 1 January 2013 to 31 December 2013
2014 full yr – For the period from 1 January 2014 to 31 December 2014
2014 Q1 – For the quarter ended 31 March 2014
2014 Q2 – For the quarter ended 30 June 2014
2014 Q3 – For the quarter ended 30 September 2014
2014 Q4 – For the quarter ended 31 December 2014
WGC – World Gold Council
WGC – Adjusted operating cost is prepared based on WGC Guidance Note on Non-GAAP metrics June 2013

Production forecast

250,000
ounces of gold

The production forecast for 2015 is 250,000 ounces of gold and 2.2 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.

Exploration

7.4M ounces of gold / **70M** ounces of silver

198 diamond drill holes were completed for a total of 29,748 metres of core. Depletion due to mining and processing operations in 2014 was 0.3 million ounces ("Moz") of gold and 5.3 Moz of silver.

Total Resources are now 7.4 Moz of gold and 70 Moz of silver.

Government

SUPPORT and RECOGNITION

Through 2014, 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. Of particular note was the issuance of the approval permit to build the Tailings Storage Facility to its full design height allowing life of mine storage capacity.

Community

LOCAL PROGRAMMES well received

2014 has been a year of continued consolidation for the Martabe Mine's activities and programmes within the local villages and communities.

In the last two years 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. In addition, the Company has commenced three signature projects, being the building of a large Mosque, building of a new local health centre and construction of a hanging bridge across the Batangtoru River – all of which are due for completion in 2015.

CHAIRMAN'S STATEMENT

Your company generated gold and silver sales revenue of USD384 million for the year, an EBITDA of USD219 million and a Profit After Tax of USD64 million.

Net profit

USD**64** million

EBITDA

USD**219** million

Dear shareholders,

I am delighted to be able to report G-Resources Group Limited ("G-Resources" or the "Company") very successful operating and financial results for the twelve months from 1 January 2014 to 31 December 2014. Your company generated gold and silver sales revenue of USD384 million for the year, an EBITDA of USD219 million and a Profit After Tax of USD64 million. And at the end of December, the Company had a very strong balance sheet with USD368 million being held in cash and investments, and no debt.

Production at the Martabe Mine for the full twelve months exceeded planned production with over 275,000 ounces gold produced and over 2.2 million ounces of silver. Costs for the full twelve months are well within guidance at an all-in sustaining costs ("AISC") of USD700 per ounce of gold sold.

Full credit for this continued strong performance must go to our management and staff throughout the whole Company. Your Board truly appreciates the effort contributed by our devoted teams in Indonesia to continue to meet and better operating and cost performance targets. We are also grateful for the strong support we receive from the authorities in Jakarta, in North Sumatra and from the communities nearby the Martabe Mine.

The gold price environment in 2014 deteriorated in the second half of the year, dropping from an average in the first half of USD1,291 per ounce to USD1,243 in the second half. Whilst we are a low cost producer, we are still mindful of market volatilities and must continue to look to further improve our competitive cost position. The Company has a number of projects and programmes in train aiming to achieve greater production efficiencies and better operating performance – and whilst these have certainly delivered better than planned outcomes in 2014, we will seek to continue this strong performance into 2015.

The outlook for gold in the short term remains uninspiring and most analysts are forecasting "more of the same" for 2015 and possibly beyond. The Company's cost of producing an ounce of gold is very competitive compared to our global gold mining peers. In a depressed gold price environment, it is important to be a low cost producer and our management team is totally committed in maintaining such a cost competitive position. Notwithstanding current gold price environment, we continue to have a long term positive and optimistic outlook for gold – anticipating that demand will continue to grow, especially from China and other developing markets, as standards of living and disposable incomes rise. And, on the supply side, there are just a few new mines; and moderate to large discoveries of new deposits are rare; the western Central Banks of the world have ceased supplying gold to the market as their gold holdings have hit historically low levels; and indeed the developing country Central Banks have gradually increased their gold holdings.

The low interest rate environment is likely to continue for a while and your board is conscious of looking for ways to generate a better return on the cash balance we are holding. I wish to assure shareholders that we are doing everything possible to enhance value and achieve a better rating for the Company. In December 2014, we announced an Investment Strategy whereby the Company will seek to provide a better return on the funds it has available and thereby deliver a greater return to our shareholders.

Finally, I want to thank my fellow Directors for their support and guidance during the year.

Chiu Tao
Chairman
Hong Kong, 4 March 2015

CEO'S REPORT

For the full twelve months of 2014 the performance bettered this guidance on all parameters with 275,000 ounces of gold produced, over 2.2 million ounces of silver and an AISC of USD700 per ounce gold sold.

Gold produced
275,000 ounces

Silver produced
over **2.2** million ounces

AISC
USD **700**
per ounce gold sold

Dear shareholders,

2014 was a year of continued excellent operational performance.

2014 was the Company's second full year of operations with outstanding production, costs and financial outcomes – all against a backdrop of continued weakening of gold and silver prices especially in the second half of the year. For 2014, the Company set itself the goal of maintaining a competitive cost profile, delivering consistent financial performance whilst maintaining healthy production levels close to design of 250,000 ounces of gold and 2 million ounces of silver. In January 2014, the Company provided guidance to the market of 230,000 to 250,000 ounces gold production, 2 million ounces of silver at an AISC of USD750 to USD850 per ounce of gold sold. For the full twelve months of 2014 the performance bettered this guidance on all parameters with 275,000 ounces of gold produced, over 2.2 million ounces of silver and an AISC of USD700 per ounce gold sold.

In 2013 the Company committed to the "Martabe Improvement Programme" ("MIP"), which helped to deliver the outstanding results of 2013. In 2014 the MIP transformed from a programme to ensure a sustained business, to a programme of continuous performance improvement which again significantly contributed to the 2014 outstanding results. Mining operations achieved significant efficiency improvements with the mining fleet reducing from 42 vehicles to 30 by year end and still achieving required productivity. The process plant throughput, which has always been challenged by the extremely hard ore at Martabe increased in the second half of the year to an equivalent 4.2 Mtpa from the prior 3.8 Mtpa as a consequence of a number of metallurgical and process plant initiatives. Further process plant initiatives will be implemented in 2015 in an effort to further improve the tonnage throughput and get closer to the design of 4.5 Mtpa. The temporary secondary crusher installed in Q3 2014 was found to be inadequate for the duty and did not materially contribute to the improved throughput achieved. The feasibility study for a permanent secondary crusher was deliberately postponed and will be completed in Q1 2015 with a decision on implementation to be made in Q2 2015. The issue of the provision of permanent grid power from the local power authority failing to deliver promised power remains due to a shortage of supply in North Sumatra – the Company is continuing to work with the authorities to secure grid power in the future.

Government Relations at all three levels of Government remains very positive, with the issuance of a number of ongoing and regular licences all achieved. A significant achievement in October 2014 was the securing of the licence to build the tailings storage facility to its full height for containment of life-of-mine waste material. The Government continues to indicate its intention to renegotiate some of the terms of the Contract of Work ("CoW") with all companies operating under similar licences; to date no agreement has been reached and we continue to actively engage with the Government to achieve a win-win outcome for all parties. The Company is currently working on the licence approval for the development of the Barani deposit which is anticipated to commence by the end of 2015. Likewise, Community Relations and the Social Licence continue to be in good standing with widespread support amongst the local community for the mine and recognition of the direct and indirect benefits that the Martabe operation is bringing to the community.

The commitment to the exploration programmes on the CoW and around the Martabe deposits continued in 2014, and although the efforts did not result in significant increases to Resources by the end of the year, it is anticipated that the work in 2014 will yield fruit during 2015 as many of the identified programmes are completed. Specifically Purnama continues to demonstrate increasing potential to support a longer mine life, Tor Uluala and Ramba Joring activities are both anticipated to yield additional Resources in 2015, and Barani has been extended laterally and at depth and is likely to have a revised Resource in 2015.

Financially, the Company continues to grow from strength to strength. With no bank debt and through the good operational and cost performance enhanced by the MIP, the Company has managed to continually enhance its financial position. At the end of December 2014, the Company was holding cash and investments of USD368 million as compared to USD209 million at the end of 2013.

I would like to thank all of our key stakeholders for supporting and contributing to the continued success at Martabe. Specifically the Government, the Community, the employees and contractors and the shareholders – without the support of all of these key stakeholders, Martabe could not be the successful operation that it is.

Peter Geoffrey Albert
Chief Executive Officer
Hong Kong, 4 March 2015

PROJECT OVERVIEW: MARTABE

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
Workforce	Approximately 2,500 employees and contractors at December 2014

In 2014, the mine produced more than 275,000 ounces of gold and over 2.2 million ounces of silver. For the calendar year 2015, the mine is forecasting production of 250,000 ounces of gold and 2.2 million ounces of silver.

G-Resources is a Hong Kong based and listed gold mining company. The Martabe Mine in North Sumatra, Indonesia is the Company's single mining asset, with significant further potential on the large tenement area. The mine has been in production for over two years and for both of the last two years gold production has exceeded target production by over 10%.

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 7.4 million ounces ("Moz") of gold and 70 Moz of silver. The Purnama deposit comprises of an open pit mine with a life-of-mine low strip ratio of 0.9:1, a conventional processing plant with 4.5 Mtpa capacity, a mine worker accommodation camp, haulage roads, a high voltage switchyard, an onsite workshop and warehousing, and a tailings storage facility with associated water catchment and diversion systems.

In the 2014 year of operations the mine produced more than 275,000 ounces of gold and over 2.2 Moz of silver. For the year 2015, the mine is forecasting production of 250,000 ounces of gold and 2.2 Moz of silver.

Through 2014, mine management continued to focus on the "Martabe Improvement Programme" ("MIP"), to improve ounces produced at a lower cost. The MIP, plus management's tight control over costs in the current depressed commodity price market, saw unit costs significantly decrease over already good costs achieved in 2013. In 2014, the World Gold Council ("WGC") "all-in sustaining costs" ("AISC") were USD700 per ounce sold as compared to USD799 per ounce sold in 2013.

Through the commitment of many parties – including shareholders, contractors, the local community and the various government entities – the Company has successfully accomplished more than 30 months of operations since first gold pour on 24 July 2012.

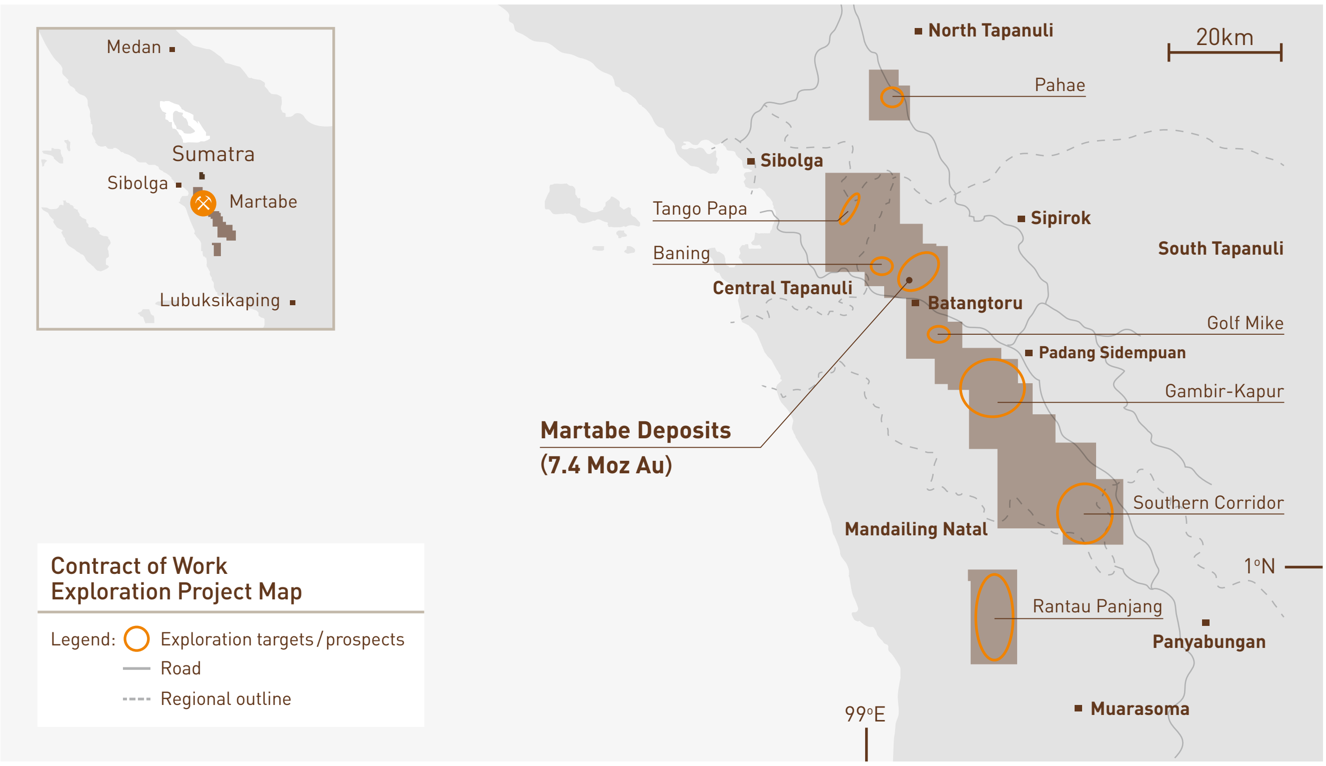


Figure 1. Martabe location, showing deposit and regional prospect locations within the CoW.

Operations

The Martabe Mine has now entered the phase of steady state operations with continuous improvement through the MIP being a core focus of mine management.

The low prices for gold and silver were sustained throughout 2014 providing no relief from the intense focus on minimising costs across the whole business. The achievements in terms of production output and cost savings have resulted in outstanding unit costs achieved for the full year, i.e. USD700 per ounce gold sold.

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 commitment to training and development activities, is the continued outstanding safety record achieved at Martabe. In the 30 months to December 2014, the mine has experienced only five Lost Time Injuries – this is an outstanding result, especially for a relatively new mine and workforce with limited experience in an industrial or mining environment.

Mining

Total ore and waste tonnes mined during the year met plan. There was a higher overall strip ratio of approximately 1.6:1 as compared to life of mine expectation for Purnama of around 0.9:1 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. A reverse circulation drill provided samples from grade control drilling for ore and grade definition. A total of 2,566,000 tonnes of ore at 1.2 g/t gold and 10.6 g/t silver was stockpiled at the end of December 2014.

Processing

In 2014, the process plant operation continued moving closer to mill design throughput. In the last 6 months of the year throughput was consistently above 4.1 Mtpa, further improvements are anticipated in 2015. Gold production at over 275,000 ounces was above forecast, assisted by good throughput as well as grade and recovery.

For the twelve months from January to December 2014, the following mill production data was achieved:

	January to December 2014
Tonnes Mined Ore	5,157,000
Tonnes Mined Waste	8,244,000
Tonnes Milled	3,867,000
Gold Head Grade, g/t	2.63
Silver Head Grade, g/t	26.1
Gold Recovery, %	82.8
Silver Recovery, %	68.9
Gold Poured, ounces	275,515
Silver Poured, ounces	2,238,076

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, the low waste to ore 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 at lower costs than planned.

At end of December 2014, the Company had USD368 million in cash and investments. Bullion sales data for the year ended 31 December 2014 was as follows:

	January to December 2014
Gold Sold Ounces	273,805
Silver Sold Ounces	2,118,152
Gold Sold Average Price, USD/ounce	1,258
Silver Sold Average Price, USD/ounce	19
Receipts from Sales, USD in millions	384

For the period January to December 2014 the WGC AISC costs were USD700/ounce gold sold.

Martabe Exploration and Mineral Resource and Reserve Statement (As at 31 December 2014)

1. Exploration Overview

The Martabe 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 2014. Significant activities included:

- 198 diamond drill holes for 29,748 metres were completed between 1 January 2014 and 31 December 2014. These drill holes mainly targeted extensions of the Purnama, Barani and Uluala Hulu Deposits
- Regional exploration continued, with mapping and surface sampling activities successful in generating new drill targets for testing in 2015

2. Resource Development Activity

The total G-Resources JORC compliant Mineral Resource at 31 December 2014 is estimated at 190 million tonnes at 1.2 g/t gold, 11 g/t silver, for contained metal of 7.4 Moz of gold and 70 Moz of silver.

The Mineral Resources are provided in Table 1 below.

Resource Development activity in the Martabe near mine district consisted of the following activity:

- Diamond drilling at the Purnama, Uluala Hulu and Barani Deposits
- Revisions of the Mineral Resource Estimates at the Uluala Hulu and Barani Deposits
- Geological mapping, surface sampling and diamond drilling at multiple prospects in the Martabe District

DIAMOND DRILLING

A total of 29,748 metres of diamond drilling for 198 holes was completed in 2014. This consisted of 100 holes at Purnama, 40 holes at Barani, 28 holes at Uluala Hulu, 12 holes at Ramba Joring and 18 holes on early stage exploration targets close to the Martabe deposit.

A total of 52 reverse circulation holes were also completed to better define the in pit resource at Purmama.

Results from this drilling were reported on 29 May and 30 October 2014. The best results include:

- 66.0m @ 1.43 g/t Au
  (from extensions to the Purnama Deposit)
- 19.0m @ 7.56 g/t Au
  (from extensions to the Purnama Deposit)
- 23.8m @ 3.80 g/t Au
  (from extensions to the Barani Deposit)
- 32.0m @ 1.24 g/t Au
  (from extensions to the Barani Deposit)
- 71.8m @ 3.30 g/t Au
  (from extensions to the Uluala Hulu deposit)
- 20.4m @ 3.00 g/t Au
  (from extensions to the Uluala Hulu deposit)

CHANGES TO MINERAL RESOURCE ESTIMATES

2014 saw updated Mineral Resource Estimates for Barani and Uluala Hulu. The Purnama Mineral Resource Estimate is modified from the previous 2013 Mineral Resource Statement by mining depletion, and by application of an updated economic model to potential refractory "sulphide" resource.

GEOLOGICAL MAPPING, SURFACE SAMPLING AND OTHER INVESTIGATIONS

Programmes of mapping and sampling continued, with both company geologists and external consultants working to locate additional targets around the Martabe mine. A number of targets have been identified which are planned for drilling in 2015.

MARTABE COW EXPLORATION ACTIVITY

Exploration continued in the Martabe CoW. This consisted of geological mapping and surface sampling at the Gambir-Kapur and Tango Papa prospects. Exploration targets included epithermal gold targets and buried copper-gold porphyry targets. Figure 1 shows the location of these prospects.

Drilling on these targets is scheduled to commence in the first half of 2015.

3. Martabe Reserve Development

The total G-Resources JORC Compliant Ore Reserve as at 31 December 2014 is 42.2 Mt at 2.0 g/t gold and 20 g/t silver for a total metal content of 2.68 Moz of gold and 27.2 Moz of silver.

The Ore Reserves estimate is provided in Table 2 below, and is reported in accordance with the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The Ore Reserves occur within 3 open pits which contain an associated 64 Mt of waste material to be mined, including mineralised waste below future economic cut-off, resulting in a waste material to economic Ore Reserves ratio of 1.6 to 1 (tonnes:tonnes).

The most notable changes from the previous public Ore Reserves statement (December 2013) for this project is depletion due to mining and processing operations, additions due to modification of the existing Purnama pit design and reduction of economic ore due to short term metal prices, resulting in a higher short term grade cut-off.

MINERAL RESOURCES TABLE AND COMPETENT PERSON STATEMENT

Table 1: Martabe Mineral Resources as at 31 December 2014

Deposit	Category	Tonnes (Mt)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Contained Metal Gold (Moz)	Contained Metal Silver (Moz)
Purnama	Measured	4.3	2.1	38	0.30	5.2
	Indicated	61	1.6	19	3.1	37
	Inferred	29	1.0	12	0.88	11
	Total	**93**	**1.4**	**18**	**4.2**	**53**
Mine stockpiles	Measured	2.5	1.1	10	0.09	0.75
	Total	**2.5**	**1.1**	**10**	**0.09**	**0.75**
Ramba Joring	Measured	–	–	–	–	–
	Indicated	34	1.0	4	1.1	4.5
	Inferred	4.6	0.8	4	0.1	0.5
	Total	**38**	**1.0**	**4**	**1.2**	**5.0**
Barani	Measured	–	–	–	–	–
	Indicated	8.0	1.4	2.1	0.36	0.55
	Inferred	0.23	0.83	1.6	0.01	0.01
	Total	**8.3**	**1.4**	**2.1**	**0.37**	**0.56**
Tor Uluala	Measured	–	–	–	–	–
	Indicated	–	–	–	–	–
	Inferred	32	0.9	8	0.9	7.8
	Total	**32**	**0.9**	**8**	**0.9**	**7.8**
Horas	Measured	–	–	–	–	–
	Indicated	–	–	–	–	–
	Inferred	16	0.8	2	0.4	0.9
	Total	**16**	**0.8**	**2**	**0.4**	**0.9**
Uluala Hulu	Measured	–	–	–	–	–
	Indicated	1.6	2.2	19	0.11	0.98
	Inferred	2.9	0.76	2.9	0.07	0.27
	Total	4.5	1.2	8.6	0.18	1.3
Combined	**Total**	**190**	**1.2**	**11**	**7.4**	**70**

Mineral Resources are inclusive of those Mineral Resources converted to Ore Reserves. The Mineral Resources have been reported in accordance with the JORC Code (Australasian Joint Ore Reserves Committee (JORC), Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code), 2012 edn, effective December 2012, 44 pp., available <http://www.jorc.org/docs/JORC_code_2012.pdf>, viewed 3 June 2014.)

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 combined gold and silver cut-off grade, where gold g/t + silver/60 g/t is greater than 0.5 for each estimated resource model block.

Note on mine depletion: This resource statement accounts for depletion due to mining operations until 31 December 2014.

Note on rounding: Figures are rounded to two significant figures. Rounding may result in apparent computational errors or differences.

Note on Barani Mineral Resource: The Barani Mineral Resource is constrained by a USD2,000/ounce Au, USD35/ounce Ag Whittle optimisation pit and further, to the area south of 166600mN due to the position of the TSF.

Note on Purnama Mineral Resource: The Purnama Mineral Resource has been depleted to the 31 December 2014 mining surface and is constrained by a USD2,000/ounce Au, USD35/ounce Ag Whittle optimisation pit.

Competent Person Compliance Statement:
The information in this report that relates to Mineral Resources is based upon information reviewed and compiled by Maree Angus who is a Member of the Australasian Institute of Mining and Metallurgy. Ms Angus is a full-time employee of AMC Consultants Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration 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 (JORC Code)". Ms Angus has consented to the inclusion in the report of the matters based on this information in the form and context in which it appears.

ORE RESERVES TABLE AND COMPETENT PERSON STATEMENT

Table 2: Martabe Ore Reserves Estimate as at 31 December 2014

Deposit	Category	Tonnes	Gold Grade	Silver Grade	Contained Metal	
					Gold	Silver
		(Mt)	(g/t Au)	(g/t Ag)	(Koz)	(Koz)
Purnama	Proved	3.5	2.4	41	270	4,700
	Probable	27.5	2.0	23	1,800	20,700
Barani	Probable	3.5	2.0	2.6	230	300
Ramba Joring	Probable	5.2	1.8	4.4	290	700
Purnama Stockpile	Proved	2.5	1.1	9.5	90	750
Total Ore Reserves	**Proved & Probable**	**42.2**	**2.0**	**20**	**2,680**	**27,200**

Estimations are rounded to the nearest 100,000 tonnes; 2 significant figures Au and Ag grade; 10,000 ounces for Au metal and 50,000 ounces for Ag metal. Errors of rounding may occur.

Ore Reserves for Purnama are estimated using a projected 2015 gold price of USD1,300/ounce and silver price of USD20/ounce.

Ore Reserves for Barani & Ramba Joring are estimated using a gold price of USD1,433/ounce and silver price of USD26.90/ounce.

Competent Person Statement:
The information in this report that relates to Ore Reserves is based upon information reviewed and compiled by Mr Julian Poniewierski, who is a Chartered Professional (Mining) and Fellow of the Australasian Institute of Mining and Metallurgy. Mr Poniewierski is a full-time employee of AMC Consultants Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration 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 (JORC Code)". Mr Poniewierski has consented to the inclusion in the report of the matters based on this information in the form and context in which it appears.

SUSTAINABILITY

Our Approach to Sustainability

From the time G-Resources acquired the Martabe Project in 2009 we have understood the importance of sustainable development to our success as a mining company. It is our goal to meet industry leading practice in the management of sustainability at the Martabe Gold Mine.

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- Discharge of excess site water to the Batangtoru River via our Water Polishing Plant took place on 212 days in 2014. We are pleased to report that this discharge remained fully compliant with Indonesian law and the conditions of the site discharge permit, with no environmental impact on downstream waters. This compliance was verified by an independent team appointed by the Governor of North Sumatra, comprising representation from local Government, local community and the University of North Sumatra.

- It is the Company's commitment that all areas disturbed by the project will be rehabilitated to a safe and productive state following mining. We are also committed to progressive rehabilitation, meaning that land is rehabilitated as it becomes available, rather than waiting for mine closure. At the close of 2014 a total of 9.6 hectares had been rehabilitated at the Martabe Gold Mine including the planting of 3,883 tree seedlings.

- The Martabe Gold Mine Biodiversity Offset Programme commenced in June 2014 with a workshop to review and rank options for biodiversity protection and enhancement projects suitable for company support. By the close of 2014, we had implemented a herbarium and had established a protocol and tools for biodiversity measurement at and around the mine site. A third project still being planned is ongoing financial support for a conservation group or agency active in the nearby Batangtoru Forest. Our intention is to provide financial support for worthy local conservation programmes over the life of the mine, commencing in early 2015.

- A total of 97 training courses were delivered at site in 2014, representing an average 38 hours of training for every PTAR employee. A key employee training and development programme for the site is the *Nationalisation Development Programme* ("NDP"). PTAR is committed to successfully implementing an NDP that in time will see an increasing number of senior roles being occupied by appropriately skilled and experienced national employees. We are pleased to report that in 2014, eight senior management roles were filled by Indonesian staff members.

- In 2014, the site experienced three significant injuries requiring time away from work (known as "Lost Time Injuries"). One employee received a twisted ankle resulting from a miss-step, and two contract drilling workers received serious finger injuries on separate occasions while working with drilling equipment. Accidents of this nature are seen as highly significant by site management. The causes of these accidents were carefully investigated and a range of corrective actions have been implemented to minimise the chance of reoccurrence. Although these injuries were disappointing, the safety performance of the site in 2014 was nevertheless very good overall. Safety performance is commonly expressed as a ratio of lost time injuries to total man-hours worked. In 2014, the Lost Time Injury Frequency Rate ("LTIFR") for the Martabe Gold Mine was 0.45 per million man-hours. This is an outstanding result for a mining operation.

- We understand that by contributing to local community needs, we can ensure that our most important stakeholders directly benefit from the operation of the Martabe Gold Mine. The Company's community development strategy is to target programmes that will meet immediate community needs and also provide for sustainable benefits well after mine closure. Based on our experience and consultation with the community, we spent USD1.65 million on community development programmes in 2014, focusing on the areas of education, community health, local business development and infrastructure. A highlight for us was support, for the third consecutive year, of a programme that provides free cataract surgery for underprivileged members of the community. This initiative, in collaboration with a local Military Command and humanitarian organisations, resulted in more than 1,150 people receiving cataract operations in 2014, with a success rate of 100%.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

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

Executive Directors

Chiu Tao, aged 59

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 67

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 vice chairman and non-executive director of Fortescue Metals Group Limited, a non-executive director of 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; Mr Hegarty is also a member of a number of Government and industry advisory groups.

Peter Geoffrey Albert, aged 56

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 more than 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 Fellow of the Australasian Institute of Mining and Metallurgy ("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 49

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 48

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 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 the in-house legal counsel of CST and 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 46

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 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 65

was appointed as a Vice-Chairman and an independent non-executive director of the Company on 22 July 2009. Dr 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. Dr 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. Dr 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 51

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, Institute of Chartered Secretaries and Administrators and Institute of Chartered Accountant in England and Wales. She is also a certified Tax Adviser in Hong Kong. Ms Ma was an independent non-executive director of China New Energy Power. Ms Ma is currently an independent non-executive director of China Strategic and CST.

Leung Hoi Ying, aged 64

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 was an independent non-executive director of China New Energy Power. Mr Leung is currently an independent non-executive director of China Strategic.

Senior Management

Arthur Ellis, aged 54

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 48

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 over 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. Mr Duffy is a member of the AusIMM.

Linda H D Siahaan, aged 53

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 47

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 year ended 31 December 2014, the Group continued to deliver strong financial results and it achieved a net profit after tax of USD64.5 million.

In December 2013, the Group announced the change of its financial year end from 30 June to 31 December with immediate effect. To comply with this change of financial year, an annual report for the six months period from 1 July 2013 to 31 December 2013 was issued.

This report and discussion for 2014 covers the year ended 31 December 2014 (full twelve months) and the comparatives used are the previous annual report for the six months ended 31 December 2013, augmented where appropriate with full twelve months operational information for the year ended 31 December 2013 to aid performance analysis.

Operational Review

A. Martabe Gold Mine

Mining and Milling statistics are as follows:

	(Twelve months) Full year 2014	(Six months) July to December 2013	(Twelve months) Full year 2013
Tonnes Mined Ore	**5,157,000**	2,213,000	3,999,000
Tonnes Mined Waste	**8,244,000**	3,079,000	7,381,000
Tonnes Milled	**3,867,000**	1,841,000	3,615,000
Gold Head Grade, g/t	**2.63**	2.89	2.76
Silver Head Grade, g/t	**26.1**	20.4	17.2
Gold Recovery, %	**82.8**	86.7	88.4
Silver Recovery, %	**68.9**	74.8	77.5
Gold Poured, ounces	**275,515**	147,632	281,477
Silver Poured, ounces	**2,238,076**	888,525	1,515,228

Mining and Processing

Martabe Gold Mine performed strongly in 2014 with total material mined of 13.4 million tonnes for the year compared with the full year 2013 of 11.4 million tonnes. Ore mined was 5.2 million tonnes and 4.0 million tonnes for the same respective twelve-month period. Ore was delivered directly to the process plant and/or to long and short term stockpiles. At the run of mine stockpiles, ore was blended according to grade, copper content and hardness, ready for delivery to the process plant crusher.

Mining activities were predominantly focused on the Purnama open-pit and proceeded according to plan. Grade control drilling continues to deliver results which were up to 10% better than the Reserve model.

The construction of the tailing storage facility ("TSF") continued in 2014 and is on schedule to complete RL330 in mid 2015. In October 2014, the Company received approval from the Government for the design of the dam to its ultimate full height of RL360, confirming life-of-mine tailings storage capacity.

The process plant has continued to perform well with 3.9 million tonnes milled as compared to the full year 2013 of 3.6 million tonnes milled. Whilst incremental improvements have been made on the mill throughput rate over the past year, the ore hardness and feed size to the milling circuit have restricted the mill to operating at an average 87% of design capacity for the year. However, for the last seven months of the year, the mill operated at over 92% of design capacity and further improvements are anticipated in 2015.

All-in Sustaining Costs

The all-in sustaining costs ("AISC") for the year ended of December 2014 was USD700 per ounce of gold sold resulting in a reduction of 1.1% from the previous six months reporting period ended 31 December 2013 of USD708 per ounce of gold sold.

	(Twelve months) Full Year 2014 *USD*	(Six months) July to December 2013 *USD*	(Twelve months) Full Year 2013 *USD*
AISC per ounce of gold sold[1]	**700**	708	799

B. Principal Investment Business

With the volatility of commodities prices and the global investment environment in 2014, the Group in late 2014 announced adopting a strategy to expand its business to include a Principal Investment Business. The goal of which is to identify investment opportunities and to invest in different industries, including mining, to provide better risk weighted return and capital value to the Group.

An Investment Management Committee ("IC") has been established with the responsibilities for this Principal Investment Business. The IC identifies, reviews and considers for approval different investment opportunities taking into account the Group's liquidity requirements, risk to capital and reasonable returns on investment with the risk taken.

During the year, the Group, as part of its treasury function and its Principal Investment Business, invested about USD90.0 million in listed and unlisted financial assets such as bonds, shares and investment funds. The Group recorded an unrealised gain of USD8.1 million and interest income of USD3.5 million from the financial assets held by the Group. As at 31 December 2014, the Group was holding approximately USD107.7 million non-cash financial assets.

Business Review and Results

Below is a summary of the financial information:

	For the year ended 31 December 2014 *USD'000*	For the six months ended 31 December 2013 *USD'000*
Revenue	**387,577**	212,505
Cost of sales	**(278,265)**	(123,592)
Gross profit	**109,312**	88,913
EBITDA	**219,356**	107,058
Profit before taxation	**86,103**	52,193
Taxation	**(21,636)**	(13,088)
Profit for the year/period	**64,467**	39,105
Gold sold (ounces)	**273,805**	149,359
Silver sold (ounces)	**2,118,152**	881,444
Average gold price achieved (USD)	**1,258**	1,299
Average silver price achieved (USD)	**18.8**	21.0
Mine site production costs	**135,942**	65,292
Staff costs	**14,348**	7,102
Refining and bullion transportation costs	**3,548**	1,590
Inventory movement	**(460)**	1,580
	153,378	75,564
Depreciation	**124,887**	48,028
Total cost of sales	**278,265**	123,592
Royalties	**2,111**	1,146
Other taxes	**4,313**	2,924

1 AISC is a non-GAAP financial performance measures and is intended to provide additional information only. It does not have any standardised definitions under HKAS and HKFRS, it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with HKAS and HKFRS. Although the World Gold Council has published a standardised definition, other companies may calculate these measures differently.

For the year ended 31 December 2014, the Group continued to deliver strong financial results and it achieved a net profit after tax of USD64.5 million (the six months ended 31 December 2013: USD39.1 million).

Revenue generated for the year ended 31 December 2014 was USD387.6 million from the sale of 273,805 ounces of gold and 2,118,152 ounces of silver at an average selling spot price of USD1,258 per ounce of gold and USD18.8 per ounce of silver. For the previous six months (the six months ended 31 December 2013), revenue 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.

The Group's gross profit margin was 28.2% with a gross profit of USD109.3 million as compared to the six months ended 31 December 2013, being 41.8% and USD88.9 million respectively. The gross profit margin decreased as compared to the previous six months reporting period ended 31 December 2013 due to various factors including lower bullion prices and higher depreciation charges.

Review of Group Financial Position

	As at 31 December 2014 ***USD'000***	As at 31 December 2013 *USD'000*
Current Assets		
Bank balances and cash	**260,750**	200,575
Held for trading investments	**29,216**	1,418
Available-for-sale investments	**39,419**	–
Inventories	**47,685**	42,980
Others	**19,433**	57,883
Non-current Assets		
Available-for-sale investments	**39,039**	7,081
Others	**862,317**	922,843
Total Assets	**1,297,859**	1,232,780
Other Liabilities	**(101,181)**	(95,845)
Net Assets	**1,196,678**	1,136,935

In late 2014, the Group issued an announcement regarding Investment Strategy and that it will allocate more resources to source for investment opportunities and enhance its return and therefore at the end of 2014 the Group had increased its investments in held for trading investments and in available-for-sale investments.

Total assets were USD1,297.9 million (31 December 2013: USD1,232.8 million) an increase of USD65.1 million as the Group invested in both non-current and current assets. Non-current assets were USD901.4 million (31 December 2013: USD929.9 million) a decrease of USD28.5 million as the Group invested USD57.2 million in property, plant and equipment, USD9.7 million in other receivables and USD37.6 million in available-for-sale investments. These increases in non-current assets were offset by amortisation and depreciation charges of USD137.0 million.

Current assets were USD396.5 million (31 December 2013: USD302.9 million) an increase of USD93.6 million mainly due to an increase in cash of USD60.2 million, the reclassification of an available-for-sale investments of USD9.3 million with maturity in May 2015 from non-current assets to current assets, an increase in held for trading investments of USD22.4 million and available-for-sale investments of USD30.0 million. These increases in current assets were offset by the decrease in value added tax ("VAT") receivable by USD44.4 million that was refunded during the current year.

Net Asset Value

As at 31 December 2014, the Group's total net assets amounted to USD1,196.7 million, representing an increase of USD59.8 million as compared to USD1,136.9 million as at 31 December 2013. The increase in net assets was mainly due to the profit for the year of USD64.5 million.

Cash Flow, Liquidity and Financial Resources

	For the year ended 31 December 2014 ***USD'000***	For the six months ended 31 December 2013 *USD'000*
CASH FLOW SUMMARY		
Net cash from Operating Activities	**197,250**	96,150
Net cash used in Investing Activities	**(136,955)**	(48,068)
Net cash (used in)/from Financing Activities	**(250)**	101,086
Net increase in cash and cash equivalents	**60,045**	149,168
Cash and cash equivalents at the beginning of the year/period	**200,575**	51,133
Effect of foreign exchange rate changes	**130**	274
Cash and cash equivalents at the end of the year/period	**260,750**	200,575

The Group's cash balance at the end of December 2014 increased by USD60.2 million to USD260.8 million (31 December 2013: USD200.6 million). The Group generated net cash inflows from operating activities for the year ended 31 December 2014 of USD197.3 million, mainly from the sale of gold and silver in the year and the receipt of a VAT refund of USD44.4 million. Cash used in investing activities was USD137.0 million as USD67.6 million was invested in available-for-sale investments, USD64.0 million for property, plant and equipment (which included USD5.3 million in near mine exploration and evaluation), USD8.0 million for regional exploration, USD1.5 million as pledged bank deposit and USD4.1 million from interest received.

The Group did not have any borrowings as at 31 December 2014 (31 December 2013: nil).

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

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

Exposure to Fluctuations in Exchange Rates and Related Hedge

The Group conducted most of its business in United States dollars ("USD"), Australian dollars ("AUD"), Indonesian Rupiah ("IDR") and Hong Kong dollars ("HKD"). The foreign currency exposure 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.

In 2014, the Group entered into foreign currency forward contracts to sell USD and purchase IDR at a fixed rate in the normal course of business in order to limit its exposure to adverse fluctuations in currency exchange rates. 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 2014 continued to be volatile and fluctuated between USD1,142 to USD1,385 per ounce of gold and USD15.28 to USD22.05 per ounce of silver. At the time of writing, spot gold and silver were off the lows in 2014 and were USD1,200 per ounce and USD16.50 per ounce respectively. Whilst the Company does not forecast or provide guidance on metal prices, a conservative approach has been taken with respect to internal budgeting.

The production guidance for calendar year 2015 is 250,000 ounces of gold and 2.2 million ounces of silver at an anticipated AISC between USD750 and USD850 per ounce of gold sold.

The Group will closely monitor costs 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.

Human Resources

As at 31 December 2014, the Group had 21 employees in Hong Kong and 747 employees in Indonesia. 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 our employees.

According to the new share option scheme adopted by the Company on 18 June 2014, share options may be granted to directors and eligible employees of the Group to subscribe for shares in the Company in accordance with the terms and conditions stipulated therein.

DIRECTORS' REPORT

The Board is pleased to present their report and the audited financial statements for the year ended 31 December 2014.

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 2014 are set out in note 34 to the financial statements.

Results and Dividend

The results of the Group for the year ended 31 December 2014 are set out in the consolidated statement of profit or loss on page 49 of the annual report.

In line with the Dividend Policy of the Company announced on 3 December 2013, the Board has proposed a final dividend of HK0.48 cents per share (2013: nil) for the financial year ended 31 December 2014, with an option to receive new fully paid shares in lieu of cash ("Scrip Dividend Scheme").

The proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company on 19 June 2015. The Scrip Dividend Scheme is conditional upon the passing of the resolution relating to the final dividend by the shareholders of the Company at the forthcoming annual general meeting to be held on Friday, 29 May 2015 ("AGM") and the granting of the listing of and permission to deal in the new shares to be issued under the Scrip Dividend Scheme by the Listing Committee of The Stock Exchange of Hong Kong Limited. On the condition that the proposed final dividend is approved by the shareholders at the AGM, a circular containing details of the Scrip Dividend Scheme and the relevant election form will be despatched to the shareholders of the Company as soon as practicable.

Closure of Register of Members

For ascertaining shareholders' right to attend and vote at the forthcoming AGM:

Closure dates of Register of Members (both days inclusive)	28 May 2015 (Thursday) to 29 May 2015 (Friday)
Latest time to lodge transfers	4:00 p.m. on 27 May 2015 (Wednesday)
Record date	29 May 2015 (Friday)
AGM	29 May 2015 (Friday)

For ascertaining shareholders' entitlement to the proposed final dividend*:

Closure date of Register of Members (both days inclusive)	17 June 2015 (Wednesday) to 19 June 2015 (Friday)
Latest time to lodge transfers	4:00 p.m. on 16 June 2015 (Tuesday)
Record date	19 June 2015 (Friday)
Proposed final dividend payment date	7 August 2015 (Friday)

** Subject to shareholders' approval at the AGM*

During the periods of the closure of Register of Members, no share transfers will be registered. For registration, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Union Registrars Limited, at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong before the relevant latest time to lodge transfers.

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 106 of the annual report.

Reserves

Details of the movements during the year in the reserves of the Group are set out in the consolidated statement of changes in equity on page 52 to the annual report.

Share Capital and Share Options

Details of movements in the Company's share capital and share options during the year are set out in notes 25 and 26 to the financial statements, respectively.

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

Directors

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

Executive Directors
Chiu Tao (Chairman)
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 Chiu Tao, Mr Ma Xiao and Dr Or Ching Fai will retire by rotation at the forthcoming annual general meeting. Each of Mr Chiu Tao, Mr Ma Xiao and Dr Or Ching Fai, being eligible, have offered themselves for re-election.

Directors' Service Contracts of the Retiring Directors

Both Mr Chiu Tao and Mr Ma Xiao have entered into a service agreement with the Company. These service agreements shall be valid unless terminated by either party by giving a three months' written notice.

The term of office of Dr Or Ching Fai is the period from the date of letter of appointment entered into between Dr Or Ching Fai and the Company up to his retirement by rotation or removal as required by the Company's Bye-laws.

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

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Directors and Executive Officers' Interests in Securities

As at 31 December 2014, 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	–	–	158,158,000	158,158,000	0.59%	
Owen L Hegarty ("Mr Hegarty")	1,402,800	245,250,600	136,128,850	382,782,250	1.44%	1
Or Ching Fai	13,998,600	–	112,970,000	126,968,600	0.47%	
Peter Geoffrey Albert ("Mr Albert")	38,501,200	–	112,970,000	151,471,200	0.57%	2
Ma Xiao	–	–	16,945,500	16,945,500	0.06%	
Wah Wang Kei, Jackie	1,780,800	–	16,945,500	18,726,300	0.07%	
Hui Richard Rui	–	–	16,945,500	16,945,500	0.06%	
Arthur Ellis	294,000	–	11,297,000	11,591,000	0.04%	

* *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.
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.

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 2014.

Share Option

Particulars of the share option scheme of the Company are set out in note 26 to the financial statements.

1. Share Option Scheme

The Company's old share option scheme adopted on 30 July 2004 ("2004 Share Option Scheme") expired on 29 July 2014. In order to continue to provide incentives and rewards to the eligible employees and participants, the Company adopted a new share option scheme pursuant to a resolution passed by the shareholders of the Company on 18 June 2014. 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 2004 Share Option Scheme during the year ended 31 December 2014:

Name or Category of participants	Date of grant	Exercisable period	*Notes*	Exercise price *HKD*	Outstanding as at 01.01.2014
(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	24,683,945
	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	30,060,406
	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	19,204,900
	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	30,501,900
	10.01.2012	10.01.2012-09.01.2017	4	0.5311	3,389,100
Total for Employees					**200,789,889**
(c) OTHERS	23.11.2009	23.11.2009-22.11.2014	1	0.4869	4,518,800
Total for Others					**4,518,800**
Total for Scheme					**1,063,315,836**

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 year	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding as at 31.12.2014	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
–	**–**	**–**	**(286,943,797)**	**571,063,350**		
–	–	–	(6,075,708)	–	0.4750	0.2288
–	–	–	(24,683,945)	–	0.5400	0.2412
–	–	–	(31,631,600)	–	0.5200	0.2289
–	–	–	–	5,648,500	0.4750	0.1929
–	–	–	–	30,060,406	0.5200	0.1814
–	–	(282,425)	–	27,282,255	0.5200	0.2021
–	–	–	–	19,204,900	0.5400	0.2174
–	–	–	–	22,029,150	0.6400	0.2474
–	–	(564,850)	–	29,937,050	0.4400	0.1426
–	–	–	–	3,389,100	0.4400	0.1287
–	**–**	**(847,275)**	**(62,391,253)**	**137,551,361**		
–	–	–	(4,518,800)	–	0.5400	0.2412
–	**–**	**–**	**(4,518,800)**	**–**		
–	**–**	**(847,275)**	**(353,853,850)**	**708,614,711**		

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 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.

2. Share Option Agreements

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

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

Name or Category of participants	Date of grant	Exercisable period	*Note*	Exercise price *HKD*	Outstanding as at 01.01.2014	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding as at 31.12.2014	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.

Valuation of Share Options

The valuation of share options is set out in note 26 to the financial statements.

Retirement Benefit Scheme

Details of the Group's retirement benefit scheme for the year ended 31 December 2014 are set out in note 32 to the financial statements.

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

Save as disclosed in the section headed "Directors and Executive Officers' Interests in Securities" disclosed above, at no time during the year was the Company or its subsidiaries or jointly controlled entity a party to any arrangement that enabled any Director or Executive 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 year.

Directors' Interests in Contracts of Significance

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

Directors' Interest in Competing Business

During the year up to the date hereof, except otherwise disclosed, 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 2014, 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 of the Company	*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	2,166,168,065 (L)	8.17%	3
Market Vectors ETF – Market Vectors Gold Miners ETF ("Market Vectors")	Beneficial owner	1,664,031,000 (L)	6.28%	4
Van Eck Associates Corporation ("Van Eck")	Investment manager	1,664,031,000 (L)	6.28%	4
The Bank of New York Mellon Corporation	Interest of a controlled corporation	1,649,437,000 (L) 1,648,783,000 (P)	6.22% 6.22%	5

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 2,166,168,065 ordinary shares of the Company.

   These interests comprised the respective direct interests held by:

	Number of shares (in Long Position)
BlackRock Institutional Trust Company, N.A.	117,698,200
BlackRock Fund Advisors	119,821,800
BlackRock (Isle of Man) Ltd	11,762,800
BlackRock Japan Co Ltd	73,998,600
BlackRock Investment Management (Australia) Limited	13,357,800
BlackRock Asset Management North Asia Limited	1,212,200
BlackRock Advisors (UK) Limited	85,608,865
BlackRock Investment Management (UK) Ltd	1,742,707,800

   BlackRock, Inc. is deemed to be interested in 2,166,168,065 shares held by various of its indirectly wholly owned subsidiaries.
4. Van Eck is an investment adviser of Market Vectors. Under Part XV of the SFO, Van Eck is deemed to have interest in the shares of the Company held by Market Vectors.
5. The Bank of New York Mellon Corporation is deemed to be interested in 1,649,437,000 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 2014.

Major Customers and Suppliers

The aggregate percentage of turnover attributable to one customer of 96% of the Group's total turnover for the year. Purchases from the five largest suppliers accounted for approximately 50% of the total purchase for the year, and purchases from the largest supplier included therein amounted to approximately 15%.

At no time during the year, 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 26 to the financial statements.

Public Float

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

Corporate Governance

The information set out in pages 38 to 47 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, Dr Or Ching Fai, Ms Ma Yin Fan, and Mr Leung Hoi Ying, with Dr Or Ching Fai being the chairman of the committee. The audited financial statements of the Company for the year ended 31 December 2014 have been reviewed by the audit committee.

Auditors

The consolidated financial statements of the Group for the year ended 31 December 2014 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, 4 March 2015

CORPORATE GOVERNANCE REPORT

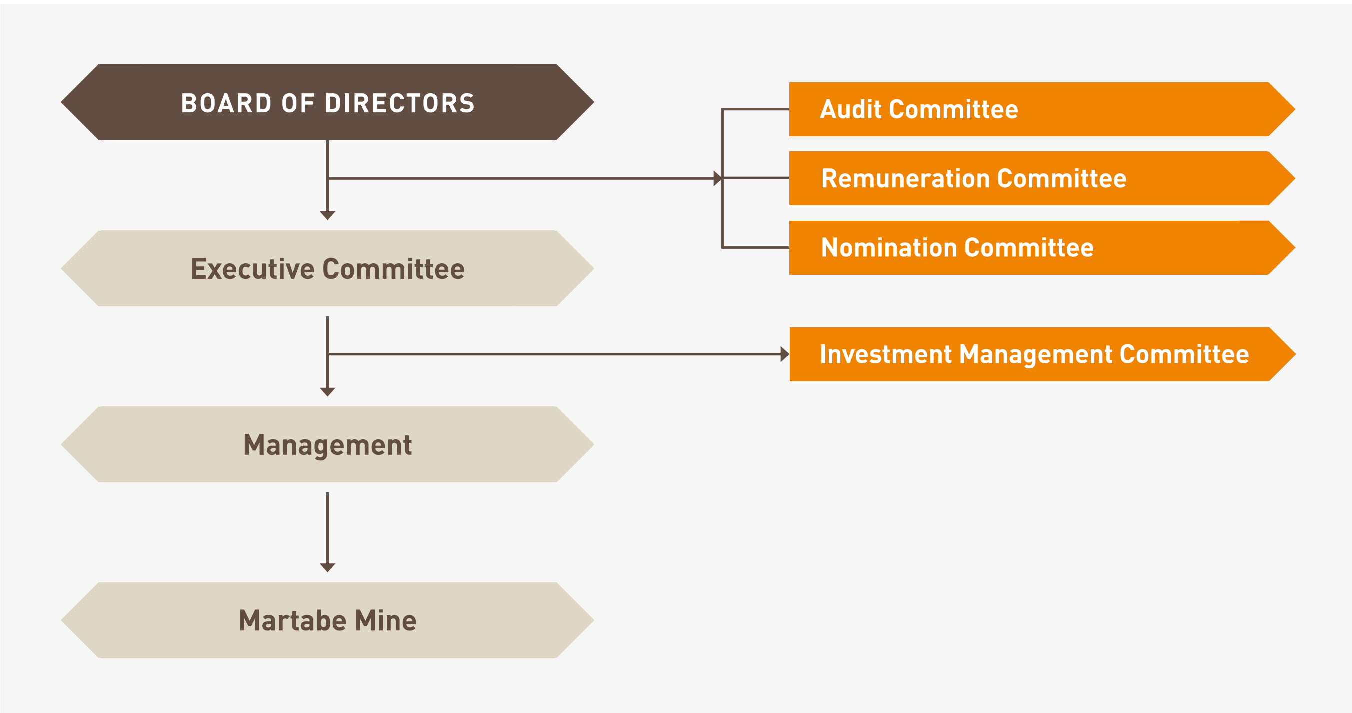
The Group is committed to maintaining a high standard of corporate governance, enhancing transparency to protect shareholders' interests, and formalising the best practices of corporate governance.

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 year ended 31 December 2014, except for the deviation as set out below:

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election. The existing independent non-executive directors do not have a specific term of appointment but are subject to retirement by rotation and re-election at the annual general meeting under the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

Organisation Chart of the Group and Various Board Committees



Board of Directors

As at 31 December 2014, the board of directors (the "Board") of the Company comprised 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 operative initiatives.

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

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 year	
• reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements	• arranged suitable training for Directors, placing an appropriate emphasis on the roles, functions and duties of a listed company director
• reviewed the terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee	• considered and commented on the annual budget and regular operation reports of the Martabe Mine
• reviewed the Company's compliance with the Code and disclosure in this Corporate Governance Report	• reviewed and approved the financial results of the Company and announcements thereof

Board Committees

Executive Committee ("EC") (formerly known as Investment and Management Committee)

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

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

Under EC, the Investment Management Committee ("IC") is established with the responsibilities for Principal Investment Business. The IC identifies, reviews and considers for approval different investment opportunities taking into account the Group's liquidity requirements, risk to capital and reasonable returns on investment with the risk taken.

Audit Committee

As at 31 December 2014, the Audit Committee comprised 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 year	
• reviewed and made recommendation for the Board's approval for the draft 2014 annual report and accounts	• meeting, discussion and reviewed 2014 annual accounting and financial reporting issues
• reviewed management letter, tax issues, compliance and salient features of 2014 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 year ended 31 December 2014
• reviewed the enhancements to the 2014 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 2014 audit	

Remuneration Committee

As at 31 December 2014, the Remuneration Committee comprised 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 year	
• reviewed and recommended the remuneration and bonus of executive directors and senior management	• reviewed and revised 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 directors and the letter of appointment with independent non-executive directors

Nomination Committee

As at 31 December 2014, the Nomination Committee comprised 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 year	
• 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	

Board Diversity

The Board has adopted a board diversity policy on 18 June 2013.

1. Vision

The Company sees diversity at Board level as an important element in maintaining a high standard of corporate governance. The Company is committed to a diverse Board, so directors from diverse backgrounds could present the Company effectively to various constituencies, and to bring previously unheard perspective into the boardroom.

2. Policy Statement

(a) The Company aspires to maintain an appropriate range and balance of skills, experience and background on the Board. In determining the optimum composition of the Board, differences in the skills, regional and industry experience, background, race, gender and other qualities of directors shall be considered. All Board appointments are made on merits, in the context of the skills and experience the Board as a whole requires to be effective, with due regard for the benefits of diversity on the Board.

(b) The Nomination Committee will review and assess Board composition and its effectiveness on an annual basis. When there is vacancy on Board, the Nomination Committee will recommend suitable candidates for appointment to the Board on merits, based on the Terms of Reference of the Nomination Committee adopted on 29 February 2012, with due regard to the Company's own circumstances.

3. Monitoring and Reporting

The Nomination Committee will report annually in the corporate governance report in the annual report, on the composition of the Board (including gender, age, length of service, education background, working experience), and monitor the implementation of the board diversity policy.

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 year ended 31 December 2014, the Company Secretary undertook 20 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 four full Board meetings during the year.

Details of Directors' attendance at the Annual General Meeting ("AGM"), Board and Board Committees' meetings held during the year ended 31 December 2014 are set out in the following table:

	Meeting Attended/Held				
Name of Directors	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee	2014 AGM[5]
EXECUTIVE DIRECTORS					
Chiu Tao[1,4]	4/4	–	–	1/1	1/1
Owen L Hegarty[1]	3/4	–	–	–	1/1
Peter Geoffrey Albert[1]	4/4	–	–	–	1/1
Ma Xiao[1]	4/4	–	–	–	0/1
Hui Richard Rui[1]	4/4	–	–	–	1/1
Wah Wang Kei, Jackie	4/4	–	–	–	1/1
INDEPENDENT NON-EXECUTIVE DIRECTORS					
Or Ching Fai[2,3,4]	3/4	2/2	1/1	1/1	1/1
Ma Yin Fan[2,3,4]	3/4	1/2	0/1	0/1	1/1
Leung Hoi Ying[2,3]	2/4	2/2	1/1	–	0/1

Notes:
1. Executive Committee members
2. Audit Committee members
3. Remuneration Committee members
4. Nomination Committee members
5. The 2014 AGM was held on 18 June 2014

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 of the Company is Mr Chiu Tao and the Chief Executive Officer of the Company is Mr Peter Geoffrey Albert. The Chairman is responsible for overseeing the function of the Board and formulating overall strategies and policies of the Company. The Chief Executive Officer, supported by other members and the senior management, is responsible for managing the Group's business, implementing major strategies, making day-to-day decisions and coordinating overall business operations.

Directors' Securities Transactions

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

Directors' Responsibility for the Financial Statements

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

Auditor's Remuneration

For the year ended 31 December 2014, 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 48 of this annual report.

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

Nature of services	**For the year ended 31 December 2014** ***USD'000***
Audit services	**219**
Non-audit services in relation to tax advisory	**3**
	222

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 legislations 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 year under review although an internal audit function was not yet set up in the internal control system of the Group.

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 year. 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 2015 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 in 2014

During the year, 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 year, the Company arranged a seminar on 12 December 2014 on compliance with legal and regulatory requirements to the Directors. The seminar covered a broad range of topics including overview of director's duties, the new Companies Ordinance and recent enforcement action by the Securities and Futures Commission ("SFC") against directors. 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 independent non-executive directors of the Company are not appointed for a specific term but they are subject to retirement by rotation at annual general meetings in accordance with the Company's Bye-laws.

Memorandum of Association and Bye-Laws

During the year ended 31 December 2014, there were no changes to the Memorandum of Association and Bye-Laws of the Company. An up to date consolidated version of the Memorandum of Association and Bye-Laws of the Company is available on the websites of the Company and the Stock Exchange.

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.

INDEPENDENT AUDITOR'S REPORT

Deloitte.
德勤

TO THE MEMBERS OF G-RESOURCES GROUP LIMITED
國際資源集團有限公司
(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 49 to 105, which comprise the consolidated statement of financial position as at 31 December 2014, 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 year then ended, 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 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
4 March 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014

	Notes	(Twelve months) 01.01.2014 to 31.12.2014 *USD'000*	(Six months) 01.07.2013 to 31.12.2013 *USD'000*
Revenue	7	**387,577**	212,505
Cost of sales		**(278,265)**	(123,592)
Gross profit		**109,312**	88,913
Other income		**2,221**	937
Administrative expenses		**(30,883)**	(23,179)
Fair value changes of held for trading investments		**5,404**	(480)
Foreign exchange gain/(loss), net		**1,811**	(10,713)
Finance cost	8	**(1,762)**	(3,285)
Profit before taxation		**86,103**	52,193
Taxation	9	**(21,636)**	(13,088)
Profit for the year/period	10	**64,467**	39,105
Profit for the year/period attributable to:			
Owners of the Company		**62,737**	38,320
Non-controlling interests		**1,730**	785
		64,467	39,105
Earnings per share			
– Basic and diluted (US cent)	13	**0.24**	0.17

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	(Twelve months) 01.01.2014 to 31.12.2014 ***USD'000***	(Six months) 01.07.2013 to 31.12.2013 *USD'000*
Profit for the year/period	**64,467**	39,105
Other comprehensive income/(expenses):		
Items that will not be reclassified subsequently to profit or loss:		
Exchange differences arising on translation	**108**	310
	108	310
Items that may be reclassified subsequently to profit or loss:		
Fair value gain/(loss) on:		
Available-for-sale investments	**2,726**	343
Hedging instruments designated in cash flow hedges	**(1,082)**	–
Reclassification upon impairment on available-for-sale investments	**626**	–
	2,270	343
Other comprehensive income for the year/period	**2,378**	653
Total comprehensive income for the year/period	**66,845**	39,758
Total comprehensive income for the year/period attributable to:		
Owners of the Company	**65,169**	38,973
Non-controlling interests	**1,676**	785
	66,845	39,758

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Notes	31.12.2014 USD'000	31.12.2013 USD'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**805,807**	885,575
Exploration and evaluation assets	15	**19,292**	11,340
Available-for-sale investments	16	**39,039**	7,081
Other receivable	17	**29,438**	19,703
Inventories	18	**7,780**	6,225
		901,356	929,924
CURRENT ASSETS			
Inventories	18	**47,685**	42,980
Other receivables	17	**17,890**	57,841
Available-for-sale investments	16	**39,419**	–
Held for trading investments	19	**29,216**	1,418
Pledged bank deposits	20	**1,543**	42
Bank balances and cash	20	**260,750**	200,575
		396,503	302,856
CURRENT LIABILITIES			
Trade and other payables	21	**28,161**	35,891
Derivative financial liabilities	22	**1,082**	–
Tax payable		**15,559**	21,691
		44,802	57,582
NET CURRENT ASSETS		**351,701**	245,274
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,253,057**	1,175,198
NON-CURRENT LIABILITIES			
Other payables	21	**3,925**	2,805
Deferred tax liabilities	23	**33,982**	21,005
Provision for mine rehabilitation cost	24	**18,472**	14,453
		56,379	38,263
		1,196,678	1,136,935
CAPITAL AND RESERVES			
Share capital	25	**34,150**	34,150
Reserves		**1,141,216**	1,082,899
Equity attributable to owners of the Company		**1,175,366**	1,117,049
Non-controlling interests		**21,312**	19,886
TOTAL EQUITY		**1,196,678**	1,136,935

The consolidated financial statements on pages 49 to 105 were approved and authorised for issue by the Board of Directors on 4 March 2015 and are signed on its behalf by:

Peter Geoffrey Albert
Director

Hui Richard Rui
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Attributable to owners of the Company											
	Share capital USD'000	Share premium USD'000	Capital redemption reserve USD'000	Contributed surplus (Note) 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 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 investments	–	–	–	–	–	–	–	343	–	343	–	343
Exchange difference arising on translation	–	–	–	–	–	–	310	–	–	310	–	310
Total comprehensive income 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
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**62,737**	**62,737**	**1,730**	**64,467**
Fair value gain/(loss) on:												
Available-for-sale investments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,726**	**–**	**2,726**	**–**	**2,726**
Hedging instruments designated in cash flow hedges (note 22)	**–**	**–**	**–**	**–**	**–**	**(1,028)**	**–**	**–**	**–**	**(1,028)**	**(54)**	**(1,082)**
Reclassified to profit or loss upon recognition of impairment of available-for-sale investments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**626**	**–**	**626**	**–**	**626**
Exchange difference arising on translation	**–**	**–**	**–**	**–**	**–**	**–**	**108**	**–**	**–**	**108**	**–**	**108**
Total comprehensive (expenses)/ income for the year	**–**	**–**	**–**	**–**	**–**	**(1,028)**	**108**	**3,352**	**62,737**	**65,169**	**1,676**	**66,845**
Vested share options lapsed/forfeited	**–**	**–**	**–**	**–**	**(13,725)**	**–**	**–**	**–**	**13,725**	**–**	**–**	**–**
Unvested share options lapsed	**–**	**–**	**–**	**–**	**(6,852)**	**–**	**–**	**–**	**–**	**(6,852)**	**–**	**(6,852)**
Dividend paid to a non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(250)**	**(250)**
At 31 December 2014	**34,150**	**1,012,055**	**212**	**11,658**	**15,203**	**(1,028)**	**1,119**	**508**	**101,489**	**1,175,366**	**21,312**	**1,196,678**

Note: The contributed surplus 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.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	(Twelve months) 01.01.2014 to 31.12.2014 USD'000	(Six months) 01.07.2013 to 31.12.2013 USD'000
OPERATING ACTIVITIES		
Profit before taxation	**86,103**	52,193
Adjustments for:		
Interest income	**(5,132)**	(937)
Amortisation and depreciation	**131,491**	51,580
Share-based payment expenses	**–**	520
Unvested share options lapsed	**(6,852)**	–
Fair value changes of held for trading investments	**(5,404)**	480
Provision/(reversal of provision) for impairment of inventories	**3,981**	(723)
Provision for impairment of available-for-sale investments	**626**	–
Finance cost	**1,762**	3,285
Operating cash flows before movements in working capital	**206,575**	106,398
Increase in inventories	**(4,780)**	(746)
Increase in other receivable (non-current portion)	**(15,311)**	(9,138)
Decrease in other receivables	**45,527**	11,248
Increase in held for trading investments	**(22,395)**	–
Increase/(decrease) in trade and other payables	**2,425**	(11,612)
Cash generated from operations	**212,041**	96,150
Income taxes paid	**(14,791)**	–
Net cash from Operating Activities	**197,250**	96,150
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(63,984)**	(47,674)
Additions of exploration and evaluation assets	**(7,952)**	(1,289)
Purchase of available-for-sale investments	**(67,583)**	–
Interest received	**4,064**	937
Increase in pledged bank deposits	**(1,500)**	(42)
Net cash used in Investing Activities	**(136,955)**	(48,068)
FINANCING ACTIVITIES		
Finance cost paid	**–**	(1,164)
Net proceeds from issue of shares	**–**	152,250
Repayments of bank borrowings	**–**	(50,000)
Dividend paid to a non-controlling shareholder	**(250)**	–
Net cash (used in)/from Financing Activities	**(250)**	101,086
Net increase in cash and cash equivalents	**60,045**	149,168
Cash and cash equivalents at beginning of the year/period	**200,575**	51,133
Effect of foreign exchange rate changes	**130**	274
Cash and cash equivalents at end of the year/period, represented by Bank Balances and Cash	**260,750**	200,575

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

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 34.

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 six months ended 31 December 2013, the reporting period end date of the Group was changed from 30 June to 31 December because the directors of the Company determined to bring the annual financial year end date of the Group in line with that of the Indonesian subsidiary. Such alignment facilitates the preparation and reporting of the Group's consolidated financial statements. Accordingly, 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 six-month period from 1 July 2013 to 31 December 2013, and therefore may not be comparable with amounts shown for the current year.

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

Adoption of new and revised HKFRSs

In the current year, 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, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

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

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

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	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[3]
HKAS 1 (Amendments)	Disclosure Initiative[3]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[3]
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions[4]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[3]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: Applying the consolidation exception[3]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle[5]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle[3]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted
2 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted
3 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted
4 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted
5 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted

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

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements of general hedge accounting. Another revised revision of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of *HKAS 39 Financial Instruments: Recognition and Measurement* are subsequently measured at 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 subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on a specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in 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.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that 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 recognition 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 of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of HKFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities, however, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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

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

HKFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including *HKAS 18 Revenue*, *HKAS 11 Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may affect the amounts reported and related disclosures. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

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 (Cap. 32).

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values at the end of each reporting period, 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.

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 during the 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.

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 in the consolidated statement of financial position 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.

4. Significant Accounting Policies (continued)

Property, plant and equipment (continued)

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.

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.

4. Significant Accounting Policies (continued)

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 of inventories 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 year/period. 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 instruments.

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 debt instrument 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 debt instrument, 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 other than those financial assets classified as at FVTPL.

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 28(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 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.

In respect of available-for-sale investment equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale investment debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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.

4. Significant Accounting Policies (continued)

Financial instruments (continued)

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS (continued)

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) 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 AND HEDGING

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.

Hedge accounting

The Group designates certain derivatives as hedges of highly probable forecast transactions for foreign currency exposure (cash flow hedges).

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of cash flow hedges reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity (cash flow hedges reserve) are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the consolidated income statement as the recognised hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

4. Significant Accounting Policies (continued)

Financial instruments (continued)

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.

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.

4. Significant Accounting Policies (continued)

Impairment losses on assets

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

When the unvested share options are lapsed at the expiry date, the amount previously recognised in share options reserve is transferred to profit or loss.

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.

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 underlying 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 RECEIVABLES)

Included in other receivable (non-current portion) of USD29,438,000 (31 December 2013: USD19,703,000) and other receivables (current portion) of USD5,495,000 (31 December 2013: USD44,377,000) 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.

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 2014, the carrying amount of mining properties, plant and equipment and construction in progress are USD591,932,000 (31 December 2013: USD539,688,000), USD199,056,000 (31 December 2013:USD221,468,000) and USD131,000 (31 December 2013: USD106,557,000) respectively.

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

Key sources of estimation uncertainty (continued)

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 2014, the carrying amount of exploration and evaluation assets is USD19,292,000 (31 December 2013: USD11,340,000).

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 2014, the balance of provision for mine rehabilitation cost was USD18,472,000 (31 December 2013: USD14,453,000).

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 28(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.

The Group has two (2013: two) operating business units which represent two operating segments, namely, principal investment business and mining business (2013: securities trading and mining business). In the current year, the Group is actively engaged in investment and securities trading. The interest income and dividend income earned from financial products is presented as segment revenue under principal investment business segment. Prior year corresponding segment information that is presented for comparative purposes has been represented to conform the changes adopted in the current year.

(a) Segment revenue and results

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

For the year ended 31 December 2014

	Principal investment business *USD'000*	Mining business *USD'000*	Total *USD'000*
Sale of gold and silver	–	384,115	384,115
Interest income from financial products	3,462	–	3,462
Segment revenue	3,462	384,115	387,577
Segment results	9,535	77,502	87,037
Unallocated corporate expenses			(1,032)
Unallocated income			98
Profit before taxation			86,103

For the six months ended 31 December 2013

	Principal investment business *USD'000*	Mining business *USD'000*	Total *USD'000*
Segment revenue – sale of gold and silver	–	212,505	212,505
Segment results	197	56,310	56,507
Unallocated corporate expenses			(4,314)
Profit before taxation			52,193

The accounting policies of the reporting segments are the same as the Group's accounting policies described in note 4. Segment results represents the profit/(loss) earned or generated by each segment without allocation of central administration costs. This is the measure reported to the executive directors of the Company for the purposes of resources allocation and assessment of segment performance.

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 2014

	Principal investment business *USD'000*	**Mining business** *USD'000*	**Total** *USD'000*
ASSETS			
Segment assets	**328,219**	**969,139**	**1,297,358**
Unallocated corporate assets			**501**
Total assets			**1,297,859**
LIABILITIES			
Segment liabilities	**3**	**99,710**	**99,713**
Unallocated corporate liabilities			**1,468**
Total liabilities			**101,181**

At 31 December 2013

	Principal investment business *USD'000*	Mining business *USD'000*	Total *USD'000*
ASSETS			
Segment assets	173,956	1,058,334	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

For the purposes of monitoring segment performances and allocation 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 year ended 31 December 2014

	Principal investment business *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)	**–**	**65,147**	**11**	**65,158**
Additions to available-for-sale investments	**67,583**	**–**	**–**	**67,583**
Additions to held for trading investments	**22,395**	**–**	**–**	**22,395**
Depreciation				
Cost of sales	**–**	**124,887**	**–**	**124,887**
Administrative expenses	**–**	**6,596**	**8**	**6,604**
Provision for impairment of inventories	**–**	**3,981**	**–**	**3,981**
Provision for impairment of available-for-sale investments	**626**	**–**	**–**	**626**
Interest income	**4,575**	**557**	**–**	**5,132**

For the six months ended 31 December 2013

	Principal investment business *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
Reversal of provision for impairment of inventories	–	(723)	–	(723)
Interest income	673	264	–	937

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

6. Segment Information (continued)

(d) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue determined based on the location of goods produced and the location of financial products and (ii) information of the non-current assets by the geographical area in which the assets are located are detailed below:

	Segment revenue		Non-current assets excluding financial instruments	
	(Twelve months) 01.01.2014 to 31.12.2014 ***USD'000***	(Six months) 01.07.2013 to 31.12.2013 *USD'000*	**31.12.2014** ***USD'000***	31.12.2013 *USD'000*
Singapore	**3,462**	–	**–**	–
Hong Kong	**–**	–	**9**	6
Indonesia	**384,115**	212,505	**832,870**	903,134
	387,577	212,505	**832,879**	903,140

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

(e) Information about major customers

For the year ended 31 December 2014 and the six months ended 31 December 2013, an individual customer contributed over 10% of the total revenue with the amount of USD372,029,000 and USD199,692,000 respectively, from the mining business segment.

7. Revenue

Revenue represents revenue arising on sale of gold and silver and interest income from financial products for the year/period.

	(Twelve months) 01.01.2014 to 31.12.2014 ***USD'000***	(Six months) 01.07.2013 to 31.12.2013 *USD'000*
Gold	**344,407**	194,041
Silver	**39,708**	18,464
Interest income from financial products	**3,462**	–
	387,577	212,505

8. Finance Cost

	(Twelve months) 01.01.2014 to 31.12.2014 USD'000	(Six months) 01.07.2013 to 31.12.2013 USD'000
Interest expense on bank borrowings wholly repayable within five years	–	924
Loan facility expenses	–	1,639
Discount unwinding on provision	1,762	722
Total borrowing costs	1,762	3,285

9. Taxation

	(Twelve months) 01.01.2014 to 31.12.2014 USD'000	(Six months) 01.07.2013 to 31.12.2013 USD'000
Current tax		
Hong Kong	–	–
Indonesia	8,659	7,860
	8,659	7,860
Deferred tax (note 23)		
Undistributed profits of subsidiary	2,036	1,737
Accelerated tax depreciation	10,941	3,491
	12,977	5,228
Taxation for the year/period	21,636	13,088

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year/period. 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 the year/period as neither the Company nor any of its subsidiaries had any assessable profits or they had sufficient tax loss to cover assessable profits in the year/period.

9. 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 USD2,036,000 (the six months ended 31 December 2013: USD1,737,000) was recognised as deferred tax expense in the current reporting period.

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

	(Twelve months) 01.01.2014 to 31.12.2014	(Six months) 01.07.2013 to 31.12.2013
	USD'000	*USD'000*
Profit before taxation	**86,103**	52,193
Tax at Indonesian Corporate Income Tax rate of 25%	**21,526**	13,048
Tax effect of expenses not deductible for tax purpose	**5,494**	1,870
Tax effect of income not taxable for tax purpose	**(8,560)**	(5,616)
Tax effect of tax losses not recognised	**1,144**	771
Utilisation of tax losses previously not recognised	**(884)**	–
Effect of different tax rates of group companies operating in other jurisdictions	**(3,379)**	(1,761)
Withholding tax on interest	**3,903**	3,039
Withholding tax on dividend	**356**	–
Deferred tax for undistributed profits of subsidiary	**2,036**	1,737
Taxation for the year/period	**21,636**	13,088

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 23.

10. Profit for the Year/Period

	(Twelve months) 01.01.2014 to 31.12.2014 *USD'000*	(Six months) 01.07.2013 to 31.12.2013 *USD'000*
Profit for the year/period has been arrived at after charging/(crediting):		
Staff costs		
– Directors' emoluments (Note 11(a))	**3,541**	2,632
– Other staff costs		
– Cost of sales	**14,348**	7,102
– Administrative expenses	**6,800**	3,003
– Contributions to retirement benefits schemes, excluding directors	**572**	256
– Share-based payment expenses, excluding directors	**–**	98
– Unvested share options lapsed	**(6,852)**	–
Total staff costs	**18,409**	13,091
Auditors' remuneration	**219**	199
Amortisation and depreciation of property, plant and equipment, included in		
– Cost of sales	**124,887**	48,028
– Administrative expenses	**6,604**	3,552
Operating lease payments in respect of office premises and warehouse	**632**	288
Provision/(Reversal for provision) for impairment of inventories	**3,981**	(723)
Provision for impairment of available-for-sale investments	**626**	–
Royalties expense	**2,111**	1,146
Other taxes	**4,313**	2,924
Interest income	**(5,132)**	(937)

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

(a) Directors' Emoluments

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

For the year ended 31 December 2014

	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	–	–	–	–	–	–	–
Owen L Hegarty	–	601	–	–	–	–	601
Peter Geoffrey Albert (Note a)	–	1,001	500	2	126	–	1,629
Ma Xiao	–	276	161	2	88	–	527
Wah Wang Kei, Jackie	–	325	54	2	–	–	381
Hui Richard Rui	–	234	39	2	–	–	275
INDEPENDENT NON-EXECUTIVE DIRECTORS:							
Or Ching Fai	90	–	–	–	–	–	90
Ma Yin Fan	19	–	–	–	–	–	19
Leung Hoi Ying	19	–	–	–	–	–	19
	128	2,437	754	8	214	–	3,541

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

(a) Directors' Emoluments (continued)

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

Note:
(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.

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 year ended 31 December 2014 and the six months ended 31 December 2013. No other director waived any emoluments in the year/period. The remuneration of directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

11. 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 six months ended 31 December 2013: three) whose emoluments are included in the disclosures above. The remaining two (the six months ended 31 December 2013: two) individuals were the senior management and the emoluments were as follows:

	(Twelve months) 01.01.2014 to 31.12.2014 ***USD'000***	(Six months) 01.07.2013 to 31.12.2013 *USD'000*
Salaries and other benefits	**1,092**	481
Retirement benefits scheme contributions	**2**	1
Share-based payment expenses	**–**	14
Discretionary bonus	**339**	316
	1,433	812

The emoluments were within the following bands:

	Number of Employees	
	(Twelve months) 01.01.2014 to 31.12.2014	(Six months) 01.07.2013 to 31.12.2013
HKD2,500,001 (USD322,398) to HKD3,000,000 (USD386,877)	**–**	1
HKD3,500,001 (USD451,357) to HKD4,000,000 (USD515,836)	**–**	1
HKD4,500,001 (USD580,316) to HKD5,000,000 (USD644,795)	**1**	–
HKD6,000,001 (USD773,754) to HKD6,500,000 (USD838,234)	**1**	–
	2	2

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

	Number of Employees	
	(Twelve months) 01.01.2014 to 31.12.2014	(Six months) 01.07.2013 to 31.12.2013
HKD1,500,001 (USD193,439) to HKD2,000,000 (USD257,918)	**1**	1
HKD2,500,001 (USD322,398) to HKD3,000,000 (USD386,877)	**–**	1
HKD3,500,001 (USD451,357) to HKD4,000,000 (USD515,836)	**1**	1
HKD4,500,001 (USD580,316) to HKD5,000,000 (USD644,795)	**1**	–
HKD6,000,001 (USD773,754) to HKD6,500,000 (USD838,234)	**1**	–
	4	3

The senior management of the Group are solely determined by the directors and the senior management for the year are Arthur Ellis, Timothy John Vincent Duffy, Linda H D Siahaan and Shawn David Crispin (the six months ended 31 December 2013: Arthur Ellis, Timothy John Vincent Duffy and Shawn David Crispin). Two (the six months ended 31 December 2013: Two) 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 year/period.

12. Dividend

The final dividend of HKD0.48 cents per share, with the amount of approximately HKD127,000,000, in respect of the year ended 31 December 2014 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting. No dividend was paid or declared during the year ended 31 December 2014, nor has any dividend been declared since the end of the reporting period (the six months ended 31 December 2013: nil).

13. 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:

	(Twelve months) 01.01.2014 to 31.12.2014 ***USD'000***	(Six months) 01.07.2013 to 31.12.2013 *USD'000*
Profit for the year/period attributable to owners of the Company, for the purposes of basic and diluted earnings per share	**62,737**	38,320

	Number of shares	
	(Twelve months) 01.01.2014 to 31.12.2014	(Six months) 01.07.2013 to 31.12.2013
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**26,490,076,130**	22,911,447,833

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share for the year/period has been adjusted for the rights issue of shares as detailed in note 25(a).

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 year ended 31 December 2014 and the six months ended 31 December 2013.

14. Property, Plant and Equipment

	Buildings *USD'000*	Plant and equipment *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 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 and 1 January 2014	16,555	255,455	618,950	106,557	265	8,286	1,090	1,007,158
Exchange realignments	–	–	(23)	–	–	–	–	(23)
Additions	–	–	18,394	38,346	–	338	128	57,206
Transfer to/(from) construction in progress	212	4,889	139,671	(144,772)	–	–	–	–
At 31 December 2014	16,767	260,344	776,992	131	265	8,624	1,218	1,064,341
ACCUMULATED DEPRECIATION								
At 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 and 1 January 2014	3,536	33,987	79,262	–	265	3,707	826	121,583
Exchange realignments	–	–	(1)	–	–	–	–	(1)
Provided for the year	1,698	27,301	105,799	–	–	1,985	169	136,952
At 31 December 2014	5,234	61,288	185,060	–	265	5,692	995	258,534
CARRYING VALUES								
At 31 December 2014	11,533	199,056	591,932	131	–	2,932	223	805,807
At 31 December 2013	13,019	221,468	539,688	106,557	–	4,579	264	885,575

14. 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 14% (the six months ended 31 December 2013: 6%).

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 of USD130,348,000 (the six months ended 31 December 2013: USD47,912,000) incurred during the year ended 31 December 2014 were capitalised as inventories of which USD124,887,000 (the six months ended 31 December 2013: USD48,028,000) were subsequently charged to profit or loss as cost of sales during the year.

15. Exploration and Evaluation Assets

	USD'000
At 1 July 2013	10,051
Additions	1,289
At 31 December 2013 and 1 January 2014	11,340
Additions	7,952
At 31 December 2014	19,292

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 year/period in mining areas where the existence of economically recoverable reserves could not be reasonably assessed.

16. Available-For-Sale Investments

	31.12.2014 **USD'000**	31.12.2013 USD'000
Listed debt securities, at fair value		
Senior Notes Due 2015 (Note a)	**9,300**	7,081
Senior Notes Due 2021 (Note b)	**31,608**	–
Unlisted securities		
Managed investment funds (Note c)	**37,550**	–
	78,458	7,081
Less: Available-for-sale investments classified as non-current assets	**(39,039)**	(7,081)
Available-for-sale investments classified as current assets	**39,419**	–

Notes:

(a) The balance 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 using the discounted cash flow model and the Hull-White term structure model that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). During the year ended 31 December 2014, an increase in fair value of USD2,219,000 (the six months ended 31 December 2013: USD343,000) was recognised in the investment revaluation reserve. During the year ended 31 December 2014, prior to the maturity, the issuer of the Senior Note Due 2015 offered repurchase of Senior Note Due 2015, it was accepted by the Group and was confirmed by the issuer. The cumulative loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss and an impairment loss amounting to USD626,000 (the six months ended 31 December 2013: nil) was recognised in the profit or loss.

The fair value of the Senior Notes Due 2015 as at 31 December 2014 and 31 December 2013 are determined using the discounted cash flow model and the Hull-White term structure model with the following assumptions:

	31.12.2014	31.12.2013
Discount rate	**41.02%**	48.16%
Time to maturity	**0.38 year**	1.38 years
Mean reverting rate	**0.01735**	0.01905
Volatility	**0.01155**	0.01192

16. Available-For-Sale Investments (continued)

Notes: (continued)

(b) During the year, the Group acquired senior notes with principal amount of USD30,000,000 issued by a company with its shares listed on the Hong Kong Stock Exchange with maturity date of 22 January 2021 (the "Senior Notes Due 2021"). These notes are listed on the Singapore Exchange Securities Trading Limited, carry interest at a fixed rate of 8.125% per annum, payable semi-annually in arrears on 22 January and 22 July of each year, commencing on 22 July 2014.

The Senior Notes Due 2021 may be redeemed anytime under certain conditions before the maturity date in the following circumstances:

(1) At any time and from time to time prior to 22 January 2017, the Senior Notes Due 2021 issuer may redeem up to 35% of the aggregate principal amount of the Senior Notes Due 2021 at a redemption price equal to 108.125% of the principal amount of the Senior Notes Due 2021 redeemed, plus accrued and unpaid interest, if any, to the redemption date, provided that at least 65% of the aggregate principal amount of the Senior Notes Due 2021 originally issued on the original issue date remains outstanding after the redemption takes place within 60 days;

(2) At any time prior to 22 January 2018, the Senior Notes Due 2021 issuer may at its option redeem the Senior Notes Due 2021, in whole or in part, at a redemption price equal to 100% of the principal amount of the Senior Notes Due 2021 redeemed, plus the make-whole premium as of, and accrued and unpaid interest, if any, to the redemption date;

(3) At any time on or after 22 January 2018, the Senior Notes Due 2021 issuer may redeem the Senior Notes Due 2021, 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 2021 redeemed, to the redemption date, if redeemed during the 12-month period commencing on 22 January of any year set forth below:

Period	Redemption Price
2018	104.063%
2019	102.031%
2020 and thereafter	100%

The Senior Notes Due 2021 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 using the discounted cash flow model and the Hull-White term structure model that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). During the year ended 31 December 2014, an increase in fair value of USD540,000 was recognised in the investment revaluation reserve.

The fair value of the Senior Notes Due 2021 as at 31 December 2014 is determined using the discounted cash flow model and the Hull-White term structure model with the following assumptions:

	31.12.2014
Discount rate	**6.136-7.948%**
Time to maturity	**6.066 years**
Spread	**7.308%**
Floating rate	**0.363%**

(c) The amount represents two unlisted investments funds which are managed by financial institutions investing real estate properties and financial products respectively. The financial products include straight bonds, convertible bonds, REITs, business trusts and derivatives. The fair value of the real estate properties is determined by the market transaction prices of similar properties of the relevant locations. The underlying financial products are valued at quoted market prices in the open market or observable prices of comparable investments, or measured using valuation techniques in which significant input is based on observable market data. During the year ended 31 December 2014, a decrease in fair value of USD33,000 is charged to the other comprehensive income.

17. Other Receivables

	31.12.2014 USD'000	31.12.2013 USD'000
Other receivables, net of allowance (Note a)	**47,328**	77,544
Less: Other receivable classified as non-current assets (Note a)	**(29,438)**	(19,703)
Other receivables classified as current assets (Note c)	**17,890**	57,841

Notes:

(a) As at 31 December 2014, USD29,438,000 (31 December 2013: USD19,703,000) and USD5,495,000 (31 December 2013: USD44,377,000) of VAT paid by an Indonesian subsidiary of the Group, were classified as other receivables under 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 2014, USD5,495,000 (31 December 2013: USD44,377,000) was classified as current portion as the Indonesian subsidiary received the refund in February 2015 (31 December 2013: March 2014).

(b) There are no trade receivables as at 31 December 2014 and 31 December 2013. The Group allows a credit period of less than a week for its trade customers.

(c) An amount of USD3,875,000 (31 December 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.

18. Inventories

	31.12.2014 USD'000	31.12.2013 USD'000
Raw materials	**23,243**	22,903
Stockpiles	**9,241**	7,443
Work in progress	**22,981**	18,859
	55,465	49,205
Less: inventories classified as non-current assets		
Stockpiles	**(7,780)**	(6,225)
Inventories classified as current assets	**47,685**	42,980

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

19. Held for Trading Investments

	31.12.2014 USD'000	31.12.2013 USD'000
Equity securities listed in Hong Kong, at fair value	**29,216**	1,418

All held for trading investments are Hong Kong listed equity instruments 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 and quoted market bid price as at the end of the respective reporting periods.

20. Pledged Bank Deposits and Bank Balances and Cash

As at 31 December 2014, there was approximately USD43,000 (31 December 2013: USD42,000) pledged to a bank to secure the cutting tree permit granted to a subsidiary and USD1,500,000 (31 December 2013: nil) pledged to a bank for banking facility. The pledged deposits carry no interest for the year ended 31 December 2014 and the six months ended 31 December 2013.

Bank balances carry interest at market rates which range from 0.001% to 10% (the year ended 31 December 2013: 0.001% to 6.5%) per annum.

21. Trade and Other Payables

	31.12.2014 USD'000	31.12.2013 USD'000
Trade payables (Note a)	**1,826**	3,423
Other payables (Note b)	**30,260**	35,273
Trade and other payables	**32,086**	38,696
Less: Other payables classified as non-current liabilities	**(3,925)**	(2,805)
Trade and other payables classified as current liabilities	**28,161**	35,891

Notes:

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

	31.12.2014 USD'000	31.12.2013 USD'000
0-60 days	**1,299**	3,268
61-90 days	**71**	97
> 90 days	**456**	58
	1,826	3,423

(b) Included in other payables are USD19,177,000 and USD9,588,000 (31 December 2013: USD21,783,000 and USD11,638,000) 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.

22. Derivative Financial Liabilities

On 12 May 2014, the Group had entered into 13 foreign currency forward contracts with one of the local banks in Jakarta for a monthly purchase of Indonesia Rupiah ("IDR") for a notional amount of IDR18,030,000,000 (equivalent to USD1,500,000) at a rate of USD1 to IDR12,020 each month for the period from August 2014 to August 2015.

On 12 June 2014, the Group had entered into another 13 foreign exchange forward contracts with a bank for a monthly purchase of IDR for a notional amount of IDR18,367,500,000 (equivalent to USD1,500,000) at a rate of USD1 to IDR12,245 each month for the period from August 2014 to August 2015.

As at 31 December 2014, 16 foreign currency forward contracts remain outstanding and the terms of all the foreign currency forward contracts have been negotiated to match the expectation of the IDR payments. 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.

During the current year, a fair value loss of USD975,000 (the six month ended 31 December 2013: nil) had been recognised foreign currency forward contracts under cash flow hedge, in which a fair value loss of USD1,082,000 (the six month ended 31 December 2013: nil) was in other comprehensive income and accumulated in the cash flow hedges reserve and is expected to be reclassified to profit or loss when the payment is expected to occur in next coming twelve months after the end of the reporting period. The remaining fair value gain of USD107,000 (the six month ended 31 December 2013: nil) related to those foreign currency forward contracts settled during the year was transferred to foreign exchange gain.

23. Deferred Tax Liabilities

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

	Undistributed profits of subsidiary *USD'000*	Accelerated tax depreciation *USD'000*	Total *USD'000*
At 1 July 2013	5,143	10,634	15,777
Charged to profit or loss	1,737	3,491	5,228
At 31 December 2013 and 1 January 2014	6,880	14,125	21,005
Charged to profit or loss	2,036	10,941	12,977
At 31 December 2014	8,916	25,066	33,982

At the end of the reporting period, the Group has unused tax losses of USD77,278,000 (31 December 2013: USD75,698,000) available for offset against future profits. 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.

24. 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 2013	12,170
Additions	1,561
Unwinding of discount	722
At 31 December 2013 and 1 January 2014	14,453
Additions	2,257
Unwinding of discount	1,762
At 31 December 2014	18,472

Provision for mine rehabilitation cost of USD2,257,000 (the six months ended 31 December 2013: USD1,561,000) was capitalised as part of mining properties (included in property, plant and equipment) during the year ended 31 December 2014.

25. Share Capital

	Number of shares	Value *USD'000*
Authorised:		
Ordinary shares of HKD0.01 each		
At 1 July 2013, 31 December 2013 and 31 December 2014	60,000,000,000	76,923
Issued and fully paid:		
Ordinary shares of HKD0.01 each		
At 1 July 2013	18,921,482,950	24,390
Issue of shares (Note a)	7,568,593,180	9,760
At 31 December 2013 and 31 December 2014	26,490,076,130	34,150

Note:

(a) 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 year ended 31 December 2014 and the six months ended 31 December 2013 rank pari passu with the then existing ordinary shares in all respects.

26. 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 was expired on 29 July 2014. Under the 2004 Scheme, the Board of Directors of the Company might grant options to eligible employees, including executive directors of the Company or its subsidiaries, to subscribe for shares in the Company. The Company adopted a new share option scheme pursuant to a resolution passed by shareholders on 18 June 2014 (the "2014 Scheme") for the purpose of providing incentives or rewards to directors, employees, customers, suppliers, providers of research, development or technical support, shareholders and holders of securities of the Group and its invested entities, in which the Group holds not less than 10% equity interest ("Eligible Participants"). Under the 2014 Scheme, the Board of Directors may grant options to Eligible Participants 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 and 2014 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 2014 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 and 2014 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 2014, the number of shares of the Company in respect of which options had remained outstanding under the 2004 Scheme of the Company was 708,614,711 (31 December 2013: 1,063,315,836), representing 2.7% (31 December 2013: 4.0%) of the shares of the Company in issue at that date.

No option was granted during the year ended 31 December 2014 and the six months ended 31 December 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.

26. 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 5) HKD	Notes	Outstanding at 01. 07. 2013	Granted during the period	Exercised during the period	Adjustment during the period (Note 5)	Forfeited during the period	Outstanding at 01. 01. 2014	Granted during the year	Exercised during the year	Lapsed during the year	Forfeited during the year	Outstanding at 31. 12. 2014
Directors	20.10.2009	20.10.2009-19.10.2014	0.48	0.4249	1	11,862,171	–	–	1,538,523	–	13,400,694	–	–	(13,400,694)	–	–
	23.11.2009	23.11.2009-22.11.2014	0.55	0.4869	1	242,137,829	–	–	31,405,274	–	273,543,103	–	–	(273,543,103)	–	–
	01.12.2010	01.12.2010-30.11.2015	0.70	0.6196	2	405,500,000	–	–	52,593,350	–	458,093,350	–	–	–	–	458,093,350
	03.03.2011	03.03.2011-02.03.2016	0.70	0.6196	2	100,000,000	–	–	12,970,000	–	112,970,000	–	–	–	–	112,970,000
Employees	20.10.2009	20.10.2009-19.10.2014	0.48	0.4249	1	5,378,161	–	–	697,547	–	6,075,708	–	–	(6,075,708)	–	–
	23.11.2009	23.11.2009-22.11.2014	0.55	0.4869	1	22,850,000	–	–	2,963,645	(1,129,700)	24,683,945	–	–	(24,683,945)	–	–
	04.12.2009	04.12.2009-03.12.2014	0.55	0.4869	1	28,000,000	–	–	3,631,600	–	31,631,600	–	–	(31,631,600)	–	–
	13.05.2010	13.05.2010-12.05.2015	0.55	0.4869	1	5,000,000	–	–	648,500	–	5,648,500	–	–	–	–	5,648,500
	01.12.2010	01.12.2010-30.11.2015	0.70	0.6196	2	27,109,194	–	–	3,516,062	(564,850)	30,060,406	–	–	–	–	30,060,406
	01.12.2010	01.12.2010-30.11.2015	0.60	0.5311	2	24,400,000	–	–	3,164,680	–	27,564,680	–	–	–	(282,425)	27,282,255
	02.03.2011	02.03.2011-01.03.2016	0.70	0.6196	2	27,000,000	–	–	3,501,900	(11,297,000)	19,204,900	–	–	–	–	19,204,900
	08.07.2011	08.07.2011-07.07.2016	0.77	0.6816	3	19,500,000	–	–	2,529,150	–	22,029,150	–	–	–	–	22,029,150
	03.01.2012	03.01.2012-02.01.2017	0.60	0.5311	4	38,500,000	–	–	3,923,425	(11,921,525)	30,501,900	–	–	–	(564,850)	29,937,050
	10.01.2012	10.01.2012-09.01.2017	0.60	0.5311	4	3,500,000	–	–	389,100	(500,000)	3,389,100	–	–	–	–	3,389,100
Others	23.11.2009	23.11.2009-22.11.2014	0.55	0.4869	1	4,000,000	–	–	518,800	–	4,518,800	–	–	(4,518,800)	–	–
	01.12.2010	01.12.2010-30.11.2015	0.60	0.5311	2	3,000,000	–	–	389,100	(3,389,100)	–	–	–	–	–	–
						967,737,355	–	–	124,380,656	(28,802,175)	1,063,315,836	–	–	(353,853,850)	(847,275)	708,614,711
Exercisable at the end of the period/year						699,200,665					943,481,719					700,239,744
Weighted average exercise price (HKD)						0.64	–	–	–	0.57	0.57	–	–	0.48	0.53	0.61

26. 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%, 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.

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 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.

5. The Company has made adjustments to the outstanding share options upon the completion of the rights issue which was announced on 28 August 2013 and completed on 7 October 2013 as detailed in note 25(a).

26. 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	Note	Outstanding at 01.07.2013	Granted during the period	Exercised during the period	Adjustment during the period (Note 2)	Outstanding at 01.01.2014	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31.12.2014
Directors	15.07.2009	24.07.2009-23.07.2014	0.3850	0.3408	1	403,362,100	–	–	52,316,064	455,678,164	–	–	(455,678,164)	–
Employees	15.07.2009	03.08.2009-02.08.2014	0.4025	0.3563	1	26,890,806	–	–	3,487,737	30,378,543	–	–	(30,378,543)	–
						430,252,906	–	–	55,803,801	486,056,707	–	–	(486,056,707)	–
Exercisable at the end of the period/year						286,835,270				324,037,805				–
Weighted average exercise price (HKD)						0.3861	–	–	–	0.3418	–	–	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 upon the completion of the rights issue which was announced on 28 August 2013 and completed on 7 October 2013 as detailed in note 25(a).

No share option was granted for the year ended 31 December 2014 and the six months ended 31 December 2013. During the year ended 31 December 2014, the Group transferred from share option reserve to profit and loss and retained profits amounting to USD6,852,000 and USD13,725,000 upon vested share options lapsed/forfeited and unvested share options lapsed respectively. For the six months ended 31 December 2013, the Group recognised the share-based expenses of USD520,000 in relation to these share options.

26. 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 right issue as detailed in note 25(a)*

26. 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 right issue as detailed in note 25(a)*

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.

27. 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 equity attributable to owners of the Company, comprising issued share capital, reserves and 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.

28. Financial Instruments

28a. Categories of financial instruments

	31.12.2014 *USD'000*	31.12.2013 *USD'000*
FINANCIAL ASSETS		
Financial assets classified as loans and receivables (including cash and cash equivalents)	**305,410**	273,410
Available-for-sale financial assets	**78,458**	7,081
Held for trading investments	**29,216**	1,418
FINANCIAL LIABILITIES		
Amortised cost	**5,064**	17,106
Derivative financial liabilities	**1,082**	–

28b. Financial risk management objectives and policies

The Group's major financial instruments include held for trading investments, other receivables, available-for-sale investments, pledged bank deposits, bank balances and cash, trade and other payables and derivative financial liabilities. 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 balance, fair value interest risk in relation to fixed-rate investment in Senior Notes Due 2015 and Senior Notes Due 2021.

The interest income is derived from the Group's current and fixed deposits that carry interest at the respective banking deposit rate of the banks located in Hong Kong and Indonesia. The Group's bank deposits (set out in note 20) carried at prevailing market rates.

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.

28. Financial Instruments (continued)

28b. Financial risk management objectives and policies (continued)

MARKET RISK (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to fair value for the investments in fixed-rate Senior Notes Due 2015 and Senior Notes Due 2021 as at 31 December 2014. If the interest rate used to assess the fair value had been 2% (31 December 2013: 2%) higher/lower and all other variables were held constant, the Group's investment revaluation reserve as at 31 December 2014 would decrease by USD2,581,000 (31 December 2013: USD120,000) /increase by USD1,807,000 (31 December 2013: USD124,000).

The sensitivity analyses below have been determined based on the exposure to interest rates for bank balances. The analysis is prepared assuming the financial instruments outstanding at the end of the period were outstanding for the whole year. A 50 basis points (31 December 2013: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (31 December 2013: 50 basis points) higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2014 would increase/decrease by USD1,304,000 (31 December 2013: increase/decrease by USD1,003,000). This is mainly attributable to the Group's exposure to interest rates on its bank balances.

(ii) Other price risk – Investments in equity instruments

The Group is exposed to equity price risk through the Group's held for trading investments and managed investment funds. 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 and quoted market bid price. The fair value of unlisted managed investment funds for the real estate properties is determined by the market transaction prices of similar properties of the relevant locations and for the underlying financial products are valued at quoted market prices in the open market or observable prices of comparable investments, or measured using valuation techniques in which significant input is based on observable market data.

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% (31 December 2013: 10%) higher/lower:

- the Group's post-tax profit for the year ended 31 December 2014 would increase/decrease by USD2,440,000 (the six months ended 31 December 2013: USD118,000) as a result of the changes in fair value of held for trading investments and the Group's investment revaluation reserve as at 31 December 2014 would be increase/decrease by USD3,755,000 (the six months ended 31 December 2013: nil) as a result of the changes in fair value of managed investment funds.

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 USD148,837,000 (31 December 2013: USD95,246,000), which represents approximately 57% (31 December 2013: 47%) of the Group's total bank balances and cash, and investments in the Senior Notes Due 2015 of USD9,300,000 (31 December 2013: USD7,081,000) issued by a single counterparty and Senior Notes Due 2021 of USD31,608,000 (31 December 2013: nil) issued by another single counterparty. Management considered the credit risk on such balances held at financial institutions and the counterparties are limited because the financial institutions are with good reputation and the single counterparties which have its shares listed on the Hong Kong Stock Exchange is in good financial position.

28. Financial Instruments (continued)

28b. 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:

	31.12.2014	31.12.2013
	USD'000	*USD'000*
ASSETS		
AUD	**153**	96
IDR	**40,069**	68,197
LIABILITIES		
AUD	**426**	935
IDR	**3,128**	11,377

As at 31 December 2014, the Group used foreign currency forward contracts to eliminate certain of the currency exposures.

The Group had entered into foreign currency forward contracts with one of the local banks in Jakarta and a global financial institution for monthly purchases of notional amounts of IDR18,030,000,000 (equivalent to USD1,500,000) and IDR18,367,500,000 (equivalent to USD1,500,000), respectively, each month for the period from August 2014 to August 2015. As at 31 December 2014, 16 foreign currency forward contracts remain outstanding and the terms of all the foreign currency forward contracts have been negotiated to match the expectation of certain of the IDR payments.

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 six months ended 31 December 2013: 7%) increase and decrease in the USD against the foreign currencies. 7% (the six months ended 31 December 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 2014, a positive/(negative) number indicates and increase/decrease in profit before taxation for the year/period where the USD strengthens against the relevant foreign currencies. For a 7% (the six months ended 31 December 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	
	(Twelve months) 01.01.2014 to 31.12.2014	(Six months) 01.07.2013 to 31.12.2013
	USD'000	*USD'000*
AUD	**19**	59
IDR	**(2,586)**	(3,977)
	(2,567)	(3,918)

28. Financial Instruments (continued)

28b. 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.

During the period ended 31 December 2013, the Company issued 7,568,593,180 shares through rights issue at a price of HKD0.16 per rights share with the estimated net proceeds of approximately USD152 million. Details of the rights issue are set out in note 25(a).

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

	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 2014						
Non-derivative financial liabilities						
Trade and other payables	**5,064**	**–**	**–**	**–**	**5,064**	**5,064**
Derivative financial liabilities						
Foreign exchange forward contracts						
– inflow	(1,449)	(2,898)	(7,246)	–	(11,593)	(11,107)
– outflow	1,524	3,047	7,618	–	12,189	12,189
	75	149	372	–	596	1,082
At 31 December 2013						
Non-derivative financial liabilities						
Trade and other payables	17,106	–	–	–	17,106	17,106

28c. 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;
- the fair value of listed debt securities in available-for-sale investments is determined in accordance with the discounted cash flow model and Hull-White term structure model, the valuation technique and key inputs are detailed in note 16; and
- the fair value of unlisted managed investment funds in available-for-sale investments is determined in accordance with the market value provided by the countparty financial institutions.

28. Financial Instruments (continued)

28c. 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 investments) 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 year/period. 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 2014				
FINANCIAL ASSETS				
Listed debt securities (classified as available-for-sale investments) (Note a)	**–**	**–**	**40,908**	**40,908**
Unlisted investment funds (classified as available-for-sale investments) (Note b)	**–**	**37,550**	**–**	**37,550**
Held for trading investments (Note c)	**29,216**	**–**	**–**	**29,216**
	29,216	**37,550**	**40,908**	**107,674**
FINANCIAL LIABILITIES				
Derivative financial liabilities (Note d)	**–**	**1,082**	**–**	**1,082**
At 31 December 2013				
FINANCIAL ASSETS	–	–	7,081	7,081
Listed debt securities (classified as available-for-sale investments) (Note a)	1,418	–	–	1,418
Held for trading investments (Note c)	1,418	–	7,081	8,499

Notes:

(a) The fair value of listed debt securities classified as available-for-sale investments is determined in accordance with the Hull-White term structure model. The key inputs include those can be observed in the market in addition to unobservable inputs such as company specific financial information. The fair value of the available-for-sale investments is measured with the assumptions including discount rate, time to maturity, mean reverting rate and volatility. The lower the discount rate or shorter the time to maturity, the higher the fair value.

(b) the fair value of unlisted managed investment funds in available-for-sale investments is provided by the countparty financial institutions which is determined in accordance with the market value.

(c) 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.

(d) The fair value of derivative financial liabilities, representing foreign currency forward contracts, are determined in accordance with discounted cash flow. Future cash flows are estimated based on forward exchanges rates (from observable forward exchanges rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.

28. Financial Instruments (continued)

28c. Fair value measurements of financial instruments (continued)

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL ASSET

	Listed debts securities (classified as available-for-sale investments) *USD'000*
At 1 July 2013	6,738
Gain recognised in other comprehensive income (Note)	343
At 31 December 2013	7,081
Purchases	30,000
Gain recognised in	
– profit or loss	1,661
– other comprehensive income (Note)	2,166
At 31 December 2014	40,908

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

29. 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:

	31.12.2014 ***USD'000***	31.12.2013 *USD'000*
Within one year	**656**	797
In the second to fifth year inclusive	**521**	1,134
	1,177	1,931

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.

30. Capital Commitments

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

	31.12.2014 USD'000	31.12.2013 USD'000
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of property, plant and equipment	796	4,352
Capital expenditure authorised but not contracted for in respect of acquisition of property, plant and equipment	64,423	57,302

31. Related Party Disclosures

Key management personnel compensation

	(Twelve months) 01.01.2014 to 31.12.2014 USD'000	(Six months) 01.07.2013 to 31.12.2013 USD'000
Short-term benefits	4,015	2,489
Share-based payments (Note)	–	337
Post-employment benefits	10	5
	4,025	2,831

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 was charged to the consolidated statement of profit or loss during the six months ended 31 December 2013 (the year ended 31 December 2014: nil).

32. 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 year ended 31 December 2014, the total amount contributed by the Group to the MPF Scheme charged to the consolidated statement of profit or loss was USD45,000 (the six months ended 31 December 2013: USD21,000). The Group also contributed to the Indonesia State-managed Retirement Benefit Scheme operated by the Indonesian government. For the year ended 31 December 2014, USD535,000 (the six months ended 31 December 2013: USD239,000) charged to the consolidated statement of profit or loss.

33. Statement of Financial Position of the Company

	Note	**31.12.2014** **_USD'000_**	31.12.2013 _USD'000_
ASSETS			
Property, plant and equipment		**4**	6
Investments in subsidiaries		**–**	–
Other receivables		**479**	467
Amounts due from subsidiaries		**979,931**	984,601
Pledged bank deposit		**1,500**	–
Bank balances and cash		**113,429**	85,296
		1,095,343	1,070,370
LIABILITIES			
Other payables		**1,469**	1,811
Tax payable		**–**	3,039
		1,469	4,850
		1,093,874	1,065,520
CAPITAL AND RESERVES			
Share capital		**34,150**	34,150
Reserves	a	**1,059,724**	1,031,370
Total equity		**1,093,874**	1,065,520

33. 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)/ Retained earnings USD'000	Total *USD'000*
At 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 and 1 January 2014	1,012,055	212	23,618	35,780	938	(41,233)	1,031,370
Profit for the year	–	–	–	–	–	35,459	35,459
Exchange realignment	–	–	–	–	(253)	–	(253)
Total comprehensive income for the year	–	–	–	–	(253)	35,459	35,206
Vested share options lapsed/forfeited	–	–	–	(13,725)	–	13,725	–
Unvested share options lapsed	–	–	–	(6,852)	–	–	(6,852)
At 31 December 2014	1,012,055	212	23,618	15,203	685	7,951	1,059,724

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.

The reserve available for distribution to shareholders at 31 December 2014 is USD31,569,000 (31 December 2013: nil).

34. Principal Subsidiaries

General information of subsidiaries

Particulars of the principal subsidiaries at 31 December 2014 and 31 December 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. 2014 %	31.12. 2013 %	**31.12. 2014 %**	31.12. 2013 %	**31.12. 2014 %**	31.12. 2013 %	**31.12. 2014 %**	31.12. 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	**–**	–	**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 year/period.

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) 01.07.2010 to 30.06.2011 USD'000	(Twelve months) 01.07.2011 to 30.06.2012 USD'000	(Twelve months) 01.07.2012 to 30.06.2013 USD'000	(Six months) 01.07.2013 to 31.12.2013 USD'000	**(Twelve months) 01.01.2014 to 31.12.2014 USD'000**
Revenue					
– Continuing operations	–	–	258,378	212,505	**387,577**
– Discontinued operation	535	388	–	–	**–**
	535	388	258,378	212,505	**387,577**
(Loss)/profit before taxation	(21,419)	(19,244)	58,888	52,193	**86,103**
Taxation	22	–	(29,608)	(13,088)	**(21,636)**
Loss for the year/period from discontinued operation	(8)	(42)	–	–	**–**
(Loss)/profit for the year/period	(21,405)	(19,286)	29,280	39,105	**64,467**
(Loss)/profit for the year/period attributable to:					
Owners of the Company	(21,405)	(19,286)	26,444	38,320	**62,737**
Non-controlling interests	–	–	2,836	785	**1,730**
	(21,405)	(19,286)	29,280	39,105	**64,467**

(b) Assets and Liabilities

	30.06.2011 USD'000	30.06.2012 USD'000	30.06.2013 USD'000	31.12.2013 USD'000	**31.12.2014 USD'000**
Total assets	642,261	959,115	1,094,500	1,232,780	**1,297,859**
Total liabilities	(52,063)	(166,298)	(150,093)	(95,845)	**(101,181)**
	590,198	792,817	944,407	1,136,935	**1,196,678**
Equity attributable to owners of the Company	590,198	792,817	925,306	1,117,049	**1,175,366**
Non-controlling interests	–	–	19,101	19,886	**21,312**
	590,198	792,817	944,407	1,136,935	**1,196,678**

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

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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

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

Executive Committee

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

Audit Committee

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

Remuneration Committee

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

Nomination Committee

Mr Chiu Tao, *Chairman*
Dr 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
Industrial and Commercial Bank of China (Asia) Limited
Sumitomo Mitsui Banking Corporation

Share Registrars

Hong Kong

Union Registrars Limited
A18/F., Asia Orient Tower
Town Place, 33 Lockhart Road
Wanchai, Hong Kong

Bermuda

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Registered Office

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Hamilton HM 12
Bermuda

Head Office and Principal Place of Business

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