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G-Resources Group Limited
國際資源集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1051)

FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 December 2014

HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2014

- **Revenue was USD387.6 million (Full Year 2013: USD429.0 million)**
- **EBITDA was USD219.4 million (Full Year 2013: USD221.2 million)**
- **Net profit was USD64.5 million (Full Year 2013: USD76.4 million)**
- **Production from the Martabe Mine was 275,515 ounces of gold and 2,238,076 ounces of silver (Full Year 2013: 281,477 ounces of gold and 1,515,228 ounces of silver)**
- **AISC (all-in sustaining costs) was USD700 per ounce sold (Full Year 2013: USD799 per ounce sold)**
- **Proposed a final dividend of HK0.48 cents per share (being over 25% of Group Net Profit), and the dividend will be payable in cash with a scrip dividend alternative**

FINANCIAL SUMMARY

	1.1.2014 to 31.12.2014 USD'000	1.1.2013 to 31.12.2013 USD'000 (Unaudited)
Revenue	**387,577**	428,961
EBITDA	**219,356**	221,179
Profit before taxation	**86,103**	118,495
Profit for the year	**64,467**	76,375
Gold Sold (ounces)	**273,805**	280,363
Silver Sold (ounces)	**2,118,152**	1,464,079

CHAIRMAN'S STATEMENT

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.

G-Resources Group Limited
Chiu Tao
Chairman

Hong Kong, 4 March 2015

CEO'S REPORT

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 programme, 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.

G-Resources Group Limited
Peter Geoffrey Albert
Chief Executive Officer

Hong Kong, 4 March 2015

GROUP RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

The Board of Directors (the "Board") of G-Resources Group Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014 together with the comparative figures for the six months ended 31 December 2013.

Consolidated Statement of Profit or Loss

For the year ended 31 December 2014

	NOTES	**(Twelve months) 1.1.2014 to 31.12.2014 USD'000**	(Six months) 1.7.2013 to 31.12.2013 USD'000
Revenue	*5*	**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		**(1,762)**	(3,285)
Profit before taxation		**86,103**	52,193
Taxation	*6*	**(21,636)**	(13,088)
Profit for the year/period	*7*	**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)	*8*	**0.24**	0.17

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2014

	(Twelve months)	(Six months)
	1.1.2014 to	1.7.2013 to
	31.12.2014	31.12.2013
	USD’000	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	*9*	**805,807**	885,575
Exploration and evaluation assets	*10*	**19,292**	11,340
Available-for-sale investments	*11*	**39,039**	7,081
Other receivable	*12*	**29,438**	19,703
Inventories		**7,780**	6,225
		901,356	929,924
CURRENT ASSETS			
Inventories		**47,685**	42,980
Other receivables	*12*	**17,890**	57,841
Available-for-sale investments	*11*	**39,419**	-
Held for trading investments	*13*	**29,216**	1,418
Pledged bank deposits		**1,543**	42
Bank balances and cash		**260,750**	200,575
		396,503	302,856
CURRENT LIABILITIES			
Trade and other payables	*14*	**28,161**	35,891
Derivative financial liabilities		**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	*14*	**3,925**	2,805
Deferred tax liabilities		**33,982**	21,005
Provision for mine rehabilitation cost		**18,472**	14,453
		56,379	38,263
		1,196,678	1,136,935

Consolidated Statement of Financial Position (continued)

At 31 December 2014

	NOTES	**31.12.2014**	31.12.2013
		USD'000	USD'000
CAPITAL AND RESERVES			
Share capital	*15*	**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

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	(Twelve months) 1.1.2014 to 31.12.2014 USD'000	(Six months) 1.7.2013 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

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2014

	(Twelve months) 1.1.2014 to 31.12.2014 USD'000	(Six months) 1.7.2013 to 31.12.2013 USD'000
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. 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.

2. 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.

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

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.

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.

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, 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.

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.

4. 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 to 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

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.

(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 allocating resources between segments:

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

(c) Other segment information

For the year ended 31 December 2014

Amounts included in the measure of segment profit or loss or segment assets:	Principal investment business USD'000	Mining business USD'000	Unallocated USD'000	Total USD'000
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

Amounts included in the measure of segment profit or loss or segment assets:	Principal investment business USD'000	Mining business USD'000	Unallocated USD'000	Total USD'000
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).

(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) 1.1.2014 to 31.12.2014 USD'000	(Six months) 1.7.2013 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.

5. Revenue

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

	(Twelve months) 1.1.2014 to 31.12.2014 USD'000	(Six months) 1.7.2013 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

6. Taxation

	(Twelve months) 1.1.2014 to 31.12.2014 USD'000	(Six months) 1.7.2013 to 31.12.2013 USD'000
Current tax		
Hong Kong	**-**	-
Indonesia	**8,659**	7,860
	8,659	7,860
Deferred tax		
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.

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) 1.1.2014 to 31.12.2014 USD'000	(Six months) 1.7.2013 to 31.12.2013 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.

7. Profit for the Year/Period

	(Twelve months) 1.1.2014 to 31.12.2014 USD'000	(Six months) 1.7.2013 to 31.12.2013 USD'000
Profit for the year/period has been arrived at after charging/(crediting):		
Staff costs		
– Directors' emoluments	**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)

8. 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) 1.1.2014 to 31.12.2014 USD'000	(Six months) 1.7.2013 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) 1.1.2014 to 31.12.2014	(Six months) 1.7.2013 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 15(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.

9. 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

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.

10. 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.

11. Available-For-Sale Investments

	31.12.2014	31.12.2013
	USD'000	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

(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 investment funds 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.

12. Other Receivables

	31.12.2014	31.12.2013
	USD'000	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: 44,377,000) 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.

13. Held for Trading Investments

	31.12.2014	31.12.2013
	USD'000	USD'000
Equity instruments 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.

14. Trade and Other Payables

	31.12.2014	31.12.2013
	USD'000	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	31.12.2013
	USD'000	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.

15. 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.

16. Capital Commitments

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

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

DIVIDENDS

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 Monday, 8 June 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)	5 June 2015 (Friday) to 8 June 2015 (Monday)
Latest time to lodge transfers	4:00 p.m. on 4 June 2015 (Thursday)
Record date	8 June 2015 (Monday)
AGM	8 June 2015 (Monday)

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

<u>All-in Sustaining Costs</u>

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)	(Six Months)	(Twelve Months)
	Full Year	July to December	Full Year
	2014	2013	2013
	USD	USD	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 consider 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.

[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.*

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

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 charge 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

CASH FLOW SUMMARY

	For the year ended 31 December 2014 USD'000	For the six months ended 31 December 2013 USD'000
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 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 programs 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.

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.

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year ended 31 December 2014, and they all confirmed that they had fully complied with the required standard set out in the Model Code.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and complied with the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 of the Listing Rules 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.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company comprises of Dr. Or Ching Fai, Ms. Ma Yin Fan and Mr. Leung Hoi Ying. All of them are independent non-executive directors. The audited consolidated financial statements of the Group for the year ended 31 December 2014 have been reviewed by the audit committee.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my appreciation to the continuous support of our shareholders and dedication of all our staff over the past year.

By Order of the Board
G-Resources Group Limited
Chiu Tao
Chairman

Hong Kong, 4 March 2015

As at the date of this announcement, the Board comprises:

(i) Mr. Chiu Tao, Mr. Owen L Hegarty, Mr. Peter Geoffrey Albert, Mr. Ma Xiao, Mr. Wah Wang Kei, Jackie and Mr. Hui Richard Rui as executive directors of the Company; and

(ii) Dr. Or Ching Fai, Ms. Ma Yin Fan and Mr. Leung Hoi Ying as independent non-executive directors of the Company.

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* *For identification purpose only*