

# A SOLID FOUNDATION

## Interim Financial Report 2015

For the six months ended 30 June 2015  
*(Incorporated in Bermuda with limited liability)*

Stock Code: 1051

**G-RESOURCES  
IS A COMPANY  
LISTED ON  
THE HONG KONG  
STOCK EXCHANGE  
FOCUSING ON  
PRINCIPAL  
INVESTMENT  
BUSINESS,  
MINING AND  
MONEY LENDING  
(HKEX: 1051).**

## **OUR COMPANY**

G-Resources has adopted a diversifying business strategy. Its line of businesses includes principal investment business, mining and money lending.

The Martabe gold and silver mine is G-Resources Group's core mining 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.

## **OVERVIEW**

- 2-3 Our Performance
- 4-5 Chairman and Acting Chief Executive Officer's Statement
- 6-9 Biographical Details of Directors and Senior Management

## **MANAGEMENT DISCUSSION AND ANALYSIS**

- 10-15 Management Discussion and Analysis

## **PROJECT OVERVIEW: MARTABE**

- 16-18 Exploration, Resource and Reserve Development Activities

## **FINANCIAL STATEMENTS**

- 19 Report on Review of Condensed Consolidated Financial Statements
- 20 Group Results
- 20 Condensed Consolidated Statement of Profit or Loss

- 21 Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 22 Condensed Consolidated Statement of Financial Position
- 23 Condensed Consolidated Statement of Changes in Equity
- 24 Condensed Consolidated Statement of Cash Flows
- 25-37 Notes to the Condensed Consolidated Financial Statements

## **STATUTORY DISCLOSURE**

- 38 Interim Dividend
- 38-43 Statutory Disclosure

## **CORPORATE INFORMATION**

- 44 Corporate Information



**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**

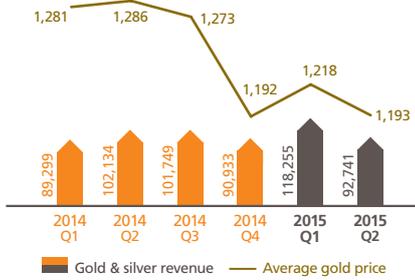
openness, honesty and  
good governance

**GREAT VALUES**

# OUR PERFORMANCE

## Gold & Silver Revenue

USD'000



## Gold Production

Gold production (ounces)



## WGC – All-in Sustaining Costs

USD per ounce sold



## Tonnes Mined

Tonnes



## Tonnes Milled

Tonnes



**Notes:**

- 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
- 2015 Q1 – For the quarter ended 31 March 2015
- 2015 Q2 – For the quarter ended 30 June 2015
- WGC – World Gold Council

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## Production Forecast

**285,000**  
ounces of gold

The production forecast for 2015 is 285,000 ounces of gold and 2.3 million ounces ("Moz") of silver.

The World Gold Council all-in sustaining costs are estimated to be between USD600/ounce and USD700/ounce for the full year. Again, demonstrating the robustness and highly competitive position of the Martabe Mine against global peers.

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## Exploration

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

60 diamond drill holes were completed for a total of 11,271 metres of core.

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

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## Government

**SUPPORT and  
RECOGNITION**

In the first half of 2015, 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.

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## Community

**LOCAL  
PROGRAMMES  
well received**

The Company's social license is a key component of the Company's business success strategy. Harmonious relationships with local stakeholders continue to be achieved through positive communication strategies and the successful implementation of community development programmes in the key areas of health, education, local business development, infrastructure improvement and culture preservation. A new hospital clinic, as one of the three signature projects, was handed over to the local government in June 2015. A mosque was advanced to 90% of its construction. A bridge over the Batangtoru River was 70% completed. All corporate social responsibility programmes have been conducted in accordance with world standard sustainable development principles, with active engagement of the local community as the beneficiaries and in synergy with relevant government agencies.

## CHAIRMAN AND ACTING CHIEF EXECUTIVE OFFICER'S STATEMENT

Operating performance at the Martabe gold and silver mine for the first six months of 2015 was excellent. 156,316 ounces of gold and 1,288,553 ounces of silver were produced and this was significantly ahead of budget.

### Dear Shareholders,

The first six months of calendar 2015 saw continued operating and financial success for G-Resources. The Company generated gold and silver revenue of some USD211.0 million, an EBITDA of USD130.3 million and a Profit After Tax of USD39.1 million. At the end of June 2015, the Company had a very strong balance sheet with USD461.0 million held in cash and investments and no debt. In March 2015, the Company announced its first dividend of HK0.48 cents per share based on the full 2014 financial results.

Operating performance at the Martabe gold and silver mine for the first six months of 2015 was excellent. 156,316 ounces of gold and 1,288,553 ounces of silver were produced and this was significantly ahead of budget. During the period, production guidance for the full 2015 year was increased to 285,000 ounces of gold and 2,300,000 ounces of silver.

Safety performance continued to be outstanding with a LTIFR of 0.31; which compares very favourably with our world peers. Safety, security and general wellbeing of our employees and contractors is a priority for the Company. It is also very pleasing to note that, International Mining Industry Underwriters Limited ("IMIU"), in their recent underwriting report to insurers has classified Martabe Mine as Low risk category in their Insurability Matrix. The IMIU Insurability Matrix classifies mines into High risk, Moderate risk and Low risk after combining percentage of risk reduction adopted and IMIU risk exposure number.

Costs of production were very much under control and contained. The Martabe mine is very cost competitive by world standards due to its good scale, relatively high grades, open pit setting and access to nearby infrastructure in North Sumatra. All-in-Sustaining Costs ("AISC"), according to the World Gold Council standards, were a very low USD520/ounce of gold sold for the six months period.

The management team has continued to deliver on cost reduction via the Martabe Improvement Programme – a site wide programme with multiple ongoing individual projects aimed at increasing volumes and reducing costs and continuing to improve Martabe's already excellent world competitive position.

Capital expenditure for the six months was USD22.2 million – and this was mainly continuing to raise the Tailings Storage Facility ("TSF"). Over time, the TSF annual capital spend is likely to lessen as the TSF wall is raised enabling greater volumes of tailings to be stored per extra metre of wall height.

Expenditure on exploration in and around the Purnama Pit and other nearby orebodies and in the region was USD3.1 million for the six months: this was under budget. Some excellent results from exploration drilling were achieved which continues to provide confidence that Resources and Reserves will continue to increase and further extend the life of the Martabe Mine well into the future. At the end of June, six drill rigs were deployed in and around the existing deposits and on the 1,639 km<sup>2</sup> Contract of Work exploration area – targeting further gold and silver plus gold/copper discoveries.

The Company has a strong record of attaining and sustaining its “social licence” with the nearby communities and regional Governments. At Martabe, the Company maintains an active suite of programmes partnering with the communities on health and hygiene, training and education, agricultural advancement, environmental protection, infrastructure development, religious and cultural advancement and local business enterprise encouragement. G-Resources is proud of its achievements in this area and in May this year, published its first stand-alone Annual Sustainability Report.

During these past six years, we are indeed fortunate to have developed internal organisational strength with Mr Xiao Ma as Deputy CEO of the Company, Mr Tim Duffy as President Director of PTAR, the Indonesian operating subsidiary, and Ms Linda Siahaan, Deputy President Director of PTAR. This senior team plus the Indonesian operating and administration teams will continue to manage and drive the Company's superb operating performance at the Martabe Mine.

This strong operating and financial performance in these six months has been against the backdrop of weakening gold and silver prices. Gold averaged USD1,207/oz for the first six months of 2015 versus USD1,284/oz for the comparable period in 2014. At the end of July 2015, it continued its downtrend to under USD1,100/oz.

The Board has been very focused on what we can control to find opportunities to generate returns to our shareholders. Besides the volatile gold price, there are many uncertainties in global economics, whether the United States, Europe, China, or the developing countries. In light of the recent market environment, the Board sees the necessity to broaden the revenue base of the Group and has adopted a diversifying strategy.

In the last six months, we have invested approximately USD76.6 million in our Principal Investment Business. We have also commenced a Money Lending Business through our wholly-owned subsidiary, Global Access Development Limited (“Global Access”). Global Access is a licensed money lender in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

We have seen some preliminary achievements in our new businesses and will continue to execute our diversifying strategy diligently.

Finally, on behalf of the Board of Directors, I would like to thank our employees and contractors for their contribution to the Company's excellent performance in the first half of 2015. And of course, we want to thank our shareholders for their continuing support for the Company.

I also wish to take this opportunity to thank our outgoing Chief Executive Officer, Mr Peter Geoffrey Albert, for his various contribution in the past few years and wish him all the best in his future endeavors.

**Chiu Tao**

*Chairman and Acting Chief Executive Officer*

Hong Kong, 18 August 2015

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT



(From left)  
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 was also appointed as acting Chief Executive Officer of the Company on 30 June 2015. 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 the 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 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.

**Ma Xiao, aged 50**

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 47**

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 the 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. 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; non-executive director and Deputy Chairman of Aquis Entertainment Limited (whose share are listed on ASX).

**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 the 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 49**

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. From 26 June 2015, Mr Duffy was appointed as President Director and Managing Director of PTAR. Mr Duffy is a Certified Practising 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, commercial and operations 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' Deputy 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.

**Ed Cooney, aged 37**

joined the Company in January 2013 as Deputy General Manager Operations. He was appointed as the General Manager Operations on 1 July 2015 and is responsible for the full Martabe operation. Mr Cooney is a mining engineer with some 17 years industry experience, including technical, operational and management roles Australia and Indonesia. He has experience in gold, silver/lead/zinc, copper and coal and open cut and underground mining operations. Prior to joining the Company, Mr Cooney was Manager Mining at BHP Billiton's Cannington Mine in Queensland, Australia. He is a member of the AusIMM.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operational Review

#### A. Martabe Gold Mine

Mining and Milling statistics are as follows:

	For the six months ended	
	30 June 2015	30 June 2014
Tonnes Mined Ore	<b>2,202,000</b>	2,948,000
Tonnes Mined Waste	<b>4,275,000</b>	4,252,000
Tonnes Milled	<b>2,056,000</b>	1,816,000
Gold Head Grade, g/t	<b>2.89</b>	2.76
Silver Head Grade, g/t	<b>29.2</b>	25.7
Gold Recovery, %	<b>82.5</b>	83.3
Silver Recovery, %	<b>66.5</b>	69.8
Gold Poured, ounces	<b>156,316</b>	134,937
Silver Poured, ounces	<b>1,288,553</b>	1,046,535

#### Mining

The mining team continues to perform very well. For cost control purposes and alignment of materials mined with tonnes milled, there was a reduction in the mining fleet in the current six months period ended 30 June 2015. Therefore, there was a decrease of total material mined of 6.5 million tonnes as compared to the corresponding period in 2014 of 7.2 million tonnes. With an improvement in the efficiency of the mining fleet, there was approximately 16% increase in materials mined than budget. The majority of the additional materials, being waste, were used to complete the TSF buttress supporting an ultimate RL360 crest elevation and ensuring a profile with an improved factor of safety on the western side. The crest of the TSF will be completed to RL330 by year end on target for tails containment and the rate of rise.

Ore mined was on budget matching the process throughput and maintaining the ROM stockpiles. Actual ore mined was 2.2 million tonnes (2014: 2.9 million tonnes).

The pit has progressed with an even profile from north to south, the elevations being RL380m to RL410m respectively, including a new central water management sump and extensions of the main northern. A new southern haulage was constructed to enable pit access from either end.

Ore delivery direct to the crusher has increased from 30% to in excess of 50% reducing stockpile rehandling costs, and placing a greater emphasis on in-pit blending for smoothing of grade and hardness.

At 30 June 2015, the stockpiles for ROM were 122,000 tonnes and remote combined low grade and mineralised waste were 2,556,000 tonnes. The reconciliation of ore mined/milled to ore reserve remains positive for the six months period ended 30 June 2015, and supports the current reserve upgrade drilling program with RC infill in high variability zones for a greater data density.

#### Processing

The process plant continued to improve for the first six months of 2015 with 2.1 million tonnes milled (2014: 1.8 million tonnes) at an average throughput rate of 525 tonnes per hour. Improvements to SAG mill operating strategy has enabled the mill to operate in cascade mode within some boundary conditions. A supervisory control system will be installed by the last quarter of 2015 that will provide further optimisation to milling performance. Treatment of the "Very Hard" ore component of the pit remains an issue and a hindrance to

achieving name-plate throughput rates. The Maintenance department continue to identify and re-design areas of high wear to further improve mill availability.

The last half of 2014 saw higher cyanide soluble copper values in the ore that presented initial issues with a high cyanide consumption and a lower precious metal recovery. During 2015, the copper level continued to increase and strategies were put in place to mitigate the impact.

A Geology-Mining-Processing collaboration was established with the objective of better identifying and communicating the existence of high copper zones, put in blending strategies and report back on actual mill performance. A cyanide dosing philosophy was also established during the first quarter of 2015 utilising existing equipment. This provides early recognition of high cyanide consumers and automatically adjusts cyanide addition. The first six months of 2015 have been subjected to high copper but managed to maintain at or above recovery predictions while optimising cyanide consumption.

## 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 period, the Group, as part of its Principal Investment Business, invested about USD76.6 million in listed and unlisted financial assets such as shares, bonds, other security investments and managed investment funds. The Group recorded realised and unrealised gain of USD3.7 million and interest income of USD2.6 million from the financial assets held by the Group. As at 30 June 2015, the Group was holding approximately USD172.6 million non-cash financial assets.

	<b>30 June 2015</b>	31 December 2014
	<i>USD'000</i>	<i>USD'000</i>
Listed shares	<b>30,527</b>	29,216
Listed bonds	<b>55,366</b>	40,908
Unlisted managed investment funds	<b>47,104</b>	37,550
Unlisted other security investments	<b>39,554</b>	–
<b>Total</b>	<b>172,551</b>	107,674

## C. Money Lending Business

During the period, a Group’s wholly-owned subsidiary received a money lending license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). As at 30 June 2015, the fixed-rate loans receivable was USD6.5 million.

## Business Review and Results

Below is a summary of the financial information:

	For the six months ended	
	30 June 2015 USD'000	30 June 2014 USD'000
<b>PROFIT OR LOSS</b>		
Revenue	<b>213,689</b>	191,433
Cost of sales	<b>(137,190)</b>	(134,248)
Gross profit	<b>76,499</b>	57,185
EBITDA	<b>130,257</b>	112,507
Profit before taxation	<b>57,581</b>	48,401
Taxation	<b>(18,435)</b>	(14,144)
Profit for the period	<b>39,146</b>	34,257
Gold sold (ounces)	<b>156,946</b>	135,665
Silver sold (ounces)	<b>1,308,951</b>	879,643
Average gold price achieved (USD)	<b>1,207</b>	1,284
Average silver price achieved (USD)	<b>16.4</b>	19.7
Mine site production costs	<b>57,610</b>	66,618
Staff costs	<b>6,425</b>	7,318
Refining and bullion transportation costs	<b>1,992</b>	1,677
Inventory movement	<b>3,157</b>	(1,346)
	<b>69,184</b>	74,267
Depreciation	<b>68,006</b>	59,981
<b>Total cost of sales</b>	<b>137,190</b>	134,248
Royalties	<b>1,206</b>	1,024
Other taxes	<b>1,140</b>	1,636

For the six months ended 30 June 2015, the Group continued its strong operational and financial performances and achieved a net profit after tax of USD39.1 million (the six months ended 30 June 2014: USD34.3 million).

Revenue generated for the six months ended 30 June 2015 was USD213.7 million from the sale of 156,946 ounces of gold and 1,308,951 ounces of silver at an average selling spot price of USD1,207 per ounce of gold and USD16.4 per ounce of silver. For the previous six months (the six months ended 30 June 2014), revenue was USD191.4 million from the sale of 135,665 ounces of gold and 879,643 ounces of silver at an average selling spot price of USD1,284 per ounce of gold and USD19.7 per ounce of silver.

The Group's gross profit margin was 35.8% with a gross profit of USD76.5 million as compared to the six months ended 30 June 2014, being 29.9% and USD57.2 million respectively. The gross profit margin increased as compared to the previous six months mainly due to higher gold and silver sales and tonnes milled despite the average gold and silver price decreased. In addition, the cost of sales has only increased by USD2.9 million to USD137.1 million as compared to the previous six months of USD134.2 million.

The all-in sustaining costs ("AISC") for the six months ended June 2015 was USD520 per ounce of gold sold resulting in a reduction of 25.2% from the previous six months ended 30 June 2014 of USD695 per ounce of gold sold. The good cost results are a result of strong project fundamentals including favourable energy costs, the Company's focus on the MIP seeking to improve on ounces recovered and to reduce costs so as to increase the margin per ounce of gold produced and also some specific deferrals of expenditure during the six months

period, such as exploration as the geology group undertook a complete top to bottom review of the current knowledge base and considered the programme and strategy going forward.

	<b>(Six months) January to June 2015 USD</b>	(Six months) January to June 2014 USD
AISC per ounce sold <sup>1</sup>	<b>520</b>	695

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.

	<b>30 June 2015 USD'000</b>	31 December 2014 USD'000
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#### FINANCIAL POSITION

Current Assets		
Bank balances and cash	<b>286,899</b>	260,750
Held for trading investments	<b>30,527</b>	29,216
Available-for-sale investments	–	39,419
Inventories	<b>45,518</b>	47,685
Others	<b>35,608</b>	19,433
Non-current Assets		
Available-for-sale investments	<b>142,024</b>	39,039
Others	<b>808,038</b>	862,317
Total Assets	<b>1,348,614</b>	1,297,859
Other Liabilities	<b>(125,619)</b>	(101,181)
Net Assets	<b>1,222,995</b>	1,196,678

Total assets were USD1,348.6 million (31 December 2014: USD1,297.9 million) an increase of USD50.7 million which was contributed by the profit from operations. Non-current assets were USD950.1 million (31 December 2014: USD901.4 million) an increase of USD48.7 million as the Group invested USD22.2 million in property, plant and equipment, USD76.6 million in available-for-sale investments, these increases offset by amortisation and depreciation charge of USD71.6 million, repurchase of available-for-sale investment by issuer of USD9.3 million and the remaining reclassification of available-for-sale investment from non-current assets to current assets of USD30.1 million. Current assets were USD398.6 million (31 December 2014: USD396.5 million) an increase of USD2.1 million mainly due to an increase in cash of USD26.1 million.

## Net Asset Value

As at 30 June 2015, the Group's total net assets amounted to approximately USD1,223.0 million, representing an increase of USD26.3 million as compared to approximately USD1,196.7 million as at 31 December 2014. The increase in net assets was mainly due to the profit for the period of USD39.1 million and offset by the final dividend for the year ended 31 December 2014 of USD16.4 million.

## Cash Flow, Liquidity and Financial Resources

	For the six months ended	
	30 June 2015 USD'000	30 June 2014 USD'000
<b>CASH FLOW SUMMARY</b>		
Net cash from Operating Activities	<b>107,974</b>	135,181
Net cash used in Investing Activities	<b>(81,614)</b>	(68,030)
Net increase in cash and cash equivalents	<b>26,360</b>	67,151
Cash and cash equivalents at the beginning of the period	<b>260,750</b>	200,575
Effect of foreign exchange rate changes	<b>(211)</b>	54
Cash and cash equivalents at the end of the period	<b>286,899</b>	267,780

The Group's cash balance at the end of June 2015 was USD286.9 million (31 December 2014: USD260.8 million).

The Group generated net cash inflows from operating activities for the six months ended 30 June 2015 of USD108.0 million, mainly from the sale of gold and silver in the period. Cash used in investing activities was USD81.6 million as USD76.6 million was invested in available-for-sale investment, USD22.2 million for property, plant and equipment (which included USD3.5 million in near mine exploration and evaluation) and USD3.1 million for regional exploration, which was offset by USD17.3 million from disposal of available-for-sale investments.

## Material Acquisitions and Disposals of Subsidiaries and Associated Companies

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

## Exposure to Fluctuations in Exchange Rates and Related Hedge

The Group conducted most of its business in United States dollars ("USD"), Australian dollars ("AUD"), Indonesian Rupiah ("IDR") and Hong Kong dollars ("HKD"). The foreign currency exposure of HKD to USD is minimal as HKD is pegged to USD. The Group has exposure to foreign currency risk that is denominated in AUD and IDR.

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

### Martabe Gold Mine

Spot gold and silver prices in 2015 continued to be volatile and fluctuated between USD1,081 to USD1,252 per ounce of gold and USD14.49 to USD17.10 per ounce of silver. At the time of writing, spot gold and silver at near the lows in 2015 and were USD1,119 per ounce and USD15.23 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 285,000 ounces of gold and 2.3 million ounces of silver at an anticipated AISC between USD600 and USD700 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.

### Principal Investment Business

The Company will continue to evaluate suitable investments with a view to increase short and long term returns. As at 30 June 2015, the Principal Investment Business of the Group was holding approximately USD173 million of investments. The investments include Hong Kong listed equity securities, senior notes, unlisted investments funds investing in real estate properties, financial products and other security investments in information technology companies on consumer business and finance industry in China.

On 11 August 2015, the Group entered into a Sale and Purchase Agreement ("SPA") to purchase 100% of Supreme Racer for approximately USD101 million. Following completion of the SPA, Supreme Racer's main assets will be three office units located in Wanchai, Hong Kong with an aggregate gross area of approximately 46,477 square feet and an aggregate saleable area of approximately 34,857 square feet.

### Money Lending Business

The Company will continue to expand its activities in money lending and will continue to balance between returns on interest rates and appropriate risks. At the time of writing, the Group advanced approximately USD26 million to various borrowers and received approximately USD6 million repayment.

### Financial Services

On 7 August 2015, the Group announced that it intends to extend the scope of its existing principal activities to include the provision of securities brokerage services, placing and underwriting services, the provision of corporate finance advisory services, provision of margin financing, investment advisory and management services.

Hong Kong is the leading financial centre in Asia. With the Shanghai-Hong Kong Stock Connect programme launched in November 2014, as well as the upcoming Shenzhen-Hong Kong Stock Connect programme, the Board believes that there will be many business opportunities in the financial services sector.

The extension of the Group's scope of principal activities to include a wide range of financial services is to diversify its business scope with a view to broaden the Group's revenue base and to achieve better returns to the Company.

### Human Resources

As at 30 June 2015, the Group had 21 employees in Hong Kong and 755 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.

## EXPLORATION, RESOURCE AND RESERVE DEVELOPMENT ACTIVITIES



Figure 1. Martabe Mine Location.

### Martabe Overview

The Martabe Gold 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). Martabe is established under a sixth generation Contract of Work (“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 of gold and 70 million ounces of silver. Martabe commenced production from the Purnama pit in July 2012 and reached full production in 2013.

G-Resources is seeking to organically grow gold production through continued exploration success on the large and highly prospective CoW area. The Martabe Mine enjoys the strong support of the Indonesian Central, Provincial and Local Governments and the nearby communities of Batangtoru.

### Operations

The operations team at Martabe consists of approximately 2,500 people, with a target of 70% local employment from the Batangtoru district and a further 25% national employees from around the Indonesian archipelago.

### Safety

Safety performance at Martabe in the first half of 2015 has been good with a only one single incident of lost time injury. The safety performance at Martabe compares with the best performance in the industry. This outstanding performance is a direct reflection of quality of management and leadership across the Martabe Mine site.

## Resource Development and Exploration

G-Resources continued its aggressive exploration programme on the Martabe CoW during the six months ending June 2015, with resource development and exploration programmes in the immediate vicinity of the Martabe Mine and exploration programmes in other areas of the CoW. A total of 56 drill holes for 8,913 metres was completed utilising a fleet of portable diamond drill rigs supported by a helicopter operation.

The drilling program is summarised in the table below:

PROSPECT	TARGET	NUMBER OF DRILL HOLES	TOTAL METRES
<b>Near Mine Targets</b>			
Barani	Western wall early stage target	11	1,536
Tor Uluala	Resource Extensions	15	1,966
Ramba Joring	Resource Extensions	25	2,971
Early stage targets	Deep target between the Ramba Joring and Tor Uluala Deposits	1	1,092
Purnama Reserve	In-pit Reserve development drilling with RC drill rig	60	5,904
<b>Regional Exploration Targets</b>			
Tango Papa	Martabe style epithermal gold	1	300
Tani Hill	Buried porphyry copper	3	1,048
<b>Total</b>		<b>116</b>	<b>14,817</b>

## Resource Development Activity

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

- Diamond drilling and surface trenching for resource extensions at the Ramba Joring and Tor Uluala Deposits.
- Diamond Drilling of early stage targets at Barani and deep between the Ramba Joring and Tor Uluala Deposits.
- In-pit reverse circulation drilling at the Purnama Deposit, designed to test a positive reconciliation between the Reserve and processed ore.

## Results

Drilling and trenching for Resource Extensions at the Ramba Joring and Tor Uluala Deposits has returned significant results, as previously reported on 29 July 2015 in the Hong Kong Stock

Exchange Release "G-Resources – Exploration Update". Some of the better results from these programmes were:

- 101.0m @ 1.93 g/t Au, including 21.0m @ 10.5 g/t Au (from additional drilling at the Ramba Joring Deposit)
- 138.9m @ 1.28 g/t Au (from additional drilling at the Tor Uluala Deposit)

Results from the early stage drilling completed in January to June 2015 are under evaluation.

## Resource Estimation

No changes to the Mineral Resource Estimate are reported during the half year. It is anticipated that drilling in the second quarter and the remainder of 2015 will likely result in updated Mineral Resource Estimates for the Purnama, Ramba Joring and Tor Uluala deposits towards the end of 2015.

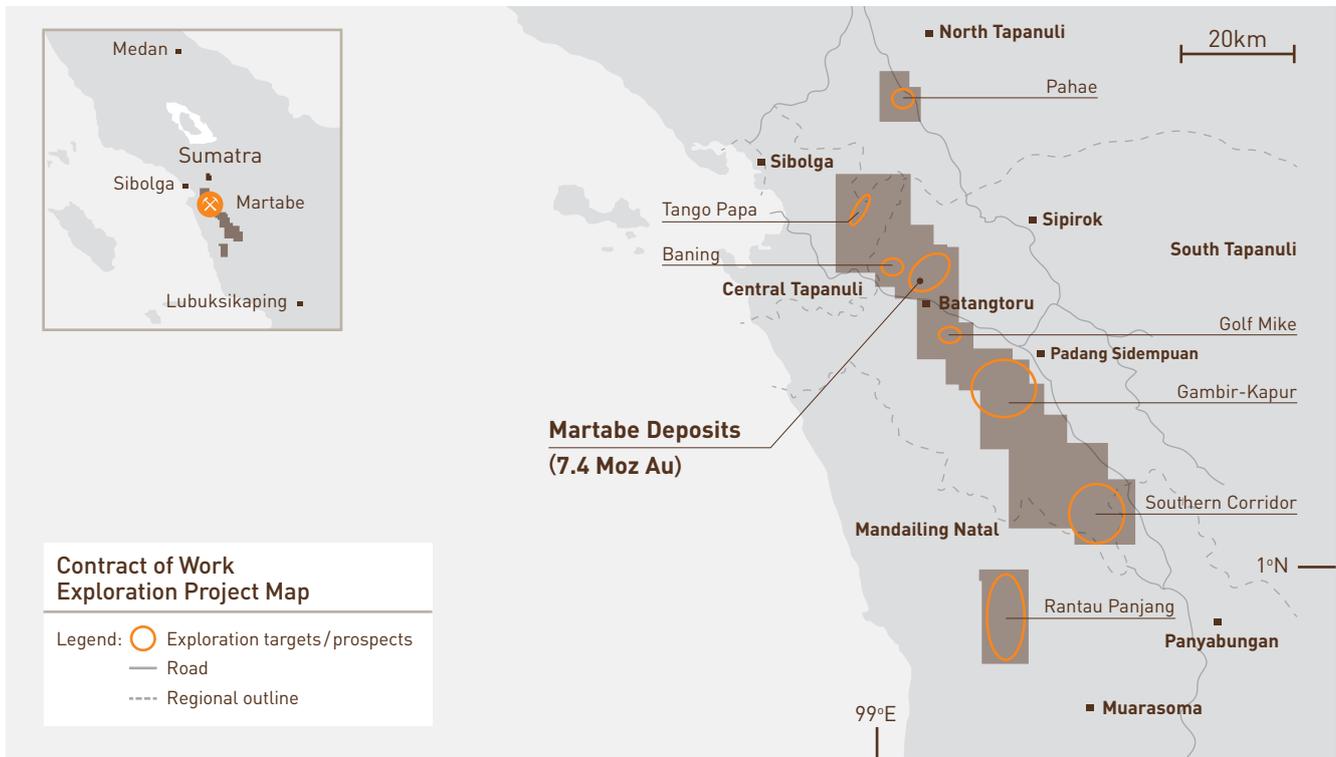


Figure 2. Martabe location, showing deposit and regional prospect locations within the CoW.

## Martabe Contract of Work Exploration Activity

Exploration work including diamond drilling in the Martabe CoW was conducted at the Tani Hill prospect in Gambir-Kapur and the Tango Papa prospect. At Tani Hill, drilling intersected an alteration system consisting of silica-magnetite-chlorite-actinolite-pyrite-epidote with minor garnet, biotite and local traces of chalcopyrite. Two holes were completed for a total of 573.6 metres, with a third hole underway and at a depth of 330 metres by 30 June 2015. Results from this drilling have not all been received.

At Tango Papa, drilling intersected high sulphidation epithermal style alteration at Tango Papa, of similar style to the Martabe deposits. The first hole had reached depth of 300 metres by 30 June 2015. Assay results have not been received.

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



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

## Introduction

We have reviewed the condensed consolidated financial statements of G-Resources Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 20 to 37, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

18 August 2015

## GROUP RESULTS

The Board of Directors (the "Board") of G-Resources Group Limited (the "Company") presents the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015, together with the comparative figures for the six months ended 30 June 2014, which comprises the condensed consolidated statement of financial position as at 31 December 2014 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period ended, and explanatory notes.

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015

		For the six months ended	
		<b>30 June 2015</b>	30 June 2014
	Notes	<b>USD'000</b>	USD'000
		<b>(Unaudited)</b>	(Unaudited)
Revenue	4	<b>213,689</b>	191,433
Cost of sales		<b>(137,190)</b>	(134,248)
Gross profit		<b>76,499</b>	57,185
Other income		<b>1,538</b>	5,409
Administrative expenses		<b>(20,227)</b>	(17,180)
Fair value changes of held for trading investments		<b>865</b>	3,841
Finance cost		<b>(1,094)</b>	(854)
Profit before taxation		<b>57,581</b>	48,401
Taxation	5	<b>(18,435)</b>	(14,144)
Profit for the period	6	<b>39,146</b>	34,257
Profit for the period attributable to:			
Owners of the Company		<b>37,758</b>	33,475
Non-controlling interests		<b>1,388</b>	782
		<b>39,146</b>	34,257
Earnings per share			
– Basic and diluted (US cent)	8	<b>0.14</b>	0.13

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	For the six months ended	
	<b>30 June 2015 USD'000 (Unaudited)</b>	30 June 2014 USD'000 (Unaudited)
Profit for the period	<b>39,146</b>	34,257
Other comprehensive income/(expenses):		
Items that will not be reclassified subsequently to profit or loss:		
Exchange differences arising on translation	<b>236</b>	83
	<b>236</b>	83
Items that may be reclassified subsequently to profit or loss:		
Fair value gain/(loss) on:		
Available-for-sale investments	<b>2,868</b>	2,105
Hedging instruments designated in cash flow hedges	<b>510</b>	(694)
	<b>3,378</b>	1,411
Other comprehensive income for the period	<b>3,614</b>	1,494
Total comprehensive income for the period	<b>42,760</b>	35,751
Total comprehensive income for the period attributable to:		
Owners of the Company	<b>41,346</b>	35,004
Non-controlling interests	<b>1,414</b>	747
	<b>42,760</b>	35,751

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Notes	30 June 2015 USD'000 (Unaudited)	31 December 2014 USD'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	755,572	805,807
Exploration and evaluation assets	10	22,392	19,292
Available-for-sale investments	11	142,024	39,039
Other receivable	12	21,233	29,438
Inventories	13	8,841	7,780
		<b>950,062</b>	<b>901,356</b>
<b>CURRENT ASSETS</b>			
Inventories	13	45,518	47,685
Trade and other receivables	12	34,065	17,890
Held for trading investments	14	30,527	29,216
Available-for-sale investments	11	–	39,419
Pledged bank deposits		1,543	1,543
Bank balances and cash		286,899	260,750
		<b>398,552</b>	<b>396,503</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	24,567	28,161
Derivative financial liabilities		572	1,082
Dividend payable	7	16,402	–
Tax payable		24,827	15,559
		<b>66,368</b>	<b>44,802</b>
<b>NET CURRENT ASSETS</b>			
		<b>332,184</b>	<b>351,701</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>1,282,246</b>	<b>1,253,057</b>
<b>NON-CURRENT LIABILITIES</b>			
Other payables	15	4,592	3,925
Deferred tax liabilities		35,093	33,982
Provision for mine rehabilitation cost	16	19,566	18,472
		<b>59,251</b>	<b>56,379</b>
		<b>1,222,995</b>	<b>1,196,678</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	17	34,150	34,150
Reserves		1,166,119	1,141,216
Equity attributable to owners of the Company		1,200,269	1,175,366
Non-controlling interests		22,726	21,312
<b>TOTAL EQUITY</b>			
		<b>1,222,995</b>	<b>1,196,678</b>

The condensed consolidated financial statements on pages 20 to 37 were approved and authorised for issue by the Board of Directors on 18 August 2015 and are signed on its behalf by:

**Wah Wang Kei, Jackie**  
Director

**Hui Richard Rui**  
Director

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Company											
	Share capital USD'000	Share premium USD'000	Capital redemption reserve USD'000	Contributed surplus USD'000	Share options reserve USD'000	Cash flow hedges reserve USD'000	Exchange reserve USD'000	Investment revaluation reserve USD'000	Retained earnings USD'000	Total USD'000	Non-controlling interests USD'000	Total USD'000
(Unaudited)												
At 1 January 2014	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 period	-	-	-	-	-	-	-	-	33,475	33,475	782	34,257
Fair value gain/(loss) on:												
Available-for-sale investments	-	-	-	-	-	-	-	2,105	-	2,105	-	2,105
Hedging instruments designated in cash flow hedges	-	-	-	-	-	(659)	-	-	-	(659)	(35)	(694)
Exchange difference arising on translation	-	-	-	-	-	-	83	-	-	83	-	83
Total comprehensive (expenses)/ income for the period	-	-	-	-	-	(659)	83	2,105	33,475	35,004	747	35,751
Reversal of equity-settled share-based payment	-	-	-	-	(7)	-	-	-	7	-	-	-
At 30 June 2014	34,150	1,012,055	212	11,658	35,773	(659)	1,094	(739)	58,509	1,152,053	20,633	1,172,686
(Unaudited)												
At 1 January 2015	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
Profit for the period	-	-	-	-	-	-	-	-	37,758	37,758	1,388	39,146
Fair value gain on:												
Available-for-sale investments	-	-	-	-	-	-	-	2,868	-	2,868	-	2,868
Hedging instruments designated in cash flow hedges	-	-	-	-	-	484	-	-	-	484	26	510
Exchange difference arising on translation	-	-	-	-	-	-	236	-	-	236	-	236
Total comprehensive income for the period	-	-	-	-	-	484	236	2,868	37,758	41,346	1,414	42,760
Unvested share options lapsed	-	-	-	-	(41)	-	-	-	-	(41)	-	(41)
Vested share options lapsed/forfeited	-	-	-	-	(268)	-	-	-	268	-	-	-
Dividends recognised as distribution (Note 7)	-	-	-	-	-	-	-	-	(16,402)	(16,402)	-	(16,402)
At 30 June 2015	34,150	1,012,055	212	11,658	14,894	(544)	1,355	3,376	123,113	1,200,269	22,726	1,222,995

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	For the six months ended	
	30 June 2015 USD'000 (Unaudited)	30 June 2014 USD'000 (Unaudited)
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	57,581	48,401
Adjustments for:		
Interest income	(3,369)	(2,584)
Amortisation and depreciation	71,582	63,252
Unvested share options lapsed	(41)	–
Fair value changes of held for trading investments	(865)	(3,841)
Provision for impairment of inventories	448	2,346
Loss on disposal of property, plant and equipment	157	–
Gain on disposal of available-for-sale investments	(8)	–
Finance cost	1,094	854
Operating cash flows before movements in working capital	126,579	108,428
Decrease/(increase) in inventories	756	(4,377)
Decrease/(increase) in other receivable (non-current portion)	8,205	(8,374)
(Increase)/decrease in trade and other receivables	(16,175)	44,523
Increase in held for trading investments	(442)	–
Decrease in trade and other payables	(2,893)	(985)
<b>Cash generated from operations</b>	<b>116,030</b>	<b>139,215</b>
Income taxes paid	(8,056)	(4,034)
<b>Net cash from Operating Activities</b>	<b>107,974</b>	<b>135,181</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(22,276)	(38,845)
Additions of exploration and evaluation assets	(3,100)	(708)
Proceeds from disposal of property, plant and equipment	676	–
Purchase of available-for-sale investments	(76,649)	(30,000)
Proceed from disposal of available-for-sale investments	17,308	–
Interest received	2,427	1,525
Increase in pledged bank deposits	–	(2)
<b>Net cash used in Investing Activities</b>	<b>(81,614)</b>	<b>(68,030)</b>
<b>Net increase in cash and cash equivalents</b>	<b>26,360</b>	<b>67,151</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>260,750</b>	<b>200,575</b>
<b>Effect of foreign exchange rate changes</b>	<b>(211)</b>	<b>54</b>
<b>Cash and cash equivalents at end of the period, represented by Bank Balances and Cash</b>	<b>286,899</b>	<b>267,780</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

## 1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”).

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2014.

## 2. Principal Accounting Policies

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014. In addition, the Group has applied the following accounting policy for available-for-sale financial assets recognised during the current interim period:

Equity securities held by the Group that are classified as available-for-sale financial assets are measured at fair value at the end of each reporting period. When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

In the current interim period, the Group has applied, for the first time, the following new interpretation and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA.

HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the above new amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

### 3. 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 three (the six months ended 30 June 2014: two) operating business units which represent three (the six months ended 30 June 2014: two) operating segments, namely, principal investment business, money lending business and mining business (the six months ended 30 June 2014: securities trading and mining business). Since late 2014, the Group is actively engaged in investment and securities trading. The interest income and dividend income earned from financial products are presented as segment revenue under the principal investment business segment. Money lending business is newly commenced during the six months ended 30 June 2015.

#### (a) Segment revenue and results

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

##### For the six months ended 30 June 2015 (Unaudited)

	Principal investment business USD'000	Money lending business USD'000	Mining business USD'000	Total USD'000
Sale of gold and silver	–	–	210,996	210,996
Interest income from financial products	2,632	–	–	2,632
Interest income from money lending business	–	61	–	61
Segment revenue	2,632	61	210,996	213,689
Segment results	5,211	61	55,539	60,811
Unallocated corporate expenses				(3,230)
Profit before taxation				57,581

##### For the six months ended 30 June 2014 (Unaudited)

	Principal investment business USD'000	Mining business USD'000	Total USD'000
Segment revenue – sale of gold and silver	–	191,433	191,433
Segment results	5,591	45,409	51,000
Unallocated corporate expenses			(2,808)
Unallocated income			209
Profit before taxation			48,401

### 3. Segment Information (continued)

#### (b) Segment assets and liabilities

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

**At 30 June 2015**  
**(Unaudited)**

	Principal investment business <i>USD'000</i>	Money lending business <i>USD'000</i>	Mining business <i>USD'000</i>	Total <i>USD'000</i>
<b>ASSETS</b>				
Segment assets	395,363	18,340	918,138	1,331,841
Unallocated corporate assets				16,773
Total assets				<b>1,348,614</b>
<b>LIABILITIES</b>				
Segment liabilities	3	336	107,736	108,075
Unallocated corporate liabilities				17,544
Total liabilities				<b>125,619</b>

**At 31 December 2014**  
**(Audited)**

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

## 4. Revenue

Revenue represents revenue arising on sale of gold and silver and interest income from financial products and money lending business for the period.

	For the six months ended	
	30 June 2015 USD'000 (Unaudited)	30 June 2014 USD'000 (Unaudited)
Gold	189,451	174,135
Silver	21,545	17,298
Interest income from financial products	2,632	–
Interest income from money lending business	61	–
	<b>213,689</b>	<b>191,433</b>

## 5. Taxation

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. 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%.

	For the six months ended	
	30 June 2015 USD'000 (Unaudited)	30 June 2014 USD'000 (Unaudited)
Current tax		
Hong Kong	22	–
Indonesia	17,302	2,002
	<b>17,324</b>	<b>2,002</b>
Deferred taxation	1,111	12,142
Taxation for the period	<b>18,435</b>	<b>14,144</b>

## 6. Profit for the Period

	For the six months ended	
	30 June 2015 USD'000 (Unaudited)	30 June 2014 USD'000 (Unaudited)
Profit for the period has been arrived at after charging/(crediting):		
Amortisation and depreciation of property, plant and equipment, included in		
– Cost of sales	68,006	59,981
– Administrative expenses	3,576	3,271
Royalties expense	1,206	1,024
Other taxes	1,140	1,636
Provision for impairment of inventories	448	2,346
Exchange loss/(gain), net	2,429	(2,796)
Interest income	<b>(3,369)</b>	<b>(2,584)</b>

## 7. Dividend

During the current interim period, a final dividend of HK0.48 cents per share in respect of the year ended 31 December 2014 was declared to be payable to the owners of the Company. The amount of the final dividend declared to be payable in the current interim period amounted to approximately USD16,402,000 (equivalent to approximately HKD127,000,000). Scrip dividend elections were offered to all shareholders.

## 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:

	For the six months ended	
	30 June 2015 USD'000 (Unaudited)	30 June 2014 USD'000 (Unaudited)
Profit for the period attributable to owners of the Company, for the purposes of basic and diluted earnings per share	37,758	33,475
	Number of shares	
	30 June 2015	30 June 2014
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	26,490,076,130	26,490,076,130

The computation of diluted earnings per share does not assume the exercise of the Group's outstanding share options as the exercise price of those options is higher than the average market price for shares for the six months ended 30 June 2015 and 30 June 2014.

## 9. Movement in Property, Plant and Equipment

During the period, the Group increased its property, plant and equipment by approximately USD22,242,000 (the six months ended 30 June 2014: USD29,616,000), of which USD4,957,000 (the six months ended 30 June 2014: USD9,467,000), USD17,282,000 (the six months ended 30 June 2014: USD20,140,000) and USD3,000 (the six months ended 30 June 2014: USD9,000) were attributable to additions of the mining properties, construction in progress for the construction of Martabe Gold Mine and furniture, fixtures and equipment respectively.

## 10. Exploration and Evaluation Assets

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

## 11. Available-For-Sale Investments

	<b>30 June 2015 USD'000 (Unaudited)</b>	31 December 2014 USD'000 (Audited)
Listed debt securities, at fair value		
Senior Notes Due 2015 (Note a,d)	–	9,300
Senior Notes Due 2021 (Note b,d)	<b>32,487</b>	31,608
Senior Notes Due 2020 (Note c,d)	<b>22,879</b>	–
Unlisted securities		
Managed investment funds (Note e)	<b>47,104</b>	37,550
Other security investments (Note f)	<b>39,554</b>	–
	<b>142,024</b>	78,458
Less: Available-for-sale investments classified as non-current assets	<b>(142,024)</b>	(39,039)
Available-for-sale investments classified as current assets	<b>–</b>	<b>39,419</b>

### 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 were listed on the Singapore Exchange Securities Trading Limited, carried 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. During the year end 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 was reclassified to profit or loss and an impairment loss amounting to USD626,000 (the six months ended 30 June 2015: nil) was recognised in the profit or loss.
- (b) The balance represents the Group's investment in 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.
- (c) During the period, 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 17 February 2020 (the "Senior Notes Due 2020"). These notes are listed on the Singapore Exchange Securities Trading Limited, carry interest at a fixed rate of 12% per annum, payable semi-annually in arrears on 17 February and 17 August of each year, commencing on 17 August 2015. During the period, the Group disposed of 8,000,000 units and realised gain of USD8,000 was recognised.
- (d) The Senior Notes Due 2015, Senior Notes Due 2021 and Senior Notes Due 2020 were 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 six months ended 30 June 2015, an increase in fair value of USD815,000 (the six months ended 30 June 2014: increased in fair value of USD2,105,000) was recognised in the investment revaluation reserve.
- (e) The Group held three unlisted investment funds which are managed by financial institutions investing real estate properties, financial products and unlisted equity investments with an aggregate carrying value of USD47,104,000. The financial products include listed equity shares, 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 and unlisted equity investments 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 period ended 30 June 2015, an increase in fair value of USD2,053,000 is charged to the other comprehensive income.
- (f) The other security investments of the Group includes an investment with the carrying value of USD5,000,000 which was stated at fair value as at 30 June 2015. In the absence of quoted market price in an active market, the fair value measurement is determined by the financial institution using valuation techniques including earnings multiples (based on the budget earnings or historical earnings of the issuer and earnings multiples of comparable listed companies) and discounted cash flows. The valuation may be adjusted for factors such as non-maintainable earnings, tax risk, growth stage and cash traps as deemed necessary by the financial institution.

The remaining investments with an aggregate carrying value of USD34,554,000 represent six other security investments which were stated at cost less impairment loss as the range of reasonable fair value estimates are so significant that the directors are of the opinion that the fair value cannot be measured reliably. As at 30 June 2015, three out of these six other security investments accounted for 92% (the six months ended 30 June 2014: nil) of the aggregate carrying value, which the investment portfolio are focused in unlisted equity investments in information technology companies on consumer business and finance industry.

## 12. Trade and Other Receivables

	<b>30 June 2015 USD'000 (Unaudited)</b>	31 December 2014 USD'000 (Audited)
Trade receivables (Note a)	<b>13,302</b>	–
Other receivables, net of allowance (Note b)	<b>41,996</b>	47,328
Less: Other receivable classified as non-current assets (Note b)	<b>(21,233)</b>	(29,438)
Trade and other receivables classified as current assets (Note c)	<b>34,065</b>	17,890

### Notes:

- (a) The Group allows a credit period of less than two weeks for its trade customers. The following is an ageing analysis of trade receivables at the end of the reporting periods which is determined based on the invoice date:

	<b>30 June 2015 USD'000 (Unaudited)</b>	31 December 2014 USD'000 (Audited)
0-14 days	<b>13,302</b>	–

- (b) As at 31 December 2014, USD29,438,000 (30 June 2015: USD21,233,000) and USD5,495,000 (30 June 2015: nil) of value added tax (“VAT”) paid by an Indonesian subsidiary of the Group, were classified as other receivables non-current portion and current portion respectively based on their expected refund 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 was classified as current portion as the Indonesian subsidiary received the refund in February 2015.
- (c) An amount of USD3,875,000 (31 December 2014: USD3,875,000), 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.

An amount of USD6,450,000 (31 December 2014: nil) is a fixed-rate loans receivable.

## 13. Inventories

	<b>30 June 2015 USD'000 (Unaudited)</b>	31 December 2014 USD'000 (Audited)
Raw materials	<b>25,205</b>	23,243
Stockpiles	<b>10,961</b>	9,241
Work in progress	<b>18,193</b>	22,981
	<b>54,359</b>	55,465
Less: Inventories classified as non-current assets		
Stockpiles	<b>(8,841)</b>	(7,780)
Inventories classified as current assets	<b>45,518</b>	47,685

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

## 14. Held for Trading Investments

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

## 15. Trade and Other Payables

	<b>30 June 2015 USD'000 (Unaudited)</b>	31 December 2014 USD'000 (Audited)
Trade payables (Note a)	<b>3,001</b>	1,826
Other payables (Note b)	<b>26,158</b>	30,260
Trade and other payables	<b>29,159</b>	32,086
Less: Other payables classified as non-current liabilities	<b>(4,592)</b>	(3,925)
Trade and other payables classified as current liabilities	<b>24,567</b>	28,161

Notes:

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

	<b>30 June 2015 USD'000 (Unaudited)</b>	31 December 2014 USD'000 (Audited)
0-60 days	<b>2,251</b>	1,299
61-90 days	<b>353</b>	71
> 90 days	<b>397</b>	456
	<b>3,001</b>	1,826

(b) Included in other payables are USD22,795,000 (31 December 2014: USD19,177,000) and USD2,637,000 (31 December 2014: USD9,588,000) 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.

## 16. 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.

## 17. Share Capital

	Number of shares	Value USD'000
Authorised:		
Ordinary shares of HKD0.01 each		
At 1 January 2014 (Audited), 31 December 2014 (Audited) and 30 June 2015 (Unaudited)	60,000,000,000	76,923
Issued and fully paid:		
Ordinary shares of HKD0.01 each		
At 1 January 2014 (Audited), 31 December 2014 (Audited) and 30 June 2015 (Unaudited)	26,490,076,130	34,150

## 18. Share-Based Payment Transactions

The Company's share option scheme was adopted pursuant to a resolution passed on 30 July 2004 (the "2004 Scheme") which was expired on 29 July 2014. 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 of the Company may grant options to Eligible Participants to subscribe for shares in the Company.

Share-based payment was recognised over the vesting period based on the management's estimation of the timing when the vesting conditions are met. No share option was granted under the 2004 Scheme and 2014 Scheme during the six months ended 30 June 2015 and 30 June 2014.

Details of the share options outstanding during the current period are as follows:

	Number of share options
At 31 December 2014 (Audited)	708,614,711
Lapsed during the period	(5,648,500)
Forfeited during the period	(9,771,905)
At 30 June 2015 (Unaudited)	693,194,306

During six months ended 30 June 2015, the Group transferred from share option reserve to profit and loss and retained profits amounting to USD41,000 and USD268,000 (the six months ended 30 June 2014: nil and USD7,000) upon unvested share options lapsed and vested share options lapsed/forfeited respectively.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to be ultimately vested. The impact of the revision of the estimates, if any, is recognised in profit or loss, with a corresponding adjustment to the share options reserve.

## 19. Fair Value Measurements of Financial Instruments

### THE FAIR VALUE OF FINANCIAL ASSETS THAT 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 11; and
- the fair value of unlisted managed investment funds and other security investment in available-for-sale investments are determined in accordance with the market value provided by the counterparty financial institutions.

### 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 measured at fair value) 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 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

There is no transfer between Level 1, 2 and 3 during the periods. 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
<b>At 30 June 2015 (Unaudited)</b>				
<b>FINANCIAL ASSETS</b>				
Listed debt securities (classified as available-for-sale investments) (Note a)	–	–	55,366	55,366
Unlisted investment funds (classified as available-for-sale investments) (Note b)	–	47,104	–	47,104
Unlisted other security investment (classified as available-for-sale investments) (Note b)	–	–	5,000	5,000
Held for trading investments (Note c)	30,527	–	–	30,527
<b>Sub-total</b>	<b>30,527</b>	<b>47,104</b>	<b>60,366</b>	<b>137,997</b>
<b>FINANCIAL LIABILITIES</b>				
Derivative financial liabilities (Note d)	–	572	–	572
<b>At 31 December 2014 (Audited)</b>				
<b>FINANCIAL ASSETS</b>				
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
<b>Sub-total</b>	<b>29,216</b>	<b>37,550</b>	<b>40,908</b>	<b>107,674</b>
<b>FINANCIAL LIABILITIES</b>				
Derivative financial liabilities (Note d)	–	1,082	–	1,082

## 19. Fair Value Measurements of Financial Instruments (continued)

Notes:

- (a) The fair value of listed debt securities classified available-for-sale investments is determined in accordance with the discounted cash flow model and 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 and unlisted other security investment in available-for-sale investments are provided by the counterparty financial institutions. They are 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.

### RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS

	Listed debts securities and other security investment (classified as available-for-sale investments) <i>USD'000</i>
At 1 January 2014 (Audited)	7,081
Purchases	30,000
Gain recognised in	
– profit or loss	1,661
– other comprehensive income (Note)	2,166
At 31 December 2014 (Audited)	40,908
Purchases	35,000
Disposals	(17,300)
Gain/(loss) recognised in	
– profit or loss	2,162
– other comprehensive income (Note)	(404)
At 30 June 2015 (Unaudited)	60,366

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

## 20. Operating Leases

### The Group as lessee

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

	<b>At 30 June 2015 USD'000 (Unaudited)</b>	At 31 December 2014 USD'000 (Audited)
Within one year	<b>638</b>	656
In the second to fifth year inclusive	<b>351</b>	521
	<b>989</b>	1,177

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

## 21. Capital Commitments

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

	<b>At 30 June 2015 USD'000 (Unaudited)</b>	At 31 December 2014 USD'000 (Audited)
Capital expenditure contracted for but not provided for in the condensed consolidated financial statements in respect of acquisition of property, plant and equipment	<b>1,242</b>	796
Capital expenditure authorised but not contracted for in respect of acquisition of property, plant and equipment	<b>47,682</b>	64,423

## 22. Other Commitments

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

	<b>At 30 June 2015 USD'000 (Unaudited)</b>	At 31 December 2014 USD'000 (Audited)
Other commitments contracted for but not provided for in the condensed consolidated financial statements in respect of purchase of available-for-sales investments	<b>24,475</b>	–

## 23. Related Party Disclosures

### Key management personnel compensation

	For the six months ended	
	30 June 2015 USD'000 (Unaudited)	30 June 2014 USD'000 (Unaudited)
Short-term benefits	1,741	1,647
Post-employment benefits	7	5
	<b>1,748</b>	<b>1,652</b>

## 24. Litigation

On 10 April 2015, a civil suit has been lodged in the Central Jakarta District Court in which the plaintiff has claimed that he is a descendant and inheritor of King Datu Nalnai Pasaribu's land covering 1 million hectares in Sumatra, Indonesia. The Company's subsidiary, PTAR, is a defendant including Indonesia's Ministry of Forestry, Ministry of Energy and Mineral Resources, Ministry of Finance. The plaintiff has claimed damages and compensation from the defendants and to hand over the disputed land to the plaintiff. The Company management has obtained legal advice on this matter. The advice is that PTAR has sufficient legal grounds to challenge the claim and request the court to dismiss the case on the basis that the plaintiff has insufficient legal basis for the claim.

## 25. Events after the Reporting Period

On 11 August 2015, the Group entered into a sale and purchase agreement with an independent third party in relation to the acquisition of the entire issued share capital in Supreme Racer Limited, a company incorporated in the British Virgin Islands, at a consideration of HKD780 million (equivalent to approximately USD101 million). The assets to be acquired in this acquisition are three properties and several car parks located in Hong Kong.

Completion of the proposed acquisition is subject to the fulfillment of a number of conditions precedent as stated in the sale and purchase agreement. As at the date of approval for the issuance of the condensed consolidated financial statements, the conditions have not been satisfied. Details of the acquisition and the condition precedent are set out in the announcement of the Company dated 11 August 2015.

## INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (no interim dividend for 2014).

## STATUTORY DISCLOSURE

### Directors and Executive Officers' Interests and Short Positions in Shares and Underlying Shares of the Company

As at 30 June 2015, 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 and underlying shares of the Company

Name of Directors/ Executive Officers	Number of * shares / underlying shares				Approximate % of the issued share capital of the Company	Notes
	Personal interests	Corporate interests	Share options	Total		
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 & 3
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.
3. Mr Albert resigned as director and Chief Executive Officer of the Company with effect from 1 July 2015.

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 30 June 2015.

## **Disclosable Interests and Short Positions of Substantial Shareholders other than Directors and Executive Officers**

As at 30 June 2015, 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
The Bank of New York Mellon Corporation	Interest of a controlled corporation	3,029,234,000 (L) 3,028,538,000 (P)	11.43% 11.43%	3
BlackRock, Inc.	Interest of a controlled corporation	2,265,990,550 (L)	8.55%	4
Market Vectors ETF – Market Vectors Gold Miners ETF ("Market Vectors")	Beneficial owner	1,749,678,000 (L)	6.61%	5
Van Eck Associates Corporation ("Van Eck")	Investment manager	1,749,678,000 (L)	6.61%	5

### Notes:

- "L" denotes long position and "P" denotes lending pool.
- 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.
- The Bank of New York Mellon Corporation is deemed to be interested in 3,029,234,000 shares held by The Bank of New York Mellon, its wholly-owned subsidiary.
- These interests comprised 2,265,990,550 ordinary shares of the Company.

These interests comprised the respective direct interests held by:

	Number of shares (in Long Position)
BlackRock (Isle of Man) Limited	11,762,800
BlackRock Advisors (UK) Limited	134,260,446
BlackRock Asset Management Canada Limited	828,000
BlackRock Asset Management North Asia Limited	15,645,104
BlackRock Fund Advisors	146,752,800
BlackRock Institutional Trust Company, National Association	126,677,200
BlackRock Investment Management (Australia) Limited	13,357,800
BlackRock Investment Management (UK) Ltd	1,742,707,800
BlackRock Japan Co., Ltd.	73,998,600

BlackRock, Inc. is deemed to be interested in 2,265,990,550 shares held by various of its indirectly wholly-owned subsidiaries.

- 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.

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 30 June 2015.

## Share Option

### Share Option Scheme

The Company's old share option scheme adopted on 30 July 2004 ("2004 Share Option Scheme") was 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 six months ended 30 June 2015:

Name or Category of participants	Date of grant	Exercisable period	Notes	Exercise price HKD	Outstanding as at 01.01.2015	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 30.06.2015	Market value per share at date of grant of options HKD	Option value per share HKD
<b>(a) DIRECTORS</b>												
Chiu Tao	01.12.2010	01.12.2010-30.11.2015	2	0.6196	158,158,000	-	-	-	-	158,158,000	0.5200	0.1814
Owen L Hegarty	01.12.2010	01.12.2010-30.11.2015	2	0.6196	136,128,850	-	-	-	-	136,128,850	0.5200	0.1814
Or Ching Fai	03.03.2011	03.03.2011-02.03.2016	2	0.6196	112,970,000	-	-	-	-	112,970,000	0.5400	0.2170
Peter Geoffrey Albert ("Mr Albert")	01.12.2010	01.12.2010-30.11.2015	2 & 5	0.6196	112,970,000	-	-	-	-	112,970,000	0.5200	0.1814
Ma Xiao	01.12.2010	01.12.2010-30.11.2015	2	0.6196	16,945,500	-	-	-	-	16,945,500	0.5200	0.1814
Wah Wang Kei, Jackie	01.12.2010	01.12.2010-30.11.2015	2	0.6196	16,945,500	-	-	-	-	16,945,500	0.5200	0.1814
Hui Richard Rui	01.12.2010	01.12.2010-30.11.2015	2	0.6196	16,945,500	-	-	-	-	16,945,500	0.5200	0.1814
<b>Total for Directors</b>					<b>571,063,350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>571,063,350</b>		
<b>(b) EMPLOYEES</b>												
	13.05.2010	13.05.2010-12.05.2015	1	0.4869	5,648,500	-	-	-	(5,648,500)	-	0.4750	0.1929
	01.12.2010	01.12.2010-30.11.2015	2	0.6196	30,060,406	-	-	-	-	30,060,406	0.5200	0.1814
	01.12.2010	01.12.2010-30.11.2015	2	0.5311	27,282,255	-	-	(734,305)	-	26,547,950	0.5200	0.2021
	02.03.2011	02.03.2011-01.03.2016	2	0.6196	19,204,900	-	-	-	-	19,204,900	0.5400	0.2174
	08.07.2011	08.07.2011-07.07.2016	3	0.6816	22,029,150	-	-	-	-	22,029,150	0.6400	0.2474
	03.01.2012	03.01.2012-02.01.2017	4	0.5311	29,937,050	-	-	(9,037,600)	-	20,899,450	0.4400	0.1426
	10.01.2012	10.01.2012-09.01.2017	4	0.5311	3,389,100	-	-	-	-	3,389,100	0.4400	0.1287
<b>Total for Employees</b>					<b>137,551,361</b>	<b>-</b>	<b>-</b>	<b>(9,771,905)</b>	<b>(5,648,500)</b>	<b>122,130,956</b>		
<b>Total for Scheme</b>					<b>708,614,711</b>	<b>-</b>	<b>-</b>	<b>(9,771,905)</b>	<b>(5,648,500)</b>	<b>693,194,306</b>		

## 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.

## 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.

## 5. Mr Albert resigned as director and Chief Executive Officer of the Company with effect from 1 July 2015.

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

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the six months ended 30 June 2015, 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.

## Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Enquiry has been made of all directors, and the directors have confirmed compliance with the required standard set out in the Model Code during the six months ended 30 June 2015.

## Audit Committee

The Audit Committee, with terms of reference in compliance with the provisions set out in the CG Code, comprises three members who were all independent non-executive directors of the Company for the six months ended 30 June 2015. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing, internal controls and financial reporting matters. The interim report for the six months ended 30 June 2015 has been reviewed by the Company's Audit Committee and the Company's auditors, Deloitte Touche Tohmatsu.

By Order of the Board

**Chiu Tao**

*Chairman and Acting Chief Executive Officer*

Hong Kong, 18 August 2015

## CORPORATE INFORMATION

### Board of Directors

#### Executive Directors

Mr Chiu Tao, *Chairman and Acting Chief Executive Officer*

Mr Owen L Hegarty, *Vice-Chairman*

Mr Peter Geoffrey Albert, *Chief Executive Officer*  
(resigned on 1 July 2015)

Mr Ma Xiao, *Deputy Chief Executive Officer*

Mr Wah Wang Kei, Jackie

Mr Hui Richard Rui

#### Independent Non-Executive Directors

Mr Or Ching Fai, *Vice-Chairman*

Ms Ma Yin Fan

Mr Leung Hoi Ying

### Executive Committee

Mr Chiu Tao, *Chairman*

Mr Owen L Hegarty

Mr Ma Xiao

Mr Hui Richard Rui

Mr Arthur Ellis

### Audit Committee

Mr Or Ching Fai, *Chairman*

Ms Ma Yin Fan

Mr Leung Hoi Ying

### Remuneration Committee

Mr Or Ching Fai, *Chairman*

Ms Ma Yin Fan

Mr Leung Hoi Ying

### Nomination Committee

Mr Chiu Tao, *Chairman*

Mr Or Ching Fai

Ms Ma Yin Fan

### Company Secretary

Mr Wah Wang Kei, Jackie

### Chief Financial Officer

Mr Arthur Ellis

### Auditor

Deloitte Touche Tohmatsu

### Legal Advisors

Hong Kong: Sullivan & Cromwell,  
Mayer Brown JSM,  
Tung & Co.

Bermuda: Appleby

Indonesia: Christian Teo & Associates

### Principal Bankers

Hang Seng Bank Limited

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

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

### Head Office and Principal Place of Business

Rooms 4501-02, 4510, 45th Floor

China Resources Building

26 Harbour Road

Wanchai, Hong Kong

### Website

[www.g-resources.com](http://www.g-resources.com)