Company Registration No. 200300950D

Wilton Resources Corporation Limited and its subsidiaries

Annual Financial Statements
30 June 2014

Building a better working world

General information

Directors

Wijaya Lawrence	(appointed 12.12.2013)
Chong Chin Fan	(appointed 12.12.2013)
Ngiam Mia Je Patrick	(appointed 12.12.2013)
Teo Kiang Kok	(appointed 12.12.2013)
Tan Cher Liang	(appointed 12.12.2013)
Seah Seow Kang Steven	(appointed 12.12.2013)
Geoffrey Samuel Eupene	(appointed 30.12.2013)
Winstedt Chong Thim Pheng	(resigned 12.12.2013)
Cynthia Tan Kwee Hiang	(resigned 12.12.2013)
Er Kwong Wah	(resigned 12.12.2013)
Tan Eng Liang	(resigned 12.12.2013)
Chng Hee Kok	(resigned 12.12.2013)
Wong Kok Hoe	(resigned 12.12.2013)
Tan Sin Huat Dennis	(resigned 12.12.2013)

Company Secretaries

Chew Kok Liang	
Teo Soo Lin	(resigned 12.12.2013)

Registered Office

390 Havelock Road
#07-06 King's Centre
Singapore 169662

Bankers

DBS Bank Ltd
Citibank N.A
Standard Chartered Bank

Auditor

Ernst & Young LLP
Partner: Low Bek Teng (appointed since financial year ended 30 June 2011)

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The directors hereby present their report to the members together with the audited consolidated financial statements of Wilton Resources Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2014.

Directors

The directors of the Company in office at the date of this report are:

Wijaya Lawrence	(Executive Chairman and President)
Chong Chin Fan	(Executive Director and Vice President (Finance))
Ngiam Mia Je Patrick	(Non-Executive Director)
Geoffrey Samuel Eupene	(Lead Independent Non-Executive Director)
Teo Kiang Kok	(Independent Non-Executive Director)
Tan Cher Liang	(Independent Non-Executive Director)
Seah Seow Kang Steven	(Independent Non-Executive Director)

Arrangements to enable directors to acquire shares and debentures

Except as disclosed below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest	
Name of directors	**At the date of appointment**	**At the end of of financial year**
Ordinary shares of the Company		
Wijaya Lawrence	582,640,000	582,640,000
Ngiam Mia Je Patrick	364,150,000	364,150,000
Ordinary shares of Subsidiaries		
P.T. Wilton Investment		
Wijaya Lawrence	100	100
P.T. Wilton Wahana Indonesia		
Wijaya Lawrence	3	30
P.T. Liektucha Ciemas	3	3
Wijaya Lawrence		

There were no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2014.

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the date of appointment, or at the end of the financial year.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Share options

No options were issued by the Company or its subsidiaries during the financial year.

As at 30 June 2014, there are no options on the unissued shares of the Company or its subsidiaries which were outstanding.

Audit Committee

The Audit Committee carried out its functions specified in the Singapore Companies Act, Chapter 50. The functions performed are detailed in the Corporate Governance Report as set out in the Annual Report of the Company.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors:

Chong Chin Fan
Director

Ngiam Mia Je Patrick
Director

Singapore
7 October 2014

Statement by directors

We, Chong Chin Fan and Ngiam Mia Je Patrick, being two of the directors of Wilton Resources Corporation Limited, do hereby state that, in the opinion of the directors,

(a) the accompanying balance sheets, consolidated statement of comprehensive income, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2014 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors:

Chong Chin Fan
Director

Ngiam Mia Je Patrick
Director

Singapore
7 October 2014

Independent auditor's report to the Members of Wilton Resources Corporation Limited

Report on the financial statements

We have audited the accompanying financial statements of Wilton Resources Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 6 to 57, which comprise the balance sheets of the Group and the Company as at 30 June 2014, the statements of changes in equity of the Group and the Company, and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Independent auditor's report to the Members of Wilton Resources Corporation Limited

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and the subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

7 October 2014

Wilton Resources Corporation Limited and its subsidiaries

Consolidated statement of comprehensive income
For the financial year ended 30 June 2014

	Note	2014 Rp million	2013 Rp million
Revenue		–	–
Cost of sales		–	–
Gross profit		–	–
Other items of income			
Other income		11,253	84
Interest income from loans and receivables		503	4
Other items of expense			
Other expenses		(8,593)	(2,237)
Other operating expenses	4	(616,068)	–
Exploration and evaluation expenses		–	(9,865)
General and administrative expenses		(34,386)	(5,750)
Loss before tax	5	(647,291)	(17,764)
Income tax (expense)/credit	7	(22)	810
Loss net of tax		(647,313)	(16,954)
Other comprehensive income:			
Item that may not be reclassified subsequently to profit or loss			
Re-measurement loss on defined benefit plans		(391)	–
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation		(17,085)	(905)
Other comprehensive income for the year, net of tax		(17,476)	(905)
Total comprehensive income for the year and attributable to owners of the Company		(664,789)	(17,859)
Loss per share attributable to owners of the parent (Rp per share)			
Basic	8	(345.56)	(11.30)
Diluted	8	(345.56)	(11.30)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance sheets
As at 30 June 2014

	Note	Group 30.6.2014 Rp million	Group 30.6.2013 Rp million	Group 1.7.2012 Rp million	Company 30.6.2014 Rp million	Company 30.6.2013 Rp million	Company 1.7.2012 Rp million
Non-current assets							
Exploration and evaluation assets	9	146,585	76,042	440	–	–	–
Mine properties	10	388	388	110	–	–	–
Property, plant and equipment	11	2,513	673	291	344	6	10
Intangible assets	12	225	–	–	–	–	–
Investment in subsidiaries	13	–	–	–	2,232,811	25,948	34,920
Inventories		30	–	–	–	–	–
Prepayments		–	–	–	–	–	4
Deferred tax assets	7	1,132	1,132	322	–	–	–
		150,873	78,235	1,163	2,233,155	25,954	34,934
Current assets							
Other debtors and deposits	14	708	507	–	249	151	40
Prepayments	15	12,589	395	399	12,577	79	84
Amount due from a related party	16	–	47	25,120	–	–	–
Amounts due from subsidiaries	16	–	–	–	193,087	–	–
Loan receivable	17	–	–	–	–	94,095	44,491
Assets held-for-sale		–	–	–	–	–	17,673
Cash and cash equivalents	18	194,819	2,304	13,900	178,362	231,684	234,640
		208,116	3,253	39,419	384,275	326,009	296,928
Total assets		358,989	81,488	40,582	2,617,430	351,963	331,862

Balance sheets
As at 30 June 2014 (cont'd)

	Note	Group 30.6.2014 Rp million	Group 30.6.2013 Rp million	Group 1.7.2012 Rp million	Company 30.6.2014 Rp million	Company 30.6.2013 Rp million	Company 1.7.2012 Rp million
Current liabilities							
Trade payables	19	4,332	308	–	–	–	–
Other payables and accruals	20	13,482	11,398	2,537	5,028	2,569	3,902
Amount due to a related party	16	1,976	–	–	–	–	–
Amounts due to subsidiaries	16	–	–	–	957	–	–
Loan payable	17	–	94,095	44,490	–	–	–
Tax payable		91	–	9	26	81	146
		19,881	105,801	47,036	6,011	2,650	4,048
Net current assets/(liabilities)		188,235	(102,548)	(7,617)	378,264	323,359	292,880
Non-current liability							
Employee benefits liability	6	848	–	–	–	–	–
Total liabilities		20,729	105,801	47,036	6,011	2,650	4,048
Net assets/(liabilities)		338,260	(24,313)	(6,454)	2,611,419	349,313	327,814
Equity attributable to owners of the Company							
Share capital	21	1,015,806	7	7	2,971,929	494,795	494,795
Accumulated losses		(689,124)	(23,227)	(6,273)	(360,510)	(224,322)	(226,969)
Foreign currency translation reserve	22	–	(1,106)	(201)	–	78,840	59,988
Merger reserve	23	13	13	13	–	–	–
Capital reserve	24	11,565	–	–	–	–	–
Total equity/(deficit)		338,260	(24,313)	(6,454)	2,611,419	349,313	327,814
Total equity and liabilities		358,989	81,488	40,582	2,617,430	351,963	331,862

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of changes in equity
For the financial year ended 30 June 2014

	Attributable to owners of the Company					
	Share capital (Note 21) Rp million	**Accumulated losses** Rp million	**Foreign currency translation reserve (Note 22)** Rp million	**Merger Reserve (Note 23)** Rp million	**Capital Reserve (Note 24)** Rp million	**Total equity** Rp million
Group						
At 1 July 2013	7	(23,227)	(1,106)	13	–	(24,313)
Loss for the year	–	(647,313)	–	–	–	(647,313)
Other comprehensive income						
Re-measurement losses on defined benefit plans	–	(391)	–	–	–	(391)
Foreign currency translation	–	–	(17,085)	–	–	(17,085)
Other comprehensive income for the year, net of tax	–	(391)	(17,085)	–	–	(17,476)
Total comprehensive income for the year, net of tax	–	(647,704)	(17,085)	–	–	(664,789)
Contributions by and distributions to owners						
Capital injection by a shareholder	–	–	–	–	11,565	11,565
Issuance of shares as part payment of professional fees for the reverse acquisition	8,379	–	–	–	–	8,379
Issuance of shares pursuant to reverse acquisition	1,007,418	–	–	–	–	1,007,418
Total contributions by and distributions to owners	1,015,797	–	–	–	11,565	1,027,362
Effect of changes in functional currency	2	(18,193)	18,191	–	–	–
At 30 June 2014	1,015,806	(689,124)	–	13	11,565	338,260

Statements of changes in equity
For the financial year ended 30 June 2014 (cont'd)

	Attributable to owners of the Company					
	Share capital (Note 21) Rp million	**Accumulated losses** Rp million	**Foreign currency translation reserve (Note 22)** Rp million	**Merger Reserve (Note 23)** Rp million	**Capital Reserve (Note 24)** Rp million	**Total equity** Rp million
Group						
At 1 July 2012	7	(6,273)	(201)	13	–	(6,454)
Loss for the year	–	(16,954)	–	–	–	(16,954)
Other comprehensive income						
Foreign currency translation representing other comprehensive income for the year, net of tax	–	–	(905)	–	–	(905)
Total comprehensive income for the year, net of tax	–	(16,954)	(905)	–	–	(17,859)
At 30 June 2013	7	(23,227)	(1,106)	13	–	(24,313)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of changes in equity
For the financial year ended 30 June 2014 (cont'd)

	Share Capital (Note 21) Rp million	Accumulated losses Rp million	Foreign currency translation reserve (Note 22) Rp million	Total equity Rp million
Company				
At 1 July 2013	494,795	(224,322)	78,840	349,313
Loss for the year	–	(56,331)	–	(56,331)
Other comprehensive income				
Foreign currency translation representing other comprehensive income for the year, net of tax	–	–	77,247	77,247
Total comprehensive income for the year, net of tax	–	(56,331)	77,247	20,916
Contributions by and distributions to owners				
Issuance of shares as part payment of professional fees for the reverse acquisition	8,379	–	–	8,379
Issuance of shares pursuant to reverse acquisition	2,232,811	–	–	2,232,811
Total contributions by and distributions to owners	2,241,190	–	–	2,241,190
Effect of changes in functional currency	235,944	(79,857)	(156,087)	–
At 30 June 2014	2,971,929	(360,510)	–	2,611,419
At 1 July 2012	494,795	(226,969)	59,988	327,814
Profit for the year	–	2,647	–	2,647
Other comprehensive income				
Foreign currency translation representing other comprehensive income for the year, net of tax	–	–	18,852	18,852
Total comprehensive income for the year, net of tax	–	2,647	18,852	21,499
At 30 June 2013	494,795	(224,322)	78,840	349,313

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Wilton Resources Corporation Limited and its subsidiaries

Consolidated cash flow statement
For the financial year ended 30 June 2014

	Note	2014 Rp million	2013 Rp million
Cash flows from operating activities			
Loss before tax		(647,291)	(17,764)
Adjustments for:			
Loss on disposal of subsidiaries	4	616,064	–
Share-based payment expenses	5	8,379	–
Unrealised foreign exchange differences		5,743	1,921
Interest income		(503)	(4)
Accruals written back	5	(11,343)	–
Depreciation of property, plant and equipment	5	357	166
Operating cash flows before working capital changes		(28,594)	(15,681)
(Increase)/decrease in prepayments		(11,418)	3
Decrease in amounts due from related parties		572	–
Decrease/(increase) in other debtors and deposits		831	(504)
Increase in inventories		(30)	–
Decrease in prepaid tax		–	1
Increase in trade payables		4,024	308
Increase in other payables and accruals		3,855	8,660
Cash flows used in operations		(30,760)	(7,213)
Interest received		503	4
Income tax received/(paid)		6	(9)
Net cash flows used in operating activities		(30,251)	(7,218)
Cash flows from investing activities			
Investment in exploration and evaluation assets	18	(51,315)	(50,529)
Investment in mine properties	10	–	(278)
Investment in intangible assets	12	(225)	–
Purchase of property, plant and equipment	18	(2,197)	(545)
Net cash outflow from disposal of subsidiaries	13	(3,827)	–
Net cash inflow from reverse acquisition	13	280,185	–
Net cash flows generated from/(used in) investing activities		222,621	(51,352)
Cash flows from financing activity			
Proceeds from loan from HHL		–	46,740
Net cash flows generated from financing activity		–	46,740
Net increase/(decrease) in cash and cash equivalents		192,370	(11,830)
Effect of exchange rate changes on cash and cash equivalent		145	234
Cash and cash equivalents at 1 July		2,304	13,900
Cash and cash equivalents at 30 June	18	194,819	2,304

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

1.1 *The Company*

The former name of the Company is Hartawan Holdings Limited ("HHL"). Upon the completion of a reverse acquisition on 12 December 2013, the Company's name was changed to Wilton Resources Corporation Limited (the "Company") which is a limited liability company incorporated and domiciled in Singapore. The Company is a sponsored company listed on Catalist Board ("Catalist") of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 390 Havelock Road, #07-06 King's Centre, Singapore 169662.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 13.

1.2 *Reverse acquisition undertaken by the Company (the "Reverse Acquisition")*

The Reverse Acquisition

On 29 October 2011, the Company entered into a conditional sale and purchase agreement (the "S&P Agreement") with Wijaya Lawrence and Ngiam Mia Je Patrick (the "Vendors") for the acquisition of the entire issued and paid-up share capital of Wilton Resources Holding Pte. Ltd. ("WRH") and its subsidiaries (collectively, the "WRH Group"). The acquisition resulted in a reverse takeover of the Company.

The Company consolidated every twelve existing ordinary shares in the capital of the Company into ten consolidated shares (the "Consolidated Shares") with effect from 6 December 2013 prior to the completion of the Reverse Acquisition.

The purchase consideration of the Reverse Acquisition was fully satisfied by the allotment and issue of an aggregate of 1,500,000,000 Consolidated Shares to the Vendors in proportion to their respective shareholding in WRH on 12 December 2013, which was the date of completion of the Reverse Acquisition (the "Completion Date").

The Restructuring Exercise

Pursuant to the S&P Agreement, for the purpose of the Reverse Acquisition, the WRH Group was formed through a restructuring which involved the acquisition of the issued and paid-up share capital of each of the WRH Group's subsidiaries, namely, WRH being registered and recognised under the laws of Indonesia as the sole shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of P.T. Wilton Investment ("PT WI"), PT WI being registered and recognised under the laws of Indonesia as the sole shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of P.T. Wilton Wahana Indonesia ("PT WWI"), and PT WWI being registered and recognised under the laws of Indonesia as the sole shareholder (or the shareholder of the maximum shareholding percentage permissible under the laws of Indonesia) of P.T. Liektucha Ciemas ("PT LTC") (the "Restructuring Exercising").

The Restructuring Exercise involved entities under the common control of Wijaya Lawrence ("WL"). Accordingly, the transaction has been accounted for as business combination under common control based on the pooling-of-interest method. Under the pooling-of-interest method, management has elected to account for this transaction retrospectively, as if it had occurred from the beginning of the earliest period presented in the financial statements, i.e. on 1 July 2012.

1. **Corporate information (cont'd)**

1.2 ***Reverse acquisition undertaken by the Company (the "Reverse Acquisition") (cont'd)***

Put option for the disposal of Hartawan Subsidiaries

In conjunction with the S&P Agreement, the Company, together with the Company's then-Executive Chairman, Winstedt Chong Thim Pheng, (the "Undertaking Shareholder") entered into a put option for a consideration sum of S$1 (equivalent to Rp 7,816), under which the Company has the right to require the Undertaking Shareholder to purchase from the Company the entire issued and paid-up capital of each of Hotel Re! Pte Ltd and Hartawan Property Management Pte Ltd (collectively the "Hartawan Subsidiaries") at an aggregate consideration of S$3.16 million (equivalent to Rp 30.3 billion) (the "Put Option"). The Put Option was exercised on Completion Date immediately after the completion of the Reverse Acquisition.

At Group Level

The acquisition of the WRH Group was accounted for as a reverse acquisition in accordance with FRS 103 *Business Combinations*, and WRH Group was deemed to be the accounting acquirer and the Company was deemed to be the acquiree. Accordingly, the consolidated statement of comprehensive income, consolidated balance sheets, consolidated statement of changes in equity and consolidated cash flow of the Group (comprising the Company and WRH Group) for the financial year ended 30 June 2014 has been presented as a continuation of WRH Group's financial statements.

Since such consolidated financial statement represented a continuation of the financial statements of WRH Group,

(a) the assets and liabilities of the WRH Group were recognised and measured in the consolidated balance sheet at their carrying amounts prior to the Reverse Acquisition;

(b) the assets and liabilities of the Company were recognised and measured in the consolidated balance sheets at their fair values on Completion Date;

(c) the accumulated losses and other equity balances recognised in the consolidated financial statements are the accumulated losses and other equity balances of WRH Group prior to the Reverse Acquisition;

(d) the amount recognised as issued equity interest in the consolidated financial statements were determined by adding the issued equity of WRH immediately before the business combination to the fair value of the shares issued by the Company pursuant to the Reverse Acquisition. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instrument issued) shall reflect the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the legal parent to effect the Reverse Acquisition;

(e) the consolidated income statement for the current period reflects that of WRH and WRH's subsidiaries acquired pursuant to the Reverse Acquisition for the full year together with the post-acquisition results of the Company; and

(f) the comparative figures presented in these consolidated financial statements were that of the financial statements of the WRH Group.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements for the Company and WRH for the financial year ended 30 June 2013 were previously measured and presented in Singapore Dollars ("SGD" or "S$"). The Company and WRH changed its functional currency from SGD to Indonesian Rupiah ("IDR" or "Rp") on 12 December 2013 and 30 September 2013 respectively as disclosed in Note 2.5. With the change in functional currency from SGD to IDR, WRH and the Company has changed its presentation currency to IDR, which is accounted for retrospectively in accordance with FRS 8 Accounting policies, Changes in Accounting Estimates and Errors. Accordingly, the Company has presented the opening balance sheet as at 1 July 2012.

The financial statements are presented in IDR and all values are rounded to the nearest million ("Rp Million") unless otherwise indicated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 July 2013. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

Accordingly to the transition provisions of FRS 113 Fair Value Measurement, FRS 113 has been applied prospectively by the Group on 1 July 2013.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Revised FRS 27 *Separate Financial Statements*	1 January 2014
Amendments to FRS 32 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
FRS 36 *Amendments to FRS 36: Recoverable Amount Disclosures for Non-financial Assets*	1 January 2014
FRS 110 *Consolidated Financial Statements*	1 January 2014
FRS 112 *Disclosure of Interests in Other Entities*	1 January 2014
FRS 110, FRS 112 and FRS 27 *Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities*	1 January 2014
FRS 110, FRS 111 and FRS 112 *Amendments to the transition guidance of FRS 110 Consolidated Financial Statements, FRS 111 Joint Arrangements and FRS 112 Disclosure of Interests in Other Entities*	1 January 2014
Amendments to FRS 19: Defined Benefit Plans: Employee Contributions	1 July 2014
Improvements to FRSs (January 2014 and February 2014)	1 July 2014

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation*

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation (cont'd)*

(b) *Business combinations*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation (cont'd)*

(c) *Business combinations involving entities under common control*

Business combinations involving common control are accounted for by applying the pooling-of-interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at the carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.
- The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- Comparatives are restated to reflect the combination as if it had occurred from the beginning of the earliest period presented in the financial statements or from the date the entities had come under common control, if later.

2.5 *Foreign currency*

(a) *Change in functional currency and presentation currency*

The Company and one of its subsidiaries, WRH, changed its functional currency from SGD to IDR on 12 December 2013 and 30 September 2013 respectively upon the completion of the Reverse Acquisition and the Restructuring Exercise. As a result of the Reverse Acquisition and Restructuring Exercise, there was increasing influence of IDR over the Company and WRH's economic environment and this triggered the change in functional currency.

Pursuant to FRS 21, *The Effects of Changes in Foreign Exchange Rates,* the effect of the change in functional currency was accounted for prospectively at the respective date of change.

The figures as at the date of change of the functional currency, and the comparative figures for the financial years ended 30 June 2013 and 1 July 2012 were translated and presented in IDR using the following rates:

- Assets and liabilities in the balance sheets as at 1 July 2012, 30 June 2013 and date of change were translated at exchange rates prevailing as at 1 July 2012, 30 June 2013 and the date of change respectively.

- Income and expenses in the statement of comprehensive income for the year ended 30 June 2013 and period up to the respective dates of change were translated at average exchange rate for the financial year ended 30 June 2013 and period up to the date of change respectively.

2. Summary of significant accounting policies (cont'd)

2.5 *Foreign currency (cont'd)*

(a) *Change in functional currency and presentation currency (cont'd)*

As a result of the change in functional currency, the Group changed its presentation currency from SGD to IDR.

(b) *Foreign currency transactions*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, all items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Motor vehicles	–	8 years
Electrical and office equipment	–	3 to 8 years
Furniture and fittings	–	3 to 8 years
Renovations	–	4 years

2. Summary of significant accounting policies (cont'd)

2.6 *Property, plant and equipment (cont'd)*

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.7 *Mineral exploration, evaluation and development expenditures*

(a) *Pre-mining rights costs*

Pre-license costs relate to costs incurred before the Group has obtained legal rights to explore in a specific area. Such costs are expensed in the period in which they are incurred.

(b) *Exploration and evaluation costs*

Exploration and evaluation activities involve the search for mineral, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Such activities include:

(i) gathering exploration data through topographical, geochemical and geophysical studies;

(ii) exploratory drilling, trenching and sampling;

(iii) determining and examining the volume and grade of the resource; and

(iv) surveying transportation and infrastructure requirements.

Administration costs that are not directly attributable to a specific exploration area are charged to profit or loss.

License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised from the commencement of commercial production.

Once the legal right to explore has been acquired, exploration and evaluation expenditures are charged to profit or loss as incurred, unless the director concludes that future economic benefits are more likely than not to be realised. These expenditures include acquisition and renewal of rights to explore; technical feasibility, processing and mining study; environmental impact assessment, management and monitoring; drilling, explosives permitting and other exploration costs paid to contractors and consultants.

2. Summary of significant accounting policies (cont'd)

2.7 *Mineral exploration, evaluation and development expenditures (cont'd)*

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - (ii) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised exploration and evaluation costs are recorded under "Exploration and Evaluation Assets" and are subsequently measured at cost less any allowance for impairment. Such assets are not depreciated as they are not available for use but monitored for indications of impairment. Where a potential impairment is indicated, an assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash generating unit) to which the exploration is attributed. To the extent that exploration and evaluation costs are not expected to be recovered, these are charged to profit or loss.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, all exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine under construction, which is a subset of mine properties.

2.8 *Mine properties*

Mining properties include assets in production and in development, and assets transferred from exploration and evaluation assets. Mining properties in development are not amortised until production commences.

Upon transfer of "Exploration and evaluation assets" into "Mines under construction" in "Mine properties", all subsequent expenditures on the construction, installation or completion of infrastructure facilities are capitalised in "Mines under construction". Development expenditure is net of proceeds from the sale of ore extracted during the development phase. The "Mines under construction" is not amortised until it is completed and the production stage is commenced, and the assets are transferred into "Producing mines" in "Mine properties".

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development.

The accumulated costs of producing mines are amortised on the unit-of-production basis over the economically recoverable reserves of the mine concerned.

2. Summary of significant accounting policies (cont'd)

2.9 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Software

Software are amortised over the estimated useful life of 3 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is de-recognised.

2.10 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering the lease period.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

2. Summary of significant accounting policies (cont'd)

2.10 *Impairment of non-financial assets (cont'd)*

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11 *Subsidiaries*

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.12 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

<u>Loans and receivables</u>

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2. Summary of significant accounting policies (cont'd)

2.12 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities not at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.13 *Impairment of financial assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.14 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and short term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2. Summary of significant accounting policies (cont'd)

2.15 *Inventories*

Inventories comprise of stockpiles of unprocessed ore are measured at the lower of cost and net realisable value. The cost comprises all actual costs incurred during pre-production stage to deliver ore to stockpiles. Stockpiles are classified as a non-current asset where the stockpile is expected to be processed more than 12 months after the end of the reporting period.

Net realisable value is the estimated future sales price of the product the Group expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

2.16 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 *Employee benefits*

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme.

(b) *Defined benefit plans*

The Group also provides additional provisions for employee service entitlements in order to meet the minimum benefits required to be paid to qualified employees, as required under the Indonesian Labour Law No.13/2003 (the "Labour Law"). The said additional provisions, which are unfunded, are estimated by actuarial calculations using the projected unit credit method.

The estimated liability for employee benefits is the aggregate of the present value of the defined benefit obligations at the end of the reporting period.

Defined benefit obligation comprises of the following:

- Service costs
- Net interest on the net defined benefit liability; and
- Re-measurements of the net defined benefit liability

2. Summary of significant accounting policies (cont'd)

2.17 *Employee Benefits (cont'd)*

(b) *Defined benefit plans (cont'd)*

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability is the change during the period in the net defined benefit liability that arises from the passage of time which is determined by applying the discount rate to the net defined benefit liability. Net interest on the net defined benefit liability is recognised as expense or income in profit or loss.

Re-measurements comprising actuarial gains and losses are recognised immediately in other comprehensive income in the consolidated statement of comprehensive income in the period in which they arise. Re-measurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

(c) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.18 *Leases*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.19 *Interest income*

Interest income is recognised using the effective interest method.

2. Summary of significant accounting policies (cont'd)

2.20 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. Summary of significant accounting policies (cont'd)

2.20 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2. Summary of significant accounting policies (cont'd)

2.21 *Segment reporting*

The Group operates as a gold mining group in Indonesia, which management considers as a single reportable segment. Accordingly, separate information on operation segment has not been presented. As the Group has not commenced trading activity, the Group does not have any reliance on any major customer.

2.22 *Share capital and share issue expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.23 *Related parties*

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgments made in applying accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. The determination of a JORC resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e. measured, indicated or inferred). The estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available. The carrying amount of exploration and evaluation assets as at 30 June 2014 and 2013 is disclosed in Note 9.

(b) Impairment of exploration and evaluation assets

The Group has substantial investments in exploration and evaluation assets for its mining operations in Indonesia whereby the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation. Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine the technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- The term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;

3. Significant accounting estimates and judgments (cont'd)

3.1 *Judgments made in applying accounting policies (cont'd)*

(b) Impairment of exploration and evaluation assets (cont'd)

- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or

- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale as supported by ore reserve and mineral estimates (Note 3.2(a)).

Management has assessed that none of the circumstances have been triggered as set out above and accordingly, there is no indicator of impairment as at the end of the reporting period. The carrying amount of exploration and evaluation assets as at 30 June 2014 and 2013 is disclosed in Note 9.

(c) Recovery of deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the budgets and forecast calculations for the mine operations. These budgets and forecast calculation are generally dependent on the ore reserve and mineral resource estimate in Note 3.2 (a).

Group's carrying value of recognised tax losses at 30 June 2014 was Rp 1,132 million (2013: Rp 1,132 million) as disclosed in Note 7. These losses relate to subsidiaries that have a history of losses, expire within 5 years and may not be used to offset taxable income elsewhere in the Group.

Management has estimated that the production start date of the mine operations will be pushed back by a year, and correspondingly they have derecognised deferred tax assets in prior periods, and recognised current year tax losses up to the extent that it is probable that taxable profit will be available against which the unused tax losses can be utilised.

3. Significant accounting estimates and judgments (cont'd)

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Ore reserve and mineral resource estimates

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body.

The Group estimates and reports ore reserves in line with the principles contained in the Australasian Code for Reporting Identified Mineral Resources and Ore Reserves prepared by the Joint Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2004 (the "JORC Code" or "JORC Code 2004 Edition"). The JORC Code requires the use of reasonable investment assumptions, including:

- Future production estimates, which include proved and probable reserves, resource estimates and committed expansions.
- Expected future commodity prices, based on current market price, forward prices and the Group's assessment of the long-term average price.
- Future cash costs of production, capital expenditure and rehabilitation obligations.

Consequently, management will form a view of forecast sales prices based on current and long-term historical average price trends. For example, if current prices remain above long-term historical averages for an extended period of time, management may assume that lower prices will prevail in the future. As a result, those lower prices would be used to estimate reserves under the JORC Code. Lower price assumptions generally result in lower estimates of reserves.

3. Significant accounting estimates and judgments (cont'd)

3.2 *Key sources of estimation uncertainty*

(a) Ore reserve and mineral resource estimates (cont'd)

As the economic assumptions used may change and as additional geological information is produced during the operation of a mine, estimates of reserves may change. Such changes may impact the Group's reported financial position and results, including:

- The carrying value of exploration and evaluation assets; mine properties; property, and property, plant and equipment may be affected due to changes in estimated future cash flows (Note 3.1(b)).
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgments regarding the existence of such assets and in estimates of the likely recovery of such assets (Note 3.1(c)).

(b) Defined benefit plans

The determination of the Group's obligations and cost for employee benefits liabilities is dependent on its selection of certain assumptions used by independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, retirement age and mortality rate. Actual results that differ from the Group's assumptions are recognised immediately in profit and loss as and when they occur. While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual experiences or significant changes in the Group's assumptions may materially affect its estimated liabilities for employee benefits and its related expense. The carrying amount of the Group's employee benefits liabilities as at 30 June 2014 is Rp 848 million (2013: Nil). The key assumptions applied in the determination of employee benefits liabilities including a sensitivity analysis, are disclosed and further explained in Note 6.

4. Other operating expenses

The following item has been included in arriving at other operating expenses:

	Group	
	2014	**2013**
	Rp million	Rp million
Loss on disposal of subsidiaries (Note 13)	616,064	–

5. Loss before tax

The following items have been included in arriving at loss before tax

	Group	
	2014	**2013**
	Rp million	Rp million
Audit fees:		
- Auditor of the Company	684	85
- Other auditor of the company	709	–
Other audit fees:		
- Other auditor of the company	274	–
Non-audit fees:		
- Auditor of the Company	218	–
Depreciation of property, plant and equipment	357	166
Employee benefits expense (Note 6)	8,402	1,268
Accruals written back[(1)]	(11,343)	–
Foreign exchange loss	8,572	2,139
Share-based payment expenses[(2)]	8,379	–
Professional Fee in relation to Reverse Acquisition	7,806	1,048
Operating lease expense	882	378

(1) Accruals written back relates to the write-back of withholding tax provision that is no longer required in relation to exploration and evaluation expenses incurred in previous years.

(2) Share-based payment expenses relate to part payment for professional fees in respect of financial advisory services rendered to the Company in connection with the Reverse Acquisition via the issuance 4,362,290 Consolidated Shares. This transaction is accounted for as a share-based payment expense and the fair value of the services rendered was estimated to be Rp 8,379 million (2013: Nil).

6. Employee benefits

	Group	
	2014	**2013**
	Rp million	Rp million
Employee benefits expense (including directors):		
- Salaries and bonuses	6,681	1,147
- Short term employee benefits	1,042	93
- Post employment benefits	458	–
- Central Provident Fund contributions	221	28
	8,402	1,268

6. Employee benefits (cont'd)

Employee defined benefit plan

The Group has recorded provisions for employee service entitlements in order to meet the minimum benefits required to be paid to the qualified employees, as required under the Indonesian Labour Law. The amounts of such additional provisions were determined based on actuarial computations prepared by an independent actuary using the "Projected Unit Credit" method. As at 30 June 2014, the balance of the related actuarial liability for employee benefits is presented as "Employee benefits liability" in the consolidated balance sheet.

The details of the employee benefits liability as of 30 June are as follows:

	Group	
	2014	**2013**
	Rp million	Rp million
Recognised in profit of loss		
Current service costs	428	–
Interest cost	29	–
	457	–
Recognised in other comprehensive income		
Actuarial losses recognised during the year	391	–
Employee benefits liability	848	–

The changes in the defined benefit liability are as follows:

	Group	
	2014	**2013**
	Rp million	Rp million
At 1 July	–	–
Provision during the year	457	–
Actuarial loses recognised via other comprehensive income	391	–
At 30 June	848	–

6. Employee benefits (cont'd)

The key assumptions used in the actuarial calculations in 30 June 2014 are as follows:

(a) Annual discount rate: 8.6%
(b) Annual salary increase: 7%
(c) Retirement age: 55 years old
(d) Mortality rate reference: Indonesian Mortality Table ("IMT") 2011

Sensitivity analysis to the principal assumptions used in determining employee benefits liability are as follows:

	Quantitative sensitivity analysis		
		2014	2013
	Increase/ (decrease)	(Decrease)/increase in employee benefit liability	
		Rp million	Rp million
Annual discount rate	1%/(1%)	(24)/30	–
Future annual salary increase	1%/(1%)	29/(24)	–

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit liability as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The Group is not expected to contribute (2013: Nil) to the defined benefit plan in the financial year ending 30 June 2015.

The average duration of the defined benefit plan at the end of the reporting period is 14.2 years (2013: Nil).

7. Income tax expense/(credit)

(a) Major components of income tax expense/(credit)

The major components of income tax expense/(credit) for the years ended 30 June 2014 and 2013 are:

	Group	
	2014	2013
	Rp million	Rp million
Current income tax:		
- under provision in respect of previous years	22	–
Deferred income tax [Note 7(d)]:		
- origination and reversal of temporary differences	–	(810)
Income tax expense/(credit) recognised in profit or loss	22	(810)

7. Income tax expense/(credit) (cont'd)

(b) Relationship between tax expense/(credit) and accounting loss

The reconciliation between tax expense/(credit) and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 30 June 2014 and 2013 is as follows:

	Group	
	2014	**2013**
	Rp million	Rp million
Loss before tax	(647,291)	(17,764)
Tax at the domestic rates applicable to profits in the countries where the Group operates	(125,570)	(15,940)
Adjustments:		
Non-deductible expenses	125,420	15,130
Income not subject to taxation	(1,913)	–
Deferred tax assets not recognised	2,063	–
Under provision of current income tax in respect of previous years	22	–
Income tax expense/(credit) recognised in profit or loss	22	(810)

(c) Unrecognised tax losses

At the end of the reporting period, the Group has unused tax losses that are available for offset against future taxable profits of the companies in which the unused tax losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The amounts of unutilised tax losses and the expiry dates are set out below:

	Group			
	2014		2013	
	Amount Rp million	**Expiry Date**	**Amount** Rp million	**Expiry Date**
Unrecognised tax losses	1,288	30 June 2017	–	–
	6,964	30 June 2019	–	–

The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of respective countries in which the companies operate.

7. Income tax expense/(credit) (cont'd)

(d) Deferred tax assets

	Group			
	Consolidated balance sheet		Consolidated statement of comprehensive income	
	2014	2013	2014	2013
	Rp million	Rp million	Rp million	Rp million
Deferred tax assets				
Unutilised tax losses	1,132	1,132	–	810

8. Loss per share

The basic and diluted loss per share are calculated by dividing the loss for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2014	2013
	Rp million	Rp million
Loss for the year attributable to owners of the Company	(647,313)	(16,954)

	Group	
	No. of shares	No. of shares
	'000	'000
Weighted average number of ordinary shares for basic loss per share computation	1,873,230	1,500,000
Weighted average number of ordinary shares for diluted loss per share computation	1,873,230	1,500,000

For the current financial year, the weighted average number of shares for the year is calculated based on:

(a) the number of ordinary shares outstanding from the beginning of the year, up to the Completion Date is computed based on the weighted average number of ordinary shares of WRH (the "Legal Subsidiary") outstanding during the period multiplied by the exchange ratio established in the S&P Agreement; and

(b) the number of ordinary shares outstanding from the Completion Date, up to the end of the reporting period is the actual number of ordinary shares of the Company outstanding during the period.

8. Loss per share (cont'd)

For the comparative period for the year ended 30 June 2013, the weighted average number of shares is calculated based on the Legal Subsidiary's historical average number of ordinary shares outstanding multiplied by the exchange ratio established in the S&P Agreement.

The diluted loss per share were the same as the basic loss per share as there were no outstanding convertible securities for the financial years ended 30 June 2014 and 30 June 2013.

9. Exploration and evaluation assets

	Group	
	2014	**2013**
	Rp million	Rp million
At 1 July	76,042	440
Additions	70,543	75,880
Transfer to Mine Properties – Mines under Construction	–	(278)
At 30 June	146,585	76,042

In the previous financial year, part of the exploration and evaluation expenditures of Pasir Manggu (West), Cibatu, Cikadu and Sekolah which were allocated proportionally to each area of interest in the Ciemas Gold Project based on the Company's gold reserves was transferred to "Mine Properties – Mines under Construction" since the areas of interest were in the developmental stage at the end of the previous financial year.

There is no transfer of exploration and evaluation expenditures in the current financial year as management is evaluating a change in its mining method from underground mining to open pit mining as at 30 June 2014.

Management has assessed based on the Independent Qualified Person's Report for the Ciemas Gold Project, Ciemas Sukabumi Region, Republic of Indonesia as of 31 May 2014, as well as the Updated Resource Report as of 30 June 2014, on the Ciemas Gold Project's areas of interest, management has assessed that there were no impairment indicators for the exploration and evaluation assets as of 30 June 2014 and 2013.

10. Mine properties – *Mines under construction*

	Group	
	2014	**2013**
	Rp million	Rp million
At 1 July	388	110
Transfer from exploration and evaluation assets (Note 9)	–	278
At 30 June	388	388

11. Property, plant and equipment

Group	**Motor vehicles** Rp million	**Electrical and office equipment** Rp million	**Furniture and fittings** Rp million	**Renovations** Rp million	**Total** Rp million
Cost					
At 1 July 2012	–	331	–	–	331
Additions	–	64	485	–	549
At 30 June 2013 and 1 July 2013	–	395	485	–	880
Additions	1,153	321	–	608	2,082
Exchange differences	–	33	82	–	115
At 30 June 2014	1,153	749	567	608	3,077
Accumulated depreciation					
At 1 July 2012	–	40	–	–	40
Charge for the year	–	86	80	–	166
Exchange differences	–	–	1	–	1
At 30 June 2013 and 1 July 2013	–	126	81	–	207
Charge for the year	48	121	188	–	357
At 30 June 2014	48	247	269	–	564
Net carrying amount					
At 30 June 2013	–	269	404	–	673
At 30 June 2014	1,105	502	298	608	2,513

11. Property, plant and equipment (cont'd)

Company	Electrical and office equipment Rp million	Furniture and fittings Rp million	Total Rp million
Cost			
At 1 July 2012	588	–	588
Exchange difference	34	–	34
At 30 June 2013 and 1 July 2013	622	–	622
Additions	59	396	455
Disposals	(622)	–	(622)
At 30 June 2014	59	396	455
Accumulated depreciation			
At 1 July 2012	578	–	578
Charge for the year	5	–	5
Exchange difference	33	–	33
At 30 June 2013 and 1 July 2013	616	–	616
Charge for the year	14	99	113
Disposals	(618)	–	(618)
At 30 June 2014	12	99	111
Net carrying amount			
At 30 June 2013	6	–	6
At 30 June 2014	47	297	344

12. Intangible assets

Group	Software Rp million
Cost	
At 1 July 2012, 30 June 2013 and 1 July 2013	–
Additions	225
At 30 June 2014	225
Accumulated amortisation	
At 1 July 2012, 30 June 2013, 1 July 2013 and 30 June 2014	–
Net carrying amount	
At 30 June 2013	–
At 30 June 2014	225

There was no amortisation charged for the current financial year as the intangible assets were purchased at year-end.

13. Investment in subsidiaries

	Company	
	2014	2013
	Rp million	Rp million
Shares, at cost	2,232,811	131,249
Impairment losses	–	(105,301)
	2,232,811	25,948
Movement in allowance for impairment losses:		
At 1 July	105,301	172,303
Charged to profit or loss	–	10,906
Struck off during the year	–	(87,302)
Disposed during the year	(105,301)	–
Exchange differences	–	9,394
At 30 June	–	105,301

As at 30 June 2014, the subsidiaries of the Company relate to entities held directly or indirectly by the Company subsequent to the Reverse Acquisition, namely, the WRH Group, as described in Note 1.2.

As at 30 June 2013, the subsidiaries of the Company relate to entities held directly or indirectly by the Company prior to the Reverse Acquisition, namely Hotel Re! Pte Ltd, Hartawan Property Management Pte Ltd and Wallich Development Pte Ltd.

Name (country of incorporation and place of business)	Principal activities	Proportion (%) of ownership interest 2014 %	2013 %
Held by the Company			
Hartawan Property Management Pte Ltd* # (Singapore)	Property Leasing	–	100
Wallich Development Pte Ltd** # (Singapore)	Dormant	–	100
Hotel Re! Pte Ltd* # (Singapore)	Hotel Operators	–	100
Wilton Resources Holdings Pte. Ltd.# (Singapore)	Investment holding	100	–
Subsidiary held by Wilton Resources Holdings Pte. Ltd.			
P.T. Wilton Investment ## (Indonesia)	Gold mining	100[(1)]	–

13. Investment in subsidiaries (cont'd)

Name (country of incorporation and place of business)	Principal activities	Proportion (%) of ownership interest 2014 %	2013 %
Subsidiary held by P.T. Wilton Investment			
P.T. Wilton Wahana Indonesia## (Indonesia)	Mining, general trading, transportation, industry, construction, real estate, logging, farming, plantation, forestry, electrical, mechanical, computer, workshop, printing and services	100(2)	–
Subsidiary held by P.T. Wilton Wahana Indonesia			
P.T. Liektucha Ciemas## (Indonesia)	Mining, general trading, transportation, industry, construction, real estate, logging, farming, plantation, forestry, electrical, mechanical, computer, workshop, printing and services	100(3)	–

(1) 1% shareholding of PT WI is held by WL, in compliance with Indonesian law which requires a minimum of (2) shareholders in a limited liability company. WL has executed a power of attorney in favour of WRH for the assignment to WRH of dividends and voting rights in respect of his 1% shareholding interests in PT WI. Accordingly, the effective equity held by the WRH in PT WI is 100%.

(2) 1% shareholding of PT WWI is held by WL, in compliance with Indonesian law which requires a minimum of (2) shareholders in a limited liability company. WL has executed a power of attorney in favour of the PT WI for the assignment to PT WI of dividends and voting rights in respect of his 1% shareholding interests in PT WWI. Accordingly, the effective equity held by PT WI in PT WWI is 100%.

(3) 1% shareholding of PT LTC is held by WL, in compliance with Indonesian law which requires a minimum of (2) shareholders in a limited liability company. WL has executed a power of attorney in favour of the PT WWI for the assignment to PT WWI of dividends and voting rights in respect of his 1% shareholding interests in PT LTC. Accordingly, the effective equity held by PT WWI in PT LTC is 100%.

* Disposed of during the current financial year
** Struck off on 15 August 2013

\# Audited by Ernst & Young LLP, Singapore
\#\# Audited by Purwantono, Suherman & Surja, member firm of Ernst & Young Global in Indonesia

13. Investment in subsidiaries (cont'd)

Reverse Acquisition

As described in Note 1.2, WRH is the parent of the Group, and the Company and the Hartawan Subsidiaries are the accounting acquiree in accordance with FRS 103 *Business Combinations*. The net assets of the accounting acquiree and the goodwill arising from the Reverse Acquisition are as follows:

	Rp million
Property plant and equipment	9,263
Intangible assets	278
Other receivables	5,102
Prepaid operating expenses	1,747
Loan to external party	115,242
Inventories	554
Trade receivables	4,105
Cash and cash equivalents	280,185
	416,476
Trade payables	(3,410)
Other payables and accruals	(12,228)
Other liabilities	(5,205)
Deferred tax liabilities	(609)
Income tax payable	(3,670)
	(25,122)
Total net assets acquired	391,354
Fair value of consideration transferred[1]	1,007,418
Goodwill arising from acquisition	616,064

[1] The consideration for the Reverse Acquisition was determined based on the Company's entire share capital of 676,782,440 Consolidated Shares immediately before the Reverse Acquisition and the market price of S$0.155 (equivalent to Rp 1,488) per share, representing the fair value of the issued equity of the Company before the Reverse Acquisition.

Goodwill arising from the Reverse Acquisition pertains to the intrinsic value of HHL's hotel and property leasing operations and, as Hartawan Group's operation is primarily in these segments, the goodwill was allocated entirely to the Hartawan Subsidiaries, namely Hartawan Properties Management Pte Ltd ("HPM") and Hotel Re! Pte Ltd ("HRE").

As there was no cash consideration for the Reverse Acquisition, the net cash inflow of acquisition was the cash and cash equivalents of the Company and the Hartawan Subsidiaries as at the Completion Date which amounted to Rp 280,185 million.

13. Investment in subsidiaries (cont'd)

From the Completion Date up to the end of the current financial year, the Company has contributed Rp 23,172 million of loss, net of tax to the Group's loss for the year. Had the Reverse Acquisition took place at the beginning of the year, the Group's loss for the year would have been Rp 33,159 million higher, and the Group loss for the year would have amounted to Rp 684,086 million. As the Hartawan Subsidiaries were disposed of on the same day as the completion of the Reverse Acquisition on 12 December 2013, the results of the Hartawan Subsidiaries did not contribute to the Group's loss for the year.

Put option

As described in Note 1.2, the Hartawan Subsidiaries were disposed of on the same day as the completion of the Reverse Acquisition on 12 December 2013. The effects of the disposal were:

	Rp million
Property plant and equipment	9,263
Intangible assets	278
Other receivables	4,161
Prepaid operating expenses	982
Inventories	554
Trade receivables	4,105
Cash and cash equivalents	34,175
	53,518
Trade payables	(3,410)
Other payables and accruals	(10,358)
Other liabilities	(5,187)
Deferred tax liabilities	(609)
Income tax payable	(3,606)
	(23,170)
Total net assets disposed	30,348
Cash consideration	30,348
Cash and cash equivalents of the subsidiaries	(34,175)
Net cash outflow on disposal	(3,827)

Loss on disposal:

	Rp million
Cash received	30,348
Net assets derecognised	(30,348)
Goodwill arising on reverse acquisition	(616,064)
Loss on disposal of subsidiaries	(616,064)

14. Other debtors and deposits

	Group		Company	
	2014	2013	2014	2013
	Rp million	Rp million	Rp million	Rp million
Deposits	442	361	1	2
Other receivables	266	146	248	149
	708	507	249	151

15. Prepayments

	Group		Company	
	2014	2013	2014	2013
	Rp million	Rp million	Rp million	Rp million
Prepayments	12,589	395	12,577	79

At the end of the financial year, management is in the process of negotiating an agreement to rent a parcel of land for the purpose of building a processing plant. During the current financial year, the Group and the Company have made a down-payment of Rp 12,336 million (2013: Nil) for the land to an agent, and the amount has been included in "Prepayments" in current assets as at 30 June 2014. The amount will be reclassified to non-current assets when the agreement is finalised and put into effect. Mr Nicco Darmasaputra Lawrence, the son of the Executive Chariman, accordingly a related party and also a key management personnnel of the Group/Company owns 29% of the parcel of land.

16. Amounts due from/(to) a related party and subsidiaries

Related party

Amount due from/(to) a related party is due from/(to) WL, the Executive Chairman of the Group. The amounts are non-trade in nature, interest-free, repayable on demand, and denominated in IDR.

Subsidiaries

Amounts due from/(to) subsidiaries companies are intercompany balances between entities of the Group. The balances are non-trade in nature, interest-free, repayable on demand and denominated in SGD.

Included in the amounts due from subsidiaries for the Company is a convertible loan to WRH which amounted to S$12 million (Rp 114,990 million) loan to WRH (Note 17). The convertible option has lapsed as at the end of the financial year. The balance is now interest free, unsecured and repayable on demand.

17. Loan receivable and loan payable

Contemporaneous with the signing of the S&P Agreement, the Company entered into a convertible loan agreement with WRH in the previous financial year. As at 30 June 2013, the Company has advanced S$12 million (Rp 94,095 million) to WRH. The convertible loan was non-interest bearing and was denominated in SGD.

As at 30 June 2014, the convertible option lapsed and the amount became interest free, unsecured, and repayable on demand. Following the completion of the Reverse Acquisition, the loan receivables from WRH were transferred to "Amounts due from subsidiaries" during the current financial year (Note 16).

18. Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	Rp million	Rp million	Rp million	Rp million
Fixed deposits	76,660	–	76,660	62,730
Cash at banks and on hand	118,159	2,304	101,702	168,954
	194,819	2,304	178,362	231,684

Cash and cash equivalents denominated in foreign currencies at 30 June are as follows:

	Group		Company	
	2014	2013	2014	2013
	Rp million	Rp million	Rp million	Rp million
Singapore Dollar	191,652	1,120	178,268	231,616
United States Dollar	132	23	94	67
Australian Dollar	23	20	–	–
Renminbi	26	22	–	–

Fixed deposits bear interest ranging from 1.00% to 1.20% (2013: 0.05% to 2.00%) per annum and are made for a period of 3 months (2013: 3 months).

Note to the consolidated cash flow statement

	2014	2013
	Rp million	Rp million
Investment in exploration and evaluation assets		
Aggregate cost of exploration and evaluation assets	70,543	75,602
Decrease in amounts due to related parties	(13,016)	(25,073)
Decrease in other payables	(6,139)	–
Foreign currency translation	(73)	–
Cash payment for investment in exploration and evaluation assets	51,315	50,529

18. Cash and cash equivalents (cont'd)

Note to the consolidated cash flow statement (cont'd)

	2014 Rp million	2013 Rp million
Investment in property, plant and equipment		
Aggregate cost of property, plant and equipment	2,082	549
Decrease in other payables	–	(4)
Foreign currency translation	115	–
Cash payment to purchase property, plant and equipment	2,197	545

19. Trade payables

Trade payables are non-interest bearing, are normally settled on 30 to 90 days' terms and are denominated in IDR.

20. Other payables and accruals

	Group		Company	
	2014 Rp million	2013 Rp million	2014 Rp million	2013 Rp million
Other payables	7,085	890	913	643
Accruals	6,397	10,508	4,115	1,926
	13,482	11,398	5,028	2,569

Other payables and accruals denominated in foreign currencies at 30 June are as follows:

	Group		Company	
	2014 Rp million	2013 Rp million	2014 Rp million	2013 Rp million
Singapore Dollar	4,264	3,216	4,106	2,570
United States Dollar	1,062	–	259	–
Australian Dollar	664	834	664	–

Other payables

These amounts are non-interest bearing and have an average payment term of 12 months (2013: 12 months).

21. Share capital

	Group		Company	
	No. of shares	Rp million	No. of shares	Rp million
Issued and fully paid:				
At 1 July 2012, 30 June 2013 and 1 July 2013	812,139,411	7	812,139,411	494,795
Share consolidation [(1)]	(135,356,971)	–	(135,356,971)	–
	676,782,440	7	676,782,440	494,795
Issuance of shares pursuant to Reverse Acquisition	1,500,000,000	1,007,418[(2)]	1,500,000,000	2,232,811[(3)]
Issuance of shares as part payment of professional fees for the Reverse Acquisition [(4)]	4,362,290	8,379	4,362,290	8,379
Effects of change in functional currency	–	2	–	235,944
At 30 June 2014	2,181,144,730	1,015,806	2,181,144,730	2,971,929

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

(1) The shares in the Company were consolidated on 6 December 2013 on the basis of 10 Consolidated Shares for every 12 shares held by the shareholders.

(2) This represents the fair value of the consideration transferred in relation to the Reverse Acquisition. As WRH is a private entity, the quoted market price of the Company's shares provides a more reliable basis for measuring the consideration transferred than the estimated fair value of the share in WRH Group. The consideration transferred is determined using the fair value of the issued equity of the Company before the acquisition, being 676,782,440 Consolidated Shares at S$0.155 (equivalent to Rp 1,488) per share which represents the fair value of the Company being the quoted and traded price of the shares at 10 December 2013, i.e. the close of trading, before the Reverse Acquisition.

(3) This represents the purchase consideration for the Company's acquisition of the WRH Group which was satisfied by the allotment and issuance of 1,500,000,000 ordinary shares at S$0.155 (equivalent to Rp 1,448) per share which represents the quoted and traded price of the shares prior to the completion of the Reverse Acquisition.

(4) This represents part payment of the professional fees paid to Canaccord Genuity Singapore Pte. Ltd., in respect of the financial advisory services rendered to the Company in connection to the Reverse Acquisition. The fair value of the services provided amounted to S$872,458 (Rp 8,379 million).

22. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency, IDR. As disclosed in Note 2.1, as both the Company and WRH have changed their functional currency from SGD to IDR during the current financial year, all the entities within the Group have the same functional currency as the Group's presentation currency and accordingly, there is no foreign currency translation reserve as at the end of the financial year.

23. Merger reserve

Merger reserve represents the difference between the consideration paid and the equity acquired under common control.

24. Capital reserve

Capital reserve represents the additional capital injected by WL to indemnify the WRH Group against any liabilities, until the date of completion of the Reverse Acquisition in accordance with the S&P Agreement.

25. Significant related party transactions

(a) ***Sales and purchase of goods and services***

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year.

	Group	
	2014	**2013**
	Rp million	Rp million
Purchase of consultancy services from a company which a director has interest	388	–

Company related to a director:

One of the directors of the Company, is the controlling shareholder of Eupene Exploration Enterprises Pty Ltd ("EEEPL"), and had provided consultancy services to the Company for an amount of Rp 388 million (2013: Nil). As at the end of the financial year, Rp 388 million was due to EEEPL.

25. Significant related party transactions (cont'd)

(b) ***Compensation of key management personnel***

	Group	
	2014	**2013**
	Rp million	Rp million
Salaries and bonuses	5,298	987
Short term employee benefits	1,043	240
Central Provident Fund contributions	118	22
Directors' fees	1,269	–
	7,728	1,249
Comprise amounts paid to:		
Directors of the Company	6,472	1,249
Other key management personnel	1,256	–
	7,728	1,249

(c) ***Transactions with key management personnel***

During the current financial year, the executive chairman WL paid for certain exploration and evaluation expenses on behalf of the Group amounting to Rp 13,016 million (2013: Nil). At the end of the financial year, a net amount of Rp 1,976 million was due to WL, classified as amount due to a related party on the balance sheet.

The Company's subsidiary, PT WWI entered into rental agreement with WL for the office building occupied by the PT WWI and its subsidiary which is valid for 1 year and can be extended upon agreement by both parties amounting to Rp 135 million.

26. Commitments and contingencies

Operating lease commitments - as lessee

Group as lessee

The Group has entered into commercial property leases for the rental of the office premises. These non-cancellable leases have remaining lease terms of between 0.5 to 1.5 years.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 30 June 2014 amounted to Rp 882 million (2013: Rp 378 million).

Future minimum lease payments under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2014	**2013**
	Rp million	Rp million
Within one year	1,005	711
After one year but not more than five years	434	1,066
	1,439	1,777

27. Fair values of financial instruments

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Other debtors and deposits (Note 14), amount due from/(to) a related party (Note 16), amounts due from/(to) subsidiaries (Note 16), loan receivable and payable (Note 17), cash and cash equivalents (Note 18), trade payables (Note 19) and other payables and accruals (Note 20)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short term nature.

Classification of financial instruments

	Group		Company	
	2014	**2013**	**2014**	**2013**
	Rp million	Rp million	Rp million	Rp million
Financial assets				
Other debtors and deposits	708	507	249	151
Amount due from a related party	–	47	–	–
Amounts due from subsidiaries	–	–	193,087	–
Loan receivable	–	–	–	94,095
Cash and cash equivalents	194,819	2,304	178,362	231,684
Total loans and receivables	195,527	2,858	371,698	325,930
Financial liabilities				
Trade payables	4,332	308	–	–
Other payables and accruals	13,482	11,398	5,028	2,569
Amount due to a related party	1,976	–	–	–
Amounts due to subsidiaries	–	–	957	–
Loan payable	–	94,095	–	–
Total financial liabilities carried at amortised cost	19,790	105,801	5,985	2,569

28. Financial risk management objectives and policies

The Group and Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include liquidity risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Vice President (Finance). The audit committee provides independent oversight to the effectiveness of the risk management process. The Group does not trade in derivative financial instruments.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) *Liquidity risk*

Liquidity risk is the risk that the Group and/or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

In the management of liquidity risk, the Group and Company monitor and maintain a level of cash and cash equivalents, deemed adequate by management to finance the Group's and Company's operations and mitigate the effects of fluctuations in cash flows. Short term funding is obtained from short term bank loans and overdraft facilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments.

	2014	**2013**
	Rp million	Rp million
	1 year or less	
Group		
Financial assets		
Other debtors and deposits	708	507
Amount due from a related party	–	47
Cash and cash equivalents	194,819	2,304
Total undiscounted financial assets	195,527	2,858
Financial liabilities		
Trade payables	4,332	308
Other payables and accruals	13,482	11,398
Amount due to a related party	1,976	–
Loan payable	–	94,095
Total undiscounted financial liabilities	19,790	105,801
Total net undiscounted financial assets/(liabilities)	175,737	(102,943)

28. Financial risk management objectives and policies (cont'd)

(a) *Liquidity risk (cont'd)*

	2014	2013
	Rp million	Rp million
	1 year or less	
Company		
Financial assets		
Other debtors and deposits	249	151
Amounts due from subsidiaries	193,087	–
Loan receivable	–	94,095
Cash and cash equivalents	178,362	231,684
Total undiscounted financial assets	371,698	325,930
Financial liabilities		
Other payables	5,028	2,569
Amounts due to subsidiaries	957	–
Total undiscounted financial liabilities	5,985	2,569
Total net undiscounted financial assets	365,713	323,361

(b) *Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group and Company holds cash and short-term deposits denominated in foreign currencies. As at the end of the reporting period, such foreign currency balances are mainly in SGD.

Sensitivity analysis for foreign currency risk

As at 30 June 2014, if SGD had strengthened/weakened against IDR with all other variables held constant, the effects arising from the net financial position on the Group's loss before tax will be as follows:

		Group Loss before tax Increase/(decrease)	
		2014	2013
		Rp million	Rp million
SGD	- strengthened 9% (2013: 9%)	(16,865)	8,657
	- weakened 9% (2013: 9%)	16,865	(8,657)

29. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and stage of development of the Group mining activities. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2014 and 30 June 2013.

As at the end of the financial year, the Group's capital is the equity of the Group.

30. Segment information

The Group principally operates a gold mining business which management considers a single operating segment.

The breakdown of non-current assets by geographical information is as follows:

Geographical information

Non-current assets

	Group	
	2014	**2013**
	Rp million	Rp million
Singapore	344	436
Indonesia	149,397	76,667
	149,741	77,103

31. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2014 were authorised for issue in accordance with a resolution of the directors on 7 October 2014.

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