



**PAN ASIA MINING LIMITED**  
**寰亞礦業有限公司**

(於開曼群島註冊成立之有限公司)  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code 股份代號: 8173)

**2014**

*Third Quarterly Report*  
第三季度業績報告



## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)**

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on The Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors of Pan Asia Mining Limited (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Pan Asia Mining Limited. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

## MANAGEMENT DISCUSSIONS AND ANALYSIS

Unless otherwise stated, Pan Asia Mining Limited (the “Company”) and its subsidiaries are referred to together as the “Group” or “Pan Asia Mining”.

### MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisition or disposal during the three months ended 31 December 2013.

### BUSINESS AND FINANCIAL REVIEW

During the quarter ended 31 December 2013 (“The Quarter”) the Group completed 3 shipments of coal trading delivering approximately 165,000 tons of steam coal. Sales revenue of approximately \$87.57 million (2012: approximately \$40.82 million) was recognised.

After acquiring Evotech in July last year the Group has been consolidating the new subsidiary with the Group’s scrap metal business. During The Quarter metal trading revenue rose to approximately \$9.87 million (2012: approximately \$2.79 million).

Bunker oil trading operation resumed by end of September last year. However, performance of the remodelled business has been below expectation. During The Quarter the business generated a total revenue of approximately \$93.22 million (2012: nil) with a gross loss of approximately \$0.88 million (2012: nil).

Although our oil trading business resumed last year, the oil trading contracts with China Shipbuilding Industrial Complete Equipment & Logistics Co Ltd (“CSICEL”) have not yet been executed. We are in ongoing discussions with CSICEL in respect of performing the trading contracts.

Last year the Super Typhoon Usagi had a severe hit to The Philippines and had certain impacts to our local operation as well. We are sorry that a contract consultant who played a key role in the process of our application for the MPSA lost her life during the disaster. Besides, the Leyte MGB office has been taking time to recover its operation from the ruin. There will be some unavoidable delays to complete the MPSA application process.

The Group’s turnover during the nine month ended 31 December 2013 amounted to approximately HK\$338,207,000 (2012: approximately HK\$144,152,000) which was approximately HK\$194,055,000 higher than that of the same period in 2012. Gross profit amounted to approximately HK\$259,000 (2012: approximately HK\$1,017,000). Other operating income amounted to approximately HK\$2,051,000 (2012: approximately HK\$2,195,000). Loss for the period increased to approximately HK\$115,787,000 (2012: approximately HK\$95,147,000).

### OUTLOOK

The management believes coal trading will be contributing to the Group in all financial aspects. We are working hard on this area targeting to realise the full potential of this business.

The newly acquired scrap metal processing business Evotech has secured certain scrap metal supplies in cooperation with another local scrap metal trader. We believe metal trading revenue will pick up gradually in the next quarter.

### THIRD QUARTER RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2013

The board of directors of Pan Asia Mining Limited (the "Board") is pleased to report the unaudited consolidated results of the Group for the three and nine months ended 31 December 2013 respectively, together with the comparative figures for the corresponding period in 2012 as follows:

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Note	For the three months ended 31 December		For the nine months ended 31 December	
		2013 HK\$' 000 (unaudited)	2012 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2012 HK\$' 000 (unaudited)
Turnover	3	190,661	43,611	338,207	144,152
Cost of sales		(191,400)	(43,262)	(337,948)	(143,135)
Gross profit		(739)	349	259	1,017
Administrative expenses		(14,966)	(8,008)	(37,290)	(28,581)
Other operating income, net	4	1,101	2,180	2,051	2,195
Loss from operations		(14,604)	(5,479)	(34,980)	(25,369)
Finance costs	5	(28,405)	(24,263)	(81,191)	(69,778)
Loss before tax		(43,009)	(29,742)	(116,171)	(95,147)
Income tax credit	6	165	—	384	—
Loss for the period		<u>(42,844)</u>	<u>(29,742)</u>	<u>(115,787)</u>	<u>(95,147)</u>
Other comprehensive income/(loss)					
Exchange differences on translation of financial statement of overseas subsidiaries		1,347	139	1,795	(598)
Total comprehensive loss for the period		<u>(41,497)</u>	<u>(29,603)</u>	<u>(113,992)</u>	<u>(95,745)</u>

	For the three months ended 31 December		For the nine months ended 31 December	
	2013 HK\$' 000 (unaudited)	2012 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2012 HK\$' 000 (unaudited)
Loss for the period attributable to:				
Owners of the Company	(42,731)	(29,673)	(115,550)	(94,922)
Non-controlling interests	(113)	(69)	(237)	(225)
	<u>(42,844)</u>	<u>(29,742)</u>	<u>(115,787)</u>	<u>(95,147)</u>
Total comprehensive loss attributable to:				
Owners of the Company	(41,615)	(29,415)	(114,573)	(95,349)
Non-controlling interests	118	(188)	581	(396)
	<u>(41,497)</u>	<u>(29,603)</u>	<u>(113,992)</u>	<u>(95,745)</u>
Loss per share for the period attributable to owners of the Company (basic and diluted)	7 <u>4.56 cents</u>	<u>3.25 cents</u>	<u>12.33 cents</u>	<u>10.41 cents</u>

## NOTES TO THE CONDENSED QUARTERLY FINANCIAL INFORMATION

### 1. GENERAL INFORMATION

Pan Asia Mining Limited is an exempt company with limited liability incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies. Its principal business is investment holding.

The Group is principally engaged in exploration and exploitation of mineral resources and trading of coal, metals and bunker fuel.

### 2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of the GEM Listing Rules, Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong.

These unaudited condensed consolidated financial statements, which do not include all information and disclosures as required in the annual financial statements, should be read in conjunction with the Group's annual report for the year ended 31 March 2013.

### 3. TURNOVER

Turnover represents the net amounts received and receivable for sales of goods by the Group to customers, less returns and discounts. The turnover recognised during the period is analysed as follows:

	For the three months ended 31 December		For the nine months ended 31 December	
	2013 HK\$' 000 (unaudited)	2012 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2012 HK\$' 000 (unaudited)
Sales of coal	87,574	40,821	233,506	40,821
Sales of metals	9,866	2,790	11,480	9,935
Sales of bunker fuel	93,221	—	93,221	93,396
	<u>190,661</u>	<u>43,611</u>	<u>338,207</u>	<u>144,152</u>

### 4. OTHER OPERATING INCOME, NET

	For the three months ended 31 December		For the nine months ended 31 December	
	2013 HK\$' 000 (unaudited)	2012 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2012 HK\$' 000 (unaudited)
Fair value gain on financial assets at fair value through profit or loss	272	1,946	312	590
Dividend income	—	—	57	839
Negative goodwill from acquisition of a subsidiary	—	—	99	—
Interest income from debt investments	—	—	—	281
Gain on disposal of property, plant and equipment	—	—	48	—
Interest income from loan and receivable	—	179	528	501
Sundry income/(loss)	829	55	1,007	(16)
	<u>1,101</u>	<u>2,180</u>	<u>2,051</u>	<u>2,195</u>

5. FINANCE COSTS

	For the three months ended 31 December		For the nine months ended 31 December	
	2013 HK\$' 000 (unaudited)	2012 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2012 HK\$' 000 (unaudited)
Finance lease charges	10	13	28	21
Imputed interest on convertible bonds	28,163	23,928	80,857	68,696
Shareholder's loan interest	—	302	—	940
Others	232	20	306	121
	<u>28,405</u>	<u>24,263</u>	<u>81,191</u>	<u>69,778</u>

6. INCOME TAX CREDIT

	For the three months ended 31 December		For the nine months ended 31 December	
	2013 HK\$' 000 (unaudited)	2012 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2012 HK\$' 000 (unaudited)
Current tax	—	—	—	—
Deferred tax	165	—	384	—
	<u>165</u>	<u>—</u>	<u>384</u>	<u>—</u>

No provision for Hong Kong profits tax has been made, as the Group had no assessable profits subject to Hong Kong profits tax during the period (2012: Nil).

Entities incorporated in other countries are subject to income tax rates of 17% to 30% prevailing in the countries in which such entities operate, based on existing legislation, interpretation and practices in respect thereof.

7. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company for the three months ended 31 December 2013 of approximately HK\$42,731,000 (2012: approximately HK\$29,673,000) and for the nine months ended 31 December 2013 of approximately HK\$115,550,000 (2012: approximately HK\$94,922,000) and the weighted average number of ordinary shares of 937,506,716 shares (2012: 912,184,080 shares) in issue during this period.

Diluted loss per share

There were no dilutive events in the nine months ended 31 December 2013 and 2012 and therefore, the diluted loss per share is the same as the basic loss per share for both periods.

8. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(unaudited)								
	Attributable to owners of the Company								
	Share capital HK\$' 000	Share premium HK\$' 000	Foreign currencies translation reserve HK\$' 000	Share option reserve HK\$' 000	Convertible bond equity reserve HK\$' 000	Accumulated losses HK\$' 000	Total HK\$' 000	Non-controlling interests HK\$' 000	Total equity HK\$' 000
At 1 April 2013 (audited)	459,092	3,780,032	(1,222)	8,251	1,263,605	(5,331,505)	178,253	387,348	565,601
Total comprehensive loss for the nine months ended 31 December 2013	—	—	977	—	—	(115,550)	(114,573)	581	(113,992)
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	—	1,253	1,253
Issue of share on acquisition of a subsidiary	12,358	247	—	—	—	—	12,605	—	12,605
Changes in equity for the period	12,358	247	977	—	—	(115,550)	(101,968)	1,834	(100,134)
At 31 December 2013 (unaudited)	<u>471,450</u>	<u>3,780,279</u>	<u>(245)</u>	<u>8,251</u>	<u>1,263,605</u>	<u>(5,447,055)</u>	<u>76,285</u>	<u>389,182</u>	<u>465,467</u>
At 1 April 2012 (audited)	456,092	3,780,032	(1,232)	320	1,263,605	(5,204,365)	294,452	387,913	682,365
Total comprehensive loss for the nine months ended 31 December 2012	—	—	(427)	—	—	(94,922)	(95,349)	(396)	(95,745)
Acquisition of a subsidiary	—	—	—	—	—	—	—	97	97
Share-based payments	—	—	—	8,236	—	—	8,236	—	8,236
Changes in equity for the period	—	—	(427)	8,236	—	(94,922)	(87,113)	(299)	(87,412)
At 31 December 2012 (unaudited)	<u>456,092</u>	<u>3,780,032</u>	<u>(1,659)</u>	<u>8,556</u>	<u>1,263,605</u>	<u>(5,299,287)</u>	<u>207,339</u>	<u>387,614</u>	<u>594,953</u>



## INTERIM DIVIDEND

The Directors do not recommend the payment of a dividend for the nine months ended 31 December 2013 (the "Period") (2012: Nil).

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2013, the interests of each Director and chief executive of the Company in the shares (the "Shares"), underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions which he was taken or deemed to have under such provisions of SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

### Long and short positions in the Shares

Name of Directors/ chief executive	Number of Shares*		Approximate percentage of shareholding	Capacity
Michael Koh Tat Lee	272,829,600	(L)	28.94	Interest of spouse <i>(Note 1)</i>
	252,153,400	(S) <i>(Note 5)</i>	26.74	Interest of spouse <i>(Note 1)</i>
Liang Tong Wei	100,000,000	(L)	10.61	Beneficial owner
Cheung Hung Man	66,285,000	(L)	7.03	Interest of controlled corporation
	50,010,000	(L)	5.30	Beneficial owner
Sub-total:	<u>116,295,000</u>	(L)	<u>12.33</u>	<i>(Note 2)</i>
Eng Wee Meng	1,400,000	(L)	0.15	Beneficial owner <i>(Note 3)</i>
Yin Mark Teh-min	50,000	(L)	0.01	Interest of spouse
	7,600	(L)	—	Beneficial owner
Sub-total:	<u>57,600</u>		<u>0.01</u>	<i>(Note 4)</i>

\* (L) — Long position; (S) — Short position

*Notes:*

1. Ms. Wong Eva, being the wife of Mr. Michael Koh Tat Lee ("Mr. Koh"), is interested in 272,829,600 Shares. Therefore, Mr. Koh is deemed to be interested in 272,829,600 Shares.
2. Mr. Cheung Hung Man ("Mr. Cheung") is interested in 50,010,000 Shares and at a maximum of 66,285,000 Shares to be issued to Brighton Asia Pacific Investment Limited (or the nominee(s) as it may direct), a company wholly-owned by Mr. Cheung, according to the terms of the sale and purchase agreement dated 27 March 2013.
3. Mr. Eng Wee Meng was granted an option to subscribe 1,400,000 Shares on 27 March 2013 under the Share Option Scheme adopted by the Company on 30 July 2012.
4. Ms. Wong Shu Wah, Ceci, being the wife of Mr. Yin Mark Teh-min ("Mr. Yin"), is interested in 50,000 Shares. Accordingly, Mr. Yin is deemed to be interested in such 50,000 Shares. Mr. Yin also holds 7,600 Shares as beneficial owner. Therefore, Mr. Yin is interested in 57,600 Shares.
5. Pursuant to the security document dated 13 March 2013 and a supplemental and amendment deed dated 11 October 2013 entered into between Kesterion Investments Limited (a company wholly-owned by Ms. Eva Wong) and CSICEL, a security over the 252,153,400 Shares and the Convertible Bonds held by Kesterion Investments Limited (upon the full conversion at a conversion price of HK\$22.79 per conversion share, a total of 68,955,682 Shares shall be issued to Kesterion Investments Limited) was created in favour of CSICEL.

Save as disclosed above, there are no long and short positions of the Directors and the chief executives in the shares, underlying shares and debentures of the Company and its associated corporations that (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS DISCLOSABLE UNDER THE SFO

As at 31 December 2013, the following persons (other than Directors and chief executives of the Company) had an interest and/or a short position in the Shares or underlying Shares in respect of equity derivatives of the Company that has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under section 336 of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO):

### Long and short positions in the Shares

Name of shareholder	Number of Shares*	Approximate percentage of shareholding	Capacity
Kesterion Investments Limited	272,558,400 (L)	28.91	Beneficial owner ( <i>Note 1</i> )
	252,153,400 (S)	26.74	Beneficial owner ( <i>Note 3</i> )
Wong, Eva	272,558,400 (L)	28.91	Interest of controlled corporation ( <i>Note 1</i> )
	271,200 (L)	0.03	Beneficial owner
Sub-total:	272,829,600 (L)	28.94	
Michael Koh Tat Lee	272,829,600 (L)	28.94	Interest of spouse ( <i>Note 1</i> )
Liang Tong Wei	100,000,000 (L)	10.61	Beneficial owner
Cheung Hung Man	50,010,000 (L)	5.30	Beneficial owner ( <i>Note 2</i> )

\*(L) - Long position; (S) - Short position

## Long and short positions in the underlying shares of the Company

Name of shareholder	Number of underlying shares in respect of equity derivatives of the Company*	Approximate percentage of the issued share capital of the Company	Capacity
Kesterion Investments Limited	68,955,682(L)	7.31	Beneficial owner <i>(Note 1)</i>
	68,955,682(S)	7.31	Beneficial owner <i>(Note 3)</i>
Wong, Eva	68,955,682(L)	7.31	Interest of controlled corporation <i>(Note 1)</i>
Michael Koh Tat Lee	68,955,682(L)	7.31	Interest of spouse <i>(Note 1)</i>
Brighton Asia Pacific Investment Limited	66,285,000(L)	7.03	Beneficial owner <i>(Note 2)</i>
Cheung Hung Man	66,285,000(L)	7.03	Interest of controlled corporation <i>(Note 2)</i>
China Shipbuilding Industrial Complete Equipment and Logistics Company Limited	321,109,082(L)	34.06	Security Interest <i>(Note 3)</i>

\*(L) - Long position; (S) - Short position

### Notes:

1. This represents the principal amount of approximately US\$201,474,359 of convertible bonds, which upon conversion in full will result in the allotment and issue of 68,955,682 Shares, which have been issued to Kesterion Investments Limited on 18 December 2008 as part of considerations for the acquisition of First Pine Enterprises Limited. The entire issued share capital of Kesterion Investments Limited is beneficially owned by Ms. Eva Wong ("Ms. Wong"). Ms. Wong, is the sister-in-law of a non-executive director of the Company Mr. Yin Mark Teh-min. Mr. Michael Koh Tat Lee, being the husband of Ms. Wong, is deemed to be interested in such 68,955,682 Shares.
2. Mr. Cheung Hung Man ("Mr Cheung") is interested in 50,010,000 Shares and a maximum of 66,285,000 Shares shall be issued to Brighton Asia Pacific Investment Limited (or the nominee(s) as it may direct) according to the term of the sale and purchases agreement dated 27 March 2013. The entire issued share capital of Brighton Asia Pacific Investment Limited is beneficially owned by Mr. Cheung.
3. Pursuant to the security document dated 13 March 2013 and a supplemental and amendment deed dated 11 October 2013 entered into between Kesterion Investments Limited and CSICEL, a security over the 252,153,400 Shares and the Convertible Bonds held by Kesterion Investments Limited (upon the full conversion at a conversation price of HK\$22.79 per conversion share, a total of 68,955,682 Shares shall be issued to Kesterion Investments Limited) was created in favour of CSICEL. None of the Directors is a director or an employee of CSICEL.

## SHARE OPTION SCHEME

### OLD SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the shareholders of the Company on 25 April 2002 (the “Old Share Option Scheme”), the Old Share Option Scheme became effective on 25 April 2002 and terminated on 24 April 2012. However, all share options granted prior to the termination of the Old Share Option Scheme will remain in full force and effect. As at 31 December 2013, the number of share options outstanding under the Old Share Option Scheme were 262,800 shares.

### NEW SHARE OPTION SCHEME

On 30 July 2012, the Company adopted a new share option scheme (the “New Share Option Scheme”). The New Share Option Scheme was for the primary purpose of providing incentives and to recognise the contribution of the eligible participants to the growth of the Group and will expire on 29 July 2022. Under the New Share Option Scheme, the Board may grant options to eligible full-time or part-time employees, including any executive, non-executive and independent non-executive Directors, and consultants or advisers of the Company and/or any of its subsidiaries.

The total number of shares in respect of which options may be granted under the New Share Option Scheme, and any other option schemes is not permitted to exceed 30% of the issued share capital of the Company from time to time. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the issued share capital of the Company without prior approval from the Company’s shareholders.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company’s shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

Options granted must be taken up within thirty days of the date of grant, upon payment of HK\$1 per grant.

Options may be exercised at any time during a period to be notified by the Board upon the grant of options provided that the option period shall not exceed 10 years from the date of grant of the options. No minimum period for which an option must be held is required. The exercise price, which is determined by the Board is the highest of: (i) the closing price per share on the date of grant; (ii) the average closing price per share for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share.

Options do not confer rights on the holder to dividends or to vote at shareholders’ meetings.

Under the New Share Option Scheme, if the options remain unexercised after a period of 3 years from the date of grant, the options expire. Options are lapsed if the employee leaves the Group.

Details of the options granted, lapsed or exercised under the Old Share Option Scheme and New Share Option Scheme are as follows:

Category of grantee	Option type	Date of grant of the options	Exercise period	Exercise price of the options (HK\$)	Closing price of the Shares immediately before the date of granting the options (HK\$)	Number of options outstanding as at 1 April 2013	Number of options granted during the period	Number of options exercised during the period	Number of options lapsed in accordance with the terms of the options or the share options scheme during the period	Number of options outstanding as at 30 September 2013
Consultants & advisers	Old Share Option Scheme	6 Mar 07	6 Mar 07 to 5 Mar 17	3.58 <i>(Note)</i>	0.20	262,800	—	—	—	262,800 <i>(Note)</i>
Consultants & advisers	New Share Option Scheme	21 Aug 12	21 Aug 12 to 20 Aug 15	0.50	0.485	80,150,000	—	—	—	80,150,000
Staff	New Share Option Scheme	21 Aug 12	21 Aug 12 to 20 Aug 15	0.50	0.485	3,600,000	—	—	—	3,600,000
Director	New Share Option Scheme	27 Mar 13	27 Mar 13 to 26 Mar 16	0.55	0.51	1,400,000	—	—	—	1,400,000
Total						85,412,800	—	—	—	85,412,800
Weighted average exercise price						HK\$0.51	—	—	—	HK\$0.51

*Note:* The number of shares issuable under the Old Share Option Scheme and the exercise price were adjusted due to the completion of capital reorganization and share consolidation and right issue in February to March 2011.

The weighted average share price at the date of exercise for share options exercised during the Period was HK\$0.51. The options outstanding at the end of the Period have a weighted average remaining contractual life of 1.65 years (2012: 2.64 years) and the exercise prices range from HK\$0.5 to HK\$3.58 (2012: HK\$0.5 to HK\$3.58).

## COMPETING INTERESTS

None of the directors, management shareholders or controlling shareholders (as defined in the GEM Listing Rules) of the Company had an interest in a business which competes or may compete with the business of the Group during the nine months ended 31 December 2013.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Other than the Company's share option schemes, at no time during the Period was the Company, or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the Directors or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such right.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

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

## **CORPORATE GOVERNANCE**

Throughout the Period, the Company has adopted and complied with the code provisions set out in Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 15 of the GEM Listing Rules except for the deviations described below.

Under code provision A.6.7 of the CG code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Some directors of the Company were unable to present at the general meeting held on 28 May 2013 and the annual general meeting held on 25 July 2013 due to their other important engagement at the relevant time.

Under code provision E.1.2 of the CG code, the chairman of the board should attend the annual general meeting. The chairman of the Company was unable to present at the annual general meeting held on 25 July 2013 as he was away on a business trip.

## **CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the code of conduct for securities transactions by Directors set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding securities transactions by Directors. The Company periodically issues notices to its Directors reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of quarterly, interim and annual results. The Company confirms that, having made specific enquiry from all Directors, all Directors have complied with the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules for the nine months ended 31 December 2013.

## AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") currently comprises four members of which one is non-executive Director namely Mr. Yin Mark Teh-min and three independent non-executive Directors, namely, Mr. Lai Kai Jin, Michael, Mr. Chu Hung Lin, Victor and Mr. Tong Wan Sze. The chairman of the Audit Committee is Mr. Tong Wan Sze. The written terms of reference of the Audit Committee sets out the duties of the Audit Committee which includes reviewing and supervising the financial reporting and internal controls procedures of the Group and to review and approve the Company's annual reports and accounts, interim report and quarterly reports to the Board. The Audit Committee has reviewed this quarterly report in accordance with the GEM Listing Rules.

By Order of the Board  
Pan Asia Mining Limited  
Michael Koh Tat Lee  
*Chairman*

Hong Kong, 14 February 2014

*As at the date of this report, the Board comprises three executive Directors, Mr. Michael Koh Tat Lee, Mr. Eng Wee Meng and Mr. Cheung Hung Man, two non-executive Directors, Mr. Yin Mark Teh-min and Mr. Liang Tong Wei, and three independent non-executive Directors, Mr. Lai Kai Jin, Michael, Mr. Chu Hung Lin, Victor and Mr. Tong Wan Sze.*



