



# 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)

# 2015

## 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

### MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisition or disposal during the nine months ended 31 December 2014 (the "Period").

### BUSINESS AND FINANCIAL REVIEW

The Group's turnover for the Period amounted to approximately HK\$31,024,000 (2013: approximately HK\$338,207,000), decreased by approximately HK\$307,183,000 as compared to the same period in 2013. The significant decrease in turnover was mainly because there has been only a little coal trading transacted during the period as compared to same period last year which amounted to approximately HK\$778,000 (2013: approximately HK\$233,506,000) and that bunker fuel business is still suspended undergoing business re-modeling (2013: turnover of approximately HK\$93,221,000). On the other hand, turnover from sales of metal and the new beverage business has been growing steadily to approximately HK\$30,246,000 (2013: approximately HK\$11,480,000 from sales of metal).

During the Period, the Group has incurred a gross profit of approximately HK\$420,000 (2013: approximately HK\$259,000). Other operating expenses, net amounted to approximately HK\$3,910,000 (2013: other operating income, net of approximately HK\$2,051,000). Loss for the period increased to approximately HK\$152,910,000 (2013: approximately HK\$115,787,000) of which approximately HK\$95,172,000 (2013: approximately HK\$80,857,000) was attributable to the non-cash imputed interest charged to the outstanding convertible bonds. The increased loss was also attributable to the full year effect of additional operating costs and losses of the Brighton group and Evotech, which were acquired in May and September 2013 respectively and increase in administrative expenses.

### OUTLOOK

We believe sales of bottled clean spring water in China will have a promising prospect. We are in the process of active discussions with a well-known bottled water manufacturer in Canada on long term cooperation opportunities. Besides, our beverage trading to US market is also set to enter into a high growth stage.

On the other hand, in light of the recent low international market coal prices, we are also seeking appropriate coal mine targets in Indonesia at reasonable costs for securing our coal trading sources.

### THIRD QUARTER RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2014

The board of directors (the "Board") of Pan Asia Mining Limited (the "Company") is pleased to report the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the three months and nine months ended 31 December 2014 together with the comparative figures for the corresponding period in 2013 as follows:

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

	Note	For the three months ended 31 December		For the nine months ended 31 December	
		2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Turnover	3	10,080	190,661	31,024	338,207
Cost of sales		(9,579)	(191,400)	(30,604)	(337,948)
<b>Gross profit</b>		<b>501</b>	<b>(739)</b>	<b>420</b>	<b>259</b>
Administrative expenses		(20,897)	(14,966)	(54,051)	(37,290)
Other operating (expenses)/income, net	4	(207)	1,101	(3,910)	2,051
<b>Loss from operations</b>		<b>(20,603)</b>	<b>(14,604)</b>	<b>(57,541)</b>	<b>(34,980)</b>
Finance costs	5	(33,597)	(28,405)	(96,570)	(81,191)
Fair value gain on contingent consideration payable		—	—	663	—
<b>Loss before tax</b>		<b>(54,200)</b>	<b>(43,009)</b>	<b>(153,448)</b>	<b>(116,171)</b>
Income tax credit	6	179	165	538	384
<b>Loss for the period</b>		<b>(54,021)</b>	<b>(42,844)</b>	<b>(152,910)</b>	<b>(115,787)</b>
<b>Other comprehensive income for the period, net of tax</b>					
<i>Items that will not be reclassified to profit or loss:</i>					
Revaluation surplus of investment properties		551	—	1,691	—
<i>Items that may be reclassified to profit or loss:</i>					
Exchange differences on translating foreign operations		(755)	1,347	(663)	1,795
<b>Total comprehensive income for the period</b>		<b>(54,225)</b>	<b>(41,497)</b>	<b>(151,882)</b>	<b>(113,992)</b>

		For the three months ended 31 December		For the nine months ended 31 December	
		2014	2013	2014	2013
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss for the period attributable to:					
	Owners of the Company	(53,952)	(42,731)	(152,674)	(115,550)
	Non-controlling interests	(69)	(113)	(236)	(237)
		<u>(54,021)</u>	<u>(42,844)</u>	<u>(152,910)</u>	<u>(115,787)</u>
Total comprehensive income for the period attributable to:					
	Owners of the Company	(54,158)	(41,615)	(151,637)	(114,573)
	Non-controlling interests	(67)	118	(245)	581
		<u>(54,225)</u>	<u>(41,497)</u>	<u>(151,882)</u>	<u>(113,992)</u>
Loss per share					
	Basic	<u>5.35 cents</u>	<u>4.56 cents</u>	<u>15.44 cents</u>	<u>12.33 cents</u>
	Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Note

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## NOTES TO THE CONDENSED QUARTERLY FINANCIAL INFORMATION

### 1. GENERAL INFORMATION

The Company 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. It's principal business is investment holding.

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

### 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 annual report for the year ended 31 March 2014.

### 3. TURNOVER

Turnover represents the net amounts received and receivable for sales of goods to customers, net of goods returns and trade discounts. Turnover recognized during the period is as follows:

	For the three months ended 31 December		For the nine months ended 31 December	
	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Sales of coal	—	87,574	778	233,506
Sales of metals	8,013	9,866	23,578	11,480
Sales of bunker fuel	—	93,221	—	93,221
Sales of beverages	2,067	—	6,668	—
	<u>10,080</u>	<u>190,661</u>	<u>31,024</u>	<u>338,207</u>

4. OTHER OPERATING (EXPENSES)/INCOME, NET

	For the three months ended 31 December		For the nine months ended 31 December	
	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Fair value gain on financial assets at fair value through profit or loss	42	272	2	312
Dividend income from listed investments	2	—	6	57
Interest income from loan and receivables	—	—	—	528
Negative goodwill from acquisition of a subsidiary	—	—	—	99
Profit on disposal of property, plant and equipment	—	—	—	48
Net interest payables on trade balances	(568)	—	(4,799)	—
Sundry income	317	829	881	1,007
	<u>(207)</u>	<u>1,101</u>	<u>(3,910)</u>	<u>2,051</u>

5. FINANCE COSTS

	For the three months ended 31 December		For the nine months ended 31 December	
	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Finance lease changes	11	10	40	28
Interests on convertible bonds	33,148	28,163	95,172	80,857
Interests on bank loans and overdrafts	438	232	1,358	306
	<u>33,597</u>	<u>28,405</u>	<u>96,570</u>	<u>81,191</u>

## 6. INCOME TAX CREDIT

	For the three months ended 31 December		For the nine months ended 31 December	
	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Current tax	—	—	—	—
Deferred tax	179	165	538	384
	<u>179</u>	<u>165</u>	<u>538</u>	<u>384</u>

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits that are subject to Hong Kong profits tax during the Period (2013: Nil).

Entities incorporated in other countries are subject to income tax rates of 17% to 30% (2013: 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 period ended 31 December 2014 of approximately HK\$53,952,000 (2013: approximately HK\$42,731,000) and for the nine months period ended 31 December 2014 of approximately HK\$152,674,000 (2013: approximately HK\$115,550,000), and the weighted average number of ordinary shares of 1,009,184,080 shares (2013: 937,506,716 shares) and 988,937,025 shares (2013: 937,506,716 shares) in issue during the two respective periods.

### Diluted loss per share

As the exercise of the Group's outstanding convertible bonds would be anti-dilutive and there were no dilutive potential ordinary shares of the Company's outstanding share options for both periods, no diluted loss per share was presented for both periods.

## 8. EVENTS AFTER BALANCE SHEET DATE

On 11 February 2015, the Company has completed the Rights Issue at a price of HK\$0.50 per Rights Share on the basis of three Rights Shares for every ten shares of the Company held, and the Bonus Issue on the basis of two Bonus Shares for every three Rights Shares taken up under the Rights Issue. As a result, the number of the Company's issued shares increased to 1,513,776,120 shares and a net proceed of approximately HK\$146.6 million was raised.



## 9. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Foreign currency translation reserve HK\$'000	Share option reserve HK\$'000	Convertible bond equity reserve HK\$'000	Property revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2014 (audited)	471,450	3,780,279	(2,468)	8,251	1,263,605	2,348	(5,506,868)	16,597	387,965	404,562
Total comprehensive income for the nine months ended 31 December 2014	—	—	(654)	—	—	1,691	(152,674)	(151,637)	(245)	(151,882)
Acquisition of a subsidiary	33,142	(5,966)	—	—	—	—	—	27,176	—	27,176
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	—	—	490	490
Changes in equity for the period	33,142	(5,966)	(654)	—	—	1,691	(152,674)	(124,461)	245	(124,216)
At 31 December 2014 (unaudited)	504,592	3,774,313	(3,122)	8,251	1,263,605	4,039	(5,659,542)	(107,864)	388,210	280,346
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 income for the nine months ended 31 December 2013	—	—	977	—	—	—	(115,550)	(114,573)	581	(113,992)
Acquisition of a subsidiary	12,358	247	—	—	—	—	—	12,605	—	12,605
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	—	—	1,253	1,253
Changes in equity for the period	12,358	247	977	—	—	—	(115,550)	(101,968)	1,834	(100,134)
At 31 December 2013 (unaudited)	471,450	3,780,279	(245)	8,251	1,263,605	—	(5,447,055)	76,285	389,182	465,467

## INTERIM DIVIDEND

The Directors do not recommend the payment of a dividend for Period (2013: Nil).

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

As at 31 December 2014, 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:

### The Company

Long and short positions in shares of the Company

Name of director/ chief executive	Number of Shares	Approximate percentage of shareholding	Capacity
Michael Koh Tat Lee	272,829,600 (L)	27.03	Interest of spouse <i>(Note 1)</i>
	252,153,400 (S) <i>(Note 3)</i>	24.99	Interest of spouse <i>(Note 1)</i>
Liang Tong Wei	100,000,000 (L)	9.91	Beneficial owner
Cheung Hung Man	93,235,000 (L)	9.24	Beneficial owner <i>(Note 2)</i>

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

#### Notes:

1. Ms. Wong, Eva ("Ms. Wong"), 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. According to the terms of the sale and purchase agreement dated 27 March 2013 (as amended by a supplemental agreement dated 10 May 2013), the Company had allotted and issued 50,010,000 Shares and 66,285,000 Shares to Mr. Cheung Hung Man ("Mr. Cheung") on 31 May 2013 and 24 June 2014 respectively. As at 31 December 2014, Mr. Cheung holds 93,235,000 Shares.
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 ("Kesterion") (a company wholly-owned by Ms. Wong) and China Shipbuilding Industrial Complete Equipment and Logistics Company Limited ("CSICEL"), a security over the 252,153,400 Shares and the Convertible Bonds held by Kesterion (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) was created in favour of CSICEL ("Kesterion Charge"). The Company has been informed that the rights under the Kesterion Charge has been assigned by CSICEL to Magic Stone Fund (China) ("Magic Stone") on 7 November 2014.

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 2014, 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 shares of the Company

Name of shareholder	Number of Shares	Approximate percentage of shareholding	Capacity
Kesterion Investments Limited	272,558,400(L)	27.01	Beneficial owner <i>(Note 1)</i>
	252,153,400(S)	24.99	Beneficial owner <i>(Note 2)</i>
Wong, Eva	272,829,600(L)	27.03	<i>(Note 1)</i>
	272,558,400(L)	27.01	Interest of controlled corporation
	271,200(L)	0.02	Beneficial owner

(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	275,789,460(L)	27.33	Beneficial owner ( <i>Note 1</i> )
	68,955,682(S)	6.83	Beneficial owner ( <i>Note 2</i> )
Wong, Eva	275,789,460(L)	27.33	Interest of controlled corporation ( <i>Note 1</i> )
	68,955,682(S)	6.83	Interest of controlled corporation ( <i>Note 1</i> )
President Securities Corporation	108,325,000(L)	10.73	Interest of controlled corporation ( <i>Note 4</i> )
President Securities (BVI) Limited	108,325,000(L)	10.73	Interest of controlled corporation ( <i>Note 4</i> )
President Securities (Hong Kong) Limited	108,325,000(L)	10.73	Other ( <i>Note 4</i> )
Yang Dongjun	401,109,082(L)	39.75	Interest of controlled corporation ( <i>Note 3</i> )
Jing Bin	401,109,082(L)	39.75	Interest of controlled corporation ( <i>Note 3</i> )
Magic Stone Fund (China)	401,109,082(L)	39.75	Security Interest ( <i>Note 2</i> )

### Notes:

- Pursuant to an announcement dated 23 November 2014 and a circular dated 19 December 2014 of the Company, Kesterion shall take up 179,789,460 Shares under a proposed rights issue and bonus issue (the "Proposed Rights Issue and Bonus Issue"). Also, the Company has entered into a bond restructuring agreement with Kesterion on 22 September 2014 (as amended by a supplemental agreement dated 21 November 2014) (the "Bond Restructuring Agreement") to restructure the terms of the convertible bonds of the Company (the "Convertible Bonds") issued on 18 December 2008, the Company shall issue 96,000,000 Shares to Kesterion. The Proposed Rights Issue and Bonus Issue and the Bond Restructuring Agreement were approved by shareholders in an extraordinary general meeting held on 9 January 2015. The entire issued share capital of Kesterion is beneficially owned by Ms. Wong. Mr. Koh, being the husband of Ms. Wong, is deemed to be interested in such 275,789,460 Shares.

2. Pursuant to a security document dated 13 March 2013 and a supplemental and amendment deed dated 11 October 2013 entered into between Kesterion and CSICEL, a security over the 252,153,400 Shares and the Convertible Bonds held by Kesterion (upon 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) was created in favour of CSICEL. The Company has been informed that the rights under the Kesterion Charge has been assigned by CSICEL to Magic Stone on 7 November 2014 and 80,000,000 new shares will be issued to Magic Stone under a settlement agreement dated 21 November 2014 (the "Settlement Agreement") as part of settlement payment. The Settlement Agreement was approved by shareholders in an extraordinary general meeting held on 9 January 2015.
3. Magic Stone is an investment holding company incorporated in the Cayman Islands and is owned as to 80.25% and 19.75% by Mr. Yang Dongjun and Mr. Jing Bin respectively.
4. President Securities (Hong Kong) Limited is one of the sub-underwriters of the Rights Issue and is owned as to 5.19% and 94.81% by President Securities Corporation and President Securities (BVI) Limited respectively. President Securities (BVI) Limited is wholly owned by President Securities Corporation.

## **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 2014, 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 of the Company, 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 forfeited if the employee is dismissed by the Group by reason of persistent or serious misconduct, breach of material term of the relevant employment contract or summary dismissal.

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	Date of grant of the options	Exercise period	Exercise price of the options (HK\$)	Number of share options				Outstanding as at 31 December 2014
				Outstanding as at 1 April 2014	Granted during the period	Exercised during the period	Lapsed during the period	
<i>Old Share Option Scheme:</i>								
Consultants	6 Mar 2007	6 Mar 2007 to 5 Mar 2017	3.58	262,800	—	—	—	262,800 <i>(Note 1)</i>
<i>New Share Option Scheme</i>								
Consultants	21 Aug 2012	21 Aug 2012 to 20 Aug 2015	0.50	80,150,000	—	—	—	80,150,000
Staff	21 Aug 2012	21 Aug 2012 to 20 Aug 2015	0.50	3,600,000	—	—	—	3,600,000
Total				<u>84,012,800</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>84,012,800</u>
Weighted average exercise price				<u>HK\$0.50</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>HK\$0.50</u>

*Notes:*

1. The number of shares issuable under the Old Share Option Scheme and the exercise price were adjust 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\$0.50. The options outstanding at the end of the Period have a weighted average remaining contractual life of 0.65 years (2013: 1.65 years) and the exercise prices range from HK\$0.5 to HK\$3.58 (2013: 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 Period.

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

Other than the Share Option Schemes, 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 Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the Period.

## **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 contained in Appendix 15 of the GEM Listing Rules (the "CG Code") except for the deviation 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 annual general meeting held on 23 July 2014 due to their other important engagement at the relevant time.

## **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 Period.



## **CHANGE OF DIRECTORS' INFORMATION**

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes in the information of the Directors since the date of the Annual Report 2014 are set out below:

Mr. Yin Mark Teh-min retired as a non-executive director and ceased to be a member of the audit committee (the "Audit Committee") and remuneration committee (the "Remuneration Committee") of the Company with effect from the conclusion of the annual general meeting of the Company held on 23 July 2014.

Mr. Lai Kai Kin, Michael ("Mr. Lai") resigned as an independent non-executive director ("INED"), the chairman of the Remuneration Committee and a member of each of the Audit Committee and nomination committee (the "Nomination Committee") of the Company with effect from 30 July 2014.

Pursuant to Rules 5.05(1), Rules 5.28 and Rules 5.34 of the GEM Listing Rules, the Board of Company require to have a minimum of three INEDs, an audit committee must comprise a minimum of three members and a remuneration committee must be chaired by an INED. Upon the resignation of Mr. Lai, the Company did not comply with the GEM Listing Rules 5.05(1), 5.28 and 5.34 since then.

Mr. Eng Wee Meng ("Mr. Eng") ceased as an executive director, an authorised representative and the compliance officer of the Company on 4 September 2014.

Pursuant to Rules 5.19 and Rules 5.24 of the GEM Listing Rules, the Company must ensure that one of its executive directors assumes responsibility for acting as a compliance officer and the Company must have two authorised representatives. Upon the pass away of Mr. Eng, the Company did not comply with the GEM Listing Rules 5.19 and 5.24 since then.

Mr. Chu Hung Lin, Victor was designated as the chairman of the Remuneration Committee with effect from 30 October 2014. Following the designation, Rules 5.34 was properly complied with.

Mr. Fung Kwok Leung was appointed as an INED and a member of each the Audit Committee, Remuneration Committee and the Nomination Committee with effect from 30 October 2014. Following the appointments made in accordance with Rules 5.06 and 5.33 by appointing the right person to fill the casual vacancies so created, Rules 5.05(1) and 5.28 were properly complied with.

Mr. Tan Chong Gin was appointed as an executive director and the compliance officer of the Company with effect from 10 February 2015. Following the appointment made, Rule 5.19 was properly complied with.

Mr. Koh was appointed as an authorised representative of the Company with effect from 10 February 2015. Following the appointment made, Rule 5.24 was properly complied with.

## **AUDIT COMMITTEE**

The audit committee of the Company currently comprises three members of INEDs, namely, Mr. Chu Hung Lin, Victor, Mr. Tong Wan Sze and Mr. Fung Kwok Leung. 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 third 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, 13 February 2015

*As at the date of this report, the Board comprises three executive Directors, Mr. Michael Koh Tat Lee, Mr. Cheung Hung Man and Mr. Tan Chong Gin, one non-executive Directors, Mr. Liang Tong Wei, and three independent non-executive Directors, Mr. Chu Hung Lin, Victor, Mr. Tong Wan Sze and Mr. Fung Kwok Leung.*



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