



**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)

*FIRST QUARTERLY REPORT* **2016**  
第一季度業績報告

## **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 three months ended 30 June 2015 (the "Period").

### BUSINESS AND FINANCIAL REVIEW

The Group's revenue for the Period amounted to approximately HK\$5,931,000 (2014: approximately HK\$11,131,000), decreased by approximately HK\$5,200,000 as compared to the same period in 2014. The significant decrease in revenue was mainly attributable to decreased revenue from metals business, which amounted to approximately HK\$5,530,000 for the Period (2014: approximately HK\$8,090,000). Besides, revenue from beverage business for the Period also contracted to approximately HK\$401,000 (2014: approximately HK\$2,265,000).

The restructuring of convertible bonds was completed on 12 May 2015. The outstanding convertible bonds in principal amount of US\$201,474,359 (equivalent to approximately HK\$1,571,500,000) due for repayment in 2018 ("Convertible Bonds") were fully redeemed by issue of convertible bonds in principal amount of US\$140,000,000 (equivalent to approximately HK\$1,092,000,000) due in 2020 ("New Bonds"). A one-off fair value gain on redemption of the Convertible Bonds liabilities of approximately HK\$144,601,000 (2014: Nil) was recorded (further details in note 4 to the condensed quarterly financial information).

As of the date of this report the New Bonds in principal amount of US\$50,000,000 (equivalent to approximately HK\$390,000,000) were converted at HK\$0.50 per shares into 780,000,000 issued shares of the Company according to terms of the deed of New Bonds.

During the Period, the Group has incurred a gross loss of approximately HK\$2,466,000 (2014: approximately HK\$171,000). Other operating expenses, net amounted to approximately HK\$4,650,000 (2014: other operating income, net of approximately HK\$1,381,000). Profit for the period increased to approximately HK\$95,289,000 (2014: loss for the period of approximately HK\$44,473,000) of which approximately HK\$144,601,000 (2014: Nil) was attributable to the fair value gain on redemption of convertible bonds liabilities.

### OUTLOOK

Given the existing low tide of the commodity market the Group expects beverage business remains the major contributor of revenue and profit in the near future. We are driving at full speed approaching to the highway of the exploding PRC beverage market.

## FIRST QUARTER RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2015

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 ended 30 June 2015 together with the comparative figures for the corresponding period in 2014 as follows:

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

		For the three months ended 30 June	
		2015	2014
		HK\$' 000	HK\$' 000
		(unaudited)	(unaudited)
Revenue	3	5,931	11,131
Cost of sales		(8,397)	(11,302)
<b>Gross profit</b>		<b>(2,466)</b>	<b>(171)</b>
Administrative expenses		(16,952)	(14,927)
Fair value gain on redemption of convertible bonds liabilities	4	144,601	—
Other operating (expenses)/income, net	5	(4,650)	1,381
<b>Profit/(Loss) from operations</b>		<b>120,533</b>	<b>(13,717)</b>
Finance costs	6	(25,244)	(30,756)
<b>Profit/(Loss) before tax</b>		<b>95,289</b>	<b>(44,473)</b>
Income tax expense	7	—	—
<b>Profit/(Loss) for the period</b>		<b>95,289</b>	<b>(44,473)</b>
<b>Other comprehensive income for the period, net of tax items that may be reclassified to profit or loss:</b>			
Exchange differences on translating foreign operations		295	1,485
<b>Total comprehensive income for the period</b>		<b>95,584</b>	<b>(42,988)</b>

		For the three months ended 30 June	
		2015	2014
Note		HK\$' 000	HK\$' 000
		(unaudited)	(unaudited)
<b>Profit/(loss) for the period attributable to:</b>			
		95,221	(44,457)
		68	(16)
		<u>95,289</u>	<u>(44,473)</u>
<b>Total comprehensive income for the period attributable to:</b>			
		95,516	(43,461)
		68	473
		<u>95,584</u>	<u>(42,988)</u>
<b>Profit/(Loss) per share</b>			
	8	5.20 cents	(4.69 cents)
		<u>N/A</u>	<u>N/A</u>

## 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. Its principal business is investment holding.

The Group is principally engaged in exploration and exploitation of mineral resources and trading of coals, 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 2015.

### 3. REVENUE

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

	For the three months ended 30 June	
	2015 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)
Sales of metals	5,530	8,090
Sales of beverages	401	2,265
Sales of coals	—	776
	<u>5,931</u>	<u>11,131</u>

There was no sales of tea drinks and juice drinks to USA during the Period (2014: approximately HK\$2,204,000) while sales of bottled water in China was approximately HK\$401,000 (2014: approximately HK\$61,000).

#### 4. REDEMPTION OF CONVERTIBLE BONDS AND ISSUANCE OF NEW BONDS

On 22 September 2014, the Company and Kesterion Investments Limited (“Kesterion”), a substantial shareholder of the Company, entered into a bond restructuring agreement, which was amended by a supplementary agreement on 1 November 2014 (collectively referred to as the “Bond Restructuring Agreements”). Pursuant to the Bond Restructuring Agreements, the Company and Kesterion conditionally agreed that:

- (i) the terms of Convertible Bonds will be amended to grant the Company a right to redeem all the outstanding Convertible Bonds at a redemption price of US\$140,000,000 (equivalent to approximately HK\$1,092,000,000);
- (ii) the Company will exercise such redemption right; and
- (iii) in satisfaction and cancellation of the redemption amount payable under the amended Convertible Bonds following such redemption, the Company will issue the new bonds (the “New Bonds”) to Kesterion. The New Bonds is a five-year 2.0% convertible bonds in principal amount of US\$140,000,000. The coupon is payable in arrear semi-annually from the issue date.

The conversion price of the New Bonds is HK\$0.5 per conversion share. The Company shall have the right, at its options, to redeem any portion of or the entire outstanding principal amount of all of the New Bonds held by Kesterion at any time before the maturity date, which is five years from the issue date.

The Bond Restructuring Agreements became unconditional pursuant to an ordinary resolution passed at the extraordinary general meeting on 9 January 2015.

On 12 May 2015, with all the condition precedents to the Bond Restructuring Agreement has been fulfilled, the Company has fully redeemed the Convertible Bonds and issued the New Bonds in accordance with the terms of the Bond Restructuring Agreement. Fair value gain of approximately HK\$144,601,000 was recognized in profit or loss during the Period, which represented the difference between the carrying amount of the liability component of the Convertible Bonds immediately before 12 May 2015 and the fair value of the liability component of the New Bond at issuance.

Details of the Bond Restructuring Agreements and the issuance of New Bonds were set out in the announcements of the Company dated on 23 November 2014 and 12 May 2015 and the circular of the Company dated 19 December 2014.

5. OTHER OPERATING (EXPENSES)/INCOME, NET

	For the three months ended 30 June	
	2015	2014
	HK\$' 000	HK\$' 000
	(unaudited)	(unaudited)
Fair value gain/(loss) on financial assets at fair value through profit or loss	37	(34)
Dividend income from listed investments	—	2
Gain on disposal of property, plant and equipment	7	—
Net interest (payable)/receivable on trade balances	(4,867)	1,403
Sundry income	173	10
	<u>173</u>	<u>10</u>
	<u>(4,650)</u>	<u>1,381</u>

6. FINANCE COSTS

	For the three months ended 30 June	
	2015	2014
	HK\$' 000	HK\$' 000
	(unaudited)	(unaudited)
Finance lease charges	9	15
Interests on convertible bonds	24,768	30,209
Interests on bank loans and overdrafts	467	532
	<u>467</u>	<u>532</u>
	<u>25,244</u>	<u>30,756</u>

7. INCOME TAX

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 (2014: Nil).

Entities incorporated in other countries are subject to income tax rates of 17% to 30% (2014: 17% to 30%) prevailing in the countries in which such entities operate, based on existing legislation, interpretation and practices in respect thereof.



## 8. PROFIT/(LOSS) PER SHARE

### Basic profit/(loss) per share

The calculation of basic profit/(loss) per share is based on the profit attributable to owners of the Company for the three months period ended 30 June 2015 of approximately HK\$95,221,000 (2014: loss for the period of approximately HK\$44,457,000) and the weighted average number of ordinary shares of 1,830,347,549 shares (2014: 947,997,926 shares) in issue during the period.

### Diluted profit/(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 profit/(loss) per share was presented for both periods.

## 9. EVENTS AFTER THE REPORTING PERIOD

On 30 July 2015, the Group has received an acceptance, from a third party, of an Option To Purchase ("OTP") issued by the Group on 29 July 2015, which offered an option to purchase the Group's leasehold building in Singapore at a price of SGD6,180,000. Completion of the leasehold building disposal is subject to the approval by the Jurong Town Corporation ("JTC") of the Singapore government and the whole process will take 4-6 months to complete.

Despite the disposal of leasehold property of the metal trading business the Group has no intention to discontinue the business. The Group will seek for another suitable warehouse to resume the business after completion of the disposal.

10. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)									
	Attributable to owners of the Company									
	Share capital	Share premium	Foreign currency translation reserve	Share option reserve	Convertible bond equity reserve	Property revaluation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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 three months ended 30 June 2014	—	—	996	—	—	—	(44,457)	(43,461)	473	(42,988)
Acquisition of a subsidiary	33,142	662	—	—	—	—	—	33,804	—	33,804
Changes in equity for the period	33,142	662	996	—	—	—	(44,457)	(9,657)	473	(9,184)
At 30 June 2014 (unaudited)	<u>504,592</u>	<u>3,780,941</u>	<u>(1,472)</u>	<u>8,251</u>	<u>1,263,605</u>	<u>2,348</u>	<u>(5,551,325)</u>	<u>6,940</u>	<u>388,438</u>	<u>395,378</u>
At 1 April 2015 (audited)	796,888	3,647,887	(3,700)	8,251	1,263,605	8,161	(6,394,206)	(673,114)	48,091	(625,023)
Total comprehensive income for the three months ended 30 June 2015	—	—	295	—	—	—	95,221	95,516	68	95,584
Conversion of convertible bonds into shares	312,000	(61,957)	—	—	(59,796)	—	—	190,247	—	190,247
Redemption of Convertible Bonds and issuance of New Bonds	—	—	—	—	(1,033,388)	—	1,033,388	—	—	—
Changes in equity for the period	312,000	(61,957)	295	—	(1,093,184)	—	1,128,609	285,763	68	285,831
At 30 June 2015 (unaudited)	<u>1,108,888</u>	<u>3,585,930</u>	<u>(3,405)</u>	<u>8,251</u>	<u>170,421</u>	<u>8,161</u>	<u>(5,265,597)</u>	<u>(387,351)</u>	<u>48,159</u>	<u>339,192</u>

## INTERIM DIVIDEND

The Directors do not recommend the payment of a dividend for the three months ended 30 June 2015 (2014: Nil).

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

As at 30 June 2015, 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

Name of director/ chief executive	Number of Shares	Approximate percentage of shareholding	Capacity
Michael Koh Tat Lee	619,619,060 (L)	27.94	Interest of spouse ( <i>Note</i> )
Liang Tong Wei	100,000,000 (L)	4.51	Beneficial owner
Cheung Hung Man	46,235,000 (L)	2.08	Beneficial owner
Tan Chong Gin	5,575,000 (L)	0.25	Beneficial owner

(L) — Long position

Long and short positions in the underlying shares

Name of director/ chief executive	Number of underlying shares in respect of equity derivatives of the Company	Approximate percentage of the issued share capital of the Company	Capacity
Michael Koh Tat Lee	1,560,000,000 (L)	70.34	Interest of spouse ( <i>Note</i> )
	1,248,000,000 (S)	56.27	Interest of spouse ( <i>Note</i> )

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

*Note:* Ms. Wong, Eva ("Ms. Wong"), being the wife of Mr. Michael Koh Tat Lee ("Mr. Koh"), is interested in 619,619,060 Shares and 1,560,000,000 underlying shares under Convertible Bonds. Therefore, Mr. Koh is deemed to be interested in total of 2,179,619,060 shares.

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 30 June 2015, 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

Name of shareholder	Number of Shares	Approximate percentage of shareholding	Capacity
Kesterion Investments Limited	619,347,860 (L)	27.93	Beneficial owner ( <i>Note 1</i> )
Wong, Eva	619,619,060 (L)	27.94	
	619,347,860 (L)	27.93	Interest of controlled corporation ( <i>Note 1</i> )
	271,200 (L)	0.01	Beneficial owner
Magic Stone Fund (China)	80,000,000 (L)	3.60	Beneficial owner ( <i>Note 2</i> )
Yang Dongjun	80,000,000 (L)	3.60	Interest of controlled corporation ( <i>Note 3</i> )

(L) — Long position

## Long and short positions in the underlying shares

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	1,560,000,000 (L)	70.34	Beneficial owner ( <i>Note 1</i> )
	1,248,000,000 (S)	56.27	Beneficial owner ( <i>Note 2</i> )
Wong, Eva	1,560,000,000 (L)	70.34	Interest of controlled corporation ( <i>Note 1</i> )
	1,248,000,000 (S)	56.27	Interest of controlled corporation ( <i>Note 2</i> )
Magic Stone Fund (China)	1,248,000,000 (L)	56.27	Security Interest ( <i>Note 2</i> )
Yang Dongjun	1,248,000,000 (L)	56.27	Interest of controlled corporation ( <i>Note 3</i> )

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

*Notes:*

1. Ms. Wong is the sole beneficial owner of Kesterion Investments Limited (“Kesterion”) and she has the interest of controlled corporation of 619,347,860 Shares and 1,560,000,000 underlying shares under Convertible Bonds.

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. On 12 May 2015, the Company has redeemed the Convertible Bonds and issued a five-year 2.0% convertible bonds in principal amount of US\$140,000,000 (“New Bonds”) in accordance with the Bond Restructuring Agreement.

On 15 May 2015, 9 June 2015 and 15 June 2015, Kesterion exercised its rights by converted a total of 624,000,000 conversion shares under the New Bonds into the ordinary shares of the Company. As a result, the outstanding principal amount of New Bonds was reduced to US\$100,000,000 (equivalent to approximately HK\$780,000,000), which upon conversion in full will result in the allotment and issue of 1,560,000,000 Shares.

2. The Company has entered into a settlement agreement with Magic Stone Fund (China) (“Magic Stone”) dated 21 November 2014 (the “Settlement Agreement”) regarding the assignment of a security over the 252,153,400 Shares and the Convertible Bonds held by Kesterion (“Kesterion Charges”) created in favour of China Shipbuilding Industrial Complete Equipment and Logistics Company Limited on 7 November 2014. The Company has issued 80,000,000 new Shares to Magic Stone under the Settlement Agreement on 27 February 2015 as part of settlement payment. On 12 May 2015, Magic Stone agreed to release the Kesterion Charges in exchange for a security over the New Bonds issued to Kesterion in amount of US\$80,000,000 (equivalent to approximately HK\$624,000,000), which upon conversion in full will result in the allotment and issue of 1,248,000,000 Shares.
3. Magic Stone is an investment holding company incorporated in the Cayman Islands and is owned as to 80.25% by Mr. Yang Dongjun.

## **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 30 June 2015, 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 will 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\$)	Outstanding as at 1 April 2015	Number of share options			Outstanding as at 30 June 2015
					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\$0.51</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>HK\$0.51</u>

*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 0.15 year (2014: 0.65 year) and the exercise prices range from HK\$0.5 to HK\$3.58 (2014: 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 Old Share Option Scheme and the New Share Option Scheme, 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.

## **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.

## 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 first 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 August 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 Director, Mr. Liang Tong Wei, and three independent non-executive Directors, Mr. Chu Hung Lin, Victor, Mr. Tong Wan Sze and Mr. Fung Kwok Leung.*

