亞洲煤業
ASIA COAL

Asia Coal Limited
亞洲煤業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 835)

ANNOUNCEMENT OF ANNUAL AUDITED RESULTS FOR THE YEAR ENDED 31ST MARCH 2013

The board of directors (the "Board") of Asia Coal Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st March 2013.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2013

		Continuing Operations		Discontinued Operation		Total	
		2013	2012	**2013**	2012	**2013**	2012
	NOTES	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue	3	**8,728**	10,305	**–**	869	**8,728**	11,174
Cost of sales		**(3,268)**	(4,466)	**–**	(1,170)	**(3,268)**	(5,636)
Gross profit (loss)		**5,460**	5,839	**–**	(301)	**5,460**	5,538
Other income	5	**24,281**	1,210	**–**	1	**24,281**	1,211
Selling and distribution expenses		**(20,032)**	(23,982)	**–**	–	**(20,032)**	(23,982)
Administrative expenses		**(17,790)**	(20,827)	**–**	(1,300)	**(17,790)**	(22,127)
Finance costs	6	**(20,253)**	(21,929)	**–**	–	**(20,253)**	(21,929)
Impairment loss on exploration and evaluation assets		**(24,408)**	(244,859)	**–**	–	**(24,408)**	(244,859)
Loss on disposal of a subsidiary		**–**	–	**–**	(3,106)	**–**	(3,106)
Loss before tax		**(52,742)**	(304,548)	**–**	(4,706)	**(52,742)**	(309,254)
Taxation	7	**–**	–	**–**	–	**–**	–
Loss for the year	8	**(52,742)**	(304,548)	**–**	(4,706)	**(52,742)**	(309,254)
Other comprehensive expense:							
Exchange differences arising on translation of foreign operations		**(71)**	(456)	**–**	(8)	**(71)**	(464)
Total comprehensive expense for the year		**(52,813)**	(305,004)	**–**	(4,714)	**(52,813)**	(309,718)

	NOTES	Continuing Operations 2013 HK$'000	Continuing Operations 2012 HK$'000	Discontinued Operation 2013 HK$'000	Discontinued Operation 2012 HK$'000	Total 2013 HK$'000	Total 2012 HK$'000
Loss for the year attributable to:							
Owners of the Company						**(52,779)**	(306,945)
Non-controlling interests						**37**	(2,309)
						(52,742)	(309,254)
Total comprehensive expense attributable to:							
Owners of the Company						**(52,850)**	(307,409)
Non-controlling interests						**37**	(2,309)
						(52,813)	(309,718)
LOSS PER SHARE	9						
From continuing and discontinued operations							
Basic and diluted						**(2.05) HK cents**	(15.33) HK cents
From continuing operations							
Basic and diluted						**(2.05) HK cents**	(15.21) HK cents
From discontinued operation							
Basic and diluted						**N/A**	(0.12) HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31ST MARCH 2013

	Notes	2013 HK$'000	2012 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**2,747**	2,028
Exploration and evaluation assets		**119,410**	145,000
		122,157	147,028
Current assets			
Inventories – finished goods		**2,334**	2,266
Trade and other receivables	*12*	**9,176**	2,876
Pledged bank deposits		**–**	1,723
Bank balances and cash		**4,592**	3,346
		16,102	10,211
Current liabilities			
Trade and other payables and accrued charges	*13*	**17,368**	13,531
Amounts due to related parties		**27,489**	50,610
Amount due to a non-controlling shareholder of a subsidiary		**–**	2,819
Obligations under finance leases – due within one year		**–**	22
Convertible bonds		**–**	90,876
Secured bank overdrafts		**–**	1,342
		44,857	159,200
Net current liabilities		**(28,755)**	(148,989)
Total assets less current liabilities		**93,402**	(1,961)
Non-current liabilities			
Obligations under finance leases – due after one year		**–**	29
Convertible bonds		**–**	71,401
		–	71,430
Net assets (liabilities)		**93,402**	(73,391)
CAPITAL AND RESERVES			
Share capital		**86,211**	210,528
Reserves		**7,056**	(281,240)
Equity attributable to owners of the Company		**93,267**	(70,712)
Non-controlling interests		**135**	(2,679)
		93,402	(73,391)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2013

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) The consolidated financial statements have been prepared on the historical cost basis and in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

(b) In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that its current liabilities exceeded its current assets by HK$28,755,000 as at 31st March 2013 and the Group incurred a loss of approximately HK$52,742,000 for the year then ended.

In order to improve the Group's financial position, to provide liquidity and cash flows and to sustain the Group as a going concern, the Group has completed the following transactions and has been implementing a number of measures, including but not limited to:

(i) An aggregate of 400,000,000 shares have been placed and the net proceeds from the placing is approximately HK$47.6 million. The placing was completed on 29th April 2013.

(ii) A shareholder of the Company has agreed not to demand repayment of the amount due to him of approximately HK$9.2 million as at 31st March 2013 in the next twelve months from the date of approval of these consolidated financial statements. The said shareholder also agreed to provide continuous financial support to the relevant subsidiary as necessary to enable the subsidiary to meet its financial obligations as they fall due for the foreseeable future.

(iii) The management will continue to reduce all non-essential costs of development of mine basin until the Group has sufficient funding for the operation.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets; and
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Asset

The application of these amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[4]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[2]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[2]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]
HK(IFRIC) – Int 21	Levies[2]

[1] Effective for annual periods beginning on or after 1st January 2013.
[2] Effective for annual periods beginning on or after 1st January 2014.
[3] Effective for annual periods beginning on or after 1st January 2015.
[4] Effective for annual periods beginning on or after 1st July 2012.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income* introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a 'statement of comprehensive income' is renamed as a 'statement of profit or loss and other comprehensive income'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for the Group for annual period beginning on 1st April 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in future accounting periods.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1st January 2015, with earlier application permitted. The director anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for the financial year beginning on 1st April 2015 and the adoption is not expected to have material impact on the consolidated financial statements.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

The directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for its financial year beginning on 1st April 2013. However, the application of the standard is not expected to have material impact on amounts reported in the consolidated financial statements but may result in more extensive disclosures in the consolidated financial statements.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impacts on the consolidated financial statements.

3. REVENUE

Revenue represents the amounts received and receivable for goods sold and services provided, net of discounts, to outside customers during the year.

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Sales of health and beauty products	**4,881**	7,750
Provision of beauty services	**3,847**	2,555
	8,728	10,305
Discontinued operation		
Provision of logistic services	**–**	869
	8,728	11,174

4. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker, the Chairman of the Group, for the purposes of resource allocation and performance assessment. The reports are analysed based on categories of business. Three operating segments were presented:

1) Health and beauty products and services
2) Coal mining
3) Logistic services

The segment of logistic services was discontinued following the disposal of a subsidiary in July 2011. Details of the discontinued operation are set out in note 10.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segment:

	Continuing operations						Discontinued operation		Total	
	Health and beauty products and services		Coal mining		Total		Logistic services			
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue										
External sales	**8,728**	10,305	**–**	–	**8,728**	10,305	**–**	869	**8,728**	11,174
Segment loss	**(19,793)**	(23,655)	**(26,460)**	(250,457)	**(46,253)**	(274,112)	**–**	(1,601)	**(46,253)**	(275,713)
Unallocated income										
– Interest income					**3**	5	**–**	1	**3**	6
– Other income					**23,836**	792	**–**	–	**23,836**	792
Unallocated expenses										
– Central administration costs					**(10,075)**	(9,304)	**–**	–	**(10,075)**	(9,304)
– Finance costs					**(20,253)**	(21,929)	**–**	–	**(20,253)**	(21,929)
– Loss on disposal of a subsidiary					**–**	–	**–**	(3,106)	**–**	(3,106)
Loss before tax					**(52,742)**	(304,548)	**–**	(4,706)	**(52,742)**	(309,254)

Segment loss represents the loss incurred by each segment without allocation of interest income, other income, central administration costs, finance costs and loss on disposal of a subsidiary. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Other segment information

	Continuing operations								Discontinued operation		Total	
	Health and beauty products and services		Coal mining		Unallocated		Total		Logistic services			
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:												
Capital expenditure	**2,248**	1,053	**411**	1,084	**2**	11	**2,661**	2,148	**–**	179	**2,661**	2,327
Depreciation	**1,241**	1,808	**111**	176	**84**	344	**1,436**	2,328	**–**	555	**1,436**	2,883
Impairment loss recognised in respect of trade and other receivables	**–**	–	**–**	2,409	**–**	–	**–**	2,409	**–**	567	**–**	2,976
Impairment loss on exploration and evaluation assets	**–**	–	**24,408**	244,859	**–**	–	**24,408**	244,859	**–**	–	**24,408**	244,859
Loss on disposal of property, plant and equipment	**25**	479	**1**	–	**22**	–	**48**	479	**–**	29	**48**	508
Write-down of inventories	**–**	186	**–**	–	**–**	–	**–**	186	**–**	–	**–**	186

5. OTHER INCOME

	Continuing operations		Discontinued operation		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest income	**3**	5	**–**	1	**3**	6
Gain on redemption of convertible bonds	**23,269**	–	**–**	–	**23,269**	–
Waiver of amount due to a related party	**–**	792	**–**	–	**–**	792
Recovery of bad debt	**–**	131	**–**	–	**–**	131
Others	**1,009**	282	**–**	–	**1,009**	282
	24,281	1,210	**–**	1	**24,281**	1,211

6. FINANCE COSTS

	Continuing operations		Discontinued operation		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest on						
– bank overdrafts	**52**	73	**–**	–	**52**	73
– obligations under finance leases	**1**	5	**–**	–	**1**	5
– amounts due to related parties	**358**	144	**–**	–	**358**	144
Effective interest expense on convertible bonds	**19,842**	21,707	**–**	–	**19,842**	21,707
	20,253	21,929	**–**	–	**20,253**	21,929

7. TAXATION

No provision for Hong Kong Profits Tax has been made as the Group incurred tax losses for both years.

No provision for taxation has been made for the Group's subsidiaries operating outside Hong Kong (i.e. PRC and Mongolia) as there was no assessable profit and incurred tax losses.

8. LOSS FOR THE YEAR

	Continuing operations		Discontinued operation		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Loss for the year has been arrived at after charging:						
Staff costs (including directors' remuneration):						
Salaries and other benefits	**15,492**	16,308	**–**	594	**15,492**	16,902
Retirement benefits scheme contributions	**595**	574	**–**	–	**595**	574
Total employee benefits expenses	**16,087**	16,882	**–**	594	**16,087**	17,476
Auditors' remuneration	**1,217**	1,218	**–**	–	**1,217**	1,218
Cost of inventories recognised as an expense	**1,414**	2,513	**–**	–	**1,414**	2,513
Write-down of inventories	**–**	186	**–**	–	**–**	186
Depreciation of property, plant and equipment	**1,436**	2,328	**–**	555	**1,436**	2,883
Loss on disposal of property, plant and equipment	**48**	479	**–**	29	**48**	508
Operating lease rentals in respect of rented premises	**5,965**	8,808	**–**	49	**5,965**	8,857
Impairment loss recognised in respect of trade and other receivables	**–**	2,409	**–**	567	**–**	2,976
Net exchange loss	**1,357**	2,130	**–**	282	**1,357**	2,412

9. LOSS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2013	2012
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	**(52,779)**	(306,945)

	2013	2012
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**2,570,204,692**	2,002,774,119

The calculation of diluted loss per share for the year ended 31st March 2013 and 2012 has not assumed the exercise of the share options as the exercise price of these options was higher than the average market price for the corresponding periods, and the conversion of the Company's convertible bonds since its assumed conversion would result in a decrease in loss per share.

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

	2013	2012
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	**(52,779)**	(306,945)
Less: Loss for the year from discontinued operation attributable to owners of the Company	**–**	(2,400)
Loss for the purposes of basic and diluted loss per share from continuing operations	**(52,779)**	(304,545)

The number of shares used are the same as those detailed above for basic and diluted loss per share from continuing and discontinued operations.

From discontinued operation

Basic and diluted loss per share from discontinued operation is calculated based on the loss for the year ended 31st March 2012 from discontinued operation of HK$2,400,000 and the number of shares detailed above for basic and diluted loss per share from continuing and discontinued operations.

10. DISCONTINUED OPERATION

In July 2011, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interest in TTC&T LLC ("TTC&T"), which carried out the Group's logistic services business. The logistic services segment was discontinued upon the completion of disposal of TTC&T on 31st July 2011.

The loss for the year from the discontinued operation for the year ended 31st March 2012 is analysed as follows:

	HK$'000
Loss from logistic services business for the year	(1,600)
Loss on disposal of a subsidiary	(3,106)
	(4,706)

The cash flows of discontinued operation for the year ended 31st March 2012 contributed to the Group were as follows:

	HK$'000
Net cash from operating activities	276
Net cash used in investing activities	(464)
Net cash from financing activities	16
Net cash outflows	(172)

11. DIVIDENDS

The directors do not recommend the payment of a final dividend for the year (2012: Nil).

12. TRADE AND OTHER RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**548**	215
Other receivables, deposits and prepayments	**8,628**	2,661
	9,176	2,876

The Group's turnover comprises mainly cash and credit card sales. The credit terms with bank/credit card companies are within 120 days from the date of billings. The following is an analysis of trade receivable by age, presented based on the invoice date at the end of the reporting period:

	2013	2012
	HK$'000	*HK$'000*
0 to 90 days	**422**	215
91 to 120 days	**126**	–
	548	215

13. TRADE AND OTHER PAYABLES AND ACCRUED CHARGES

The following is an analysis of trade payables by age presented based on the invoice date at the end of the reporting period:

	2013	2012
	HK$'000	*HK$'000*
Trade payables:		
0 to 90 days	**1,340**	2,073
91 to 180 days	**92**	–
181 to 365 days	**92**	1,815
Over 365 days	**–**	291
	1,524	4,179
Deposits received from customers	**5,348**	2,465
Accrued charges	**8,235**	4,376
Other payables	**2,261**	2,511
	17,368	13,531

SUMMARY OF THE INDEPENDENT AUDITOR'S REPORT

The following are extracted from the independent auditor's report with modification:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31st March 2013, and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 19 to the consolidated financial statements. The Group owns two mining rights with a carrying amount of HK$119,410,000 as at 31st March 2013 in Mongolia which may be revoked as a result of the enactment of the Mining Prohibition Law (the "MPL"). According to the MPL, the affected license holders, including SMI LLC, a subsidiary of the Company, are to be compensated but the details of the compensation are not currently available. The management believes that the Mongolian government would pay a reasonable compensation to the Group if the licenses were revoked due to the MPL and accordingly the management concluded that there is no further impairment on the mining rights. However, the implementation of the MPL represents a significant uncertainty to the Group, which might have a significant effect on the consolidated financial statements of the Group. If the Group's mining rights are revoked due to the MPL and the compensation to be received by the Group is significantly less than the carrying amounts of these concessions, the Group would incur a significant impairment loss on the related exploration and evaluation assets. The ultimate outcome of this matter cannot presently be determined and no impairment loss, if any, that may result from the above matter has been recognised in the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the year, the Group continued to engage in coal mining business and distribution of beauty products and services.

In the coal mining segment, the Group continued to hold the mining rights to the Saikhan Ovoo coal deposit in the Bulgan province of Mongolia. The JORC compliant resources report prepared by independent technical advisers shows estimated resources for the Saikhan Ovoo coal deposit in excess of 190 million tonnes. The coal resources estimated (on air dry basis) based on the analytical work on 165 coal samples taken from 27 boreholes with a total of 5,222 metres drilled are as follows:

JORC Class	Volumn, m^3	Tonnes
Measured	6,565,000	11,467,000
Indicated	64,852,000	112,831,000
Inferred	39,057,000	69,494,000
Total	110,474,000	193,792,000

Owing to the tight cashflow and the cost-saving measures of the Group, minimal exploration work has been carried out on the mine during the year.

In the health and beauty segment, a new Dermagram product line, the Blemish Control Solution, has been launched during the year to provide more comprehensive product range for the customers.

Financial Review

Results Analysis

For the year ended 31st March 2013, the Group generated a consolidated turnover of approximately HK$8.7 million, representing a decrease by HK$2.4 million or 21.9% as compared to that of last financial year. The decrease in turnover was attributable by the health and beauty segment as detailed in the segmental analysis section below and the consolidated turnover recorded in the previous financial year included the revenue from the logistic services segment before its discontinuance.

The Group recorded a gross profit of approximately HK$5.5 million, which is no significant change as compared to that of last financial year. The gross profit margin increased from 49.6% as recorded in previous year to 62.6% for the year. The higher gross profit margin were attributable by the health and beauty segment as detailed in the segmental analysis section below and the gross loss recorded by the logistic services segment before its discontinuance in the previous financial year.

Loss attributable to owners of the Company decreased to approximately HK$53 million, from HK$307 million as recorded in the previous financial year. The decrease in loss was mainly due to the nonrecurring gain on redemption of convertible bonds of approximately HK$23 million, and the decrease in nonrecurring impairment loss on exploration and evaluation assets to HK$24 million from HK$245 million as recorded in the previous financial year.

Segmental Analysis

Coal Mining

Owing to the tight cashflow and the cost-saving measures of the Group, minimal exploration work has been carried out on the mine during the year.

An impairment loss on exploration and evaluation assets of approximately HK$24 million was recognised during the year. The fair value of the exploration and evaluation assets has been determined on the basis of market-based approach provided by Peak Vision Appraisals Limited, an independent qualified valuer. The valuation was determined by reference to similar market prices for similar assets in the similar locations and conditions.

Health and Beauty Products and Services

During the year under review, turnover contributed by the health and beauty segment amounted to approximately HK$8.7 million, representing a decrease by HK$1.6 million or 15.3% as compared with that of last financial year. The decrease in turnover was mainly due to the decrease in sales of Dermagram products and the OEM products as the business environment was difficult with keen competition in the cosmetic and beauty sector. Also, the Group allocated more resources to develop the provision of beauty services which generate higher margin.

The gross profit of the segment decreased slightly by HK$0.4 million or 6.5% to approximately HK$5.5 million this year and the gross profit margin of the segment increased from 56.7% as recorded in previous year to 62.6% for this year. The segment recorded a higher gross profit margin as greater proportion of revenue was contributed by the higher-margin beauty services.

The segmental loss for the year decreased slightly to approximately HK$19.8 million from HK$23.7 million as recorded in the previous financial year mainly due to the decrease in selling and distribution expenses as cost saving measures were effectively implemented.

Liquidity, Financial Position and Capital Structure

As at 31st March 2013, the Group held cash and bank balances amounting to approximately HK$4,592,000 (2012: HK$5,069,000) while the total borrowings of the Group were approximately HK$26,289,000 (2012: HK$216,648,000). As at 31st March 2013, the borrowings included amounts due to related parties. These amounts are unsecured, interest-free and repayable on demand except for an amount due to a related party, Elmfield Limited, of approximately HK$10,089,000 which carries interest at 4% per annum and shall be repaid in full on the maturity date, i.e. six months from the first drawdown date, unless extended by Elmfield Limited at its sole discretion.

As at 31st March 2012, the borrowings included bank overdrafts, amounts due to related parties and a non-controlling shareholder of a subsidiary and the outstanding liability component of the convertible bonds issued in July 2008 (the "GF CB") and in February 2011 (the "Termination CB"). The GF CB and the Termination CB with respective outstanding principal amounts of HK$109,089,015 and HK$110,000,000 are zero coupon, unsecured and have a maturity of five years from the issue date. The holders of the convertible bonds have the right to require the Company to redeem at 100% of the principal amount of all or part of the outstanding amount of the convertible bonds from the next date following the third anniversary of the issue date to the date immediately before the maturity date.

The gearing ratio, defined as the ratio of total borrowings less cash and bank balances to equity attributable to owners of the Company, was 23.3% (2012: (299.2%)). The ratio of total borrowings over total assets was 19.0% (2012: 137.8%).

On 22nd October 2012, Termination CB with principal amount of HK$10,000,000 were converted into 50,000,000 ordinary shares of HK$0.10 each (which was adjusted to HK$0.01 per share following the capital reorganisation of the Company's shares on 5th March 2013) of the Company at the conversion price of HK$0.20 per share.

As disclosed in the Company's circular dated 8th February 2013, on 4th December 2012, the Company entered into a subscription agreement with Sharp Victory Holdings Limited (the "Subscriber"), CEC Resources and Minerals Holdings Limited ("CEC") and Mr. Zhu Xinjiang (the "Guarantor"), pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue the subscription shares at the price of HK$0.0235 per subscription share for a total consideration of HK$151,947,482. The transaction was approved by the shareholders in the special general meeting held on 4th March 2013 (the "SGM"). The subscription shares were then issued on 7th March 2013.

Under the terms of the subscription agreement, the Company shall utilize all the proceeds of the subscription to redeem all outstanding principal amounts under each of the GF CB and the Termination CB. The redemptions were effected pursuant to the terms of the GF CB redemption agreement and Termination CB redemption agreement entered into between the Company and CEC on 4th December 2012. The transactions were approved by the independent shareholders in the SGM. On 7th March 2013, the Company redeemed the GF CB and the Termination CB with principal amount of HK$109,089,015 and HK$10,000,000 at a consideration of HK$79,276,289 and HK$72,671,193 respectively.

In connection with the subscription, on 5th March 2013, the Company reduced the issued share capital of the Company by cancelling the issued and paid up capital of the Company to the extent of HK$0.09 on each issued and paid up share. Each authorized but unissued share of par value HK$0.10 be subdivided into ten shares, each of par value of HK$0.01. The credit arising from the capital reduction be transferred to the contributed surplus account of the Company and be applied to set off against the accumulated losses of the Company.

Pursuant to the Kwok Waiver Deed and CEC Waiver Deed as defined in the Company's circular dated 8th February 2013, on 7th March 2013, Mr. Kwok Wing Leung and CEC, shareholders of the Company, waived the debts owing by the Group amounting to approximately HK$57,616,000 and HK$363,000 respectively, the amount were credited directly to capital contribution reserve.

On 22nd April 2013, the Company entered into a placing agreement (the "Placing") with a placing agent, pursuant to which the placing agent has conditionally agreed to place, on a best effort basis, to not less than six independent placees for up to 400,000,000 placing shares at the placing price of HK$0.12 per placing share.

The Placing was completed on 29th April 2013. An aggregate of 400,000,000 placing shares have been successfully placed to not less than six independent placees at the placing price of HK$0.12 per placing share. The net proceeds from the Placing amounted to HK$47.6 million. The net proceeds from the Placing is intended to be used for repaying the outstanding debts due to CEC and Elmfield Limited and the remaining for general working capital of the Group.

In view of the liquidity position of the Group, the Group had obtained a confirmation from shareholder that the said shareholder will not demand the repayment of the amount due to him of approximately HK$9 million in the next twelve months from the date of approval of these condensed consolidated financial statements. In addition, with its available cash balances resulting from the Placing, the directors are satisfied that the Group has sufficient financial resources to fund its operational requirements.

Foreign Exchange Risk Management

The majority of the Group's assets and liabilities are either denominated in Hong Kong dollars or United States dollars and most of the Group's cash balances are deposited in Hong Kong dollars or United States dollars with banks in Hong Kong and the PRC. Certain portions of the Group's purchases and expenses were denominated in foreign currencies which exposed the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy as the foreign currency risk is considered not significant. However, the management will continue to closely monitor the Group's foreign exchange risk exposure and will consider hedging significant foreign exchange exposure when necessary.

Major Events

Consideration adjustment of GF Acquisition

As disclosed in the Company's annual report 2011/12, on 25th January 2008, the Group entered into an agreement (the "GF Agreement") to acquire Giant Field Group Limited ("GF") which, through its wholly-owned subsidiary, SMI LLC ("SMI"), holds the mineral mining and other rights to the Saikhan Ovoo coal deposit. As at 31st March 2013, the total consideration for the GF acquisition is subject to adjustment and will be determined based on the Proved Coal Ore Reserves and Probable Coal Ore Reserves held by SMI pursuant to the Saikhan Uul Licences by reference to the technical assessment (the "SMI Technical Assessment") prepared by technical advisers. The consideration for the GF acquisition can be up to a maximum of RMB760 million. Pursuant to the GF Agreement, the Company should deliver to the vendor the SMI Technical Assessment within 24 months following the completion of the GF acquisition, i.e. on or before 29th July 2010. The Company entered into extension letters with the vendor and the guarantor to extend the delivery date of the SMI Technical Assessment to 31st March 2012. As at the date of the approval of these consolidated financial statements, the Company had not delivered the SMI Technical Assessment and the delivery date of the SMI Technical Assessment was not further extended, the Company had been in on-going negotiations with the vendor in relation to waiving the Company's obligation to deliver the SMI Technical Assessment and the consideration adjustment, however no agreement has yet been reached.

Mining Prohibition Law

On 16th July 2009, the Parliament of Mongolia enacted the Law of Mongolia on the Prohibition of Minerals Exploration and Mining in Headwater Areas, Protected Zones for Water Reserves and Forest Lands (the "MPL") which prohibits minerals exploration and mining in areas such as headwaters of rivers and lakes, forest areas and areas adjacent to rivers and lakes.

During the year, legal counsel of the Mongolian subsidiary has confirmed two mining rights of the Group are within the area designated, on a preliminary basis, as land where mineral exploration and mining are prohibited under the MPL, However, there has been no revocation of these licenses as at the date of approval of these consolidated financial statements. The management also considers that even if the licenses were revoked due to the MPL, the Mongolian government would pay a reasonable compensation to the Group. Hence, the management concluded that there is no impairment on the mining rights in this regard.

Charges on Assets

As at 31st March 2013, the Group had no charges on assets.

Contingent Liabilities

As at 31st March 2013, the Group had no significant contingent liabilities.

Prospects and Outlook

It is the Company's long term business development strategy to establish the Group as a coal and natural resources company. Going forward, the Group will expand its coal business and is also actively exploring the possibilities of disposing the health and beauty products and services business. The Group will continue to focus its efforts to identify and pursue other feasible resources projects.

On 7th June 2013, the Company entered into a non-legally binding memorandum with the intended seller of understanding ("MOU") in respect of the possible acquisition of certain interest in the issued share capital of the target company. The Target Company is incorporated in Italy and is principally engaged in the business of solar power generated electricities to power grid in Italy.

The Group will continue to look for strategic acquisitions and partnership opportunities which are in line with the Group's expansion strategy or provide synergy to its principal business activities. The Group will also consider whether any asset disposal, asset acquisition, fixed assets redeployment, business rationalization, business divestment and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group.

Human Resources

As at 31st March 2013, the Group had a total of 56 employees. The Group believes its success and long-term growth depends primarily on the quality, performance and commitment of its employees. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Discretionary bonuses and share options are also offered to qualified employees based on individual and Group performance.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

At no time during the year, did the Company nor any of its subsidiaries purchase, sell or redeem any of the Company's listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code"), which has been renamed as Corporate Governance Code with effect from 1 April 2012, in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the "Listing Rules") throughout the accounting period covered by the annual results, with the exception of the following deviation.

For the year ended 31st March 2013, the Company did not have a chief executive officer. The day-to-day management of the Group's business was handled by the executive directors of the Company collectively. The Board believes that the present arrangement is adequate to ensure an effective management and control of the Group's present business operations. On 2nd May 2013, Dr. Kung Chi Kang, Silver has been appointed to serve as the chief executive officer of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. The Company, having made specific enquiry, confirms that all directors of the Company have fully complied with the Model Code throughout the financial year ended 31st March 2013.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises two independent non-executive directors namely Mr. Li Kar Fai, Peter (chairman) and Mr. Ho Man Kin, Tony and one non-executive director namely Mr. Yeung Ting Lap, Derek Emory. Mr. Li Kar Fai, Peter, the chairman of the Audit Committee, has professional qualification and in-depth experience in accounting and corporate finance. No member of the Audit Committee is a member of the former or existing auditors of the Company.

The primary duties of the Audit Committee are to review the accounting principles and practices adopted by the Group, as well as to discuss and review the internal control and financial reporting matters of the Company. The Audit Committee has reviewed the Group's annual results for the year ended 31st March 2013.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31st March 2013 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is available for viewing on the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.asiacoallimited.com. The annual report will be dispatched to the shareholders of the Company and will be published on the same websites in due course.

By Order of the Board
Asia Coal Limited
Zhu Xinjiang
Chairman

Hong Kong, 27 June 2013

As at the date of this announcement, the Board comprises (i) Mr. Zhu Xinjiang and Dr. Kung Chi Kang, Silver as executive directors of the Company; (ii) Mr. Sun David Lee and Mr. Yeung Ting Lap, Derek Emory as non-executive directors of the Company; and (iii) Mr. Ho Man Kin, Tony, Mr. Li Kar Fai, Peter and Mr. Edward John Hill III as independent non-executive directors of the Company.