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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8173)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014**

The Board of Directors (the “**Board**”) of Pan Asia Mining Limited (the “**Company**”) is pleased to announce the interim results of the Company and its subsidiaries (together as the “**Group**”) for the six months ended 30 September 2014. This announcement, containing the full text of the Interim Report 2015 of the Group, complies with the relevant requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of interim results.

By order of the Board
Pan Asia Mining Limited
Koh Tat Lee, Michael
Chairman

Hong Kong, 14 November 2014

As at the date of this announcement, the Board comprises two executive directors, Mr. Michael Koh Tat Lee and Mr. Cheung Hung Man; 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.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 document misleading.

This announcement will remain on the page of “Latest Company Announcement” on the GEM website for at least 7 days from the date of its posting.

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 ACQUISITION AND DISPOSAL

There was no material acquisition or disposal during the six months ended 30 September 2014 (the "Period").

BUSINESS AND FINANCIAL REVIEW

During the second quarter international thermal coal price continued its downward trend. Market coal price decreased more than 40% since the Group commenced the first coal trading almost 3 years ago. The whole industry is under cold front and it has been squeezing out market players. During the half year the Group did not enter into new coal contracts and has been actively looking for stable source of coal supplies at reasonable cost.

Metal trading business generated stable revenue during the half year despite the local market momentum in Singapore was sluggish. To enhance growth the business unit has been actively seeking for international sources and new customers to expand its business scope.

Beverage business growth has been picking up as planned. Our PRC team has finished preparing the imported bottled spring water to enter the market. Prominent sales increase is anticipated in the second half of this fiscal year.

The Group's turnover for the Period amounted to approximately HK\$20,944,000 (2013: approximately HK\$147,546,000) decreased by approximately HK\$126,602,000 as compared to the same period in 2013. The significant decrease in turnover was mainly attributed to the decrease in turnover from coal business which amounted to approximately HK\$782,000 (2013: approximately HK\$145,932,000). On the other hand, turnover from trading of metals and the new beverage business increased to approximately HK\$20,162,000 (2013: approximately HK\$1,614,000). Bunker fuel business is still suspended undergoing business re-modelling.

During the Period, the Group has incurred a gross loss of approximately HK\$81,000 (2013: gross profit of approximately HK\$998,000). Other operating loss, net amounted to approximately HK\$3,703,000 (2013: other operating income, net approximately HK\$950,000). Loss for the period increased to approximately HK\$98,889,000 (2013: approximately HK\$72,943,000) of which approximately HK\$62,024,000 (2013: approximately HK\$52,694,000) was attributable to the non-cash imputed interest charged to the outstanding convertible bonds.

CAPITAL STRUCTURE AND LIQUIDITY

As at 30 September 2014, the Company had outstanding zero coupon rate convertible bonds in the carrying value of approximately HK\$790,365,000 (31 March 2014: approximately HK\$728,341,000) convertible into 68,955,682 ordinary shares (31 March 2014: 68,955,682 ordinary shares) of HK\$0.50 each. The convertible bonds with outstanding principal amount of totaling US\$201,474,359 (equivalent to approximately HK\$1,571,500,000) are due for full redemption on 18 December 2018.

During the Period, the Company has allotted and issued the remaining 66,285,000 ordinary shares according to the terms of the sales and purchase agreement for the acquisition of subsidiaries that was completed on 31 May 2013.

The Group had a current ratio of approximately 0.78 time as at 30 September 2014 (31 March 2014: approximately 0.81 time). Gearing ratio, calculated based on total non-current liabilities of approximately HK\$799,488,000 (31 March 2014: approximately HK\$738,503,000) against total equity of approximately HK\$334,571,000 (31 March 2014: approximately HK\$404,562,000), increased from 182.54% to 238.96% as at 30 September 2014.

As at 30 September 2014, the Group had no material contingent liability (31 March 2014: Nil) and no material capital commitment (31 March 2014: Nil).

BORROWING FACILITIES

As at 30 September 2014, the Group had obtained credit facilities from various banks up to a maximum amount of approximately HK\$46,807,000 (31 March 2014: approximately HK\$46,807,000) and approximately HK\$26,064,000 (31 March 2014: approximately HK\$27,516,000) of the credit facilities has been utilized.

PLEDGE OF ASSETS

As at 30 September 2014, a warehouse property located in Singapore at carrying value of approximately S\$7,000,000 (equivalent to approximately HK\$43,092,000) and several investment properties located in the PRC at carrying values of approximately RMB 14,616,000 (equivalent to approximately HK\$18,563,000) were pledged to secure general banking facilities granted to the Group.

TREASURY POLICIES

The transactions of the Company and its subsidiaries are mainly denominated in United States Dollar and the majority of the Group's tangible assets are denominated in Hong Kong Dollar. The outstanding convertible bonds are denominated in United States Dollar and are redeemable or convertible using an agreed fixed rate of HK\$7.8 to US\$1.0. As a result, the convertible bonds have no exposure to exchange rate fluctuations. The Group has no other material exposure to exchange rate risks and has not made any arrangement to hedge against expenses, assets and liabilities for exchange rate fluctuation.

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by all effective means. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2014, the Group had 84 full time employees. Employees are remunerated with reference to market terms and according to their individual work performance, qualification and experience. Remuneration includes monthly basic salaries, retirement benefits under the Mandatory Provident Fund Scheme (the “Scheme”), medical schemes and performance-lined discretionary bonuses.

All qualifying employees of the Group in Hong Kong participate in the Scheme. The assets of the Scheme are held separately from those of the Group in funds under the control of trustees. Group contributions were grossly matched by employee contributions.

OUTLOOK

After cautious progress, trading of tea drinks and aloe juice drinks to USA demonstrated a stable but promising growth. Our customer in USA has engaged a number of major chain stores and is preparing to substantially increase import from our PRC subsidiary which sources the drinks from Korean manufacturers. Besides, given the continuous health concerns on getting adequate drinking water in major cities of China, we believe our premium-branded bottled natural spring water imported from Canada will have a good start and growth in the top-tier consumer market.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

The board of Directors (the “Board”) of Pan Asia Mining Limited (the “Company”) is pleased to report the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three and six months ended 30 September 2014 together with the comparative figures for the corresponding periods in 2013 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	For the three months ended 30 September		For the six months ended 30 September	
		2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Turnover	7	9,813	38,676	20,944	147,546
Cost of sales		(9,723)	(38,439)	(21,025)	(146,548)
Gross profit		90	237	(81)	998
Administrative expenses		(18,227)	(12,231)	(33,154)	(22,324)
Other operating (expenses)/ income, net	8	(5,084)	421	(3,703)	950
Loss from operations		(23,221)	(11,573)	(36,938)	(20,376)
Finance costs	9	(32,217)	(27,108)	(62,973)	(52,786)
Fair value gain on contingent consideration payable		663	—	663	—
Loss before tax		(54,775)	(38,681)	(99,248)	(73,162)
Income tax credit	10	359	219	359	219
Loss for the period	11	(54,416)	(38,462)	(98,889)	(72,943)

	For the three months ended 30 September		For the six months ended 30 September	
	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Other comprehensive income for the period, net of tax				
<i>Items that will not be reclassified to profit or loss:</i>				
Revaluation surplus of investment properties	1,140	—	1,140	—
<i>Items that may be reclassified to profit or loss:</i>				
Exchange differences on translating foreign operations	(1,393)	(114)	92	448
Total comprehensive income for the period	(54,669)	(38,576)	(97,657)	(72,495)
Loss for the period attributable to:				
Owners of the Company	(54,265)	(38,419)	(98,722)	(72,819)
Non-controlling interests	(151)	(43)	(167)	(124)
	(54,416)	(38,462)	(98,889)	(72,943)
Total comprehensive income for the period attributable to:				
Owners of the Company	(54,018)	(38,588)	(97,479)	(72,958)
Non-controlling interests	(651)	12	(178)	463
	(54,669)	(38,576)	(97,657)	(72,495)

		For the three months ended 30 September		For the six months ended 30 September	
		2014 HK\$ (unaudited)	2013 HK\$ (unaudited)	2014 HK\$ (unaudited)	2013 HK\$ (unaudited)
	Note				
Loss per share					
Basic	11	(5.38) cents	(4.07) cents	(10.08) cents	(7.79) cents
Diluted		N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 September 2014 HK\$' 000 (unaudited)	As at 31 March 2014 HK\$' 000 (audited)
Non-current assets			
Property, plant and equipment	13	53,581	55,189
Investment properties		18,563	17,639
Payments for mining claims		109	109
Exploration and evaluation assets	14	1,104,043	1,104,024
Goodwill		13,595	13,595
Intangible assets		25,537	26,979
Interests in associates		—	—
		<u>1,215,428</u>	<u>1,217,535</u>
Current assets			
Inventories		22,590	19,714
Trade and other receivables	15	256,310	249,482
Financial assets at fair value through profit or loss		248	288
Amount due from directors	19(a)	1,802	593
Cash and bank balances		7,723	42,058
		<u>288,673</u>	<u>312,135</u>

	Note	As at 30 September 2014 HK\$'000 (unaudited)	As at 31 March 2014 HK\$'000 (audited)
Current liabilities			
Trade and other payables	16	342,367	325,637
Amounts due to associates		301	56
Amounts due to directors	19(b)	292	3,693
Contingent consideration payable	18(b)	—	27,839
Bank loans and bank overdrafts		25,424	26,344
Finance lease payables		323	413
Current tax liabilities		1,335	2,623
		<u>370,042</u>	<u>386,605</u>
Net current liabilities		<u>(81,369)</u>	<u>(74,470)</u>
Total assets less current liabilities		<u>1,134,059</u>	<u>1,143,065</u>
Non-current liabilities			
Bank loans		640	1,172
Finance lease payables		753	900
Convertible bonds	17	790,365	728,341
Deferred tax liabilities		7,730	8,090
		<u>799,488</u>	<u>738,503</u>
Net assets		<u>334,571</u>	<u>404,562</u>
Capital and reserves			
Share capital	18	504,592	471,450
Reserves		(558,298)	(454,853)
Equity attributable to owners of the Company		<u>(53,706)</u>	<u>16,597</u>
Non-controlling interests		<u>388,277</u>	<u>387,965</u>
Total equity		<u>334,571</u>	<u>404,562</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

	(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 bonds 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 period	—	—	103	—	—	1,140	(98,722)	(97,479)	(178)	(97,657)
Issue of share on acquisition of a subsidiary	33,142	(5,966)	—	—	—	—	—	27,176	—	27,176
Capital contribution from non-controlling interests	—	—	—	—	—	—	—	—	490	490
Changes in equity for the period	33,142	(5,966)	103	—	—	1,140	(98,722)	(70,303)	312	69,991
At 30 September 2014 (unaudited)	<u>504,592</u>	<u>3,774,313</u>	<u>(2,365)</u>	<u>8,251</u>	<u>1,263,605</u>	<u>3,488</u>	<u>(5,605,590)</u>	<u>(53,706)</u>	<u>388,277</u>	<u>334,571</u>
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 period	—	—	(139)	—	—	—	(72,819)	(72,958)	463	(72,495)
Issue of share on acquisition of a subsidiary	12,358	247	—	—	—	—	—	12,605	—	12,605
Capital contribution from non-controlling interests	—	—	—	—	—	—	—	—	1,253	1,253
Changes in equity for the period	12,358	247	(139)	—	—	—	(72,819)	(60,353)	1,716	(58,637)
At 30 September 2013 (unaudited)	<u>471,450</u>	<u>3,780,279</u>	<u>(1,361)</u>	<u>8,251</u>	<u>1,263,605</u>	<u>—</u>	<u>(5,404,324)</u>	<u>117,900</u>	<u>389,064</u>	<u>506,964</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 September	
	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
Net cash used in operating activities	(26,079)	(80,420)
Net cash used in investing activities	(6,501)	(10,633)
Net cash used in financing activities	(2,064)	(1,773)
Net decrease in cash and cash equivalents	(34,644)	(92,826)
Effect of changes in foreign exchange rates	309	584
Cash and cash equivalents at beginning of period	42,058	175,877
Cash and cash equivalents at end of period	<u>7,723</u>	<u>83,635</u>

NOTES TO THE CONDENSED INTERIM 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. GOING CONCERN BASIS

The Group incurred a loss attributable to owners of the Company of approximately HK\$98,722,000 for the Period and the Group had net current liabilities of approximately HK\$81,369,000 as at 30 September 2014. These conditions indicated that the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

These condensed financial statements have been prepared on a going concern basis, the validity of which depends upon the financial support of a substantial shareholder, at a level sufficient to finance the working capital requirements of the Group. The substantial shareholder has agreed to provide adequate funds for the Group to meet its liabilities as they fall due. In addition, the Group is negotiating with its substantial shareholder and professional advisors for the restructuring of convertible bonds which issued to its substantial shareholder. The directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Accounting Standards 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The unaudited condensed 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.

The accounting policies and method of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2014.

4. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2014. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years.

5. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group’s financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group’s policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

a. Disclosures of level in fair value hierarchy at the end of the reporting period:

Fair value measurements as at 30 September 2014 using:

Description	Level 1 HK\$' 000 (unaudited)	Level 2 HK\$' 000 (unaudited)	Level 3 HK\$' 000 (unaudited)	Total HK\$' 000 (unaudited)
Recurring fair value measurements:				
Financial assets at fair value through profit or loss				
– Listed securities in Hong Kong	248	—	—	247
Investment properties in the PRC	—	—	18,563	18,563
Leasehold building in Singapore	—	—	43,092	43,092
Total recurring fair value measurements	248	—	61,655	61,902

Fair value measurements as at 31 March 2014 using:

Description	Level 1 HK\$' 000 (audited)	Level 2 HK\$' 000 (audited)	Level 3 HK\$' 000 (audited)	Total HK\$' 000 (audited)
Recurring fair value measurements:				
Financial assets at fair value through profit or loss				
– Listed securities in Hong Kong	288	—	—	288
Investment properties in the PRC	—	—	17,639	17,639
Leasehold building in Singapore	—	—	43,544	43,544
Total recurring fair value measurements	288	—	61,183	61,471
Non-recurring fair value measurements:				
Contingent consideration payable	—	27,839	—	27,839

b. Reconciliation of assets measured at fair value based on level 3:

	Investment properties	Leasehold building	Total
	2014	2014	2014
Description	HK\$' 000	HK\$' 000	HK\$' 000
At 1 April 2014 (audited)	17,639	43,544	61,183
Additions	826	—	826
Depreciation charged to profit and loss	—	(1,140)	(1,140)
Total fair value gain or losses recognised in other comprehensive income	—	1,140	1,140
Exchange differences recognized in other comprehensive income	98	(452)	(354)
At 30 September 2014 (unaudited)	<u>18,563</u>	<u>43,092</u>	<u>61,655</u>
At 1 April 2013 (audited)	—	—	—
Acquisitions from subsidiaries	13,925	41,664	55,589
Additions	3,746	—	3,746
Depreciation charged to profit and loss	—	(1,103)	(1,103)
Total fair value gain or losses recognised in other comprehensive income	—	2,348	2,348
Exchange differences recognized in other comprehensive income	(32)	635	603
At 31 March 2014 (audited)	<u>17,639</u>	<u>43,544</u>	<u>61,183</u>

c. Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at the end of the reporting period:

The management of the Company is responsible for the fair value measurement of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. Review of valuation process and results are held at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at 30 September 2014 HK\$'000 (unaudited)
Investment properties in the PRC	Market comparable approach	Price per square metre	RMB13,596 to RMB13,966	Increase	18,563
Leasehold building in Singapore	Market comparable approach	Price per square foot	SGD169 to SGD206	Increase	43,092
Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value as at 31 March 2014 HK\$'000 (audited)
Investment properties in the PRC	Market comparable approach	Price per square metre	RMB13,596 to RMB13,966	Increase	17,639
Leasehold building in Singapore	Market comparable approach	Price per square foot	SGD169 to SGD206	Increase	43,544

There is no change in the valuation techniques used.

6. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business segments. The Group organises its business into five segments:

- Mining exploration and exploitation
- Trading of metals
- Trading of coals
- Trading of bunker fuels
- Trading of beverages

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The following is an analysis of the Group's turnover, results and assets by operating segment for the periods under review:

(a) Segment turnover, results and assets

Information regarding the Group's reportable segments as provided to the Group's chief operating decision-makers is set out below:

	Mining exploration & exploitation For the six months ended 30 September	Trading of metals For the six months ended 30 September	Trading of coal For the six months ended 30 September	Trading of bunker fuel For the six months ended 30 September	Trading of beverages For the six months ended 30 September	Total For the six months ended 30 September
	2014 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)
Turnover from external customers	—	15,565	782	—	4,597	20,944
Segment loss before tax	(62,316)	(2,163)	(8,399)	(284)	(2,186)	(75,348)

	As at 30 September	As at 30 September	As at 30 September	As at 30 September	As at 30 September	As at 30 September
	2014 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)
Segment assets	1,105,296	66,194	215,669	311	38,832	1,426,302

	Mining exploration & exploitation For the six months ended 30 September	Trading of metals For the six months ended 30 September	Trading of coal For the six months ended 30 September	Trading of bunker fuel For the six months ended 30 September	Trading of beverages For the six months ended 30 September	Total For the six months ended 30 September
	2013 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Turnover from external customers	—	1,614	145,932	—	—	147,546
Segment (loss)/ profit before tax	(52,945)	151	(7,584)	(659)	—	(61,037)

	As at 30 September	As at 30 September	As at 30 September	As at 30 September	As at 30 September	As at 30 September
	2013 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Segment assets	1,105,571	65,116	234,229	1,076	—	1,405,992

(b) Reconciliation of reportable segment profit or loss

	For the six months ended 30 September	
	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Reportable segment loss	(75,348)	(61,037)
Unallocated depreciation	(3,278)	(1,145)
Unallocated other operating (expenses)/income, net	(375)	950
Unallocated corporate expenses	(20,247)	(11,930)
	<u>(99,248)</u>	<u>(73,162)</u>
Consolidated loss before tax	<u>(99,248)</u>	<u>(73,162)</u>

7. TURNOVER

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

	For the three months ended 30 September		For the six months ended 30 September	
	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Sales of coal	6	37,757	782	145,932
Sales of metals	7,475	919	15,565	1,614
Sales of beverages	2,332	—	4,597	—
	<u>9,813</u>	<u>38,676</u>	<u>20,944</u>	<u>147,546</u>

8. OTHER OPERATING (EXPENSES)/INCOME, NET

	For the three months ended 30 September		For the six months ended 30 September	
	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Fair value (loss)/ gain on financial assets at fair value through profit or loss	(6)	96	(40)	40
Dividend income from listed investments	2	20	4	57
Gain on bargain purchase from acquisition of a subsidiary	—	99	—	99
Net interest payable on trade balances	(5,634)	—	(4,231)	—
(Loss)/gain on disposal of property, plant and equipment	—	(221)	—	51
Interest income from loans and receivables	—	254	—	525
Sundry income	554	173	564	178
	<u>(5,084)</u>	<u>421</u>	<u>(3,703)</u>	<u>950</u>

9. FINANCE COSTS

	For the three months ended 30 September		For the six months ended 30 September	
	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Finance lease charges	14	8	29	18
Interest on convertible bonds wholly repayable within five years	31,815	27,029	62,024	52,694
Interest on bank loans and overdrafts	388	—	920	—
Others	—	71	—	74
	<u>32,217</u>	<u>27,108</u>	<u>62,973</u>	<u>52,786</u>

10. INCOME TAX CREDIT

	For the three months ended 30 September		For the six months ended 30 September	
	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Current tax	—	—	—	—
Deferred tax	359	219	359	219
	<u>359</u>	<u>219</u>	<u>359</u>	<u>219</u>

No provision for Hong Kong Profits Tax has been made as the Group has not generated any 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.

11. LOSS FOR THE PERIOD

Loss for the period is stated after charging the following:

	For the three months ended 30 September		For the six months ended 30 September	
	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Amortisation of intangible assets	718	877	1,436	877
Depreciation	1,732	657	3,407	1,145
Directors' remuneration	1,390	1,127	2,603	2,255
Operating lease charges in respect of land and building	1,664	1,216	2,816	2,384
	<u>1,664</u>	<u>1,216</u>	<u>2,816</u>	<u>2,384</u>

12. 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 30 September 2014 of approximately HK\$54,265,000 (2013: approximately HK\$38,419,000) and for the six months period ended 30 September 2014 of approximately HK\$98,722,000 (2013: approximately HK\$72,819,000), and the weighted average number of ordinary shares of 1,009,184,080 shares (2013: 942,899,080 shares) and 978,758,178 shares (2013: 934,795,801 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 in both periods.

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2014, the Group acquired property, plant and equipment of approximately HK\$1,093,000.

14. EXPLORATION AND EVALUATION ASSETS

	Exploration rights HK\$'000	Evaluation expenditure HK\$'000	Total HK\$'000
At 1 April 2014 (audited)	1,087,462	16,562	1,104,024
Exchange differences	19	—	19
At 30 September 2014 (unaudited)	<u>1,087,481</u>	<u>16,562</u>	<u>1,104,043</u>

As at 30 September 2014, Mt. Mogan Resources and Development Corporation ("Mogan"), a subsidiary of the Company, owned two exploration permits to explore iron ore and other associated mineral in specified offshore area with 28,157 hectares in the Leyte Gulf and San Pedro Bay off Leyte and Samar Provinces of the Philippines (the "Exploration Area"). The exploration permits issued by the Mines and Geosciences Bureau of Philippines (the "MGB") is valid for two years from its first renewal date on 22 June 2012 (ie. 22 June 2014) and is renewable for a further term of 2 years. Mogan has duly submitted the renewed application to the MGB during the current period and the management expects the renewed exploration permits would be approved by the end of the fiscal year.

On the other hand, Mogan submitted an application to MGB for the mineral production sharing agreement (the “MPSA”) in respect of 5,000 hectares within the Exploration Area (the “Mining Area”) on 15 June 2010. A MPSA is an agreement between a contractor and MGB, acting on behalf of the Government of the Philippines, whereby the Government of the Philippines grants the contractor exclusive rights to conduct mining operations to extract and exploit the pre-agreed upon mineral resources in the specified area for a term of 25 years starting from the execution date and is renewable for another term not exceeding 25 years.

The acceptance of the application of the MPSA involves various phases, including but not limited to, the evaluation of feasibility studies, environmental work plan and financial capability of Mogan; the obtaining of area status and clearance; and public consultation by regional and central offices of the MGB and the Department of Environmental and Natural Resources of the Philippines. As of the approval date of these financial statements, the MPSA was yet to be awarded to Mogan.

To the best knowledge of the Directors, the Group should have no major difficulties in fulfilling the technical and other requirements for the renewal of the exploration permits and the acceptance of the MPSA application by the MGB.

Impairment test

The Group reviews the facts and circumstances relating to the exploration and evaluation assets to determine whether there is any indication that the exploration and evaluation assets have suffered impairment losses.

Management considered that there has been no material change to the conditions and situations surrounding the explorations and evaluation assets during the Period and that no facts and circumstances indicate that the exploration and evaluation assets are impaired. Accordingly, no impairment on its carrying amount is recognised during the Period.

15. TRADE AND OTHER RECEIVABLES

	As at 30 September 2014 HK\$' 000 (unaudited)	As at 31 March 2014 HK\$' 000 (audited)
Trade receivables	103,007	117,956
Rental and other deposits	1,641	1,507
Prepayments and other receivables	151,662	130,019
	<u>256,310</u>	<u>249,482</u>

The ageing analysis of trade receivables, based on the invoice date, and net of allowances, is as follow:

	As at 30 September 2014 HK\$' 000 (unaudited)	As at 31 March 2014 HK\$' 000 (audited)
0 to 90 days	4,495	50,747
91 to 180 days	—	3,872
Over 180 days	98,512	63,337
	<u>103,007</u>	<u>117,956</u>

16. TRADE AND OTHER PAYABLES

	As at 30 September 2014 HK\$' 000 (unaudited)	As at 31 March 2014 HK\$' 000 (audited)
Trade and bills payables	54,755	57,490
Payable to China Shipbuilding Industrial Complete Equipment and Logistics Company Limited (Note)	255,637	247,836
Accruals	4,608	5,607
Other payables	27,367	14,704
	<u>342,367</u>	<u>325,637</u>

Note: As at 30 September 2014, the amount included a deposit of US\$16,700,000 (equivalent to approximately HK\$129,680,000) (31 March 2014: US\$17,700,000, equivalent to approximately HK\$137,312,000) received from China Shipbuilding Industrial Complete Equipment and Logistics Company Limited ("CSICEL") pursuant to the trade agreement entered into with CSICEL relating to the supply of bunker fuel to CSICEL. The performance of the trade agreement was secured by the interests of Kesterion Investments Limited ("Kesterion") in the Company's shares and convertible bonds. Further details of the above are set out in note 18(d) to the condensed interim financial information.

The remaining balances were trade and related payables to CSICEL arising from trading of coals, which was unsecured, bear interests at 25.5% (31 March 2014: 18.3%) per annum and have credit terms ranging from 1 to 90 days (31 March 2014: 1 to 60 days).

The ageing analysis of trade and bills payable, based on the date of receipt of goods, is as follow:

	As at 30 September 2014 HK\$' 000 (unaudited)	As at 31 March 2014 HK\$' 000 (audited)
0 to 90 days	178	22,420
91 to 180 days	295	55
Over 180 days	54,282	35,015
	<u>54,755</u>	<u>57,490</u>

17. CONVERTIBLE BONDS

On 18 December 2008, the Company entered into a subscription agreement with Kesterion for the issue of convertible bonds with an aggregate principal amount of US\$655,128,205 (equivalent to approximately HK\$5,110,000,000) (the "Convertible Bonds") in connection with the acquisition of 64% equity interest in Mogan. The Convertible Bonds are convertible, at any time between the issue date and maturity date, and at the option of the holders, into ordinary shares of the Company at a fixed conversion price of HK\$0.70 per conversion share, subject to any anti-dilution adjustments and certain events such as share consolidation, share subdivision, capitalisation issue, capital distribution, rights issue and other equity or equity derivative issued. In 2011, the conversion price of the Convertible Bonds was adjusted to HK\$22.79 per share upon the completion of the capital reorganization, share consolidation and right issue.

The Convertible Bonds are unsecured, non-interest bearing and redeemable in part(s) or in full by the Company, using an agreed fixed exchange rate of US\$1 = HK\$7.8, at any time before the maturity date on 18 December 2018. On the maturity date, the Convertible Bonds will be redeemed at par, using an agreed fixed exchange rate of US\$1 = HK\$7.8.

The net proceeds received from the issue of the Convertible Bonds have been split between the liability component and equity component in accordance with the accounting policy. The liability component is treated as a liability at amortised cost using the effective interest rate method until extinguished on conversion or redemption.

During the Period, there is no conversion of the Convertible Bonds.

The movements of the liability and equity component and principal amount of the Convertible Bonds for the Period are as follows:

	Liability component HK\$' 000	Equity conversion component HK\$' 000	Principal amount HK\$' 000
At 1 April 2014 (audited)	728,341	1,263,605	1,571,500
Imputed interest charged for the period	62,024	—	—
At 30 September 2014 (unaudited)	<u>790,365</u>	<u>1,263,605</u>	<u>1,571,500</u>

The imputed interest charged for the Period is calculated by applying an effective interest rate of 17.7% (2013: 17.7%) per annum to the liability component.

18. SHARE CAPITAL

	As at 30 September 2014 HK\$' 000 (unaudited)	As at 31 March 2014 HK\$' 000 (audited)
Authorised: 2,000,000,000 ordinary shares of HK\$0.5 each	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid: 1,009,184,080 ordinary shares (At 31 March 2014: 942,899,080 ordinary shares) of HK\$0.5 each	<u>504,592</u>	<u>471,450</u>

A summary of the movements in the issued share capital of the Company is as follows:

	Note	Number of shares issued	Nominal value of shares issued HK\$' 000
1 April 2013 (audited)		918,184,080	459,092
Issue of share on acquisition of a subsidiary	(a)	<u>24,715,000</u>	<u>12,358</u>
At 31 March 2014 and 1 April 2014 (audited)		942,899,080	471,450
Issue of share on acquisition of a subsidiary	(b)	<u>66,285,000</u>	<u>33,142</u>
At 30 September 2014 (unaudited)		<u>1,009,184,080</u>	<u>504,592</u>

Notes:

- (a) On 31 May 2013, the Company issued 24,715,000 new ordinary shares as consideration for the acquisition of a subsidiary.
- (b) On 24 June 2014, the Company issued remaining 66,285,000 new ordinary shares in satisfying the contingent consideration for the acquisition of a subsidiary. The contingent consideration payable of approximately HK\$27,176,000, estimated based on the quoted market price at the latest practical date, being 18 June 2014, was derecognised accordingly.

19. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the condensed financial statements, the Group had the following transactions with its related parties during the period and balances with related parties as at 30 September 2014:

(a) Amount due from directors

Amount due from directors pursuant to section 161B of the Hong Kong Companies Ordinance are as follows:

Name	Terms	As at 30 September 2014 HK\$' 000 (unaudited)	As at 31 March 2014 HK\$' 000 (audited)	Maximum amount outstanding during the period HK\$' 000 (unaudited)
Mr. Michael Koh Tat Lee	Unsecured, interest-free and no fixed repayment terms	976	593	976
Mr. Eng Wee Meng	Unsecured, interest-free and no fixed repayment terms	826	—	826
		<u>1,802</u>	<u>593</u>	<u>826</u>

(b) Amounts due to directors

The amounts due to directors are unsecured, interest-free and repayable on demand.

(c) Key management personnel remuneration

Remuneration paid/payable to key management personnel of the Group, including the emoluments of the Company's directors and the highest paid individuals, is as follows:

	For the six months ended 30 September	
	2014 HK\$' 000 (unaudited)	2013 HK\$' 000 (unaudited)
Salaries, bonus and allowances	3,395	2,255
Retirement benefits scheme contributions	34	23
	<u>3,429</u>	<u>2,278</u>

(d) **Security provided by a shareholder**

Pursuant to the security document dated 13 March 2013 and a supplemental and amendment deed dated 11 October 2013 entered into between a shareholder of the Company, Kesterion Investments Limited ("Kesterion") and CSICEL, Kesterion granted security over its interest in the shares of the Company and the Convertible Bonds as a continuing security to CSICEL to guarantee the due and punctual performance and observance of certain contractual obligations and liabilities by the Group under the trade contracts entered into between the Group and CSICEL in relation to trading of bunker fuel oil and coal. As announced by the Company on 29 July 2014, CSICEL has appointed two receivers to exercise all the powers of a receiver over the 252,153,400 ordinary shares and Convertible Bonds held by Kesterion.

20. **LEASE COMMITMENTS**

At 30 September 2014 the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	As at 30 September 2014 HK\$' 000 (unaudited)	As at 31 March 2014 HK\$' 000 (audited)
Within one year	5,383	4,819
In the second to fifth years inclusive	4,026	2,445
	<u>9,409</u>	<u>7,264</u>

Operating lease payments represent rentals payable by the Group for certain of its offices and living quarters for employees. Leases are negotiated for terms ranging from one to five years.

21. **APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the Board of Directors on 14 November 2014.

INTERIM DIVIDEND

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

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

As at 30 September 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 directors/ 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>)
Cheung Hung Man	116,295,000 (L)	11.52	Beneficial owner (<i>Note 2</i>)
Liang Tong Wei	100,000,000 (L)	9.91	Beneficial owner

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

Notes:

1. Ms. Wong ("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 the remaining 66,285,000 Shares to Mr. Cheung Hung Man ("Mr. Cheung") on 24 June 2014. Therefore, together with the 50,010,000 Shares previously held, Mr. Cheung is interested in 116,295,000 Shares in total.
3. Pursuant to the security document dated 13 March 2013 and a supplemental and amendment deed dated 11 October 2013 entered into between Kesterion (a company wholly-owned by Ms. Wong) and CSICEL, a security over the 252,153,400 Shares and the Convertible Bonds held by Kesterion (upon the full conversion at a conversion price of HK\$22.79 per conversion share, a total of 68,955,682 Shares shall be issued to Kesterion) was created in favour of CSICEL. As announced by the Company on 29 July 2014, CSICEL has appointed two (2) receivers to exercise all the powers of a receiver over the 252,153,400 Shares and Convertible Bonds held by Kesterion.

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 September 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 of the Company	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 3)</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
Michael Koh Tat Lee	272,829,600 (L)	27.03	Interest of spouse <i>(Note 1)</i>
Cheung Hung Man	116,295,000(L)	11.52	Beneficial owner <i>(Note 2)</i>
Liang Tong Wei	100,000,000 (L)	9.91	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	68,955,682(L)	6.83	Beneficial owner <i>(Note 1)</i>
	68,955,682(S)	6.83	Beneficial owner <i>(Note 2)</i>
Wong, Eva	68,955,682(L)	6.83	Interest of controlled corporation <i>(Note 1)</i>
Michael Koh Tat Lee	68,955,682(L)	6.83	Interest of spouse <i>(Note 1)</i>
China Shipbuilding Industrial Complete Equipment and Logistics Company Limited	321,109,082(L)	31.82	Security Interest <i>(Note 2)</i>

Notes:

1. This represents the principal amount of approximately US\$201,474,359 of convertible bonds, which upon conversion in full will result in the allotment and issue of 68,955,682 Shares, which have been issued to Kesterion on 18 December 2008 as part of considerations for the acquisition of First Pine Enterprises Limited. The entire issued share capital of Kesterion is beneficially owned by Ms. Wong. Ms. Wong is the sister-in-law of a non-executive Director of the Company Mr. Yin Mark Teh-min who has retired at the conclusion of the annual general meeting of the Company held on 23 July 2014. Mr. Koh, being the husband of Ms. Wong, is deemed to be interested in such 68,955,682 shares.
2. Pursuant to the 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. As announced by the Company on 29 July 2014, CSICEL has appointed two (2) receivers to exercise all the powers of a receiver over the 252,153,400 Shares and Convertible Bonds held by Kesterion. None of the Directors is a director or an employee of CSICEL.

SHARE OPTION SCHEME

OLD SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the shareholders of the Company on 25 April 2002 (the “Old Share Option Scheme”), the Old Share Option Scheme became effective on 25 April 2002 and terminated on 24 April 2012. However, all share options granted prior to the termination of the Old Share Option Scheme will remain in full force and effect. As at 30 September 2014, the number of share options outstanding under the Old Share Option Scheme was 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 the 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 30 September 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 <i>(Note 1)</i>	—	—	—	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
Director	27 Mar 2013	27 Mar 2013 to 26 Mar 2016	0.55	1,400,000	—	—	1,400,000 <i>(Note2)</i>	—
Total				<u>85,412,800</u>	<u>—</u>	<u>—</u>	<u>1,400,000</u>	<u>84,012,800</u>
Weighted average exercise price				HK\$0.51	N/A	N/A	N/A	HK\$0.51

Notes:

1. 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.
2. Mr. Eng Wee Meng ("Mr. Eng") was granted an option to subscribe 1,400,000 Shares on 27 March 2013 under the New Share Option Scheme. As Mr. Eng deceased on 4 September 2014, the option lapsed on the same date.

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 0.90 year (2013: 1.90 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 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 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 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 INED, an audit committee must comprise a minimum of three members and a remuneration committee must 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. The Board will seek to appoint a new authorized representative and compliance officer as soon as practicable to meet the requirements.

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 both 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.

AUDIT COMMITTEE

The Audit Committee of the Company currently comprises three members of independent non-executive Directors, 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 interim 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 November 2014

As at the date of this report, the Board comprises two executive Directors, Mr. Michael Koh Tat Lee and Mr. Cheung Hung Man, 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.