PME African Infrastructure Opportunities plc

Interim Report

Period ended 30 June 2015

Contents

Directors and Advisers

Directors	Paul Macdonald (Executive Chairman) Lawrence Kearns (Executive Director) all of the registered office below
Registered Office	Millennium House 46 Athol Street Douglas Isle of Man IM1 1JB
Nominated Adviser	Smith & Williamson Corporate Finance Limited 25 Moorgate London EC2R 6AY
Broker	Stifel Nicolaus Europe Limited 150 Cheapside London EC2V 6ET
Administrator and Registrar	Galileo Fund Services Limited Millennium House 46 Athol Street Douglas Isle of Man IM1 1JB
Auditor	PricewaterhouseCoopers LLC Sixty Circular Road Douglas Isle of Man IM1 1SA
Offshore Registrar	Capita Registrars (Jersey) Limited PO Box 532 St Helier Jersey JE2 3RT

Chairman's Statement

On behalf of the Board, I am pleased to present the interim results for PME African Infrastructure Opportunities plc ("PME" or the "Company" and together with its subsidiaries the "Group") for the six months ended 30 June 2015.

The remit of the Company's Directors, in accordance with PME's investing policy, is to seek to realise the remaining assets of the Company and to return both existing cash reserves and the net proceeds of realisations of the remaining assets to shareholders. In the six months to 30 June 2015 the Directors were able to achieve a significant step forward in this regard, with the sale of 100% of the equity of PME's wholly owned subsidiary, PME RSACO (Mauritius) Limited ("RSACO"), the Group entity which held the Group's 50% interest in Sheltam Holdings (Pty) Ltd, together with certain intercompany loans, and the disposal of seven C30 locomotives then owned by PME Locomotives (Mauritius) Limited (together the ''Disposal'') for an aggregate consideration of US$11.5 million. In addition to the Disposal, the Company has also entered into an option agreement in respect of the three locomotives which continue to be owned by the Group. This option is exercisable in the last quarter of 2016 and, if exercised, would lead to the conclusion of the realisation programme in respect of the Group's rail assets.

Investments

Following the Disposal, the Company now owns three locomotives and a commercial property in Dar-es-Salaam, Tanzania (the "Dar-es-Salaam Property"). The effects of the Disposal are reflected in these financial statements.

The Group, through its wholly owned subsidiary PME Locomotives (Mauritius) Limited ("PME Locomotives"), continues to own three C30 locomotives. PME Locomotives has a put option (the "Option") which, if exercised, would require the Company's former subsidiary, RSACO, to purchase all or any one or more of the three locomotives for US$1,416,666 per locomotive at any point during a 90 day period commencing on 6 November 2016 (the "Option Period").

During the Option Period, RSACO shall use its reasonable endeavours to secure for the Group third party buyers, on a non-exclusive basis, for all or any one or more of the three locomotives still owned by the Group. In consideration for this, PME Locomotives will pay to RSACO a sum equal to 50% of the amount by which any cash purchase price exceeds a hurdle of US$1,500,000 per locomotive. To date, RSACO reports that there have been no direct enquiries from any third party for the three locomotives although it continues to search for potential bidders.

If PME Locomotives decides to exercise its Option with RSACO in respect of all three remaining locomotives, then it can expect proceeds of a further US$4.25 million. As indicated above, the option can be first exercised by the Group in the last quarter of 2016.

The Dar-es-Salaam Property, which is managed by a local managing agent, is fully let and the investment continues to trade profitably. In 2010 a subsidiary of PME acquired the Dar-es-Salaam Property from Dovetel (T) Limited ("Dovetel"), the Company's former telecommunication investee company in Tanzania. Dovetel is also a tenant of part of the Dar-es-Salaam Property.

The Directors of PME visited Tanzania in June 2015 and reviewed the legal strategy being pursued in relation to this investment. The Group will continue to follow the court action to evict Dovetel for non-payment of rent. However, PME will no longer continue to seek the winding up of Dovetel as this has had the effect of restricting the eviction process. Since June 2015, PME's legal advisers have attended a number of status hearings on the withdrawal of the Dovetel winding up petition. The Directors expect this action to be successful, but it remains dependent on the availability of a judge in Tanzania to hear the case.

Following the agreement to withdraw the winding up position, the Directors will then progress the eviction of Dovetel, pursue the collection of any outstanding debt and seek the removal of the caveat from the land register which is currently prohibiting the sale of the Dar-es-Salaam Property asset.

During the recent site visit the Directors reviewed the operational performance with the property manager and agreed a number of necessary investments required to maintain the building in a good state. There were also positive meetings with the three paying tenants.

Chairman's Statement (continued)

Until there is clarity on the legal issues, the Directors have valued the building at US$3.8 million to reflect the legal uncertainty. However, the latest valuation by a local expert puts a market value of US$6.5 million on the building assuming amongst other things it is fully rented and no other title issues arising.

Financial Results

The basis of preparation of the financial statements now reflects the changes introduced by IFRS 10. A more detailed explanation is given in note 2.1 and note 19 to the accounts. The results now reflect the Company's position with all subsidiaries reflected at fair value.

The loss for the six months to 30 June 2015 was US$1.34 million (2014: loss of US$0.03 million), representing a loss per ordinary share of US$0.0174 (2014: US$0.0004). The loss for the half year was made up of a small loss on the adjustment of the fair value, the operating and administrative costs and the remaining expenses associated with the disposal of the rail asset.

The Directors have considered the valuation of assets and based on the Disposal, are of the opinion that the remaining rail assets, which are subject to the Option, and the Dar-es-Salaam Property are reflected in the balance sheet at realistic values.

As at 30 June 2015, PME's Net Asset Value attributable to ordinary shareholders in accordance with IFRS was US$17 million (US$0.22 per share), compared to the US$18.3 million (US$0.24 per share) that was reported as at 31 December 2014.

Return of Cash and Outlook

The Directors intend to proceed with a tender process to buy back shares from shareholders once the six month warranty period in respect of the Disposal has lapsed. It is intended that the tender proposals will be put to shareholders for approval during this calendar year.

The Directors have estimated the cash required for the future and following this believe that a net cash amount of approximately US$7.7 million will be available to be used to fund a tender. This is expected to equate to a return to shareholders of approximately US$0.10 per share.

Further tender offers will be considered as the Company further progresses its realisation programme. The Option on the three locomotives should produce cash of at least US$4.25 million by the end of 2016 whilst the timing around the sale of the building in Dar-es-Salaam remains uncertain due to its dependence upon a legal process which to date has taken longer than could be anticipated.

Paul Macdonald
Chairman
10 September 2015

Statement of Comprehensive Income

	Note	(Unaudited) Period from 1 January 2015 to 30 June 2015 US$'000	(Unaudited) Period from 1 January 2014 to 30 June 2014 (restated) US$'000
Net (losses)/gains on financial assets at fair value through profit or loss	10	(214)	1,973
Dividend income		-	904
Operating and administration expenses	5	(568)	(590)
Project related expenses	6	(594)	(2,318)
Foreign exchange gain/(loss)		70	(2)
Operating loss		**(1,306)**	**(33)**
Finance income	7	3	-
Finance costs	7	(36)	-
Loss before income tax		**(1,339)**	**(33)**
Income tax	8	-	-
Loss and total comprehensive expense for the period		**(1,339)**	**(33)**
Basic and diluted loss per share (cents) attributable to the equity holders of the Company during the period	**9**	**(1.74)**	**(0.04)**

The accompanying notes on pages 8 to 16 form an integral part of these interim financial statements

Balance Sheet

	Note	(Unaudited) As at 30 June 2015 US$'000	(Audited) As at 31 December 2014 US$'000
Assets			
Current assets			
Financial assets at fair value through profit or loss	10	8,077	19,560
Trade and other receivables	11	25	41
Cash and cash equivalents	12	9,229	144
Total current assets		**17,331**	**19,745**
Total assets		**17,331**	**19,745**
Equity and liabilities			
Equity			
Issued share capital	13	768	768
Capital redemption reserve		1,037	1,037
Retained earnings		15,189	16,528
Total equity		**16,994**	**18,333**
Current liabilities			
Secured loan	15	-	744
Trade and other payables	16	337	668
Total current liabilities		**337**	**1,412**
Total liabilities		**337**	**1,412**
Total equity and liabilities		**17,331**	**19,745**

The interim financial statements on pages 4 to 16 were approved and authorised for issue by the Board of Directors on 10 September 2015 and signed on its behalf by:

Paul Macdonald
Director

Lawrence Kearns
Director

The accompanying notes on pages 8 to 16 form an integral part of these interim financial statements

Statement of Changes in Equity

	Share capital	Capital redemption reserve	Retained earnings	Total
	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2014*	768	1,037	33,174	34,979
Comprehensive expense				
Loss for the period*	-	-	(33)	(33)
Total comprehensive expense for the period	**-**	**-**	**(33)**	**(33)**
Balance at 30 June 2014*	**768**	**1,037**	**33,141**	**34,946**
Balance at 1 January 2015	768	1,037	16,528	18,333
Comprehensive expense				
Loss for the period	-	-	(1,339)	(1,339)
Total comprehensive expense for the period	**-**	**-**	**(1,339)**	**(1,339)**
Balance at 30 June 2015	**768**	**1,037**	**15,189**	**16,994**

* The Company's financial statements for the year ended 31 December 2014 reflected the first time adoption of IFRS 10. See note 2.1 and note 19 for further information on the change from consolidated financial statements to separate financial statements, accounting for the subsidiaries as financial assets at fair value through profit or loss and the restatement of the comparatives for the year ended 31 December 2013. The results for the six months ended 30 June 2014 have also now been restated in this interim report.

The accompanying notes on pages 8 to 16 form an integral part of these interim financial statements

Cash Flow Statement

	Note	(Unaudited) Period from 1 January 2015 to 30 June 2015 US$'000	(Unaudited) Period from 1 January 2014 to 30 June 2014 (restated) US$'000
Cash flows from operating activities			
Purchase of financial assets – loans to investee companies	10	(231)	(70)
Proceeds from sale of financial assets – return of capital	10	11,500	-
Proceeds from sale of financial assets – repayment of loans to investee companies	10	-	41
Interest paid		(36)	-
Dividends received		-	904
Operating expenses paid		(1,470)	(2,369)
Net cash generated from/(used in) operating activities		**9,763**	**(1,494)**
Financing activities			
Loan from third party	15	(651)	-
Net cash used in financing activities		**(651)**	**-**
Net increase/(decrease) in cash and cash equivalents		**9,112**	**(1,494)**
Cash and cash equivalents at beginning of period		144	1,587
Foreign exchange losses on cash and cash equivalents		(27)	**-**
Cash and cash equivalents at end of period	12	**9,229**	**93**

The accompanying notes on pages 8 to 16 form an integral part of these interim financial statements

Notes to the Interim Financial Statements

1 General Information

PME African Infrastructure Opportunities plc (the “Company”) was incorporated and is registered and domiciled in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004 on 19 June 2007 as a public limited company with registered number 120060C. The investment objective of PME African Infrastructure Opportunities plc and its subsidiaries (the “Group”) was to achieve significant total return to investors through investing in various infrastructure projects and related opportunities across a range of countries in sub-Saharan Africa. On 19 October 2012 the shareholders approved the revision of the Company’s Investing Policy which is now to realise the remaining assets of the Company and to return both existing cash reserves and the proceeds of realisation of the remaining assets to shareholders.

The Company’s investment activities were managed by PME Infrastructure Managers Limited (the “Investment Manager”) to 6 July 2012. No alternate has been appointed therefore the Board of Directors has assumed responsibility for the management of the Company’s remaining assets. The Company’s administration is delegated to Galileo Fund Services Limited (the “Administrator”). The registered office of the Company is Millennium House, 46 Athol Street, Douglas, Isle of Man, IM1 1JB.

Pursuant to its AIM admission document dated 6 July 2007, there was an original placing of up to 180,450,000 Ordinary Shares with Warrants attached on the basis of 1 Warrant for every 5 Ordinary Shares. Following the close of the placing on 12 July 2007, 180,450,000 Shares and 36,090,000 Warrants were issued. The Warrants lapsed in July 2012. The Shares of the Company were admitted to trading on AIM, a market of the London Stock Exchange, on 12 July 2007 when dealings also commenced.

Financial Year End
The financial year end for the Company is 31 December in each year.

Going concern
In assessing the going concern basis of preparation of the interim financial statements for the period ended 30 June 2015, the Directors have taken into account the status of current negotiations on the realisation of the remaining assets. The Directors consider that the Group has sufficient funds for its ongoing operations and therefore have continued to adopt the going concern basis in preparing these interim financial statements.

2 Summary of Significant Accounting Policies

2.1 Basis of preparation

Except as described below, the accounting policies applied by the Company in the preparation of these condensed financial statements are the same as those applied by the Company in its financial statements for the year ended 31 December 2014.

These interim financial statements have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ as adopted by the European Union. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

In accordance with IFRS 10, ‘Consolidated financial statements’, the Directors have concluded that the Company meets the definition of an investment entity and therefore no longer consolidates its subsidiaries, instead it is required to account for these subsidiaries at fair value through profit or loss in accordance with IAS 39, ‘Financial instruments: recognition and measurement’ and prepares separate company financial statements only.

The interim financial statements for the six months ended 30 June 2015 are unaudited. The comparative interim figures for the six months ended 30 June 2014 are also unaudited.

Notes to the Interim Financial Statements (continued)

2 Summary of Significant Accounting Policies (continued)

2.2 Critical accounting estimates

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are in relation to the financial assets at fair value through profit or loss, see note 10.

3 Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The financial risks relate to the following financial instruments: financial assets at fair value through profit or loss, loans and receivables, cash and cash equivalents, secured loan and trade and other payables. There has been no material change in the market, credit or liquidity risk profile since the year ended 31 December 2014.

There have been no changes in risk management policies or responsibilities since the year end. The risk management is carried out by the executive Directors.

These interim financial statements do not include all financial risk management information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December 2014.

The fair value of financial assets at fair value through profit or loss, loans and receivables, cash and cash equivalents, secured loan and trade and other payables are considered to approximate their carrying amounts.

4 Segment Information

The chief operating decision-makers have been identified as the Board of Directors. The Board reviews the Company's internal reporting in order to assess performance and allocate resources. It has determined the operating segments based on these reports. The Board considers the business on a project by project basis by type of business. The type of business is transport (railway) and leasehold.

Six months ended 30 June 2015	Transport		Leasehold Property	Other*	Total
	PME RSACO	PME Locomotives	PME TZ Property		
	US$'000	US$'000	US$'000	US$'000	US$'000
Net losses on financial assets at fair value through profit or loss	(34)	(336)	164	(8)	(214)
Finance income	-	-	-	3	3
Finance costs	-	-	-	(36)	(36)
Loss for the period	(34)	(336)	164	(1,133)	(1,339)
Segment assets	-	4,389	3,683	9,259	17,331
Segment liabilities	-	-	-	(337)	(337)

* Other refers to income and expenses of the Company not specific to any specific sector such as income on un-invested funds. Other assets comprise cash and cash equivalents US$9,228,597 and other assets US$30,816.

Notes to the Interim Financial Statements (continued)

4 Segment Information (continued)

Six months ended 30 June 2014 (restated)	Transport		Leasehold Property	Other**	Total
	PME RSACO	PME Locomotives	PME TZ Property		
	US$'000	US$'000	US$'000	US$'000	US$'000
Net gains on financial assets at fair value through profit or loss	1,421	814	(253)	(9)	1,973
Loss for the period	1,421	1,368	97	(2,919)	(33)
Segment assets	5,292	26,525	3,745	131	35,693
Segment liabilities	-	-	-	(747)	(747)

** Other refers to income and expenses of the Company not specific to any specific sector such as income on un-invested funds. Other assets comprise cash and cash equivalents US$92,980 and other assets US$38,113.

5 Operating and Administration Expenses

	Period ended 30 June 2015 US$'000	Period ended 30 June 2014 US$'000
Administration expenses	81	108
Administrator and Registrar fees	50	54
Audit fees	46	53
Directors' fees	156	203
Professional fees	207	105
Other	28	67
Operating and administration expenses	**568**	**590**

Administrator and Registrar fees

The Administrator receives a fee of 10 basis points per annum of the net assets of the Company between £0 and £50 million; 8.5 basis points per annum of the net assets of the Company between £50 million and £100 million and 7 basis points per annum of the net assets of the Company in excess of £100 million, subject to a minimum monthly fee of £4,000 and a maximum monthly fee of £12,500 payable quarterly in arrears.

Administration fees expensed by the Company for the period ended 30 June 2015 amounted to US$45,292 (30 June 2014: US$48,852).

The Administrator provides general secretarial services to the Company, for which it receives a minimum annual fee of £5,000. Additional fees, based on time and charges, apply where the number of Board meetings exceeds four per annum. For attendance at meetings not held in the Isle of Man, an attendance fee of £750 per day or part thereof is charged. The fees payable by the Company for general secretarial services for the period ended 30 June 2015 amounted to US$4,718 (30 June 2014: US$5,089).

The Administrator oversees the administration of the Mauritian subsidiaries. The minimum annual fee for each of these companies is £5,000 per annum. Administration fees of the Mauritian subsidiaries for the period ended 30 June 2015 amounted to US$24,402 (30 June 2014: US$28,980).

The Administrator has been appointed to act as administrator of PME Properties Limited and to provide accounting, valuation and certain other administrative services to that company. The minimum annual administration fee of this company is £2,500 per annum. Administration fees of PME Properties Limited for the period ended 30 June 2015 amounted to US$15,752 (30 June 2014: US$35,929).

Notes to the Interim Financial Statements (continued)

5 Operating and Administration Expenses (continued)

Directors' Remuneration

The maximum amount of basic remuneration payable by the Company by way of fees to the Non-executive Directors permitted under the Articles of Association is £200,000 per annum. The Directors are each entitled to receive reimbursement of any expenses incurred in relation to their appointment. The Non-executive Director was entitled to receive an annual fee of £30,000. The Executive Directors are entitled to receive annual basic salaries of £75,000.

	Period ended 30 June 2015 US$'000	Period ended 30 June 2014 US$'000
Paul Macdonald	59	64
Lawrence Kearns	66	71
Graca Machel*	-	26
Expense reimbursement	31	42
	156	**203**

* resigned 17 July 2014

6 Project Related Expenses

On 26 June 2014 the Company announced that it was in negotiations to acquire the remaining 50 per cent. of the issued share capital in and shareholder loans to Sheltam Holdings not currently owned or made by the Company in consideration for the issue of new ordinary shares in PME. The Company received approval from the South African Competition Commission on 25 July 2014 with respect to the acquisition but the resolutions of the Company's shareholders to approve the acquisition considered at the extraordinary general meeting of the Company held on 11 August 2014 were not passed and therefore the acquisition did not proceed.

Transaction costs in relation to this proposed acquisition for the six months ended 30 June 2014 totalled $2,317,681.

On 17 April 2015 the Company entered into an agreement to sell the majority of the Group's rail assets for an aggregate cash consideration of US$11.5 million (the "Sale Transaction") and also entered into an option agreement in respect of the Company's remaining rail assets.

The sale included the Company's interest in the share capital of PME RSACO (Mauritius) Limited, together with certain intercompany loans and seven of the ten C30 locomotives under the finance lease held by PME Locomotives (Mauritius) Limited. The Group continues to own the remaining three C30 locomotives but has been granted a put option for US$1 requiring the buyer to purchase one or more of the remaining locomotives for US$1,416,666 per locomotive at any point during a 90 day period commencing 18 months following the completion of the disposal. All conditions of the disposal were met by the end of April 2015 and as a result the Sale Transaction completed on 5 May 2015.

Transaction costs in relation to this sale for the six months ended 30 June 2015 totalled $593,583.

7 Net Finance Expense

	Period ended 30 June 2015 US$'000	Period ended 30 June 2014 US$'000
Bank interest income	3	-
Finance income	**3**	**-**
Interest charge (see note 15)	**(36)**	**-**
Finance expense	**(36)**	**-**
Net finance expense	**(33)**	**-**

Notes to the Interim Financial Statements (continued)

8 Income Tax Expense

The Company is resident for taxation purposes in the Isle of Man and is subject to income tax at a rate of zero per cent (2014: zero per cent).

9 Basic and Diluted Loss per Share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period.

	Period ended 30 June 2015	Period ended 30 June 2014
Loss attributable to equity holders of the Company (US$'000)	(1,339)	(33)
Weighted average number of Ordinary Shares in issue (thousands)	76,754	76,754
Basic loss per share (cents) from loss for the period	**(1.74)**	**(0.04)**

There is no difference between basic and diluted Ordinary Shares as there are no potential dilutive Ordinary Shares.

10 Financial Assets at Fair Value through Profit or Loss

The following subsidiaries of the Company are held at fair value in accordance with IFRS 10:

	Country of incorporation	Percentage of shares held
PME Locomotives (Mauritius) Limited	Mauritius	100%
PME Tanco (Mauritius) Limited	Mauritius	100%
PME TZ Property (Mauritius) Limited	Mauritius	100%

The following company is an indirect investment of the Company and is included within the fair value of the direct investments:

	Country of incorporation	Percentage of shares held	Parent company
PME Properties Limited	Tanzania	100%	PME TZ Property (Mauritius) Limited

The following table shows a reconciliation of the opening balances to the closing balances for fair value measurements:

	30 June 2015 US$'000	31 December 2014 US$'000
Start of the period/year	19,560	33,565
Increase/(decrease) in loans to investee companies	231	(452)
Return of capital*	(11,500)	-
Movement in fair value of financial assets	(214)	(13,553)
End of the period/year	**8,077**	**19,560**

* The return of capital relates to a share buyback conducted by PME Locomotives (Mauritius) Limited in May 2015

During the period the Group disposed of its holding in PME RSACO (Mauritius) Limited (which included the Group's indirect holding in Sheltam Holdings) for total consideration of US$1. This resulted in a loss on disposal of US$10,576 which is included in the movement in fair value of financial assets.

Notes to the Interim Financial Statements (continued)

10 Financial Assets at Fair Value through Profit or Loss (continued)

Assets carried at amounts based on fair value are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair values of all financial assets and fair value through profit or loss are determined using valuation techniques using significant unobservable inputs. Accordingly, the fair values are classified as level 3. There were no transfers between levels during the period. The key inputs and most significant unobservable inputs are shown below.

	Fair value as at 30 June 2015 US$'000	Fair value as at 31 December 2014 US$'000	Valuation technique	Significant unobservable inputs	Sensitivity to significant unobservable inputs
Rail assets (PME Locomotives (Mauritius) Limited and PME RSACO (Mauritius) Limited)	4,389	16,080	Proposed transaction terms	Estimated recovery value	N/A
Other	3,688	3,480	Discounted cash flow property valuation plus value of other net assets	Discount rate Estimated adjustment for caveat and non rent paying tenant (Dovetel)	If the discount rate were 28% higher/lower the estimated fair value would (decrease)/increase by US$664,000 N/A
Total	**8,077**	**19,560**			

Commitments under operating leases relating to PME Properties Limited are disclosed in note 17.

11 Trade and Other Receivables

	30 June 2015 US$'000	31 December 2014 US$'000
VAT receivable	-	11
Bank interest receivable	3	-
Prepayments	22	30
Trade and other receivables	**25**	**41**

12 Cash and Cash Equivalents

	30 June 2015 US$'000	31 December 2014 US$'000
Bank balances	1,229	144
Bank deposit balances	8,000	-
Cash and cash equivalents	**9,229**	**144**

Notes to the Interim Financial Statements (continued)

13 Share Capital

Ordinary Shares of US$0.01 each	31 December 2014 and 30 June 2015 Number	31 December 2014 and 30 June 2015 US$'000
Authorised	500,000,000	5,000

C Shares of US$1 each	31 December 2014 and 30 June 2015 Number	31 December 2014 and 30 June 2015 US$'000
Authorised	5,000,000	5,000
Issued	-	-

Ordinary Shares of US$0.01 each	30 June 2015 US$'000	31 December 2014 US$'000
76,753,897 (31 December 2014: 76,753,897) Ordinary Shares in issue, with full voting rights	768	768
	768	**768**

At incorporation the authorised share capital of the Company was US$10,000,000 divided into 500,000,000 Ordinary Shares of US$0.01 each and 5,000,000 C Shares of US$1.00 each. The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The holders of C Shares would be entitled to one vote per share at the meetings of the Company. The C Shares can be converted into Ordinary Shares on the approval of the Directors. On conversion each C share would be sub-divided into 100 C Shares of US$0.01 each and will be automatically converted into New Ordinary Shares of US$0.01 each.

On 12 July 2007, the Company raised a gross amount of US$180,450,000 following the admission of the Company's Ordinary Shares to AIM. The Company placed 180,450,000 Ordinary Shares of US$0.01 par value, at an issue price of US$1.00 per share, and 36,090,000 Warrants on a 1 Warrant per 5 Ordinary Shares basis.

A registered holder of a Warrant had the right to subscribe for Ordinary Shares of US$0.01 each in the Company in cash on 30 April in any of the years 2008 to 2012 for a price of US$1.21 each (adjusted from US$1.25 effective from 11.59pm on 23 February 2010, and an additional 1,193,042 Warrants were issued). The subscription price was adjusted from US$1.21 to US$1.00 effective from 11.59pm on 21 September 2010, and an additional 7,829,424 Warrants were issued. The subscription price was further adjusted from US$1.00 to US$0.72 effective from 11.59pm on 22 July 2011, and an additional 17,543,718 Warrants were issued taking the total number of Warrants in issue to 62,656,184. The Warrants lapsed in July 2012. No subscription rights were exercised prior to the Warrants lapsing.

14 Net Asset Value per Share

	As at 30 June 2015	As at 31 December 2014
Net assets attributable to equity holders of the Company (US$'000)	16,994	18,333
Shares in issue (thousands)	76,754	76,754
NAV per share (US$)	**0.22**	**0.24**

The NAV per share is calculated by dividing the net assets attributable to equity holders of the Company by the number of Ordinary Shares in issue.

Notes to the Interim Financial Statements (continued)

15 Secured Loan

On 10 October 2014 the Company entered into a secured loan agreement with Helvetica Deutschland GmbH ("Helvetica") for €600,000 to assist with general working capital. The loan was secured on the Company's cash receivables, was repayable at par on 10 October 2015 and attracted interest at a rate of 10% per annum.

On 12 February 2015 the Company entered into a further secured loan agreement with Helvetica for a loan of €400,000 under the same terms as the initial loan.

Interest payable by the Company for the six months ended 30 June 2015 amounted to US$36,105.

Paul Macdonald is interested in 40% of Helvetica's issued share capital, therefore Helvetica is deemed to be a related party of the Company and the loan is a related party transaction.

The loans and all outstanding interest were settled in full on completion of the disposal of rail assets in May 2015.

16 Trade and Other Payables

	30 June 2015 US$'000	31 December 2014 US$'000
Administration fees payable	25	24
Audit fee payable	45	90
CREST service provider fee payable	5	7
Directors' fees payable	-	177
Legal fees payable	-	183
Other sundry creditors	243	187
Project related expenses	19	-
	337	**668**

The fair value of the above financial liabilities approximates their carrying amounts.

17 Contingent Liabilities and Commitments

PME Properties Limited has entered into a number of operating lease agreements in respect of properties. The lease terms are between one and ten years and the majority of the lease agreements are renewable at the end of the lease period at market rates.

The Group's future aggregate minimum lease payments, by virtue of its indirect investment in PME Properties Limited, under operating leases are as follows:

	30 June 2015 US$'000	31 December 2014 US$'000
Amounts payable under operating leases:		
Within one year	56	68
In the second to fifth years inclusive	200	180
Beyond five years	1,280	1,340
	1,536	**1,588**

Notes to the Interim Financial Statements (continued)

18 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions. Key management is made up of the Board of Directors.

The Directors of the Company are considered to be related parties by virtue of their influence over making operational decisions. Directors' remuneration is disclosed in note 5 and the related party loan is disclosed in note 15.

19 Comparative Balances

In accordance with IFRS 10, 'Consolidated financial statements', the Directors have concluded that the Company meets the definition of an investment entity and therefore no longer consolidates its subsidiaries, instead it is required to account for these subsidiaries at fair value through profit or loss in accordance with IAS 39 and prepares separate financial statements only.

Subsidiaries that were historically recorded at their consolidated net asset value in the consolidated balance sheet (or cost less impairment in the parent company balance sheet) are now being accounted for as financial assets at fair value through profit or loss. Changes in fair value are accounted for through the net changes in fair value of financial assets at fair value through profit or loss. As part of the restatement the translation reserves of those subsidiaries denominated in foreign currencies in the consolidated balance sheet has been released to retained earnings. The adjustments made to each financial statement line item for the comparative period as a result of this change in the accounting policy are shown below.

Statement of Comprehensive Income

	As at 30 June 2014 (Consolidated)	Adjustments	As at 30 June 2014 (restated)
	US$'000	US$'000	US$'000
Revenue – rental income	411	(411)	-
Net gains on financial assets at fair value through profit or loss	-	1,973	1,973
Dividend income	-	904	904
Operating and administration expenses	(858)	268	(590)
Project related expenses	(2,318)	-	(2,318)
Foreign exchange loss	(67)	65	(2)
Operating loss	**(2,832)**	**2,799**	**(33)**
Finance income	1,817	(1,817)	-
Reversal of impairment of associate loan	1,148	(1,148)	-
Profit/(loss) before income tax	**133**	**(166)**	**(33)**
Income tax	(7)	7	-
Profit/(loss) for the period	**126**	**(159)**	**(33)**
Other comprehensive income			
Foreign currency translation differences	(159)	159	-
Total comprehensive expense for the period	**(33)**	**-**	**(33)**