

PME African Infrastructure Opportunities plc

Interim Report

Period ended 30 June 2016

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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 of Directors (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 2016.

The remit of the Company's directors (the "Directors") under the Company's investing policy is to seek 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 has two assets, namely, three C30 locomotives and a building in Dar-es-Salaam, Tanzania (the "Dar-es-Salaam Property").

Investments

PME Locomotives (Mauritius) Limited ("PME Locomotives") has a put option to require Sheltam (Mauritius) Limited ("Sheltam") (formerly known as "PME RSACO (Mauritius) Limited") to purchase any one or more of the three C30 locomotives that it owns at exercise of the option for US\$1,416,666 per locomotive (the "Option"). The Option is exercisable at any point during a 90 day period commencing on 6 November 2016 (the "Option Period").

Prior to and during the Option Period, Sheltam has agreed to use its reasonable endeavours to secure for the Group third party buyers, for any one or more of the three C30 locomotives still owned by the Group. In consideration for this, PME Locomotives will pay to Sheltam a sum equal to 50% of the amount by which any cash purchase price exceeds a hurdle price of US\$1,500,000 per C30 locomotive. To date, there has been no enquiry for the purchase of any of the C30 locomotives.

In the six months to 30 June 2016 PME has been in active discussions with Sheltam in respect of the early sale of the three C30 locomotives to Sheltam however no early sale has been agreed and the Directors currently do not anticipate an early sale in advance of the Option Period starting on 6 November 2016. PME Locomotives can expect US\$4.25 million from exercising the Option for the three remaining C30 locomotives. Once the Option is exercised, completion of the sale of the relevant C30 locomotive(s) should take place within five business days.

The Dar-es-Salaam Property, which is managed by a local managing agent, is currently fully let and the investment continues to trade profitably. In 2010 PME Properties Limited acquired the property from Dovetel (T) Limited ("Dovetel"), the Company's former telecommunication investment in Tanzania. Dovetel is also a tenant of part of the Dar-es-Salaam Property but has been in default on the payment of rent. As previously reported to shareholders, the Company served a winding-up petition on Dovetel in January 2013 and has separately been pursuing proceedings to evict Dovetel from the Dar-es-Salaam Property.

The Directors visited Tanzania in June 2015, November 2015 and March 2016 to review the legal strategy being followed in relation to Dovetel. As previously announced, following these visits, the Company changed its strategy in regards to Dovetel seeking to focus on the eviction of them as a tenant, rather than seeking a wind up of Dovetel itself. PME's lawyers have attended a number of status hearings on the withdrawal of the Dovetel winding up petition including a number of meetings in 2016 with a new judge. A judgement was handed down by the Court of Appeal of Tanzania on 16 August 2016 to bring Dovetel back into the hands of its Administrator. This judgement should allow the new judge to agree to our withdrawal from the wind up proceedings.

It is the Directors' intention, following the withdrawal of the winding up petition, to progress the eviction of Dovetel and the collection of outstanding debt due from Dovetel (provided it makes economic and legal sense to do so). The original lease with Dovetel has expired and the Directors will progress the eviction of Dovetel. An experienced operator will be appointed to carry out the eviction.

A number of necessary investments have been carried out and further work to enhance the appearance of the building has been authorised. Notwithstanding Dovetel's partial occupation of the building, the Dar-es-Salaam Property has three tenants. One tenant will reduce the space occupied by it from November of this year, but has extended its lease on the remaining part of the building at higher rents for a further three years. The lease with the second tenant has been extended for five years with rental increases built into the agreement. The third tenant has terminated its lease as at the end of August 2016.

Chairman's Statement (continued)

The new president of Tanzania is making significant changes and in his first budget indicated increasing spend on development and infrastructure. He is paying for the increase by cutting current expenditure and extracting more revenues from private companies. He has also taken steps to stamp out corruption and has indicated that he will move the seat of Government. The speed of change and the number of changes has resulted in some uncertainty. This has resulted in investment decisions being postponed which in turn has reduced the demand for high end offices. It may therefore take some time until the vacant space in the Dar-es-Salaam Property is rented and the prospect of selling the building in the short term for a reasonable price has receded.

The Directors have maintained the value of the Dar-es-Salaam Property at US\$3.8 million to reflect the current vacancy levels and the general uncertainty in the country. The latest valuation by a local expert for the year end 31 December 2015 put a market value of US\$6.5 million on the Dar-es-Salaam Property.

Financial Results

The loss for the six months to 30 June 2016 was US\$0.40 million (2015: loss of US\$1.34 million), representing a US\$0.0095 loss per Ordinary Share (2015: loss per Ordinary Share US\$0.0174). The loss for the period was made up of ongoing operating and administrative costs (including the costs relating to the discussions with Sheltam in respect of the early sale of the three locomotives) reduced by the net gain in the fair value of assets.

The Directors, having considered the value of the Option and the latest valuation of the Dar-es-Salaam Property, together with the current uncertainty regarding re-letting the vacant space, are of the opinion that the rail assets and the Dar-es-Salaam Property are reflected in the balance sheet at realistic fair values.

As at 30 June 2016, PME's Net Asset Value attributable to ordinary shareholders in accordance with IFRS was US\$8.7 million (US\$0.21 per share), compared to the US\$9.1 million (US\$0.22 per share) that was reported as at 31 December 2015.

Return of Cash and Outlook

The Directors intend to exercise the Option for the three remaining C30 locomotives in the last quarter of 2016. In addition the Directors will start the marketing process for the sale of the Dar-es-Salaam Property in 2017, provided the local economic uncertainty has receded, outstanding legal issues have been resolved, Dovetel has been evicted, necessary repairs concluded and the vacant space has been relet.

Based on the results of these actions, the Directors continue to anticipate that another tender offer will be proposed to shareholders in the second half of 2017.

Paul Macdonald

Chairman

13 September 2016

Statement of Comprehensive Income

	Note	(Unaudited) Period from 1 January 2016 to 30 June 2016 US\$'000	(Unaudited) Period from 1 January 2015 to 30 June 2015 US\$'000
Net gains/(losses) on financial assets at fair value through profit or loss	10	75	(214)
Operating and administration expenses	5	(454)	(568)
Project related expenses	6	-	(594)
Foreign exchange (loss)/gain		(12)	70
Operating loss		(391)	(1,306)
Finance income	7	-	3
Finance costs	7	-	(36)
Loss before income tax		(391)	(1,339)
Income tax	8	-	-
Loss and total comprehensive expense for the period		(391)	(1,339)
Basic and diluted loss per share (cents) attributable to the equity holders of the Company during the period	9	(0.95)	(1.74)

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 2016 US\$'000	(Audited) As at 31 December 2015 US\$'000
Assets			
Current assets			
Financial assets at fair value through profit or loss	10	7,984	7,856
Trade and other receivables	11	68	32
Cash and cash equivalents	12	813	1,331
Total current assets		8,865	9,219
Total assets		8,865	9,219
Equity and liabilities			
Equity			
Issued share capital	13	410	410
Capital redemption reserve		1,395	1,395
Retained earnings		6,880	7,271
Total equity		8,685	9,076
Current liabilities			
Secured loan	16	-	-
Trade and other payables	17	180	143
Total current liabilities		180	143
Total liabilities		180	143
Total equity and liabilities		8,865	9,219

The interim financial statements on pages 4 to 16 were approved and authorised for issue by the Board of Directors on 13 September 2016 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 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
Balance at 1 January 2016	410	1,395	7,271	9,076
Comprehensive expense				
Loss for the period	-	-	(391)	(391)
Total comprehensive expense for the period	-	-	(391)	(391)
Balance at 30 June 2016	410	1,395	6,880	8,685

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 2016 to 30 June 2016 US\$'000	(Unaudited) Period from 1 January 2015 to 30 June 2015 US\$'000
Cash flows from operating activities			
Purchase of financial assets – loans to investee companies	10	(53)	(231)
Proceeds from sale of financial assets – return of capital	10	-	11,500
Interest paid		-	(36)
Operating expenses paid		(462)	(1,470)
Net cash (used in)/generated from operating activities		(515)	9,763
Financing activities			
Repayment of secured loan	16	-	(651)
Net cash used in financing activities		-	(651)
Net (decrease)/increase in cash and cash equivalents		(515)	9,112
Cash and cash equivalents at beginning of period		1,331	144
Foreign exchange losses on cash and cash equivalents		(3)	(27)
Cash and cash equivalents at end of period	12	813	9,229

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 2016, 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

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 2015.

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 2015, 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 2016 are unaudited. The comparative interim figures for the six months ended 30 June 2015 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 2015.

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 2015.

The Company has a number of financial instruments which are not measured at fair value in the balance sheet. The fair values of these instruments are not materially different to their carrying amounts as the interest rates are close to current market rates or the instruments are short-term in nature.

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 2016	Transport PME Locomotives US\$'000	Leasehold Property PME TZ Property US\$'000	Other*	Total US\$'000
Net losses on financial assets at fair value through profit or loss	(37)	124	(12)	75
Loss for the period	(37)	124	(478)	(391)

* Other refers to income and expenses of the Company not specific to any specific sector such as income on un-invested funds.

Notes to the Interim Financial Statements (continued)

4 Segment Information (continued)

Six months ended 30 June 2015	Transport		Leasehold Property PME TZ Property US\$'000	Other** US\$'000	Total US\$'000
	PME RSACO US\$'000	PME Locomotives 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)

** Other refers to income and expenses of the Company not specific to any specific sector such as income on un-invested funds.

30 June 2016	Transport		Leasehold Property PME TZ Property US\$'000	Other* US\$'000	Total US\$'000
	PME Locomotives US\$'000	PME PME TZ Property US\$'000			
Segment assets	3,980		4,004	881	8,865
Segment liabilities	-		-	(180)	(180)

* Other assets comprise cash and cash equivalents US\$812,813 and other assets US\$68,301.

31 December 2015	Transport		Leasehold Property PME TZ Property US\$'000	Other** US\$'000	Total US\$'000
	PME Locomotives US\$'000	PME PME TZ Property US\$'000			
Segment assets	3,988		3,868	1,363	9,219
Segment liabilities	-		-	(143)	(143)

** Other assets comprise cash and cash equivalents US\$1,330,692 and other assets US\$31,655.

5 Operating and Administration Expenses

	Period ended 30 June 2016 US\$'000	Period ended 30 June 2015 US\$'000
Administration expenses	77	81
Administrator and Registrar fees	43	50
Audit fees	32	46
Directors' fees	113	156
Professional fees	174	207
Other	15	28
Operating and administration expenses	454	568

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 2016 amounted to US\$38,573 (30 June 2015: US\$45,292).

Notes to the Interim Financial Statements (continued)

5 Operating and Administration Expenses (continued)

Administrator and Registrar fees (continued)

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 2016 amounted to US\$4,018 (30 June 2015: US\$4,718).

From 26 October 2010 the Administrator has been appointed to oversee 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 2016 amounted to US\$14,432 (30 June 2015: US\$24,402).

From 31 January 2013, 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 2016 amounted to US\$21,742 (30 June 2015: US\$15,752).

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 Executive Directors are entitled to receive annual basic salaries of £75,000.

Total fees and basic remuneration (including VAT where applicable) and expenses payable by the Company for the period ended 30 June 2016 amounted to US\$112,735 (30 June 2015: US\$155,787) and was split as below. Directors' insurance cover payable amounted to US\$14,918 (30 June 2015: US\$14,877).

	Period ended 30 June 2016 US\$'000	Period ended 30 June 2015 US\$'000
Paul Macdonald	50	59
Lawrence Kearns	56	66
Expense reimbursement	7	31
	113	156

6 Project Related Expenses

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 which were subject to the finance lease held by PME Locomotives (Mauritius) Limited. The Group continues to own the remaining three C30 locomotives but holds a put option for US\$1 to require the buyer to purchase one or more of the remaining C30 locomotives for US\$1,416,666 per locomotive at any point during a 90 day period commencing on 6 November 2016, being the date 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 the Sale Transaction for the six months ended 30 June 2015 totalled \$593,583.

Notes to the Interim Financial Statements (continued)

7 Net Finance Expense

	Period ended 30 June 2016 US\$'000	Period ended 30 June 2015 US\$'000
Bank interest income	-	3
Finance income	-	3
Interest charge (see note 16)	-	(36)
Finance expense	-	(36)
Net finance expense	-	(33)

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 (2015: 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 2016	Period ended 30 June 2015
Loss attributable to equity holders of the Company (US\$'000)	(391)	(1,339)
Weighted average number of Ordinary Shares in issue (thousands)	40,973	76,754
Basic loss per share (cents) from loss for the period	(0.95)	(1.74)

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 TZ Property (Mauritius) Limited	Mauritius	100%

The Company's 100% owned subsidiary PME Tanco (Mauritius) Limited appointed a liquidator on 28 June 2016.

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

Notes to the Interim Financial Statements (continued)

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

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

	30 June 2016 US\$'000	31 December 2015 US\$'000
Start of the period/year	7,856	19,560
Increase in loans to investee companies	53	237
Return of capital*	-	(11,500)
Movement in fair value of financial assets	75	(441)
End of the period/year	7,984	7,856

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

During the year ended 31 December 2015 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.

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 at 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 year. The key inputs and most significant unobservable inputs are shown below.

	Fair value as at 30 June 2016 US\$'000	Fair value as at 31 December 2015 US\$'000	Valuation technique	Significant unobservable inputs	Sensitivity to significant unobservable inputs
Rail assets (PME Locomotives (Mauritius) Limited)	3,980	3,988	Agreed/ proposed transaction terms less value of other net liabilities	Estimated recovery value	N/A
Real estate investments (PME TZ Property (Mauritius) Limited)	4,004	3,868	Adjusted 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 1% higher/lower the estimated fair value would (decrease)/increase by US\$27,000 N/A
Total	7,984	7,856			

Commitments under operating leases relating to PME Properties Limited are disclosed in note 18.

Notes to the Interim Financial Statements (continued)

11 Trade and Other Receivables	30 June 2016 US\$'000	31 December 2015 US\$'000
Prepayments	19	32
Other receivables	49	-
Trade and other receivables	68	32

12 Cash and Cash Equivalents	30 June 2016 US\$'000	31 December 2015 US\$'000
Bank balances	813	1,331
Cash and cash equivalents	813	1,331

13 Share Capital	31 December 2015 and 30 June 2016 Number	31 December 2015 and 30 June 2016 US\$'000
Ordinary Shares of US\$0.01 each		
Authorised	500,000,000	5,000
C Shares of US\$1 each	31 December 2015 and 30 June 2016 Number	31 December 2015 and 30 June 2016 US\$'000
Authorised	5,000,000	5,000
Issued	-	-
Ordinary Shares of US\$0.01 each	30 June 2016 US\$'000	31 December 2015 US\$'000
40,973,236 (31 December 2015: 40,973,236) Ordinary Shares in issue, with full voting rights	410	410
	410	410

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.

The Warrants lapsed in July 2012. No subscription rights were exercised prior to the Warrants lapsing.

14 Capital Redemption Reserve

The capital redemption reserve is created on the cancellation of shares equal to the par value of shares cancelled. This reserve is not distributable.

Notes to the Interim Financial Statements (continued)

15 Net Asset Value per Share

	As at 30 June 2016	As at 31 December 2015
Net assets attributable to equity holders of the Company (US\$'000)	8,685	9,076
Shares in issue (thousands)	40,973	40,973
NAV per share (US\$)	0.21	0.22

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.

16 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 "Initial Helvetica Loan"). The Initial Helvetica 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 further loan of €400,000 on the same terms as the Initial Helvetica Loan.

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

Paul Macdonald holds 40% of Helvetica's issued share capital, therefore Helvetica is deemed to be a related party of the Company and the loans provided to the Company by Helvetica were related party transactions.

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

17 Trade and Other Payables

	30 June 2016 US\$'000	31 December 2015 US\$'000
Administration fees payable	19	24
Audit fee payable	31	69
CREST service provider fee payable	5	10
Directors' fees payable	-	-
Legal fees payable	99	15
Other sundry creditors	26	25
	180	143

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

18 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.

Notes to the Interim Financial Statements (continued)

18 Contingent Liabilities and Commitments (continued)

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 2016 US\$'000	31 December 2015 US\$'000
Amounts payable under operating leases:		
Within one year	40	-
In the second to fifth years inclusive	220	200
Beyond five years	1,220	1,280
	1,480	1,480

19 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 16.