

Appendix 4E
Preliminary Final Report

Pan Asia Corporation Limited

Period ending 30 June 2010

Lodged with the ASX under Listing Rule 4.3A

Contents

Results for Announcement to the Market2
Preliminary Statement of Comprehensive Income3
Preliminary Statement of Financial Position4
Preliminary Consolidated Statement of Cash Flows5
Preliminary Consolidated Statement of Changes in Equity6
Other Appendix 4E Information7

Pan Asia Corporation Limited

Year ended 30 June 2010

(Previous corresponding period: Year ended 30 June 2009)

Results for Announcement to the Market

A\$,000

Revenue from ordinary activities	Up	43%	to	88
Profit/(loss) from ordinary activities after tax attributable to members	Up	257.9%	to	(4,074)
Net profit/(loss) for the period attributable to members	Up	257.9%	to	(4,074)

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	-	-
Interim dividend	-	-

Record date for determining entitlements to the dividend

N/A

Explanation of Revenue

Revenue from ordinary activities includes interest income of \$16,202.32.

Explanation of Profit/(loss) from ordinary activities after tax

The financial year reports a loss of \$4,073,801.91 compared to a loss of \$1,138,134 in the prior year. The loss this year included an impairment expense of \$284,320.85 relating to the impairment of the Company's PT Kusan Pursada project, an impairment expense of \$50,000 regarding uncertainty surrounding the recovery of a loan outstanding to GMA and a bad debt expense of \$71,469.70 relating to interest outstanding from the loan Food and Beverage Brand Pty Ltd. The Company has initiated legal proceeding to recover this loan.

Explanation of Net Profit/(loss)

See above: explanation of profit/(loss) from ordinary activities after tax

Pan Asia Corporation Limited
Preliminary Statement of Comprehensive Income
For the year ended 30 June 2010

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
Revenue	88	61
Project development costs	(5)	(56)
Accounting and legal fees	(589)	(166)
Consulting and investor relations expenses	(1,824)	(156)
Stock Exchange expenses	(86)	(37)
Depreciation expense	(1)	-
Impairment of current assets	-	(397)
Impairment of non-current assets	(334)	(109)
Directors Fees	(111)	(105)
Company Secretary Fees	(60)	(56)
Employee and occupancy costs	(277)	-
Project identification and evaluation costs	-	(21)
Bad debt expense	(71)	-
Foreign exchange gain/(loss)	(44)	-
Other expenses	(760)	(96)
Loss before income tax expense	(4,074)	(1,138)
Income tax expense	-	-
Net loss for the year	(4,074)	(1,138)
Other comprehensive income for the year		
Exchange differences on translation of foreign operations	29	(1)
Total comprehensive loss for the year	(4,045)	(1,139)
The net loss for the year is attributable to:		
Owners of the parent	(4,005)	(1,138)
Non-controlling interest	(69)	-
	(4,074)	(1,138)
The other comprehensive income for the year is attributable to:		
Owners of the parent	27	(1)
Non-controlling interest	2	-
	29	(1)
Basic & Diluted earnings per share (cents)	(0.48) ¢	(0.27) ¢

The above consolidated income statement should be read in conjunction with the accompanying notes.

Pan Asia Corporation Limited
Preliminary Statement of Financial Position
As at 30 June 2010

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
Current assets		
Cash and cash equivalents	217	65
Trade and other receivables	18	180
Prepayments	10	37
Other financial assets	17	-
Total current assets	262	282
Non-current assets		
Property, plant and equipment	6	-
Project acquisition costs	-	339
Deferred Exploration & evaluation costs (on acquisitions)	1,278	923
Other financial assets	16	-
Loans to other entities	6,410	-
Total non-current assets	7,710	1,262
Total assets	7,972	1,544
Current liabilities		
Trade and other payables	228	328
Accruals	79	-
Total current liabilities	307	328
Total liabilities	307	328
Net assets	7,665	1,216
Equity		
Contributed equity	43,761	33,940
Option reserve	760	100
Currency translation reserve	28	(1)
Non-controlling interest	(43)	13
Accumulated losses	(36,841)	(32,836)
Total equity	7,665	1,216

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Pan Asia Corporation Limited
Preliminary consolidated statement of cash flows
 For the year ended 30 June 2010

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
Cash flows from operating activities		
Interest income	16	18
Payments to suppliers and employees	(3,228)	(525)
Net cash flows from/(used in) operating activities	(3,212)	(507)
Cash flows from investing activities		
Purchases of property, plant and equipment	(6)	-
Payment for subsidiary, net of cash acquired	(123)	(377)
Funds advance to non-related parties	(6,410)	(266)
Net cash flows from/(used in) investing activities	(6,539)	(643)
Cash flows from financing activities		
Proceeds from issue of shares	9,903	-
Proceeds from issue of options	-	100
Repayment of borrowings	-	35
Net cash flows from/(used in) financing activities	9,903	135
Net increase / (decrease) in cash and cash equivalents	152	(1,015)
Cash and cash equivalents at beginning of period	65	1,080
Cash and cash equivalents at end of period	217	65

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Pan Asia Corporation Limited
Preliminary consolidated statement of changes in equity
As at 30 June 2010

	Share Capital		Non-controlling Accumulated		Total Equity \$'000
	Ordinary \$'000	Reserves \$'000	Interest \$'000	Losses \$'000	
Balance at 1 July 2008	33,258	-	-	(31,698)	1,560
Options issued during the year	-	100	-	-	100
Recognition of currency translation reserve	-	(1)	-	-	(1)
Equity associated with non-controlling interest	-	-	13	-	13
Recognition of share based payments	682	-	-	-	682
Loss attributable to members of parent entity	-	-	-	(1,138)	(1,138)
Balance at 30 June 2009	33,940	99	13	(32,836)	1,216
Capital raisings (net of share issue costs)	6,900	-	-	-	6,900
Options issued during the year	-	-	-	-	-
Options converted	1,699	-	-	-	1,699
Recognition of currency translation reserve	-	29	-	-	29
Equity associated with non-controlling interest	-	-	(56)	-	(56)
Recognition of share based payments	1,222	660	-	-	1,882
Loss attributable to members of parent entity	-	-	-	(4,005)	(4,005)
Balance at 30 June 2010	43,761	788	(43)	(36,841)	7,665

Pan Asia Corporation Limited
Other notes to the preliminary consolidated financial statements
 For the year ended 30 June 2010

NOTE 1. DEVELOPMENTS

The directors and management team continue to develop a significant portfolio of advanced coal projects in Indonesia through the soon to be completed acquisition of Innovation West Pty Ltd.

NOTE 2. MATERIAL FACTORS AFFECTING THE REVENUES AND EXPENSES OF THE ECONOMIC ENTITY FOR THE CURRENT PERIOD

Revenues: see above: explanation of revenue

Expenses: see above: explanation of profit/(loss)

NOTE 3. RETAINED EARNINGS

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
Accumulated Losses at the beginning of the financial year	32,836	31,698
Net profit/(loss) attributable to members of Pan Asia Corporation Limited	4,005	1,138
Accumulated Losses at the end of the financial year	36,841	32,836

NOTE 4. NTA BACKING

	Reporting Period	Previous Corresponding Period
Net tangible asset backing per ordinary share	0.0053¢	0.0006¢

NOTE 5. OTHER SIGNIFICANT INFORMATION

This preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by the Company during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

NOTE 6. OTHER EXPENSES

	A\$,000 Reporting Period	A\$,000 Previous Corresponding Period
Bank charges	6	1
Corporate and administration fees		-
Share registry fees	29	36
Statutory fees and stamp duty	-	7
Travel, accommodation expenses	230	49
Other	495	3
Total Other Expenses	760	96

Pan Asia Corporation Limited
Other notes to the preliminary consolidated financial statements
 For the year ended 30 June 2010

NOTE 7. EARNINGS PER SECURITY (EPS)

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
Basic and Diluted earnings per share (cents)	(0.37) ¢	(0.21) ¢
Earning reconciliation		
Net Profit/(loss)	(4,073)	(1,138)
Basic and diluted earnings	(4,073)	(1,138)
Weighted average number of shares used as the denominator		
<i>Number for basic & diluted earnings per share:</i>		
Ordinary shares	842,647,909	427,616,623

Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

For the reporting period, the numerator used in the calculation of both Basic EPS and Diluted EPS is (\$4,073,801.91) and there are no reconciling items. The denominator used for the Basic and Diluted EPS is 842,647,909.

NOTE 8. CASH AND CASH EQUIVALENTS

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
Cash at bank and cash in hand	217	65
	217	65

Cash at bank earns interest at floating rates based on daily bank deposit rates. The entity has no credit standby arrangements, loan or overdraft facilities for the periods ended 30 June 2009 and 30 June 2010.

The fair value of cash and cash equivalents is \$217,415 (2009: \$\$65,230).

Pan Asia Corporation Limited
Other notes to the preliminary consolidated financial statements
For the year ended 30 June 2010

NOTE 9. TRADE AND OTHER RECEIVABLES

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
Trade receivable (i)	18	130
Related Party receivable	-	397
Loan receivable from Global Metals Australia Pty Ltd	50	50
Total trade and other receivables	68	577
Less allowance for impairment	(50)	(397)
	18	180

(i) Trade receivables are non interest bearing.

NOTE 10. NON-CURRENT ASSETS

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
Trademarks	-	109
Less allowance for impairment	-	(109)
Project acquisition costs	339	339
Less allowance for impairment(i)	(339)	-
Property, plant and equipment	6	-
Exploration & evaluation costs (on acquisition) (ii)	1,278	923
Other financial assets (iii)	16	-
Loans to other entities (iv)	6,410	-
	7,710	1,262

- (i) The impairment cost relates to the investment made by the Company in PT Kusan Pursada which the directors believe this amount will not be recouped.
- (ii) The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.
- (iii) A deposit was paid for the construction of a drill rig which is to be used in the Company's exploration program.
- (iv) As previously announced, The Company has entered into a Binding Heads of Agreement to acquire Innovation West Pty Ltd. The balance represents the funds that have been loaned to Innovation West Pty Ltd as per the Binding Heads of Agreement.

Pan Asia Corporation Limited
Other notes to the preliminary consolidated financial statements
For the year ended 30 June 2010

NOTE 11. TRADE AND OTHER PAYABLES

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
Current		
Unsecured Liabilities		
Trade payables (i)	228	104
Accrued expenses (ii)	79	101
Project acquisition costs	-	123
	<u>307</u>	<u>328</u>

(i) Trade payables are non-interest bearing and are normally settled on 30 day terms.

(ii) Accrued expenses are non-interest bearing.

NOTE 12. ISSUED CAPITAL

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
(a) Issued capital		
Ordinary shares (i)	43,761	33,940
	<u>43,761</u>	<u>33,940</u>
<i>(i) Ordinary shares</i>		
Issued and fully paid	44,882	33,957
Less: share issue costs	(1,121)	(17)
	<u>43,761</u>	<u>33,940</u>

Movement in ordinary shares on issue

At 1 July 2008

Movement during the year:

- shares issued in acquisition of assets

- shares issued in satisfaction of services

share issue costs

At 30 June 2009

Movement during the year:

- shares issued pursuant to capital raisings

- exercise of options

- shares issued in satisfaction of services

- share issue costs

At 30 June 2010

	Number of Shares #	Equity \$'000
At 1 July 2008	365,153,610	33,275
Movement during the year:		
- shares issued in acquisition of assets	100,000,000	600
- shares issued in satisfaction of services	56,500,000	82
share issue costs	-	(17)
At 30 June 2009	<u>521,653,610</u>	<u>33,940</u>
Movement during the year:		
- shares issued pursuant to capital raisings	456,482,485	8,760
- exercise of options	169,930,000	1,699
- shares issued in satisfaction of services	62,394,737	1,222
- share issue costs	-	(1,860)
At 30 June 2010	<u>1,210,460,832</u>	<u>43,761</u>

Pan Asia Corporation Limited
Other notes to the preliminary consolidated financial statements
For the year ended 30 June 2010

NOTE 12. ISSUED CAPITAL (CONTINUED)

	A\$,000	A\$,000
	Reporting Period	Previous Corresponding Period
(b) Performance shares		
Performance shares	150,000,000	150,000,000
	150,000,000	150,000,000

NOTE 13. OPTION RESERVE

Movements in options over ordinary shares on issue

	Number of Options #	Equity \$'000
At 1 July 2009	100,000,000	100
- options issued in satisfaction for services	40,000,000	636
- options issued to employees	2,000,000	24
- options issued pursuant to capital raisings	361,482,485	-
- exercise of options	(169,930,000)	-
At 30 June 2010	333,552,485	760

NOTE 14. CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of Pan Asia Corporation Limited and the controlled entities listed in the following table.

	Country of incorporation	% Interest 30 June 2010	% Interest 30 June 2009
Triumph West Pty Ltd	Australia	100	100
PT Roda Niaga	Indonesia	80	80
PT Kusan Persada	Indonesia	80	-


Through a number of agreements, Triumph West Pty Ltd (a wholly owned subsidiary of the Company) has an 80% interest in the operations and assets of PT Roda Niaga and PT Kusan Persada.

NOTE 16: RELATED PARTY TRANSACTIONS

During the reporting period, fees for administrative, accounting and consulting fees of \$374,699 (excluding GST) were incurred to Mr Luke Martino's related company, Indian Ocean Advisory Group. These services were provided on normal commercial terms and conditions and at market rates.

Audit

This report is based on accounts which are in the process of being audited.



Luke Martino
Director
31st August 2010