

4 June 2015

## SGD \$30M FOR SALE OF INTEREST IN TCM PROJECT

- **Universal Coal Resources Pte Ltd (Universal) to buy PZC's interest in TCM project**
- **PZC to sell its 75% interest in TCM project for SGD\$30M**
- **Consideration is SGD\$30M in shares on successful SGD 20M raising via IPO on SGX by Universal**
- **Universal to assume guarantee for Kopex debt on TCM project**
- **Universal to obtain remaining permits required for the development of TCM project**
- **Consideration represents approximately 10x the current market capitalisation of the Company**
- **Universal to fund IPO listing**
- **Sale is conditional on approvals including shareholder & regulatory approvals**

CEO Alan Hopkins: "This provides a substantial value add to the current assets of the company as well as an avenue for the raising of the ~ \$20M equity component required for the development of the TCM project without significantly diluting Pan Asia shareholders. We will assist Universal in its endeavours to put together the full package."

### Background of Transaction

Pan Asia Corporation Limited ("Pan Asia", "PZC" or "the Company") is pleased to announce that it has entered into an exclusive Heads of Agreement with Universal Coal Resources Pte Ltd of Singapore ("Universal"), for the commercial sale of the Company's 75% interest in the PT Transcoal Minergy Coal Project in South Kalimantan Indonesia ("TCM") ("the Transaction").

Universal has agreed to purchase a 100% interest in the Company's 100% owned Singapore subsidiary, Innovation West Mantewe Pte Ltd ("IWMPL") owner of the 75% interest in TCM for SGD \$30m.

Universal will undertake a SGX Catalist listing and Pan Asia upon completion of the successful listing will receive shares in Universal to the value of SGD \$30m at the IPO issue price.

### About Universal

Universal is a special purpose vehicle substantially owned by Mr Boelio Muliardi, a resident of Indonesia. Mr Muliardi has a degree in Business Administration and Finance from the University of Washington, Seattle USA. Mr Muliardi has had a diverse career, which has included businesses in the property development, retail chain, manufacturing, food and beverage, aircraft leasing, agricultural and healthcare industries.

Mr Muliardi is a Director of Indonesia Stock Exchange listed company PT Cakra Mineral Tbk, duly established under the laws of Indonesia. PT Cakra Mineral Tbk is a manufacturer and exporter of Iron Ore and metal

zircon sand. The Company has integrated mining business segments ranging from exploration mining and process marketing.

### Commercial Transaction

The parties to the Transaction include Pan Asia, its 100% owned private Australian entity Innovation West Pty Ltd (“IWPL”), IWPL’s 100% owned entity IWMPL and Universal (collectively, “the Parties”).

As stated above, Universal has agreed the total purchase price of SGD \$30m and will proceed forward with a Singapore Stock Exchange (SGX) Catalist listing. Upon the successful SGX Catalist listing, Pan Asia will receive shares in Universal to the value of SGD \$30m at the IPO issue price.

Universal has assumed, prior to completion of the Transaction, the responsibilities including expenses, of obtaining all statutory approvals, including but not limited to the forestry permit, obtaining all relevant contracts, obtaining any high-wall access and undertaking all value-added works, in connection with IWMPL or TCM or as required by SGX (Catalist).

The Parties have acknowledged and agreed that the Transaction will be subject to a number of key commercial outcomes and conditions as follows:

- (a)
  - (i) final Universal approvals including board and shareholder approval of relevant matters under the SGX (Catalist) listing rules and the company law applicable to Universal;
  - (ii) final PZC & IWPL approvals including board and shareholder approval of relevant matters under the ASX listing rules and the Corporations Act;
  - (iii) provision of relevant consents to the change in control of the Company or TCM required under existing material contracts to which a Company or TCM is a party (if any);
  - (iv) Universal to have completed all the conditions precedent set out by Primepartners Corporate Finance Pte Ltd, a sponsor to the Universal IPO in their mandate with Universal, prior to the submission of the pre-admission notification to the SGX;
  - (v) Universal to have complied with all the rules as set out in the Catalist Rules;
  - (vi) Pan Asia, IWPL and IWMPL receiving legal advice in relation to the appropriate structure and arrangement (specifically including the normal IPO settlement process in Singapore) that are customarily adopted in transactions of this nature and the Parties adopting such structure or arrangement. The structure shall include Universal providing satisfactory evidence of a successful SGD \$20m fundraising as part of the Universal IPO;
  - (vii) Universal entering into a deed of assignment and assumption with PT. Kopex Mining Contractors (“Kopex”) under which:
    - (A) Universal is to assume the liabilities of PZC and IWPL as guarantor under the guarantee and indemnity made between PZC, IWPL and Kopex as financier (“Guarantee and Indemnity”), and PZC and IWPL are to be released from the Guarantee and Indemnity;
    - (B) Kopex agree to the terms of a settlement of their debt as part of the Universal IPO.

- (b) The Parties agree to work collaboratively to:
- (i) agree the most efficient approach to obtaining the necessary consents from third parties; and
  - (ii) ensure prompt satisfaction of the conditions in paragraph (a) as soon as possible following execution of the final agreements, and in any event prior to the expiration of the Conditions Precedent Period (“CP Period”) which is 12 months from and including the date of the final agreements which, if reasonably necessary can be extended upon request from Universal for a further 6 months.
- (c) The conditions precedent (outlined above) in paragraphs (a) (ii), (iv), (v) and (vi) are for the sole benefit of PZC who may waive the benefit of these paragraphs by notice in writing to Universal.
- (d) The conditions precedent in paragraphs (a) (i) and (iii) are for the sole benefit of Universal who may waive the benefit of these paragraphs by notice in writing to PZC and IWPL.
- (e) In the event that the conditions precedent in paragraph (a) are not satisfied or waived within the CP Period (**Sunset Date**), then any party may terminate the Final Agreements provided such party has used its best endeavours to achieve the conditions by the Sunset Date.

**ENDS**

#### **About Pan Asia**

Pan Asia Corporation Limited aims to be a supplier of key energy resources into the expanding Asian markets. Our flagship TCM Project is a high CV thermal coal project in South Kalimantan. The Company seeks to generate significant projects, de-risking them ready for development partners / offtake agreements with quality, life of mine partners.

#### **For Further Information Contact:**

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