



## **ASX Release**

**14 October 2014**

### **CK Graphic Sdn Bhd – Term Sheet to Acquire Malaysian Graphic Technology Company and new directors**

The board of Precious Metal Resources Limited (ASX: **PMR**) wishes to advise shareholders that it has signed a binding Term Sheet for the purpose of acquiring 100% of the issued capital of CK Graphic Sdn Bhd (**CK Graphic**).

The transaction is conditional on shareholder approval being obtained.

#### **About CK Graphic**

CK Graphic was established in Malaysia in 2003 and has grown as a visual communication company dedicated to creating dynamic lasting design solution using the latest media and visualisation technology.

CK Graphic creates highly sought after computer-based architectural rendering, 3D modelling and visualisation, architectural illustration as well as interior designing, and walk-through animation with a Photo-Realistic output.

#### **Proposed acquisition**

The proposed consideration for CK Graphic is the issue of 37,500,000 fully paid ordinary shares at \$0.20 per share, with 37,500,000 attaching options exercisable at \$0.20 per share within 3 years from the date of issue.

The Term Sheet amongst other conditions precedent to be met by both parties provides for PMR to raise a minimum of \$3,000,000 in new capital via a prospectus, through the issue of a further 15,000,000 fully paid ordinary shares, priced at \$0.20 per share.

The proposed transaction is subject to due diligence and the execution of a formal sale and purchase agreement between the parties.

PMR anticipates that ASX may exercise its discretion to require security holder approval under Listing Rule 11.1.2 and it intends to seek that approval without approaching ASX for a formal determination as to whether or not it is required.

If ASX exercises its discretion to apply the requirements of listing rule 11.1.3, recompliance with chapters 1 and 2 of the ASX listing rules will be required before the completion of the acquisition.

Shareholder approval will also be sought to authorise the capital raising, and any other requirements of the ASX and the Listing Rules.

It is proposed to complete due diligence, obtain shareholder approvals and commence fundraising by the end of 2014.

Further details of the assets or business proposed to be acquired will be provided following completion of the due diligence including information about the likely effect of the transaction on the entity's total assets, total equity interests, annual revenue and annual expenditure.

The proposed acquisition will result in a change in PMR's main undertaking and the effect on PMR's existing business is currently under review.

# Precious Metal Resources Limited

Funds raised will be applied toward the operations and possible rationalisation of the business.

In consideration for entering into the Term Sheet, 1,000,000 new ordinary shares in PMR at \$0.20 per share were placed with an incoming director (see attached Appendix 3X). The funds raised are to be used for the Company's operations.

## **Mandate**

PMR is pleased to also announce that it has executed a mandate with Melbourne based Corporate advisory firm Sanston Securities Australia, Pty Ltd to act as Lead Manager and corporate financial advisor to the capital raise and the transaction.

## **New directors and resignation**

PMR welcomes the appointment of two new directors effective today.

**Madam Zhang Li** is a Non-Executive Chairman of Top Creation Limited (Stock Code: TOPC), a public company listed on the London Stock Exchange. She has significant experience in the Malaysian sector and was engaged from 2001 to 2007 as a property investment adviser by Brilliant Valley Sdn Bhd. In that time Madam Zhang was involved in a number of significant property projects including Bandar Alam Perdana (Kuala Lumpur), Dataran Pahlawan (Malacca), and Empire Tower (Kuala Lumpur).

**Mr. Navaratnam** has previously enjoyed a successful career in Fund Management, Investment Banking and Corporate Advisory. His expertise includes M & A, corporate restructuring, Asian Markets and Islamic Finance. He is also currently a director of RNS Funds Pty Limited. During his earliest days, Ram worked in KPMG Malaysia, attaining vast experience in Audit and Advisory before moving to establish the first Derivatives broker in Malaysia. Subsequent to that, he was involved in the setting up of a government linked stockbroking institution.

Mr Bruce Dennis has given notice of his resignation and will step down as a director effective from 30 October 2014.

Attached is Madam Zhang Li's and Mr. Navaratnam's Initial Director's Interest Notices.

CEO Jacob Rebek, states that "we look forward to working closely with the new directors and subject to agreeing formal documentation working with the executive and directors of CK Graphic to developing the Company through 2015 and onwards."

If shareholders have any questions regarding today's announcement please contact:

## **Henry Kinstlinger - Investor Relations & Company Secretary**

phone +61 2 9251 7177

email [hkinstlinger@higl.com.au](mailto:hkinstlinger@higl.com.au)

## **Sanston Securities Australia Pty Ltd**

phone +61 3 8530 3400

email [www.sanston.com.au](http://www.sanston.com.au)

# Appendix 3X

## Initial Director's Interest Notice

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 30/9/2001.

<b>Name of entity</b>	<b>PRECIOUS METAL RESOURCES LIMITED</b>
<b>ACN</b>	<b>145 105 148</b>

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of Director</b>	<b>Ramakrishnans S Navaratnam</b>
<b>Date of appointment</b>	<b>14 October 2014</b>

### Part 1 - Director's relevant interests in securities of which the director is the registered holder

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Number &amp; class of securities</b>
<b>N/A</b>

**Appendix 3X**  
**Initial Director's Interest Notice**

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**Part 2 – Director's relevant interests in securities of which the director is not the registered holder**

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

<b>Name of holder &amp; nature of interest</b> <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	<b>Number &amp; class of Securities</b>
<b>Not applicable</b>	<b>N/A</b>

**Part 3 – Director's interests in contracts**

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Detail of contract</b>	<b>Not applicable</b>
<b>Nature of interest</b>	
<b>Name of registered holder (if issued securities)</b>	
<b>No. and class of securities to which interest relates</b>	

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+ See chapter 19 for defined terms.

# Appendix 3X

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<b>ACN</b>	<b>145 105 148</b>

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of Director</b>	<b>Zhang Li</b>
<b>Date of appointment</b>	<b>14 October 2014</b>

### Part 1 - Director's relevant interests in securities of which the director is the registered holder

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Number &amp; class of securities</b>
<b>1,000,000 Fully Paid Ordinary Shares</b>

+ See chapter 19 for defined terms.

**Appendix 3X**  
**Initial Director's Interest Notice**

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