

## ASX / MEDIA ANNOUNCEMENT

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15 September 2014

### Sale of Small Holdings of Shares

Pan Asia Corporation Limited (ASX: PZC) (“**Pan Asia**” or “**the Company**”) is pleased to announce that it has entered into agreements (Agreements) with TAJ Investments Limited (TAJ Investments) and Oatsworth Pte Ltd (Oatsworth) (together, the Purchasers) under which the Purchasers have agreed to buy the ordinary shares of shareholders who hold shares in the Company valued at less than a “marketable parcel” (defined in the ASX Listing Rules as a parcel of securities of not less than AUD \$500) (Small Holding). The Purchasers will each take up 50% of the Small Holdings under the Agreements.

The sale of a Small Holding by the Company is permitted under clause 3 of the Company’s Constitution. The Company has initiated the sale to enable persons holding Small Holdings to sell their shares without paying brokerage, and to reduce the Company’s administrative costs associated with Small Holdings.

The sale will apply to shareholders with holdings of 20,833 fully paid ordinary shares in the Company or less, based on the Company’s closing share price on ASX of \$0.024 on 12 September 2014 (Record Date).

The purchase price of the shares that the Purchasers will pay subject to the Small Holdings will be \$0.02, calculated in accordance with the Company’s Constitution, being the simple average of the last sale prices of the Company’s shares for each of the 10 trading days immediately preceding the date of the Agreements (i.e. from 1 September to 12 September 2014).

If the shareholders of Small Holdings wish to sell their Small Holding to the Purchasers, then they do not need to do anything. Shareholders of a Small Holding are under no obligation to sell their shares to the Purchasers and if these shareholders would like to retain their Small Holding shares, then they will be required to return a Retention Slip to the Company’s share registry, Link Market Services, by no later than 5.00pm (Perth time) on Wednesday 29 October 2014. Unless those shareholders holding a Small Parcel advise the Company’s share registry that they do not wish to sell their shares to the Purchasers by this date, by completing and returning a Retention Slip, the Company will sell these shares to the Purchaser and send payment to those shareholders as soon as practicable following the sale.

A sample letter that will be sent to the Company’s shareholders holding a Small Holding accompanies this announcement.

#### For Further Information Contact:

**Jason Campbell**  
Commercial Manager/ Company Secretary  
Pan Asia Corporation Limited  
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**Media**  
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15 September 2014

Dear Shareholder

### **Sale of your small holding of shares in Pan Asia Corporation Limited (ASX:PZC)**

Pan Asia Corporation Limited (**Company**) has entered into agreements (**Agreements**) with TAJ Investments Limited (**TAJ Investments**) and Oatsworth Pte Ltd (**Oatsworth**) (together, the **Purchasers**) under which the Purchasers have agreed to buy the ordinary shares of shareholders who hold shares in the Company valued at less than a “marketable parcel” (defined in the ASX Listings Rules as a parcel of securities of not less than AU\$500) (**Small Holding**). The Purchasers will each take up 50% of the Small Holdings under the Agreements.

The sale of a Small Holding by the Company is permitted under clause 3 of the Company's Constitution. The Company has initiated the sale to enable persons holding Small Holdings to sell their shares without paying brokerage, and to reduce the Company's administrative costs associated with Small Holdings.

The sale will apply to shareholders with holdings of 20,833 fully paid ordinary shares in the Company or less, based on the Company's closing share price on ASX of \$0.024 on 12 September 2014 (**Record Date**). Our records show that you held a Small Holding as at the Record Date.

### **What should you do?**

If you want the Purchasers to buy your Small Holding pursuant to the Agreements, you do not need to do anything. If you still hold a Small Holding and you have not returned the **enclosed** Retention Slip, you will be deemed to have irrevocably appointed the Company as your agent to sell your shares to the Purchasers at a purchase price of \$0.02 each. In accordance with the Company's Constitution, the purchase price is equal to the simple average of the last sale prices of the Company's shares for each of the 10 trading days immediately preceding the date of the Agreements (i.e. from 1 September 2014 to 12 September 2014). Payment will be sent to you as soon as practicable following completion of the sale of Small Holdings to the Purchasers.

You are under no obligation to sell your shares to Purchasers via the process described in this letter. If you **do not** want your Small Holding to be purchased by the Purchasers, please complete the **enclosed** Retention Slip and send it to the Company's share registry, Link Market Services, in accordance with the instructions contained in the notice. Retention Slips must be received by the Company's share registry, Link Market Services, by no later than **5:00pm (Perth time) on Wednesday, 29 October 2014**. Unless you advise the Company's share registry that you do not wish to sell your shares to the Purchasers by this date, the Company intends to sell your shares through the process described in this letter.

Please note that the Company will not sell your shares in the event that a third party announces a takeover offer for shares in the Company.

Consistent with its continuous disclosure obligations, the Company may release information to the ASX that may be material to a shareholder's decision as to whether they wish to retain their Small Holding. This information will, if released, be available on the ASX website at [www.asx.com.au](http://www.asx.com.au) (ASX code: PZC) and on the Company's website at [www.panasiacorp.com.au](http://www.panasiacorp.com.au).

## Effect on control

There are 2,013 shareholders with a Small Holding as at the Record Date, which represents 5,728,513 shares in the Company. At the date of this letter, TAJ Investments has a relevant interest in 17,850,000 shares in the Company, giving it a voting power in the Company of 5.85%. Oatsworth does not have a relevant interest in any shares in the Company. The Company understands that the Purchasers are not associates of one another for the purposes of section 12(2) of the *Corporations Act 2001* (Cth).

An illustration of the effect that the purchase of Small Holdings pursuant to the Agreements will have on the Purchasers' control of the Company is set out in the table below.

Effect on control	TAJ Investments		Oatsworth	
	Shares held	Voting power	Shares held	Voting power
Existing shares held	17,850,000	5.85%	0	0%
Small Holdings acquired by Purchasers:				
• 25% – 1,432,128 shares	18,566,064	6.08%	716,064	0.23%
• 50% – 2,864,256 shares	19,282,128	6.32%	1,432,128	0.47%
• 75% – 4,296,384 shares	19,998,192	6.55%	2,148,192	0.70%
• 100% – 5,728,513 shares	20,714,256	6.79%	2,864,256	0.94%

**Note:** The above table assumes that no additional shares are issued by the Company between the date of this letter and completion of the sale of Small Holdings to the Purchasers pursuant to the Agreements.

## General

Any taxation consequences arising from the sale of your Small Holding will be your responsibility. If you require information regarding possible taxation implications for the sale of your Small Holding to the Purchasers, please contact your professional adviser.

Annexure A sets out further details of the proposed sale of Small Holdings to the Purchasers which you should read before making any decision on whether to sell your Small Holding.

If you have any queries about lodging your form or the sale process described in this letter, please contact Jason Campbell by telephone +61 8 6489 0600 or by email to [jcampbell@panasiacorp.com.au](mailto:jcampbell@panasiacorp.com.au).

Yours sincerely



Jason Campbell  
Company Secretary  
**PAN ASIA CORPORATION LIMITED**

## Annexure A – Information on sale of Small Holdings

### 1. What is a “Small Holding”?

A Small Holding is a parcel of shares in the Company valued at less than a “marketable parcel” (defined in the ASX Listing Rules as a parcel of securities valued at not less than AU\$500). The share price used to determine a Small Holding is the closing price of shares in the Company on the Record Date, which was \$0.024 on 12 September 2014. Accordingly, a Small Holding is a holding of 20,833 shares in the Company or less.

### 2. What price will I receive for my shares?

The price that you will receive for your shares to be sold to the Purchasers through the Agreements will be \$0.02 per share. In accordance with the Company’s Constitution, this purchase price is equal to the simple average of the last sale prices of the Company’s shares for each of the 10 trading days immediately preceding the date of the Agreements (i.e. from 1 September 2014 to 12 September 2014).

### 3. What is the current price of shares?

The closing price of shares in the Company on 12 September 2014 was \$0.024. The share price changes frequently and shareholders can follow movements in the Company’s share price by searching the Company’s ASX code “PZC” on ASX’s website at [www.asx.com.au](http://www.asx.com.au).

### 4. When will the proceeds from the sale of shares be sent to me?

If your shares are sold to the Purchasers via the process described in the letter then payment will be sent to you as soon as practicable following completion of the sale. Payment will be made in Australian dollars by cheque. You will receive a transaction statement confirming the number of shares you sold, the sale price per share and the total sale proceeds due to you. The cheque will be sent to you by post to your address as shown in the share register at the time the payment is made.

### 5. If I buy more shares, will I retain my holding?

The Company will treat any purchase of additional shares to increase the value of your holding to AU\$500 or more (based on the closing price of the Company’s shares on the Record Date of \$0.024) as an indication that you do not want your shares to be sold to the Purchasers. For a purchase to be an effective notification that you wish to retain your shares, any additional shares must be registered by 5.00pm (Perth time) on Wednesday, 29 October 2014 under the same name and address with the same holder number (SRN or HIN) as set out in the **enclosed** Retention Slip. The minimum number of shares that you are required to be the registered holder of in order to hold a “marketable parcel” is 20,834.

### 6. What if my shares are held in a CHESS holding?

If your shares remain in a CHESS holding at 5.00pm (Perth time) on Wednesday, 29 October 2014, the Company may move those shares to an issuer sponsored holding and the shares will be sold to the Purchasers via the process described in this letter.

**7. Where can I get further information?**

If you have any queries about lodging your form or the sale process described in this letter, please contact the Company Secretary, Jason Campbell, by telephone +61 8 6489 0600 or by email to [jcampbell@panasiacorp.com.au](mailto:jcampbell@panasiacorp.com.au).

**8. Important notes**

Subject to complying with its Constitution and the ASX Listing Rules, the Company reserves the right to change any of the dates referred to in this letter.

This letter does not constitute advice nor a recommendation to buy, sell or hold shares in the Company, nor that the sale to the Purchasers under the Agreements is the best way for you to sell your shares in the Company.

If you are in any doubt about what to do, you should consult your legal, financial, taxation or other professional adviser.

If you currently have more than one holding on the Company's share register, you may wish to consider amalgamating them. This may result in your amalgamated holding no longer being a Small Holding. Under these circumstances your shares will not be sold via the process described in this letter.