

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of Pacific Andes Resources Development Limited ("**Company**"), you should immediately forward this Circular and the enclosed Proxy Form/Depositor Proxy Form to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any statements made or opinions expressed in this Circular.



PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED

(Incorporated in Bermuda with limited liability)

CIRCULAR TO SHAREHOLDERS

in relation to

- 1. THE PROPOSED RENEWAL OF THE MANDATE FOR INTERESTED PERSON TRANSACTIONS; AND**
- 2. THE PROPOSED RENEWAL OF THE SHARE REPURCHASE MANDATE.**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form/Depository Proxy Form : Saturday, 24 January 2015, at 2:30 p.m.

Date and time of Special General Meeting : Monday, 26 January 2015 at 2:30 p.m. (or as soon thereafter as the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2:00 p.m. on the same day and at the same place)

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

“2014 SGM”	:	The Special General Meeting of the Company convened on 27 January 2014
“Act”	:	The Companies Act, Chapter 50 of Singapore as amended or modified from time to time
“AGM”	:	The annual general meeting of the Company
“Associate”	:	<p>(a) In relation to any Director, chief executive officer of the Company, Substantial Shareholder or Controlling Shareholder (being an individual) means:</p> <p>(i) his Immediate Family;</p> <p>(ii) the trustee of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and</p> <p>(iii) any company in which he and his Immediate Family together (directly or indirectly) have an interest of thirty per cent. (30%) or more, and</p> <p>(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more</p>
“Average Closing Price”	:	Has the meaning ascribed to it in section 3.1 of this Circular
“Bermuda Act”	:	The Companies Act 1981 of Bermuda (as amended)
“Board”	:	The board of Directors from time to time
“Bye-Laws”	:	The bye-laws of the Company as amended, supplemented or modified from time to time
“CDP” or “Depository”	:	The Central Depository (Pte) Limited

“Circular”	:	This circular to Shareholders dated 9 January 2015
“Clamford”	:	Clamford Holding Limited, a company incorporated in the British Virgin Islands with limited liability
“Company” or “PARD”	:	Pacific Andes Resources Development Limited, an exempted company incorporated in Bermuda with limited liability
“Controlling Shareholder”	:	<p>A person who:</p> <p>(a) holds directly or indirectly fifteen per cent. (15%) or more of the nominal amount of all voting Shares. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or</p> <p>(b) in fact exercises control over the Company</p>
“day of the making of the offer”	:	Has the meaning ascribed to it in section 3.1 of this Circular
“Director”	:	A director (whether executive or non-executive) for the time being of the Company
“EPS”	:	Earnings per Share
“Further Rules”	:	Has the meaning ascribed to it in section 3.1 of this Circular
“Group”	:	The Company and its subsidiaries
“Group Company”	:	A company within the Group
“Heng Holdings”	:	Heng Holdings (BVI) Limited
“Highest Last Dealt Price”	:	Has the meaning ascribed to it in section 3.1 of this Circular
“HK”	:	Hong Kong
“HK\$” and “HK cents”	:	Hong Kong dollars and cents respectively
“Immediate Family”	:	A person’s spouse, child, adopted child, step-child, sibling and parent, or such other definition as the SGX-ST may from time to time require
“Interested Person Transactions”	:	Has the meaning ascribed to it in section 2.3 of this Circular

“Interested Persons”	:	Has the meaning ascribed to it in section 2.2 of this Circular
“IPT Mandate”	:	The mandate pursuant to Chapter 9 of the Listing Manual in relation to interested person transactions
“Latest Practicable Date”	:	29 December 2014, being the latest practicable date prior to the date of printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, as amended or modified from time to time
“Management Agreement”	:	Has the meaning ascribed to it in section 2.3 of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchase”	:	Has the meaning ascribed to it in section 3.1 of this Circular
“Maximum Price”	:	Has the meaning ascribed to it in section 3.1 of this Circular
“Memorandum”	:	The Memorandum of Association of the Company
“N.S. Hong”	:	N.S. Hong Investment (BVI) Limited, the controlling shareholder of PAIH
“NA”	:	Net assets
“Net Costs”	:	Has the meaning ascribed to it in section 2,3 (c) of this Circular
“Notice of SGM”	:	The notice of SGM as set out on pages 41 to 44 of this Circular
“NTA”	:	Net tangible assets
“Off-Market Purchase”	:	Has the meaning ascribed to it in section 3.1 of this Circular
“Ordinary Resolution 1”	:	Ordinary Resolution 1 as set out in the Notice of SGM
“Ordinary Resolution 2”	:	Ordinary Resolution 2 as set out in the Notice of SGM
“PAIH”	:	Pacific Andes International Holdings Limited
“PAIH Group”	:	PAIH and its subsidiaries excluding the Group

“PAIH Services”	:	Has the meaning ascribed to it in section 2.3 (b) of this Circular
“PARD Services”	:	Has the meaning ascribed to it in section 2.3 (a) of this Circular
“Processing Subsidiaries”	:	The subsidiaries of PAIH which engage primarily in the business of distribution and processing of frozen seafood products and the supply of such processed frozen seafood products
“Record Date”	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares
“Rights Issue”	:	The proposed renounceable underwritten rights issue by the Company of 3,832,793,870 rights shares at an issue price of S\$0.051 for each rights share, on the basis of four (4) rights shares for every five (5) existing ordinary shares held by Shareholders as at the books closure date, announced by the Company on 25 November 2014
“Rule 14”	:	Rule 14 of the Code
“S\$” or “cents”	:	Singapore dollars and cents respectively
“Services”	:	Has the meaning ascribed to it in section 2.3 of this Circular
“SGM”	:	The special general meeting of the Company, to be held on Monday, 26 January 2015, notice of which is set out on pages 41 to 44 of this Circular
“SGX-ST” or “Exchange”	:	Singapore Exchange Securities Trading Limited
“Share Repurchase”	:	A purchase of Shares pursuant to the Share Repurchase Mandate
“Share Repurchase Mandate”	:	The mandate to enable the Company to purchase or otherwise acquire the issued ordinary Shares
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shareholders, where the context admits, mean Depositors whose securities accounts maintained with CDP are credited with the Shares
“Shares”	:	Shares of par value S\$0.05 each in the share capital of the Company

“SIC”	:	Securities Industry Council
“Subsidiaries”	:	Has the meaning ascribed in the Act
“Substantial Shareholder”	:	Persons who each hold directly and/or indirectly 5% or more of the total issued share capital of the Company
“Takeover Code” or “Code”	:	The Singapore Code on Takeovers and Mergers, as amended or modified from time to time
“%” or “per cent.”	:	Per centum or percentage

In this Circular:

- (i) The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meaning ascribed to them respectively in Section 130A of the Act.
- (ii) The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Act.
- (iii) The term “**control**” shall have the meaning ascribed to it in the Listing Manual of the SGX-ST.
- (iv) Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.
- (v) References to persons shall include corporations.
- (vi) The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.
- (vii) Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in this Circular shall have the same meaning assigned to it under the Act or any statutory modification thereof, as the case may be.
- (viii) Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.
- (ix) Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.
- (x) The Company maintains its accounts and publishes its financial statements in HK\$. This Circular contains conversion of certain Singapore dollar amounts into HK\$ (or vice versa) at specified rates solely for the convenience of the reader. Unless otherwise indicated, the financial figures in this Circular are calculated on the basis of S\$1.30 = US\$1.00 = HK\$7.80.
- (xi) However, such conversion should not be construed as representing that the HK\$ amounts have been, would have been or could be converted into S\$ amounts, or US\$ amounts, or vice versa, at those or any other rates.
- (xii) Some of the financial information in this Circular has been rounded for convenience and as a result, the totals of the data presented in this document may vary slightly from the actual arithmetic totals of such information.



PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED

(Incorporated in Bermuda with limited liability)

Board of Directors:

Mr Ng Joo Siang (Executive Director and Chairman)
Mr Ng Joo Puay, Frank (Managing Director)
Madam Teh Hong Eng (Executive Director)
Mr Ng Joo Kwee (Executive Director)
Lt-Gen (Ret) Ng Jui Ping (Lead Independent Director)
Mr Bertie Cheng Shao Shiong (Independent Director)
Mr Chew Hai Chwee (Independent Director)
Ms Ng Puay Yee (Alternate Director to Madam Teh Hong Eng)
Mr Chan Tak Hei (Alternate Director to Mr Ng Joo Kwee)

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Date: 9 January 2015

To: The Shareholders

Dear Sir/Madam,

(1) THE PROPOSED RENEWAL OF THE MANDATE FOR INTERESTED PERSON TRANSACTIONS; AND

(2) THE PROPOSED RENEWAL OF THE SHARE REPURCHASE MANDATE.

1. INTRODUCTION

1.1 SGM

The Directors are proposing to convene a SGM to be held on Monday, 26 January 2015 to seek Shareholders' approval in relation to the two (2) matters as set out above.

1.2 Circular

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to the above said matters and to seek Shareholders' approval for the resolutions in respect thereof to be tabled at the SGM, as set out in the Notice of SGM on pages 41 to 44 of this Circular.

2. THE PROPOSED RENEWAL OF THE MANDATE FOR INTERESTED PERSON TRANSACTIONS

2.1 Chapter 9 of the Listing Manual

Under Chapter 9 of the Listing Manual, where an issuer or any of its subsidiaries (that are not listed on the Exchange or on an approved exchange) or associated companies (that are not listed on the Exchange or on an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company) proposes to enter into a transaction with the issuer's interested persons, shareholders' approval and/or an immediate announcement is required in respect of the transaction if the value of the transaction is equal to or exceeds certain materiality thresholds. However, an issuer may seek a shareholders' mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations which may be carried out with the issuer's interested persons. Transactions conducted under such a shareholders' mandate are not separately subject to the materiality thresholds.

2.2 Definition of "Interested Person"

The Listing Manual defines an "**interested person**" as:-

- (a) a director, chief executive officer, or controlling shareholder of the issuer; or
- (b) an associate of any such director, chief executive officer or controlling shareholder.

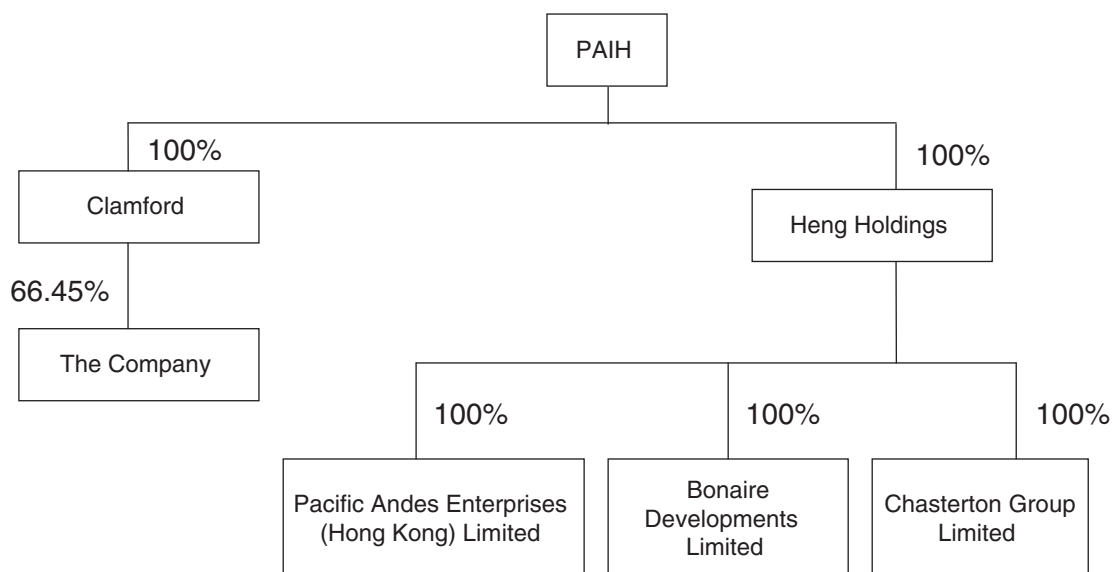
2.3 Interested Person Transactions

The interested person transactions which are to be covered by the IPT Mandate consist of transactions for the provision or receipt of services to or from PAIH (the Controlling Shareholder as at the Latest Practicable Date) and its Processing Subsidiaries (excluding the Group) ("**Interested Persons**") in the normal course of the Group's business, but not in respect of the purchase or sale of assets, undertakings or businesses.

The interested person transactions that will be covered by the IPT Mandate ("**Interested Person Transactions**") comprise management services and support provided between the Company and PAIH pursuant to a management agreement dated 3 September 1996 updated by a supplemental agreement dated 22 July 2003 ("**Management Agreement**") entered into between the Company and PAIH for, *inter alia*, the provision of personnel (including executive directors), office administrative services and office premises and equipment ("**Services**"). The management agreement dated 3 September 1996 was entered into in respect of the provision or procurement of the provision of the Services by the Company to the PAIH Group. The supplemental agreement dated 22 July 2003 varies the terms of this management agreement to *inter alia* take into account the provision or procurement of the provision of certain of the management services and support by PAIH to the Group. The changes effected by the supplemental agreement serve to reflect the change in ownership of Heng Holdings which wholly owns three companies involved in providing certain of the Services, namely, Pacific Andes Enterprises (Hong Kong) Limited, Bonaire Developments Limited and Chasterton Group Limited. The entire share capital of Heng Holdings was acquired by PAIH from the Company in June 2002 which resulted in Heng Holdings and its wholly-owned subsidiaries forming part of the PAIH Group. Following the

change in ownership, the relevant Services previously provided by the subsidiaries of Heng Holdings to the PAIH Group are currently provided to the Group.

Shareholding structure as at the Latest Practicable Date:-



The principal terms of the Management Agreement include the following:-

- (a) The Services to be provided or procured by the Company to the PAIH Group (“**PARD Services**”) include:-
- (i) the provision to PAIH of services of such executive directors as may be requested and on such terms and conditions as may be approved by the board of directors of PAIH;
 - (ii) the provision or procurement of such benefits as the staff and/or executive directors may be entitled to under the terms of their respective service contracts; and
 - (iii) the provision of such office premises (currently located in Hong Kong), equipments and vehicles as may be required by the PAIH Group.

- (b) The Services to be provided or procured by PAIH to the Group ("**PAIH Services**") include:-
- (i) the provision to the Group of services of such personnel (mainly relating to accounting, administration, shipping and trading) as may be required by and on such terms and conditions as may be approved by the Company;
 - (ii) the provision or procurement of such benefits as the staff may be entitled to under the terms of their respective service contracts;
 - (iii) the provision of the use of general office and administrative services as may be required by the Group; and
 - (iv) the provision of such office premises (currently located in Hong Kong), equipments and vehicles as may be required by the Group.
- (c) For the duration of the term of the Management Agreement, the fees payable by the Company to PAIH or vice versa for the provision of the Services under the Management Agreement shall be equivalent to:-
- (i) the costs incurred in the provision of the PAIH Services to the Group which costs shall include interest, labour costs, depreciation on equipments and vehicles (excluding depreciation on properties) and such other overhead expenses attributable to the provision of the PAIH Services and all out-of-pocket expenses, fees and disbursements incurred in the provision of the PAIH Services; and
 - (ii) the estimated prevailing market rentals in respect of the provision of the office premises and accommodation to personnel and directors.

LESS:-

- (iii) the costs incurred in the provision of the PARD Services to the PAIH Group which costs shall include without limitation interest, executive directors' cost, depreciation on equipments and vehicles (excluding depreciation on properties) and such other overhead expenses attributable to the provision of the PARD Services and all out-of-pocket expenses, fees and disbursements incurred in the provision of the PARD Services; and

- (iv) the estimated prevailing market rentals in respect of the provision of the office premises and accommodation to personnel and directors.

(collectively referred to as the “**Net Costs**”) **PROVIDED ALWAYS** that in respect of the shared Services utilised by both the PAIH Group and the Group, the allocation of the Net Costs payable by the Company to PAIH or vice versa shall be calculated using the following formulas:-

- (v) If Net Costs is positive, the amount payable by the Company to PAIH shall be calculated using the following formula:-

$$\text{Net Costs} \times \frac{\text{The Annual Audited Consolidated Turnover of the Group}}{(\text{The Annual Audited Consolidated Turnover of the Group} + \text{The Annual Audited Consolidated Turnover of the Processing Subsidiaries})}$$

- (vi) If Net Costs is negative, the amount payable by PAIH to the Company shall be calculated using the following formula:-

$$\text{Net Costs} \times \frac{\text{The Annual Audited Consolidated Turnover of the Processing Subsidiaries}}{(\text{The Annual Audited Consolidated Turnover of the Group} + \text{The Annual Audited Consolidated Turnover of the Processing Subsidiaries})}$$

The allocation of Net Costs under the Management Agreement will be on a cost basis. By using turnover as a basis of measurement, the above formula is expected to reflect a fair allocation of corporate overheads.

- (d) The Management Agreement commenced with effect from 1 September 1996 for an initial term of three (3) years and continues indefinitely unless otherwise terminated in accordance with the terms and conditions therein. The circumstances under which the Management Agreement may be terminated includes, *inter alia*, either the Company or PAIH giving to the other not less than two (2) months’ notice in writing.

The consolidated amount of fees is approximately HK\$6,861,000 in respect of the PARD Services and approximately HK\$46,073,000 in respect of the PAIH Services for the financial year ended 28 September 2014. The Management Agreement provides for the possibility of inter-company loans between members of the Group and the PAIH Group at interest rates calculated at the lender’s cost of funds. Such inter-company loans will be entered into in the event that the relevant borrowing party is unable to obtain more favourable rates from third party lenders or where the relevant borrowing party is unable to secure financing in a given timeframe. However, the scope of the IPT Mandate will not include such inter-company loans.

2.4 Controls and Review Procedures for Interested Person Transactions under the IPT Mandate

The Company has in place an internal control system to ensure that transactions with interested persons are made on normal commercial terms and will not be prejudicial to the interest of the Company and its minority shareholders.

The audit committee of the Company confirms that the methods and procedures for determining transaction prices have not changed since the last Shareholders' approval of the IPT Mandate on 27 January 2014, and the said methods and procedures are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

(a) Internal Guidelines

The audit committee of the Company has worked with the management to establish internal guidelines in relation to such transactions so as to enhance the Company's corporate governance and internal controls. The audit committee has and may from time to time modify the internal guidelines set out below to adapt to the circumstances and/or businesses of the Group.

In respect of the changes to existing transactions under the Management Agreement within the scope of the IPT Mandate, the management will assess, for the purposes of submitting a quarterly report to the audit committee (as provided for below), whether such changes are on normal commercial terms by adopting the following procedures:-

- (i) The fees paid in respect of the provision of the Services will have to comply strictly with the basis and method of calculation prescribed in the Management Agreement;
- (ii) The management will obtain annually a professional valuation of the market rental rates in respect of the office premises and accommodation for directors and staff provided in connection with the Services under the Management Agreement; and
- (iii) The auditors of the Company will be required to review the Interested Person Transactions annually and advise the audit committee on the compliance of such transactions with the terms of the Management Agreement and the IPT Mandate.

Thereafter, management will submit a report of their findings together with the relevant supporting documents to the audit committee for the committee's consideration. The audit committee will authorise the changes to existing transactions under the Management Agreement within the scope of the IPT Mandate if the audit committee is satisfied that the methods and procedures for determining transaction prices have not changed, transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

Notwithstanding that a transaction is on normal commercial terms, if the audit committee is of the view that there are material variations in the methods or procedures for determining transaction prices from the transaction as set out in this Circular, the audit committee will recommend to the Board to issue a Circular to the Shareholders and convene a Shareholders' meeting to approve the change or the new terms (as the case may be) before the same is implemented.

The audit committee will conduct periodic reviews of the review procedures for Interested Person Transactions and if at any time the audit committee is of the view that the review procedures are insufficient, inappropriate or are unable to ensure that the transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders, the Company will revert to the Shareholders to seek a fresh mandate and an independent financial adviser's opinion will be sought pursuant to the requirements of the Listing Manual.

(b) Abstention from Participating in Review Process

If a member of the Board has an interest in an Interested Person Transaction, he shall abstain from participating in the Company's internal review and approval process in relation to that Interested Person Transaction.

(c) Register

The Company will maintain a register of Interested Person Transactions carried out with Interested Persons (recording the basis on which they are entered into) pursuant to the IPT Mandate.

(d) Disclosures

The Company will:-

- (i) disclose the IPT Mandate in its annual report, giving details of the aggregate value of the transactions conducted pursuant to the IPT Mandate during the financial year; and
- (ii) announce the aggregate value of transactions conducted pursuant to the IPT Mandate for the relevant financial periods in accordance with the Listing Manual.

The disclosure will include the name of the Interested Person and the corresponding aggregate value of the Interested Person Transactions, presented to indicate the aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the IPT Mandate) and the aggregate value of all Interested Person Transactions, conducted under the IPT Mandate (excluding transactions less than S\$100,000).

2.5 Rationale for the IPT Mandate

The implementation of the IPT Mandate will benefit the Group by facilitating the Group's entry into transactions in respect of the Services under the Management Agreement with Interested Persons in the normal course of the Group's business.

By entering into the Management Agreement, the Company and PAIH would avoid additional corporate overheads being incurred between the Group and the PAIH Group. Under the Management Agreement, the executive directors of the Company, namely, Mr Ng Joo Siang, Mr Ng Joo Puay, Frank, Madam Teh Hong Eng and Mr Ng Joo Kwee also provide services as executive directors to PAIH. The sharing of such common executive directors should provide strategic benefits since the Group and the PAIH Group are principally engaged in related businesses. The provision of staff, general office and administrative services in respect of the PAIH Services together with the provision of office premises, equipment and vehicles in respect of both the PAIH Services and PARD Services under the Management Agreement are intended to provide general cost-saving benefits.

The IPT Mandate will also eliminate the need for the Company to convene separate general meetings on each occasion, pursuant to the financial limits imposed under Chapter 9 of the Listing Manual, to seek Shareholders' approval as and when potential transactions with the specified interested persons arise, thereby avoiding the loss of business opportunities and reducing substantially, the administrative time, inconvenience and costs associated with the convening of such meetings.

The review procedures for Interested Person Transactions under the IPT Mandate are intended to ensure that the terms of such transactions are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The IPT Mandate will take effect from the date of the passing of the ordinary resolution relating thereto to be proposed at the SGM and will continue in force until the date of the next AGM. Where relevant, approval from Shareholders will be sought for the renewal of the IPT Mandate, subject to satisfactory review by the audit committee of its continued application to the Interested Person Transactions.

2.6 Statement from the Audit Committee

The audit committee of the Company, comprising Mr Bertie Cheng Shao Shiong, Lt-Gen (Ret) Ng Jui Ping and Mr Chew Hai Chwee, is of the view that the terms of the Interested Person Transactions set out in section 2.3 above are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The audit committee of the Company is also of the view that the review procedures referred to in section 2.4 of this Circular are sufficient to ensure that the Interested Person Transactions are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. However, should the audit committee of the Company subsequently find that the existing procedures require material changes and are no longer relevant, the audit committee of the Company will recommend to the Board that a Shareholders' meeting be convened for Shareholders' approval in respect of a fresh mandate.

3. THE PROPOSED RENEWAL OF THE COMPANY'S SHARE REPURCHASE MANDATE

3.1 Background

At the 2014 SGM, Shareholders had approved the renewal of the Share Repurchase Mandate to enable the Company to purchase or otherwise acquire the issued and fully paid ordinary shares in the capital of the Company.

The Share Repurchase Mandate was expressed to take effect on the date of the passing of the resolution at the date of the 2014 SGM and, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM is or is required by law to be held, whichever is the earlier.

The Company is seeking Shareholders' approval for a renewal of the Share Repurchase Mandate to authorise the Directors to repurchase Shares representing up to a maximum of 10% of the issued ordinary share capital of the Company (as at the date of the last AGM or the date Ordinary Resolution 2 is passed, whichever is higher) at a price of up to but not exceeding the Maximum Price (as defined below), unless the Company has effected a reduction of its share capital in accordance with the applicable provisions under the Bermuda Act, at any time during the Relevant Period (as defined below), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered by the capital reduction (excluding any treasury shares that may be held by the Company from time to time).

"Relevant Period" means the period commencing from the date the last AGM was held before Ordinary Resolution 2 is passed, and expiring on the date the next AGM is held or is required to be held, whichever is earlier, after the date of Ordinary Resolution 2 is passed.

Under the Bermuda Act, a company incorporated in Bermuda may, if authorised by its Memorandum or Bye-laws, purchase its own shares provided that no such purchase may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to meet its liabilities as they become due. The Company's Memorandum provides that it may purchase its own Shares. The Company has also complied with Listing Manual rule 883(1) and the information required under the Act is provided below.

Pursuant to the Listing Manual, share repurchases may be effected by the Company in either one of the following two ways or both:-

- (a) on-market purchases (each a **"Market Purchase"**) transacted through the Exchange's trading system or on another stock exchange on which the Company's equity securities are listed; and/or
- (b) off-market purchases (each an **"Off-Market Purchase"**) in accordance with an equal access scheme as defined in Section 76C of the Act,

and in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, other stock exchange as may for the time being be applicable.

The Directors may impose such terms and conditions which are not inconsistent with the Share Repurchase Mandate, the Bermuda Act, the Act and the Listing Manual as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. An equal access scheme must, however, satisfy the following conditions:-

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offer made to them; and
- (iii) the terms of all the offers are the same except that there shall be disregarded:-
 - (a) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - (b) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and
 - (c) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must, as required by the Listing Manual, issue an offer document containing at least the following information:-

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the renewal of the Share Repurchase Mandate;
- (iv) the consequences, if any, of the Share purchases by the Company that will arise under the Code or other applicable takeover rules;
- (v) whether the Share purchases if made, could affect the listing of the equity securities of the Company on the SGX-ST;
- (vi) details of any Share Repurchases made by the Company in the previous 12 months (whether Market Purchase or Off-Market Purchase in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed the maximum price ("**Maximum Price**") set out below:-

(aa) in the case of a Market Purchase, 105% of the Average Closing Price; and

(bb) in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price,

where:-

"Average Closing Price" is the average of the closing market prices of a Share over the last 5 Market Days on which transactions in the Shares were recorded, preceding the day of the Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

"Highest Last Dealt Price" means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer (as hereafter defined) pursuant to the Off-Market Purchase; and

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

The authority conferred on the Directors by the Share Repurchase Mandate shall, unless earlier revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM is held or required by law to be held, whichever is earlier.

All repurchase of shares are subject to the provisions of the Bermuda Act which includes solvency tests and regulations on the source of payment for the repurchase.

In the event that subsequent to the SGM, there are new rules, regulations, directives or laws enacted or promulgated by the relevant competent authorities including but not limited to the SGX-ST and the SIC (hereinafter, collectively referred to as the "**Further Rules**") that augment, supplement or vary the existing governing provisions set out in the Bermuda Act, the Act and/or the Listing Manual, the Company shall, to the extent that the Further Rules impact on the Share Repurchase Mandate, disseminate to the public by announcement(s), a memorandum setting out such Further Rules and the extent to which the Share Repurchase Mandate is affected by such Further Rules. In such an event, the Company shall not undertake any Share Repurchase until such a memorandum has been publicly disseminated, provided that the Company shall seek Shareholders' approval if compliance with such Further Rules by the Company would exceed the scope of the Share Repurchase Mandate.

3.2 Source of Funds

In effecting Share Repurchases, the Company may only apply funds legally available for such purchase in accordance with its Bye-laws and the applicable laws and regulations in Bermuda and Singapore. Under the Bermuda Act, any Share Repurchase may only be paid out of the capital paid up on the repurchased Shares or out of the funds of the Company which would be otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purposes of the Share Repurchase. Any premium payable on such a purchase over the par value of the Shares to be repurchased must be provided for out of the funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased. The Company may not purchase Shares for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company currently intends to use its internal sources of funds (comprising cash and fixed deposits which would be otherwise available for dividend or distribution) for any Share Repurchase. The Company has not obtained or incurred nor does it intend to obtain or incur any borrowings to finance any Share Repurchase. The Company will not exercise the Share Repurchase Mandate in full to the extent that its internal sources of funds are not sufficient for this purpose, and the Directors do not propose to exercise the Share Repurchase Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially affected.

3.3 Rationale for the Share Repurchase Mandate

Short-term speculation of the Shares may at times cause the market price of the Shares to be depressed below its true value. The Share Repurchase Mandate will provide the Directors with the means to restore investors' confidence and to protect existing Shareholders' investments in the Company in a depressed share-price situation through judicious repurchases of Shares to enhance the earnings per Share and/or the net asset value per Share.

The Share Repurchase Mandate will also provide the Company with an expedient and cost-effective mechanism to facilitate the return of surplus cash over and above its capital requirements to the Shareholders, as and when the Directors are of the view that this would be in the best interests of the Company and the Shareholders.

The Directors will only make a Share Repurchase as and when the circumstances permit and only if the Directors are of the view that such a repurchase is in the best interests of the Company and the Shareholders.

3.4 Status of Repurchased Shares

(A) Cancellation

Any Share which is purchased or acquired by the Company shall, unless held as treasury shares to the extent permitted under the Bermuda Act, be deemed cancelled immediately on purchase, and all rights and privileges attached to that Share will expire on cancellation. The total number of Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares but the cancellation shall not be taken as reducing the amount of the Company's authorised share capital.

All Shares purchased by the Company (other than treasury shares held by the Company to the extent permitted under the Bermuda Act) will be automatically de-listed by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

(B) Treasury Shares

Under the Bermuda Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares.

(i) Maximum Limit

While there is no specific maximum limit to the number of shares which a company can hold as treasury shares, a company may not acquire its own shares to be held as treasury shares if, as a result of the acquisition, all of the company's issued shares, other than the shares to be held as treasury shares, would be non-voting shares. Furthermore, no acquisition by a company of its own shares to be held as treasury shares may be effected, if on the date on which the acquisition is to be effected, there are reasonable grounds for believing that the company is, or after the acquisition would be, unable to pay its liabilities as they become due.

(ii) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares including any right to attend and vote at meetings and any purported exercise of such a right is void.

In addition, no dividend shall be paid, and no other distribution of the Company's assets shall be made, to the Company in respect of treasury shares. However, any allotment of shares as fully paid bonus shares in respect of treasury shares is allowed and shall be treated as if they had been acquired by the Company at the time they were allotted.

(iii) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell any or all of the treasury shares for cash or other consideration;
- (b) transfer any or all of the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer any or all of the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person; or
- (d) cancel any or all of the treasury shares.

3.5 Financial Impact

The financial effects on the Group and the Company arising from its Share Repurchases which may be made pursuant to the Share Repurchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired is Market Purchase or an Off-Market Purchase, whether the Shares are purchased or acquired out of capital and/or profits of the Company and/or the proceeds of a fresh issue of shares made for the purposes of the purchase, the number of Shares purchased or acquired, the consideration paid for such Shares.

Under the Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent.

The repurchased Shares may be cancelled or held as treasury shares. If the Shares are cancelled, the Share Repurchase will reduce the issued share capital of the Company (but not its authorised share capital) by the nominal value of the Shares repurchased. If the Shares are held as treasury shares, the issued share capital of the Company will not be affected.

The financial impact on the Company and the Group arising from Share Repurchases will depend on, *inter alia*, the aggregate number of Shares repurchased or acquired, and the consideration paid at the relevant time.

As the Shareholders are aware, the Company has on 25 November 2014 announced the Rights Issue. For the purposes of computing the Shares representing 10% of the issued ordinary share capital of the Company to determine the maximum limit of the Share Repurchase Mandate, the enlarged share capital of the Company after the Rights Issue shall be disregarded as the indicative timetable in the Company's circular to Shareholders dated 5 December 2014 in relation to, *inter alia*, the Rights Issue, mentions that the listing and quotation of rights shares is expected to take place on 28 January 2015, a date falling after the date of the SGM. However, for the purposes of computing the financial effects on the Group and the Company arising from Share Repurchases, the illustrations below shall have regard to the Rights Issue.

For illustrative purposes only, based on the existing issued and paid-up ordinary share capital of the Company of 4,790,992,338 Shares as at the Latest Practicable Date, and assuming that:-

- (a) the Share Repurchase Mandate had been effective on 29 September 2013;
- (b) the purchase price for a Market Purchase is S\$0.0601 per Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the 5 Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date);
- (c) the purchase price for an Off-Market Purchase is S\$0.0684 per Share (being the price equivalent to 20% above the Highest Dealt Price of the Shares as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date);
- (d) the Share Repurchase Mandate had been exercised in full thereby resulting in the repurchase by the Company of 479,099,233 Shares (representing 10% of Shares in issue as at the Latest Practicable Date) at an aggregate purchase consideration equivalent to approximately HK\$172,648,000 for a Market Purchase or HK\$196,622,000 for an Off-Market Purchase (as the case may be);
- (e) in the case of a Market Purchase by the Company entirely out of proceeds of a fresh issue of Shares, and assuming that the Company purchases or acquires 479,099,233 Shares at the Maximum Price of S\$0.0601 per Share being equivalent to the price of a fresh issue of Shares (excluding related brokerage, goods and services tax, stamp duties, clearance fees and other related expenses);
- (f) in the case of an Off-Market Purchase by the Company entirely out of proceeds of a fresh issue of Shares, and assuming that the Company purchases or acquires 479,099,233 Shares at a Maximum Price of S\$0.0684 per Share being equivalent to the price of a fresh issue of Shares (excluding related brokerage, goods and services tax, stamp duties, clearance fees and other related expenses);
- (g) as at 28 September 2014, the Group and the Company had cash balances and fixed deposits of approximately HK\$1,025,612,000 and HK\$682,000, respectively. In order to effect a Market Purchase of up to 479,099,233 Shares at the Maximum Price computed as of the Latest Practicable Date, cash reserves by the Company of about HK\$172,648,000 will be required;
- (h) the Rights Issue was completed on 29 September 2013 with all net proceeds of approximately HK\$1,153,635,000 from the Rights Issue received by 29 September 2013;
- (i) the net proceeds of the Rights Issue are not taken into account in computing the earnings of the Group.

The proforma financial effects of the Share Repurchase by the Company on the basis of the assumptions set out above for:-

- (a) Market Purchase by the Company entirely out of capital and cancelled; and Market Purchase by the Company entirely out of capital and held as treasury shares;

- (b) Off-Market Purchase by the Company entirely out of capital and cancelled; and Off-Market Purchase by the Company entirely out of capital and held as treasury shares;
- (c) Market Purchase by the Company entirely out of profits and cancelled; and Market Purchase by the Company entirely out of profits and held as treasury shares;
- (d) Off-Market Purchase by the Company entirely out of profits and cancelled; and Off-Market Purchase by the Company entirely out of profits and held as treasury shares;
- (e) Market Purchase by the Company entirely out of the proceeds of a fresh issue of Shares made for the purpose of the purchase and cancelled; and Market Purchase by the Company entirely out of the proceeds of a fresh issue of Shares made for the purpose of the purchase and held as treasury shares;
- (f) Off-Market Purchase by the Company entirely out of the proceeds of a fresh issue of Shares made for the purpose of the purchase and cancelled; and Off-Market Purchase by the Company entirely out of the proceeds of a fresh issue of Shares made for the purpose of the purchase and held as treasury shares;
- (g) Taking into account the Rights Issue, Market Purchase by the Company entirely out of capital and cancelled; and Market Purchase by the Company entirely out of capital and held as treasury shares;
- (h) Taking into account the Rights Issue, Off-Market Purchase by the Company entirely out of capital and cancelled; and Off-Market Purchase by the Company entirely out of capital and held as treasury shares;
- (i) Taking into account the Rights Issue, Market Purchase by the Company entirely out of profits and cancelled; and Market Purchase by the Company entirely out of profits and held as treasury shares;
- (j) Taking into account the Rights Issue, Off-Market Purchase by the Company entirely out of profits and cancelled; and Off-Market Purchase by the Company entirely out of profits and held as treasury shares;
- (k) Taking into account the Rights Issue, Market Purchase by the Company entirely out of the proceeds of a fresh issue of Shares made for the purpose of the purchase and cancelled; and Market Purchase by the Company entirely out of the proceeds of a fresh issue of Shares made for the purpose of the purchase and held as treasury shares; and
- (l) Taking into account the Rights Issue, Off-Market Purchase by the Company entirely out of the proceeds of a fresh issue of Shares made for the purpose of the purchase and cancelled; and Off-Market Purchase by the Company entirely out of the proceeds of a fresh issue of Shares made for the purpose of the purchase and held as treasury shares,

based on the audited financial statement of the Group and the Company for the year ended 28 September 2014 Results would be as follows:-

(a) Market Purchase by the Company entirely out of capital and cancelled; and Market Purchase by the Company entirely out of capital and held as treasury shares

	GROUP (HK\$'000)			COMPANY (HK\$'000)		
	Before Share Repurchase As at 28 September 2014	After Share Held as treasury shares	Repurchase Cancelled	Before Share Repurchase As at 28 September 2014	After Share Held as treasury shares	Repurchase Cancelled
Shareholders' Funds	15,061,647	14,888,999	14,888,999	6,353,123	6,180,475	6,180,475
NA ⁽¹⁾	15,061,647	14,888,999	14,888,999	6,353,123	6,180,475	6,180,475
Current Assets	14,928,324	14,755,676	14,755,676	4,374	–	–
Current Liabilities	6,842,359	6,842,359	6,842,359	23,924	192,198	192,198
Working Capital	8,085,965	7,913,317	7,913,317	(19,550)	(192,198)	(192,198)
Number of issued and fully paid Shares ('000)	4,790,992	4,311,893	4,311,893	4,790,992	4,311,893	4,311,893
Number of treasury shares ('000)	–	479,099	–	–	479,099	–

Financial Ratios

NA per Share (HK\$)	3.14	3.45	3.45	1.33	1.43	1.43
Earnings per Share (HK cents) ⁽²⁾	19.90	22.11	22.11	12.01	13.34	13.34
Gearing ⁽³⁾	0.97	0.98	0.98	0.19	0.19	0.19
Current Ratio ⁽⁴⁾	2.18	2.16	2.16	0.18	–	–

Notes:-

- (1) NA equals Shareholders' funds.
- (2) Earnings per Share based on the weighted average number of issued Shares of 4,790,992,000 and 4,311,893,000 Shares before and after Share Repurchase respectively.
- (3) Gearing equals total borrowings divided by Shareholders' funds.
- (4) Current ratio equals current assets divided by current liabilities.

(b) Off-Market Purchase by the Company entirely out of capital and cancelled; and Off-Market Purchase by the Company entirely out of capital and held as treasury shares

	GROUP (HK\$'000)			COMPANY (HK\$'000)		
	Before Share Repurchase As at 28 September 2014	After Share Held as treasury shares	Repurchase Cancelled	Before Share Repurchase As at 28 September 2014	After Share Held as treasury shares	Repurchase Cancelled
Shareholders' Funds	15,061,647	14,865,025	14,865,025	6,353,123	6,156,501	6,156,501
NA ⁽¹⁾	15,061,647	14,865,025	14,865,025	6,353,123	6,156,501	6,156,501
Current Assets	14,928,324	14,731,702	14,731,702	4,374	–	–
Current Liabilities	6,842,359	6,842,359	6,842,359	23,924	216,172	216,172
Working Capital	8,085,965	7,889,343	7,889,343	(19,550)	(216,172)	(216,172)
Number of issued and fully paid Shares ('000)	4,790,992	4,311,893	4,311,893	4,790,992	4,311,893	4,311,893
Number of treasury shares ('000)	–	479,099	–	–	479,099	–
Financial Ratios						
NA per Share (HK\$)	3.14	3.45	3.45	1.33	1.43	1.43
Earnings per Share (HK cents) ⁽²⁾	19.90	22.11	22.11	12.01	13.34	13.34
Gearing ⁽³⁾	0.97	0.98	0.98	0.19	0.19	0.19
Current Ratio ⁽⁴⁾	2.18	2.15	2.15	0.18	–	–

Notes:-

(1) NA equals Shareholders' funds.

(2) Earnings per Share based on the weighted average number of issued Shares of 4,790,992,000 and 4,311,893,000 Shares before and after Share Repurchase respectively.

(3) Gearing equals total borrowings divided by Shareholders' funds.

(4) Current ratio equals current assets divided by current liabilities.

(c) Market Purchase by the Company entirely out of profits and cancelled; and Market Purchase by the Company entirely out of profits and held as treasury shares

	GROUP (HK\$'000)			COMPANY (HK\$'000)		
	Before Share Repurchase As at 28 September 2014	After Share Held as treasury shares	Repurchase Cancelled	Before Share Repurchase As at 28 September 2014	After Share Held as treasury shares	Repurchase Cancelled
Shareholders' Funds	15,061,647	14,888,999	14,888,999	6,353,123	6,180,475	6,180,475
NA ⁽¹⁾	15,061,647	14,888,999	14,888,999	6,353,123	6,180,475	6,180,475
Current Assets	14,928,324	14,755,676	14,755,676	4,374	–	–
Current Liabilities	6,842,359	6,842,359	6,842,359	23,924	192,198	192,198
Working Capital	8,085,965	7,913,317	7,913,317	(19,550)	(192,198)	(192,198)
Number of issued and fully paid Shares ('000)	4,790,992	4,311,893	4,311,893	4,790,992	4,311,893	4,311,893
Number of treasury shares ('000)	–	479,099	–	–	479,099	–
Financial Ratios						
NA per Share (HK\$)	3.14	3.45	3.45	1.33	1.43	1.43
Earnings per Share (HK cents) ⁽²⁾	19.90	22.11	22.11	12.01	13.34	13.34
Gearing ⁽³⁾	0.97	0.98	0.98	0.19	0.19	0.19
Current Ratio ⁽⁴⁾	2.18	2.16	2.16	0.18	–	–

Notes:-

(1) NA equals Shareholders' funds.

(2) Earnings per Share based on the weighted average number of issued Shares of 4,790,992,000 and 4,311,893,000 Shares before and after Share Repurchase respectively.

(3) Gearing equals total borrowings divided by Shareholders' funds.

(4) Current ratio equals current assets divided by current liabilities.

(d) Off-Market Purchase by the Company entirely out of profits and cancelled; and Off-Market Purchase by the Company entirely out of profits and held as treasury shares

	GROUP (HK\$'000)			COMPANY (HK\$'000)		
	Before Share Repurchase As at 28 September 2014	After Share Held as treasury shares	Repurchase Cancelled	Before Share Repurchase As at 28 September 2014	After Share Held as treasury shares	Repurchase Cancelled
Shareholders' Funds	15,061,647	14,865,025	14,865,025	6,353,123	6,156,501	6,156,501
NA ⁽¹⁾	15,061,647	14,865,025	14,865,025	6,353,123	6,156,501	6,156,501
Current Assets	14,928,324	14,731,702	14,731,702	4,374	–	–
Current Liabilities	6,842,359	6,842,359	6,842,359	23,924	216,172	216,172
Working Capital	8,085,965	7,889,343	7,889,343	(19,550)	(216,172)	(216,172)
Number of issued and fully paid Shares ('000)	4,790,992	4,311,893	4,311,893	4,790,992	4,311,893	4,311,893
Number of treasury shares ('000)	–	479,099	–	–	479,099	–
Financial Ratios						
NA per Share (HK\$)	3.14	3.45	3.45	1.33	1.43	1.43
Earnings per Share (HK cents) ⁽²⁾	19.90	22.11	22.11	12.01	13.34	13.34
Gearing ⁽³⁾	0.97	0.98	0.98	0.19	0.19	0.19
Current Ratio ⁽⁴⁾	2.18	2.15	2.15	0.18	–	–

Notes:-

(1) NA equals Shareholders' funds.

(2) Earnings per Share based on the weighted average number of issued Shares of 4,790,992,000 and 4,311,893,000 Shares before and after Share Repurchase respectively.

(3) Gearing equals total borrowings divided by Shareholders' funds.

(4) Current ratio equals current assets divided by current liabilities.

(e) Market Purchase by the Company entirely out of the proceeds of a fresh issue of shares made for the purpose of the purchase and cancelled; and Market Purchase by the Company entirely out of the proceeds of a fresh issue of shares made for the purpose of the purchase and held as treasury shares

	GROUP (HK\$'000)			COMPANY (HK\$'000)		
	Before Share Repurchase As at 28 September 2014	After Share Held as treasury shares	Repurchase Cancelled	Before Share Repurchase As at 28 September 2014	After Share Held as treasury shares	Repurchase Cancelled
Shareholders' Funds	15,061,647	15,061,647	15,061,647	6,353,123	6,353,123	6,353,123
NA ⁽¹⁾	15,061,647	15,061,647	15,061,647	6,353,123	6,353,123	6,353,123
Current Assets	14,928,324	14,928,324	14,928,324	4,374	4,374	4,374
Current Liabilities	6,842,359	6,842,359	6,842,359	23,924	23,924	23,924
Working Capital	8,085,965	8,085,965	8,085,965	(19,550)	(19,550)	(19,550)
Number of issued and fully paid Shares ('000)	4,790,992	4,790,992	4,790,992	4,790,992	4,790,992	4,790,992
Number of treasury shares ('000)	–	479,099	–	–	479,099	–

Financial Ratios

NA per Share (HK\$)	3.14	3.14	3.14	1.33	1.33	1.33
Earnings per Share (HK cents) ⁽²⁾	19.90	19.90	19.90	12.01	12.01	12.01
Gearing ⁽³⁾	0.97	0.97	0.97	0.19	0.19	0.19
Current Ratio ⁽⁴⁾	2.18	2.18	2.18	0.18	0.18	0.18

Notes:-

- (1) NA equals Shareholders' funds.
- (2) Earnings per Share based on the weighted average number of issued Shares of 4,790,992,000 Shares.
- (3) Gearing equals total borrowings divided by Shareholders' funds.
- (4) Current ratio equals current assets divided by current liabilities.

- (f) **Off-Market Purchase by the Company entirely out of the proceeds of a fresh issue of shares made for the purpose of the purchase and cancelled; and Off-Market Purchase by the Company entirely out of the proceeds of a fresh issue of shares made for the purpose of the purchase and held as treasury shares**

	GROUP (HK\$'000)			COMPANY (HK\$'000)		
	Before Share Repurchase As at 28 September 2014	After Share Held as treasury shares	Repurchase Cancelled	Before Share Repurchase As at 28 September 2014	After Share Held as treasury shares	Repurchase Cancelled
Shareholders' Funds	15,061,647	15,061,647	15,061,647	6,353,123	6,353,123	6,353,123
NA ⁽¹⁾	15,061,647	15,061,647	15,061,647	6,353,123	6,353,123	6,353,123
Current Assets	14,928,324	14,928,324	14,928,324	4,374	4,374	4,374
Current Liabilities	6,842,359	6,842,359	6,842,359	23,924	23,924	23,924
Working Capital	8,085,965	8,085,965	8,085,965	(19,550)	(19,550)	(19,550)
Number of issued and fully paid Shares ('000)	4,790,992	4,790,992	4,790,992	4,790,992	4,790,992	4,790,992
Number of treasury shares ('000)	–	479,099	–	–	479,099	–

Financial Ratios

NA per Share (HK\$)	3.14	3.14	3.14	1.33	1.33	1.33
Earnings per Share (HK cents) ⁽²⁾	19.90	19.90	19.90	12.01	12.01	12.01
Gearing ⁽³⁾	0.97	0.97	0.97	0.19	0.19	0.19
Current Ratio ⁽⁴⁾	2.18	2.18	2.18	0.18	0.18	0.18

Notes:-

- (1) NA equals Shareholders' funds.
- (2) Earnings per Share based on the weighted average number of issued Shares of 4,790,992,000 Shares.
- (3) Gearing equals total borrowings divided by Shareholders' funds.
- (4) Current ratio equals current assets divided by current liabilities.

(g) Taking into account the Rights Issue, Market Purchase by the Company entirely out of capital and cancelled; and Market Purchase by the Company entirely out of capital and held as treasury shares

	GROUP (HK\$'000)			COMPANY (HK\$'000)		
	Before Share Repurchase (After Rights Issue) As at 28 September 2014	After Share Repurchase (After Rights Issue) Held as treasury shares	Cancelled	Before Share Repurchase (After Rights Issue) As at 28 September 2014	After Share Repurchase (After Rights Issue) Held as treasury shares	Cancelled
Shareholders' Funds	16,215,282	16,042,634	16,042,634	7,506,758	7,334,110	7,334,110
NA ⁽¹⁾	16,215,282	16,042,634	16,042,634	7,506,758	7,334,110	7,334,110
Current Assets	16,081,959	15,909,311	15,909,311	1,158,009	985,361	985,361
Current Liabilities	6,842,359	6,842,359	6,842,359	23,924	23,924	23,924
Working Capital	9,239,600	9,066,952	9,066,952	1,134,085	961,437	961,437
Number of issued and fully paid Shares ('000)	4,790,992	4,311,893	4,311,893	4,790,992	4,311,893	4,311,893
Number of treasury shares ('000)	–	479,099	–	–	479,099	–

Financial Ratios

NA per Share (HK\$)	3.38	3.72	3.72	1.57	1.70	1.70
Earnings per Share (HK cents) ⁽²⁾	19.90	22.11	22.11	12.01	13.34	13.34
Gearing ⁽³⁾	0.90	0.91	0.91	0.16	0.16	0.16
Current Ratio ⁽⁴⁾	2.35	2.33	2.33	48.40	41.19	41.19

Notes:-

- (1) NA equals Shareholders' funds.
- (2) Earnings per Share based on the weighted average number of issued Shares of 4,790,992,000 and 4,311,893,000 Shares before and after Share Repurchase respectively, taking into the Rights Issue into account.
- (3) Gearing equals total borrowings divided by Shareholders' funds.
- (4) Current ratio equals current assets divided by current liabilities.

(h) Taking into account the Rights Issue, Off-Market Purchase by the Company entirely out of capital and cancelled; and Off-Market Purchase by the Company entirely out of capital and held as treasury shares

	GROUP (HK\$'000)			COMPANY (HK\$'000)		
	Before Share Repurchase (After Rights Issue) As at 28 September 2014	After Share Repurchase (After Rights Issue) Held as treasury shares	Cancelled	Before Share Repurchase (After Rights Issue) As at 28 September 2014	After Share Repurchase (After Rights Issue) Held as treasury shares	Cancelled
Shareholders' Funds	16,215,282	16,018,600	16,018,600	7,506,758	7,310,136	7,310,136
NA ⁽¹⁾	16,215,282	16,018,600	16,018,600	7,506,758	7,310,136	7,310,136
Current Assets	16,081,959	15,885,337	15,885,337	1,158,009	961,387	961,387
Current Liabilities	6,842,359	6,842,359	6,842,359	23,924	23,924	23,924
Working Capital	9,239,600	9,042,978	9,042,978	1,134,085	937,463	937,463
Number of issued and fully paid Shares ('000)	4,790,992	4,311,893	4,311,893	4,790,992	4,311,893	4,311,893
Number of treasury shares ('000)	–	479,099	–	–	479,099	–

Financial Ratios

NA per Share (HK\$)	3.38	3.71	3.71	1.57	1.70	1.70
Earnings per Share (HK cents) ⁽²⁾	19.90	22.11	22.11	12.01	13.34	13.34
Gearing ⁽³⁾	0.90	0.91	0.91	0.16	0.16	0.16
Current Ratio ⁽⁴⁾	2.35	2.32	2.32	48.40	40.19	40.19

Notes:-

(1) NA equals Shareholders' funds.

(2) Earnings per Share based on the weighted average number of issued Shares of 4,790,992,000 and 4,311,893,000 Shares before and after Share Repurchase respectively, taking into the Rights Issue into account.

(3) Gearing equals total borrowings divided by Shareholders' funds.

(4) Current ratio equals current assets divided by current liabilities.

(i) Taking into account the Rights Issue, Market Purchase by the Company entirely out of profits and cancelled; and Market Purchase by the Company entirely out of profits and held as treasury shares

	GROUP (HK\$'000)			COMPANY (HK\$'000)		
	Before Share Repurchase (After Rights Issue) As at 28 September 2014	After Share Repurchase (After Rights Issue) Held as treasury shares	Cancelled	Before Share Repurchase (After Rights Issue) As at 28 September 2014	After Share Repurchase (After Rights Issue) Held as treasury shares	Cancelled
Shareholders' Funds	16,215,282	16,042,634	16,042,634	7,506,758	7,334,110	7,334,110
NA ⁽¹⁾	16,215,282	16,042,634	16,042,634	7,506,758	7,334,110	7,334,110
Current Assets	16,081,959	15,909,311	15,909,311	1,158,009	985,361	985,361
Current Liabilities	6,842,359	6,842,359	6,842,359	23,924	23,924	23,924
Working Capital	9,239,600	9,066,952	9,066,952	1,134,085	961,437	961,437
Number of issued and fully paid Shares ('000)	4,790,992	4,311,893	4,311,893	4,790,992	4,311,893	4,311,893
Number of treasury shares ('000)	–	479,099	–	–	479,099	–

Financial Ratios

NA per Share (HK\$)	3.38	3.72	3.72	1.57	1.70	1.70
Earnings per Share (HK cents) ⁽²⁾	19.90	22.11	22.11	12.01	13.34	13.34
Gearing ⁽³⁾	0.90	0.91	0.91	0.16	0.16	0.16
Current Ratio ⁽⁴⁾	2.35	2.33	2.33	48.40	41.19	41.19

Notes:-

(1) NA equals Shareholders' funds.

(2) Earnings per Share based on the weighted average number of issued Shares of 4,790,992,000 and 4,311,893,000 Shares before and after Share Repurchase respectively, taking into the Rights Issue into account.

(3) Gearing equals total borrowings divided by Shareholders' funds.

(4) Current ratio equals current assets divided by current liabilities.

(j) Taking into account the Rights Issue, Off-Market Purchase by the Company entirely out of profits and cancelled; and Off-Market Purchase by the Company entirely out of profits and held as treasury shares

	GROUP (HK\$'000)			COMPANY (HK\$'000)		
	Before Share Repurchase (After Rights Issue) As at 28 September 2014	After Share Repurchase (After Rights Issue) Held as treasury shares	Cancelled	Before Share Repurchase (After Rights Issue) As at 28 September 2014	After Share Repurchase (After Rights Issue) Held as treasury shares	Cancelled
Shareholders' Funds	16,215,282	16,018,600	16,018,600	7,506,758	7,310,136	7,310,136
NA ⁽¹⁾	16,215,282	16,018,600	16,018,600	7,506,758	7,310,136	7,310,136
Current Assets	16,081,959	15,885,337	15,885,337	1,158,009	961,387	961,387
Current Liabilities	6,842,359	6,842,359	6,842,359	23,924	23,924	23,924
Working Capital	9,239,600	9,042,978	9,042,978	1,134,085	937,463	937,463
Number of issued and fully paid Shares ('000)	4,790,992	4,311,893	4,311,893	4,790,992	4,311,893	4,311,893
Number of treasury shares ('000)	–	479,099	–	–	479,099	–
Financial Ratios						
NA per Share (HK\$)	3.38	3.71	3.71	1.57	1.70	1.70
Earnings per Share (HK cents) ⁽²⁾	19.90	22.11	22.11	12.01	13.34	13.34
Gearing ⁽³⁾	0.90	0.91	0.91	0.16	0.16	0.16
Current Ratio ⁽⁴⁾	2.35	2.32	2.32	48.40	40.19	40.19

Notes:-

(1) NA equals Shareholders' funds.

(2) Earnings per Share based on the weighted average number of issued Shares of 4,790,992,000 and 4,311,893,000 Shares before and after Share Repurchase respectively, taking into the Rights Issue into account.

(3) Gearing equals total borrowings divided by Shareholders' funds.

(4) Current ratio equals current assets divided by current liabilities.

- (k) Taking into account the Rights Issue, Market Purchase by the Company entirely out of the proceeds of a fresh issue of shares made for the purpose of the purchase and cancelled; and Market Purchase by the Company entirely out of the proceeds of a fresh issue of shares made for the purpose of the purchase and held as treasury shares

	GROUP (HK\$'000)			COMPANY (HK\$'000)		
	Before Share Repurchase (After Rights Issue) As at 28 September 2014	After Share Repurchase (After Rights Issue) Held as treasury shares	Cancelled	Before Share Repurchase (After Rights Issue) As at 28 September 2014	After Share Repurchase (After Rights Issue) Held as treasury shares	Cancelled
Shareholders' Funds	16,215,282	16,215,282	16,215,282	7,506,758	7,506,758	7,506,758
NA ⁽¹⁾	16,215,282	16,215,282	16,215,282	7,506,758	7,506,758	7,506,758
Current Assets	16,081,959	16,081,959	16,081,959	1,158,009	1,158,009	1,158,009
Current Liabilities	6,842,359	6,842,359	6,842,359	23,924	23,924	23,924
Working Capital	9,239,600	9,239,600	9,239,600	1,134,085	1,134,085	1,134,085
Number of issued and fully paid Shares ('000)	4,790,992	4,790,992	4,790,992	4,790,992	4,790,992	4,790,992
Number of treasury shares ('000)	–	479,099	–	–	479,099	–
Financial Ratios						
NA per Share (HK\$)	3.38	3.38	3.38	1.57	1.57	1.57
Earnings per Share (HK cents) ⁽²⁾	19.90	19.90	19.90	12.01	12.01	12.01
Gearing ⁽³⁾	0.90	0.90	0.90	0.16	0.16	0.16
Current Ratio ⁽⁴⁾	2.35	2.35	2.35	48.40	48.40	48.40

Notes:-

- (1) NA equals Shareholders' funds.
- (2) Earnings per Share based on the weighted average number of issued Shares of 4,790,992,000 Shares, taking the Rights Issue into account.
- (3) Gearing equals total borrowings divided by Shareholders' funds.
- (4) Current ratio equals current assets divided by current liabilities.

- (I) Taking into account the Rights Issue, Off-Market Purchase by the Company entirely out of the proceeds of a fresh issue of shares made for the purpose of the purchase and cancelled; and Off-Market Purchase by the Company entirely out of the proceeds of a fresh issue of shares made for the purpose of the purchase and held as treasury shares

	GROUP (HK\$'000)			COMPANY (HK\$'000)		
	Before Share Repurchase (After Rights Issue) As at 28 September 2014	After Share Repurchase (After Rights Issue) Held as treasury shares	Cancelled	Before Share Repurchase (After Rights Issue) As at 28 September 2014	After Share Repurchase (After Rights Issue) Held as treasury shares	Cancelled
Shareholders' Funds	16,215,282	16,215,282	16,215,282	7,506,758	7,506,758	7,506,758
NA ⁽¹⁾	16,215,282	16,215,282	16,215,282	7,506,758	7,506,758	7,506,758
Current Assets	16,081,959	16,081,959	16,081,959	1,158,009	1,158,009	1,158,009
Current Liabilities	6,842,359	6,842,359	6,842,359	23,924	23,924	23,924
Working Capital	9,239,600	9,239,600	9,239,600	1,134,085	1,134,085	1,134,085
Number of issued and fully paid Shares ('000)	4,790,992	4,790,992	4,790,992	4,790,992	4,790,992	4,790,992
Number of treasury shares ('000)	–	479,099	–	–	479,099	–

Financial Ratios

NA per Share (HK\$)	3.38	3.38	3.38	1.57	1.57	1.57
Earnings per Share (HK cents) ⁽²⁾	19.90	19.90	19.90	12.01	12.01	12.01
Gearing ⁽³⁾	0.90	0.90	0.90	0.16	0.16	0.16
Current Ratio ⁽⁴⁾	2.35	2.35	2.35	48.40	48.40	48.40

Notes:-

- (1) NA equals Shareholders' funds.
- (2) Earnings per Share based on the weighted average number of issued Shares of 4,790,992,000 Shares, taking the Rights Issue into account.
- (3) Gearing equals total borrowings divided by Shareholders' funds.
- (4) Current ratio equals current assets divided by current liabilities.

In determining the above figures, the Company did not take into account interests of about HK\$641,000 (in the case of a Market Purchase) or about HK\$730,000 (in the case of an Off-Market Purchase) that would be foregone should its cash reserves be utilised to finance the Share Repurchase of up to 479,099,233 Shares at the Maximum Price.

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only.

Although the Share Repurchase Mandate would authorise the Company to buyback Shares of up to 10% of the issued share capital of the Company, the Company may not necessarily repurchase or be able to repurchase 10% of the issued share capital of the Company in full. Further, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

The Directors do not propose to exercise the Share Repurchase Mandate to an extent that would materially and adversely affect the working capital requirements of the Company, and the Company will not obtain nor incur any borrowings to finance any Share Repurchase. The repurchase of Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The Share Repurchase Mandate will only be exercised in the best interest of the Company, for example, to enhance the earnings per Share.

3.6 Takeover Code Implications arising from Share Repurchases

If as a result of any purchase or acquisition by a company of its shares, a shareholder's proportionate interest in the voting capital of the company increases, such increase will be treated as an acquisition for the purposes of the Code. If such increase results in a change in effective control, or as a result of such increase a shareholder or group of shareholders acting in concert obtain or consolidate effective control, it may in certain circumstances give rise to an obligation on the part of such shareholder(s) to make a takeover offer under Rule 14 of the Code.

The circumstances under which shareholders, including directors and persons acting in concert with them respectively, will incur an obligation to make a takeover offer are set out at Appendix 2 and Rule 14 of the Code. Appendix 2 of the Code also advises shareholders to consult the SIC at the earliest opportunity as to whether they will incur a takeover obligation as a consequence of the purchase of shares by a company.

In relation to directors and persons acting in concert with them, Appendix 2 of the Code provides that unless exempted (prior exemption of the SIC is obtained), directors and/or persons acting in concert with them will incur an obligation to make a takeover offer if, as a result of a purchase of shares by the company:-

- (1) the percentage of voting rights held by such directors and their concert parties in the company increases to thirty per cent. (30%) or more; or
- (2) if they together hold between thirty per cent. (30%) and fifty per cent. (50%) of the company's voting rights, their voting rights are increased by more than one per cent. (1%) in any period of 6 months.

For directors and persons acting in concert with them, the offer must be in cash or be accompanied by a cash alternative at the higher of:-

- (1) the highest price paid by the directors and/or persons acting in concert with them for the shares in the 6 months preceding the offer; or
- (2) the highest price paid by the company for shares pursuant to a valid share repurchase mandate approved at the latest general meeting of the company in the 6 months preceding the offer.

For this purpose, a company whose equity share capital is owned or controlled, as to 20% or more, by a corporate shareholder is regarded as an associate of that corporate shareholder.

The interests of the Directors and Substantial Shareholders in the Shares are disclosed in page 37 of this Circular.

As at the Latest Practicable Date, Clamford has an aggregate direct and deemed interest in 3,183,782,212 Shares constituting approximately 66.45% of the issued and paid up share capital of the Company. Clamford is the wholly-owned subsidiary of PAIH and therefore PAIH has a deemed interest in the Shares held by Clamford. N.S. Hong is deemed to hold a total of 3,183,782,212 Shares by virtue of its deemed interest in the Shares held by PAIH. In the circumstances, as the aforesaid Substantial Shareholders own more than 50% of the issued share capital of the Company, they are not obliged to make a general offer under Rule 14 and Appendix 2 of the Code in the event of a Share Repurchase by the Company.

Save as stated above, the Directors are not aware of any other facts or factors which suggest or imply that any other person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting Shares in the capital of the Company should or ought to be consolidated, and consequences under the Code would ensue as a result of a Share Repurchase by the Company.

The above summary is qualified in its entirety by reference to the Code. Shareholders who are in doubt as to whether they would incur any obligation to make a takeover offer as a result of any repurchase of Shares by the Company pursuant to the renewed Share Repurchase Mandate are advised to consult their professional advisers and/or the SIC and/or other relevant authorities before they acquire any Shares during the period when the Share Repurchase Mandate is in force.

3.7 Listing Manual Requirements

The Listing Manual specifies that a listed company shall report all share buy-backs to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day on which it purchased shares, and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement must include details of the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable.

The notification of such purchases or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Repurchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. The Company will not deal in its securities during the period commencing two weeks before the announcement of the Company’s financial statements for each of the first three quarters of its financial year, and one month before the announcement of the financial statement for the full financial year, as the case may be, and ending on the date of release of the announcement of the relevant results.

3.8 Listing Status on SGX-ST

The Listing Manual requires an issuer to ensure that at least 10% of equity securities (excluding preference shares and convertible equity securities) in a class that is listed at all times held by the public. The “**public**”, as defined under the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the company and its subsidiaries as well as the associates of such persons.

As at the Latest Practicable Date, approximately 33.43% of the Shares are held by the public. In the event that the Company should, pursuant to the Share Repurchase Mandate, purchase or acquire its Shares up to the full 10% limit, about 26.04% of the Shares would continue to be in the hands of the public. Further, the Rights Issue shall take place on an underwritten basis and Clamford and PAIH have irrevocably undertaken to subscribe for or procure subscription for their respective pro rata entitlements only and no excess applications. As such, the Rights Issue is unlikely to affect the percentage of Shares held in the hands of the public. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by the public which would permit the Company to undertake purchases of its Shares up to the full 10% limit pursuant to the proposed Shares Repurchase Mandate without affecting the listing status of the Shares on the SGX-ST. The Directors will at all times ensure that when purchasing any Shares pursuant to the Shares Repurchase Mandate, at least 10% of its Shares will remain in the hands of the public in accordance with the Listing Manual without:-

- (a) affecting the listing status of the Shares on the SGX-ST;
- (b) causing market illiquidity of the Shares; or
- (c) affecting adversely the orderly trading of the Shares.

3.9 Details of Share Repurchase pursuant to the Share Repurchase Mandate approved at the 2014 SGM

As at the Latest Practicable Date, the Company has not undertaken any repurchase of Shares pursuant to the Share Repurchase Mandate approved at the 2014 SGM.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date:-

(a) Directors' Interests

Mr Ng Joo Siang, Mr Ng Joo Puay, Frank, Madam Teh Hong Eng and Mr Ng Joo Kwee are directors of both the Company and PAIH. These Directors, other than Mr Bertie Cheng Shao Shiong, Lt-Gen (Ret) Ng Jui Ping and Mr Chew Hai Chwee, shall abstain from making any recommendation in respect of the IPT Mandate.

(b) Controlling Shareholders' Interests

Clamford, the Controlling Shareholder, is a wholly-owned subsidiary of PAIH. Accordingly, Clamford and its associates shall abstain from voting on Ordinary Resolution 1 in respect of the IPT Mandate.

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in Shares, based on the Company's register of interests of Directors and register of Substantial Shareholders respectively, are as follows:-

	Number of Shares		Number of Shares	
	Direct Interest	%	Deemed Interest	%
Director				
Mr Ng Joo Siang	-	-	-	-
Mr Ng Joo Puay, Frank	-	-	-	-
Madam Teh Hong Eng	-	-	-	-
Mr Ng Joo Kwee	-	-	-	-
Mr Bertie Cheng Shao Shiong	-	-	5,128,474 ⁽¹⁾	0.11
Lt-Gen (Ret) Ng Jui Ping	252,900	0.005	-	-
Mr Chew Hai Chwee	-	-	-	-
Ms Ng Puay Yee (Alternate Director)	-	-	-	-
Mr Chan Tak Hei (Alternate Director)	-	-	-	-
Substantial Shareholder				
Clamford	3,131,957,257	65.37	51,824,955 ⁽²⁾	1.08
PAIH ⁽³⁾	-	-	3,183,782,212	66.45
N.S. Hong ⁽⁴⁾	-	-	3,183,782,212	66.45

Notes:-

- (1) These Shares are held in the name of Hong Leong Finance Nominees Pte. Ltd.
- (2) Clamford's deemed interest comprises 34,012,455 Shares held in the name of UOB Kay Hian Pte Ltd and 17,812,500 Shares held in the name of Nomura Singapore Limited.
- (3) PAIH is deemed to hold a total of 3,183,782,212 Shares by virtue of its deemed interest in the Shares held by Clamford.
- (4) N.S. Hong is deemed to hold a total of 3,183,782,212 Shares by virtue of its deemed interest in the Shares held by PAIH.

Save as disclosed above, none of the Directors or their associates and as far as the Directors are aware, none of the Substantial Shareholders or their associates have any interest, direct or indirect, in the Shares.

5. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on pages 41 to 44 of this Circular, will be held at Vanda Ballroom, Level 5, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594, on Monday, 26 January 2015 at 2:30 p.m. (or as soon thereafter as the conclusion or adjournment of the AGM convened to be held on the same day at 2:00 p.m. and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions set out in the said notice.

6. DIRECTORS' RECOMMENDATION

6.1 IPT Mandate

For the reasons set out in section 2.5, Mr Bertie Cheng Shao Shiong, Lt-Gen (Ret) Ng Jui Ping and Mr Chew Hai Chwee are of the opinion that the proposed IPT Mandate is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 1 relating to the renewal of the IPT Mandate to be proposed at the SGM.

6.2 Share Repurchase

For the reasons set out in section 3.3, the Directors are of the opinion that the proposed Share Repurchase Mandate for the repurchase of Shares by the Company is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 2 relating to the renewal of the Share Repurchase Mandate to be proposed at the SGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

7.1 Appointment of Proxies

If a Shareholder (who is a registered shareholder of the Company) is unable to attend the SGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 2:30 p.m. on Saturday, 24 January 2015, not less than forty-eight (48) hours before the time fixed for the SGM. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the SGM in person if he so wishes. **Please note that this paragraph is only applicable to Shareholders who do not hold Shares through an account with CDP (i.e. who hold Shares in scrip).**

Under the Bermuda Act, only a person whose name is entered in the register of members of a Bermuda company may have rights to attend and vote at general meetings of such company. Accordingly, under Bermuda laws, a Depositor holding Shares through the CDP would not be recognised as a Shareholder, and would not have the right to attend and vote at general meetings convened by the Company. In the event that a Depositor wishes to attend and vote at the SGM, the Depositor would have to do so through CDP appointing him as a proxy, pursuant to the Bye-Laws and the Bermuda Act.

Pursuant to Bye-Law 86(B) of the Bye-Laws, unless the CDP specifies otherwise in a written notice to the Company, the CDP shall be deemed to have appointed as the CDP's proxies to vote on behalf of the CDP at a general meeting of the Company, each of the Depositors who are individuals and whose names are shown in the records of the CDP as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the CDP to the Company.

Accordingly, Depositors (other than Depositors which are corporations) whose names are listed in the Depository Register as at forty-eight (48) hours before the time of the SGM may attend and vote at the SGM without having to complete or return any form of proxy. A Depositor which is a corporation and wishes to attend and vote at the SGM must complete and return the attached Depositor Proxy Form, for the nomination of person(s) to be appointed as proxy of CDP to attend and vote at the SGM on behalf of CDP, in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 2:30 p.m. on Saturday, 24 January 2015, not less than forty-eight (48) hours before the time fixed for the SGM.

If an individual Depositor is unable to attend the SGM and wishes to nominate nominee(s) to be appointed as proxy of CDP to attend the meeting and vote on his behalf, he must complete, sign and return the attached Depositor Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 2:30 p.m. on Saturday, 24 January 2015, not less than forty-eight (48) hours before the time fixed for the SGM. Completion and return of the Depositor Proxy Form by a Depositor (other than a Depositor which is a corporation) will not prevent him from attending and voting in person at the SGM as a proxy of CDP if he subsequently wishes to do so.

Shareholders are to note that each Director shall also decline to accept appointment as proxies for any Shareholder to vote in respect of each of the said Ordinary Resolution Nos. 1 and 2 unless the Shareholder concerned shall have given instructions in his proxy as to the manner in which the votes are to be cast in respect of such ordinary resolutions.

7.2 Abstention from Voting

Mr Ng Joo Siang, Mr Ng Joo Puay, Frank, Madam Teh Hong Eng and Mr Ng Joo Kwee are Directors of both the Company and PAIH. These Directors and their appointed alternate directors, or Associates, other than Mr Bertie Cheng Shao Shiong, Lt-Gen (Ren) Ng Jui Ping and Mr Chew Hai Chwee, shall abstain from making any recommendation in respect of the IPT Mandate.

Clamford is the Controlling Shareholder and therefore an Interested Person. PAIH and N.S Hong are deemed to be the Controlling Shareholders and are therefore Interested Persons. Accordingly, Clamford and its associates shall abstain from voting in respect of the IPT Mandate.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Interested Persons Mandate and the proposed renewal of the Share Repurchase Mandate, the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

Shareholders are advised to read this Circular in its entirety and for any Shareholder who may require advice in the context of his specific investment, to consult his bank manager, stockbroker, solicitor, accountant or other professional adviser.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours from the date of this Circular up to the date of the SGM:

- (a) the Memorandum and the Bye-Laws; and
- (b) the Annual Report of the Company for the financial year ended 28 September 2014.

Yours faithfully,
For and on behalf of the Board

Ng Joo Siang
Executive Director and Chairman



PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of the Pacific Andes Resources Development Limited ("**Company**") will be held at Vanda Ballroom, Level 5, Marina Mandarin Singapore, 5 Raffles Boulevard, Marina Square, Singapore 039594 on Monday, 26 January 2015 at 2:30 p.m. (or as soon thereafter as the conclusion or adjournment of the annual general meeting of the Company to be held on the same date at 2:00 p.m. and at the same place) ("**Special General Meeting**") for the purpose of considering and, if thought fit, passing the following resolutions with or without modifications:-

ORDINARY RESOLUTION 1:-

The Proposed Renewal of the Mandate for Interested Person Transactions

THAT:-

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), for the Company and its subsidiaries or any of them to enter into, amend and/or renew any of the transactions falling within the types of Interested Person Transactions ("**IPT Mandate**") set out in the Company's circular to shareholders of the Company ("**Shareholders**") dated 9 January 2015 ("**Circular**");
- (b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next annual general meeting of the Company; and
- (c) the directors of the Company ("**Directors**") and/or any of them be and are hereby authorized to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Ordinary Resolution 1.

ORDINARY RESOLUTION 2:-

The Proposed Renewal of the Share Repurchase Mandate

THAT:-

- (a) for the purposes of the Listing Manual of the SGX-ST and subject to the Bermuda Companies Act, the Directors be and are hereby authorised to exercise all the powers of the Company to repurchase or otherwise acquire issued ordinary shares fully paid in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter

defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:-

- (i) on-market purchases (each a **“Market Purchase”**) transacted through the SGX-ST’s trading system or on another stock exchange on which the Company’s equity securities are listed; and/or
- (ii) off-market purchases (each an **“Off-Market Purchase”**) in accordance with an equal access scheme as defined in Section 76C of the Companies Act.

“Share Repurchase Mandate”;

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Repurchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution 2 and expiring on the earlier of:-
 - (i) the date on which the next annual general meeting of the Company is held or is required by law to be held;
 - (ii) the date on which the authority conferred by the Share Repurchase Mandate is revoked or carried by the Company in the general meeting; or
 - (iii) the date on which the share purchases by the Company is carried out to the full extent of the Share Repurchase Mandate.

in this Ordinary Resolution 2:-

“Prescribed Limit” means ten per cent. (10%) of the issued ordinary share capital of the Company as of the date of the passing of this Ordinary Resolution 2 unless the Company has effected a reduction of its share capital in accordance with the applicable provisions under the Companies Act 1981 of Bermuda (as amended), at any time during the Relevant Period (as hereafter defined), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered by the capital reduction (excluding any treasury shares that may be held by the Company from time to time); and

“Maximum Price” in relation to a Share to be repurchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) not exceeding:-

- (i) in the case of a Market Purchase : One Hundred and Five per cent. (105%) of the Average Closing Price (as hereafter defined)
- (ii) in the case of an Off-Market Purchase : One Hundred and Twenty per cent. (120%) of the Highest Last Dealt Price (as hereafter defined)

Where:-

“Average Closing Price” is the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer (as hereafter defined) pursuant to the Off-Market Purchase;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the repurchase of Shares from Shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“Relevant Period” means the period commencing from the date the last annual general meeting of the Company was held before Ordinary Resolution 2 is passed, and expiring on the date the next annual general meeting of the Company is held or is required to be held, whichever is earlier, after the date of Ordinary Resolution 2 is passed.

- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution 2.

BY ORDER OF THE BOARD

Cheng Soon Keong
Lynn Wan Tiew Leng
Company Secretaries
9 January 2015

Notes:-

1. Every Shareholder entitled to attend and vote at the Special General Meeting may appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the Special General Meeting or any postponement or adjournment thereof. Completion and return of the proxy form by a member of the Company will not prevent him from attending and voting at the Special General Meeting if he so wishes. In such event, the relevant proxy form will be deemed to be revoked.
3. If a Depositor whose name appears in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore) wishes to attend and vote at the Special General Meeting, he must be shown to have Shares entered against his name in the Depository Register, as certified by the CDP, at least forty-eight (48) hours before the time to the Special General Meeting. A Depositor which is a corporation and which wishes to attend and vote at the Special General Meeting or a Depositor who wishes to nominate a proxy (to be appointed by the CDP) to attend the Special General Meeting must complete and deposit the Depositor Proxy Form at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 at least forty-eight (48) hours before the time of the Special General Meeting.
4. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instruction appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.
5. A member of the Company or Depositor who appoints or nominate (as applicable) a proxy to vote on his behalf should give clear instructions to the proxy on the direction of voting for all resolutions.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the SGM and/or any adjournment thereof, a member of the Company or a Depositor, as the case may be (i) consents to the collection, use and disclosure of the member or Depositor's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member or a Depositor discloses the personal data of the member or Depositor's proxy(ies) and/or representative(s) to the Company (or its agents), the member or Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member or Depositor's breach of warranty.