

**PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED**  
(Incorporated in Bermuda with limited liability)  
("Company" or "Issuer")

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**ISSUANCE OF SINGAPORE DOLLAR-DENOMINATED BONDS BY PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED**

**DISCLOSURE PURSUANT TO RULES 704(31) AND 728 OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") LISTING MANUAL**

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**1. BONDS ISSUE**

1.1 The Board of Directors of the Company ("**Board**") is pleased to announce that the Company has on 22 July 2014 entered into a subscription agreement with DBS Bank Ltd. pursuant to which the Company has agreed to issue S\$200,000,000 8.5% Singapore dollar-denominated bonds ("**Bonds**") due 2017 ("**Bonds Issue**").

1.2 Principal Terms

Certain principal terms of the Bonds are summarized as follows:

Aggregate Principal Amount	: S\$200,000,000.
Issue Price	: 100% of the principal amount of the Bonds.
Interest	: The Bonds will bear interest at the rate of 8.5% per annum, payable semi-annually.
Status	: The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and will at all times rank pari passu among themselves and, at least pari passu in the right of payment with all other present and future unsecured obligations of the Company, save for such obligations as may be preferred by provisions of law that are mandatory.
Maturity Date	: 30 July 2017.
Settlement Date	: 30 July 2014.

1.3 Rationale and Use of Proceeds

The Bonds Issue is part of the Company's strategy to improve its overall working capital position. It will enhance the Company's debt profile and at the same time provide long term capital for ongoing operations. The net proceeds from the Bonds Issue will be used for the Company's general corporate purposes, to fund capital expenditures, working capital, strategic acquisitions and investments and to refinance a portion of its existing indebtedness.

#### 1.4 Listing

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Bonds on the Official List of the SGX-ST. Approval in-principle of the SGX-ST for the listing and quotation of the Bonds on the Official List of the SGX-ST is not to be taken as an indication of the merits of the Bonds, the Company and/or its subsidiaries.

## 2. RULES 704(31) AND 728 OF THE SGX-ST LISTING MANUAL

Pursuant to Rule 704 (31) of the SGX-ST Listing Manual, the Board wishes to disclose that the Bonds contain conditions that make reference to the shareholding interests of certain controlling shareholders or place restrictions on any change of control of the Company. The details are set out in the Appendix.

As at the date of this announcement, none of the conditions described in the Appendix has occurred. Assuming any such condition occurs, (i) the holder of the Bonds will have the right, at such holder's option, to require the Company to redeem all but not some only of that holder's Bonds on the Put Settlement Date (as defined in the Appendix) at 101% of their principal amount, together with accrued interest up to but excluding such Put Settlement Date (as defined in the Appendix); and (ii) the aggregate maximum level of facilities available to the Company and/or its subsidiaries as at the date of this announcement that may be affected by such occurrence is approximately US\$1,050,000,000 (excluding the Bonds to be issued).

In compliance with Rule 728 of the SGX-ST Listing Manual, the Company has obtained undertakings from (i) Ng Joo Siang, Ng Joo Kwee, Ng Joo Thieng and Ng Joo Puay, Frank (on behalf of the Controlling Shareholder (as defined in the Appendix)); (ii) N.S. Hong Investment (BVI) Limited; (iii) Clamford Holding Limited; and (iv) Pacific Andes International Holdings Limited, for each of them to notify the Company, as soon as they become aware, of any share pledging arrangements relating to their respective interest in the shares of the Company and/or of any event, which may result in a Change of Control (as defined in the Appendix).

By Order of the Board  
**Pacific Andes Resources Development Limited**

Lynn Wan Tiew Leng  
Company Secretary  
Singapore, 22 July 2014

***The Bonds will not be offered to persons in Singapore, save for:- (a) institutional investors under Section 274 of the Securities and Futures Act (Chapter 289 Singapore) (the "SFA"); or (b) a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA. Accordingly, the content of this announcement does not constitute any offer in relation to the Bonds and is purely for the information of the shareholders. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.***

*Further, this announcement does not constitute nor form part of any offer or invitation to sell, issue or subscribe for securities in the United States. Securities may not be*

*offered or sold in the United States absent registration or an applicable exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Company and will contain detailed information relating to the Company and management as well as financial statements. The Company does not intend to register any part of the proposed offering in the United States. The Bonds described in this announcement will be sold in accordance with all applicable laws and regulations. No money, securities or other consideration is being solicited by this announcement or the information contained herein and, if sent in response to this announcement or the information contained herein, will not be accepted.*

## APPENDIX

### Redemption for Change of Control

**Redemption for Change of Control:** At any time following the occurrence of a Change of Control (as defined below), the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Bonds on the Put Settlement Date (as defined herein) at 101% of their principal amount, together with accrued interest up to but excluding such Put Settlement Date (as defined herein). The "**Put Settlement Date**" shall be the 20<sup>th</sup> day after expiry of such period for the holders of the Bonds to exercise their rights to require the Company to redeem the Bonds in accordance with the terms and conditions of the Bonds.

In this regard:

a "**Change of Control**" occurs when:

- (i) any Person or Persons (other than one or more Controlling Shareholders) directly or indirectly, acting together, acquires Control directly or indirectly, of the Issuer; or
- (ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other person or persons, acting together, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Issuer or the successor entity; or
- (iii) one or more Persons (other than the Controlling Shareholders) acquires the legal or beneficial ownership of all of the issued share capital of the Issuer;

**"Controlling Shareholder"** means Teh Hong Eng, Ng Joo Siang, Ng Joo Kwee, Ng Joo Thieng, Ng Joo Puay, Ng Joo Chuan and Ng Puay Yee; and/or any trusts established for the benefit of such shareholders and/or their immediate family members ("**related trusts**") and/or any of their associates (as defined in the listing rules of the SGX-ST) and/or any of their executors, administrators, personal representatives or similar representatives and/or beneficiaries of their estate and/or companies controlled by them, their immediate family members or related trusts in such companies' direct or indirect subsidiaries.

**"Person"** means any natural person, company, trust, corporation, partnership, firm, association, governmental authority or any other entity whether acting in an individual, fiduciary or other capacity.

**"Control"** means (a) the acquisition or control of more than 50% of the Voting Rights of the issued share capital of the Issuer or (b) the right to appoint and/or remove all or the majority of the members of the Board or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

**"Voting Rights"** means the right generally to vote at a general meeting of shareholders of the Issuer (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).