

## Pacific Radiance posts 1Q FY16 revenue of US\$18.4m and a net loss of US\$6.8m; focussed on overcoming downturn

- ◆ Performance of subsea & OSV businesses impacted by the significantly weaker market conditions due to the severe drop in oil prices
- ◆ Group will push on with strategic & tactical initiatives over next 12 months to sustainably overcome industry challenges ahead

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For immediate release

Pacific Radiance Ltd. (Pacific Radiance or the Group), a provider of integrated offshore marine services, reported US\$18.4 million in revenue for the three months ended 31 March 2016 (1Q FY16), against US\$31.5 million for the previous corresponding quarter.

The 42% year-on year decline in revenue was due mainly to the significantly weaker operating conditions in the oil and gas market arising from the severe drop in oil prices. The Group saw lower charter rates and/or utilisation of its fleet of subsea and offshore support vessels, which affected contributions from its core subsea and offshore support services businesses. Against this challenging backdrop, Pacific Radiance reported a net loss of US\$6.8 million for 1Q FY16.

Mr Pang Yoke Min (冯学民), the Executive Chairman of Pacific Radiance, said: “The sector outlook remains challenging and uncertain over the medium term. We will stay focussed on enhancing cash flow management, whilst executing the strategic and tactical initiatives we have put in place to sustainably overcome the downturn.”

The Group’s efforts to reduce costs further in 1Q FY16 enabled it to cut general and administrative expenses by 10% to US\$5.4 million, as compared to US\$6.0 million in the three months ended 31 March 2015 (1Q FY15). As at 31 March 2016, the Group’s net gearing stood at 1.1 times, an increase from 0.9 times as of 31 December 2015, due mainly to higher bank loans from the delivery of two vessels and the recognition of a previous joint venture as a subsidiary.



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## ABOUT THE COMPANY

[www.pacificradiance.com](http://www.pacificradiance.com) ♦ SGX mainboard listing: 13 November 2013

Pacific Radiance Ltd. provides offshore support solutions to an expanding client base, catering to their key needs throughout the oil and gas (O&G) project life cycle. Our offshore support services division owns and charters out a young and diverse offshore vessel fleet that helps ensure efficient and successful project execution. We also offer subsea inspection, repair and maintenance (IRM) services.

Our Group's fleet of more than 130 vessels has given us a strong foothold across Asia and other emerging O&G markets, namely Africa, Latin America and Australia. We are well-placed to benefit from the eventual growth in exploration and production (E&P) and subsea spending in these regions in the long term.

Despite the competitive landscape, we have been able to carve out a definitive presence in strategic market segments and geographies through our intimate knowledge of how these markets operate, and by securing the 'right assets' and entering into key local partnerships in cabotage-protected markets such as Indonesia and Malaysia.

Having better control over our supply chain, we are always improving our processes and resource management systems in order to further enhance our competitiveness and maximise cost-effectiveness. As part of continued efforts to upgrade our offerings and provide value-added solutions, we will launch our ship-repair yard in mid-2016, which will provide us with greater control over our fleet maintenance programme. Rejuvenation of our fleet will also enable us to stay relevant to the market and expand our services in tandem with our clients' needs.

Our proven commitment to maintaining rigorous safety and service standards that help prevent undue delays and rein in costs has allowed us to build a strong track record and win over clients who value our ability to deliver reliable services to their projects promptly and cost-effectively.

## FOR FURTHER ENQUIRIES

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