PACIFIC RADIANCE LTD
Company Registration No. 200609894C

Full Financial Statement and Dividend Announcement
For the Financial Year Ended 31 December 2013 ("FY 2013")

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FINANCIAL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income or a statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	4Q 2013 US$'000	**4Q 2012** US$'000	**+/(-)** %	**FY 2013** US$'000	**FY 2012** US$'000	**+/(-)** %
Revenue	42,384	29,712	43	168,585	130,832	29
Cost of sales	(28,087)	(20,703)	36	(109,533)	(93,744)	17
Gross profit	14,297	9,009	59	59,052	37,088	59
Other operating income	6,991	3,713	88	28,003	21,871	28
General and administrative expenses	(6,148)	(5,606)	10	(26,833)	(18,212)	47
Other operating expenses	(3,639)	(1,178)	209	(7,775)	(3,414)	128
Finance costs	(3,466)	(3,166)	9	(13,061)	(11,458)	14
Share of results of joint venture companies	3,532	2,646	33	12,637	7,968	59
Share of results of associated companies	996	(6,175)	NM	962	(5,207)	NM
Net profit/(loss) before taxation	12,563	(757)	NM	52,985	28,636	85
Taxation	4,105	3,143	31	3,855	3,121	24
Net profit for the year	16,668	2,386	599	56,840	31,757	79
Other comprehensive income:						
Foreign exchange translation	(646)	(700)	(8)	(1,972)	(668)	195
Other comprehensive income for the year, net of tax	(646)	(700)	(8)	(1,972)	(668)	195
Total comprehensive income for the year	16,022	1,686	850	54,868	31,089	76
Net profit for the year attributable to:						
Equity holders of the parent	16,367	2,434	572	56,763	32,173	76
Non-controlling interests	301	(48)	NM	77	(416)	NM
	16,668	2,386	599	56,840	31,757	79
Total comprehensive income attributable to:						
Equity holders of the parent	15,725	1,739	804	54,822	31,495	74
Non-controlling interests	297	(53)	NM	46	(406)	NM
	16,022	1,686	850	54,868	31,089	76

NM: Not Meaningful

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FINANCIAL YEAR RESULTS (CONT'D)

1(a)(ii) Items, if significant must be included in the income statement

Net profit for the year was stated after charging/(crediting) the following:

	Group		Group	
	4Q 2013	**4Q 2012**	**FY 2013**	**FY 2012**
	US$'000	US$'000	US$'000	US$'000
Depreciation of vessels, plant and equipment	6,530	5,917	25,035	24,036
Impairment of doubtful receivables, net	2,977	1,612	3,789	2,112
Gain on sale of vessels, plant and equipment, net	(3,717)	(4,063)	(15,716)	(17,111)
Net fair value gain on derivative financial instruments	(328)	(424)	(1,314)	(2,545)
Exchange (gain)/loss	(2,377)	(905)	(4,704)	196
Reversal of provision for net liabilities of an associate written back (Note 1)	–	2,803	–	–
Net loss on acquisition of a subsidiary (Note 1)	–	–	1,857	–
Impairment of goodwill	–	400	–	845
Net loss on disposal of a subsidiary (Note 2)	436	–	918	–
Provision for litigation claims (Note 2)	33	–	974	–
Debts waived by previous shareholders of a subsidiary	–	–	(3,011)	–
Allowance for inventory obsolescence	149	–	149	–
Provision for net liabilities of a joint venture (included in share of results of joint venture companies) (Note 3)	1,176	–	1,176	–
Deemed disposal of investment in a joint venture (included in share of results of joint venture companies) (Note 4)	(1,379)	–	(1,379)	–
Interest income	(560)	(607)	(1,850)	(741)
Write back of provision for tax no longer required in respect of prior years	(5,315)	(3,363)	(5,315)	(3,363)
Provision for tax in respect of prior years	778	168	976	190

Note 1: In the prior years, by virtue of a shareholder's agreement dated 27 July 2007 between the Group's subsidiary company, Strato Maritime Services Pte Ltd ("SMS") and other shareholders, SMS only had significant influence in its 84.88% owned associate, Consolidated Pipe Carriers Pte Ltd ("CPC") and did not have control over the financial and operating policies of CPC. In this respect, CPC was accounted for as an associate of the Group as at 31 December 2011 and 2012. As the Company provided an undertaking to provide continuing support to CPC and its subsidiaries to meet its liabilities as and when they fall due, the Company consequently provided for the net liabilities of CPC of US$2,802,907 and US$10,780,302, in excess of its interests in CPC as at 31 December 2011 and 2012 respectively.

Although the Company provided for the net liabilities of its associate, CPC of $2,802,907 in excess of its interest in CPC as at 31 December 2011, CPC was in a net asset position as at 30 September 2012 as such the Company had written back the prior year's provision made during the 9 months period ended 30 September 2012.

During the last quarter of FY 2012, CPC incurred significant losses from a major project. As such, the Company provided for the net liabilities of CPC of $10,780,302 as at 31 December 2012. Consequently, the write back of provision for net liabilities of CPC was reversed in the last quarter of FY 2012.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FINANCIAL YEAR RESULTS (CONT'D)

1(a)(ii) Items, if significant must be included in the income statement (cont'd)

Net profit for the year was stated after charging/(crediting) the following: (cont'd)

Note 1: (cont'd) On 25 April 2013, SMS acquired an additional 37.49% equity interest in CPC. Consequent to the acquisition, CPC became a wholly-owned subsidiary of the Group. The net loss on acquisition of CPC for FY 2013 is US$1.9 million.

Note 2: Please refer to other operating expenses review under review of group performance for more details.

Note 3: In 2010, the Group entered into a joint venture with a third party and set up CrestSA Marine & Offshore Pte Ltd ("CrestSA") to develop a ship repair yard. The Group held a 40% equity interest in CrestSA.

In January 2014, the Group acquired an additional 20% equity interest in CrestSA from the third party and CrestSA became a subsidiary of the Group.

As the Company has provided an undertaking to provide continuing support to CrestSA to meet its liabilities as and when they fall due, the Company consequently provided for the net liabilities of CrestSA of US$1.2 million, in excess of its interests in CrestSA as at 31 December 2013. The provision has been included as part of the Group's share of results of joint venture companies.

Note 4: The Group's joint venture company, PT Logindo Samudramakmur Tbk (PT Logindo), has successfully concluded its initial public offering (IPO), and was listed on the Indonesian Stock Exchange on 11 December 2013. Following the completion of the IPO, the Group's equity stake in PT Logindo was diluted from 49% to 34.3%. Subsequently, the Group acquired additional shares in PT Logindo and increased its equity stake to 35%. The gain on the deemed disposal (arising from the IPO) of interest in PT Logindo is US$1.4 million. The gain has been included as part of the Group's share of results of joint venture companies.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FINANCIAL YEAR RESULTS (CONT'D)

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31 Dec 2013	**As at 31 Dec 2012**	**As at 31 Dec 2013**	**As at 31 Dec 2012**
	US$'000	US$'000	US$'000	US$'000
ASSETS				
Non-current assets				
Vessels, plant and equipment	548,775	445,829	–	–
Investment in subsidiaries	–	–	44,556	45,900
Investment in associated companies	2,721	2,298	–	–
Investment in joint venture companies	41,629	26,915	–	–
Club memberships	325	325	–	–
	593,450	475,367	44,556	45,900
Current assets				
Inventories	287	422	–	–
Work-in-progress	3,200	1,682	–	–
Trade receivables	47,609	30,710	–	–
Other receivables	8,071	6,345	191	4
Amounts due from related companies	28,378	32,177	161,025	71,214
Cash and cash equivalents	64,874	23,661	518	270
	152,419	94,997	161,734	71,488
Total assets	745,869	570,364	206,290	117,388
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	11,381	6,975	–	–
Other payables	43,324	51,159	5,180	14,479
Amounts due to related companies	1,230	1,508	21,795	25,313
Loans and borrowings	53,330	54,458	–	651
Provision for taxation	10,292	15,545	–	–
Finance lease obligations	3	101	–	–
	119,560	129,746	26,975	40,443
Non-current liabilities				
Other payables	9,169	9,488	–	–
Loans and borrowings	239,579	224,757	–	15,000
Deferred taxation	110	–	–	–
	248,858	234,245	–	15,000
Total liabilities	368,418	363,991	26,975	55,443
Net assets	377,451	206,373	179,315	61,945
Equity attributable to equity holders of the Company				
Share capital	155,254	32,086	155,254	32,086
Retained earnings	222,760	173,127	17,958	20,952
Other reserve	(2,513)	(744)	6,103	8,907
Capital reserve	130	130	–	–
	375,631	204,599	179,315	61,945
Non-controlling interests	1,820	1,774	–	–
Total equity	377,451	206,373	179,315	61,945

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

Group As at 31 Dec 2013		Group As at 31 Dec 2012	
Secured	**Unsecured**	**Secured**	**Unsecured**
US$'000	US$'000	US$'000	US$'000
53,240	90	53,152	1,306

Amount repayable after one year

Group As at 31 Dec 2013		Group As at 31 Dec 2012	
Secured	**Unsecured**	**Secured**	**Unsecured**
US$'000	US$'000	US$'000	US$'000
239,579	–	209,757	15,000

Details of any collateral:

The Group's secured portion of term loans is secured by:

– first legal mortgages over the vessels of the Group, with net book values of US$505.1 million and US$364.3 million as at 31 December 2013 and 31 December 2012 respectively;

– a right to take assignment of charter earnings and insurance policies of the mortgaged vessels; and

– legal assignment of all rights and benefits of the related shipbuilding contracts between the Group and the related shipbuilders and any subsequent variations;

In addition, certain of the Group's bank borrowings and secured portion of term loans are secured by personal guarantees of a director of the Company and corporate guarantees from the Company. We are in the process of seeking approval for the removal of personal guarantees of the director from the relevant banks, given the listing of the Company in November 2013.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FINANCIAL YEAR RESULTS (CONT'D)

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	FY 2013	**FY 2012**
	US$'000	US$'000
Cash flows from operating activities:		
Net profit before taxation	52,985	28,636
Adjustments for:		
Depreciation of vessels, plant and equipment	25,035	24,036
Debts waived by previous shareholders of a subsidiary	(3,011)	–
Interest expense	13,061	11,458
Interest income	(1,850)	(741)
Share of results of joint venture companies	(12,637)	(7,968)
Share of results of associated companies	(962)	5,207
Gain on sale of vessels, plant and equipment, net	(15,716)	(17,111)
Impairment of doubtful receivables, net	3,789	2,112
Impairment of goodwill	–	845
Net loss on acquisition of a subsidiary	1,857	–
Issuance of shares to employees	172	–
Net loss on disposal of a subsidiary	918	–
Provision for litigation claims	974	–
Allowance for inventory obsolescence	149	–
Net fair value gain on derivative financial instruments	(1,314)	(2,545)
Exchange differences	(2,668)	170
Operating cash flows before changes in working capital	60,782	44,099
Increase in receivables	(16,373)	(14,421)
Increase in amounts due from/to related companies	(651)	(25,119)
Decrease in inventories	572	44
Increase in work-in-progress	(1,518)	(982)
(Decrease)/increase in payables	(9,186)	9,234
Cash generated from operations	33,626	12,855
Income tax paid	(295)	(705)
Interest paid	(13,061)	(11,458)
Interest received	1,850	741
Net cash flows generated from operating activities	22,120	1,433
Cash flows from investing activities:		
Purchase of vessels, plant and equipment	(191,565)	(74,342)
Investment in joint venture company	(1,000)	–
Investment in associated company	–	(554)
Investment in club membership	–	(18)
Net cash inflow/(outflow) on acquisition of subsidiary	3,447	(54)
Proceeds from sale of vessels, plant and equipment	79,043	79,265
Net cash flows (used in) / generated from investing activities	(110,075)	4,297
Cash flows from financing activities:		
Net proceeds from issuance of new shares	123,168	312
Acquisition of non-controlling interest	–	(969)
Repayment of finance lease obligations	(98)	(99)
Proceeds from loans and borrowings	198,732	186,268
Repayment of bank term loans	(185,504)	(181,790)
Dividend paid	(7,130)	–
Net cash flows from financing activities	129,168	3,722
Net increase in cash and cash equivalents	41,213	9,452
Cash and cash equivalents at 1 January	23,661	14,209
Cash and cash equivalents at 31 December	64,874	23,661

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FINANCIAL YEAR RESULTS (CONT'D)

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Retained earnings	Capital reserve	Other reserve	Foreign currency translation reserve	Employee share based payment reserve	Total	Non-controlling interest	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
<u>The Group</u>									
Balance at 1 Jan 2013	32,086	173,127	130	(744)	(744)	–	204,599	1,774	206,373
Issuance of ordinary shares, representing contributions by and distributions to owners	123,168	–	–	–	–	–	123,168	–	123,168
Profit for the year	–	56,763	–	–	–	–	56,763	77	56,840
Other comprehensive income:									
- Foreign exchange translation	–	–	–	(1,941)	(1,941)	–	(1,941)	(31)	(1,972)
Total comprehensive income for the year	–	56,763	–	(1,941)	(1,941)	–	54,822	46	54,868
Issuance of shares to employees	–	–	–	172	–	172	172	–	172
Dividends paid	–	(7,130)	–	–	–	–	(7,130)	–	(7,130)
Balance at 31 Dec 2013	155,254	222,760	130	(2,513)	(2,685)	172	375,631	1,820	377,451
Balance at 1 Jan 2012	31,774	140,954	3,143	(66)	(66)	-	175,805	278	176,083
Issuance of ordinary shares, representing contributions by and distributions to owners	312	–	–	–	–	–	312	–	312
Profit for the year	–	32,173	–	–	–	–	32,173	(416)	31,757
Other comprehensive income:									
- Foreign exchange translation	–	–	–	(678)	(678)	–	(678)	10	(668)
Total comprehensive income for the year	–	32,173	–	(678)	(678)	–	31,495	(406)	31,089
<u>Changes in ownership interest in subsidiaries</u>									
-Acquisition of non-controlling interests without a change in control	–	–	(3,013)	–	–	–	(3,013)	184	(2,829)
-Proceeds from issue of new shares by a subsidiary	–	–	–	–	–	–	–	1,850	1,850
-Acquisition of subsidiaries	–	–	–	–	–	–	–	(132)	(132)
Balance at 31 Dec 2012	32,086	173,127	130	(744)	(744)	–	204,599	1,774	206,373

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FINANCIAL YEAR RESULTS (CONT'D)

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd).

	Share capital	Retained earnings	Other reserves	Foreign currency translation reserve	Employee share based payment reserve	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
The Company						
Balance at 1 Jan 2013	32,086	20,952	8,907	8,907	–	61,945
Issuance of ordinary shares, representing contributions by and distributions to owners	123,168	–	–	–	–	123,168
Profit for the year	–	4,136	–	–	–	4,136
Other comprehensive income:						
- Foreign exchange translation	–	–	(2,976)	(2,976)	–	(2,976)
Total comprehensive income for the year	–	4,136	(2,976)	(2,976)	–	1,160
Issuance of shares to employees	–	–	172		172	172
Dividends paid	–	(7,130)	–	–	–	(7,130)
Balance at 31 Dec 2013	155,254	17,958	6,103	5,931	172	179,315
Balance at 1 Jan 2012	31,774	2,678	6,653	6,653	–	41,105
Issuance of ordinary shares, representing contributions by and distributions to owners	312	–	–	–	–	312
Profit for the year	–	18,274	–	–	–	18,274
Other comprehensive income:						
- Foreign exchange translation	–	–	2,254	2,254	–	2,254
Total comprehensive income for the year	–	18,274	2,254	2,254	–	20,528
Balance at 31 Dec 2012	32,086	20,952	8,907	8,907	–	61,945

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FINANCIAL YEAR RESULTS (CONT'D)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares ('000)	Issued and paid-up capital (S$'000)
At 1 October 2013	50,235	50,793
Share Split	552,580	50,793
Issuance of new ordinary shares pursuant to listing of the Company on SGX-ST	171,875	151,910*
Issuance of new ordinary shares to UOB pursuant to pre-listing financial arrangement	1,300	1,170
At 31 December 2013	725,755	203,873

* The proceeds from issuance of new ordinary shares are net of IPO expenses of approximately S$2.78 million.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 December 2013 – 725,755,013 ordinary shares

As at 31 December 2012 – 50,116,196 ordinary shares

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The financial statements for the periods under review have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FINANCIAL YEAR RESULTS (CONT'D)

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial reporting period as those applied in the audited financial statements for the year ended 31 December 2012 except for those as disclosed in note 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

On 1 January 2013, the Group and the Company adopted all new and revised FRSs and interpretation of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2013. The adoption of these new/revised FRSs and INT FRSs did not result in changes to the Group's and the Company's accounting policies and have no material effect on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	FY 2013	**FY 2012**
Net profit attributable to equity holders of the parent (US$'000)	56,763	32,173
Weighted average ordinary shares for calculation ('000):		
- applicable to basic earnings per share	725,755	551,278
- based on a fully diluted basis	725,755	551,278
Earnings per ordinary share ("EPS") (US cents)		
(a) Based on weighted average number of ordinary shares on issue	7.8	5.8
(b) On a fully diluted basis	7.8	5.8

For comparative purposes, earnings per ordinary share of the Group for the financial year ended 31 December 2012 has been computed based on 551,278,156 shares (after share split).

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 31 Dec 13	As at 31 Dec 12	As at 31 Dec 13	As at 31 Dec 12
Net asset value (US$'000)	377,451	206,373	179,315	61,945
Total number of ordinary shares issued	725,755	551,278	725,755	551,278
Net asset value per ordinary share (US cents)	52.0	37.4	24.7	11.2

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

REVIEW OF GROUP PERFORMANCE

Revenue

Financial year ended 31 December 2013 ("FY13") vs Financial year ended 31 December 2012 ("FY12")

Revenue increased by US$37.8 million, or 29%, from US$130.8 million in FY12 to US$168.6 million in FY13. The increase was mainly attributable to the revenue growth of our Subsea Business and one of our Complementary Businesses.

Our Subsea Business recorded an increase in revenue of US$27.8 million or 159% from US$17.4 million in FY12 to US$45.2 million in FY13. As efforts were spent in building a strong track record and foundation for our new Subsea Business venture since FY12, we registered strong growth in revenue and utilisation rates for our diving saturation support vessels in the inspection, repair and maintenance space in FY13.

Our Complementary Businesses also recorded an increase in revenue of US$10.5 million or 299% from US$3.5 million in FY12 to US$14.0 million in FY13. As the Group had acquired both management and sole shareholding control of CPC in April 2013, the Group had consolidated CPC's results from May 2013 onwards. From May to December 2013, CPC contributed to US$8.2 million of the Group's revenue.

In relation to geographical contribution, revenue contributions across all geographical regions increase as we expanded our chartering efforts in all regions. Particularly, revenue from the South America region increased by US$10.6 million or 360% due to better utilisation rates for our vessels in Brazil.

3 months ended 31 December 2013 ("4Q13") vs 3 months ended 31 December 2012 ("4Q12")

Revenue increased by US$12.7 million, or 43%, from US$29.7 million in 4Q12 to US$42.4 million in 4Q13. The increase was mainly attributable to the increase from the Offshore Support Services Business and Subsea Business.

Our Offshore Support Services Business recorded an increase in revenue of US$5.9 million or 29% from US$20.6 million in 4Q12 to US$26.5 million in 4Q13. Our Subsea Business also recorded an increase in revenue of US$4.9 million or 69% from US$7.2 million in 4Q12 to US$12.1 million in 4Q13. The increase was due to improvement in utilisation and charter rates for our vessels.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. (Cont'd)

REVIEW OF GROUP PERFORMANCE (CONT'D)

Gross profit

Financial year ended 31 December 2013 ("FY13") vs Financial year ended 31 December 2012 ("FY12")

Gross profit increased by US$22.0 million, or 59%, from US$37.1 million in FY12 to US$59.1 million in FY13. Gross profit margin increased from 28% in FY12 to 35% in FY13.

The increase in gross profit and gross profit margin was mainly attributable to the strong growth in revenue and vessel utilisation of our fleet, particularly from our Subsea Business.

3 months ended 31 December 2013 ("4Q13") vs 3 months ended 31 December 2012 ("4Q12")

Gross profit increased by US$5.3 million, or 59%, from US$9.0 million in 4Q12 to US$14.3 million in 4Q13. Gross profit margin also increased from 30% in 4Q12 to 34% in 4Q13.

The increase in gross profit and gross profit margin was mainly attributable to the increase from our Offshore Support Business which registered better vessel utilisation in 4Q13 as compared to 4Q12.

Gross profit for the Offshore Support Business registered a growth of 84% from US$4.9 million in 4Q12 to US$8.9 million in 4Q13.

Other operating income

Financial year ended 31 December 2013 ("FY13") vs Financial year ended 31 December 2012 ("FY12")

Other operating income increased by US$6.1 million or 28%, from US$21.9 million in FY12 to US$28.0 million in FY13. The increase was mainly due to debts waived by previous shareholders of a subsidiary of US$3.0 million. In addition, the Group recorded exchange gains of US$4.7 million in FY13 as opposed to US$0.2 million exchange loss which was recorded under operating expenses in FY12. The increase was partially offset by a decrease in gain on sale of vessels of US$1.4 million. 9 vessels were sold in FY13 whereas 12 vessels were sold in FY12.

3 months ended 31 December 2013 ("4Q13") vs 3 months ended 31 December 2012 ("4Q12")

Other operating income increased by US$3.3 million or 88% from US$3.7 million in 4Q12 to US$7.0 million in 4Q13. The increase was mainly due to foreign exchange gains of US$2.4 million in 4Q13 and reversal of provision for net liabilities of CPC written back of US$2.8 million in 4Q12. The increase is partially offset by a decrease in other miscellaneous income of US$1.4 million.

General and administrative expenses

Financial year ended 31 December 2013 ("FY13") vs Financial year ended 31 December 2012 ("FY12")

General and administrative expenses increased by approximately US$8.6 million, or 47%, from US$18.2 million in FY12 to US$26.8 million in FY13 mainly due to increase in staff cost and administrative expenses as the Group ramps up its operational talent and capabilities to support expected growth plans. The increase was also attributable to the consolidation of CPC's expenses of US$1.5 million and US$1.1 million listing expenses taken to profit and loss for the Company's listing on the mainboard of SGX-ST in November 2013.

3 months ended 31 December 2013 ("4Q13") vs 3 months ended 31 December 2012 ("4Q12")

General and administrative expenses increased by approximately US$0.5 million, or 10% from US$5.6 million in 4Q12 to US$6.1 million in 4Q13.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FINANCIAL YEAR RESULTS (CONT'D)

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. (Cont'd)

REVIEW OF GROUP PERFORMANCE (CONT'D)

Other operating expenses

Financial year ended 31 December 2013 ("FY13") vs Financial year ended 31 December 2012 ("FY12")

Other operating expenses increased by approximately US$4.4 million or 128% from US$3.4 million in FY12 to US$7.8 million in FY13. The increase was mainly due to:

(i) Provision for litigation claims of US$1.0 million arising from a claim against CPC. The claim relates to an alleged breach of contract by a contractor arising from early termination of a logistic contract for an old completed project in Brazil;

(ii) Net loss on acquisition of our subsidiary, CPC of US$1.9 million;

(iii) Net loss on disposal of a Brazil subsidiary of CPC of US$0.9 million;

(iv) Increase in provision for doubtful debts of US$1.7 million; and

(vi) Partially offset by absence of impairment of goodwill of US$0.8 million (FY13: nil; FY12: US$0.8 million)

3 months ended 31 December 2013 ("4Q13") vs 3 months ended 31 December 2012 ("4Q12")

Other operating expenses increased by approximately US$2.4 million or 209% from US$1.2 million in 4Q12 to US$3.6 million in 4Q13. The increase was mainly due to increase in provision for doubtful debts of US$1.4 million and the impact from foreign exchange of US$0.9 million from 4Q13 to 4Q12. There was no exchange losses recorded in 4Q13 in other operating expenses as the Group had recorded US$2.4 million exchange gains in 4Q13 included in other operating income.

Finance cost

Financial year ended 31 December 2013 ("FY13") vs Financial year ended 31 December 2012 ("FY12")
3 months ended 31 December 2013 ("4Q13") vs 3 months ended 31 December 2012 ("4Q12")

Comparing FY13 to FY12, finance cost increased by approximately US$1.6 million, or 14%, from US$11.5 million in FY12 to US$13.1 million in FY13. Comparing 4Q13 to 4Q12, finance cost increased approximately US$0.3 million, or 9%, from US$3.2 million in 4Q12 to US$3.5 million in 4Q13.

The increase was mainly attributable to more vessel loans obtained which increased bank borrowings from US$279.2 million as at 31 Dec 12 to US$292.9 million as at 31 Dec 13 as the Group expanded its fleet.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. (Cont'd)

REVIEW OF GROUP PERFORMANCE (CONT'D)

Share of results of joint venture companies

Financial year ended 31 December 2013 ("FY13") vs Financial year ended 31 December 2012 ("FY12")

Share of results of joint venture companies increased by US$4.6 million or 59%, from US$8.0 million in FY12 to US$12.6 million in FY13. The increase was mainly due to increase in share of results of PT Logindo.

Share of profit from PT Logindo increased by US$4.7 million from US$4.3 million in FY12 to US$9.0 million in FY13 as a result of the expansion of its operations in Indonesia.

3 months ended 31 December 2013 ("4Q13") vs 3 months ended 31 December 2012 ("4Q12")

Share of results of joint venture companies increased by US$0.9 million, or 33%, from US$2.6 million in 4Q12 to US$3.5 million in 4Q13 primarily due to increase in share of profit of US$3.0 million from PT Logindo and partially offset by recognition of provision for net liabilities of CrestSA of US$1.2 million arising from its pre-operating expenses as CrestSA became a subsidiary of the Group subsequent to year end and decrease in share of profit of US$0.8 million from Alam Radiance (L) Inc ("Alam Radiance").

Share of results of associated companies

Financial year ended 31 December 2013 ("FY13") vs Financial year ended 31 December 2012 ("FY12")

Share of results of associated companies increased by US$6.2 million from US$5.2 million loss in FY12 to US$1.0 million profit in FY13.

The increase was mainly due to turnaround in the share of results of CPC by US$8.4 million, from US$8.0 million loss in FY12 to US$0.4 million profit in FY13. CPC incurred losses in FY12 due to cost overrun on a project. The project was completed in 2012 and all losses arising from this project have been fully provided for in FY12.

The increase is partially offset by a decrease of US$2.2 million in share of results of the Group's associated company, PT Jawa Tirtamarin ("PT Jawa") which recorded exchange losses arising from the depreciation of Indonesia Rupiah against the US Dollar, as its reporting currency is currently in Indonesia Rupiah.

3 months ended 31 December 2013 ("4Q13") vs 3 months ended 31 December 2012 ("4Q12")

Share of results of associated companies increased by US$7.2 million from US$6.2 million loss in 4Q12 to US$1.0 million profit in 4Q13.

As the Group had acquired both management and sole shareholding control of CPC in April 2013, the Group had consolidated CPC's results from May 2013 onwards. CPC was an associated company of the Group previously in 4Q12 and recorded share of loss of US$8.0 million for that period.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. (Cont'd)

REVIEW OF GROUP PERFORMANCE (CONT'D)

Taxation

Financial year ended 31 December 2013 ("FY13") vs Financial year ended 31 December 2012 ("FY12")
3 months ended 31 December 2013 ("4Q13") vs 3 months ended 31 December 2012 ("4Q12")

For both FY13 and FY12, the Group recorded tax credit of US$3.8 million and US$3.1 million respectively. For both 4Q13 and 4Q12, the Group recorded tax credit of US$4.1 million and US$3.1 million respectively.

The increase in tax credit of US$0.7 million or 24% from US$3.1 million in FY12 to US$3.8 million in FY13 was mainly due to the write back of provision for tax no longer required of US$5.3 million in respect of prior years. In FY12, the Group wrote back provision for tax no longer required of US$3.4 million. The increase is partially offset by a provision in FY2013 for tax in respect of prior years of US$1.0 million.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets amounted to US$593.5 million as at 31 December 2013. The increase in non-current assets from US$475.4 million as at 31 December 2012 was mainly due to:

(i) increase in vessel, plant and equipment of US$102.9 million as a result of increase in fleet size (31 Dec 13: 59; 31 Dec 12: 58) and vessels-under-construction (31 Dec 13: 13 ; 31 Dec 12: 10); and

(ii) increase in carrying value of joint venture companies of US$14.7 million primarily due to share of results equity accounted for the financial year ended 31 December 2013.

Current assets

The Group's current assets amounted to US$152.4 million as at 31 December 2013. The increase in current assets from US$95.0 as at 31 December 2012 was mainly due to:

(i) increase in trade receivables of US$16.9 million in line with the increase in revenue; and

(ii) increase in cash and cash equivalents of US$41.2 million.

Current liabilities

The Group's current liabilities amounted to US$119.6 million as at 31 December 2013. The decrease in current liabilities from US$129.7 million as at 31 December 2012 was mainly due to repayment of a Director's loan of US$12.5 million and write back of provision for taxation of US$5.3 million in relation to the years of assessment 2007 and 2009. The decrease was partially offset by an increase in trade payables of US$4.4 million.

Non-current liabilities

The Group's non-current liabilities amounted to US$248.9 million as at 31 December 2013. Non-current liabilities increased from US$234.2 million as at 31 December 2012 primarily due to higher non-current bank borrowings which increased from US$224.8 million as at 31 Dec 12 to US$239.6 million as at 31 Dec 13.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FINANCIAL YEAR RESULTS (CONT'D)

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. (Cont'd)

REVIEW OF CASH FLOWS

In FY13, the Group generated net cash inflow from operating activities of approximately US$22.1 million, which comprises cash inflow from operating activities before working capital changes of US$60.8 million, net working capital outflow of US$27.2 million, net interest paid of US$11.2 million and income tax paid of US$0.3 million.

The net cash outflow from changes in working capital of U$27.2 million was mainly due to:-

(i) increase in receivables of US$16.4 million in line with revenue growth; and

(ii) decrease in trade and other payables of US$9.2 million.

Net cash outflow from investing activities was approximately US$110.1 million, which was mainly due to:-

(i) purchase of vessels, plant and equipment amounting to US$191.6 million; and

(ii) partially offset by proceeds from sale of vessels, plant and equipment of US$79.0 million.

Net cash inflow from financing activities was approximately US$129.2 million, which was mainly due to:-

(i) net proceeds from issuance of new shares of US$123.2 million;

(ii) proceeds from loans and borrowings of US$198.7 million;

(iii) partially offset by repayment of bank borrowings of US$185.5 million; and

(iv) dividend payment of US$7.1 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

We believe that oil prices will continue to stay firm. We have seen rising exploration and production spending in Asia, Africa, Australia and South and Central America which will fuel the demand for offshore support services in these regions. In tandem with the growing exploration, development and production activities, we expect charter rates and utilisation of our vessels to remain healthy.

Outlook for subsea sector remains positive and we expect continued growth in subsea infrastructure spending, with a significant portion of expenditure arising from Asia. This augurs well for the inspection, repair and maintenance segment.

With our expanding fleet, we are building a strong foundation for robust and healthy growth for our offshore support services and subsea businesses in the medium and long term.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	**Final**
Dividend Type	Cash
Dividend Amount per share (in cents)	2 SGD cents
Tax Rate	Tax exempt
Name of Dividend	**Interim**
Dividend Type	Cash
Dividend Amount per Share (in cents)	14.19 USD cents
Tax Rate	Tax exempt

(b) Corresponding Period of the Immediately Preceding Financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

The proposed final dividend, if approved at the forthcoming Annual General meeting, will be paid on 23 May 2014.

(d) Books closure date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of Pacific Radiance Ltd. ("the Company") will be closed on 12 May 2014. Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services of 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 9 May 2014 will be registered to determine members' entitlements to the Dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares up to 5.00 p.m. on 9 May 2014 will be entitled to the proposed dividend.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FINANCIAL YEAR RESULTS (CONT'D)

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Not applicable as the Group has not obtained a general mandate from shareholders for Interested Party Transactions ("IPTs").

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year

	Offshore Support Services Business	**Subsea Business**	**Complementary Businesses**	**Per consolidated financial statements**
	US$'000	US$'000	US$'000	US$'000
2013				
Revenue:				
External customers	109,324	45,216	14,045	168,585
Results:				
Interest income	1,590	258	2	1,850
Interest expense	(10,758)	(2,294)	(9)	(13,061)
Depreciation and amortisation	(19,654)	(5,297)	(84)	(25,035)
Share of results of joint venture companies	13,813	–	(1,176)	12,637
Share of results of associated companies	576	–	386	962
Other non-cash expenses (Note A)	(983)	(1,429)	(5,276)	(7,688)
Segment profit/(loss)	37,468	15,908	(391)	52,985
Assets:				
Investment in associates	2,721	–	–	2,721
Investment in joint ventures	41,629	–	–	41,629
Additions to non-current assets	190,959	533	73	191,565
Segment assets	566,700	169,237	9,932	745,869
Segment liabilities	281,170	77,119	10,129	368,418

Note A. Other non-cash expenses consist of inventories written-down, provisions and impairment of financial assets.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results) (CONT'D)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year (cont'd)

	Offshore Support Services Business	**Subsea Business**	**Complementary Business**	**Per consolidated financial statements**
	US$'000	US$'000	US$'000	US$'000
2012				
Revenue:				
External customers	109,874	17,441	3,517	130,832
Results:				
Interest income	639	85	17	741
Interest expense	(9,689)	(1,752)	(17)	(11,458)
Depreciation and amortisation	(18,599)	(5,377)	(60)	(24,036)
Share of results of joint venture companies	7,968	–	–	7,968
Share of results of associated companies	2,770	–	(7,977)	(5,207)
Other non-cash expenses (Note A)	(535)	(2,411)	(12)	(2,958)
Segment profit/(loss)	44,693	(8,250)	(7,807)	28,636
Assets:				
Investment in associates	2,298	–	–	2,298
Investment in joint ventures	26,915	–	–	26,915
Additions to non-current assets	70,507	3,875	101	74,483
Segment assets	449,936	114,591	5,837	570,364
Segment liabilities	261,358	90,628	12,005	363,991

Note A. Other non-cash expenses consist of inventories written-down, provisions and impairment of financial assets.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results) (CONT'D)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year (cont'd)

Geographical information

Revenue is based on the geographical location in which the services are performed. Non-current assets are based on the geographical location of the entity:

	Revenues		**Non-current assets**	
	FY 2013	**FY 2012**	**FY 2013**	**FY 2012**
	US$'000	US$'000	US$'000	US$'000
Asia	116,420	95,279	589,053	471,298
Africa	26,673	24,151	–	–
Australia	11,899	8,445	–	–
South America	13,593	2,957	3,397	4,069
Others	–	–	1,000	–
	168,585	130,832	593,450	475,367

15. In the review of performance, the factors leading to any material change in contributions to turnover and earnings by the business or geographical segments

Refer to part 8 & 10.

16. A breakdown of sales

	Group		**Increase/**
	FY 2013	**FY 2012**	**(Decrease)**
	US$'000	US$'000	%
Sales reported for first half year	77,647	63,229	23
Operating profit after tax before deducting minority interests reported for first half year	29,586	10,442	183
Sales reported for second half year	90,938	67,603	35
Operating profit after tax before deducting minority interests reported for second half year	27,254	21,315	28

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest Full Year	**Previous Full Year**
	US$'000	US$'000
Ordinary	7,130	–
Preference	–	–
Total	7,130	–

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results) (CONT'D)

18. Person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Pang Wei Kuan	31	Son of Mr Pang Yoke Min who is the substantial shareholder and executive chairman of the Company. Brother of Mr Pang Wei Meng who is the executive director of the Company.	Managing Director, Commercial and Business Development. Appointed in 2011. Responsible for the Group's Marketing & Business Development for new or emerging markets and is also involved in the Group's investment activities by developing and executing the strategies and business plans.	None.
Alphonsus Ang	55	Brother-in-law of Mr Pang Yoke Min who is the substantial shareholder and executive chairman of the Company. Uncle of Mr Pang Wei Meng who is the executive director of the Company.	General Manager – Procurement. Appointed in 2007. Responsible for the development of the Group's supply chain management policies as well as the deployment & management of procurement initiatives in alignment with the Group's strategies and business plans.	None.
James Ang	53	Brother-in-law of Mr Pang Yoke Min who is the substantial shareholder and executive chairman of the Company. Uncle of Mr Pang Wei Meng who is the executive director of the Company.	Ship Repair Manager. Appointed in 2011. Responsible for management of the ship-repair yard development.	None.

19. Use of IPO net proceeds

The Company refers to the net IPO proceeds (IPO proceeds minus listing expenses) amounting to S$150.6 million raised from the IPO and listing on the SGX on 13 November 2013.

As at date of this annoucement, the status on the use of the net IPO proceeds is as follows:-

Use of net IPO proceeds

	Amount allocated (S$'000)	**Amount utilised** (S$'000)	**Amount yet to be utilised** (S$'000)
Expansion of fleet post-listing	32,000	(32,000)	–
Expansion of fleet through the new building and acquisition of 10 OSVs, 1AWB, and 1 ROV support vessel as part of our newbuild and fleet expansion programme, financed through pre-listing financing by UOB	85,200	(85,200)	–
Repayment of financing used for, inter alia, our newbuild and fleet expansion programme, to Philip Ventures Enterprise Fund 2 Limited and Philip Ventures Enterprise Fund 3 Limited	22,700	(22,700)	–
General working capital	10,700	(10,700)	–
	150,600	(150,600)	–

On behalf of the Board of Directors

Pang Yoke Min
Executive Chairman

Mok Weng Vai
Executive Director

26 February 2014

The initial public offering of Pacific Radiance Ltd. was sponsored by United Overseas Bank Limited and UOB Kay Hian Private Limited (the "Joint Issue Managers"). The Joint Issuer Managers assume no responsibility for the contents of this announcement.