

**PACIFIC RADIANCE LTD.**  
**COMPANY REGISTRATION NO. 200609894C**

---

**ARBITRATION PROCEEDINGS FOR THE RESCISSION OF SHIPBUILDING  
CONTRACTS FOR TWO PLATFORM SUPPLY VESSELS**

---

The Board of Directors (the “**Board**”) of Pacific Radiance Ltd. (the “**Company**”) wishes to announce that its wholly-owned subsidiary, Pacific Crest Pte. Ltd. (“**PCPL**”), had on 13 June 2016, issued two notices of arbitration, for arbitrations in Hong Kong (the “**Arbitrations**”), against Shanghai Waigaoqiao Shipbuilding & Offshore Co., Ltd., and China Shipbuilding Trading (Shanghai) Co., Ltd. (collectively as the “**Shipyards**”) arising from two shipbuilding contracts, both dated 8 May 2013, entered with the Shipyards (the “**Shipbuilding Contracts**”), for the construction of two platform supply vessels (the “**PSVs**”).

The issue of the notices of arbitration for the Arbitrations follows the rescission of the Shipbuilding Contracts for the failure of the Shipyards to deliver the PSVs in accordance with their obligations under the Shipbuilding Contracts.

PCPL claims, among other things, the refund of the pre-delivery instalments paid to the Shipyards for the PSVs, totalling US\$ 10,632,000, plus interest.

The Arbitrations are currently at their initial stages. Further announcements will be made by the Board at the appropriate junctures in the event of any material developments in relation to the Arbitrations.

The Arbitrations are not expected to have any material impact on the Company's net tangible assets and earnings per share of the Company for the current financial year ending 31<sup>st</sup> December 2016.

By Order of the Board of  
Pacific Radiance Ltd.

Loo Choo Leong  
Group Finance Director

13 June 2016