

**GENERAL BUSINESS UPDATES**

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The Board of Directors of Pacific Radiance Ltd. (the "**Company**") refers to the announcements released on 29 July 2016 and 1 August 2016 relating to the provision (the "**Provision**") of doubtful receivables (the "**Doubtful Receivables**") for services rendered to the related entities of Swiber Holdings Limited ("**Swiber**"), and the various media reports following the situation faced by Swiber over the past two weeks.

The Company wishes to clarify that whilst the Provision is expected to negatively impact the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2016, it is a non-cash accounting provision which is not expected to significantly affect the Company's cash flow position. Notwithstanding the aforementioned, the Company will continue to pursue all legal avenues of recovery of the Doubtful Receivables.

The Company, its subsidiaries, and related entities (collectively as the "**Group**") continue to have the full support of their banks, lenders, and business partners, and their cash flows remain manageable. The management of the Group continues to vigorously and tirelessly manage its operations and financial position in a conservative and sustainable manner, taking into account the challenging environment which may last for the next two to three years. In this regard, the Group constantly evaluates and pursues opportunities to enhance its liquidity position and raise additional cash in order to ensure business sustainability and position itself for any potential market opportunities.

Since the onset of the industry downturn in late 2014, the Group has implemented and will continue to roll out various measures as part of its risk mitigation strategy to proactively reduce both capital and operating expenses and manage its cash flows. Some of the key steps include the refinancing of loans with its key lenders, and the amendment of a financial covenant of its sole S\$100 million bond issue due August 2018 to avoid any technical breaches. In parallel, the Group continues to intensify its marketing and business development efforts to grow existing markets and expand into new ones.

Lastly, the Group wishes to clarify that it operates on a different business model and in a different business segment from Swiber. The Group owns and operates a fleet of offshore support vessels which are mostly chartered out on a time charter basis, while Swiber is a contractor which offers a range of Engineering, Procurement, Installation and Construction services; the businesses are different.

By Order of the Board of  
Pacific Radiance Ltd.

Loo Choo Leong  
Group Finance Director  
10 August 2016