

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

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

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The Board of Directors (the “**Board**”) of Pacific Radiance Ltd (the “**Company**”) wishes to announce that CA Offshore Investment Inc., a joint venture company of which it owns a 50% stake (“**CAOI**”), has on 18 November 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 the “**Shipyards**”) arising from two shipbuilding contracts, both dated 18 December 2013, entered with the Shipyards by its wholly owned subsidiary Pacific Crest Pte Ltd and novated to CAOI (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.

CAOI claims, among other things, the refund of the pre-delivery instalments paid to the Shipyards for the PSVs, totalling US\$5,550,000, 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 December 2016.

By Order of the Board of  
Pacific Radiance Ltd.

Loo Choo Leong  
Group Finance Director

21<sup>st</sup> November 2016