

COMMENCEMENT OF RESTRUCTURING PROCEEDINGS

The board of directors (the “**Board**”) of Pacific Radiance Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements made on 8 September 2017, 16 October 2017, 28 February 2018 and 26 April 2018 (the “**Announcements**”) in connection to the restructuring of the Group’s borrowings and debt obligations (the “**Restructuring**”) and the proposed equity injection from anchor investors (the “**Investment**”).

Unless otherwise defined, terms used in the Announcements shall have the same meanings when used herein.

Proposed Scheme of Arrangement

In view of the development milestones reached between the Group and its stakeholder groups, including its major lenders and anchor investors, the Group intends to pursue the Restructuring by way of schemes of arrangement to be proposed between the relevant entities of the Group and its creditors under section 210(1) of the Companies Act (Cap.50) (the “**Companies Act**”).

Application for Moratorium

In order to preserve the proposed Restructuring and Investment, Pacific Crest Pte Ltd (“**PCPL**”), a wholly-owned subsidiary of the Company, has on 16 May 2018 made applications to the Court under section 211B(1) of the Companies Act (Cap.50) (the “**Application**”) to seek interim protection against legal proceedings that will regress the Group’s ongoing discussions with the various stakeholders.

The Application seeks, *inter alia*, orders that (a) no appointment shall be made of a receiver or manager over any property or undertaking of PCPL (b) except with the leave of Court, (i) no legal proceedings may be commenced or continued against PCPL, (ii) no execution, distress or other legal process against any property of PCPL shall be commenced, continued or levied, (iii) no steps to enforce any security over any property of PCPL or to repossess any goods held by PCPL under any chattels leasing agreement, hire-purchase agreement or retention of title agreement shall be taken or continued and (iv) no right of re-entry or forfeiture under any lease in respect of any premises occupied by PCPL may be enforced (collectively the relief sought in (a) and (b), the “**Moratorium**”) for a period of six (6) months from the date of the grant of the Application or until further order.

Pursuant to section 211B(8) of the Companies Act, during the period commencing on the filing of the Application and ending on the earlier of 30 days after the Application is made and the date on which the Application is decided by the Court, the Moratorium takes effect automatically and no order may be made for the winding up of PCPL (collectively the “**Automatic Moratorium**”).

The Board believes that the Automatic Moratorium and the Moratorium, if granted, will provide stability for the day to day operations of the Group to continue with support of its customers and key trade suppliers and allow the Group an opportunity and adequate time to pursue the Restructuring and the Investment.

Proceedings against subsidiaries of the Group

As a further update, the Board wishes to inform that Alliance Catering & Consultancy Pte Ltd (“**Alliance Catering**”), a company incorporated in Singapore, has filed winding up applications with the Singapore High Court on 14 May 2018 against PCPL and CSI Offshore Pte Ltd (“**CSIO**”), an indirect wholly-owned subsidiary of the Company (the “**Winding Up Applications**”), in relation to statutory demands dated 12 April 2018 made by Alliance Catering for the payment of a total sum of US\$1,071,986.70 and S\$76,899.03 for services rendered by Alliance Catering to PCPL and CSIO. The Winding Up Applications were filed by Alliance Catering as settlement on mutually acceptable terms could not be reached. The Winding Up Applications are fixed to be heard on 8 June 2018. The

Group is in discussion with its legal advisor in respect to the Winding Up Applications to determine the best course of action and various options available to the Group. Meanwhile, the winding up application filed against PCPL will be subject to the Automatic Moratorium. Any further material developments in relation to the Application, the Restructuring and/or the Winding Up Applications will be disseminated at the appropriate juncture.

Trading of the Company's securities on the SGX-ST has been voluntarily suspended by the Company on 28 February 2018.

Shareholders and Noteholders are advised to read this announcement and any further announcements by the Company carefully. There is no certainty or assurance as at the date of this announcement that any discussions or prospects will be successfully concluded or any definitive agreements in relation to any transactions will be entered into. Shareholders and Noteholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board of
Pacific Radiance Ltd.

Pang Yoke Min
Executive Chairman

16 May 2018