

PACIFIC RADIANCE LTD.

16 July 2018



Cost Saving Measures

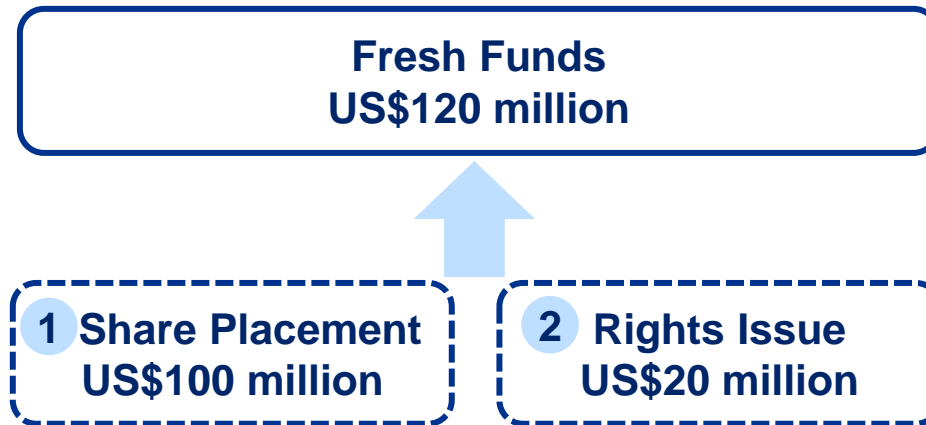
Since the slowdown in 2015, PR has swiftly implemented numerous cost control measures including the lay-up of vessels and headcount reduction at the crew and corporate level

	Initiatives	2015	2016	2017	Results
 Reduction in operating related expenses	Right-sizing of fleet				<ul style="list-style-type: none"> 19 vessels sold since 2015.
	Right-sizing of crew				<ul style="list-style-type: none"> Crew size has decreased by over 40% from 2014 to 1H 2018.
 Reduction in corporate expenses	Suspension of bonus				<ul style="list-style-type: none"> Bonus suspension from 2016. Wage freeze for employees from 2016.
	Wage freeze and reduction				<ul style="list-style-type: none"> Wage reduction for senior management of up to 52% in 2016. Staff cost decreased by 25% in FY2016 and a further 19% in FY2017.
	Reduction of corporate headcount				<ul style="list-style-type: none"> Corporate headcount has also decreased by over 40% from 2015 to 1H 2018.
	Reduction of expenses ⁽¹⁾				<ul style="list-style-type: none"> General and administration expenses decreased by 8% in FY2016 and a further 20% in FY2017.

Note: (1) Adjusted for depreciation, interest expenses, legal and consultant fees.

Update on Developments

New equity to be raised



- 1 US\$100 million upfront cash payment to secured lenders.
- 2 US\$20 million to be retained by PR for working capital.

Update on Developments

Estimated total borrowings and contingent liabilities to be restructured

Pacific Radiance Ltd – Holding Company	US\$ million ⁽¹⁾
S\$100 million Series 001 notes due August 2018 (“Notes”)	72
Corporate Guarantees	492

Notes and Corporate Guarantees are unsecured. Holding company does not own any vessel.

Operating Subsidiaries	US\$ million ^{(1) (2)}
Bank Loans	476

Bank Loans are mainly secured by vessels owned by operating subsidiaries.

Note: (1) Estimates as at end Jun 2017.

(2) Bank Loans to be restructured (excluding bank loans within the group that are undergoing separate bilateral negotiations)

Update on Developments

Estimated Bank Loans to be restructured

Operating Subsidiaries	US\$ million ⁽¹⁾
Bank Loans	476
Less: Property Loan <i>(moratorium, extended payment terms, interest reduction)</i>	(44)
Remaining Bank Loans	432
Less: Bank Loans Retained <i>(moratorium, extended payment term up to 6 years, interest reduction)</i>	(121)
Remaining Loans to be restructured	311
Less: Upfront cash payment	(100)
Less: Debt forgiveness/conversion to equity	(211)

Approximately 50% of bank loans to be forgiven/converted to equity.

Note: (1) Estimates as at end Jun 2017.

Shareholding Change

Immediate shareholding structure post-restructuring

Investors

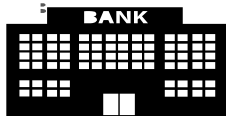


US\$120 million

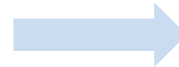


~ 74% of PR enlarged share capital

Banks



US\$211 million
(debt forgiveness/
conversion to equity)

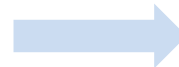


~ 15% of PR enlarged share capital

Existing Shareholders



Pang Family 68%



~ 3% of PR enlarged share capital

Others 32%

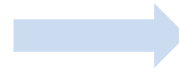


~ 1.5% of PR enlarged share capital

Noteholders



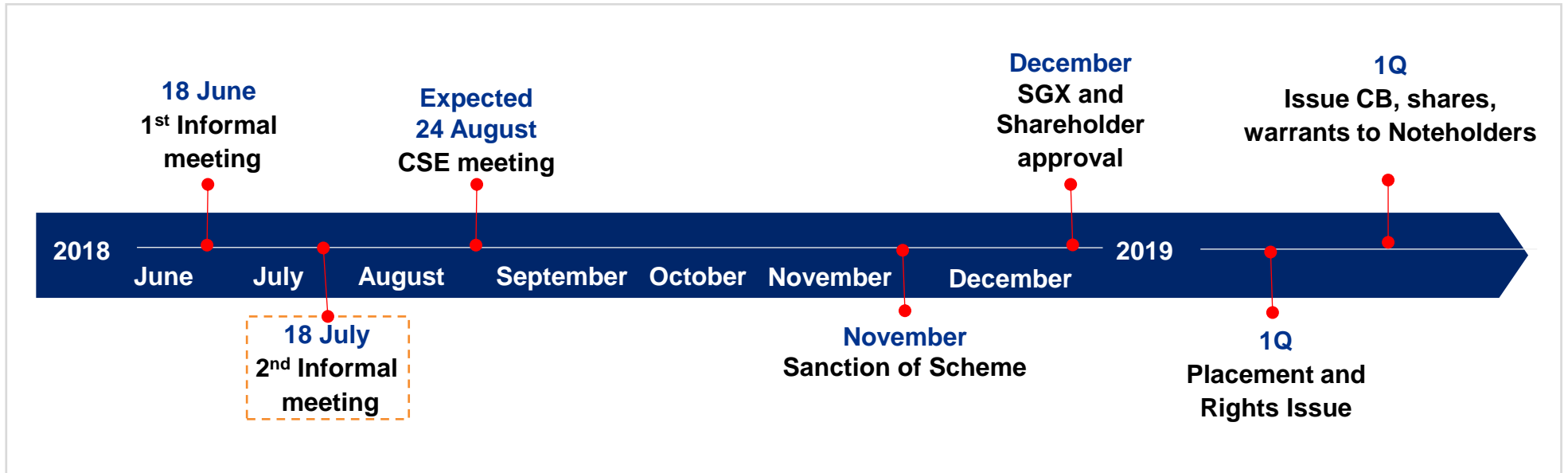
S\$100 million



~ 6% of PR enlarged share capital

Management retention shares of approximately 12% (fully diluted basis) to be vested over 4 years.

Indicative Timeline



Questions and Answers