

A. UPDATE ON RESTRUCTURING

B. THE EQUITY SUBSCRIPTION OF UP TO 21,165,095,400 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION AND BACKGROUND

Unless otherwise defined herein, all terms and references used in this announcement shall bear the same meaning ascribed to them in the announcement dated 22 August 2019.

The Board of Directors (the “**Board**”) of Pacific Radiance Ltd. (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) refers to the Company’s announcements dated 26 April 2018, 18 May 2018, 5 June 2018, 25 September 2018, 13 May 2019 and 22 August 2019 in connection with the restructuring of the Group’s debt and borrowings (“**Debt Restructuring**”), the Company’s announcement dated 20 December 2018 wherein the Company announced that it had executed a non-binding term sheet on 19 December 2018 with parties who control a vessel owning and logistics service provider (“**Term Sheet Announcement**”), and the Company’s announcement dated 22 August 2019 in relation to the proposed acquisition of Allianz Marine and Logistics Services Holding Limited and its group of companies (“**Proposed Acquisition**”) (collectively, the “**Debt Restructuring Announcements**”).

Pursuant to the proposed New Equity as announced by the Company on 22 August 2019, the Board wishes to update that the Company has today entered into a subscription agreement (“**Subscription Agreement**”) with each of Murali Krishna Krishna Kumar (“**Murali**”), Ahmed Tarek Khalil Ali (“**Ahmed**”), Friedrich Hans Portner (“**Friedrich**”), Ramy Mohamed Rashad (“**Ramy**”), John Thomas Garbutt (“**John**”) and Karim Hasabelnabi Mohamed Hasabelnabi Elsayed (“**Karim**”) (collectively, the “**Subscribers**”) pursuant to which the Subscribers will subscribe for, and the Company will allot and issue to the Subscribers, 21,165,095,400 new ordinary shares (“**Shares**”) in the capital of the Company (“**Subscription Shares**”) at the issue price of the Singapore equivalent of US\$0.0085 for each Subscription Share (at such exchange rate to be agreed between the Company and the Subscribers) (“**Issue Price**”), for an aggregate subscription consideration of US\$180 million (“**Aggregate Consideration**”) (“**Equity Subscription**”).

There is no placement agent appointed for the Equity Subscription. No introducer fee or placement commission has been paid or will be payable by the Company in connection with the Equity Subscription.

The Equity Subscription will be undertaken pursuant to a private placement exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Equity Subscription.

2. INFORMATION ON THE SUBSCRIBERS

Shareholders should note that the information relating to the Subscribers in this announcement was provided by the Subscribers. In respect of such information, the Company and the directors of the Company have not independently verified the accuracy and correctness of the same. The sole responsibility of the Company is only limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.

The Subscribers are Murali, Ahmed, Friedrich, Ramy, John and Karim, and each of them are shareholders of Allianz Marine Logistics Services Holding Ltd (“**AMLS**”, and together with its subsidiaries, the “**AMLS Group**”). AMLS is a company incorporated in the UAE, and is the holding company of some 22 subsidiaries and associated companies of the AMLS Group. These associated companies include joint ventures with the Group. The AMLS Group is headquartered in Abu Dhabi and its operations cover the wider Gulf Cooperation Council region, India and Egypt. The AMLS Group is also in the same core business of owning and chartering offshore support vessels as the Company and in addition, it is also involved in the provision of offshore marine logistics services.

The current shareholding of AMLS and the role of each of the Subscribers in relation to the AMLS Group are as follows:

- (i) Ahmed – 74.44%

Ahmed is the General Manager cum Commercial Manager of one of the operating subsidiaries of the AMLS Group. Ahmed is involved in the day-to-day management of the AMLS Group and is the main commercial driving force behind the rapid growth of the AMLS Group.

- (ii) Murali – 22.06%

Murali founded the AMLS Group. Murali is a Director of AMLS but does not participate actively in the day-to-day management of the AMLS Group;

- (iii) Friedrich – 1.50%

Friedrich is the General Manager of one of the operating subsidiaries of the AMLS Group, Allianz Gulf Oil Fields Services LLC;

- (iv) Ramy – 0.50%

Ramy is the Key Account Director of the AMLS Group;

- (v) John – 1.00%

John is the Logistics Director of the AMLS Group; and

- (vi) Karim – 0.50%

Karim is the Operations Manager of the AMLS Group,

(the “**Relative Proportion**”).

The Subscribers were introduced to the Company in the normal course of business dealings and networking. As of the date of this announcement, the Subscribers do not have any shareholdings in the Company.

3. ALLOCATION OF SUBSCRIPTION SHARES

The Subscription Shares shall be allotted and issued to the Subscribers in accordance with the Relative Proportion, a breakdown of which is as follows:

No.	Name of Subscriber	No of Subscription Shares	Subscription Consideration (US\$)	% Subscription in the Company ⁽¹⁾
1.(a)	Ahmed	12,642,783,000	107,521,412.00	40.62
1.(b)	Subscription Shares to be placed out by Ahmed	3,112,514,000	26,470,587.81	10.00
2.(a)	Murali	3,703,891,700	31,500,000.08	11.90
2.(b)	Subscription Shares to be placed out by Murali	965,128,300	8,207,999.58	3.10
3.	Friedrich	317,476,400	2,699,999.74	1.02
4.	Ramy	105,825,500	900,000.20	0.34
5.	John	211,651,000	1,800,000.39	0.68
6.	Karim	105,825,500	900,000.20	0.34
	Total	21,165,095,400	180,000,000.00	68.00

Note:

- (1) The percentage subscription in the Company assumes that all warrants or other forms of equity options issued to the Financier (if any) are exercised on completion of the Debt Restructuring Transactions. Percentage subscription in the Company set out above does not take into account the 50,000,000 warrants to be issued to the holders of the S\$100,000,000 4.30% notes due 2019 comprised in Series 001 issued by the Company.

4. RATIONALE AND USE OF PROCEEDS

- 4.1 The Equity Subscription is part of the New Equity and Debt Restructuring Plan of the Company. As announced by the Company on 22 August 2019, the proceeds from the New Equity and the New Debt will be used to finance the Proposed Acquisition, repay existing indebtedness, including the bank debt of the Group, to complete the Notes restructuring and for general corporate and working capital purposes.

5. PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

Based on the Subscription Agreement, the principal terms of the Equity Subscription are as follows:

5.1 Equity Subscription

Subject to the terms and conditions of the Subscription Agreement, the Company agrees to allot and issue and each of the Subscribers agrees to subscribe and pay for their Relative Proportion of the Subscription Shares at the Issue Price. The Aggregate Consideration shall be payable on Completion by the Subscribers in accordance with the terms and conditions of the Subscription Agreement.

5.2 Conditions Precedent

Completion of the Equity Subscription shall be conditional upon, *inter alia*, the following being fulfilled:

- (a) the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) issuing an approval-in-principle in respect of the listing and quotation of the Subscription Shares and such approval-in-principle not having been revoked or amended and, where such approval-in-principle is subject to conditions (which are not normally imposed by the SGX-ST for a transaction of a similar nature), to the extent that any conditions for the listing and quotation of the Subscription Shares on the Mainboard are required to be fulfilled, on or before five (5) business days (which is a business day in the UAE and in Singapore) after the conditions precedent in this paragraph 5.2 have been fulfilled, or waived (as the case may be), or such other date as the Company and the Subscribers may mutually agree in writing (“**Completion Date**”), they are so fulfilled;
- (b) the allotment, issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule, regulation, directive or request whether existing or promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere, which is applicable to the Company and/or the Subscribers;
- (c) the execution by the Company and the Financier of definitive agreements by which the Financier grants the Company the Credit Facilities for utilisation to complete the Proposed Acquisition as part of the Debt Restructuring Transactions (which includes debt relating to the vessels as set out in Schedule 7 of the Subscription Agreement) (as defined in the Subscription Agreement) where the resultant shareholding of the Company on completion of the Debt Restructuring Transactions shall be as set out in Schedule 5 of the Subscription Agreement provided that the final amount due to the lenders pursuant to the bilateral agreements and the scheme of arrangement shall be about US\$175.6 million;
- (d) approval from the Shareholders has been obtained at an extraordinary general meeting convened by the Company and the board of directors of the Company for the allotment and issuance of the Subscription Shares;
- (e) the whitewash resolution for the waiver of the rights of Shareholders to receive a mandatory take-over offer from the Subscribers (“**Whitewash Resolution**”) having been passed by the Shareholders (who are independent of the Subscribers) at an extraordinary general meeting to be convened by the Company in connection with the allotment and issue of the Subscription Shares under Rule 14 of the Code;

- (f) the representations and warranties of the Company and the Subscribers in the Subscription Agreement being true, accurate and correct in all respects as if made on the Completion Date, with reference to the then existing circumstances and the Company and the Subscribers having performed in all respects their obligations herein to be performed on or before the Completion Date;
- (g) the delivery of the disclosure letter (if any) and updated disclosure letter (if any) to the Subscribers;
- (h) completion of the Proposed Acquisition in accordance with its terms;
- (i) the placement of at least 10% of the enlarged issued and paid-up share capital of the Company held by Ahmed; and
- (j) the placement of at least 3.1% of the enlarged issued and paid-up share capital of the Company held by Murali.

5.3 **Whitewash Waiver**

Each of the Subscribers further undertakes to and with the Company that he has or will as soon as reasonably practicable after execution of the Subscription Agreement, make such submissions or procure the making of such submissions to the Securities Industry Council to obtain a waiver from making a mandatory offer under Rule 14 of the Code arising from the issuance and allotment of Subscription Shares under the Subscription Agreement if required and for such other rulings and confirmations as may be necessary or desirable for the Company and the relevant parties to implement and complete the transactions contemplated by the Subscription Agreement.

The Company undertakes with the Subscribers that it shall appoint an independent financial adviser to advise its independent shareholders on the Whitewash Resolution.

5.4 **Joint Management of the Company**

Following completion of the Subscription Shares pursuant to the Subscription Agreement (“**Completion**”), the Company and the Subscribers undertake that each of Ahmed, the Existing Controlling Shareholders (as a group) and the Financier shall be entitled to nominate and appoint the same number of directors to the board of the Company (i.e. 1 director each), and that the nominees of Ahmed and the Existing Controlling Shareholders (as a group) shall be entitled to serve in an executive capacity as directors and executive officers of the Company, while the nominee of the Financier shall be entitled to serve in a non-executive capacity as a director, in each case in accordance with the management organisation chart set out in Schedule 4 of the Subscription Agreement (“**Joint Management**”).

5.5 **Moratorium**

Subject to Completion, each of the Subscribers undertakes with the Company that he will deliver to the Company, an undertaking in form and substance acceptable to the Company and the SGX-ST, by which each of them undertakes not to sell or dispose of his Shares in the Company for a period of at least 6 months after Completion or such other period as the SGX-ST may prescribe, save that in the case of Ahmed and Murali, the Shares which are subject to the moratorium undertaking will be the balance Shares in the Company that each of Ahmed and Murali hold after completion of each of their share placement exercises for such number of their Shares as are permitted by the SGX-ST.

All such undertakings shall be executed and delivered by the Subscribers to the Company for delivery to the SGX-ST within such period as the Company, in consultation with the SGX-ST, may notify to the Subscribers in writing.

5. MANDATE FOR THE ISSUE OF THE SUBSCRIPTION SHARES

The Company will, in due course, be convening an extraordinary general meeting to seek approval of Shareholders for the allotment and issuance of the Subscription Shares, as well as the approval of the Shareholders to waive their rights to receive a mandatory general offer from the Subscribers in connection with the allotment and issue of the Subscription Shares under the Code.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save in respect of the Joint Management, none of the directors of the Company (“**Directors**”) or (to the best of the Company’s knowledge) controlling Shareholders has any interest, direct or indirect, in the Equity Subscription.

7. FURTHER INFORMATION

7.1 Circular

Subject to SGX-ST’s approval, a circular containing further information on the Equity Subscription, together with a notice of the extraordinary general meeting will be despatched by the Company to the Shareholders in due course.

7.2 Documents for Inspection

A copy of the Subscription Agreement will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this announcement.

7.3 General

None of the Subscription Shares will be placed to any person or groups of persons disallowed by the SGX-ST as set out under Rule 812(1) of the Listing Manual of the SGX-ST. Pursuant to the Subscription Agreement, the Subscribers have represented that they does not fall within the class of persons as set out under Rule 812(1) of the Listing Manual of the SGX-ST.

8. CAUTION IN TRADING

Trading of the Company’s securities on the SGX-ST had 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.

9. RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of the preparation of this announcement) collectively and individually accept full responsibility for the accuracy of

the information given in this announcement (except in respect of the Subscribers and the AMLS Group) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein (except in respect of the Subscribers and the AMLS Group) are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this announcement misleading. The Subscribers (including those who may have delegated detailed supervision of the preparation of this announcement) collectively and individually accept full responsibility for the accuracy of the information given in this announcement (in respect of the Subscribers and the AMLS Group) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein (in respect of the Subscribers and the AMLS Group) are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this announcement misleading. Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors and each of the Subscribers respectively has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

10. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Equity Subscription and the Debt Restructuring Plan as appropriate or when there are developments on the same.

By Order of the Board of
Pacific Radiance Ltd.

Pang Yoke Min
Executive Chairman

26 August 2019