

# PACIFIC RADIANCE LTD.

2 September 2019



# Confidentiality, Disclaimer and Caution

## Important Notes

- **This presentation is prepared for the sole purpose of providing the holders of Series 001 notes due August 2019 (the “Notes”) with an update on the developments of the financial restructuring of Pacific Radiance Ltd (“PR” or the “Company”) and its subsidiaries and related entities (collectively the “Group”) and the proposed acquisition.**
- This presentation is solely directed at the Noteholders. The terms contained in this presentation are strictly in proposal only and are not fully indicative of the terms of the Notes restructuring, which will be set out in a consent solicitation statement (if any).
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# Confidentiality, Disclaimer and Caution

## Important Notes (continued)

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# Update on Debt Restructuring

- A** In the later part of 2018, the global market took a turn for the worse.
- B** Potential investors' interest was affected by the deteriorating market sentiments and decided to reduce their equity investment.



# Update on Debt Restructuring

- In December 2018, the Company announced that it was exploring an alternative option for its Debt Restructuring, which involves the acquisition (“**Proposed Acquisition**”) by the Company of a group of companies that owns vessel chartering and logistics services businesses (“**Target Group**”).



# Update on Debt Restructuring

- In May 2019, the Company announced that it was in discussions with a few potential financiers to provide debt financing (“**Proposed New Debt**”) and has received indicative proposals to this end. The Company also proposed to raise additional equity (“**Proposed New Equity**”) through placement.



# Update on Debt Restructuring

- On 22 August 2019, the Company announced that it has entered into a sale and purchase agreement to acquire the Target Company, Allianz Marine and Logistics Services Holding Ltd (“**AMLS**”), and its subsidiaries and associated companies.





# Update on Debt Restructuring

- At the same time, the Company announced that it was in advanced discussions with the selected debt financier (“**Financier**”) to extend to the Company the Proposed New Debt of about US\$180 million.



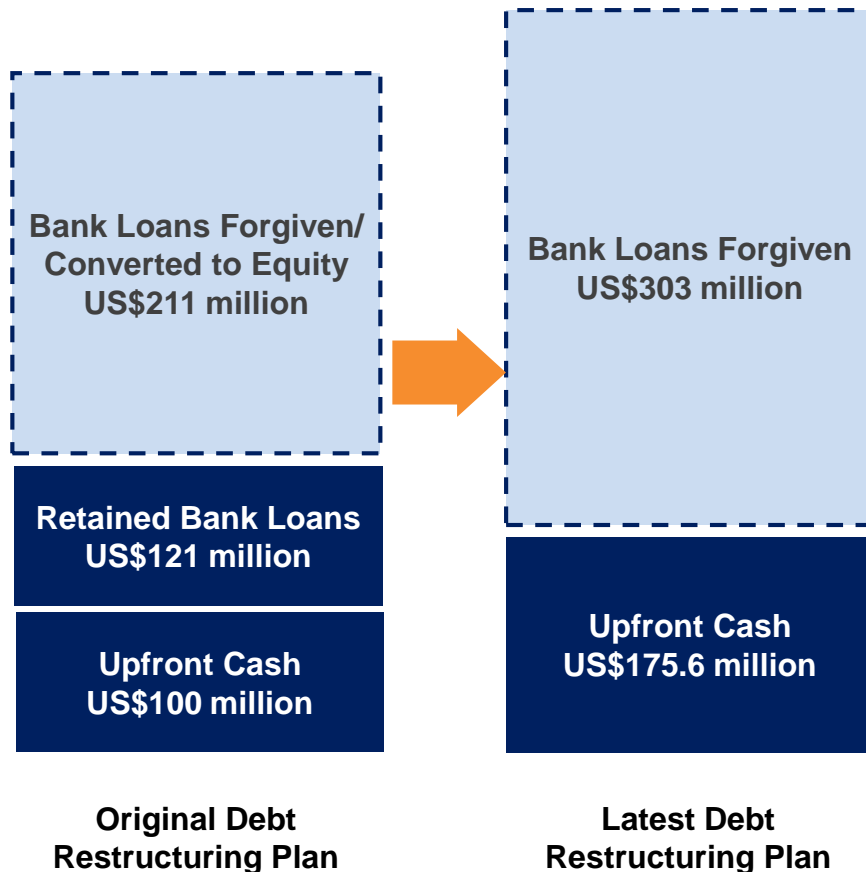
# Update on Debt Restructuring

The Proposed Acquisition, Proposed New Debt and Proposed New Equity are part of the latest Debt Restructuring plan.

The Proposed New Debt and Proposed New Equity will be used to finance the Proposed Acquisition, repay existing indebtedness, including the bank debt of the Group, and for general corporate and working capital purposes.



# Update on Debt Restructuring



Debt Restructuring will involve settlement of the bank debt of US\$478.6 million (as at 31 May 2019) by payment in cash of about US\$175.6 million.

The Group intends to implement the restructuring of the bank debt by way of scheme of arrangement.

# About Target Company

## Key Businesses

AMLS is a strategic partner of the Company. It is headquartered in Abu Dhabi and its operations cover the wider Gulf Cooperation Council region, India and Egypt. It operates vessel chartering business and offers integrated offshore logistics solutions and supply base operations to the offshore oil and gas and construction industries.



### Vessel Chartering

- AMLS own and operate a diverse fleet vessels



### Port and Logistics Services

- Port operations and supply bases with dedicated facilities
- Plan and execute onshore and offshore logistic solutions for clients

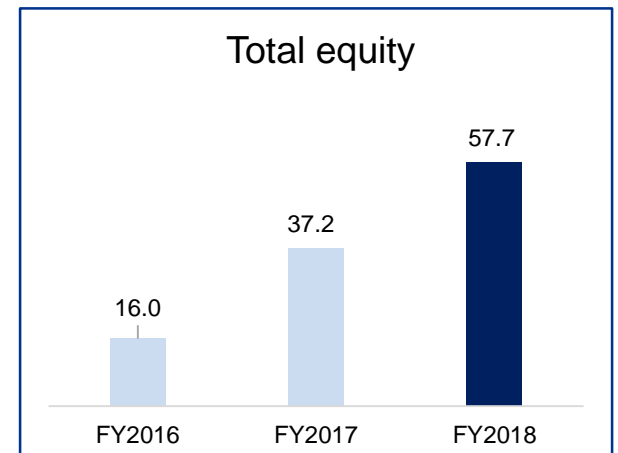
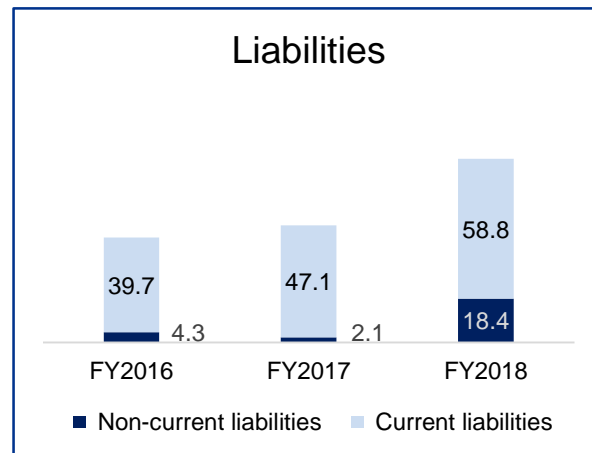
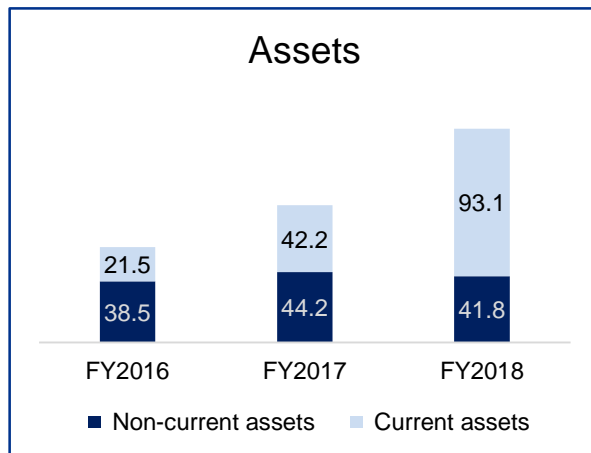
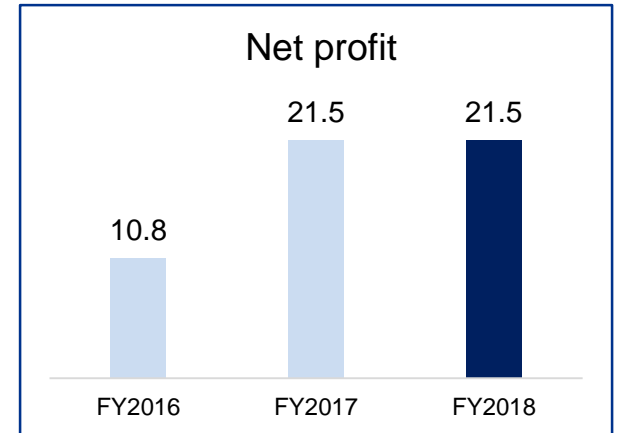
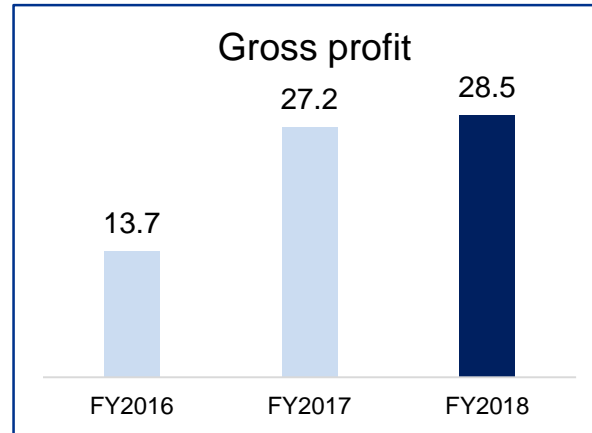
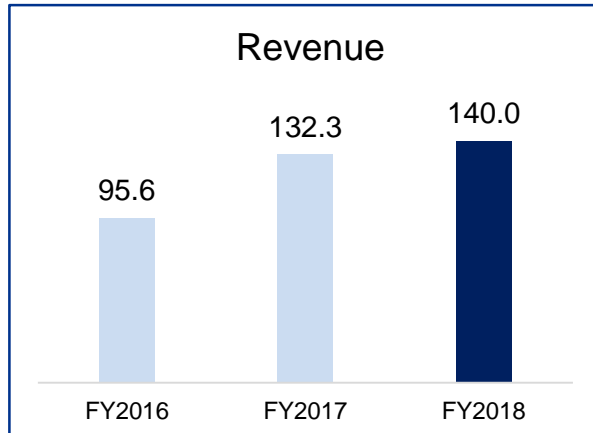


### Other Specialised Services

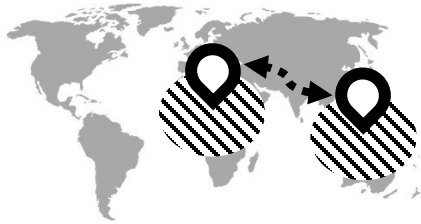
- Fluids and chemicals import and handling
- Liquid and dry bulk storage at port supply base

# About Target Company

## Key Financials (US\$'m)



# Rationale for Proposed Acquisition



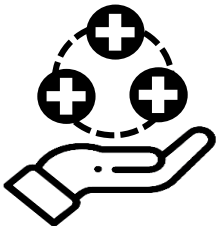
Expansion of geographical footprint further entrenching market presence across Asia, Middle East, Australia, Latin America and Africa.



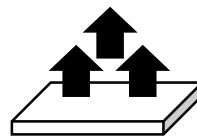
Joint expertise and bilateral knowledge transfer – both management teams possess deep market knowledge and long-standing business relationships in their respective markets.



Merged entity will be one of the prominent player in the region with fleet size of over 180 vessels.



Widen service offering for both parties and maintain first mover advantage in providing turnkey logistics solution to clients in a broader market base.



Total solution to clients in key regions provides ship owners a platform to consolidate their business.



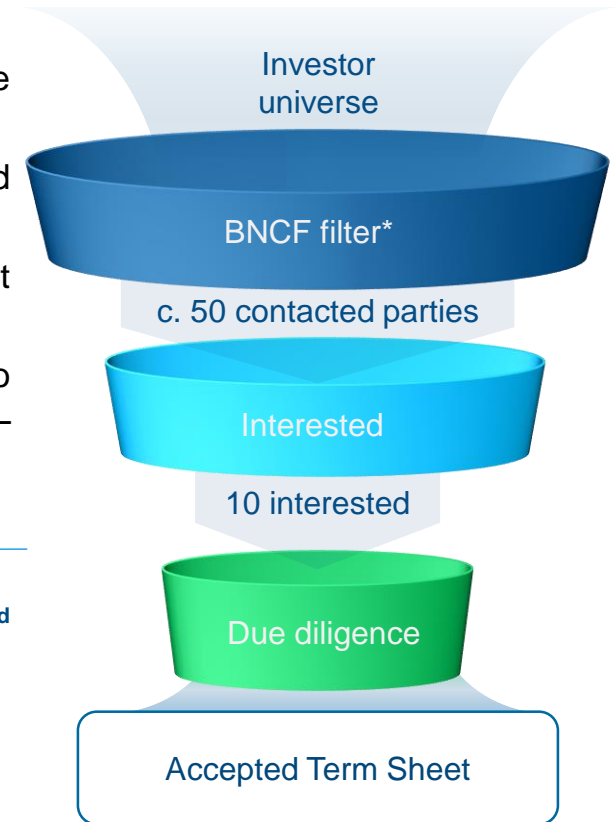
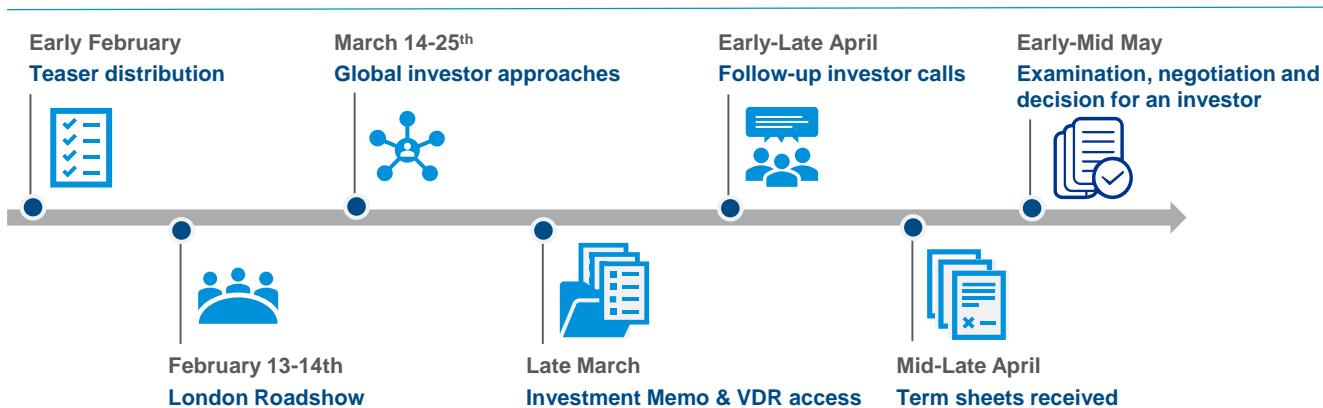
Merged entity's Debt to EBITDA, together with size, will position it as a compelling investment target for institutional investors looking to get offshore exposure at the bottom of the cycle.

# About Financier

## Investors approached

- From its global network of maritime investors and financiers, BNCF approached over 50 investors who it thought would be suitable for and have interest in a transaction of this type.
- This group included private equity funds, hedge funds, credit funds, infrastructure investors and other institutions.
- Of the approached parties, more than half are based in Europe, with almost a third in the US and the remaining in Asia.
- From the total of 50 investors that were approached, 10 indicated some interest and 7 of them conducted due diligence.
- The interested parties were provided the investment memorandum and access to the VDR, while investor calls were held in order to present the companies (PRL and AMLS) and answer additional questions.

## Process timeline



\*Filtering investor universe for best-fitting partners

# About Financier

## Selected Financier

- Financier has over 25 years of experience investing in a variety of asset classes, including corporate credit and private equity.
- Founded in New York, Financier is a leading independent asset manager specializing in leveraged loans, high yield bonds, structured products, distressed securities and turnaround investments.
- The firm has approximately US\$32 billion of assets under management as of January 2019.
- The firm invests on behalf of investors globally, including pension funds, sovereign wealth funds, insurance companies, foundations, endowments, fund of funds and family offices, and now has more than 300 employees in six offices all around the world.
- Financier's investment activities are driven by a fundamental value-oriented philosophy focused on credit analysis, relative value analysis, risk-adjusted return generation, loss avoidance and active risk management.
- Shipping has been a core element of Financier's investment strategy for many years. Over the last nine years it has become a key area of focus and Financier's shipping activity has grown significantly as they continue to increase the size of their investment team and resources devoted to the industry.
- Oil and gas, as well as offshore investments, are among the largest exposures of Financier's portfolio, as such they have a deep understanding of the industry and its requirements and could support in developing relationships and opportunities further.



# Pro Forma Financial Effects

## Pro forma financial effects of the Proposed Acquisition<sup>(1)</sup>

<b>Income Statement (US\$m)</b>	<b>FY2018</b>
<b>Revenue</b>	<b>196.1</b>
<b>Net profit before tax</b>	<b>192.9</b>
<b>Net profit after tax</b>	<b>191.8</b>

<b>Balance Sheet (US\$m)</b>	<b>As at 31 December 2018</b>
<b>Non-current assets</b>	<b>598.9</b>
<b>Current assets</b>	<b>132.4</b>
<b>Current liabilities</b>	<b>126.0</b>
<b>Non-current liabilities</b>	<b>217.3</b>
<b>Equity</b>	<b>388.0</b>

Note: (1) For illustrative purposes only. Please refer to bases and assumptions in announcement dated 22 August 2019

# Pro Forma Financial Effects

## Pro forma financial effects of the Proposed Acquisition<sup>(1)</sup>

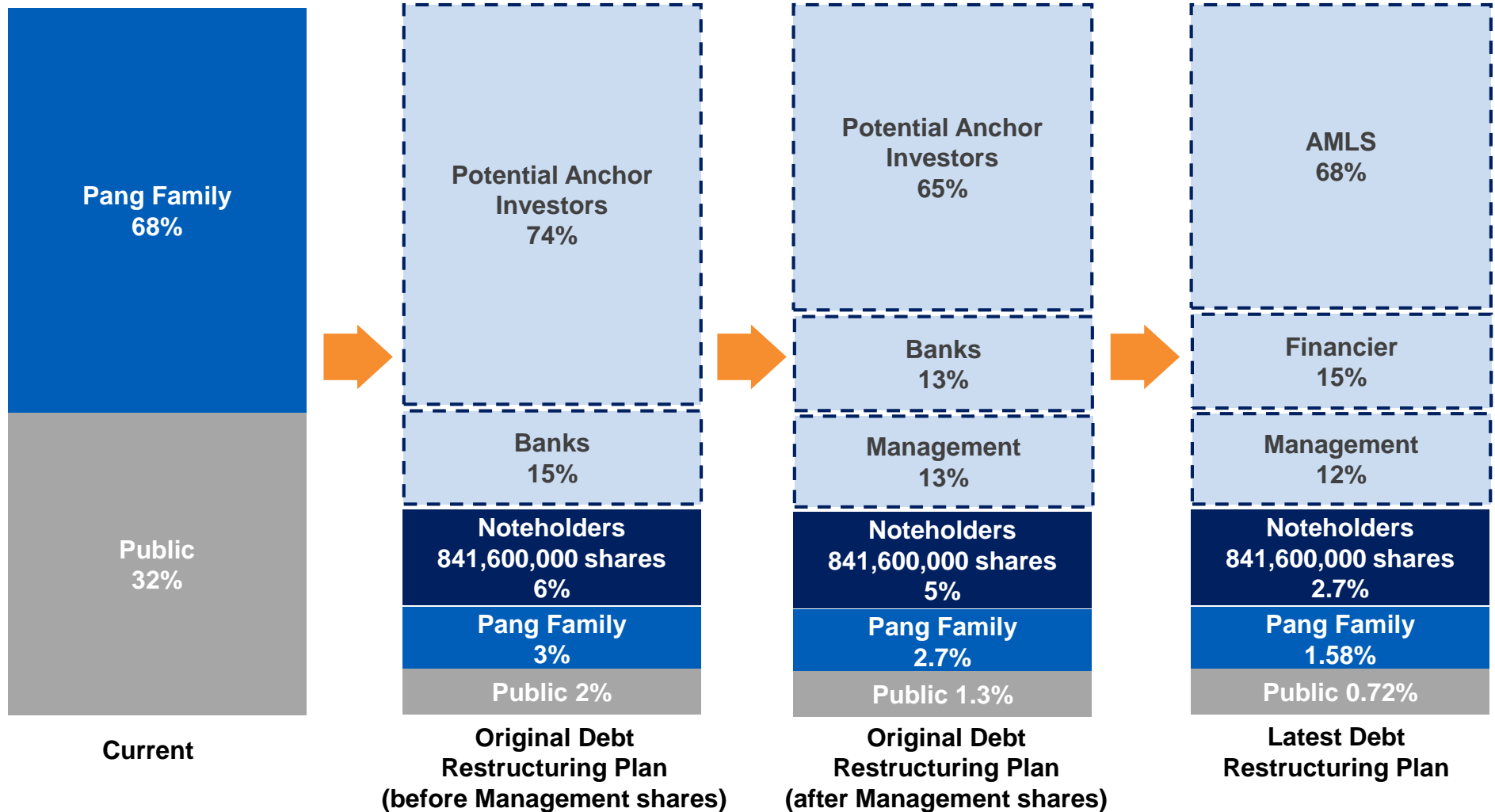


	Before Proposed Acquisition	After Proposed Acquisition
NTA attributable to Shareholders (US\$m)	(141.8)	403.7
Number of Shares (excluding treasury shares) ('000)	713,726	31,124,209
NTA per Share (US cents)	(19.9)	1.3

	Before Proposed Acquisition	After Proposed Acquisition
Net (loss)/profit attributable to Shareholders (US\$m)	(99.4)	192.8
Weighted average number of Shares (excluding treasury Shares) ('000)	713,602	31,124,085
EPS (US cents)	(13.9)	0.6

Note: (1) For illustrative purposes only. Please refer to bases and assumptions in announcement dated 22 August 2019

# Shareholding Change



Note: For illustrative purposes only. Percentage not drawn to scale.

# Notes Restructuring Terms

**Other than the proposed extension of maturity date, terms of the last CSE remains *unchanged***

	Key Terms
<b>Cash payment</b>	Upfront cash of S\$5 million <sup>(1)</sup> and deferred cash of S\$5 million <sup>(1)</sup> in Year 4 and S\$5 million <sup>(1)</sup> in Year 7.
<b>Promissory notes</b>	Promissory notes equivalent to the amount of deferred cash shall be issued to Noteholders.
<b>Conversion to shares</b>	Upfront conversion of all the Notes to shares.
<b>Conversion price</b>	Each S\$250,000 in denomination of Notes will be converted to 2,104,000 shares upfront. Deemed conversion price of S\$0.101.
<b>Free warrants</b>	Each S\$250,000 in denomination of Notes to be given 125,000 warrants upfront. Warrants shall have a 4-year exercise period at exercise price of S\$0.028.
<b>Shares lock-up period</b>	No lock-up period imposed.
<b>Listing, tradability, transferability</b>	Warrants to be listed, tradable and transferable.
<b>Voting requirement</b>	Quorum of two or more Noteholders holding 75% of principal amount of Notes, at least 75% in value of the votes cast in favour of resolution.
<b>Other requirements</b>	If resolution is passed: <ul style="list-style-type: none"> <li>• Restructuring under S210(1) of Companies Act sanctioned by Court.</li> <li>• SGX and shareholders' approval and CDP clearance.</li> <li>• Completion of new equity raise via placement</li> </ul>

Note: (1) Based on S\$100 million of Notes

# Notes Restructuring Terms

**Noteholders can still participate in the optional Share Placement**



## **Original Proposal (per last CSE)**

- **Noteholders can participate in the Share Placement for a maximum of S\$10,000,000 at S\$0.014 per share.**



## **Latest Proposal**

- **Noteholders can participate in the Share Placement for a maximum of US\$45,000,000 at S\$ equivalent of US\$0.0085 per share (approx. S\$0.0115 per share, exchange rate to be determined at a later date)**

# Extension of Time

**Proposed Acquisition, Proposed New Debt and Proposed New Equity, Scheme of Arrangement and restructuring of the Notes are inter-conditional.**

Date	Events
August 2019	<ul style="list-style-type: none"><li>• Sale and Purchase Agreement for the Proposed Acquisition signed</li><li>• Subscription Agreement with shareholders of Target Company signed</li><li>• Financier due diligence in progress</li><li>• Seek regulatory approval</li></ul>
September 2019	<ul style="list-style-type: none"><li>• Consent solicitation exercise with Noteholders to extend maturity date of the Notes to 31 March 2020</li><li>• Application for Scheme of Arrangement</li><li>• Financier due diligence in progress</li><li>• Regulatory approval in progress</li></ul>
October 2019	<ul style="list-style-type: none"><li>• Financier due diligence complete</li><li>• Financing agreements in progress</li><li>• Regulatory approval in progress</li></ul>
November 2019	<ul style="list-style-type: none"><li>• Financing agreements complete</li><li>• Scheme meeting for Debt Restructuring with banks lenders and creditors</li><li>• Regulatory approval obtained</li></ul>

# Extension of Time

**Proposed Acquisition, Proposed New Debt and Proposed New Equity, Scheme of Arrangement and restructuring of the Notes are inter-conditional.**

Date	Events
December 2019 – January 2020	<ul style="list-style-type: none"><li>• Scheme sanctioned by Court</li><li>• Shareholder approval for, inter alia, the Proposed Acquisition and issuance of shares to effect the Proposed New Equity and terms of the Notes restructuring.</li><li>• Disbursement of financing from Financier</li><li>• Complete Proposed Acquisition</li><li>• Issuance of shares and warrants, including to Noteholders</li><li>• Payment to bank lenders, Noteholders and other creditors</li></ul>

# What Noteholders Need To Do

- Company had undergone a protracted period of searching for suitable investors.
- Company had undergone several rounds of negotiations with bank lenders on the Debt Restructuring. This latest proposal is in-principle supported by majority bank lenders.
- There are no other proposals being considered, other than this latest proposal.
- The extension of time is critical so that Company can carry through the Debt Restructuring plan and effect the restructuring of the Notes.
- **To vote in favour of extension of the maturity date of the Notes to 31 March 2020**



# Company Contact

**Noteholders who require further clarification  
can contact the Company at  
[noteholders@pacificradiance.com](mailto:noteholders@pacificradiance.com)  
+(65) 6568 3418**

# Questions and Answers