

FURTHER UPDATE ON ARBITRATION PROCEEDINGS FOR THE RESCISSION OF SHIPBUILDING CONTRACTS FOR TWO PLATFORM SUPPLY VESSELS

The board of directors (the “**Board**”) of Pacific Radiance Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcements dated 21 May 2019, 30 June 2017 and 21 November 2016 in relation to the arbitration proceedings commenced by its joint venture company, CA Offshore Investment Inc (“**CAOI**”) against Shanghai Waigaoqiao Shipbuilding & Offshore Co., Ltd and China Shipbuilding Trading (Shanghai) Co., Ltd (collectively the “**Shipyards**”) in the Hong Kong International Arbitration Centre (the “**HKIAC**”), for the failure of the Shipyards to deliver two platform supply vessels, namely **H1350** and **H1351**, in accordance with the Shipyards’ obligations under the Shipbuilding Contracts.

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the aforementioned announcements.

The Company had earlier announced on 21 May 2019 that, in respect of the H1350 arbitration, the HKIAC had made an award in favour of CAOI for the refund of the pre-delivery instalment amounting to US\$2,775,000 together with contractual interest from the date of payment of the instalments until the date of refund.

As a further update to the arbitration proceedings, the Company wishes to announce that the HKIAC has on 16 October 2019, in respect of the H1351 arbitration, made an award against CAOI amounting to US\$4,550,000, either as payment of the final instalment or as damages plus contractual interest from the date of vessel tender for delivery.

The financial impact to the Group would be an impairment of the Group’s interest in CAOI. As at 30 June 2019, the value of the Group’s interest in CAOI in the Group’s books was approximately US\$3.4 million. CAOI did not contribute to the Group’s EBITDA for the 6-month financial period ended 30 June 2019.

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

18 October 2019