

UPDATE ON RESTRUCTURING

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the announcement dated 22 August 2019.

The board of directors (the “**Board**”) of Pacific Radiance Ltd. (the “**Company**”) refers to (i) its announcements dated 13 May 2019, 22 August 2019, 26 August 2019 and 8 October 2019 in relation to updates on the Debt Restructuring, and (ii) its announcements dated 12 November 2018, 30 November 2018, 5 December 2018, 15 January 2019, 7 March 2019, 14 March 2019, 16 April 2019, 18 April 2019, 2 July 2019, 10 July 2019, 26 August 2019, 3 September 2019, 25 September 2019 and 8 October 2019 in relation to the applications made to the High Court of the Republic of Singapore (“**Court**”) by the Company, Pacific Crest Pte. Ltd. and CSI Offshore Pte. Ltd. (collectively, the “**Scheme Companies**”):

- (a) under section 211B(7) of the Companies Act (Cap. 50) (“**Companies Act**”), for extensions of the existing moratoria (the “**Moratoria**”); and
- (b) under section 210(1) of the Companies Act, for liberty to convene meetings of classes of their respective Scheme Creditors (as defined in the proposed schemes of arrangement) (the “**Court Meetings**”).

On 22 August 2019, the Company announced, *inter alia*, that:

- (a) it had entered into a sale and purchase agreement in relation to the acquisition of the entire issued and paid-up capital of Allianz Marine and Logistics Services Holding Ltd (“**Target Company**”) (“**Proposed Acquisition**”) from the shareholders of the Target Company (“**Vendors**”);
- (b) it was in advanced discussions with the Financier to extend to the Company the New Debt of at least US\$180 million or such higher amount (“**Debt Financing**”) as may be agreed by the Company, the Vendors and the Financier;
- (c) it proposed to raise New Equity through placement by equity investors, who will include the Vendors; and
- (d) the New Debt and the New Equity will be used to, *inter alia*, finance the Proposed Acquisition and repay existing indebtedness of the Group by way of scheme of arrangements to be proposed by the relevant entities of the Group, including the cash payment of about US\$175.6 million to discharge the Group’s bank debt,

On 26 August 2019, the Company announced, *inter alia*, that as part of the proposed New Equity, it had entered into a subscription agreement with each of the Vendors (in their capacities as “**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 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), for an aggregate subscription consideration of US\$180 million (“**Equity Subscription**”).

On 8 October 2019, the Company announced, *inter alia*, that the Court had:

- (a) granted liberty to the Scheme Companies to convene their respective Court Meetings by 18 February 2020 for the purposes of considering and, if thought fit, approving the schemes of arrangement to be proposed by the Scheme Companies; and
- (b) granted extensions of the Moratoria to 28 February 2020.

The Company wishes to announce that discussions with the Financier on the Debt Financing have stalled due to certain difficulties that have arisen in the course of the discussions in or around December 2019. In the circumstances, the Company has approached other potential funders from whom the Company had previously received indicative proposals in the course of 2019.

One of these potential funders (the “**Second Financier**”) has shown keen interest in extending debt financing to the Company. The Second Financier is a global asset management firm which has over US\$100 billion of assets under management. The Company and the Target Company are at an advanced stage of their initial discussions with the Second Financier. The Company continues these discussions with a view to entering into a term sheet for the proposed provision by the Second Financier of the Debt Financing to the Company.

The Company’s legal and financial advisors in respect of the Debt Restructuring are Drew & Napier LLC and KPMG Services Pte. Ltd. respectively.

Any further material developments in relation to the Court Meetings, the Moratoria and/or the Debt Restructuring 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

20 January 2020