

RESPONSE TO SGX-ST QUERIES ON THE THIRD QUARTER FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

The board of directors (the “**Board**”) of Pacific Radiance Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) sets out its response to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 18 November 2020 in relation to the third quarter (“**3Q 2020**”) financial statements for the nine months ended 30 September 2020 (“**9M 2020**”):

Query by SGX-ST:

1. With reference to the impairment of property, plant and equipment amounting to US\$3,480,000, please explain the significant increase, including the factors that caused the impairment and how the impairment value was determined.

Company’s Response:

The Group has identified certain vessels to be sold in consideration of the current challenging market conditions. Accordingly, the net asset values of these vessels have been impaired to their recoverable amounts based on current fair values.

Query by SGX-ST:

2. With reference to the assets held for sale amounting to US\$2,966,000, please provide an explanation and details on this item.

Company’s Response:

As explained above, the assets held for sale pertain to the vessels identified for sale.

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

19 November 2020