

UPDATE ON RESTRUCTURING – ENTRY INTO CONSENSUAL SALE AGREEMENT AND IMPLEMENTATION OF THE DEBT RESTRUCTURING PLAN

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**” or the “**Directors**”) of Pacific Radiance Ltd. (the “**Company**” or “**PRL**”, and together with its subsidiaries, the “**Group**”) refers to the announcements dated 13 May 2019, 22 August 2019, 26 August 2019, 20 January 2020, 26 March 2020, 24 April 2020, 6 November 2020, 9 February 2021, 27 April 2021 and 30 June 2021 in relation to the updates on the Debt Restructuring. Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the aforementioned announcements.
- 1.2. The Board had previously announced on 30 June 2021 (“**Previous Announcement**”) that, amongst other things, the Company, ENAV and the major Lenders have in-principle agreed to progress into definitive agreements on the Tripartite Terms for the Proposed Disposal.
- 1.3. The Board wishes to announce that following the Previous Announcement, the Company has on 26 October 2021 entered into a conditional agreement (“**Consensual Sale Agreement**”) with, amongst others, (i) the secured lenders of the Group (“**Secured Lenders**”), and (ii) ENAV Radiance Pte. Ltd. (“**Purchaser**”), an affiliate of ENAV Offshore Mexico S de RL de CV (“**ENAV**”), for the transfer of 33 secured vessels and accompanying income and revenue streams (“**Sale Vessels**”) from the Group to the Purchaser and the consensual discharge of secured indebtedness owed by the Group to the Secured Lenders, to effect the Proposed Disposal (defined in paragraph 1.5(a) below).
- 1.4. Pursuant to the Consensual Sale Agreement and for the purposes of implementing the Proposed Disposal, the Company intends to enter into an umbrella agreement with ENAV (or its affiliate) and the Purchaser for the transfer and delivery of the Sale Vessels to the Purchaser (“**MOA Umbrella Agreement**”) and separate memoranda of agreement with the Purchaser or entity as directed by the Purchaser for the transfer and delivery of each Sale Vessel to the Purchaser (“**MOAs**”).
- 1.5. The Proposed Disposal is part of the restructuring of the financial indebtedness of the Group (“**Debt Restructuring Plan**”), which includes, amongst other things:
- (a) the consensual directed transfer of the Sale Vessels to the Purchaser in consideration for the Purchaser procuring the consensual discharge of approximately US\$200 million of the secured indebtedness presently owed by the Group to the Secured Lenders (including the release and/or discharge of mortgages, assignments of charter and charter earnings, amongst others) (“**Proposed Disposal**”);
 - (b) the restructuring of the remaining debt obligations (which will then be unsecured) in relation to the Sale Vessels owed to three (3) of the Secured Lenders which would still remain after completion of the Proposed Disposal and other unsecured creditors (including trade creditors), via court-sanctioned schemes of arrangement of the Company’s two (2) subsidiaries, Pacific Crest Pte. Ltd. (“**PCPL**”) and CSI Offshore Pte. Ltd. (“**CSIO**”), which hold the majority of the Sale Vessels (“**Proposed Schemes of Arrangement**”). In this regard, the three (3) Secured Lenders have undertaken to attend and vote in favour of the Proposed Schemes of Arrangement;

- (c) in relation to one (1) of the Secured Lenders, the consensual restructuring of the loan associated with the Company's office and shipyard complex;
- (d) in relation to two (2) of the Secured Lenders, the consensual restructuring of the unsecured debt obligations of the Group (apart from PCPL and CSIO);
- (e) the consensual restructuring of the S\$100,000,000 4.30 Per Cent. Notes Due 2020 comprised in Series 001 (ISIN: SG6SF2000004) issued under the S\$1,000,000,000 multicurrency debt issuance programme of the Company ("**Notes**") pursuant to a consent solicitation exercise ("**Consent Solicitation Exercise**"). In this regard, the extraordinary resolution pursuant to the Consent Solicitation Exercise was approved by holders of the Notes on 21 April 2021;
- (f) in relation to three (3) of the Secured Lenders, the consensual restructuring of various cross-currency swap facilities entered into in connection with the Notes;
- (g) the Company (and/or its relevant affiliates) entering into ship management agreements with the Purchaser (and/or its affiliates) to manage the majority of the Sale Vessels after completion of the Proposed Disposal; and
- (h) a special purpose vehicle wholly owned by Mr. Pang Wei Meng (executive director of the Company) and Mr. Pang Wei Kuan, James (acting chief executive officer of the Company) ("**Pang SPV**") and ENAV (or its affiliate) entering into a shareholders' agreement setting out the terms governing their relationship as shareholders in the Purchaser (please refer to paragraph 3.2 below for more information in relation to the Purchaser and the aforementioned shareholders' agreement).

1.6. In addition, the following Proposed Securities Issuance (defined in this paragraph below) will form part of the Debt Restructuring Plan, together with the Proposed Share Consolidation (defined in this paragraph below):

- (a) the Noteholders will be issued (i) up to 1,807,360,000 new shares in the Company ("**Shares**"), being approximately 40% of the enlarged share capital of the Company ("**Noteholder Redemption Shares**") to satisfy debt conversions of the Notes ("**Proposed Noteholders Redemption Shares Issue**"), and (ii) up to S\$3,000,000 in principal amount of non-listed and non-cumulative 2.50% perpetual securities ("**Perpetual Securities**") in denominations of S\$7,500 each ("**Proposed Noteholders Perpetual Securities Issue**") to redeem all outstanding Notes;
- (b) three (3) of the Secured Lenders (collectively, the "**Entitled Lenders**") will be allotted up to 175,763,400 new Shares, being approximately 4% of the Shares in the enlarged share capital of the Company ("**Lender Shares**") to discharge the liabilities owing by the Company to the Entitled Lenders that were incurred in good faith as a result of various cross-currency swap facilities entered into in connection with the Notes ("**Proposed Share Issuance to Lenders**");
- (c) the PRL Key Management (defined in paragraph 1.6(f) below) will be allotted up to 1,808,543,200 new Shares ("**Management Shares**"), being approximately 40% in the enlarged share capital of the Company to satisfy certain conditions of the ship management agreements to be entered into with the Purchaser (and/or its affiliates) ("**Proposed Share Issuance to Management**");
- (d) upon completion of the Proposed Noteholders Redemption Shares Issue, the Proposed Share Issuance to Lenders and the Proposed Share Issuance to

Management (collectively, the “**Proposed Share Issuances**”), the existing ordinary shares in the share capital of the Company will be consolidated on the basis of every ten (10) existing Shares into one (1) consolidated ordinary share (“**Consolidated Share**”) (“**Proposed Share Consolidation**”);

- (e) upon completion of the Proposed Share Consolidation, the shareholders of the Company (excluding the Noteholders, Entitled Lenders and PRL Key Management) (“**Entitled Shareholders**”) will be issued up to 16,895,550 new warrants (“**Shareholder Warrants**”) in the consolidated share capital of the Company (“**Proposed Warrant Issuance to Shareholders**”), each Shareholder Warrant carrying the right to subscribe for one (1) Consolidated Share (“**Shareholder Warrant Share**”) at the exercise price of S\$0.03 per Shareholder Warrant Share; and
- (f) upon the completion of the Proposed Share Consolidation, Mr. Pang Yoke Min, Mr. Pang Wei Meng and Mr. Pang Wei Kuan, James (collectively, the “**PRL Key Management**”) will be issued up to 19,602,920 new warrants (“**Management Warrants**”) in the consolidated share capital of the Company (“**Proposed Warrant Issuance to Management**”), each Management Warrant carrying the right to subscribe for one (1) Consolidated Share (“**Management Warrant Share**”) at the exercise price of S\$0.06 per Management Warrant Share.

(the Proposed Noteholders Redemption Shares Issue, the Proposed Noteholders Perpetual Securities Issue, the Proposed Share Issuance to Lenders, the Proposed Share Issuance to Management, the Proposed Warrant Issuance to Shareholders and the Proposed Warrant Issuance to Management are hereinafter referred to collectively as the “**Proposed Securities Issuance**”).

- 1.7. In relation to the Debt Restructuring Plan outlined under paragraphs 1.5(c), (d), (f), (g) and (h), definitive agreements are expected to be entered into before or on completion of the Proposed Disposal. Meetings in relation the Proposed Schemes of Arrangement outlined under paragraphs 1.5(b) will be held after the completion of the Proposed Disposal. The Proposed Securities Issuance outlined under paragraph 1.6 will take place after the Proposed Disposal has been completed and the Proposed Schemes of Arrangement have been approved by creditors and sanctioned by the High Court.
- 1.8. As the relative figures in respect of the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Listing Manual**”) exceed 20%, the Proposed Disposal constitutes a “major transaction” under Chapter 10 of the Listing Manual. Accordingly, the Proposed Disposal is conditional upon, *inter alia*, approval of the shareholders of the Company (“**Shareholders**”) being obtained at an extraordinary general meeting to be convened (“**EGM**”).

2. RATIONALE OF THE DEBT RESTRUCTURING PLAN

- 2.1. As previously announced, the Group is unable to sustain its payment obligations to its creditors. The Debt Restructuring Plan of the Group will involve the full settlement of secured indebtedness owed to the Secured Lenders and the discharge of unsecured indebtedness via the Proposed Schemes of Arrangement and debt restructuring agreements. Without the Debt Restructuring Plan, the Group is likely to face liquidation and prospects for recovery for unsecured creditors and shareholders will be practically nil. The Group has already carried out extensive investor searches and undertaken concerted negotiations with a number of them in the past few years, and given the uncertain external conditions exacerbated by the COVID-19 pandemic, it is not likely that an alternative proposal from the current one offered by ENAV will emerge in the near future.

- 2.2. After completion of the Debt Restructuring Plan:
- (a) the liabilities owing by the Group will be waived, released, discharged, redeemed and/or restructured in accordance with the terms of the Debt Restructuring Plan; and
 - (b) the Group will pivot into an asset-light full-fledged ship manager and continue to offer its expertise and services in the offshore marine industry in the near term, with a view to develop other revenue streams in the medium term.
- 2.3. The Group believes that the ship management business model possesses significant merits, offering a relatively stable and recurring revenue stream, cost efficiencies and economies of scales associated with managing larger vessel fleets. Barring unforeseen changes in the macro-economic environment, the Group believes that the ship management business is expected to stay resilient in the current challenging environment as more ship owners look to scale down their operations, contain their costs and outsource all or certain parts of their operations to professional ship managers.
- 2.4. The Board is of the view that the Debt Restructuring Plan is in the best interests of the Company and its Shareholders.

3. INFORMATION RELATING TO THE PROPOSED DISPOSAL

3.1. Information on the Sale Vessels

The information on the Sale Vessels is set out in Annex A to this Announcement.

3.2. Information on the Purchaser

The Purchaser is a special purpose vehicle set up by the ENAV group. The Pang SPV has committed to co-invest in the Purchaser, by subscribing for a minority equity interest not exceeding 15% of the Purchaser's share capital. The Pang SPV's investment in the Purchaser is subject to the terms and conditions of the shareholders' agreement to be entered into between the Pang SPV and ENAV (or its affiliate) ("**SHA**"). A further announcement on the shareholders' agreement in relation to the Purchaser will be made once it is executed.

For purposes of Chapter 9 of the Listing Manual, the Purchaser is not regarded as an associate of Mr. Pang Wei Meng and Mr. Pang Wei Kuan, James (part of the PRL Key Management) as they and their associates do not hold (directly or indirectly) more than 30% of the shares of the Purchaser. There are no transactions entered into or to be entered into between the Purchaser and the Company or entities within the Group save for the Consensual Sale Agreement, the MOA Umbrella Agreement, the MOAs and other definitive agreements to be entered into to effect the transactions contemplated thereunder.

As part of the Debt Restructuring Plan, the Purchaser (and/or its affiliates) intends to enter into ship management agreements with the Company and the relevant Group entity, initially in relation to the management of the majority of the Sale Vessels, the effect of which would generate revenue streams for the Group.

3.3. Consideration

The consideration for the Proposed Disposal ("**Consideration**") payable to the Company is approximately US\$200 million. The payment of the Consideration for the Proposed Disposal shall be satisfied by the Purchaser procuring the consensual waiver, release and/or discharge

of secured indebtedness of approximately US\$200 million presently owed by the Group to the Secured Lenders (including the release and/or discharge of mortgages, assignments of charter and charter earnings, amongst others). There shall be no actual cash payment made by the Purchaser to the Group, and such cash payment made by the Purchaser is to be paid to the Secured Lenders (and not the Group). Any amount(s) owed by the Group to the Secured Lenders beyond the Consideration shall remain as unsecured indebtedness owed by the Group to the Secured Lenders after completion of the Proposed Disposal.

The Consideration for the Proposed Disposal was arrived at arm's length and on a willing-buyer willing-seller basis, after taking into account, *inter alia*, the following:

- (a) the market value of US\$105.6 million for the Sale Vessels based on the Valuation Certificate (defined in paragraph 3.4(b) below);
- (b) the value of the ongoing charter contracts in relation to the Sale Vessels (if any); and
- (c) the prevailing economic conditions.

The remaining debt obligations owed by the Group to the Secured Lenders following the Proposed Disposal are to be restructured via the Proposed Schemes of Arrangement together with the other unsecured indebtedness of PCPL and CSIO and further debt restructuring agreements.

3.4. Financial Information on the Sale Vessels

- (a) Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020, the net book value of the Sale Vessels was approximately US\$232.1 million as at 31 December 2020¹.

The Consideration for the Proposed Disposal is approximately US\$200 million, to be satisfied by the Purchaser procuring the consensual waiver, release and/or discharge of secured indebtedness of approximately US\$200 million presently owed by the Group to the Secured Lenders (including the release and/or discharge of mortgages, assignments of charter and charter earnings, amongst others)². Accordingly, based on audited consolidated financial statements as at 31 December 2020, the loss on disposal amounts to approximately US\$32.0 million³.

- (b) The Company commissioned Braemar ACM Valuations Limited ("**Independent Valuer**") to conduct an independent valuation on the market value of the Sale Vessels.

According to the valuation certificate for the Sale Vessels which was issued by the Independent Valuer on 31 May 2021 ("**Valuation Certificate**"), the charter-free orderly sale value of the Sale Vessels within an approximate three (3) month period, as at 31 May 2021 between willing-buyer willing-seller basis delivery in an acceptable area, free of encumbrances, maritime liens and any other debts whatsoever is US\$105.6 million.

¹ The net book value includes the Sale Vessels owned by the associated and joint venture companies of the Group, which amounts to approximately US\$71.1 million.

² Of the approximately US\$200 million of the secured indebtedness of the Group to be discharged pursuant to the Proposed Disposal, US\$178 million is in relation to secured indebtedness of the Company's subsidiaries and US\$22 million is in relation to secured indebtedness of the Company's joint venture entities and associated entities which are not consolidated.

³ Of the US\$32.0 million of the loss on disposal, US\$17.0 million is in relation to gain on disposal of the Company's subsidiaries and US\$49.0 million is in relation to loss on disposal of the Company's joint venture entities and associated entities which are not consolidated.

In arriving at the valuation of the Sale Vessels, the Independent Valuer has not made a physical inspection of the Sale Vessels, and has not inspected the Sale Vessels' classification records, but has assumed for the purposes of the valuation that the Sale Vessels are in good and seaworthy condition.

3.5. Principal Terms of the Proposed Disposal

The Proposed Disposal is subject to conditions precedent, including but not limited to the following being fulfilled:

- (a) the Company obtaining the approval or no-objection of the Singapore Exchange Regulation Pte. Ltd. for the Proposed Disposal and all transactions relating thereto;
- (b) the Company obtaining Shareholders' approval at an EGM for the Proposed Disposal and all transactions relating thereto;
- (c) the release and discharge of all security in relation to the vessel loans (including vessel mortgages, assignments of charter and charter earnings, amongst others) by the Secured Lenders on or around the date of completion of the Proposed Disposal;
- (d) the confirmation by the MOA Delivery Documents Escrow Agent (as such term is defined in each MOA) that it holds all the MOA Delivery Documents (as such term is defined in each MOA) in accordance with the MOA Delivery Documents Escrow Agreement (as such term is defined in each MOA) (to be entered into pursuant to each MOA);
- (e) the execution of the SHA and other related agreements in form and substance reasonably acceptable to the Purchaser; and
- (f) the entry by the Group and certain Secured Lenders into debt restructuring agreements and/or deeds of releases for the restructuring and/or discharge of non-vessel loans and related guarantees between the Group and such Secured Lenders.

3.6. Application of Consideration

- (a) The Consideration for the Proposed Disposal represents a deficit of approximately US\$32.0 million over the book value of the Sale Vessels of approximately US\$232.1 million as at 31 December 2020.
- (b) As set out at paragraph 3.3 above, the Consideration shall be satisfied by the Purchaser procuring the consensual waiver, release and/or discharge of the secured indebtedness of the Group amounting to approximately US\$200 million (including the release and/or discharge of mortgages, assignments of charter and charter earnings, amongst others). Accordingly, the Company will not receive any proceeds upon the completion of the Proposed Disposal.

3.7. Relative figures computed on the bases set out in Rule 1006 of the Listing Manual for the Proposed Disposal

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual for the Proposed Disposal are as follows:

Rule	Bases of Calculation	Relative Figures (%) in relation to the Proposed Disposal
Rule 1006(a) of the Listing Manual	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets. ⁽¹⁾	74%
Rule 1006(b) of the Listing Manual	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	584%
Rule 1006(c) of the Listing Manual	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued Shares in the Company excluding treasury shares.	363% ⁽²⁾
Rule 1006(d) of the Listing Manual	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as this is not an acquisition
Rule 1006(e) of the Listing Manual	The aggregate volume or amount proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not applicable ⁽³⁾

Notes:

- (1) "Net assets" means total assets less total liabilities.
- (2) Consideration of approximately US\$200 million as set out in the Consensual Sale Agreement, to be satisfied by the Purchaser procuring the consensual waiver, release and/or discharge of indebtedness of approximately US\$200 million.
- (3) The Company is not a mineral, oil and gas company.

As the relative figure computed pursuant to Rule 1006(a), (b) and (c) in respect of the Proposed Disposal is more than 20%, the Proposed Disposal constitutes a "major transaction" as defined under Chapter 10 of the Listing Manual. Accordingly, the Proposed Disposal is conditional upon approval by Shareholders in general meeting pursuant to Rule 1014(2) of the Listing Manual.

3.8. Financial Effects of the Proposed Disposal

- (a) The financial effects of the Proposed Disposal on the net total assets ("**NTA**") per Share and the loss per Share ("**LPS**") of the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020 ("**FY2020**").

- (b) For the purpose of illustrating the financial effects of the Proposed Disposal, the financial effects have been prepared based on, *inter alia*, the following assumptions:
- (i) the financial effects on the NTA per Share of the Group are computed assuming that the Proposed Disposal was completed on 31 December 2020;
 - (ii) the financial effects on the LPS of the Group are computed assuming that the Proposed Disposal was completed on 1 January 2020; and
 - (iii) the estimate of costs and expenses incurred and to be incurred in connection with the Proposed Disposal shall be disregarded.

(c) Financial Effects on the NTA per Share of the Group

	Before Completion of Proposed Disposal	After Completion of Proposed Disposal
Consolidated NTA of the Group (US\$'000)	(290,177)	(278,584)
Number of Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings ('000)	715,428	715,428
NTA per Share (US cents)	(40.6)	(38.9)

(d) Financial Effects on the LPS per Share of the Group

	Before Completion of Proposed Disposal	After Completion of Proposed Disposal
Net loss attributable to shareholders (US\$'000)	(58,645)	(66,090)
Weighted average number of Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings ('000)	715,120	715,120
LPS (US cents)	(8.2)	(9.2)

- (e) The financial effects presented above are for illustrative purposes only and are not intended to reflect the actual future results and/or financial position of the Company and/or the Group upon completion of the Proposed Disposal. No representation is made as to the actual future results and/or financial position of the Company and/or the Group.

The financial effects of the Proposed Disposal, the Proposed Securities Issuance and the Proposed Share Consolidation on the Group are illustrated at paragraph 13.

4. INFORMATION RELATING TO THE NOTES RESTRUCTURING

4.1. Background of the Proposed Noteholders Redemption Shares Issue and the Proposed Noteholders Perpetual Securities Issue

On 21 April 2021, the Noteholders approved the extraordinary resolution under the statement issued to the Noteholders in connection with the Consent Solicitation Exercise (“**Extraordinary Resolution**”) pursuant to which, *inter alia*, the Noteholders agreed to the redemption of the Notes by way of issue of Noteholders Redemption Shares and Perpetual Securities.

Subject to approval of the Shareholders being obtained at the EGM, all outstanding Notes will be redeemed by way of issuing Noteholders Redemption Shares to Noteholders on the basis of 4,518,400 Noteholders Redemption Shares for every S\$250,000 in principal amount of Notes held, and one (1) Perpetual Security for every S\$250,000 in principal amount of Notes held. The Notes shall be redeemed after the date on which the ordinary resolutions set out in the notice of EGM to be convened (“**Ordinary Resolutions**”) are passed (“**Redemption Date**”).

4.2. Proposed Noteholders Redemption Shares Issue

The key terms of the Noteholders Redemption Shares are as follows:

Noteholders Redemption Shares : An aggregate of 1,807,360,000 Noteholders Redemption Shares to be issued by the Company.

On Redemption Date, the Noteholders Redemption Shares will be issued to all Noteholders as part of the redemption of the Notes. 4,518,400 Noteholders Redemption Shares will be issued and allotted for every S\$250,000 in principal amount of Notes held by a Noteholder.

Condition : The Proposed Noteholders Redemption Shares Issue is subject to the passing of the Ordinary Resolutions and the completion of the other parts of the Debt Restructuring Plan.

Status : The Noteholders Redemption Shares will, when allotted and issued, be authorised, allotted, validly issued and credited as fully paid-up, free from any and all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances or other interests whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the existing Shares as at the date(s) of allotment and issue of the Noteholder Redemption Shares except that they shall not rank for any dividend, right, allotment, or other distributions, the record date for which falls on or prior to the date of the issuance and allotment of the Noteholders Redemption Shares.

Consequently, the Company will be seeking Shareholders’ approval at the EGM to be convened to approve the Proposed Noteholders Redemption Shares Issue.

The conversion price of the Noteholders Redemption Shares of S\$0.05 (the “**Noteholders Redemption Share Conversion Price**”) is the deemed conversion price of the Noteholder Redemption Shares, and it takes into consideration the principal amount owing to the Noteholders under the Notes and the principal amount to be redeemed through the Proposed

Noteholders Perpetual Securities Issue against the total number of Noteholder Redemption Shares which are proposed to be issued to the Noteholders. The Noteholders Redemption Share Conversion Price represents a discount of approximately 50% to the volume weighted average price (“**VWAP**”) of approximately S\$0.10 of the Shares for trades done on the SGX-ST on 22 February 2018, being the last full day on which the SGX-ST is open for trading of securities (“**Market Day**”) that trades were done prior to the voluntary trading halt and suspension of the securities of the Company.

4.3. Proposed Noteholders Perpetual Securities Issue

The key terms of the Perpetual Securities Issue are as follows:

Issuer	:	Pacific Radiance Ltd.
Issue	:	Up to S\$3,000,000 in principal amount of 2.50% Perpetual Securities
		On Redemption Date, the Perpetual Securities will be issued to all Noteholders as part of the redemption of the Notes (such holders of the Perpetual Securities to be referred to as “ Securityholders ”). One (1) Perpetual Security will be issued and allotted for every S\$250,000 principal amount of Notes held by a Noteholder.
Form and Denomination	:	The Perpetual Securities will be issued in registered form in the specified denomination of S\$7,500 each.
Issue Date	:	After and conditional upon the passing of the Extraordinary Resolution and Ordinary Resolutions.
Maturity Date	:	No maturity date.
Status	:	The Perpetual Securities constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any preference or priority among themselves, and <i>pari passu</i> with all other present and future unsecured obligations of the Issuer.
Distribution	:	Subject to, <i>inter alia</i> , “ Obligation to Pay ”, the Perpetual Securities confer a right to receive distributions (each a “ Distribution ”) from the Issue Date at the applicable distribution rate of 2.5 per cent. per annum.
		Distributions shall be payable on the Perpetual Securities annually in arrear, with each Distribution payable on the date falling twelve (12) calendar months from the preceding date of payment of Distribution (each, a “ Distribution Payment Date ”), and with the first Distribution Payment Date falling twelve (12) calendar months from the Issue Date.
Obligation to Pay	:	The Issuer will be obliged to pay, and will pay, any Distribution on the relevant Distribution Payment Date if: <ul style="list-style-type: none"> (a) the most recent audited full year financial statements of the Issuer announced on SGXNET (the “Relevant Accounts”)

shows positive EBITDA before the relevant Distribution Payment Date; and

- (b) the Relevant Accounts show a minimum cash and bank balances of at least S\$5,000,000.

"EBITDA" in relation to the Issuer, means, for any financial year, the earnings before interest, tax, depreciation and amortization based on the Relevant Accounts.

Redemption at the Option of the Issuer : Subject to "**Redemption Conditions**" below, the Perpetual Securities may be redeemed at the option of the Issuer, in whole or in part, at any time on or after the Issue Date, on giving not less than 30 but not more than 60 days' notice to the Securityholders (which notice shall be irrevocable), at the Redemption Amount.

"**Redemption Amount**" means the principal amount of the Perpetual Securities, together with, subject to the terms and conditions of the Perpetual Securities, Distributions declared and accrued but unpaid (if any) to (but excluding) the date fixed for redemption.

Redemption Conditions : Any redemption by the Issuer is subject to (a) the Relevant Accounts showing positive EBITDA before the relevant Distribution Payment Date; and (b) the Relevant Accounts showing a minimum cash and bank balances of at least S\$5,000,000.

Salary Deferment : The PRL Key Management have undertaken with the Issuer that the salary due to them in respect of their employment with the Issuer will be deferred until such time that the Issuer redeems the Perpetual Securities as follows:

- (a) in respect of the first principal amount of S\$1,000,000 of Perpetual Securities, the Issuer will withhold payment of salary accrued to the PRL Key Management until the Issuer has redeemed S\$1,000,000 of the said Perpetual Securities, after which such accrued salary for the first 12-month period will be paid on the date of redemption to the PRL Key Management, and the remainder of the accrued salary shall be deferred to and paid on the date of redemption of the second principal amount of S\$1,000,000;

- (b) in respect of the second principal amount of S\$1,000,000 of Perpetual Securities, the Issuer will withhold payment of salary accrued to the PRL Key Management until the Issuer has redeemed the second S\$1,000,000 of the said Perpetual Securities, after which such accrued salary for the second 12-month period will be paid on the date of redemption to the PRL Key Management, and the remainder of the accrued salary shall be deferred to and paid on the date of redemption of the third principal amount of S\$1,000,000; and

- (c) in respect of the third principal amount of S\$1,000,000 of Perpetual Securities, the Issuer will withhold payment of salary accrued to the PRL Key Management until the Issuer has redeemed the final S\$1,000,000 of the said Perpetual Securities, after which all accrued salary will be paid on the date of redemption to the PRL Key Management.

Governing Law : Singapore.

Listing : The Perpetual Securities will not be listed.

Consequently, the Company is seeking Shareholders' approval at the EGM to approve the Proposed Noteholders Perpetual Securities Issue.

5. THE PROPOSED SHARE ISSUANCE TO LENDERS

5.1. Background of the Proposed Share Issuance to Lenders

The Company had entered into cross-currency swap contracts with each of the Entitled Lenders on 29 August 2014, 22 August 2014 and 3 September 2014 respectively. The cross-currency swap contracts were entered into by the Company to hedge the foreign currency exposure under the Notes. The liabilities owing by the Company to the Entitled Lenders under the cross-currency swap contracts are in relation to mark-to-market losses.

Pursuant to the Debt Restructuring Plan, and in consideration for the discharge of liabilities owing by the Company to the Entitled Lenders under the cross-currency swap contracts that were incurred in good faith, an aggregate of 175,763,400 Lender Shares (before the Proposed Share Consolidation) will be issued and allotted to the Entitled Lenders. Pursuant to Chapter 8 of the Listing Manual, 175,763,400 Lender Shares will represent approximately 25% of the existing issued share capital (excluding treasury shares) of the Company ("**Existing Share Capital**") and approximately 4% of the Company's enlarged issued share capital (excluding treasury shares) as at the closing of the Proposed Securities Issuance, assuming that none of the Shareholder Warrants issued to the Entitled Shareholders pursuant to the Proposed Warrant Issuance to Shareholders and none of the Management Warrants issued to the PRL Key Management pursuant to the Proposed Warrant Issuance to Management have been exercised ("**Enlarged Share Capital**").

Further to the Proposed Share Issuance to Lenders, all of the claims of the Entitled Lenders under the cross-currency swap contracts will be converted into the Lender Shares.

5.2. Basis of the Price of the Lender Shares

The conversion price of the Lender Shares of S\$0.05 per Share (the "**Lender Share Conversion Price**"), is the deemed conversion price of the Lender Shares, and it takes into consideration the debt owing to the Entitled Lenders under the cross-currency swap contracts against the total number of Lender Shares which are proposed to be issued to the Entitled Lenders. The Lender Share Conversion Price represents a discount of approximately 50% to the VWAP of S\$0.10 per Share for trades done for the Shares on the SGX-ST on 22 February 2018, being the last full Market Day that trades were done prior to the voluntary trading halt and suspension of the securities of the Company.

The Lender Share Conversion Price was agreed upon between the Company and the Entitled Lenders after taking into account the financial condition and cash flow situation of the Group

that have been weighed down significantly by the challenging market conditions over the last few years and the desire of the Group to alleviate its debt burden.

5.3. Ranking of the Lender Shares

The Lender Shares will, when allotted and issued, be authorised, allotted, validly issued and credited as fully paid-up, free from any and all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances or other interests whatsoever and shall rank *pari passu* in all respects with and shall carry all rights similar to the existing Shares as at the date(s) of allotment and issue of the Lender Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of allotment and issue of such Lender Shares.

5.4. Shareholders' Approval for the Issue of Lender Shares

Rule 805 of the Listing Manual provides that an issuer must obtain the prior approval of shareholders in general meeting for the issuance of shares, unless such shares are issued under a general mandate obtained from shareholders in general meeting. Given that the maximum number of new Shares (which includes the Lender Shares) to be issued pursuant to Proposed Securities Issuance exceeds the limit of the existing share mandate approved by Shareholders at the general meeting of the Company held on 29 April 2021, the Company will be seeking a separate specific approval of Shareholders for the allotment and issue of the Lender Shares at the EGM to be convened.

6. THE PROPOSED SHARE ISSUANCE TO MANAGEMENT

6.1. Background of the Proposed Share Issuance to Management

As mentioned above, ship management agreements are envisaged to be entered into between the Purchaser (and/or its affiliates) and relevant entities of the Group for the majority of the Sale Vessels to be managed by the Group, premised on there being no change of control of the Group and the completion of the Debt Restructuring Plan. To give ENAV the assurance of management continuity, the Company proposes to issue the Management Shares to the PRL Key Management such that the shareholding of PRL Key Management will represent approximately 51% of the Enlarged Share Capital of the Company.

6.2. Terms of the Proposed Share Issuance to Management

The number of Management Shares to be issued fully paid-up to each of the PRL Key Management is as follows:

PRL Key Management	Number of Management Shares	Management Shares as a Percentage of the Enlarged Share Capital
Pang Yoke Min	1,806,543,200	40.08%
Pang Wei Meng	1,000,000	0.02%
Pang Wei Kuan, James	1,000,000	0.02%
Total	1,808,543,200	40.13%

The Management Shares will represent approximately 253% of the Existing Share Capital and approximately 40% of the Enlarged Share Capital. Including the 490,073,444 existing Shares held by the PRL Key Management, the shareholding of the PRL Key Management will be approximately 51% of the Enlarged Share Capital.

The PRL Key Management will subscribe for the 1,808,543,200 Management Shares (before the Proposed Share Consolidation) for cash in the aggregate amount of S\$1 million or 0.06 Singapore cents per Share.

6.3. Basis of the Price of the Management Shares

The price of the Management Shares of 0.06 Singapore cents per Share represents a discount of approximately 99% to the VWAP of approximately S\$0.10 per Share for trades done for the Shares on the SGX-ST on 22 February 2018, being the last full Market Day that trades were done prior to the voluntary trading halt and suspension of the securities of the Company.

As set out in paragraph 1.7, the Proposed Securities Issuance (including the Proposed Share Issuance to Management) will take place after the Proposed Disposal has been completed and the Proposed Schemes of Arrangement have been sanctioned by the High Court. The entire Debt Restructuring Plan will be completed with the Proposed Securities Issuance to further strengthen the capital structure of the Company.

As illustrated under paragraph 13.5 below, the NTA of the Company remains negative after the completion of the Proposed Disposal and the Proposed Schemes of Arrangement. The issue price of the Management Shares takes into account the negative NTA and the general corporate and working capital requirements of the Company after completion of the Debt Restructuring Plan.

6.4. Ranking of the Management Shares

The Management Shares will, when allotted and issued, be authorised, allotted, validly issued and credited as fully paid-up, free from any and all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances or other interests whatsoever and shall rank *pari passu* in all respects with and shall carry all rights similar to the existing Shares as at the date(s) of allotment and issue of the Management Shares except that they shall not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of allotment and issue of such Management Shares.

6.5. Proposed Use of Proceeds from the Proposed Share Issuance to Management

The Company expects to utilise the proceeds from the PRL Key Management relating to the Proposed Share Issuance to Management in the following manner: (a) approximately 50% to be used for repayment of the amounts outstanding under the Perpetual Securities; and (b) approximately 50% to be used for general corporate and working capital purposes.

Pending deployment, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the use of such proceeds as and when the funds are materially disbursed, as well as provide status reports on the use of such proceeds in the Company's annual reports until such time the proceeds have been fully utilised. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

6.6. Shareholders' Approval for the Issue of Management Shares

Rule 805 of the Listing Manual provides that an issuer must obtain the prior approval of shareholders in general meeting for the issuance of shares, unless such shares are issued under a general mandate obtained from shareholders in general meeting. The maximum number of new Shares (which includes the Management Shares) to be issued pursuant to Proposed Securities Issuance exceeds the limit of the existing share mandate approved by Shareholders at the general meeting of the Company held on 29 April 2021.

In addition, the allotment and issuance of the Management Shares requires the approval of shareholders in general meeting pursuant to Rules 804 and 812(2) of the Listing Manual as the PRL Key Management are restricted persons under Rules 804 and 812(1) of the Listing Manual, with Pang Yoke Min and Pang Wei Meng being Directors of the Company, and Pang Wei Kuan, James being an associate of Pang Yoke Min and Pang Wei Meng.

As such, the Company will be seeking a separate specific approval of Shareholders for the allotment and issue of the Management Shares at the EGM to be convened.

7. THE PROPOSED SHARE CONSOLIDATION

7.1. Overview of the Proposed Share Consolidation

The Company proposes to undertake the Proposed Share Consolidation for the consolidation of every ten (10) existing Shares in the capital of the Company registered in the name of each Shareholder as at the Share Consolidation Books Closure Date (defined in this paragraph below) to one (1) ordinary Share ("**Consolidated Shares**"), fractional entitlements to be disregarded.

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, the register of members of the Company ("**Register of Members**") and the transfer books of the Company will be closed on the time and date to be determined by the Directors for the purposes of determining the entitlements of the Shareholders to the Consolidated Shares pursuant to the Proposed Share Consolidation ("**Share Consolidation Books Closure Date**") to determine the entitlements of Shareholders to the Consolidated Shares. With effect from 9.00 a.m. on the Market Day immediately following the Share Consolidation Books Closure Date, every ten (10) existing Shares registered in the name of each Shareholder will be consolidated to constitute one (1) Consolidated Share.

Each Consolidated Share will rank *pari passu* with each other, and will be traded in board lots of 100 Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of existing Shares as at the Share Consolidation Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be aggregated and/or dealt with in such manner as the Board may, in its absolute discretion, deem appropriate in the interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded or any of the proceeds arising from any aggregation and sale of such fractions.

Shareholders whose shareholdings, as at the Share Consolidation Books Closure Date, are less than ten (10) existing Shares or multiples of ten (10) existing Shares should note that the Proposed Share Consolidation may result in (a) such Shareholders being no longer Shareholders, or (b) rounding down to the nearest whole Consolidated Share with any fractions of Consolidated Shares (arising from the Proposed Share Consolidation) being disregarded. As such, they should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. They may, subject to such advice on actions that they should take and their own investment policies and risk/ return requirements, consider the possibility of purchasing additional Shares so as to increase the number of existing Shares held to multiples of ten (10) existing Shares prior to the Share Consolidation Books Closure Date.

As at the date of this Announcement, the Company has an issued share capital of approximately S\$206.7 million divided into 715,428,013 existing Shares (excluding 10,327,000 treasury shares). On the assumption that the new Shares are not issued and there will be no new Shares issued by the Company up to the Share Consolidation Books Closure Date and no fractions of Consolidated Shares arising from the Proposed Share Consolidation, and subject to Shareholders' approval being obtained for the Proposed Share Consolidation, the Company will have an issued share capital of approximately S\$206.7 million divided into approximately 71,542,797 Consolidated Shares, following the completion of the Proposed Share Consolidation (excluding 1,032,700 consolidated treasury shares).

The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will also not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding and the disregard of the fractional entitlement.

7.2. Rationale for the Proposed Share Consolidation

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders having taken into consideration the following

(a) Reduction of volatility of the Share price

Lowly-priced shares are generally more prone to speculation and market manipulation. Given their susceptibility to speculation and market manipulation, lowly-priced shares are generally more volatile as compared to higher-priced shares. In addition, as share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), trading in lowly-priced shares may translate to higher transaction costs, relative to the trading price, for each board lot of Shares. The Board believes that the Proposed Share Consolidation may serve to reduce the volatility of its Share price and reduce fluctuations in the Company's market capitalisation and reduce the percentage transaction cost for trading in each board lot of Shares.

(b) Increase in market interest and attractiveness of the Company and its Shares

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares issued. It is expected that, all other things being equal and disregarding other future corporate actions that may be contemplated by the Company (other than the Debt Restructuring Plan), the theoretical trading price and NTA of each Consolidated Share following the decrease in the number of Shares in

issue after the Proposed Share Consolidation would be higher than the *pro forma* NTA of each existing Share after the Proposed Disposal, the Proposed Schemes of Arrangement, the Proposed Share Issuances and the Proposed Noteholders Perpetual Securities Issue, but before the Proposed Share Consolidation. In addition, the Proposed Share Consolidation may facilitate future corporate actions which may include future fundraising via issuance of Shares after completion of the Debt Restructuring Plan, and increase market interest and activity in the Shares. Generally, this makes the Shares more attractive to investors, including institutional investors, and potentially provides a more diverse shareholder base.

Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the above desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

7.3. Conditions for the Proposed Share Consolidation

The Proposed Share Consolidation is subject to, *inter alia*, the following:

- (a) the approval of Shareholders for the Proposed Share Consolidation at the EGM; and
- (b) the receipt of the listing and quotation notice from the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares.

7.4. Completion of the Proposed Share Consolidation

If the Proposed Share Consolidation is approved by Shareholders and the listing and quotation notice for the Consolidated Shares is issued by the SGX-ST, the Company intends to complete the Proposed Share Consolidation after the Proposed Disposal, the Proposed Share Issuances and the Proposed Noteholders Perpetual Securities Issue, and immediately before the Proposed Warrant Issuance to Shareholders and the Proposed Warrant Issuance to Management (collectively, the “**Proposed Warrant Issuances**”).

8. THE PROPOSED WARRANT ISSUANCE TO SHAREHOLDERS

8.1. Overview of the Proposed Warrant Issuance to Shareholders

Pursuant to the Proposed Warrant Issuance to Shareholders, up to 16,895,550 Shareholder Warrants will be issued to the Entitled Shareholders as at a Books Closure Date to be determined (“**Shareholder Warrants Books Closure Date**”). The Shareholder Warrants Books Closure Date will be before the Proposed Share Issuances. **Entitled Shareholders are existing Shareholders of the Company before the Proposed Share Issuances, excluding the PRL Key Management.**

Each Shareholder Warrant carries the right to subscribe for one (1) Consolidated Share (“**Shareholder Warrant Share**”) at the exercise price of S\$0.03 (“**Shareholder Warrants Exercise Price**”) per Shareholder Warrant Share at any time after the date of issue of the Shareholder Warrants and expiring at 5:00 p.m. on the date falling five (5) years after the date of issue of the Shareholder Warrants (the “**Shareholder Warrants Expiration Date**”).

Assuming that all the Shareholder Warrants to be issued pursuant to the Proposed Warrant Issuance to Shareholders are fully exercised and converted into the Shareholder Warrant Shares, the issued share capital of the Company will increase by 16,895,550 Consolidated Shares, representing approximately 24% of the Existing Consolidated Share Capital (defined

in paragraph 8.2 below) and approximately 4% of the Enlarged Consolidated Share Capital (defined in paragraph 8.2 below).

The Shareholder Warrants Exercise Price of S\$0.03 represents a discount of 50% to the *pro forma* NTA per Share as at 30 June 2021 (*pro forma* NTA per Share is provided under paragraph 13.5, and a discount of approximately 70% to the VWAP of S\$0.10 of the Shares before the Proposed Share Consolidation (or a discount of approximately 97% to the VWAP of S\$1.00 of the Shares taking into consideration the effects of the Proposed Share Consolidation) for trades done on the SGX-ST on 22 February 2018, being the last full Market Day that trades were done prior to the voluntary trading halt and suspension of the securities of the Company.

The Shareholder Warrants Exercise Price and the number of Shareholder Warrants to be issued pursuant to the Proposed Warrant Issuance to Shareholders will be subject to adjustments under certain circumstances in accordance with the terms and conditions of the deed poll to be executed by the Company, constituting the Shareholder Warrants (as the same may be amended or supplemented from time to time) and containing provisions for the protection of the rights and interests of the holders of the Shareholder Warrants ("**Shareholder Warrants Deed Poll**"). For the avoidance of doubt, the Shareholder Warrants will be issued free to the Entitled Shareholders.

The Shareholder Warrants will be traded on the Mainboard of the SGX-ST under the book-entry (scripless) settlement system upon the listing of and quotation for the Shareholder Warrants on the Mainboard of the SGX-ST, subject to, *inter alia*, an adequate spread of holdings of the Shareholder Warrants to provide for an orderly market in the Shareholder Warrants. The Shareholder Warrant Shares will be listed and traded on the Mainboard of the SGX-ST.

An offer information statement in connection with the Proposed Warrant Issuance to Shareholders will be lodged with the Monetary Authority of Singapore in due course.

8.2. Size of the Proposed Warrant Issuance to Shareholders

The Company has an Existing Share Capital of 71,542,797 Consolidated Shares following the completion of the Proposed Share Consolidation ("**Existing Consolidated Share Capital**"). The Company proposes to issue 16,895,550 Shareholder Warrants to the Entitled Shareholders, which when fully exercised, will amount to 16,895,550 Shareholder Warrant Shares and correspondingly, approximately 4% of the enlarged share capital of the Company following the completion of the Proposed Share Consolidation ("**Enlarged Consolidated Share Capital**"). Based on the foregoing, an aggregate number of 16,895,550 Shareholder Warrants are proposed to be issued under the Proposed Warrant Issuance to Shareholders.

8.3. Principal Terms of the Proposed Warrant Issuance to Shareholders

The terms of the Proposed Warrant Issuance to Shareholders are as follows:

Number of Shareholder Warrants	:	The Company proposes to issue 16,895,550 Shareholder Warrants to the Entitled Shareholders, which when fully exercised, will amount to 16,895,550 Shareholder Warrant Shares and correspondingly, approximately 4% of the Enlarged Consolidated Share Capital of the Company.
Basis of Allotment	:	75 Shareholder Warrants for every 100 Consolidated Shares held by the Entitled Shareholders, fractional entitlements to be disregarded.

Number of Warrants	:	16,895,550 Shareholder Warrants.
Shareholder Warrants Issue Price	:	Free.
Shareholder Warrants Exercise Price	:	The Shareholder Warrants Exercise Price is S\$0.03 per Shareholder Warrant Share, being equivalent to a discount of 50% to the <i>pro forma</i> NTA per Share as at 30 June 2021.
Listing and Trading of the Shareholder Warrants and the Shareholder Warrant Shares	:	An application will be made by the Company to the SGX-ST for the listing of and quotation for up to 16,895,550 Shareholder Warrants and up to 16,895,550 Shareholder Warrant Shares on the Mainboard of the SGX-ST. The Company will make the necessary announcements upon the receipt of the approval-in-principle (“AIP”) from the SGX-ST for the listing and quotation of the Shareholder Warrants and the Shareholder Warrant Shares.
Shareholder Warrants Exercise Period	:	Subject to certain closed periods, at any time after the date of issue of the Shareholder Warrants and expiring at 5:00 p.m. on the date falling five (5) years after the date of issue of the Shareholder Warrants (the “ Shareholder Warrants Exercise Period ”).
Shareholder Warrants Lock-Up Period	:	The Shareholder Warrants may only be exercised on the date falling on the third anniversary of the issuance of the Shareholder Warrants, or earlier if all Perpetual Securities have been redeemed by the Company.
Form and Subscription Rights	:	The Shareholder Warrants will be issued in registered form and will be constituted by the Shareholder Warrants Deed Poll. Subject to the terms and conditions of the Shareholder Warrants Deed Poll, each Shareholder Warrant will entitle the Entitled Shareholder, at any time during the Shareholder Warrants Exercise Period, to subscribe for one (1) Shareholder Warrant Share at the Shareholder Warrants Exercise Price in force on the relevant exercise date.
Status of new Shares	:	The Shareholder Warrant Shares will upon issue and allotment, rank <i>pari passu</i> in all respects with the then existing Shares, except that they will not be entitled to participate in any dividends, rights, allotments or other distributions where the record date is before the date of issue and allotment of the Shareholder Warrant Shares.
Governing Law	:	Laws of the Republic of Singapore.

The proposed terms and conditions of the Shareholder Warrants are subject to such changes as the Board may, in their absolute discretion, deem fit. The final terms and conditions of the Shareholder Warrants will be set out in the Shareholder Warrants Deed Poll.

8.4. Conditions for the Proposed Warrant Issuance to Shareholders

Shareholders should note that the Proposed Warrant Issuance to Shareholders is subject to, *inter alia*, the following:

- (a) the receipt of the approval in-principle from the SGX-ST for the listing and quotation of up to 16,895,550 Shareholder Warrants and up to 16,895,550 Shareholder Warrant Shares on the Mainboard of the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company;
- (b) the lodgement of the offer information statement, together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Proposed Warrant Issuance to Shareholders, with the Monetary Authority of Singapore; and
- (c) the receipt of Shareholders' approval for the Proposed Securities Issuance at the EGM.

8.5. Rationale of the Proposed Warrant Issuance to Shareholders

As set out in paragraph 2 above, the Group intends to pivot into an asset-light full-fledged ship manager in the near term following the completion of the Debt Restructuring Plan, with a view to develop other revenue streams in the medium term. Accordingly, the Proposed Warrant Issuance to Shareholders will allow the Entitled Shareholders to participate in, and benefit from, the potential upside if the Group is able to successfully grow the new ship management business model and other revenue streams over time.

8.6. Proposed Use of Proceeds from the Proposed Warrant Issuance to Shareholders

Assuming that all of the 16,895,550 Shareholder Warrants issued are exercised in full at the Shareholder Warrants Exercise Price of S\$0.03 per Shareholder Warrant Share, the Proposed Warrant Issuance to Shareholders will raise approximately S\$0.51 million over the Shareholder Warrants Exercise Period. The Company expects to utilise the proceeds from the Entitled Shareholders relating to the Proposed Warrant Issuance to Shareholders for general corporate and working capital purposes.

Pending deployment, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the use of such proceeds as and when the funds are materially disbursed, as well as provide status reports on the use of such proceeds in the Company's annual reports until such time the proceeds have been fully utilised. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

9. **THE PROPOSED WARRANT ISSUANCE TO MANAGEMENT**

9.1. Overview of the Proposed Warrant Issuance to Management

Pursuant to the Proposed Warrant Issuance to Management, up to 19,602,920 Management Warrants will be issued to the PRL Key Management as at a Books Closure Date to be determined ("**Management Warrants Books Closure Date**"). The Management Warrants Books Closure Date will be before the Proposed Share Issuances.

Each Management Warrant carries the right to subscribe for one (1) new Consolidated Share (“**Management Warrant Share**”) at the exercise price of S\$0.06 (“**Management Warrants Exercise Price**”) per Management Warrant Share at any time after the date of issue of the Management Warrants and expiring at 5:00 p.m. on the date falling five (5) years after the date of issue of the Management Warrants (the “**Management Warrants Expiration Date**”).

Assuming that all the Management Warrants to be issued pursuant to the Proposed Warrant Issuance to Management are fully exercised and converted into the Management Warrant Shares, the issued share capital of the Company will increase by 19,602,920 Consolidated Shares, representing approximately 27% of the Existing Consolidated Share Capital and approximately 4% of the Enlarged Consolidated Share Capital.

The Management Warrants Exercise Price of S\$0.06, which is equivalent to the *pro forma* NTA per Share as at 30 June 2021 (*pro forma* NTA per Share is provided under paragraph 13.5) and represent a discount of approximately 40% to the VWAP of S\$0.10 of the Shares before the Proposed Share Consolidation (or a discount of approximately 94% to the VWAP of S\$1.00 of the Shares taking into consideration the effects of the Proposed Share Consolidation) for trades done on the SGX-ST on 22 February 2018, being the last full Market Day that trades were done prior to the voluntary trading halt and suspension of the securities of the Company.

The Management Warrants Exercise Price and the number of Management Warrants to be issued pursuant to the Proposed Warrant Issuance to Management will be subject to adjustments under certain circumstances in accordance with the terms and conditions of the deed poll to be executed by the Company, constituting the Management Warrants (as the same may be amended or supplemented from time to time) and containing provisions for the protection of the rights and interests of the holders of the Management Warrants (“**Management Warrants Deed Poll**”). For the avoidance of doubt, the Management Warrants will be issued free to the PRL Key Management.

The Management Warrants will not be listed on the Mainboard of the SGX-ST. The Management Warrant Shares will be listed and traded on the Mainboard of the SGX-ST.

An offer information statement in connection with the Proposed Warrant Issuance to Management will be lodged with the Monetary Authority of Singapore in due course.

9.2. Size of the Proposed Warrant Issuance to Management

The Company has an Existing Consolidated Share Capital of 71,542,797 Consolidated Shares. The Company proposes to issue 19,602,920 Management Warrants to the PRL Key Management, which when fully exercised, will amount to 19,602,920 Management Warrant Shares and correspondingly, approximately 4% of the Enlarged Consolidated Share Capital of the Company. Based on the foregoing, an aggregate number of 19,602,920 Management Warrants are proposed to be issued under the Proposed Warrant Issuance to Management.

The number of Management Warrants to be issued fully paid-up to each of the PRL Key Management is as follows:

PRL Key Management	Number of Management Warrants	Management Warrants as a Percentage of the Enlarged Consolidated Share Capital
Pang Yoke Min	19,424,480	4.3%
Pang Wei Meng	2,200	0.0%

PRL Key Management	Number of Management Warrants	Management Warrants as a Percentage of the Enlarged Consolidated Share Capital
Pang Wei Kuan, James	176,240	0.0%
Total	19,602,920	4.3%

9.3. Principal Terms of the Proposed Warrant Issuance to Management

The terms of the Proposed Warrant Issuance to Management are as follows:

- Number of Management Warrants : The Company proposes to issue 19,602,920 Management Warrants to the PRL Key Management, which when fully exercised, will amount to 19,602,920 Management Warrant Shares and correspondingly, approximately 4% of the Enlarged Consolidated Share Capital of the Company.
- Basis of Allotment : 40 Management Warrant for every 100 Consolidated Shares held by the PRL Key Management, fractional entitlements to be disregarded.
- Number of Warrants : 19,602,920 Management Warrants.
- Management Warrants Issue Price : Free.
- Management Warrants Exercise Price : The Management Warrants Exercise Price is S\$0.06 per Management Warrant Share, being equivalent to the *pro forma* net tangible asset value of the Company per Share as at 30 June 2021.
- Listing and Trading of the Management Warrants and the Management Warrant Shares : The Management Warrants will not be listed on the Mainboard of the SGX-ST.
An application will be made by the Company to the SGX-ST for the listing of and quotation for up to 19,602,920 Management Warrant Shares on the Mainboard of the SGX-ST. The Company will make the necessary announcements upon the receipt of the AIP from the SGX-ST for the listing and quotation of the Management Warrant Shares.
- Management Warrants Exercise Period : Subject to certain closed periods, at any time after the date of issue of the Management Warrants and expiring at 5:00 p.m. on the date falling five (5) years after the date of issue of the Management Warrants (the “**Management Warrants Exercise Period**”).
- Management Warrants Lock-up Period : The Management Warrants may only be exercised on the date falling on the third anniversary of the issuance of the Management Warrants, or earlier if all Perpetual Securities have been redeemed by the Company.

Form and Subscription Rights	:	The Management Warrants will be issued in registered form and will be constituted by the Management Warrants Deed Poll. Subject to the terms and conditions of the Management Warrants Deed Poll, each Management Warrant will entitle the PRL Key Management, at any time during the Management Warrants Exercise Period, to subscribe for one (1) Management Warrant Share at the Management Warrants Exercise Price in force on the relevant exercise date.
Status of new Shares	:	The Management Warrant Shares will upon issue and allotment, rank <i>pari passu</i> in all respects with the then existing Shares, except that they will not be entitled to participate in any dividends, rights, allotments or other distributions where the record date is before the date of issue and allotment of the Management Warrant Shares.
Governing Law	:	Laws of the Republic of Singapore.

The proposed terms and conditions of the Management Warrants are subject to such changes as the Board may, in their absolute discretion, deem fit. The final terms and conditions of the Management Warrants will be set out in the Management Warrants Deed Poll.

9.4. Conditions for the Proposed Warrant Issuance to Management

Shareholders should note that the Proposed Warrant Issuance to Management is subject to, *inter alia*, the following:

- (a) the receipt of the approval in-principle from the SGX-ST for the listing and quotation of up to 19,602,920 Management Warrant Shares on the Mainboard of the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company;
- (b) the lodgement of the offer information statement, together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Proposed Warrant Issuance to Management, with the Monetary Authority of Singapore; and
- (c) the receipt of Shareholders' approval for the Proposed Securities Issuance at the EGM.

9.5. Rationale of the Proposed Warrant Issuance to Management

As mentioned above, ship management agreements are envisaged to be entered into between the Purchaser (and/or its relevant affiliates) and relevant entities of the Group for the majority of the Sale Vessels to be managed by the Group, premised on there being no change of control of the Group and the completion of the Debt Restructuring Plan. To give ENAV the assurance of management continuity, the PRL Key Management is proposed to be issued the Management Warrants to ensure that they are able to comply with this requirement should there be an exercise of the Shareholder Warrants by any of the Entitled Shareholders. The Management Warrants Exercise Price (being S\$0.06 per Management Warrant Share) is above the Shareholder Warrants Exercise Price (being S\$0.03 per Shareholder Warrant Share). The Management Warrants will also allow the PRL Key Management to inject additional capital for general corporate or working capital needs of the Company.

9.6. Proposed Use of Proceeds from the Proposed Warrant Issuance to Management

Assuming that all of the 19,602,920 Management Warrants issued are exercised in full at the Management Warrants Exercise Price of S\$0.06 per Management Warrant Share, the Proposed Warrant Issuance to Management will raise approximately S\$1.2 million over the Management Warrants Exercise Period. The Company expects to utilise the net proceeds from the PRL Key Management relating to the Proposed Warrant Issuance to Management in the following manner: (a) approximately 50% to be used for the repayment of the amounts outstanding under the Perpetual Securities; and (b) approximately 50% to be used for general corporate and working capital purposes.

Pending deployment, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the use of such proceeds as and when the funds are materially disbursed, as well as provide status reports on the use of such proceeds in the Company's annual reports until such time the proceeds have been fully utilised. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

10. **PROPOSED WHITEWASH RESOLUTION**

Under Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**"), except with the consent of the Securities Industry Council of Singapore ("**SIC**"), where:

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

such person must extend offers immediately, on the basis set out in Rule 14 of the Code, to the holders of any class of share capital of a company which carries votes and in which such person, or persons acting in concert with him, hold shares ("**Mandatory Offer**"). In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

As at the date of this Announcement, the PRL Key Management holds 490,073,444 Shares, representing approximately 68.5% of the total number of issued Shares in the Company. Pursuant to the Proposed Share Issuance to Management and the Proposed Warrant Issuance to Management, the PRL Key Management will be issued 1,808,543,200 Management Shares (before the Proposed Share Consolidation) and 19,602,920 Management Warrants (after the Proposed Share Consolidation) respectively. The existing shareholding of the PRL Key Management is diluted to approximately 11% of the Enlarged Share Capital as at the closing of the Proposed Noteholders Redemption Shares Issue and the Proposed Share Issuance to Lenders. This triggers the requirement for the PRL Key Management and their concert parties to make a Mandatory Offer due to (a) the increase in its shareholding in the Company from approximately 11% of the Enlarged Share Capital of the Company, to approximately 51% after

the Proposed Share Issuance to the PRL Key Management (which is about 40% of the Enlarged Share Capital of the Company), and (b) as and when the PRL Key Management subsequently exercise the Management Warrants to increase its shareholding back to approximately 51% of the Enlarged Consolidated Share Capital should the Shareholder Warrants be exercised by the Entitled Shareholders. Therefore, independent Shareholders approval at an EGM to be convened for, *inter alia*, the proposed whitewash resolution for the waiver of the rights of the Shareholders to receive a mandatory take-over offer from the PRL Key Management and their concert parties is required (“**Proposed Whitewash Resolution**”).

The Company will in due course submit an application to the SIC to seek a waiver in respect of the obligation of the PRL Key Management and their concert parties to make a Mandatory Offer as a result of the Proposed Share Issuance to Management and the Proposed Warrant Issuance to Management (“**Whitewash Waiver**”). The Company will make the necessary announcements upon receipt of the Whitewash Waiver from the SIC.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The attention of Shareholders, creditors and other stakeholders of the Company are drawn to the interests of Mr. Pang Wei Meng and Mr. Pang Wei Kuan, James (part of the PRL Key Management) in the Purchaser through the Pang SPV as disclosed herein and the interests of the PRL Key Management in the transactions as described herein. The PRL Key Management members comprise:

- (a) Mr. Pang Yoke Min (Executive Chairman, Director);
- (b) Mr. Pang Wei Meng (Executive Director, Acting Chief Commercial Officer); and
- (c) Mr. Pang Wei Kuan, James (Acting Chief Executive Officer).

Mr. Pang Wei Meng and Mr. Pang Wei Kuan, James are immediate family members of Mr. Pang Yoke Min, a controlling Shareholder of the Company.

Save as disclosed in this Announcement, none of the Directors or (to the best of the knowledge of the Directors) the substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Disposal, the Proposed Share Consolidation and the Proposed Noteholders Perpetual Securities Issuance.

Assuming the issuance, allotment and exercise of the maximum number of (a) Management Shares (i.e. 1,808,543,200 Management Shares), (b) Lender Shares (i.e. 175,763,400 Lender Shares), (c) Noteholders Redemption Shares (i.e. 1,807,360,000 Noteholders Redemption Shares), (d) Shareholder Warrants (i.e. 16,895,550 Shareholder Warrant Shares), and (e) Management Warrants (i.e. 19,602,920 Management Warrant Shares), the interests of the Directors and the substantial Shareholders in the Shares pursuant to the Proposed Securities Issuance are set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Directors				
Pang Yoke Min	183,474,244	37.8%	65,165,800	13.4%
Pang Wei Meng	107,700	0.0%	-	-
Lau Boon Hwee	284,297	0.1%	-	-
Ng Tiong Gee	4,375	0.0%	-	-

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Yong Yin Min	4,849,775	1.0%	-	-
Goh Chong Theng	42,000	0.0%	-	-
Substantial Shareholders (other than Directors)				
YM InvestCo Pte. Ltd.	65,165,800	13.4%	-	-

Note:

- (1) The number of Shares in the table above is based on the share capital after the Proposed Share Consolidation.

12. SERVICE AGREEMENTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal and no service contracts in relation thereto is proposed to be entered into by the Company.

13. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

For illustrative purposes only, the *pro forma* financial effects of the Proposed Disposal, the Proposed Securities Issuance and the Proposed Share Consolidation (collectively, the “**Proposed Transactions**”) on the Group are set forth below and were prepared based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2020 (being the most recently completed financial year in respect of which the quarterly and half-yearly results have been announced), subject to the following assumptions:

- (a) the maximum S\$3,000,000 in principal amount of Perpetual Securities issued pursuant to the Proposed Noteholders Perpetual Securities Issue;
- (b) the maximum number of new Shares issued pursuant to the Proposed Share Issuances (i.e., 3,791,666,600 new Shares) are fully issued and allotted by the Company in accordance with the terms of the Proposed Noteholders Redemption Shares Issue, the Proposed Share Issuance to Lenders and the Proposed Share Issuance to Management;
- (c) the maximum number of 16,895,550 Shareholder Warrants and 19,602,920 Management Warrants are fully issued by the Company and have not been exercised;
- (d) for the purpose of computing the NTA per Share, it is assumed that the Proposed Disposal and the Proposed Securities Issuance were completed on 31 December 2020;
- (e) for the purpose of computing the LPS and earnings per share (“**EPS**”) of the Company, it is assumed that the Proposed Disposal and the Proposed Securities Issuance were completed on 1 January 2020;
- (f) the Proposed Share Consolidation having been completed; and

- (g) the *pro forma* financial effects are presented for illustration purposes only, and are not intended to reflect the actual or future financial situation of the Company.

13.1 **Share Capital**

	Before the Completion of the Proposed Transactions	After Completion of the Proposed Disposal	After Completion of the Proposed Schemes of Arrangement	After Completion of the Proposed Share Issuances and the Proposed Noteholders Perpetual Securities Issue	After Completion of the Proposed Share Consolidation	After Completion of the Proposed Warrant Issuances
Issued and paid-up share capital (US\$'000)	162,854	162,854	162,854	315,883	315,883	315,883
Number of Shares ('000)	725,755	725,755	725,755	4,517,422	451,742	451,742

13.2 **NTA**

	Before the Completion of the Proposed Transactions	After Completion of the Proposed Disposal	After Completion of the Proposed Schemes of Arrangement	After Completion of the Proposed Share Issuances and the Proposed Noteholders Perpetual Securities Issue	After Completion of the Proposed Share Consolidation	After Completion of the Proposed Warrant Issuances
NTA of the Company attributable to Shareholders (US\$'000)	(290,177)	(278,584)	(54,437)	27,185	27,185	27,185
Number of Shares (excluding treasury shares) ('000)	715,428	715,428	715,428	4,507,095	450,709	450,709
NTA per Share (US cents)	(40.6)	(38.9)	(7.6)	0.6 ⁽¹⁾	6.0	6.0 ⁽²⁾

Notes:

- (1) The NTA per Share following the completion of the Proposed Disposal and Proposed Schemes of Arrangement is negative but turns positive on closing of the Proposed Securities Issuance, which includes the Proposed Share Issuances and the Proposed Noteholders Perpetual Securities Issue.
- (2) The fair value of the Shareholder Warrants and Management Warrants at the date of issuance is assumed to be zero.

13.3 **EPS/(LPS)**

	Before the Completion of the Proposed Transactions	After Completion of the Proposed Disposal	After Completion of the Proposed Schemes of Arrangement	After Completion of the Proposed Share Issuances and the Proposed Noteholders Perpetual Securities Issue	After Completion of the Proposed Share Consolidation	After Completion of the Proposed Warrant Issuances
Net (loss)/profit of the Company attributable to Shareholders (US\$'000)	(58,645)	(66,090)	141,337	69,796	69,796	69,796
Weighted average number of Shares ('000)	715,120	715,120	715,120	4,506,787	450,679	450,679
EPS/(LPS) (US cents)	(8.2)	(9.2)	19.8 ⁽¹⁾	1.5	15.5	15.5

Notes:

- (1) After completion of the Proposed Disposal and the Proposed Schemes of Arrangement, the Company has positive EPS mainly due to net gain on debt forgiveness of bank loans.

13.4 Gearing

	Before the Completion of the Proposed Transactions	After Completion of the Proposed Disposal	After Completion of the Proposed Schemes of Arrangement	After Completion of the Proposed Share Issuances and the Proposed Noteholders Perpetual Securities Issue	After Completion of the Proposed Share Consolidation	After Completion of the Proposed Warrant Issuances
Total debt (US\$'000)	472,754	330,346	105,660	30,000 ⁽¹⁾	30,000 ⁽¹⁾	30,000 ⁽¹⁾
Total equity (US\$'000)	(301,921)	(278,619)	(54,472)	27,150	27,150	27,150
Gearing ratio	(157%)	(119%)	(194%)	110%	110%	110%

Notes:

(1) Debt in relation to the office and shipyard complex that is restructured separately as mentioned in paragraph 1.5(c).

13.5 Use of *pro forma* NTA for Shareholder Warrants Exercise Price and Management Warrants Exercise Price

The *pro forma* NTA of the Proposed Resolutions on the Group are set out below. This was prepared based on the unaudited consolidated financial statements of the Company for the financial period ended 30 June 2021 and assuming that the Proposed Disposal and the Proposed Securities Issuance were completed on 30 June 2021.

	Before the Completion of the Proposed Transactions	After Completion of the Proposed Disposal	After Completion of the Proposed Schemes of Arrangement	After Completion of the Proposed Share Issuances and the Proposed Noteholders Perpetual Securities Issue	After Completion of the Proposed Share Consolidation	After Completion of the Proposed Warrant Issuances
NTA of the Company attributable to Shareholders (US\$'000)	(293,366)	(289,457)	(59,694)	20,711	20,711	20,711
Number of Shares (excluding treasury shares) ('000)	715,428	715,428	715,428	4,507,095	450,709	450,709
NTA per Share (US cents)	(41.0)	(40.5)	(8.3)	0.5 ⁽¹⁾	4.6	4.6 ⁽²⁾
NTA per Share (SG cents) ⁽³⁾	(55.4)	(54.7)	(11.2)	0.7	6.2	6.2

Notes:

- (1) The NTA per Share following the completion of the Proposed Disposal and Proposed Schemes of Arrangement is negative but turns positive on closing of the Proposed Securities Issuance, which include the Proposed Share Issuances and the Proposed Noteholders Perpetual Securities Issue.
- (2) The fair value of the Shareholder Warrants and Management Warrants at the date of issuance is assumed to be zero.
- (3) Based on an illustrative exchange rate of US\$1 : S\$1.35.

14. ADDITIONAL LISTING AND QUOTATION APPLICATION TO THE SGX-ST

An application will be made by the Company to the SGX-ST for the listing and quotation of the Noteholders Redemption Shares, the Lender Shares, the Management Shares, the Consolidated Shares, the Shareholder Warrants, the Shareholder Warrant Shares and the Management Warrant Shares on the Mainboard of the SGX-ST. An appropriate announcement on the outcome of the application will be made once the listing and quotation notice is issued by the SGX-ST.

15. EXTRAORDINARY GENERAL MEETING AND CIRCULAR TO SHAREHOLDERS

The Company will be seeking the approval of the Shareholders for the Proposed Disposal, the Proposed Securities Issuance, the Proposed Share Consolidation and the Proposed Whitewash Resolution at an EGM to be convened. Further announcements will also be made once the other definitive agreements relating to the Proposed Disposal are entered into. A circular to Shareholders setting out, amongst others, further information on the Proposed Disposal together with the notice of EGM to be convened, will be despatched to Shareholders in due course. The Company will make further announcements relating to the Proposed Disposal and the Debt Restructuring Plan as and when necessary.

16. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's registered office for three (3) months from the date of this Announcement:-

- (a) the Consensual Sale Agreement;
- (b) the Valuation Certificate;
- (c) the Constitution of the Company; and
- (d) the annual report of the Company for FY2020.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Consensual Sale Agreement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

18. CAUTIONARY STATEMENTS

Trading of the Company's securities on the SGX-ST has been voluntarily halted on 23 February 2018 and voluntarily suspended by the Company on 28 February 2018.

Shareholders should note that the Debt Restructuring Plan is subject to the conditions precedent as set out in this Announcement. There is no certainty or assurance as at the date of this Announcement that the conditions precedent to the Proposed Disposal can be fulfilled, that the Proposed Schemes of Arrangement will be successfully implemented or that the Debt Restructuring Plan will be implemented at all.

The Company will make further announcements, in compliance with the requirements of the SGX-ST Listing Manual, when there are material developments in respect of the Debt Restructuring Plan. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Persons who are in doubt as to the action they should take should consult their financial, tax, legal or other professional advisers.

By Order of the Board of
Pacific Radiance Ltd.

Pang Yoke Min
Executive Chairman
28 October 2021

ANNEX A

INFORMATION ON THE SALE VESSELS

No.	Name of vessel	Entity which owns the vessel
1.	Crest Spartan 3	Pacific Crest Pte. Ltd.
2.	Crest Spartan 8	Pacific Crest Pte. Ltd.
3.	Crest Apache	Pacific Crest Pte. Ltd.
4.	Crest Mercury One	Continental Radiance Offshore Pvt. Ltd.
5.	Crest Mercury Two	Continental Radiance Offshore Pvt. Ltd.
6.	Crest Mercury 3	Pacific Offshore Marine Pte. Ltd.
7.	Crest Mercury 5	Pacific Offshore Marine Pte. Ltd.
8.	Crest Amethyst	Pacific Crest Pte. Ltd.
9.	Crest Apollo	Pacific Crest Pte. Ltd.
10.	Crest Victoria	Pacific Offshore Pte. Ltd.
11.	Crest Argus 1	Pacific Crest Pte. Ltd.
12.	Crest Argus 2	Pacific Crest Pte. Ltd.
13.	Crest Argus 3	Pacific Crest Pte. Ltd.
14.	Crest Argus 5	Pacific Crest Pte. Ltd.
15.	Crest Aries 1	Pacific Crest Pte. Ltd.
16.	Crest Alpha 1	Pacific Crest Pte. Ltd.
17.	Crest Odyssey 2	CSI Offshore Pte. Ltd.
18.	Crest Hydra	CSI Offshore Pte. Ltd.
19.	Crest Athena 1	Pacific Crest Pte. Ltd.
20.	Crest Athena 2	Pacific Crest Pte. Ltd.
21.	Crest Nautilus 1	Pacific Crest Pte. Ltd.
22.	Crest Nautilus 2	Pacific Crest Pte. Ltd.
23.	Crest Centurion 2	Pacific Crest Pte. Ltd.
24.	Crest Provider	Pacific Crest Pte. Ltd.
25.	Crest Support 5	Pacific Crest Pte. Ltd.
26.	Crest Radiant 1	Pacific Crest Pte. Ltd.
27.	Crest Radiant 3	Pacific Crest Pte. Ltd.
28.	Crest Voyager	Pacific Crest Pte. Ltd.
29.	Crest Imperial	Duta Marine Alliances Sdn Bhd
30.	Crest Station 5	Duta Marine Ventures Sdn Bhd
31.	Crest Onyx	PT Jawa Tirtamarin
32.	Crest Odyssey 1	PT Jawa Tirtamarin
33.	Crest Tarasco	Radiance Alliance Pte. Ltd.