

CIRCULAR DATED 8 FEBRUARY 2022

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold your ordinary shares in Pacific Radiance Ltd. (the “**Company**”, “**Issuer**”, or “**PRL**”), you should immediately forward this Circular and the Proxy Form enclosed with this Circular to the purchaser or the stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited (the “SGX-ST”) assumes no responsibility for the accuracy of any of the statements made, opinions expressed or reports contained in this Circular.

An application has been made to the SGX-ST for the dealing in, listing and quotation for 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 (each as defined herein) on the Mainboard of the SGX-ST. On 4 February 2022, the Company was granted approval-in-principle from the SGX-ST, subject to certain conditions. The approval in-principle is not to be taken as an indication of the merits of the Debt Restructuring Plan, the Proposed Securities Issuance, the Proposed Disposal, the Proposed Share Consolidation (each as defined herein), the Noteholders Redemption Shares, the Lender Shares, the Management Shares, the Consolidated Shares, the Shareholder Warrants, the Shareholder Warrant Shares, the Management Warrants (as defined herein), the Management Warrant Shares, the Company and/or its subsidiaries.



PACIFIC RADIANCE LTD.

(UEN/Company Registration No. 200609894C)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) PROPOSED DISPOSAL OF THE SALE VESSELS (AS DEFINED HEREIN) TO ENAV RADIANCE PTE. LTD. (“PURCHASER”) FOR THE CONSIDERATION OF APPROXIMATELY US\$200 MILLION (THE “PROPOSED DISPOSAL”);**
- (2) PROPOSED ALLOTMENT AND ISSUE OF 1,807,360,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “NOTEHOLDERS REDEMPTION SHARES”) REPRESENTING 253% OF THE COMPANY’S EXISTING SHARE CAPITAL (EXCLUDING TREASURY SHARES) TO THE HOLDERS (THE “NOTEHOLDERS”) OF S\$100,000,000 4.30 PER CENT. NOTES DUE 2020 COMPRISED IN SERIES 001 (ISIN: SG6SF2000004) (THE “NOTES”) ON THE BASIS OF 4,518,400 NOTEHOLDERS REDEMPTION SHARES FOR EVERY S\$250,000 IN PRINCIPAL AMOUNT OF NOTES HELD (THE “PROPOSED NOTEHOLDERS REDEMPTION SHARES ISSUE”);**

- (3) PROPOSED ISSUE OF S\$3,000,000 IN PRINCIPAL AMOUNT OF PERPETUAL SECURITIES (AS DEFINED HEREIN) TO THE NOTEHOLDERS ON THE BASIS OF ONE (1) PERPETUAL SECURITY FOR EVERY S\$250,000 IN PRINCIPAL AMOUNT OF NOTES HELD BY THE NOTEHOLDERS (THE “PROPOSED NOTEHOLDERS PERPETUAL SECURITIES ISSUE”);
 - (4) PROPOSED ISSUE OF 175,763,400 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY REPRESENTING 25% OF THE COMPANY’S EXISTING SHARE CAPITAL (EXCLUDING TREASURY SHARES) TO THE ENTITLED LENDERS (AS DEFINED HEREIN) AS PART OF THE DISCHARGE OF THE LIABILITIES OWING BY THE COMPANY TO THE ENTITLED LENDERS OF APPROXIMATELY US\$7.1 MILLION (THE “PROPOSED SHARE ISSUANCE TO LENDERS”);
 - (5) PROPOSED ISSUE OF 1,808,543,200 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY REPRESENTING 253% OF THE COMPANY’S EXISTING SHARE CAPITAL (EXCLUDING TREASURY SHARES) TO THE PRL KEY MANAGEMENT (AS DEFINED HEREIN) TO COMPLY WITH THE CONDITIONS OF THE MANAGEMENT UMBRELLA AGREEMENT (AS DEFINED HEREIN) WHICH FORMS PART OF THE DEBT RESTRUCTURING PLAN (AS DEFINED HEREIN) (THE “PROPOSED SHARE ISSUANCE TO MANAGEMENT”);
 - (6) PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE SHARE CONSOLIDATION BOOKS CLOSURE DATE (AS DEFINED HEREIN) INTO ONE (1) CONSOLIDATED ORDINARY SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “PROPOSED SHARE CONSOLIDATION”);
 - (7) PROPOSED ISSUE OF 22,527,400 WARRANTS TO THE ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) (“SHAREHOLDER WARRANTS”), WITH EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW SHARE IN THE CONSOLIDATED SHARE CAPITAL OF THE COMPANY (THE “SHAREHOLDER WARRANT SHARE”) AT THE EXERCISE PRICE OF S\$0.03 PER SHAREHOLDER WARRANT SHARE (THE “PROPOSED WARRANT ISSUANCE TO SHAREHOLDERS”);
 - (8) PROPOSED ISSUE OF UP TO 22,527,400 SHAREHOLDER WARRANT SHARES REPRESENTING 31% OF THE EXISTING CONSOLIDATED SHARE CAPITAL OF THE COMPANY (EXCLUDING TREASURY SHARES) TO THE ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) PURSUANT TO THE EXERCISE OF THE SHAREHOLDER WARRANTS (THE “PROPOSED WARRANT SHARE ISSUANCE TO SHAREHOLDERS”);
 - (9) PROPOSED ISSUE OF 23,033,431 WARRANTS TO THE PRL KEY MANAGEMENT (AS DEFINED HEREIN) (“MANAGEMENT WARRANTS”), WITH EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW SHARE IN THE CONSOLIDATED SHARE CAPITAL OF THE COMPANY (THE “MANAGEMENT WARRANT SHARE”) AT THE EXERCISE PRICE OF S\$0.06 PER MANAGEMENT WARRANT SHARE (THE “PROPOSED WARRANT ISSUANCE TO MANAGEMENT”); AND
 - (10) PROPOSED ISSUE OF UP TO 23,033,431 MANAGEMENT WARRANT SHARES REPRESENTING 32% OF THE EXISTING CONSOLIDATED SHARE CAPITAL OF THE COMPANY (EXCLUDING TREASURY SHARES) TO THE PRL KEY MANAGEMENT (AS DEFINED HEREIN) PURSUANT TO THE EXERCISE OF THE MANAGEMENT WARRANTS (THE “PROPOSED WARRANT SHARE ISSUANCE TO MANAGEMENT”),
- (COLLECTIVELY, THE “PROPOSED RESOLUTIONS”).

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 20 February 2022 at 10.00 a.m.

Date and time of Extraordinary General Meeting : 23 February 2022 at 10.00 a.m.

Place of Extraordinary General Meeting : The EGM will be convened and held by way of electronic means.

This Circular, together with the Notice of EGM and the accompanying Proxy Form, has been made available on SGXNET and the Company's website and may be accessed at www.pacificradianc.com. A printed copy of this Circular will NOT be despatched to Shareholders.

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the proceedings of the EGM via "live" webcast or listening to the EGM proceedings via "live" audio feed, (b) submitting questions in advance of the EGM or "live" at the EGM, and/or (c) voting by proxy at the EGM or voting by electronic means "live" at the EGM. Please refer to Section 22 of this Circular and the Notice of EGM for further information, including the steps to be taken by Shareholders to participate at the EGM.

Shareholders should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 (Temporary Measures) Act 2020 of Singapore and any regulations promulgated thereunder as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNET.

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:-

Act or Companies Act	the Companies Act 1967 of Singapore.
AIP	the approval-in-principle from the SGX-ST in relation to 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.
Associate	<p>in the case of a company,</p> <p>(a) in relation to any director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:</p> <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; <p>(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.</p>
Board	the Board of Directors of the Company.
Business Day	a day (other than a Saturday or a Sunday) on which banks are open for general business in Singapore.
CDP	the Central Depository (Pte) Limited.
Company, PRL or Issuer	Pacific Radiance Ltd.
Consensual Sale Agreement	the conditional agreement between, amongst others, the Company, the Purchaser and the Secured Lenders for the transfer of the Sale Vessels (including the accompanying charterparty contracts and income streams) from the Group to the Purchaser (or its affiliates) in consideration for the Purchaser procuring the consensual discharge of

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	approximately US\$200 million of the secured indebtedness presently owed by the Group to the Secured Lenders (including the waiver, release and/or discharge of mortgages, and all other security interests and guarantees related to the financing of the Sale Vessels), to effect the Proposed Disposal.
Consent Solicitation Exercise	the consensual restructuring of the Notes.
Consent Solicitation Statement	the statement issued to the Noteholders in connection with the Consent Solicitation Exercise.
Consideration	the aggregate consideration amount of approximately US\$200 million for the Proposed Disposal, 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.
Consolidated Shares	the ordinary shares in the capital of the Company after the completion of the Proposed Share Consolidation.
Constitution	the constitution of the Company, as amended, supplemented or modified from time to time.
Controlling Shareholder	a person who (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company, or (b) in fact exercises control over the Company. The SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder.
CPF	the Central Provident Fund of Singapore.
CSIO	CSI Offshore Pte. Ltd., an indirect wholly-owned subsidiary of the Company.
DBS	DBS Bank Ltd.
Debt Restructuring Plan	the debt restructuring plan of the Group.
Directors	the directors of the Company from time to time.
Effective Trading Date	the date when the Proposed Share Consolidation will become effective and on which the Consolidated Shares will trade on the SGX-ST in board lots of 100 Consolidated Shares.
EGM	the extraordinary general meeting of the Company to be held by way of electronic means on 23 February 2022 at 10.00 a.m., the notice of which is set out on pages N-1 to N-9 of this Circular.

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ENAV	RS EES Holdings Mexico S. De R.L. De C.V., which is not related to the Company and which will own the Purchaser together with the Pang SPV, with the Pang SPV holding a minority equity interest not exceeding 15% of the share capital of the Purchaser.
Enlarged Consolidated Share Capital	the Enlarged Share Capital following the completion of the Proposed Share Consolidation.
Enlarged Share Capital	based on the Existing Share Capital, the enlarged share capital of the Company (excluding treasury shares) as at closing of the Proposed Securities Issuance. For the avoidance of doubt, the definition of “ Enlarged Share Capital ” assumes that none of the Shareholder Warrants issued to the Entitled Shareholders pursuant to the Proposed Warrant Issuance to Shareholders and the Management Warrants issued to the PRL Key Management pursuant to the Proposed Warrant Issuance to Management have been exercised.
Entitled Lenders	three (3) of the Secured Lenders, being DBS Bank Ltd., United Overseas Bank Limited and Oversea-Chinese Banking Corporation Limited, which will be issued the Lender Shares pursuant to the Proposed Share Issuance to Lenders.
Entitled Shareholders	all Shareholders before the Proposed Share Issuances, except for the PRL Key Management.
EPS	earnings per Share.
Existing Consolidated Share Capital	the Existing Share Capital following the completion of the Proposed Share Consolidation.
Existing Share Capital	the existing issued share capital (excluding treasury shares) of the Company.
Existing Shares	the existing Shares.
Extraordinary Resolution	the extraordinary resolution of the Noteholders to approve the proposal as set out in the Consent Solicitation Statement, as proposed and considered at the meeting of the Noteholders pursuant to the Consent Solicitation Exercise.
FY	financial year ended or ending 31 December, as the case may be, unless otherwise stated.
Group	PRL and its subsidiaries, and in the context of the Debt Restructuring Plan, “ Group ” means PRL, its subsidiaries and its associated and joint venture companies.
High Court	the High Court of the Republic of Singapore.

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Independent Valuer	Braemar ACM Valuations Limited.
Latest Practicable Date	the latest practicable date prior to the printing of this Circular, being 31 January 2022.
Lender Share Conversion Price	the conversion price of the Lender Shares of S\$0.05 per Share.
Lender Shares	the New Shares to be issued and allotted to the Entitled Lenders pursuant to the Proposed Share Issuance to Lenders and each a " Lender Share ".
Listing Manual	the Listing Manual being the Mainboard Rules of the SGX-ST, as amended, modified or supplemented from time to time.
LPS	loss per Share.
Management Agreement	the management agreement entered into between the Company, the Purchaser (or its affiliate) and the relevant Group entity for the management of a relevant Sale Vessel after completion of the Proposed Disposal, and collectively, the " Management Agreements ".
Management Shares	the New Shares to be issued and allotted to the PRL Key Management pursuant to the Proposed Share Issuance to Management and each a " Management Share ".
Management Umbrella Agreement	the umbrella agreement entered into between the Company, the Purchaser (and its affiliates) and the relevant Group entities for the management of a majority of the Sale Vessels (being 31 out of the 33 Sale Vessels) after completion of the Proposed Disposal.
Management Warrant Shares	the new Consolidated Shares which may be issued and allotted to the PRL Key Management from time to time pursuant to the exercise of the Management Warrants in accordance with the terms and conditions of the Proposed Warrant Issuance to Management, and each a " Management Warrant Share ".
Management Warrants	up to 23,033,431 warrants in registered form to be issued by the Company pursuant to the Proposed Warrant Issuance to Management, and (where the context so admits) such additional warrants as may be required or permitted to be issued by the Company pursuant to the terms and conditions of the Management Warrants as set out in the Management Warrants Deed Poll and Appendix E to this Circular (such additional warrants to rank <i>pari passu</i> with the warrants issued pursuant to the Proposed Warrant Issuance to Management and for all purposes to form part of the same series of warrants constituted by the Management Warrants Deed Poll),

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	each such warrant entitling its holder to subscribe for one (1) Management Warrant Share at the Management Warrants Exercise Price during the Management Warrants Exercise Period, subject to the terms and conditions of the Management Warrants as set out in the Management Warrants Deed Poll.
Management Warrants Books Closure Date	the time and date to be determined by the Directors, at and on which the Register of Members and the share transfer books of the Company will be closed to determine the entitlements of the PRL Key Management to the Proposed Warrant Issuance to Management.
Management Warrants Deed Poll	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, <i>inter alia</i> , provisions for the protection of the rights and interests of the holders of the Management Warrants.
Management Warrants Exercise Period	the period during which the Management Warrants may be exercised, which is 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.
Management Warrants Exercise Price	the sum payable in respect of each Management Warrant Share for which holders of the Management Warrants may subscribe upon exercise of a Management Warrant, which is S\$0.06 in cash, subject to adjustments under certain circumstances as may for the time being be applicable in accordance with the Management Warrants Deed Poll (as set out in Appendix E to this Circular).
Management Warrants Expiration Date	the date falling five (5) years after the date of issue of the Management Warrants.
Management Warrants Transfer Form	the instrument of transfer in relation to the transfer of the Management Warrants.
Management Warrants Transferor	a transferor of the Management Warrants, being a holder of the Management Warrants whose Management Warrants are registered in his own name.
Market Day	a day on which the SGX-ST is open for trading of securities.
MOA	the memorandum of agreement entered into between the Company, the Purchaser (or its affiliate) and the relevant Group entity in relation to the transfer and delivery of a Sale Vessel, and collectively, the “ MOAs ”.

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MOA Umbrella Agreement	the umbrella agreement entered into between the Company, the Purchaser and the relevant Group entities to set out the specific commercial arrangements between the parties thereto in connection with the transaction(s) contemplated under the Consensual Sale Agreement.
New Share Certificates	the share certificates for the Consolidated Shares.
New Shares	new Shares before the Proposed Share Consolidation.
Noteholders	the holders of the Notes.
Noteholders Redemption Share Conversion Price	the conversion price of the Noteholders Redemption Shares of S\$0.05 per Share.
Noteholders Redemption Shares	the New Shares to be issued and allotted to the Noteholders pursuant to the Proposed Noteholders Redemption Shares Issue and each a “ Noteholders Redemption Share ”.
Notes	S\$100,000,000 4.30 Per Cent. Notes due 2020 comprised in Series 001 (ISIN: SG6SF2000004).
NTA	net tangible assets of the Company attributable to the Shareholders.
OCBC	Oversea-Chinese Banking Corporation Limited.
Old Share Certificates	the physical share certificates for the Existing Shares.
Ordinary Resolutions	the ordinary resolutions set out in the Notice of EGM.
Pang SPV	Dioscuri Ventures Pte. Ltd.
PCPL	Pacific Crest Pte. Ltd., a direct wholly-owned subsidiary of the Company.
PCPL and CSIO Applications	the applications by PCPL and CSIO to the High Court for moratoria pursuant to section 211B(1) of the Companies Act to commence a court supervised process to reorganise their liabilities and businesses.
Perpetual Securities	S\$3,000,000 in principal amount of non-listed and non-cumulative perpetual securities proposed to be issued by the Company in denominations of S\$7,500 each free to Noteholders on or around the Redemption Date and in connection with the Redemption, subject to the passing of the Ordinary Resolutions, and each a “ Perpetual Security ”.
Previous Announcements	the previous announcements set out in Appendix A to this Circular.

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PRL Application	the application by the Company to the High Court pursuant to section 211B(1) of the Companies Act to commence a court supervised process to reorganise its liabilities and businesses.
PRL Key Management	Pang Yoke Min, Pang Wei Meng and Pang Wei Kuan, James.
Programme	the S\$1,000,000,000 multicurrency debt issuance programme of PRL.
Proposed Disposal	the consensual directed transfer of the Sale Vessels (including the accompanying charterparty contracts and income streams) to the Purchaser (or its affiliates) 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 waiver, release and/or discharge of mortgages, and all other security interests and guarantees related to the financing of the Sale Vessels).
Proposed Noteholders Perpetual Securities Issue	the issuance of up to S\$3,000,000 in principal amount of Perpetual Securities to the Noteholders (as a class).
Proposed Noteholders Redemption Shares Issue	the issuance of the Noteholder Redemption Shares to the Noteholders (as a class), being approximately 40% of the Enlarged Share Capital of the Company.
Proposed Resolutions	Ordinary Resolutions 1 to 10 as described in Section 1.2 of this Circular.
Proposed Schemes of Arrangement	the schemes of arrangement to be proposed between two (2) subsidiaries of the Company, PCPL and CSIO, and its creditors under section 210(1) of the Companies Act.
Proposed Securities Issuance	collectively, the Proposed Share Issuances, the Proposed Noteholders Perpetual Securities Issue and the Proposed Warrant Issuances.
Proposed Share and Warrant Issuances to Management	the Proposed Share Issuance to Management, the Proposed Warrant Issuance to Management and the Proposed Warrant Share Issuance to Management.
Proposed Share Consolidation	the consolidation of the Shares of the Company on the basis of every ten (10) Existing Shares into one (1) Consolidated Share.
Proposed Share Issuance to Lenders	the issuance of the Lender Shares to the Entitled Lenders, being approximately 4% of the Enlarged Share Capital of the Company.

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Proposed Share Issuance to Management	the issuance of the Management Shares to the PRL Key Management, being approximately 40% of the Enlarged Share Capital of the Company.
Proposed Share Issuances	collectively, the Proposed Noteholders Redemption Shares Issue, the Proposed Share Issuance to Lenders and the Proposed Share Issuance to Management.
Proposed Warrant Issuance to Management	the issuance of the Management Warrants in the consolidated share capital of the Company to the PRL Key Management.
Proposed Warrant Issuance to Shareholders	the issuance of the Shareholder Warrants in the consolidated share capital of the Company to the Entitled Shareholders.
Proposed Warrant Issuances	collectively, the Proposed Warrant Issuance to Shareholders and the Proposed Warrant Issuance to Management.
Proposed Warrant Share Issuance to Management	the issuance of the Management Warrant Shares to the PRL Key Management pursuant to the exercise of the Management Warrants.
Proposed Warrant Share Issuance to Shareholders	the issuance of the Shareholder Warrant Shares to the Entitled Shareholders pursuant to the exercise of the Shareholder Warrants.
Proxy Form	the form of the proxy form as set out in this Circular.
Purchaser	ENAV Radiance Pte. Ltd., a special purpose vehicle being a subsidiary of ENAV with up to 15% of its share capital held by the Pang SPV and the remaining equity interest held by ENAV.
Record Date	in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.
Redemption Date	the date of redemption of the Notes to be announced by the Company after the Ordinary Resolutions are passed.
Register of Members	the register of members containing the names and addresses of the members of the Company.
Restructuring	the consensual restructuring of the Group's borrowings.
Sale Vessels	the 33 vessels set out in Appendix C .

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Second Supplemental Trust Deed	the second supplemental deed to the Trust Deed, the Second Supplemental Trust Deed is dated 27 August 2018.
Secured Lenders	the secured lenders of the Group, being DBS Bank Ltd., United Overseas Bank Limited, Oversea-Chinese Banking Corporation Limited, Credit Suisse AG and Hamburg Commercial Bank AG, Singapore Branch.
Securities Account	securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent.
SFA or Securities and Futures Act	the Securities and Futures Act 2001 of Singapore, as amended from time to time.
SGX-ST	Singapore Exchange Securities Trading Limited.
SHA	the shareholders' agreement to be entered into between, amongst others, the Pang SPV and ENAV, which will set out the terms governing their relationship as shareholders in the Purchaser.
Share Consolidation Books Closure Date	the time and date to be determined by the Directors, at and on which the Register of Members and the transfer books of the Company will be closed for the purpose of determining the entitlements of the Shareholders to the Consolidated Shares pursuant to the Proposed Share Consolidation.
Shareholder Warrant Shares	the new Consolidated Shares which may be issued and allotted to the Entitled Shareholders from time to time pursuant to the exercise of the Shareholder Warrants in accordance with the terms and conditions of the Proposed Warrant Issuance to Shareholders, and each a " Shareholder Warrant Share ".
Shareholder Warrants	up to 22,527,400 warrants in registered form to be issued by the Company pursuant to the Proposed Warrant Issuance to Shareholders, and (where the context so admits) such additional warrants as may be required or permitted to be issued by the Company pursuant to the terms and conditions of the Shareholder Warrants as set out in the Shareholder Warrants Deed Poll and Appendix D to this Circular (such additional warrants to rank <i>pari passu</i> with the warrants issued pursuant to the Proposed Warrant Issuance to Shareholders and for all purposes to form part of the same series of warrants constituted by the Shareholder Warrants Deed Poll), each such warrant entitling its holder to subscribe for one (1) Shareholder Warrant Share at the Shareholder Warrants Exercise Price during the Shareholder Warrants Exercise Period, subject to the terms and conditions of the Shareholder

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	Warrants as set out in the Shareholder Warrants Deed Poll.
Shareholder Warrants Books Closure Date	the time and date to be determined by the Directors, at and on which the Register of Members and the share transfer books of the Company will be closed to determine the entitlements of the Entitled Shareholders to the Proposed Warrant Issuance to Shareholders.
Shareholder Warrants Deed Poll	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, <i>inter alia</i> , provisions for the protection of the rights and interests of the holders of the Shareholder Warrants.
Shareholder Warrants Exercise Period	the period during which the Shareholder Warrants may be exercised, which is 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.
Shareholder Warrants Exercise Price	the sum payable in respect of each Shareholder Warrant Share for which holders of the Shareholder Warrants may subscribe upon exercise of a Shareholder Warrant, which is S\$0.03 in cash, subject to adjustments under certain circumstances as may for the time being be applicable in accordance with the Shareholder Warrants Deed Poll (as set out in Appendix D to this Circular).
Shareholder Warrants Expiration Date	the date falling five (5) years after the date of issue of the Shareholder Warrants.
Shareholder Warrants Transfer Form	the instrument of transfer in relation to the transfer of the Shareholder Warrants.
Shareholder Warrants Transferor	a transferor of the Shareholder Warrants, being a holder of the Shareholder Warrants whose Shareholder Warrants are registered in his own name.
Shareholders	the registered holders for the time being of Shares, except that where CDP is the registered holder, the term " Shareholder " shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with such Shares.
Shares	ordinary shares in the capital of PRL.
Substantial Shareholder	a person who has an interest in the Shares of the Company the nominal amount of which is not less than 5% of the nominal value of all voting Shares.
Supplemental Trust Deed	the first supplemental deed to the Trust Deed, the Supplemental Trust Deed is dated 30 November 2015.

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S\$	Singapore dollars, being the lawful currency of Singapore.
Third Supplemental Trust Deed	the third supplemental deed to the Trust Deed, the Third Supplemental Trust Deed is dated 11 October 2019.
Trust Deed	the trust deed dated 14 August 2014 (as amended and supplemented by the Supplemental Trust Deed, and further amended and supplemented by the Second Supplemental Trust Deed and the Third Supplemental Trust Deed) entered into between (1) PRL, as issuer, and (2) the Trustee, as trustee, relating to the Programme and constituting the Notes, as amended, modified or supplemented from time to time.
Trustee	DBS Trustee Limited.
UOB	United Overseas Bank Limited.
US\$	US dollars, being the lawful currency of the United States of America.
Valuation Certificate	the valuation certificate issued by the Independent Valuer (being Braemar ACM Valuations Limited) dated 31 May 2021.
VWAP	volume weighted average price.
% or per cent.	Per centum or percentage.

In this Circular:-

- (i) The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in section 81SF of the SFA.
- (ii) Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.
- (iii) References to persons shall include corporations.
- (iv) Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.
- (v) Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.
- (vi) Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

DEFINITIONS

Cautionary Note on Forward-Looking Statements

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company does not undertake any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the Listing Manual and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

PACIFIC RADIANCE LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200609894C)

Directors:

Pang Yoke Min (*Executive Chairman*)
Pang Wei Meng (*Executive Director*)
Lau Boon Hwee (*Executive Director*)
Ng Tiong Gee (*Lead Independent Director*)
Yong Yin Min (*Independent Director*)
Goh Chong Theng (*Independent Director*)

Registered Office:

15 Pandan Road
Singapore 609263

8 February 2022

To: The Shareholders of Pacific Radiance Ltd.

LETTER TO SHAREHOLDERS

Dear Sir / Madam,

- (1) **PROPOSED DISPOSAL OF THE SALE VESSELS TO THE PURCHASER FOR THE CONSIDERATION OF APPROXIMATELY US\$200 MILLION (THE “PROPOSED DISPOSAL”);**
- (2) **PROPOSED ALLOTMENT AND ISSUE OF 1,807,360,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY REPRESENTING 253% OF THE COMPANY’S EXISTING SHARE CAPITAL (EXCLUDING TREASURY SHARES) TO THE HOLDERS OF S\$100,000,000 4.30 PER CENT. NOTES DUE 2020 COMPRISED IN SERIES 001 (ISIN: SG6SF2000004) ON THE BASIS OF 4,518,400 NOTEHOLDERS REDEMPTION SHARES FOR EVERY S\$250,000 IN PRINCIPAL AMOUNT OF NOTES HELD (THE “PROPOSED NOTEHOLDERS REDEMPTION SHARES ISSUE”);**
- (3) **PROPOSED ISSUE OF S\$3,000,000 IN PRINCIPAL AMOUNT OF PERPETUAL SECURITIES TO THE NOTEHOLDERS ON THE BASIS OF ONE (1) PERPETUAL SECURITY FOR EVERY S\$250,000 IN PRINCIPAL AMOUNT OF NOTES HELD BY THE NOTEHOLDERS (THE “PROPOSED NOTEHOLDERS PERPETUAL SECURITIES ISSUE”);**
- (4) **PROPOSED ISSUE OF 175,763,400 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY REPRESENTING 25% OF THE COMPANY’S EXISTING SHARE CAPITAL (EXCLUDING TREASURY SHARES) TO THE ENTITLED LENDERS AS PART OF THE DISCHARGE OF THE LIABILITIES OWING BY THE COMPANY TO THE ENTITLED LENDERS OF APPROXIMATELY US\$7.1 MILLION (THE “PROPOSED SHARE ISSUANCE TO LENDERS”);**
- (5) **PROPOSED ISSUE OF 1,808,543,200 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY REPRESENTING 253% OF THE COMPANY’S EXISTING SHARE CAPITAL (EXCLUDING TREASURY SHARES) TO THE PRL KEY MANAGEMENT TO COMPLY WITH THE CONDITIONS OF THE MANAGEMENT UMBRELLA AGREEMENT WHICH FORMS PART OF THE DEBT RESTRUCTURING PLAN (THE “PROPOSED SHARE ISSUANCE TO MANAGEMENT”);**

LETTER TO SHAREHOLDERS

- (6) PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE SHARE CONSOLIDATION BOOKS CLOSURE DATE INTO ONE (1) CONSOLIDATED ORDINARY SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “PROPOSED SHARE CONSOLIDATION”);
- (7) PROPOSED ISSUE OF 22,527,400 WARRANTS TO THE ENTITLED SHAREHOLDERS, WITH EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW SHARE IN THE CONSOLIDATED SHARE CAPITAL OF THE COMPANY AT THE EXERCISE PRICE OF S\$0.03 PER SHAREHOLDER WARRANT SHARE (THE “PROPOSED WARRANT ISSUANCE TO SHAREHOLDERS”);
- (8) PROPOSED ISSUE OF UP TO 22,527,400 SHAREHOLDER WARRANT SHARES REPRESENTING 31% OF THE EXISTING CONSOLIDATED SHARE CAPITAL OF THE COMPANY (EXCLUDING TREASURY SHARES) TO THE ENTITLED SHAREHOLDERS PURSUANT TO THE EXERCISE OF THE SHAREHOLDER WARRANTS (THE “PROPOSED WARRANT SHARE ISSUANCE TO SHAREHOLDERS”);
- (9) PROPOSED ISSUE OF 23,033,431 WARRANTS TO THE PRL KEY MANAGEMENT, WITH EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW SHARE IN THE CONSOLIDATED SHARE CAPITAL OF THE COMPANY AT THE EXERCISE PRICE OF S\$0.06 PER MANAGEMENT WARRANT SHARE (THE “PROPOSED WARRANT ISSUANCE TO MANAGEMENT”); AND
- (10) PROPOSED ISSUE OF UP TO 23,033,431 MANAGEMENT WARRANT SHARES REPRESENTING 32% OF THE EXISTING CONSOLIDATED SHARE CAPITAL OF THE COMPANY (EXCLUDING TREASURY SHARES) TO THE PRL KEY MANAGEMENT PURSUANT TO THE EXERCISE OF THE MANAGEMENT WARRANTS (THE “PROPOSED WARRANT SHARE ISSUANCE TO MANAGEMENT”).

1. INTRODUCTION

1.1. Overview

The Board refers to the Previous Announcements set out in **Appendix A** to this Circular. Copies of the Previous Announcements are available on the website of the SGX-ST at <http://www.sgx.com>.

1.1.1. The Business Activities of the Group

- (a) The Group is an owner and operator of a diverse fleet of offshore vessels and a provider of offshore support services. The Group owns a total of 83 vessels¹, with 30 owned by the Group’s subsidiaries and 53 owned by the Group’s joint venture and associated

¹ The Debt Restructuring Plan and the Proposed Disposal as set out in this Circular are in relation to a total of 33 vessels of the Group (being the Sale Vessels), of which 28 vessels are owned by subsidiaries of the Group and five (5) are owned by joint ventures and associated companies of the Group. The other 48 vessels of the Group have separate debt financing that have been or will be separately restructured by the joint venture entities. Such debt financing of the joint venture entities do not have any liabilities accruing to the Company and its subsidiaries except for debt financing of one (1) joint venture entity for which PCPL has issued a corporate guarantee. The liabilities of PCPL under this corporate guarantee will be included in the Proposed Scheme of Arrangement of PCPL. The remaining two (2) vessels of the Group are unsecured.

LETTER TO SHAREHOLDERS

companies. It is principally engaged in the offshore support services business, the subsea business and the shipyard business.

- (b) The main business of the Group is in the owning, chartering and operating of offshore vessels in Asia, Middle East, Africa, Australia and Latin America. The offshore support services business caters across the oil and gas field's project life cycle from exploration to decommissioning. In order to meet the varied requirements for specific types of offshore vessels at each stage of the oil and gas project life cycle, the Group maintains a diverse fleet of offshore vessels, comprising of subsea vessels, anchor handling tugs, platform supply vessels, ocean tugs and supply vessels, offshore barges, accommodation and maintenance support vessels, and other specialised vessels for the offshore and oil and gas industry, which are deployed across these regions.
- (c) The Group has a ship repair and marine equipment facility to carry out ship-repair activities. These ship-repair services allow the Group to service its own offshore vessels and have a greater control over its vessel repair schedule and some of the other critical offshore support services. The ship-repair and marine equipment facilities also provide services to third party customers.
- (d) The Group is also engaged in the owning, chartering and operating of saturation dive support vessels, and offers a range of subsea inspection, repair and maintenance services, light construction services and rapid intervention services.
- (e) The Group's operational and health, safety and environment track record has allowed the Group to establish strong working relationships with leading international oil majors, national oil companies and various independent operators and be invited to participate in project tenders.
- (f) The Group operates with the following business model:
 - (i) the Group owns a combined fleet of vessels through subsidiaries as well as joint venture and associated companies of the Group;
 - (ii) these vessels are mainly financed by bank borrowings from financial institutions;
 - (iii) the vessels are chartered out to service customer projects; and
 - (iv) the vessels are managed and operated by subsidiaries, joint venture and associated companies of the Group.

1.1.2. Background to the Group's Financial Difficulties

- (a) During the years between 2010 and 2013, the Group anticipated that there would be an increase in demand for offshore vessels arising from, *inter alia*, an increase in oil and gas spending globally, and therefore actively pursued business growth opportunities by expanding the Group's fleet of vessels in order to increase market share. The Group's strategy at the material time was to expand its fleet of vessels by investing in larger, more sophisticated dynamic positioning vessels to support growing deepwater exploration and production activities. In line with this strategy, the Group invested in an approximately US\$451.8 million capital expenditure plan, and contracted to build 43 vessels.

LETTER TO SHAREHOLDERS

- (b) The Group's fleet of vessels were mainly financed by bank borrowings, which were secured against mortgages on the vessels, assignment of charter and charter earnings, amongst others. Accordingly, the Group has substantial bank borrowings with the Secured Lenders that are secured by, amongst others, mortgages on the Sale Vessels, and such bank borrowings stood at US\$503.9 million as at 30 June 2017 when restructuring discussions commenced with the banks around the second half of 2017. The Company also established the Programme on 14 August 2014, under which the Company issued the S\$100,000,000 4.30 per cent. Notes due 2020 comprised in Series 001 (ISIN: SG6SF2000004) on 29 August 2014.
- (c) In 2015, the offshore and marine industry began to decline as oil prices plummeted. In response to the slowdown of chartering activities, the Group swiftly implemented numerous cost control measures including the lay-up of under-utilised vessels, as well as several rounds of headcount reduction at the crew and corporate level. Since 2015, the Brent crude traded in a volatile range of US\$20 to US\$80 per barrel, leading to heightened caution and scepticism from major oil and gas operators towards their commitments to capital spending. The systemic decline in the oil and gas sector had led to languishing charter rates and vessel utilisation, putting a tremendous stress on the Group's operations and finances and pushed its debt to an unsustainable level. As a result, the Group commenced its efforts to restructure its debt in the second half of 2017.
- (d) Given that the Group's key services include chartering and operating its offshore vessels, these adverse industry developments had materially affected the Group.
- (e) Further to the above, over the first half of 2020, the COVID-19 epidemic sharply deteriorated into a global pandemic. That led to a global economic downturn. Oil prices also dramatically collapsed in or around early March 2020 to unprecedented negative prices. The weakness and volatility of the oil price environment also led to a further worldwide reduction in activities in the exploration, development and production of oil and natural gas, which in turn led to depressed charter rates and reduced charter utilisation. As a result, the Group saw more of its projects being delayed, pushed back or cancelled, as well as requests by customers for charter rate reductions. Certain new vessel chartering contracts which were in the pipeline were deferred.
- (f) The ill aftereffects of the pandemic have persisted into 2021. Revenue has been impacted as the Group has had to continue grappling with charter cancellations and delays to the commencement of charter contracts. Operational expenses have also escalated. The Group has had to implement a variety of COVID-19 safety measures to comply with regulations imposed in various jurisdictions where the Group operates. These include the implementation of regular COVID-19 testing as well as instituting quarantine processes to comply with mandatory quarantine requirements. Maintaining vessel crew has also become more costly due to crew shortage (resulting from the impact of COVID-19 on employment of crew from other jurisdictions) and other restrictions on crew changes.
- (g) To deal with the impact of the continuing COVID-19 pandemic, further retrenchments of about 20% of employee strength were conducted in 2020. This had to be done even though manpower had already been stretched very thin in order to preserve limited cash resources to fund the costs associated with progressing the Debt Restructuring Plan.

LETTER TO SHAREHOLDERS

- (h) The aforementioned factors have resulted in little or no returns from the Group's business activities, contributing to liquidity constraints, and resulting in the Group's difficult financial position today. Accordingly, the Group's current debt level is unsustainable and it is not able to comply with its existing debt obligations without a restructuring in respect of its bank borrowings and the Notes.

1.1.3. Recent Developments and Actions Taken by the Group's Creditors

- (a) To mitigate the slow down or deterioration in the business prospects of the Group arising from the significant and sustained volatility and weakness in the oil price environment and continued reduction in charter utilisation, the Group has, since 2015, taken steps to improve operational efficiency and implement cost saving initiatives to reduce vessel operation costs and general expenses.
- (b) First, the Group reduced general and administrative expenses, as well as staff and overhead costs through headcount reductions and salary cuts. The Group managed to cut general and administrative expenses by about 52% between the financial years ended 31 December 2014 and 31 December 2020.
- (c) Second, the Group also implemented measures to help shore up liquidity by negotiating for instalment plans with major trade creditors to extend the Group's working capital cycles.
- (d) Third, the Group negotiated with its major bank lenders to re-profile term loans and renew revolving credit facilities amounting to US\$185 million in early 2016.
- (e) Fourth, as part of cost-cutting and debt reduction measures, the Group also sold some vessels which were not being utilised but incurring unnecessary costs after working consensually with its bank lenders to reach a mutually acceptable outcome in relation to the settlement of the secured bank debt owed to those lenders. This involved the consensual sale of the vessels mortgaged to them to repay the secured bank debt and debt forgiveness of any remaining outstanding bank debt owed to these lenders. With the completion of the sale of the vessels mortgaged to these lenders, they ceased to be creditors of the Group.
- (f) However, despite various mitigating measures, due to the cash crunch, the Group was not able to continue to service its financial obligations, and reached out to all bank lenders from June 2017 to request for temporary suspension of its payment obligations and restructuring of its existing financial obligations. It also requested other trade creditors for extended payment terms.
- (g) On 12 April 2018, Alliance Catering & Consultancy Services Pte Ltd served statutory demands on two subsidiaries of the Company, PCPL (being Pacific Crest Pte. Ltd.) and CSIO (being CSI Offshore Pte. Ltd.), for the recovery of some US\$780,807.19 and S\$75,752.38 owing by these two subsidiaries. The 21-day period provided for paying, securing or compounding to Alliance Catering & Consultancy Services Pte Ltd's reasonable satisfaction the aforesaid sums expired on 3 May 2018. Subsequently on 14 May 2018, Alliance Catering & Consultancy Services filed winding up applications against PCPL and CSIO.

LETTER TO SHAREHOLDERS

1.1.4. The Company's Listing on the SGX-ST

- (a) From the above, the Group's current debt level is unsustainable and it is not able to comply with its existing debt obligations without a restructuring in respect of its bank borrowings and the Notes. It is clear that the Group's cash flow position has been in a dire and untenable position, and this will remain so unless there is a fresh injection of working capital and/or a holistic and comprehensive restructuring of the existing debt of the Group.
- (b) As the Group pressed on to engage various stakeholder groups on the restructuring, the Company requested for its shares to be suspended from trading on the Mainboard of the SGX-ST on 28 February 2018 to protect the interests of each stakeholder group as well as to ensure that no person is trading in the shares and related securities of the Company without sufficient information that is required to enable such a person to make an informed decision.

1.1.5. Please refer to Section 3 below on further information in relation to the background of and material developments leading up to the Debt Restructuring Plan. The Company will make further announcements, in compliance with the requirements of the Listing Manual, when there are further material developments in respect of the Debt Restructuring Plan.

1.2. Circular

The Directors are convening the EGM to be held by way of electronic means on 23 February 2022 at 10.00 a.m. to seek approval from the Shareholders in respect of the Proposed Resolutions, namely:

- (a) the Proposed Disposal² ("**Ordinary Resolution 1**");
- (b) the Proposed Noteholders Redemption Shares Issue ("**Ordinary Resolution 2**");
- (c) the Proposed Noteholders Perpetual Securities Issue ("**Ordinary Resolution 3**");
- (d) the Proposed Share Issuance to Lenders ("**Ordinary Resolution 4**");
- (e) the Proposed Share Issuance to Management ("**Ordinary Resolution 5**");
- (f) the Proposed Share Consolidation ("**Ordinary Resolution 6**");
- (g) the Proposed Warrant Issuance to Shareholders ("**Ordinary Resolution 7**");
- (h) the Proposed Warrant Share Issuance to Shareholders ("**Ordinary Resolution 8**");
- (i) the Proposed Warrant Issuance to Management ("**Ordinary Resolution 9**"); and
- (j) the Proposed Warrant Share Issuance to Management ("**Ordinary Resolution 10**").

² The Proposed Disposal will involve the sale of the Sale Vessels to the Purchaser (being ENAV Radiance Pte. Ltd.). The Pang SPV (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)) will subscribe for a minority equity interest not exceeding 15% of the Purchaser's share capital. Please refer to Section 6.2 for further information, including how the Proposed Disposal falls outside the scope of Chapter 9 (Interested Person Transactions) of the Listing Manual.

LETTER TO SHAREHOLDERS

The purpose of this Circular is to provide the Shareholders with relevant information relating to the Proposed Resolutions and to seek approval from the Shareholders in relation thereto at the EGM.

This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.

Trading of the Company's securities on the SGX-ST was voluntarily halted on 23 February 2018 and voluntarily suspended by the Company on 28 February 2018. The Company has submitted a request to the SGX-ST for the lifting of suspension and resumption of trading of the Shares upon the completion of the Proposed Disposal and the Proposed Securities Issuance.

1.3. Inter-conditional of the Ordinary Resolutions

Shareholders should note that:

- (a) Ordinary Resolutions 2 to 10 are conditional upon the passing of Ordinary Resolution 1; and
- (b) Ordinary Resolution 3 is conditional upon the passing of Ordinary Resolution 2.

Accordingly, in the event that any resolution which is inter-conditional with another resolution(s) is not approved, the other inter-conditional resolutions would not be passed.

In addition, Ordinary Resolutions 5, 9 and 10 are conditional upon the passing of Ordinary Resolutions 2, 3, 4, 6, 7 and 8. As set out in Section 1.4 below, if Ordinary Resolutions 5, 9 and 10 are not passed, Ordinary Resolutions 2, 3, 4, 6, 7 and 8 cannot be implemented, notwithstanding that they have been passed by the Shareholders at the EGM.

1.4. Condition of the Debt Restructuring Plan

As more fully explained under Section 5.1.4, the appointment of the Group as ship manager to charter out, manage and operate the majority of the Sale Vessels by the Purchaser (being ENAV Radiance Pte. Ltd., or its affiliates) via ship management agreements is premised on the completion of the Debt Restructuring Plan and there being no insolvency event or change of control of the Group.

Accordingly, Ordinary Resolutions 2, 3 and 4, if passed, will allow the Group to discharge and redeem its existing debt obligations and Ordinary Resolutions 5, 9 and 10, if passed, will give the Purchaser the assurance of management continuity and allow the Group to continue its business as a ship manager for the majority of the Sale Vessels via ship management agreements in relation thereto. The ship management agreements are necessary for the Group to have a future revenue stream to continue to operate as a going concern. The principal business activities of the Group are in the owning, chartering and operating of offshore vessels, and the Group does not intend to change its principal business activities. However, ship management will be an intended focus of the Group in the near term following the completion of the Debt Restructuring Plan. As set out in Section 4.4 below, ship management is one of the existing core activities of the Group, and the Group has been managing and operating its own fleet of vessels as well as vessels belonging to third parties since its inception and holds the necessary permits and licenses to perform such ship management activities. Accordingly, the Group's intended focus on ship management is not a diversification into a new business.

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If Ordinary Resolutions 5, 9 and 10 are not passed, the Management Shares and the Management Warrants cannot be issued to the PRL Key Management (being Pang Yoke Min, Pang Wei Meng and Pang Wei Kuan, James). Consequently, without the assurance of management continuity, the condition under the ship management agreements with ENAV that there is no change of control of the Group cannot be complied with and the Group will not be able to secure the ship management agreements with ENAV³, the Debt Restructuring Plan will not be completed, and the proposed issuances of the Noteholders Redemption Shares, the Perpetual Securities, the Lender Shares and the Shareholder Warrants pursuant to Ordinary Resolutions 2, 3, 4, 7 and 8 will not be implemented, notwithstanding that they have been passed by the Shareholders at the EGM. Accordingly, the issuance of the Management Shares and the Management Warrants will enable the Company to comply with the aforementioned condition of the ship management agreements with the Purchaser.⁴

The Company is not considering entering into any employment agreements with the PRL Key Management for their continued employment as a condition for the issuance of the Management Shares and the Management Warrants.

Please refer to Section 4 (Rationale for the Debt Restructuring Plan) and Section 5 (The Debt Restructuring Plan) for further details.

1.5. SGX-ST

The SGX-ST assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this Circular.

2. **APPROVAL IN-PRINCIPLE FROM THE SGX-ST**

In connection with the Proposed Securities Issuance, the Company had submitted an application to the SGX-ST for the listing and quotation of up to 1,807,360,000 Noteholders Redemption Shares, up to 175,763,400 Lender Shares, up to 1,808,543,200 Management Shares, up to 450,709,457 Consolidated Shares, up to 22,527,400 Shareholder Warrants, up to 22,527,400 Shareholder Warrant Shares and up to 23,033,431 Management Warrant Shares on the Mainboard of the SGX-ST. On 4 February 2022, the Company was granted the AIP from the SGX-ST, subject to the following:

- (a) compliance with the SGX-ST's continuing listing requirements;
- (b) Shareholders' approval for the Debt Restructuring Plan and the issuance of Noteholders Redemption Shares, Lender Shares, Management Shares, Consolidated Shares, Shareholder Warrants, Shareholders Warrant Shares, Management Warrants and Management Warrant Shares;
- (c) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the proposed placement of units and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;

³ Refer to further information in Sections 5.1.4 and 5.1.5.

⁴ Refer to further information in Sections 10.1 and 13.5.

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- (d) announcement of the conditions under which the price of the Shareholders Warrants and Management Warrants may be adjusted;
- (e) written confirmation from the Company that the terms of the Shareholder Warrants and Management Warrants comply with Rule 829(1) of the Listing Manual;
- (f) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual;
- (g) a written confirmation from the Company that it will not issue the Noteholders Redemption Shares and Lender Shares to persons prohibited under Rule 812(1) of the Listing Manual;
- (h) Shareholders' approval for the proposed issuance of Management Shares and Management Warrants and Management Warrant Shares as required under Rule 812(2) of the Listing Manual;
- (i) a written confirmation from the Company that there is sufficient spread of holdings in the Shareholder Warrants (normally 100) pursuant to Rule 826 of the Listing Manual;
- (j) a written undertaking from the Company to announce any adjustment made under the Shareholder Warrants and the Management Warrants pursuant to Rule 829(1) of the Listing Manual; and
- (k) a written undertaking from the Company that it will comply with Rule 831 of the Listing Manual that it will not extend the exercise period of an existing company warrant; or issue a new company warrant to replace an existing company warrant.

The AIP is not to be taken as an indication of the merits of the Debt Restructuring Plan, the Proposed Securities Issuance, the Proposed Disposal, the Proposed Share Consolidation, the Noteholders Redemption Shares, the Lender Shares, the Management Shares, the Consolidated Shares, the Shareholder Warrants, the Shareholder Warrant Shares, the Management Warrants, the Management Warrant Shares, the Company and/or its subsidiaries. The Company will proceed to satisfy the conditions of the AIP and provide the relevant disclosures in due course.

3. BACKGROUND TO THE DEBT RESTRUCTURING PLAN

3.1 Overview

3.1.1 As set out in Section 1.1.2 above, the Group's financial difficulties resulted from the decline in the offshore and marine industry when oil price plummeted in 2015 and has remained volatile since then. This systemic decline led to languishing vessel utilisation and charter rates, put a tremendous stress on the Group's operations and finances and pushed its debt to an unsustainable level. As a result, the Group commenced its efforts to restructure its debt in the second half of 2017.

3.1.2 Application for Moratoria

To allow the Group more time to restructure its debt with its creditors, PCPL, CSIO and the Company applied to the High Court on 16 May 2018, 18 May 2018 and 23 July 2018 respectively for moratoria pursuant to section 211B(1) of the Companies Act to commence a

LETTER TO SHAREHOLDERS

court supervised process to reorganise their liabilities and businesses. All three entities have obtained moratoria under section 211B(1) of the Companies Act (as announced in the Previous Announcements), pursuant to which:

- (a) no appointment shall be made of a receiver or manager over any property or undertaking of the Company, PCPL and CSIO;
- (b) no action or proceedings in Singapore or elsewhere shall be commenced or continued against them (other than proceedings under sections 210, 211B, 211D, 211G, 211H or 212 of the Companies Act), except with the consent of the applicant or the leave of the High Court and subject to such terms as the High Court imposes;
- (c) no execution, distress or other legal process against any of their property shall be commenced, continued or levied, except with their respective consent or the leave of the High Court and subject to such terms as the High Court imposes;
- (d) no step to enforce any security over any of their property, or to repossess any goods held by them under any chattels leasing agreement, hire-purchase agreement or retention of title agreement shall be taken or continued in Singapore or elsewhere, except with their respective consent or the leave of the High Court and subject to such terms as the High Court imposes; and
- (e) no enforcement of any right of re-entry or forfeiture under any lease in respect of any premises occupied by them shall be commenced or continued (including any enforcement pursuant to sections 18 or 18A of the Conveyancing and Law of Property Act 1886 of Singapore), except with the consent of the Company or the leave of the High Court and subject to such terms as the High Court imposes.

On 12 October 2021, the Company announced that on 5 October 2021, PCPL and CSIO filed applications to the High Court in relation to the Proposed Schemes of Arrangement seeking, amongst other things, liberty to convene meetings of classes of their respective scheme creditors, for the purposes of considering and, if thought fit, approving with or without modification the Proposed Schemes of Arrangement.

3.1.3 Restructuring of Notes

As for the Notes, the Company announced on 22 April 2021 that in relation to the Consent Solicitation Exercise (being the consensual restructuring of the Notes), the Extraordinary Resolution tabled at the adjourned meeting of the Noteholders on 21 April 2021 to restructure the Notes has been duly passed as an Extraordinary Resolution of the Noteholders without any amendment.

3.1.4 Restructuring of Bank Borrowings

In relation to its bank borrowings, the Group has been in restructuring discussions with its bank lenders since the second half of 2017 and has signed agreements, binding and non-binding, with two financiers over a period from 2018 to 2020. However, due to circumstances beyond its control, the transactions contemplated with these financiers could not be implemented.

The unexpected outbreak of the COVID-19 pandemic has hampered the Group's restructuring efforts as the global economic downturn and heightened market volatility have hurt investor sentiments severely. Notwithstanding the above, the Group has managed to secure a proposal

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from ENAV, which the Secured Lenders have supported.⁵ ENAV was one of the potential financiers who had shown keen interest in extending debt financing to the Company in the course of 2019 and 2020. On 30 June 2021, the Group announced that the Debt Restructuring Plan will involve the sale of a total of 33 vessels⁶ of the Group (being the Sale Vessels, which were mortgaged to the Secured Lenders) in consideration for ENAV procuring the consensual discharge of approximately US\$200 million of the secured indebtedness presently owed by the Group to the Secured Lenders (including the waiver, release and/or discharge of mortgages, and all other security interests and guarantees related to the financing of the Sale Vessels) upon payment by the Purchaser to the Secured Lenders. In addition to the foregoing, the restructuring of the Group's balance sheet will also involve the restructuring of the remaining debt obligations owed to the Secured Lenders and other unsecured creditors of the Group (including trade creditors) via the Proposed Schemes of Arrangement (approximately US\$229 million as at 31 December 2020) and debt restructuring agreements (approximately US\$70 million as at 31 December 2020).⁷ ENAV will also appoint the Group as ship managers for a majority of the Sale Vessels (being 31 out of the 33 Sale Vessels) via ship management agreements in relation to the relevant Sale Vessels.⁸

- 3.1.5 On 30 June 2021, the Company announced that it has in-principle agreed, on a non-binding basis, with the Secured Lenders and ENAV on the principal terms of the sale of the Sale Vessels and the consensual discharge of approximately US\$200 million of the secured indebtedness presently owed by the Group to the Secured Lenders.
- 3.1.6 On 12 October 2021, the Company announced that on 5 October 2021, PCPL and CSIO filed applications to the High Court in relation to the Proposed Schemes of Arrangement seeking, amongst other things, liberty to convene meetings of classes of their respective scheme creditors, for the purposes of considering and, if thought fit, approving with or without modification the Proposed Schemes of Arrangement.
- 3.1.7 On 28 October 2021, the Company announced that it has entered into the Consensual Sale Agreement with the Secured Lenders and the Purchaser for the sale of the Sale Vessels and the consensual discharge of approximately US\$200 million of the secured indebtedness presently owed by the Group to the Secured Lenders. On 27 January 2022, the Company announced its entry into the other definitive agreements in relation to the sale of the Sale Vessels, and the implementation of the Debt Restructuring Plan.

3.2 About ENAV

ENAV is a Mexican offshore support vessel owner and operator that services the Mexican and international offshore industry. ENAV is headquartered in Mexico City, with a presence in Houston, Singapore and Ciudad del Carmen. Its existing fleet comprises vessels flagged in Mexico and the Marshall Islands.

The ENAV group is managed and led by a management team comprising Mr. Mike Wallace (Chief Executive Officer), Mr. Juan Carlos Ganem (Vice-President Administration and General Counsel) and Mr. Diego A. Aguilar (Chief Compliance Officer). Each of them have minority ownership stakes in the ENAV group through a Mexican trust, with the majority ownership held indirectly by Mexican retirement pension funds. The aforesaid trust is managed by affiliates of Riverstone Holdings LLC ("**Riverstone**"), an asset management firm that invests in the private

⁵ Refer to further information on ENAV in Section 3.2.

⁶ Refer to Section 1.1.1(a) for the total number of vessels owned by the Group.

⁷ Refer to the table in Section 5.1.1.

⁸ Refer to further information on the ship management agreements in Section 4.

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markets primarily within energy, power and infrastructure. Riverstone was founded in 2000 and has offices in New York, Menlo Park, Houston, London and Mexico City.

Further information on ENAV and its management team, including the bios of Mr. Mike Wallace, Mr. Juan Carlos Ganem and Mr. Diego A. Aguilar, can be found on its webpage at <https://www.enavoffshore.com/>. Further information on Riverstone can be found on its webpage at <https://www.riverstonellc.com/>.

ENAV is a current business partner of the Company. In November 2019, ENAV entered into a technical management agreement with the Company to utilise the Group's capabilities and systems to operate the first deliveries of part of ENAV's offshore fleet.

The information on ENAV provided herein was provided to the Company by ENAV. In respect of such information, the Board has not conducted an independent review or verification of the accuracy and correctness of the statements and information above. The Board's responsibility is limited to the proper extraction and reproduction herein in the context that is being disclosed in this Circular.

The Group, its substantial shareholders, directors, key management and their respective Associates have no relationships, directly or indirectly, with any of the owners and/or controllers of the ENAV group and Riverstone, save as disclosed herein.

None of the Directors or Substantial Shareholders or their respective Associates has any interest, whether direct or indirect, in the ENAV group, save as disclosed in this Circular at Section 6.2 in relation to the interests of Mr. Pang Yoke Min, Mr. Pang Wei Meng and Mr. Pang Wei Kuan, James in the Purchaser (being ENAV Radiance Pte. Ltd.).

4. RATIONALE FOR THE DEBT RESTRUCTURING PLAN

- 4.1 The background to the Group's financial difficulties, the recent developments and actions taken by the Group's creditors and the background to the Debt Restructuring Plan are set out in Sections 1.1.2, 1.1.3 and 3 of the Circular respectively. At the time when restructuring discussion with the Group's creditors commenced in the second half of 2017, the Company was not in negative net worth. Subsequently, given the uncertainty around the outcome of the restructuring discussions with the Group's creditors, the Company voluntarily halted and suspended the trading of its Shares on 22 February 2018 and 28 February 2018 respectively.⁹ The challenging market conditions that have weighed down the performance of the Group's operations and finances as set out in Section 1.1.2 above are expected to continue into the near term. Whilst recent positive development on the vaccine front has helped boost oil prices and investor sentiment, the recovery path of the offshore marine industry is expected to be slow and uneven in the near to mid-term till the global pandemic can be put under control.
- 4.2 As set out in Sections 1.1.2, 1.1.3 and 3 of this Circular, the Group is unable to sustain its payment obligations to creditors. The Debt Restructuring Plan of the Group will involve the settlement of approximately US\$200 million of secured indebtedness owed to the Secured Lenders and the settlement and discharge of unsecured indebtedness via the Proposed Schemes of Arrangement (of approximately US\$229 million as at 31 December 2020) and debt restructuring agreements (of approximately US\$70 million as at 31 December 2020).¹⁰ Without the Debt Restructuring Plan, the Group is likely to face liquidation and prospects for recovery

⁹ Refer to Company's announcement dated 28 February 2018 in connection with, *inter alia*, the voluntary trading suspension.

¹⁰ Refer to further information on settlement and discharge of the indebtedness of the Group in Section 5.1.1.

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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.

- 4.3 After completion of the Debt Restructuring Plan, the liabilities owing by the Group will be settled, waived, released, discharged, redeemed and/or restructured in accordance with the terms of the Debt Restructuring Plan. Please refer to Section 17 for further information of the financial effects of the Debt Restructuring Plan, where the NTA and EPS of the Company will be positive after the Proposed Disposal and the Proposed Schemes of Arrangement, and the capital structure of the Group will be further enhanced with the Proposed Share Issuances.
- 4.4 Further, 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. The Group's near-term focus will be on ship management activities, with ship management being one of its existing core activities which also include ship owning and shipyard operations. The PRL Key Management has been in this business for over 30 years (please refer to Section 10.3 below for further information). Under the PRL Key Management, the Group has been managing and operating its own fleet of vessels as well as vessels belonging to third parties since its inception and holds the necessary permits and licenses to perform such ship management activities. Post-completion of the Debt Restructuring Plan, ship management activities will continue to be run by the PRL Key Management and existing expertise within the Group. 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 large 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 crewing, technical or commercial operations to professional ship managers. This is especially so with ship owners that operate smaller fleets, as the costs of a full suite of in-house ship management functions could be prohibitively uneconomical.
- 4.5 In the near term, the Group believes that there are opportunities arising from the industry crises, given the increasingly stringent operational demands imposed by international and national oil companies and the mounting pressure on smaller operators to rein in their costs, outsourcing of ship management activities by ship owners to third-party managers is set to gain pace. The Group believes that it will be able to position itself for the next phase of development by leveraging on its reputation as a quality owner-operator and drawing from its deep expertise in ship management it has built over the years to successfully transition to a full-fledged ship management business.
- 4.6 In the medium term, the Group intends to maximise on the potential of the offshore wind farm market. In recent years, there has been considerable growth in offshore wind farm capacity with large scale wind farms getting installed at locations away from shore, thus increasing the dependency on offshore support vessels to install, commission and maintain these wind farms. There are opportunities and demands for repurposed offshore support vessels, crew transfer vessels and service operation vessels to provide accommodation and walk-to-work services – both of which are crucial in the installation and maintenance of offshore wind projects. The Group believes its track record and expertise in shipbuilding and project management will allow the Group to capture substantial work in this space, paving the way to strengthen its presence in the offshore wind segment.

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- 4.7 In terms of the Group's present interests in the offshore wind segment, the Company has undertaken ship building supervision role for the construction of one crew transfer vessel ("CTV") in Taiwan in 2020 and successfully delivered the vessel on time and within budget. Since delivery of the CTV, the Company has also undertaken the ship management function for the CTV for wind farm operations in the Yunlin Wind Farm in Taiwan and has successfully achieved 100% uptime and utilization. The Group was further engaged to manage another CTV in Taiwan and similarly achieved 100% uptime and utilization since March 2021 when the vessel went into operations. The Company believes that its experience in offshore operations can be transferred to and scaled up for offshore wind farm operations as proven in its current success in Taiwan. However, this is subject to the successful completion of the Debt Restructuring Plan.
- 4.8 The Group will also continue to explore other suitable opportunities that are consistent with the plans outlined in this Circular, including vessel acquisition opportunities, be it in the offshore and marine industry or in new areas such as the offshore wind industry.
- 4.9 Based on the foregoing, given the potential liquidation that the Group is likely to face without the Debt Restructuring Plan, and the prospect for future growth if the Debt Restructuring Plan is successfully completed and the plans to grow ship management and other revenue streams are successfully implemented, the Board is of the view that the Debt Restructuring Plan is in the best interests of the Company and its Shareholders.

5. THE DEBT RESTRUCTURING PLAN

5.1 Terms of the Debt Restructuring Plan

5.1.1 The Debt Restructuring Plan involves:

- (a) the Proposed Disposal, being the consensual directed transfer of the Sale Vessels (including the accompanying charterparty contracts and income streams) to the Purchaser (or its affiliates) 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 waiver, release and/or discharge of mortgages, and all other security interests and guarantees related to the financing of the Sale Vessels) upon payment by the Purchaser to the Secured Lenders;
- (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) (approximately US\$229 million), via the Proposed Schemes of Arrangement.¹¹ 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 United Overseas Bank Limited, the consensual restructuring of the loan associated with the Group's office and shipyard complex (approximately US\$52 million);
- (d) in relation to United Overseas Bank Limited and DBS Bank Ltd., the consensual restructuring of the unsecured debt obligations of the Group (apart from PCPL and CSIO) (approximately US\$11 million);

¹¹ Refer to the table in Section 5.1.1.

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- (e) the consensual restructuring of the Notes (approximately US\$76 million) pursuant to the Consent Solicitation Exercise. In this regard, the Extraordinary Resolution pursuant to the Consent Solicitation Exercise was approved by Noteholders on 21 April 2021;
- (f) in relation to the Entitled Lenders, being DBS Bank Ltd., United Overseas Bank Limited and Oversea-Chinese Banking Corporation Limited, the consensual restructuring of various cross-currency swap facilities entered into in connection with the Notes (approximately US\$7 million);
- (g) the Company (and/or its relevant affiliates) entering into ship management agreements (such ship management agreements having no expiry dates) with the Purchaser (and/or its relevant affiliates) to manage the majority of the Sale Vessels (being 31 out of the 33 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)) and ENAV entering into a shareholders' agreement setting out the terms governing their relationship as shareholders in the Purchaser. This equity participation is not intended to exceed approximately 15% of the Purchaser's share capital.¹²

¹² Refer to further information in Section 6.2.

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The amount of debt held by the various creditors of the Group as at 31 December 2020 and the means by which such debt will be settled are as follows:

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Debt owing as at 31 December 2020 ⁽¹⁾ (in US\$)	Debt to be settled via Proposed Disposal (all 33 Sale Vessels)	Remaining Debt after Proposed Disposal ⁽¹⁾	Debt to be settled via Proposed Schemes of Arrangement	Debt to be restructured via debt restructuring agreements	Debt to be waived, released and discharged after (C), (D) and (E)	Debt to be settled via the Consent Solicitation Exercise	Remarks
Secured Lenders (Section 5.1.1(a))	424,725,000	200,039,786	224,685,214	1,888,000	NA	222,797,214	NA	Secured creditors in relation to financing for the Sale Vessels. Please refer to Sections 6 and 7 for further information.
Other Unsecured Creditors (Section 5.1.1(b)) ⁽²⁾	5,510,000	NA	NA	3,817,000	NA	1,693,000	NA	Unsecured creditors. Please refer to Section 7 for further information.
UOB (Section 5.1.1(c)) ⁽³⁾	51,738,000	NA	NA	NA	30,000,000	21,738,000	NA	Secured creditor in relation to financing of the office and shipyard complex of the Group
DBS and UOB (Section 5.1.1(d))	11,349,000	NA	NA	NA	NA	11,349,000	NA	Unsecured creditors in relation to unsecured working capital facilities of the Group.
Noteholders (Section 5.1.1(e))	75,660,000	NA	NA	NA	NA	NA	75,660,000	Unsecured creditors in relation to financing raised through the issuance of the Notes. Please refer to

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	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Debt owing as at 31 December 2020 ⁽¹⁾ (in US\$)	Debt to be settled via Proposed Disposal (all 33 Sale Vessels)	Remaining Debt after Proposed Disposal ⁽¹⁾	Debt to be settled via Proposed Schemes of Arrangement	Debt to be restructured via debt restructuring agreements	Debt to be waived, released and discharged after (C), (D) and (E)	Debt to be settled via the Consent Solicitation Exercise	Remarks
Entitled Lenders (DBS, UOB, OCBC) (Section 5.1.1(f))	7,054,000	NA	NA	NA	7,054,000	NA	NA	Section 8 for further information. 97% in principal amount of the Notes will be converted to Noteholders Redemption Shares and 3% in principal amount of the Notes will be converted to Perpetual Securities. Unsecured creditors in relation to cross-currency swap facilities of the Group. Please refer to Section 9 for further information in relation to the restructuring of the cross currency swap facilities. The full amount will be converted to Lender Shares.

Notes:

- (1) The Secured Lenders will continue to accrue interest until (i) the debt is settled, waived, released, or discharged in accordance with the Consensual Sale Agreement, or (ii) the ascertainment date of the Proposed Schemes of Arrangement.
- (2) Trade creditors' balances will only crystallise on the ascertainment date of the Proposed Schemes of Arrangement.
- (3) Restructuring of property loan secured by the Group's office and shipyard complex. The Group will continue to own the office and shipyard complex after the restructuring. The office and shipyard complex will remain as security for the restructured property loan. The book value of the property is US\$38,226,000 as at 31 December 2020.

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5.1.2 In addition, the following Proposed Securities Issuance will form part of the Debt Restructuring Plan, together with the Proposed Share Consolidation:

- (a) Noteholders (as a class) will be issued (i) New Shares, being approximately 40% of the Enlarged Share Capital of the Company and (ii) up to S\$3,000,000 in principal amount of Perpetual Securities, to redeem all outstanding Notes (as set out in further detail in Section 8 below);
- (b) the Entitled Lenders will be allotted New Shares, being approximately 4% of the Enlarged Share Capital of the Company to discharge all 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 (as set out in further detail in Section 9 below);
- (c) the PRL Key Management will be allotted New Shares, being approximately 40% of the Enlarged Share Capital of the Company to satisfy certain conditions of the ship management agreements entered into with the Purchaser (and/or its affiliates) (as set out in further detail in Sections 5.1.4 and 10 below);
- (d) upon completion of the Proposed Share Issuances, the Shares of the Company will be consolidated on the basis of every ten (10) Existing Shares into one (1) Consolidated Share (as set out in further detail in Section 11 below);
- (e) upon completion of the Proposed Share Consolidation, the Entitled Shareholders will be issued 22,527,400 Shareholder Warrants in the consolidated share capital of the Company on the basis of 100 Shareholder Warrants for every 100 Consolidated Shares, each Shareholder Warrant carrying the right to subscribe for one (1) Shareholder Warrant Share at the exercise price of S\$0.03 per Shareholder Warrant Share (as set out in further detail in Section 12 below); and
- (f) upon the completion of the Proposed Share Consolidation, the PRL Key Management will be issued 23,033,431 Management Warrants in the consolidated share capital of the Company on the basis of 47 Management Warrants for every 100 Consolidated Shares, each Management Warrant carrying the right to subscribe for one (1) Management Warrant Share at the exercise price of S\$0.06 per Management Warrant Share (as set out in further detail in Section 13 below).

The allocation of the Shares of the Company to be issued pursuant to the Proposed Shares Issuances have been determined in accordance with the intended shareholding structure of the Company following the completion of the Debt Restructuring Plan. The Shareholders of the New Shares to be issued pursuant to the Proposed Shares Issuances will not be entitled to any of the Shareholder Warrants and Management Warrants to be issued pursuant to the Proposed Warrant Issuances. Please refer to Section 5.1.6 below for the tables of shareholding of the Company following the Proposed Securities Issuance. Please also refer to Sections 12.2 and 13.2 for further details in relation to the basis of allocation of the Shareholder Warrants and Management Warrants respectively.

5.1.3 In relation to the parts of the Debt Restructuring Plan outlined under Sections 5.1.1(c), (d), (f) 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 Section 5.1.1(b) will be held after the completion of the Proposed Disposal. The Proposed Securities Issuance outlined under Section 5.1.2 will take place after the Proposed Disposal has been completed and the Proposed Schemes of Arrangement have been approved by

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creditors and sanctioned by the High Court. In the event that the Proposed Schemes of Arrangement are not approved, the Debt Restructuring Plan cannot be completed. The moratoria in relation to the Proposed Schemes of Arrangement will expire, and the total debt of approximately US\$229 million¹³ as at 31 December 2020 to be restructured via Proposed Schemes of Arrangement will remain outstanding. The creditors of the Group will be at liberty to commence action against the Group, which places the Group at risk of liquidation. Moreover, as the condition under the ship management agreement which requires the Group to remain a going concern cannot be met, the ship management agreements entered into between the Company, the Purchaser (and/or its affiliates) and the relevant Group entity will be terminated.

- 5.1.4 The appointment of the Group as ship manager for the majority of the Sale Vessels (being 31 out of the 33 Sale Vessels) by the Purchaser is premised on the completion of the Debt Restructuring Plan and there being no insolvency event¹⁴ or change of control¹⁵ of the Group. To secure the ship management agreements with the Purchaser, the Group has to complete the Debt Restructuring Plan and remain a going concern, and the PRL Key Management (namely Mr. Pang Yoke Min, Mr. Pang Wei Meng and Mr. Pang Wei Kuan, James) has to remain in control of the Company¹⁶ after the completion of the Debt Restructuring Plan for so long as the ship management agreements are in effect and not terminated. There are no expiry dates in relation to the ship management agreements. The ship management agreements will be terminated if the parties thereto default or breach the terms of the ship management agreements. These conditions seek to provide the Purchaser with the assurance of management continuity and control over the Group and underscores the continued commitment of the PRL Key Management in managing the business of the Group. The ship management agreements will, in turn, enable the Group to have a viable and sustainable business immediately following the completion of the Debt Restructuring Plan.¹⁷ Hence, assuming that the Debt Restructuring Plan (including the Proposed Share and Warrant Issuances to Management) is completed, there will be no change in control of the Group. Please refer to Section 5.1.6 for the shareholding tables of the Company following the completion of the Debt Restructuring Plan.
- 5.1.5 Based on the foregoing, if the Proposed Securities Issuance, including the Proposed Share Issuance to Management and the Proposed Warrant Issuance to Management, are not implemented and as a result, the Group is unable to discharge and redeem its liabilities and the PRL Key Management is unable to maintain control of the Group, the Group will not be able to secure the ship management agreements with the Purchaser, and the Debt Restructuring Plan will not be completed. Without the ship management agreements with the Purchaser, the Purchaser will have no choice but to look for other third-party ship managers to manage the Sale Vessels, and the Group will lose a viable business. Accordingly, if all the transactions under Proposed Resolutions save for the Proposed Share and Warrant Issuances to Management are completed, the majority ownership of the Group will change and will be held by the Noteholders (as a class) instead of the PRL Key Management, and there will be uncertainty of management continuity and the ability of the Company to sustain its ship management activities without the majority ownership of the PRL Key Management. Assuming that all the transactions under the Proposed Resolutions save for the Proposed Share and

¹³ Refer to the table in Section 5.1.1.

¹⁴ Insolvency events refer to the Group being unable to pay its debts as they fall due, entering into any arrangement, scheme or moratorium with its creditors, or being the subject of an administration, judicial management or winding up order.

¹⁵ Change of control refers to any person acquiring or agreeing to acquire the power to direct, or to cause the direction of, the management and policies of the Group, whether through ownership of voting securities, by contract or otherwise.

¹⁶ Refer to Section 5.1.1(g).

¹⁷ Refer to Sections 5.1.1 and 5.1.2.

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Warrant Issuances to Management are completed, the shareholding of the Company will be as follows:

Shareholder	Post Debt Restructuring Plan (before the exercise of all of the Shareholder Warrants and assuming no Management Shares, Management Warrants and Management Warrant Shares)		Post Debt Restructuring Plan (after the exercise of all of the Shareholder Warrants and assuming no Management Shares, Management Warrants and Management Warrant Shares)	
	Number of Shares	Approximate Shareholding Percentage (%)	Number of Shares	Approximate Shareholding Percentage (%)
Noteholders (as a class)	180,736,000	67.0	180,736,000	61.8
PRL Key Management	49,007,344	18.2	49,007,344	16.8
Entitled Lenders (DBS, OCBC and UOB)	17,576,340	6.5	17,576,340	6.0
Public (excluding Noteholders)	22,535,453	8.4	45,062,853	15.4
Total	269,855,137	100	292,382,537	100

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5.1.6 Assuming that the Debt Restructuring Plan is completed, and the Shareholder Warrants and the Management Warrants are not exercised post-completion of the Debt Restructuring Plan, the shareholding of the Company will be as follows:

Shareholder	(Before Debt Restructuring Plan) Number of Shares	(Before Debt Restructuring Plan) Shareholding Percentage (approximate %)	Proposed Share Issuances	(After Debt Restructuring Plan) Number of Shares before the Proposed Share Consolidation	(After Debt Restructuring Plan) Shareholding Percentage (approximate %)	(After Debt Restructuring Plan) Number of Shares after the Proposed Share Consolidation but before exercise of Shareholder Warrants and Management Warrants	(After Debt Restructuring Plan) Shareholding Percentage (approximate %)
Noteholders (as a class)	0	0	1,807,360,000	1,807,360,000	40.1	180,736,000	40.1 ¹⁸
PRL Key Management (Pang Yoke Min, Pang Wei Meng, Pang Wei Kuan, James)	490,073,444	68.5	1,808,543,200	2,298,616,644	51.0	229,861,664	51.0
Entitled Lenders (DBS, OCBC and UOB)	0	0	175,763,400	175,763,400	3.9	17,576,340	3.9

¹⁸ Based on the records of the CDP, there are 35 Noteholder accounts, including seven (7) nominee banks. Other than Mr. Pang Wei Meng (executive director of the Company) who holds 2 out of 400 lots of the Notes (equivalent to S\$500,000 in principal amount of Notes out of a total of S\$100 million in principal amount of Notes), the rest of the Noteholders are public holders of the Notes. As far as the Company is aware, there is no single Noteholder who will hold more than 5% of the share capital of the Company upon the completion of the Debt Restructuring Plan.

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Shareholder	(Before Debt Restructuring Plan) Number of Shares	(Before Debt Restructuring Plan) Shareholding Percentage (approximate %)	Proposed Share Issuances	(After Debt Restructuring Plan) Number of Shares before the Proposed Share Consolidation	(After Debt Restructuring Plan) Shareholding Percentage (approximate %)	(After Debt Restructuring Plan) Number of Shares after the Proposed Share Consolidation but before exercise of Shareholder Warrants and Management Warrants	(After Debt Restructuring Plan) Shareholding Percentage (approximate %)
Public (excluding Noteholders)	225,354,569	31.5	0	225,354,569	5.0	22,535,453	5.0
Total	715,428,013	100.0	3,791,666,600	4,507,094,613	100.0	450,709,457	100.0

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Assuming that the Debt Restructuring Plan is completed and the Shareholder Warrants and the Management Warrants are exercised post-completion of the Debt Restructuring Plan, the shareholding of the Company will be as follows:

Shareholder	(Before Debt Restructuring Plan) Number of Shares	(Before Debt Restructuring Plan) Shareholding Percentage (approximate %)	Proposed Share Issuances	(After Debt Restructuring Plan) Number of Shares before the Proposed Share Consolidation	(After Debt Restructuring Plan) Shareholding Percentage (approximate %)	(After Debt Restructuring Plan) Number of Shares after the Proposed Share Consolidation and after exercise of Shareholder Warrants and Management Warrants	(After Debt Restructuring Plan) Shareholding Percentage (approximate %)
Noteholders (as a class)	0	0	1,807,360,000	1,807,360,000	40.1	180,736,000	36.4
PRL Key Management (Pang Yoke Min, Pang Wei Meng, Pang Wei Kuan, James)	490,073,444	68.5	1,808,543,200	2,298,616,644	51.0	252,895,095	51.0
Entitled Lenders (DBS, OCBC and UOB)	0	0	175,763,400	175,763,400	3.9	17,576,340	3.5
Public (excluding Noteholders)	225,354,569	31.5	0	225,354,569	5.0	45,062,853	9.1
Total	715,428,013	100.0	3,791,666,600	4,507,094,613	100.0	496,270,288	100.0

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6. THE PROPOSED DISPOSAL

On 28 October 2021, the Company announced the signing of the Consensual Sale Agreement with, amongst others, the Purchaser and the Secured Lenders for the transfer of the Sale Vessels from the Group to the Purchaser (or its affiliates) and the consensual discharge of approximately US\$200 million of the secured indebtedness presently owed by the Group to the Secured Lenders, to effect the Proposed Disposal.

On 27 January 2022, the Company announced that, following the entry of the Consensual Sale Agreement, the Company has also entered into:

- (a) the MOA Umbrella Agreement with the Purchaser and the relevant Group entities to set out the specific commercial arrangements between the parties thereto in connection with the transaction(s) contemplated under the Consensual Sale Agreement;
- (b) separate MOAs with the Purchaser (or its affiliate) and the relevant Group entity in relation to the transfer and delivery of each Sale Vessel;
- (c) the Management Umbrella Agreement with the Purchaser (and its affiliates) and the relevant Group entities for the management of the majority of the Sale Vessels (being 31 out of the 33 Sale Vessels) after completion of the Proposed Disposal; and
- (d) separate Management Agreements with the Purchaser (or its affiliate) and the relevant Group entity for the management of each relevant Sale Vessel after completion of the Proposed Disposal.

The Company was also informed that for the purposes of implementing the Proposed Disposal, the Pang SPV, 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), intends to enter into the SHA with ENAV setting out the terms governing their relationship as shareholders in the Purchaser. Mr. Pang Wei Kuan, James and Mr. Pang Wei Meng are both sons of Mr. Pang Yoke Min, the executive chairman and a controlling shareholder of the Company. Each of Mr. Pang Wei Meng and Mr. Pang Wei Kuan, James will also enter into the SHA as warrantors to guarantee the obligations of the Pang SPV under the SHA in accordance with the terms therein. These are personal guarantees between the shareholders of the Pang SPV in favour of ENAV and are not guarantees of the Company or the Group and has no impact on the obligations or liabilities of the Company or the Group.

6.1 Information on the Sale Vessels

The information on the Sale Vessels is set out in **Appendix C** to this Circular.

6.2 Information on the Purchaser

6.2.1 The Purchaser is a special purpose vehicle set up by the ENAV group and a subsidiary of ENAV. 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, with the remaining equity interest held by ENAV. To assist the Pang SPV to undertake this subscription, ENAV will make available to the Pang SPV a loan (to be disbursed directly to the Purchaser) to fund up to 100% of the Pang SPV's portion of its commitment to co-invest in the Purchaser.

6.2.2 The Pang SPV will be eligible for one (1) board seat on the Purchaser (out of a maximum of four (4) board seats), having regard to their minority investment in the Purchaser. In addition,

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the Pang SPV shall be entitled to receive investment returns (in the form of distributions) beyond their *pro rata* equity investment if certain performance indicators are met. Such investment returns will however not exceed 30% of distributions made by the Purchaser from time to time.

- 6.2.3 The Pang SPV and ENAV have also agreed to collaborate to explore and/or collaborate on all business leads, opportunities and/or engagements in relation to the Sale Vessels, as well as covenants by which the Pang SPV will stand behind the warranties and undertakings given by the Company in relation to the Sale Vessels.
- 6.2.4 For purposes of Chapter 9 (Interested Person Transactions) of the Listing Manual, the Purchaser is not regarded as an Associate of Mr. Pang Wei Meng and Mr. Pang Wei Kuan, James as they and their Associates do not hold (directly or indirectly) more than 30% of the shares of the Purchaser. There are no transactions between the Purchaser and the Company or entities within the Group save for the Consensual Sale Agreement, the MOA Umbrella Agreement, the MOAs, the Management Umbrella Agreement, the Management Agreements and other definitive agreements that may be required to effect the transactions contemplated thereunder.
- 6.2.5 As part of the Debt Restructuring Plan, the Purchaser (and/or its affiliates) has entered into the Management Umbrella Agreement and the Management Agreements with the Company and the relevant Group entity, initially in relation to the management of the majority of the Sale Vessels (being 31 out of the 33 Sale Vessels), the effect of which would generate revenue streams for the Group.

6.3 Consideration for the Proposed Disposal

- 6.3.1 The Consideration for the Proposed Disposal payable to the Company is approximately US\$200 million. The Consideration for the Proposed Disposal shall be satisfied by the Purchaser procuring the consensual waiver, release and/or discharge of indebtedness of approximately US\$200 million presently owed by the Group to the Secured Lenders (including the waiver, release and/or discharge of mortgages, and all other security interests and guarantees related to the financing of the Sale Vessels). 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.
- 6.3.2 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 of the Sale Vessels;¹⁹
 - (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 of approximately US\$225 million (as at 31 December 2020) are to be restructured via the Proposed Schemes of Arrangement together with the other unsecured

¹⁹ Refer to further information in Sections 6.4.3 to 6.4.5.

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indebtedness of PCPL and CSIO (approximately US\$229 million) and further debt restructuring agreements (approximately US\$70 million).²⁰

- 6.3.3 Pursuant to Rule 1014(5) of the Listing Manual, where a disposal of assets is one where any of the relative figures as computed on the bases set out in Rule 1006 exceeds 75%, the issuer must appoint a competent and independent valuer to value the assets to be disposed. Accordingly, the Company has commissioned the Independent Valuer (being Braemar ACM Valuations Limited), to conduct an independent valuation on the market value of the Sale Vessels.
- 6.3.4 Originating from Braemar Shipbrokers' commencement of trading in 1983, the Independent Valuer provides valuations and similar consultancy work including expert witness cases. Over many years, the Independent Valuer has provided valuation services for numerous leading shipping banks and shipping funds, as well as a great number of publicly quoted companies. The Independent Valuer is accredited to provide valuations for initial public offering, bond issue or other financial offer documents. The Independent Valuer is a member of the Baltic Exchange, a member of the Institute of Chartered Shipbrokers, Intercargo, and Intertanko which further highlights its renowned professionalism throughout the main shipping bodies. The Independent Valuer is a wholly owned subsidiary of Braemar Shipping Services Plc, a publicly listed company on the London Stock Exchange with overseas offices in Hamburg, Shanghai, Beijing, Singapore, Houston, New York, India and Australia.
- 6.3.5 When valuing vessels, the Independent Valuer bases its calculations on a number of factors which may include market comparable transactions, the current charter market, current market sentiment which takes into account other similar vessels currently on the market, their owners' ideas and offers and negotiations that have been tabled or are underway, newbuilding & replacement costs, vessels specification, yard of build and specialist equipment.

6.4 Financial Information on the Sale Vessels

- 6.4.1 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 2020²¹.
- 6.4.2 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 waiver, release and/or discharge of mortgages, and all other security interests and guarantees related to the financing of the Sale Vessels)²². Accordingly, based on audited consolidated financial statements as at 31 December 2020, the loss on disposal amounts to approximately US\$32.0 million²³.

²⁰ Refer to the table in Section 5.1.1.

²¹ 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.

²² 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.

²³ 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.

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- 6.4.3 According to the Valuation Certificate for the Sale Vessels which was issued by the Independent Valuer on 31 May 2021, 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.
- 6.4.4 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. This approach is widely used across the valuation market for desktop valuations when physical inspection of the entire fleet would not be feasible due to widespread geographical locations of the vessels. At the time when the valuation was conducted, the Sale Vessels were located in different countries including Brunei, Malaysia, Indonesia, Thailand, Vietnam, Myanmar, Mauritius, India, the United Arab Emirates, Abu Dhabi, Qatar and Mexico. Moreover, the terms of charter contracts accord the charterer the right of quiet enjoyment during the charter period, and the charter periods span from a few months to up to five (5) years. In this case, taking into consideration the financial position of the Group and the timeline for the Debt Restructuring Plan, a fleet valuation conducted with physical inspection across different locations will be costly and impractical, with considerable risk of causing further delay to the completion of the Debt Restructuring Plan which has been ongoing since 2017.
- 6.4.5 A copy of the Valuation Certificate for the Sale Vessels is set out in **Appendix B** to this Circular. Shareholders are advised to refer to the full text of the Valuation Certificate for the Sale Vessels for further details.

6.5 Application of Consideration

- 6.5.1 The Consideration for the Proposed Disposal represents a deficit of approximately US\$32.0 million over the net book value of the Sale Vessels of approximately US\$232.1 million as at 31 December 2020.
- 6.5.2 As set out in Section 6.3 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 waiver, release and/or discharge of mortgages, and all other security interests and guarantees related to the financing of the Sale Vessels) upon payment by the Purchaser to the Secured Lenders. Accordingly, the Company will not receive any proceeds upon the completion of the Proposed Disposal.

6.6 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 receipt of the listing and quotation notice from the SGX-ST for the dealing in, listing of and quotation for 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;
- (c) the Company obtaining Shareholders' approval at an EGM for the Proposed Disposal and all transactions relating thereto;

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- (d) the release and discharge of all security interests and guarantees in relation to the financing of the Sale Vessels (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 upon payment by the Purchaser to the Secured Lenders;
- (e) 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);
- (f) the execution of the SHA and other related agreements in form and substance reasonably acceptable to the Purchaser; and
- (g) 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.

6.7 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⁾	71% ⁽²⁾
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.	145% ⁽³⁾
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 excluding treasury shares.	363% ⁽⁴⁾
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	Not applicable ⁽⁵⁾

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Rule	Bases of Calculation	Relative Figures (%) in relation to the Proposed Disposal
	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.	

Notes:

- (1) "Net assets" means total assets less total liabilities.
- (2) The relative figure of 71% in Rule 1006(a) is computed by dividing the net book value of the Sale Vessels of approximately US\$223 million as at 30 September 2021, by the Group's net liability value of approximately US\$312 million as at 30 September 2021.
- (3) The relative figure of 145% in Rule 1006(b) is computed by dividing the loss on disposal of the Sale Vessels of approximately US\$15 million as at 30 September 2021, by the Group's net loss of approximately US\$10 million for the nine months ended 30 September 2021. "Net profits" means profit or loss including discontinued operations that have not been disposed and before income.
- (4) 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. The relative figure of 363% in Rule 1006(c) is computed by dividing the net consideration of the Sale Vessels of approximately US\$200 million (or approximately S\$270 million), by the Group's market capitalisation of approximately S\$74 million based on the last traded price of the Shares on 22 February 2018.
- (5) 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.

6.8 Financial Effects of the Proposed Disposal

- (a) The financial effects of the Proposed Disposal on the NTA per Share and the LPS of the Group have been prepared based on the audited consolidated financial statements of the Group for 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

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- (iii) the 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 Section 17.

7. THE PROPOSED SCHEMES OF ARRANGEMENT

The audited net liabilities of the Group for the financial year ended 31 December 2020 is approximately US\$302 million, and the unaudited net liabilities of the Group for the nine month period ended 30 September 2021 is US\$312 million. The current liabilities of the Group and the Company owing to its creditors are currently not sustainable. Without a comprehensive

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restructuring, the Group potentially faces liquidation and prospects for recovery for unsecured creditors and shareholders will be practically nil.

Accordingly, the Debt Restructuring Plan involves the restructuring of the unsecured debt obligations owing to three (3) of the Secured Lenders, which would still remain after completion of the Proposed Disposal, and other unsecured creditors (including trade creditors) of approximately US\$229 million in total via the Proposed Schemes of Arrangement. Under the Proposed Schemes of Arrangement, the unsecured debt will be partially paid either upfront or over a period of time.

Applications in relation to the Proposed Schemes of Arrangement were made to the High Court on 5 October 2021, and subject to completion of the Proposed Disposal occurring, meetings in relation to the Proposed Schemes of Arrangement are to be held as soon as possible but no later than 31 December 2021 or within 10 weeks after completion of the Proposed Disposal (whichever is later), if completion of the Proposed Disposal occurs. The implementation of the Proposed Schemes of Arrangement is conditional upon the sanction by the High Court of the Proposed Schemes of Arrangement.

8. NOTES RESTRUCTURING

8.1 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 Consent Solicitation Statement pursuant to which, *inter alia*, the Noteholders agreed to the redemption of the Notes by way of issue of the Noteholders Redemption Shares and the Perpetual Securities.

Subject to the passing of the Ordinary Resolutions as stated in this Circular, the S\$100 million in principal amount of Notes outstanding will be fully redeemed by way of issuing 1,807,360,000 Noteholders Redemption Shares and S\$3 million in principal amount of Perpetual Securities to Noteholders (as a class). Each Noteholder will receive 4,518,400 Noteholders Redemption Shares and one (1) Perpetual Security for every S\$250,000 in principal amount of Notes held. This is determined on the basis that 97% of the S\$100 million in principal amount of Notes outstanding (amounting to S\$97 million) will be redeemed by way of issue of the Noteholders Redemption Shares and 3% of the S\$100 million in principal amount of Notes outstanding (amounting to S\$3 million) will be redeemed by way of issue of the Perpetual Securities. The Notes will be fully redeemed on the Redemption Date after the Ordinary Resolutions are passed.

8.2 Basis of Allocation of the Noteholders Redemption Shares

The allocation of the Noteholders Redemption Shares to the Noteholders is determined in accordance with the intended shareholding structure of the Company following the completion of the Debt Restructuring Plan.²⁴ Based on the proposed shareholding of the Noteholders post-completion of the Debt Restructuring Plan of approximately 40% of the Enlarged Share Capital, the Noteholders (as a class) will be issued a total number of 1,807,360,000 Noteholders Redemption Shares (before the Proposed Share Consolidation), or 4,518,400 Noteholders Redemption Shares (before the Proposed Share Consolidation) for each Note held.

²⁴ Refer to Section 5.1.6.

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8.3 Basis of the Price of the Noteholders Redemption Shares

The Noteholders Redemption Share Conversion Price of S\$0.05 per Share is the deemed conversion price of the Noteholders 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 Noteholders 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 VWAP of approximately S\$0.10 of the Shares 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 Noteholders Redemption Share Conversion Price and the Lender Share Conversion Price²⁵ are the same at S\$0.05 per Share, as they are in the same class as unsecured creditors.

8.4 Key Terms of the Noteholders Redemption Shares

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

Noteholders Redemption Shares : An aggregate of 1,807,360,000 Noteholders Redemption Shares (representing 253% of the Company's Existing Share Capital) to be issued by the Company at the Noteholders Redemption Share Conversion Price of S\$0.05.

On the 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.

Conditions : 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 Noteholders 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.

Listing : The Noteholders Redemption Shares will be listed on the Mainboard of the SGX-ST.

²⁵ Refer to Section 9.3.

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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.

On 29 April 2021, the Shareholders at the general meeting of the Company approved the share mandate as set out in **Appendix F** to this Circular.

Pursuant to Rule 805 of the Listing Manual, 1,807,360,000 Noteholders Redemption Shares will represent approximately 253% of the Existing Share Capital (or approximately 40% of the Enlarged Share Capital). The number of Noteholders Redemption Shares to be issued pursuant to the Proposed Noteholders Redemption Shares Issue exceeds the limit of the existing share mandate. Consequently, the Company will be seeking the approval of Shareholders at the EGM to approve the Proposed Noteholders Redemption Shares Issue.

8.5 Key Terms of the Noteholders Perpetual Securities

The key terms of the Perpetual Securities are as follows:

Issuer : Pacific Radiance Ltd.

Issue : Up to S\$3,000,000 in principal amount of 2.50% Perpetual Securities

On the 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**"), each Perpetual Security represents 3% in principal amount of Notes.

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 the 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 *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations of the Issuer.

Subject to the insolvency laws of Singapore and other applicable laws, upon the occurrence of any winding-up proceeding, the rights of the Securityholders to payment of principal and Distributions (as defined below) are subject in right of payment to the prior payment in full of all claims of secured creditors. In the event that the Securityholders do not receive payment in full of principal due and payable in respect of the Perpetual Securities plus Distributions

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thereon declared and accrued to the date of repayment in any winding up of the Issuer and the winding up order or resolution passed for the winding up of the Issuer or the dissolution of the Issuer is subsequently stayed, discharged, rescinded, avoided, annulled or otherwise rendered inoperative, then to the extent that such Securityholder did not receive payment in full of such principal of and Distributions on the Perpetual Securities, such unpaid amount shall remain payable in full.

Distribution : Subject to, *inter alia*, "**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 date set out in "**Issue Date**" above.

Non-cumulative Distributions : Distributions will not be cumulative and if a Distribution is not paid in accordance with the terms and conditions of the Perpetual Securities, the Issuer is not under any obligation to pay that or any other Distributions that have not been paid. Such unpaid Distributions are non-cumulative and do not accrue interest. The Issuer will give written notice to Securityholders at least seven (7) Business Days prior to the relevant Distribution Payment Date if the Distribution will not be paid.

Obligation to Pay : The Issuer will be obliged to pay, and will pay, any Distribution on the relevant Distribution Payment Date if:

(a) the most recent audited full year financial statements of the Issuer announced on SGXNET (the "**Relevant Accounts**") before the relevant Distribution Payment Date shows positive EBITDA; and

(b) the Relevant Accounts before the relevant Distribution Payment Date 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.

No Claim by Securityholders for Distributions : No Securityholder shall have any claim in respect of any Distribution or part thereof not due or payable as described under "**Obligation to Pay**". Accordingly, such Distribution shall not accumulate for the benefit of the Securityholders or entitle the Securityholders to any claim in respect thereof against the Issuer.

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No Default : Notwithstanding any other provision in the terms and conditions of the Perpetual Securities, the non-payment of Distribution payable in accordance with “**Obligation to Pay**” above shall not constitute a default for any purpose on the part of the Issuer.

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 before the relevant redemption date showing positive EBITDA; and (b) the Relevant Accounts before the relevant redemption date 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

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Securities, after which all accrued salary will be paid on the date of redemption to the PRL Key Management.

- Restriction on Dividends : The Issuer shall not declare or pay any dividends or distributions to Shareholders unless the Perpetual Securities have been fully redeemed.
- Taxation : All payments of principal and Distributions by or on behalf of the Issuer in respect of the Perpetual Securities shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
- Mode of Payment : Payment of principal and/or Distributions will be made by a Singapore dollar cheque or bank draft drawn on a bank in Singapore mailed to the address of the Securityholder in the records of the Issuer. No commission or expenses shall be charged to the Securityholders in respect of such payments. Cheques or drafts shall be sent to the address of the Securityholder appearing on the register of Securityholders by ordinary mail and at the risk of the Securityholder.
- Selling Restrictions : There are restrictions on the offer, sale and transfer of the Perpetual Securities in, among others, Singapore, as set out in further detail in the Consent Solicitation Statement.
- Governing Law : Singapore.
- Listing : The Perpetual Securities will not be listed.

Consequently, the Company will be seeking the approval of Shareholders at the EGM to approve the Proposed Noteholders Perpetual Securities Issue.

9. THE PROPOSED SHARE ISSUANCE TO LENDERS

9.1 Background of the Proposed Share Issuance to Lenders

The Company had entered into cross-currency swap contracts with each of the Entitled Lenders (being DBS Bank Ltd., United Overseas Bank Limited and Oversea-Chinese Banking Corporation Limited) 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.

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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.

9.2 Basis of Allocation of the Lender Shares

The allocation of the Lender Shares to the Entitled Lenders is determined in accordance with the intended shareholding structure of the Company following the completion of the Debt Restructuring Plan.²⁶ Based on the proposed shareholding of the Entitled Lenders post-completion of the Debt Restructuring Plan of approximately 4% of the Enlarged Share Capital, the Entitled Lenders will be issued a total number of 175,763,400 Lender Shares (before the Proposed Share Consolidation).

The shareholding of each Entitled Lender following the completion of the Proposed Share Issuance to Lenders is as follows:

Entitled Lender	Debt owing as at 31 Dec 2020 (in US\$)	Number of Lender Shares (before the Proposed Share Consolidation)	Lender Shares as a Percentage of the Enlarged Share Capital ⁽¹⁾ (approximate %)
DBS	1,773,849	44,197,830	1
OCBC	3,833,425	95,514,940	2
UOB	1,446,867	36,050,630	1

Note:

(1) Before the exercise of the Shareholder Warrants and Management Warrants.

9.3 Basis of the Price of the Lender Shares

The Lender Share Conversion Price of S\$0.05 per Share 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 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.

The Lender Share Conversion Price and the Noteholders Redemption Share Conversion Price²⁷ are the same at S\$0.05 per Share, as they are in the same class as unsecured creditors. It 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.

9.4 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

²⁶ Refer to Section 5.1.6.

²⁷ Refer to Section 8.3.

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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.

9.5 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.

On 29 April 2021, the Shareholders at the general meeting of the Company approved the share mandate as set out in **Appendix F** to this Circular.

Pursuant to Rule 805 of the Listing Manual, 175,763,400 Lender Shares will represent approximately 25% of the Existing Share Capital (and approximately 4% of the Enlarged Share Capital). However, 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, the Company will be seeking a separate specific approval of Shareholders at the EGM for the allotment and issue of the Lender Shares pursuant to Rule 805 of the Listing Manual.

10. THE PROPOSED SHARE ISSUANCE TO MANAGEMENT

10.1 Background of the Proposed Share Issuance to Management

As set out in Section 5.1.4 above, the appointment of the Group as ship manager for the majority of the Sale Vessels by the Purchaser is premised on the completion of the Debt Restructuring Plan and there being no insolvency event²⁸ and change of control²⁹ of the Group. To secure the ship management agreements with the Purchaser, the Group has to complete the Debt Restructuring Plan and remain a going concern, and the PRL Key Management (being Pang Yoke Min, Pang Wei Meng and Pang Wei Kuan, James) has to remain in control of the Group after the completion of the Debt Restructuring Plan. These conditions seek to provide the Purchaser with the assurance of management continuity and control over the Group and underscores the continued commitment of the PRL Key Management to manage the business of the Group. Following thereon, the Company proposes to issue and allot 1,808,543,200 Management Shares (before the Proposed Share Consolidation) 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. 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.³⁰

²⁸ Insolvency events refer to the Group being unable to pay its debts as they fall due, entering into any arrangement, scheme or moratorium with its creditors, or being the subject of an administration, judicial management or winding up order.

²⁹ Change of control refers to any person acquiring or agreeing to acquire the power to direct, or to cause the direction of, the management and policies of the Group, whether through ownership of voting securities, by contract or otherwise.

³⁰ Refer to further detail on the basis of the price of the Management Shares under Section 10.4.

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10.2 Basis of Allocation of Management Shares

The allocation of the Management Shares to the PRL Key Management is determined in accordance with the intended shareholding structure of the Company following the completion of the Debt Restructuring Plan.³¹ Based on the proposed shareholding of the PRL Key Management post-completion of the Debt Restructuring Plan of approximately 51% of the Enlarged Share Capital and after taking into account the 490,073,444 Existing Shares held by the PRL Key Management, a total number of 1,808,543,200 Management Shares (before the Proposed Share Consolidation) will be issued to the PRL Key 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 (before the Proposed Share Consolidation)	Management Shares as a Percentage of the Enlarged Share Capital (approximate %)
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

10.3 Information on the PRL Key Management

The PRL Key Management comprises Mr. Pang Yoke Min (executive chairman of the Company), Mr. Pang Wei Meng (an executive director of the Company) and Mr. Pang Wei Kuan, James (acting chief executive officer of the Company). Mr. Pang Wei Kuan, James and Mr. Pang Wei Meng are both sons of Mr. Pang Yoke Min.

Mr. Pang Yoke Min

Mr. Pang Yoke Min was named the Group's Executive Chairman in January 2013, after having served as its principal adviser in 2012. Mr. Pang was also the Group's Non-Executive Director from January 2007 to December 2011 and was last re-elected as a Director of the Company on 16 July 2018. He is currently responsible for the Group's overall strategic direction and growth, and has led its swift transformation into a promising major player in the provision of offshore vessels.

A veteran of the offshore oil and gas industry with more than 30 years of experience, Mr. Pang co-founded Jaya Holdings Limited in 1981 and was its managing director until 2006.

Mr. Pang is a non-independent and non-executive director of GYP Properties Limited (formerly known as Global Yellow Pages Limited) which is listed on SGX. He sits on the nominations, audit and remuneration committees at GYP Properties Limited.

Mr. Pang graduated with a Diploma in Business Administration from the Institute of Business Administration in Australia.

³¹ Refer to Section 5.1.6.

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Mr. Pang Wei Meng

Mr. Pang Wei Meng was appointed as one of the Group's Executive Directors in November 2006 and was last re-elected as a Director of the Company on 26 April 2018. As the Acting Chief Commercial Officer since 1 January 2020, Mr. Pang heads the Group's Offshore Support Services and Subsea Business Divisions and oversees their overall day-to-day operations. Further, he has the primary responsibility of dealing with new clients for the chartering of the Group's vessels.

Mr. Pang played a key role in the Group's formative years, during which his responsibilities included marketing, business development and finance.

Mr. Pang graduated with a Diploma in Mechanical Engineering from Singapore Polytechnic and a Bachelor of Commerce in Finance and Accounting from the University of New South Wales, Australia.

Mr. Pang Wei Kuan, James

Mr. Pang Wei Kuan, James joined the Group in July 2011 and was appointed the Acting Chief Executive Officer on 1 January 2020. As the Acting Chief Executive Officer, Mr. Pang drives the Group's strategic activities by developing and executing the Group's investment and business plans. In recent years, Mr. Pang also leads the restructuring of the Group's balance sheet and negotiations with potential investors and other stakeholders.

Since joining the Group, he has been responsible for building up and strengthening the Group's marketing and business development activities as well as streamlining and digitalizing the Group's processes and operations. Having established the Group's ventures into foreign cabotage markets, Mr. Pang continues to oversee the Group's joint ventures in regions such as Indonesia, Latin America and the Middle East.

Mr. Pang graduated with a Bachelor of Arts, Major in Economics (summa cum laude) and a Bachelor of Science in Business Administration, Major in Finance (summa cum laude) from Boston University in the United States of America.

10.4 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 Section 5.1.3, 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 Section 17.2, the NTA of the Company remains negative after the completion of the Proposed Disposal and the Proposed Schemes of Arrangement. The issue price of 0.06 Singapore cents per Management Share takes into account the negative NTA of S\$0.11 per share and the general corporate and working capital requirements of the Company after completion of the Debt Restructuring Plan.

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10.5 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.

10.6 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.

10.7 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.

On 29 April 2021, the Shareholders at the general meeting of the Company approved a share mandate as set out in **Appendix F** to this Circular.

Pursuant to Rule 805 of the Listing Manual, 1,808,543,200 Management Shares will represent approximately 253% of the Existing Share Capital. The number of Management Shares to be issued pursuant to Proposed Securities Issuance exceeds the limit of the existing share mandate. 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 at the EGM for the allotment and issue of the Management Shares.

10.8 The Proposed Share Issuance to Management and Chapter 9 of the Listing Manual

Pang Yoke Min and Pang Wei Meng are Directors of the Company, and Pang Wei Kuan, James is an Associate of Pang Yoke Min and Pang Wei Meng. Accordingly, Pang Yoke Min, Pang Wei

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Meng and Pang Wei Kuan, James are each considered an “interested person” within the meaning of Chapter 9 of the Listing Manual and the Proposed Share Issuance to Management is an “interested person transaction” within the meaning of Chapter 9 of the Listing Manual. However, given that the NTA per Share of the Company before the completion of the Proposed Resolutions is negative (as illustrated in Section 17.2 below), the value of the Proposed Share Issuance to Management is less than S\$100,000. The NTA per Share of the Company has been used to determine the value of the Proposed Share Issuance to Management given that trading of the Shares has been suspended since 28 February 2018, and the use of the market price of the Shares just before the trading suspension for such determination may not fully reflect the current financial position and restructuring situation of the Company. The NTA of the Company at the time of the trading suspension was positive, but the Company’s financial position has since deteriorated, and the NTA of the Company is presently negative. Accordingly, Rule 906(2) of the Listing Manual applies and shareholders’ approval need not be obtained for the Proposed Share Issuance to Management pursuant to Chapter 9 of the Listing Manual.

11. THE PROPOSED SHARE CONSOLIDATION

11.1 Overview of the Proposed Share Consolidation

On 28 October 2021, the Company announced that it is proposing to seek Shareholders’ approval to undertake the Proposed Share Consolidation, pursuant to which every ten (10) Existing Shares held by Shareholders as at the Share Consolidation Books Closure Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded.

Subject to Shareholders’ approval being obtained for the Proposed Share Consolidation at the EGM, the Register of Members and the transfer books of the Company will be closed on the 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

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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 Latest Practicable Date, 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 Shares³², following the completion of the Proposed Share Consolidation (excluding 1,032,700 consolidated treasury shares).

If the New Shares are issued by the Company pursuant to the Proposed Share Issuances, the Company will have an enlarged issued share capital of approximately S\$316.3 million divided into 4,507,094,613 Shares (excluding 10,327,000 treasury shares). On the assumption that, save for the Proposed Share Issuances, no new Shares are 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 enlarged issued share capital of approximately S\$316.3 million divided into approximately 450,709,457 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.

Following the completion of the Proposed Share Consolidation, one (1) Shareholder (holding five (5) Existing Shares) will cease to be a Shareholder of the Company. A total of 20 Shareholders (holding an aggregate of 7,110 Existing Shares or 0.001% of the Existing Share Capital) will end up holding odd lots of Consolidated Shares of less than 100 Consolidated Shares each.

11.2 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:

³² The total number of Consolidated Shares is based on fractional entitlements arising from the Proposed Share Consolidation being disregarded, and there are nine (9) Shareholders who hold Existing Shares in odd lots.

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(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.

11.3 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.

The Company had submitted an application to the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Mainboard of the SGX-ST. AIP for the listing of and quotation for up to 450,709,457 Consolidated Shares on the Mainboard of the SGX-ST has been granted on 4 February 2022 subject to certain conditions, the details of which are set out in Section 2 of this Circular. The AIP is not to be taken as an indication of the merits of the Company, its subsidiaries, the Proposed Share Consolidation, or the Consolidated Shares.

Assuming that the abovementioned approvals are duly obtained, the Directors will fix the Share Consolidation Books Closure Date and the Effective Trading Date at such date and time as they deem appropriate in the interests of the Company and its Shareholders.

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An announcement will be made by the Company to notify Shareholders of the Share Consolidation Books Closure Date and the Effective Trading Date in due course. The announcement of the Share Consolidation Books Closure Date will be made at least five (5) Market Days ahead of the Share Consolidation Books Closure Date.

11.4 Updating of Register of Members and Depository Register

If Shareholders approve the Proposed Share Consolidation at the EGM, the Shareholders' entitlements of the Consolidated Shares will be determined on the Share Consolidation Books Closure Date, based on their shareholdings as at 5.00 p.m. on such date. The Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders based on their shareholdings in the Company as at the Share Consolidation Books Closure Date and the Consolidated Shares will begin trading in board lots of 100 Consolidated Shares at 9.00 a.m. on the Effective Trading Date.

(a) **Deposit of Share Certificates with CDP**

Shareholders who hold Old Share Certificates in their own names and who wish to deposit the same with CDP and have their Consolidated Shares credited to their Securities Accounts maintained with CDP, must deposit their Old Share Certificates with CDP, together with duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Share Consolidation Books Closure Date. After the Share Consolidation Books Closure Date, CDP will not accept any Old Share Certificates for deposit.

After the Share Consolidation Books Closure Date, CDP will only accept the deposit of New Share Certificates. Shareholders who wish to deposit their Old Share Certificates with CDP after the Share Consolidation Books Closure Date must first deliver their Old Share Certificates to the Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) at 80 Robinson Road #11-02, Singapore 068898 for cancellation and issuance of New Share Certificates in replacement thereof as described below.

(b) **Issue of New Share Certificates**

Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Share Consolidation Books Closure Date need not take any action. The Company will make arrangements with CDP to effect the exchange for New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) at 80 Robinson Road #11-02, Singapore 068898 as soon as possible during normal business hours (9.00 a.m. to 5.00 p.m., Mondays to Fridays) and preferably, not later than five (5) Market Days after they have been notified of the Share Consolidation Books Closure Date for cancellation and exchange for New Share Certificates. No receipt will be issued by the Share Registrar upon receipt of any Old Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of the relevant Shareholders at their own risk within ten (10) Market Days from the Share Consolidation Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.

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Shareholders are to deliver their respective Old Share Certificates to the Company's Share Registrar or CDP in accordance with the provisions set out above, only after the Company's announcement of the Share Consolidation Books Closure Date.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have already been tendered to the Share Registrar for cancellation. Shareholders should notify the Share Registrar if they have lost any of their existing Old Share Certificates or if there is any change in their respective addresses from those reflected in the Register of Members of the Company.

(c) **Share Certificates not valid for settlement of trades on the Mainboard of the SGX-ST**

Shareholders who hold Old Share Certificates are reminded that their Old Share Certificates are not valid for settlement of trading in the Consolidated Shares on the Mainboard of the SGX-ST, as the Shares are traded under a book-entry (scripless) settlement system, but will continue to be accepted for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Share Registrar. The New Share Certificates will not be valid for delivery for trades done on the Mainboard although they will continue to be *prima facie* evidence of legal title to the Consolidated Shares.

11.5 Trading Arrangements for the Consolidated Shares and Odd Lots

(a) **Trading arrangements for the Consolidated Shares**

Subject to the approval for the Proposed Share Consolidation by Shareholders at the EGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of 100 Consolidated Shares. Accordingly, ten (10) Existing Shares as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the Existing Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

(b) **Trading arrangements for odd lots**

All fractional entitlements arising upon the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their 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.

The Existing Shares are currently traded in board lots of one hundred (100) Shares in the ready market. Following the completion of the Proposed Share Consolidation, the Securities Accounts of Shareholders (being Depositors) may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid. Shareholders (being Depositors) who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST should note that odd lots of Consolidated Shares can be traded on the Unit Share Market which would allow trading in odd lots with a minimum size of one (1) Consolidated Share.

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Shareholders who continue to hold odd lots of less than 100 Consolidated Shares may find difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Consolidated Shares.

11.6 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 Issuances.

11.7 Lifting of Suspension and Resumption of Trading of Shares

As set out in Section 1.2 of this Circular, the Company has submitted a request to the SGX-ST for the lifting of suspension and resumption of trading of the Shares upon the completion of the Proposed Disposal and the Proposed Securities Issuance. Please refer to Section 17 for further information of the financial effects of the Debt Restructuring Plan, where the NTA and EPS of the Company will be positive after Proposed Disposal and the Proposed Schemes of Arrangement, and after the Proposed Share Issuances to further enhance the capital structure of the Group. Accordingly, the Company will not be in a negative equity position following the completion of the Debt Restructuring Plan. As set out in Section 4 of this Circular, the ship management activities from ENAV and other ship owners will generate immediate revenue for the Group. The Group is currently managing vessels for other ship owners and will continue to expand on this activity. Operating costs and overheads will be aligned with ship management activities in the near term. Other medium-term strategy include seeking growth opportunities in the offshore wind segment, the Group also intends to intensify its efforts to scale up operations in this segment post-completion of the Debt Restructuring Plan.

12. THE PROPOSED WARRANT ISSUANCE TO SHAREHOLDERS

12.1 Overview of the Proposed Warrant Issuance to Shareholders

Following the Proposed Share Consolidation and pursuant to the Proposed Warrant Issuance to Shareholders, up to 22,527,400 Shareholder Warrants will be issued to the Entitled Shareholders on the basis of 100 Shareholder Warrants for every 100 Consolidated Shares held as at the 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) Shareholder Warrant Share at the Shareholder Warrants Exercise Price of S\$0.03 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 Shareholder Warrants Expiration Date, being the date falling five (5) years after the date of issue of the Shareholder Warrants.

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 (the *pro forma* NTA per Share is provided under Section 17.5, 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

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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 Shareholder Warrants Deed Poll (as set out in **Appendix D** to this Circular). For the avoidance of doubt, the Shareholder Warrants will be issued free to the Entitled Shareholders.

An announcement on the expiry of the Shareholder Warrants will be made through SGXNET and a notice will be sent to all Entitled Shareholders at least one (1) month before the expiry of the Shareholder Warrants Exercise Period.

On 4 February 2022, the Company was granted the AIP from the SGX-ST for the listing and quotation of, *inter alia*, up to 22,527,400 Shareholder Warrants and up to 22,527,400 Shareholder Warrant Shares. Please refer to Section 2 of this Circular for more information on the AIP.

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.

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

12.2 Size of the Proposed Warrant Issuance to Shareholders

The Company has an Existing Consolidated Share Capital of 71,542,797 Consolidated Shares. The Entitled Shareholders will hold 22,535,453 Consolidated Shares following the Proposed Share Consolidation. On the basis of 100 Shareholder Warrants for every 100 Consolidated Shares, 22,527,400 Shareholder Warrants (fractional entitlement to be disregarded) will be issued to the Entitled Shareholders. The Shareholder Warrants when fully exercised, will amount to 22,527,400 Shareholder Warrant Shares, representing approximately 31% of the Existing Consolidated Share Capital of the Company (or 5% of the Enlarged Consolidated Share Capital of the Company). Based on the foregoing, an aggregate number of 22,527,400 Shareholder Warrants are proposed to be issued under the Proposed Warrant Issuance to Shareholders.

12.3 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 22,527,400 Shareholder Warrants to the Entitled Shareholders, which when fully exercised, will amount to 22,527,400 Shareholder Warrant Shares and correspondingly, approximately 5% of the Enlarged Consolidated Share Capital of the Company.
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Basis of Allotment	:	100 Shareholder Warrants for every 100 Consolidated Shares held by the Entitled Shareholders, fractional entitlements to be disregarded.
Number of Warrants	:	22,527,400 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	:	<p>AIP for the listing of and quotation for up to 22,527,400 Shareholder Warrants and up to 22,527,400 Shareholder Warrant Shares on the Mainboard of the SGX-ST has been granted on 4 February 2022 subject to certain conditions, the details of which are set out in Section 2 of this Circular. The AIP is not to be taken as an indication of the merits of, <i>inter alia</i>, the Proposed Warrant Issuance to Shareholders, the Shareholder Warrants, the Shareholder Warrant Shares, the Shares, PRL and its subsidiaries.</p> <p>Each board lot of Shareholder Warrants will consist of 100 Shareholder Warrants or such other number as may be notified by PRL.</p>
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.
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 Shareholder Warrant 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

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distributions where the Record Date is before the date of issue and allotment of the Shareholder Warrant Shares.

Adjustment : The Shareholder Warrants Exercise Price and the number of Shareholder Warrants held by each holder of the Shareholder Warrants shall from time to time be adjusted in accordance with the terms and conditions of the Shareholder Warrants set out in the Shareholder Warrants Deed Poll, and shall be adjusted in all or any of the following cases:-

- (a) any consolidation or subdivision of the Shares;
- (b) an issue by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature) to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares *in lieu* of cash or other dividend);
- (c) a capital distribution made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
- (d) an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights; or
- (e) an issue (otherwise than pursuant to an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights, requiring an adjustment under sub-paragraph (d) above, and other than an issue of Shares to Shareholders who elect to receive Shares *in lieu* of cash or other dividend) by the Company of Shares, if the total effective consideration for each Share is less than ninety per cent. (90%) of the last dealt price for each Share.

Please refer to **Appendix D** to this Circular for the provisions which the Company will use to determine adjustments to the Shareholder Warrants Exercise Price and the number of Shareholder Warrants.

Transfer and Transmission : Subject to the terms and conditions of the Shareholder Warrants set out in the Shareholder Warrants Deed Poll, the Shareholder Warrants shall be transferable in lots entitling the holders of the Shareholder Warrants to subscribe for whole numbers of Shareholder Warrant Shares and so that no person shall be recognised by the

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Company as having title to Shareholder Warrants entitling the holder thereof to subscribe for a fractional part of a Shareholder Warrant Share or otherwise than as the sole or joint holder of the entirety of such Shareholder Warrant Share.

Where the Shareholder Warrants are registered in the name of CDP and the Shareholder Warrants are to be transferred between Depositors, such Shareholder Warrants must be transferred in the Depository Register by CDP by way of book entry.

The Shareholder Warrants Transferor shall lodge, during normal business hours on any business day so as to be received at the specified office of the warrant agent of the Shareholder Warrants, the Shareholder Warrants Transferor's Shareholder Warrant certificate(s) together with the Shareholder Warrants Transfer Form duly completed and signed by, or on behalf of, the Shareholder Warrants Transferor and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty provided that the warrant agent may dispense with requiring CDP to sign as transferee any Shareholder Warrants Transfer Form for the transfer of Shareholder Warrants to it.

The executors and administrators of a deceased holder of the Shareholder Warrants whose Shareholder Warrants are registered otherwise than in the name of CDP (not being one of several joint holders whose Shareholder Warrants are registered otherwise than in the name of CDP) and, in the case of one or more of several such joint holders of the Shareholder Warrants, the survivor or survivors of such joint holders shall be the only persons recognised by the Company and the warrant agent of the Shareholder Warrants as having title to Shareholder Warrants registered in the name of the deceased holder of the Shareholder Warrants. Such persons shall, on producing to the warrant agent such evidence as may be reasonably required by the warrant agent to prove their title, and on the completion of a Shareholder Warrants Transfer Form and the payment of the fees and expenses required by the terms and conditions of the Shareholder Warrants to be set out in the Shareholder Warrants Deed Poll, be entitled to be registered as a holder of the Shareholder Warrants or to make such transfer as the deceased holder could have made.

Liquidation : If a resolution is passed for a members' voluntary winding-up of the Company then:-

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- (a) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the holders of the Shareholder Warrants, or some person designated by them by way of a resolution passed at a meeting of the holders of the Shareholder Warrants duly convened and held in accordance with the provisions of the Shareholder Warrants Deed Poll by a majority consisting of not less than three-fourth of the votes cast thereon, the terms of such scheme of arrangement shall be binding on all the holders of the Shareholder Warrants; and
- (b) in any other case, every holder of the Shareholder Warrants shall be entitled, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, by irrevocable surrender of his Shareholder Warrant certificate(s) to the Company with the notice for the exercise of the Shareholder Warrants duly completed, together all relevant payments payable, to elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the Shareholder Warrants to the extent of the number of Shareholder Warrants exercised and had on such date been the holder of the Shareholder Warrant Shares to which he would have become entitled pursuant to such exercise. The Company shall give notice to the holder of the Shareholder Warrants in accordance of the passing of any such resolution within seven (7) Market Days after the passing thereof.

Subject to the foregoing, if the Company is wound-up for any other reason, all Shareholder Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Shareholder Warrants shall cease to be valid for any purpose.

Further Issue of Securities : Subject to the terms and conditions of the Shareholder Warrants set out in the Shareholder Warrants Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Company sees fit but the holders of the Shareholder Warrants shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a take-over offer to acquire Shares.

Governing Law : Laws of the Republic of Singapore.

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12.4 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 22,527,400 Shareholder Warrants and up to 22,527,400 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.

12.5 Rationale of the Proposed Warrant Issuance to Shareholders

As set out in Sections 4.3 to 4.9 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.

12.6 Proposed Use of Proceeds from the Proposed Warrant Issuance to Shareholders

Assuming that all of the 22,527,400 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\$0.68 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.

12.7 Shareholders' Approval for the Issue of Shareholder Warrants and Shareholder Warrant Shares

Assuming the full exercise of the Shareholder Warrants, the maximum number of Shareholder Warrant Shares to be issued and allotted by the Company is 22,527,400 Shareholder Warrant Shares, which represent approximately 31% of the Existing Consolidated Share Capital (or

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approximately 5% of the Enlarged Consolidated Share Capital). The Shareholder Warrant Shares will be listed and traded on the Mainboard of the SGX-ST.

Accordingly, the Company will be seeking a specific approval of Shareholders at the EGM for the allotment and issue of the Shareholder Warrants and the Shareholder Warrant Shares pursuant to Rules 805 and 824 of the Listing Manual.

12.8 Adjustments and Modification

In compliance with Rules 829 and 830 of the Listing Manual, the Company will:

- (a) announce any adjustment made pursuant to the Shareholder Warrants Exercise Price pursuant to Rule 829(1) of the Listing Manual;
- (b) announce the expiry of the Shareholder Warrants and a notice of the expiry will be sent to the Entitled Shareholders at least one (1) month before the Shareholder Warrants Expiration Date; and
- (c) obtain Shareholders' approval at a general meeting of the Shareholders for any material modification to the terms of the Shareholder Warrants which is for the benefit of the Entitled Shareholders, unless such modification is made pursuant to the terms of the Proposed Warrant Issuance to Shareholders.

13. THE PROPOSED WARRANT ISSUANCE TO MANAGEMENT

13.1 Overview of the Proposed Warrant Issuance to Management

Following the Proposed Share Consolidation and pursuant to the Proposed Warrant Issuance to Management, up to 23,033,431 Management Warrants will be issued to the PRL Key Management on the basis of 47 Management Warrants for every 100 Consolidated Shares³³ held as at the Management Warrants Books Closure Date. The number of Existing Shares held by the PRL Key Management is 490,073,444 Shares, or 49,007,344 Consolidated Shares following the Proposed Share Consolidation. On the issuance of the Management Warrants on the basis of 47 Management Warrants for every 100 Consolidated Shares, the number of Management Warrants to be issued is 23,033,431 Management Warrants (fractional entitlement to be disregarded). The Management Warrants Books Closure Date will be before the Proposed Share Issuances.

Each Management Warrant carries the right to subscribe for one (1) Management Warrant Share at the Management Warrants Exercise Price of S\$0.06 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 Management Warrants Expiration Date, being the date falling five (5) years after the date of issue of the Management Warrants.

The Management Warrants Exercise Price of S\$0.06, which is equivalent to the *pro forma* NTA per Share as at 30 June 2021 (the *pro forma* NTA per Share is provided under Section 17.5) and represents 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

³³ Management Shares to be issued to the PRL Key Management are excluded from the Proposed Warrant Issuance to Management.

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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 Management Warrants Deed Poll (as set out in **Appendix E** to this Circular). For the avoidance of doubt, the Management Warrants will be issued free to the PRL Key Management.

An announcement on the expiry of the Management Warrants will be made through SGXNET and a notice will be sent to the PRL Key Management at least one (1) month before the expiry of the Management Warrants Exercise Period.

On 4 February 2022, the Company was granted the AIP from the SGX-ST for the listing and quotation of, *inter alia*, up to 23,033,431 Management Warrant Shares. Please refer to Section 2 of this Circular for more information on the AIP.

The Management Warrants will not be listed 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.

13.2 Size of the Proposed Warrant Issuance to Management

The Company has an Existing Consolidated Share Capital of 71,542,797 Consolidated Shares. The PRL Key Management holds 490,073,444 Existing Shares or 49,007,344 Consolidated Shares following the Proposed Share Consolidation. On the basis of 47 Management Warrants for every 100 Consolidated Shares,³⁴ 23,033,431 Management Warrants (fractional entitlement to be disregarded) will be issued to the PRL Key Management. The Management Warrants when fully exercised will amount to 23,033,431 Management Warrant Shares, representing approximately 32% of the Existing Consolidated Share Capital of the Company (or 5% of the Enlarged Consolidated Share Capital of the Company). Based on the foregoing, an aggregate number of 23,033,431 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	22,823,764	5.1%
Pang Wei Meng	2,585	0.0%
Pang Wei Kuan, James	207,082	0.0%
Total	23,033,431	5.1%

³⁴ Management Shares to be issued to the PRL Key Management are excluded from the Proposed Warrant Issuance to Management.

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13.3 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 23,033,431 Management Warrants to the PRL Key Management, which when fully exercised, will amount to 23,033,431 Management Warrant Shares and correspondingly, approximately 5% of the Enlarged Consolidated Share Capital of the Company.
Basis of Allotment	:	47 Management Warrants for every 100 Consolidated Shares held by the PRL Key Management, fractional entitlements to be disregarded.
Number of Warrants	:	23,033,431 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 <i>pro forma</i> 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	:	<p>The Management Warrants will not be listed on the Mainboard of the SGX-ST.</p> <p>AIP for the listing of and quotation for up to 23,033,431 Management Warrant Shares on the Mainboard of the SGX-ST has been granted on 4 February 2022 subject to certain conditions, the details of which are set out in Section 2 of this Circular. The AIP is not to be taken as an indication of the merits of, <i>inter alia</i>, the Proposed Warrant Issuance to Management, the Management Warrants, the Management Warrant Shares, the Shares, PRL and its subsidiaries.</p>
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.
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

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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 Management Warrant Shares : The Management Warrant Shares will upon issue and allotment, rank *pari passu* 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.

Adjustment : The Management Warrants Exercise Price and the number of Management Warrants held by each holder of the Management Warrants shall from time to time be adjusted in accordance with the terms and conditions of the Management Warrants set out in the Management Warrants Deed Poll, and shall be adjusted in all or any of the following cases:-

- (a) any consolidation or subdivision of the Shares;
- (b) an issue by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature) to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares *in lieu* of cash or other dividend);
- (c) a capital distribution made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
- (d) an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights; or
- (e) an issue (otherwise than pursuant to an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights, requiring an adjustment under sub-paragraph (d) above, and other than an issue of Shares to Shareholders who elect to receive Shares *in lieu* of cash or other dividend) by the Company of Shares, if the total effective consideration for each Share is less than ninety per cent. (90%) of the last dealt price for each Share.

Please refer to **Appendix E** to this Circular for the provisions which the Company will use to determine

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adjustments to the Management Warrants Exercise Price and the number of Management Warrants.

Transfer and Transmission : Subject to the terms and conditions of the Management Warrants set out in the Management Warrants Deed Poll, the Management Warrants shall be transferable in lots entitling the holders of the Management Warrants to subscribe for whole numbers of Management Warrant Shares and so that no person shall be recognised by the Company as having title to Management Warrants entitling the holder thereof to subscribe for a fractional part of a Management Warrant Share or otherwise than as the sole or joint holder of the entirety of such Management Warrant Share.

Where the Management Warrants are registered in the name of CDP and the Management Warrants are to be transferred between Depositors, such Management Warrants must be transferred in the Depository Register by CDP by way of book entry.

The Management Warrants Transferor shall lodge, during normal business hours on any business day so as to be received at the specified office of the warrant agent of the Management Warrants, the Management Warrants Transferor's Management Warrant certificate(s) together with the Management Warrants Transfer Form duly completed and signed by, or on behalf of, the Management Warrants Transferor and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty provided that the warrant agent may dispense with requiring CDP to sign as transferee any Management Warrants Transfer Form for the transfer of Management Warrants to it.

The executors and administrators of a deceased holder of the Management Warrants whose Management Warrants are registered otherwise than in the name of CDP (not being one of several joint holders whose Management Warrants are registered otherwise than in the name of CDP) and, in the case of one or more of several such joint holders of the Management Warrants, the survivor or survivors of such joint holders shall be the only persons recognised by the Company and the warrant agent of the Management Warrants as having title to Management Warrants registered in the name of the deceased holder of the Management Warrants. Such persons shall, on producing to the warrant agent such evidence as may be reasonably required by the warrant agent to prove their title, and on the completion of a Management Warrants Transfer Form and the payment of the fees and expenses required by the terms and conditions of the Management Warrants to be set out in

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the Management Warrants Deed Poll, be entitled to be registered as a holder of the Management Warrants or to make such transfer as the deceased holder could have made.

Liquidation : If a resolution is passed for a members' voluntary winding-up of the Company then:-

(a) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the holders of the Management Warrants, or some person designated by them by way of a resolution passed at a meeting of the holders of the Management Warrants duly convened and held in accordance with the provisions of the Management Warrants Deed Poll by a majority consisting of not less than three-fourth of the votes cast thereon, the terms of such scheme of arrangement shall be binding on all the holders of the Management Warrants; and

(b) in any other case, every holder of the Management Warrants shall be entitled, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, by irrevocable surrender of his Management Warrant certificate(s) to the Company with the notice for the exercise of the Management Warrants duly completed, together all relevant payments payable, to elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the Management Warrants to the extent of the number of Management Warrants exercised and had on such date been the holder of the Management Warrant Shares to which he would have become entitled pursuant to such exercise. The Company shall give notice to the holder of the Management Warrants in accordance of the passing of any such resolution within seven (7) Market Days after the passing thereof.

Subject to the foregoing, if the Company is wound-up for any other reason, all Management Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Management Warrants shall cease to be valid for any purpose.

Further Issue of Securities : Subject to the terms and conditions of the Management Warrants set out in the Management Warrants Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as bonus distributions

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and further subscription rights upon such terms and conditions as the Company sees fit but the holders of the Management Warrants shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a take-over offer to acquire Shares.

Governing Law : Laws of the Republic of Singapore.

13.4 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 23,033,431 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.

13.5 Rationale of the Proposed Warrant Issuance to Management

As set out in Section 5.1.4 of this Circular, to secure the ship management agreements with ENAV, the Group has to complete the Debt Restructuring Plan and remain a going concern, and the PRL Key Management has to remain in control of the Group after the completion of the Debt Restructuring Plan. As such, it is proposed that the PRL Key Management 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.

13.6 Proposed Use of Proceeds from the Proposed Warrant Issuance to Management

Assuming that all of the 23,033,431 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\$1.4 million over the Management Warrants Exercise Period. The Company expects to utilise the 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.

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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.

13.7 Shareholders' Approval for the Issue of Management Warrants and Management Warrant Shares

Assuming the full exercise of the Management Warrants, the maximum number of Management Warrant Shares to be issued and allotted by the Company is 23,033,431 Management Warrant Shares, which represent approximately 32% of the Existing Consolidated Share Capital and approximately 5% of the Enlarged Consolidated Share Capital. The Management Warrant Shares will be listed and traded on the Mainboard of the SGX-ST.

Accordingly, the Company will be seeking a specific approval of Shareholders at the EGM for the allotment and issue of the Management Warrants and the Management Warrant Shares pursuant to Rules 804, 805, 812(2) and 824 of the Listing Manual.

13.8 Adjustments and Modification

In compliance with Rules 829 and 830 of the Listing Manual, the Company will:

- (a) announce any adjustment made pursuant to the Management Warrants Exercise Price pursuant to Rule 829(1) of the Listing Manual;
- (b) announce the expiry of the Management Warrants and a notice of the expiry will be sent to the PRL Key Management at least one (1) month before the Management Warrants Expiration Date; and
- (c) obtain Shareholders' approval at a general meeting of the Shareholders for any material modification to the terms of the Management Warrants which is for the benefit of the PRL Key Management, unless such modification is made pursuant to the terms of the Proposed Warrant Issuance to Management.

13.9 The Proposed Warrant Issuance to Management and Chapter 9 of the Listing Manual

Pang Yoke Min and Pang Wei Meng are Directors of the Company, and Pang Wei Kuan, James is an Associate of Pang Yoke Min and Pang Wei Meng. Accordingly, Pang Yoke Min, Pang Wei Meng and Pang Wei Kuan, James are each considered an "interested person" within the meaning of Chapter 9 of the Listing Manual and the Proposed Warrant Issuance to Management is an "interested person transaction" within the meaning of Chapter 9 of the Listing Manual. However, given that the NTA per Share of the Company before the completion of the Proposed Resolutions is negative (as illustrated in Section 17.2 below), the value of the Proposed Warrant Issuance to Management is less than S\$100,000. The NTA per Share of the Company has been used to determine the value of the Proposed Warrant Issuance to Management given that trading of the Shares has been suspended since 28 February 2018, and the use of the market price of the Shares just before the trading suspension for such

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determination may not fully reflect the current financial position and restructuring situation of the Company. The NTA of the Company at the time of the trading suspension was positive, but the Company's financial position has since deteriorated, and the NTA of the Company is presently negative. Accordingly, Rule 906(2) of the Listing Manual applies and shareholders' approval need not be obtained for the Proposed Warrant Issuance to Management pursuant to Chapter 9 of the Listing Manual.

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14. CHANGES TO SHAREHOLDING UPON IMPLEMENTATION OF THE DEBT RESTRUCTURING PLAN

For illustrative purposes only and based on the assumptions set out below, the shareholding structure of the Company as at the Latest Practicable Date (i) before the Proposed Securities Issuance; and (ii) after completion of the Proposed Securities Issuance is set out below:

	As at the Latest Practicable Date ¹ (Before the Proposed Securities Issuance)				Immediately after the Proposed Securities Issuance ²			
	Number of Shares			%	Number of Shares			%
	Direct Interest	Deemed Interest	Total Interest	Total Interest	Direct Interest	Deemed Interest	Total Interest	Total Interest
Directors								
Pang Yoke Min	2,014,244	46,547,000	48,561,244	67.9%	182,668,564	46,547,000	229,215,564	50.9%
Pang Wei Meng	5,500	-	5,500	0.0%	105,500	-	105,500	0.0%
Lau Boon Hwee	162,497	-	162,497	0.2%	162,497	-	162,497	0.0%
Ng Tiong Gee	2,500	-	2,500	0.0%	2,500	-	2,500	0.0%
Yong Yin Min	2,771,300	-	2,771,300	3.9%	2,771,300	-	2,771,300	0.6%
Goh Chong Theng	24,000	-	24,000	0.0%	24,000	-	24,000	0.0%
Substantial Shareholders (not being Directors)								
YM InvestCo Pte. Ltd.	46,547,000	-	46,547,000	65.1%	46,547,000	-	46,547,000	10.3%
Other Non-Public Shareholders	5,131,725	-	5,131,725	7.2%	540,600	-	540,600	0.1%
Public Shareholders³	14,884,031	-	14,884,031	20.8%	217,887,496	-	217,887,496	48.3%

Notes:

- (1) Based on the Existing Consolidated Share Capital of 71,542,797. The numbers in the table above are based on the assumption that the Proposed Share Consolidation has been completed.
- (2) Based on the Enlarged Consolidated Share Capital of 450,709,457. The numbers in the table above are based on the assumption that the Proposed Share Consolidation has been completed.
- (3) "Public Shareholders" refers to Shareholders other than (a) Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries; and (b) Associates of the persons in sub-paragraph (a) above.

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15. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

15.1 Interests of the Directors and the Substantial Shareholders in the Shares

As at the Latest Practicable Date, the interests of Directors and Substantial Shareholders in Shares, as recorded in the Register of Directors and Substantial Shareholders were as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Directors				
Pang Yoke Min	20,142,444	2.8%	465,470,000	65.1%
Pang Wei Meng	55,000	0.0%	-	-
Lau Boon Hwee	1,624,970	0.2%	-	-
Ng Tiong Gee	25,000	0.0%	-	-
Yong Yin Min	27,713,000	3.9%	-	-
Goh Chong Theng	240,000	0.0%	-	-
Substantial Shareholders (other than Directors)				
YM InvestCo Pte. Ltd.	465,470,000	65.1%	-	-
Mok Weng Vai	46,911,256	6.6%	-	-

Note:

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

15.2 Interests of the Directors and the Substantial Shareholders in the Proposed Disposal, the Proposed Share Consolidation and the Proposed Noteholders Perpetual Securities Issue

Save as disclosed in this Circular and save for their shareholdings in the Company, none of the Directors or any Substantial Shareholders or their respective Associates has any interest, whether direct or indirect, in the Proposed Disposal, the Proposed Share Consolidation and the Proposed Noteholders Perpetual Securities Issue.

15.3 Interests of the Directors and the Substantial Shareholders pursuant to the Proposed Share Issuances and Proposed Warrant Issuances

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. 22,527,400 Shareholder Warrant Shares), and (e) Management Warrants (i.e. 23,033,431 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		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors						
Pang Yoke Min	183,615,238	37.0%	68,424,090	13.8%	252,039,328	50.8%
Pang Wei Meng	108,085	0.0%	-	-	108,085	0.0%
Lau Boon Hwee	324,897	0.1%	-	-	324,897	0.1%
Ng Tiong Gee	5,000	0.0%	-	-	5,000	0.0%

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	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Yong Yin Min	5,542,600	1.1%	-	-	5,542,600	1.1%
Goh Chong Theng	48,000	0.0%	-	-	48,000	0.0%
Substantial Shareholders (other than Directors)						
YM InvestCo Pte. Ltd.	68,424,090	13.8%	-	-	68,424,090	13.8%

Notes:

- (1) The number of Shares in the table above is based on the share capital after the Proposed Share Consolidation.
- (2) Upon completion of the Proposed Resolutions, the public float of the Company will be approximately 48%.

16. SERVICE CONTRACTS IN CONNECTION WITH THE DEBT RESTRUCTURING PLAN

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

17. FINANCIAL EFFECTS OF THE PROPOSED RESOLUTIONS

For illustrative purposes only, the *pro forma* financial effects of the Proposed Resolutions 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 are 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 22,527,400 Shareholder Warrants and 23,033,431 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 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

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- (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.

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17.1 Share Capital

	Before the Completion of the Proposed Resolutions	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	244,055	244,055	244,055
Number of Shares ('000)	725,755	725,755	725,755	4,517,422	451,742	451,742

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17.2 NTA

	Before the Completion of the Proposed Resolutions	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 the 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.

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17.3 EPS/(LPS)

	Before the Completion of the Proposed Resolutions	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

Note:

- (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.

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17.4 Gearing

	Before the Completion of the Proposed Resolutions	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%

Note:

- (1) Debt in relation to the office and shipyard complex that is restructured separately as mentioned in Section 5.1.1(c) above.

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

The *pro forma* NTA effects 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 Resolutions	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 the 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.

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17.6 Dividends

The Company did not declare any dividends for FY2020.

Pursuant to the terms and conditions of the Perpetual Securities, the Company shall not declare or pay any dividends or distributions to Shareholders unless the Perpetual Securities have been fully redeemed.

There is no assurance that the Company will be able to declare dividends in the near future if it is unable to successfully implement its strategies or if there are adverse developments to its business as a result of competitive, regulatory, general economic conditions, demand and other factors specific to its industry, many of which are beyond its control. Any future determination as to the declaration and payment of dividends will be at the discretion of the Company's board of directors and will depend on factors that the Company's board of directors deems relevant, including (among others) the business, financial condition, cash requirements, results of operations, prospects and financing arrangements of the Group.

18. **DIRECTORS' RECOMMENDATIONS**

Having considered, *inter alia*, the terms of, the rationale for and the benefits of the Debt Restructuring Plan as set out in Section 4 of this Circular, the Proposed Disposal as set out in Section 6 of this Circular, the Proposed Noteholders Redemption Shares Issue as set out in Section 8 of this Circular, the Proposed Noteholders Perpetual Securities Issue as set out in Section 8 of this Circular, the Proposed Share Issuance to Lenders as set out in Section 9 of this Circular, the Proposed Share Issuance to Management as set out in Section 10 of this Circular, the Proposed Share Consolidation as set out in Section 11 of this Circular, the Proposed Warrant Issuance to Shareholders as set out in Section 12 of this Circular, and the Proposed Warrant Issuance to Management as set out in Section 13 of this Circular, the Directors are of the opinion that the Debt Restructuring Plan is in the best interests of the Company and the Shareholders generally.

Accordingly, the Directors (save for Mr. Pang Yoke Min and Mr. Pang Wei Meng in respect of **Ordinary Resolution 5**, **Ordinary Resolution 9** and **Ordinary Resolution 10**) recommend that the Shareholders vote in favour of **Ordinary Resolution 1** for the Proposed Disposal, **Ordinary Resolution 2** for the Proposed Noteholders Redemption Shares Issue, **Ordinary Resolution 3** for the Proposed Noteholders Perpetual Securities Issue, **Ordinary Resolution 4** for the Proposed Share Issuance to Lenders, **Ordinary Resolution 5** for the Proposed Share Issuance to Management, **Ordinary Resolution 6** for the Proposed Share Consolidation, **Ordinary Resolution 7** for the Proposed Warrant Issuance to Shareholders, **Ordinary Resolution 8** for the Proposed Warrant Share Issuance to Shareholders, **Ordinary Resolution 9** for the Proposed Warrant Issuance to Management and **Ordinary Resolution 10** for the Proposed Warrant Share Issuance to Management.

19. **ABSTENTION FROM VOTING**

Mr. Pang Yoke Min and Mr. Pang Wei Meng, being Directors interested in the Proposed Share Issuance to Management and the Proposed Warrant Issuance to Management, will, pursuant to Rules 804 and 812(2) of the Listing Manual, abstain from voting with their shareholding, and undertakes to ensure their Associates (including YM InvestCo Pte. Ltd., which holds 65.1% of the Company's Shares as at the Latest Practicable Date, and Mr. Pang Wei Kuan, James, who holds 0.6% of the Company's Shares as at the Latest Practicable Date) will abstain from voting,

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on **Ordinary Resolution 5** relating to the Proposed Share Issuance to Management, **Ordinary Resolution 9** relating to the Proposed Warrant Issuance to Management and **Ordinary Resolution 10** relating to the Proposed Warrant Share Issuance to Management. Further, Mr. Pang Yoke Min and Mr. Pang Wei Meng undertake to decline, and shall ensure that their Associates shall decline, to accept appointment as proxies to vote at and attend at the forthcoming EGM in respect of the said resolutions unless the Shareholder concerned shall have given specific instructions as to the manner in which his votes are to be cast at the EGM.

20. NO REGARD TO SPECIFIC OBJECTIVES

Shareholders, in deciding whether to vote in favour of each of Ordinary Resolution 1 to Ordinary Resolution 10, should read carefully the terms, rationale for and benefits of the Proposed Resolutions. In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank, solicitor, accountant, tax adviser or other professional advisers.

21. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-9 of this Circular, will be held by way of electronic means on 23 February 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of EGM on page N-1 of this Circular.

22. ACTION TO BE TAKEN BY SHAREHOLDERS

22.1 No Physical Attendance at the EGM

The EGM is being convened, and will be held, by way of electronic means pursuant to First Schedule of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company will not be arranging for a physical meeting, and members of the Company will not be able to attend the EGM in person.

Printed copies of the Notice of EGM will NOT be sent to members of the Company. Instead, the Notice of EGM will be made available to members of the Company by electronic means via publication on SGXNET and the Company's corporate website at www.pacificradiance.com.

22.2 Alternative Arrangements

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM as follows:

(a) **Registration to attend the EGM**

Shareholders must pre-register at the pre-registration website at the URL: <https://registration.ryt-poll.com/home/index/prl-egm> from the date of this Circular till **20**

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February 2022 at 10.00 a.m. to enable the Company to verify their status as Shareholders.

Following the verification, authenticated Shareholders will receive an email by **10.00 a.m. on 22 February 2022**. The email will contain login credentials and instructions to access the “live” audio-and-video webcast and “live” audio-only stream of the EGM proceedings. Shareholders who do not receive an email by **10.00 a.m. on 22 February 2022** but have registered by **20 February 2022 at 10.00 a.m.**, should contact the Company’s meeting agent, Complete Corporate Services Pte Ltd, by email at prl-egm@ryt-poll.com, or by phone at +65 6329 2744 / +65 6329 2745 during operating hours from 8.30 a.m. to 5.30 p.m. for assistance.

Members must not forward the abovementioned email instructions to other persons who are not members and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the “live” audio-and-video webcast and “live” audio-only stream.

Investors who hold Shares through relevant intermediaries (as defined in section 181 of the Companies Act) and wish to participate in the EGM must, in addition to pre-registering, approach their respective agents, by **3.00 p.m. on 14 February 2022**, so that the necessary arrangements can be made by the relevant agents for their participation in the EGM.

(b) **Questions relating to the agenda of the EGM**

(1) *Submitting questions in advance of the EGM*

Shareholders may submit questions related to the EGM via the following manners as soon as possible and in any event, not later than **20 February 2022 at 10.00 a.m.**:

- (i) in hard copy by post, to be deposited at the office of the Company’s Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898.;
- (ii) via email to the Company’s meeting agent, Complete Corporate Services Pte Ltd, at prl-egm@ryt-poll.com; or
- (iii) via the pre-registration website at the URL: <https://registration.ryt-poll.com/home/index/prl-egm>.

For verification purposes, when submitting questions via email or post, Shareholders **MUST** provide the Company with their particulars (comprising full name (for individuals) / company name (for corporates), email address, contact number, NRIC / passport number / company registration number, shareholding type and number of shares held).

Investors who hold Shares through relevant intermediaries (as defined in section 181 of the Companies Act) can submit their questions in relation to the Ordinary Resolutions set out in the Notice of EGM. However, they must approach their respective agents by **3.00 p.m. on 14 February 2022**, so that the necessary arrangements can be made by the relevant agents to submit the questions.

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In view of the current COVID-19 measures which may make it difficult for Shareholders to submit their questions by post, Shareholders are strongly encouraged to submit their questions electronically via email.

The Company will endeavour to address the substantial and relevant questions received from Shareholders relating to the agenda of the EGM prior to the EGM by publishing the responses to these questions on SGXNET and the Company's website on or before **22 February 2022**. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the EGM in respect of substantial and relevant matters. The Company will also, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNET and the Company's website, and the minutes will include the responses to the questions referred to above.

(2) *Questions during the EGM*

Shareholders who are pre-registered and verified to attend the EGM will be able to ask questions "live" in relation to the agenda of the EGM by submitting text-based questions via the live webcast. To do so, click on the "Ask Question" feature, and then click on "Type Your Question". Thereafter, select a resolution to enter your text-based question. The Company will endeavour to respond to questions as far as reasonably practicable. Where there are substantially similar questions, the Company will consolidate such questions. Consequently, not all questions may be individually addressed.

(c) **Voting**

(1) *Voting by proxy*

Shareholders (whether individual or corporate) who wish to vote may appoint the Chairman of the EGM as their proxy by downloading, completing, signing and submitting the Proxy Form to the Company in the following manner:-

- (i) in hard copy by post, to be lodged at the office of Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
- (ii) via email to pri-egm@ryt-poll.com,

in either case, by **20 February 2022 at 10.00 a.m.**, being not less than 72 hours before the time for holding the EGM (or any adjournment thereof) and in default the Proxy Form shall not be treated as valid.

In appointing the Chairman of the EGM as proxy, a Shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting in the Proxy Form, failing which the appointment will be treated as invalid.

If the appointor is a corporation, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically by email.

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Investors who hold Shares through relevant intermediaries (as defined in section 181 of the Companies Act) and wish to appoint the Chairman of the EGM as proxy, should approach their respective agents to submit their votes by **3.00 p.m.** on **14 February 2022** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by **10.00 a.m.** on **20 February 2022**.

The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly complete, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (such as in the case the appointor submits more than one instrument of proxy).

(2) *Live voting*

As an alternative to voting by proxy at the EGM, Shareholders (except relevant intermediaries (as defined in section 181 of the Companies Act)) who are pre-registered and verified to attend the EGM may cast their votes in real time for the Ordinary Resolutions to be tabled at the EGM. Unique access details for live voting will be provided to such Shareholders by the Company's meeting agent, Complete Corporate Services Pte Ltd, by email prior to the EGM. The email will contain the user ID, password and URL to access the webcast as well as the toll-free telephone number.

22.3 When Depositor regarded as Shareholder

A Depositor shall not be regarded as a shareholder of the Company and shall not be entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the EGM, as certified by the CDP to the Company.

23. DIRECTORS' RESPONSIBILITY STATEMENT

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

Where information in this Circular 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 Circular in its proper form and context.

24. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Circular up to and including the date of the EGM:-

- (a) the Consensual Sale Agreement;

LETTER TO SHAREHOLDERS

- (b) the MOA Umbrella Agreement;
- (c) the MOAs;
- (d) the Management Umbrella Agreement;
- (e) the Management Agreements;
- (f) the Valuation Certificate;
- (g) the Constitution of the Company; and
- (h) the annual report of the Company for FY2020.

APPENDIX A

PREVIOUS ANNOUNCEMENTS

- (a) Announcement dated 28 February 2018 in connection with, *inter alia*, the Company's voluntary trading suspension;
- (b) Announcement dated 18 May 2018 in connection with, *inter alia*, the proposed terms of the Restructuring and investment and the application for moratorium by CSIO;
- (c) Announcement dated 25 May 2018 in connection with, *inter alia*, the PCPL and CSIO Applications;
- (d) Announcement dated 12 June 2018 in connection with, *inter alia*, the outcome of the PCPL and CSIO Applications;
- (e) Announcement dated 24 July 2018 in connection with, *inter alia*, the PRL Application;
- (f) Announcement dated 1 August 2018 in connection with, *inter alia*, the outcome of the PRL Application;
- (g) Announcement dated 2 August 2018 in connection with, *inter alia*, the commencement of a consent solicitation exercise to seek the approval of the Noteholders to restructure the Notes;
- (h) Announcement dated 24 August 2018 in connection with, *inter alia*, the results of the meeting of the Noteholders;
- (i) Announcement dated 28 August 2018 in connection with, *inter alia*, the extension of the maturity of the Notes from 29 August 2018 to 30 September 2019;
- (j) Announcement dated 25 September 2018 in connection with, *inter alia*, the results of election in connection with the consent solicitation exercise to seek the approval of the Noteholders to restructure the Notes;
- (k) Announcement dated 12 November 2018 in connection with, *inter alia*, the applications for extension of moratoria;
- (l) Announcement dated 30 November 2018 in connection with, *inter alia*, the applications for extension of moratoria;
- (m) Announcement dated 5 December 2018 in connection with, *inter alia*, the outcome for applications for extension of moratoria;
- (n) Announcement dated 15 January 2019 in connection with, *inter alia*, the outcome for applications for extension of moratoria;
- (o) Announcement dated 7 March 2019 in connection with, *inter alia*, the outcome for applications for extension of moratoria;
- (p) Announcement dated 14 March 2019 in connection with, *inter alia*, the outcome for applications for extension of moratoria;
- (q) Announcement dated 16 April 2019 in connection with, *inter alia*, the outcome for applications for extension of moratoria;

APPENDIX A

- (r) Announcement dated 18 April 2019 in connection with, *inter alia*, the outcome for applications for extension of moratoria;
- (s) Announcement dated 2 July 2019 in connection with, *inter alia*, the applications for extension of moratoria;
- (t) Announcement dated 10 July 2019 in connection with, *inter alia*, the outcome for applications for extension of moratoria;
- (u) Announcement dated 26 August 2019 in connection with, *inter alia*, the applications on the extension of moratoria;
- (v) Announcement dated 3 September 2019 in connection with, *inter alia*, the outcome for applications for extension of moratoria;
- (w) Announcement dated 5 September 2019 in connection with, *inter alia*, the commencement of a consent solicitation exercise by the Company to seek the approval of the Noteholders to restructure the Notes;
- (x) Announcement dated 25 September 2019 in connection with, *inter alia*, the applications on the extension of moratoria and leave to convene meetings of creditors;
- (y) Announcement dated 8 October 2019 in connection with, *inter alia*, the outcome for applications on the extension of moratoria and leave to convene meetings of creditors;
- (z) Announcement dated 23 October 2019 in connection with, *inter alia*, the extension of the maturity of the Notes from 30 September 2019 to 31 March 2020;
- (aa) Announcement dated 18 February 2020 in connection with, *inter alia*, the applications on the extension of moratoria;
- (bb) Announcement dated 27 February 2020 in connection with, *inter alia*, the outcome for applications for extension of moratoria;
- (cc) Announcement dated 26 March 2020 in connection with, *inter alia*, updates on the redemption of the Notes, the Restructuring and the convening of an informal meeting with Noteholders;
- (dd) Announcement dated 24 April 2020 in connection with, *inter alia*, updates on the Group's business and the Restructuring;
- (ee) Announcement dated 18 May 2020 in connection with, *inter alia*, the applications on the extension of moratoria;
- (ff) Announcement dated 29 May 2020 in connection with, *inter alia*, the outcome for applications for extension of moratoria;
- (gg) Announcement dated 20 August 2020 in connection with, *inter alia*, the applications on the extension of moratoria;
- (hh) Announcement dated 31 August 2020 in connection with, *inter alia*, the outcome for applications for extension of moratoria;

APPENDIX A

- (ii) Announcement dated 6 November 2020 in connection with, *inter alia*, updates on the Restructuring and the loan acquisition;
- (jj) Announcement dated 17 November 2020 in connection with, *inter alia*, the applications on the extension of moratoria;
- (kk) Announcement dated 30 November 2020 in connection with, *inter alia*, the outcome for applications for extension of moratoria;
- (ll) Announcement dated 17 December 2020 in connection with, *inter alia*, the convening of an informal meeting with Noteholders;
- (mm) Announcement dated 9 February 2021 in connection with, *inter alia*, updates on the Restructuring and the proposed acquisition;
- (nn) Announcement dated 10 February 2021 in connection with, *inter alia*, the commencement of the a consent solicitation exercise to seek the approval of the Noteholders to restructure the Notes;
- (oo) Announcement dated 20 April 2021 in connection with, *inter alia*, the applications on the extension of moratoria;
- (pp) Announcement dated 22 April 2021 in connection with, *inter alia*, the notice of result of the adjourned meeting of Noteholders convened on 21 April 2021;
- (qq) Announcement dated 27 April 2021 in connection with, *inter alia*, the outcome for applications for extension of moratoria;
- (rr) Announcement dated 22 June 2021 in connection with, *inter alia*, the applications on the extension of moratoria;
- (ss) Announcement dated 30 June 2021 in connection with, *inter alia*, the principal terms of the Restructuring;
- (tt) Announcement dated 13 July 2021 in connection with, *inter alia*, the outcome for applications for extension of moratoria;
- (uu) Announcement dated 6 October 2021 in connection with, *inter alia*, the outcome for applications for extension of moratoria;
- (vv) Announcement dated 12 October 2021 in connection with, *inter alia*, the applications made by PCPL and CSIO in relation to the Proposed Schemes of Arrangement;
- (ww) Announcement dated 28 October 2021 in connection with, *inter alia*, the entry into the Consensual Sale Agreement in relation to the Proposed Disposal and the implementation of the Debt Restructuring Plan;
- (xx) Announcement dated 29 October 2021 in connection with, *inter alia*, updates on applications for leave to convene meetings of creditors;
- (yy) Announcement dated 22 December 2021 in connection with, *inter alia*, the applications on the extension of moratoria;

APPENDIX A

- (zz) Announcement dated 18 January 2022 in connection with, *inter alia*, the outcome for applications for extension of moratoria;
- (aaa) Announcement dated 27 January 2022 in connection with, *inter alia*, the entry into the other definitive agreements in relation to the sale of the Sale Vessels; and
- (bbb) Announcement dated 7 February 2021 in connection with, *inter alia*, the receipt of the AIP from the SGX-ST.

APPENDIX B

VALUATION CERTIFICATE

CERTIFICATE OF VALUATION

Date: 31st May 2021

To: Pacific Radiance Limited
15 Pandan Road
Singapore 609263

Pacific Radiance Limited - Fleet Valuation

From our examination of the current entries in the appropriate Reference Books and the information provided, it appears that the 33 vessel fleet consists of a reasonably modern mix of OSV's, DSV's, Work Boats, Accommodation Work Barges and Tugs.

We should make it clear that we have not made a physical inspection of the vessels, nor have we inspected the vessel's classification records, but we have assumed for the purposes of this valuation that the vessel is in good and seaworthy condition.

After careful consideration, we are of the opinion that the charter-free orderly sale value of the fleet, within an approximate 3 month period, as at 31st May 2021 between willing Buyer and willing Seller basis delivery in an acceptable area, free of encumbrances, maritime liens and any other debts whatsoever is: -

U.S. \$ 105,600,000

(Say: United States Dollars One Hundred and Five Million Six Hundred Thousand)

The figure mentioned above relates solely to our opinion of the orderly sale value of the vessels as at 31st May 2021 and should not be taken to apply at any other date. The Vessels have been valued individually. If two or more ships were to have been placed on the market at the same time, no assurance may be given that the amount realisable would have been equal to the total of the individual values. In addition no assurance can be given that the valuation will be sustained or is reliable in an actual transaction.

We believe that the above valuation and particulars are reasonably accurate, but all statements made above are statements of opinion and are not to be taken as representations of fact. This valuation is for general information and has not been produced for any specific purpose. No assurance is given as to the suitability of the valuation for use in relation any specific project or transaction. Any party contemplating entering a transaction should satisfy themselves by inspection of the vessel or otherwise as to the correctness of the statements and assumptions which the valuation contains.

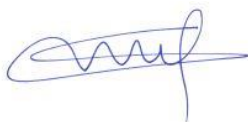
This valuation may be reproduced in whole (and not in part) in the following documents in connection with the intended collective sale of the listed vessels of the group of companies of Pacific Radiance Limited ("**PRL Group**") to an investor and the debt restructuring of the PRL Group ("**Group Restructuring**"):

1. the shareholder circular to be issued to shareholders of Pacific Radiance Limited to approve the Group Restructuring;
2. the restructuring agreements/documents to be entered into with the bank lenders of the PRL Group and the investor;
3. the explanatory statement(s) to the schemes of arrangement to be proposed by the PRL Group to its creditors; and
4. the court documents (including affidavits) filed with the courts of the Republic of Singapore.

The Valuations may not otherwise be published, reproduced, provided to any third party, or used in any other way without our prior written consent. No responsibility can be accepted for use by any third party and you will indemnify Braemar ACM Valuations Limited and all associated companies for any loss or damage including all legal expenses arising out of any allegation of reliance on this valuation by such third party.

It must be appreciated that ship values can be very volatile, unstable and irregular. Information on comparable transactions and market demand can also be very limited. The worldwide Covid-19 outbreak has introduced further uncertainty. These circumstances should be considered by anyone contemplating entering a transaction.

For and on behalf of
BRAEMAR ACM VALUATIONS LIMITED



Authorised Signatory



Authorised Signatory

CERTIFICATE OF VALUATION

Pacific Radiance Limited - Fleet													
No.	Vessel Name	Vessel Type	Year Built	Age	LOA	DWT	BHP	BP	Deck	DP	Crane	POB	Shipyard
1	Crest Spartan 3	AHT	2010	11	42	-	4,400	57	-	-	-	18	Nantong Tongshun
2	Crest Spartan 8	AHT	2010	11	42	-	4,396	55	-	-	-	18	Nantong Tongshun
3	Crest Apache	AHT	2013	8	46	-	5,150	65	-	-	-	22	CCCC Bomesc Marine
4	Crest Mercury One	AHTS	2014	7	65	-	6,000	78	435	DP2	-	50	Wuhu Shipyard
5	Crest Mercury Two	AHTS	2014	7	65	-	6,000	78	435	DP2	-	50	Wuhu Shipyard
6	Crest Mercury 3	AHTS	2014	7	65	1,650	5,960	91	435	DP2	-	50	Wuhu Shipyard
7	Crest Mercury 5	AHTS	2014	7	65	-	6,032	84	435	DP2	-	50	Wuhu Shipyard
8	Crest Amethyst	AHTS	2012	9	60	-	5,150	60	390	DP1	-	40	Nam Cheong Dockyard
9	Crest Apollo	PSV	2014	7	86	5,209	5,900	-	1,000	DP2	-	90	Huangpu Wenchong
10	Crest Victoria	PSV	2014	7	86	5,209	5,940	-	1,000	DP2	-	90	Huangpu Wenchong
11	Crest Argus 1	PSV	2014	7	78	4,000	6,000	-	800	DP2	-	60	Xiamen Shipbuilding
12	Crest Argus 2	PSV	2014	7	78	4,000	6,000	-	800	DP2	-	60	Xiamen Shipbuilding
13	Crest Argus 3	PSV	2014	7	78	4,132	5,994	-	800	DP2	-	60	Huangpu Wenchong
14	Crest Argus 5	PSV	2014	7	78	4,000	6,000	-	800	DP2	-	60	Huangpu Wenchong
15	Crest Aries 1	PSV	2013	8	75	3,707	10,184	-	700	DP2	-	52	Mawei SB (Mawei)
16	Crest Alpha 1	PSV	2013	8	75	3,000	6,000	-	650	DP2	-	50	Fujian Southeast SB
17	Crest Odyssey 2	DSV	2010	11	82	-	5,150	-	545	DP2	100T	128	Wison (Nantong)
18	Crest Hydra	DSV	2014	7	70	-	8,645	-	607	DP2	30T	60	Wuhu Shipyard
19	Crest Athena 1	MWB	2014	7	78	3,535	7,182	-	832	DP2	64T	204	Jiangsu Zhenjiang SY
20	Crest Athena 2	MWB	2014	7	78	3,535	7,182	-	832	DP2	64T	204	Jiangsu Zhenjiang SY
21	Crest Nautilus 1	MWB	2010	11	75	2,608	4,291	-	650	DP1	40T	120	Jiangsu Zhenjiang SY
22	Crest Nautilus 2	MWB	2010	11	75	2,553	4,291	-	650	DP1	40T	120	Jiangsu Zhenjiang SY
23	Crest Centurion 2	MWB	2016	5	85	4,129	6,950	-	900	DP2	100T	239	Jiangsu Zhenjiang SY
24	Crest Provider	AWB	2011	10	91	-	-	-	1,200	-	40T 70T	200	Nantong China
25	Crest Support 5	AWB	2008	13	85	-	-	-	715	-	50T	200	Batam Indonesia
26	Crest Radiant 1	MPSV	2008	13	53	1,000	3,200	44	220	-	-	-	Jiangmen Yinxing
27	Crest Radiant 3	MPSV	2008	13	53	1,000	3,200	48	270	-	-	-	Guangdong Jiangmen
28	Crest Voyager	Utility Vessel	2006	15	36	186	2,028	30	116	-	-	-	Panyu Lingshan S.Y.
29	Crest Station 5	AWB	2015	6	119	-	-	-	1450	-	300T	450	JL Marine (Singapore)
30	Crest Imperial	AHTS	2012	9	75	-	8,200	110	500	DP2	-	40	Guangzhou Hangtong
31	Crest Tarasco (Centurion 1)	MWB	2016	5	85	3,800	6,900	-	800	DP2	100T	239	Jiangsu Zhenjiang SY
32	Crest Onyx	AHTS	2013	8	60	-	5,150	68	350	DP1	-	42	Fujian Southeast SB
33	Crest Odyssey 1	DSV	2010	11	82	-	5,150	N/A	800	DP2	100T	132	Wison (Nantong)

APPENDIX C

INFORMATION ON THE SALE VESSELS

No.	Name of vessel	Entity which owns the vessel	Net Book Value as at 31 December 2020 (US\$)
1.	Crest Spartan 3	Pacific Crest Pte Ltd	1,367,000
2.	Crest Spartan 8	Pacific Crest Pte Ltd	1,367,000
3.	Crest Apache	Pacific Crest Pte Ltd	2,685,000
4.	Crest Mercury One	Continental Radiance Offshore Pvt. Ltd.	4,882,000
5.	Crest Mercury Two	Continental Radiance Offshore Pvt. Ltd.	4,882,000
6.	Crest Mercury 3	Pacific Offshore Marine Pte Ltd	4,907,000
7.	Crest Mercury 5	Pacific Offshore Marine Pte Ltd	4,882,000
8.	Crest Amethyst	Pacific Crest Pte Ltd	1,953,000
9.	Crest Apollo	Pacific Crest Pte Ltd	11,064,000
10.	Crest Victoria	Pacific Offshore Pte Ltd	10,975,000
11.	Crest Argus 1	Pacific Crest Pte Ltd	4,394,000
12.	Crest Argus 2	Pacific Crest Pte Ltd	4,470,000
13.	Crest Argus 3	Pacific Crest Pte Ltd	4,394,000
14.	Crest Argus 5	Pacific Crest Pte Ltd	4,394,000
15.	Crest Aries 1	Pacific Crest Pte Ltd	3,906,000
16.	Crest Alpha 1	Pacific Crest Pte Ltd	3,906,000
17.	Crest Odyssey 2	CSI Offshore Pte Ltd	24,167,000
18.	Crest Hydra	CSI Offshore Pte Ltd	9,225,000
19.	Crest Athena 1	Pacific Crest Pte Ltd	10,741,000
20.	Crest Athena 2	Pacific Crest Pte Ltd	10,741,000
21.	Crest Nautilus 1	Pacific Crest Pte Ltd	3,733,000
22.	Crest Nautilus 2	Pacific Crest Pte Ltd	3,818,000
23.	Crest Centurion 2	Pacific Crest Pte Ltd	14,647,000
24.	Crest Provider	Pacific Crest Pte Ltd	4,220,000
25.	Crest Support 5	Pacific Crest Pte Ltd	2,931,000
26.	Crest Radiant 1	Pacific Crest Pte Ltd	1,180,000
27.	Crest Radiant 3	Pacific Crest Pte Ltd	803,000
28.	Crest Voyager	Pacific Crest Pte Ltd	362,000
29.	Crest Imperial	Duta Marine Alliances Sdn Bhd	3,465,000
30.	Crest Station 5	Duta Marine Ventures Sdn Bhd	13,860,000
31.	Crest Onyx	PT Jawa Tirtamarin	3,112,000
32.	Crest Odyssey 1	PT Jawa Tirtamarin	35,771,000
33.	Crest Tarasco	Radiance Alliance Pte Ltd	14,850,000

ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE SHAREHOLDER WARRANTS

Condition 5 of the terms and conditions of the Shareholder Warrants, as set out in the Shareholder Warrants Deed Poll, provides for the circumstances in which the Shareholder Warrants Exercise Price and the number of Shareholder Warrants held by the holders of the Shareholder Warrants may be adjusted and the adjustment formulae applicable to each of the circumstances.

Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the Circular.

“5. Adjustments of Exercise Price and Number of Warrants

5.1 The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted by the Directors in consultation with an Approved Bank (if applicable). The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted as provided in these Conditions and the Deed Poll in all or any of the following cases:-

- (a) any consolidation or subdivision of the Shares;
- (b) an issue by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature) to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in *lieu* of cash or other dividend);
- (c) a Capital Distribution (as defined in Condition 5.2(c) below) made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
- (d) an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights; or
- (e) an issue (otherwise than pursuant to an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights, requiring an adjustment under Condition 5.2(d), and other than an issue of Shares to Shareholders who elect to receive Shares in *lieu* of cash or other dividend) by the Company of Shares, if the Total Effective Consideration (as defined in Condition 5.2(e) below) for each Share is less than ninety per cent. (90%) of the Last Dealt Price for each Share (calculated as provided below).

5.2 Subject to these Conditions and the Deed Poll, the Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two (2) or more of Conditions 5.1(a) to 5.1(e) or if such event is capable of giving rise to more than one (1) adjustment, the adjustment shall be made in such manner as an Approved Bank (if applicable) shall determine):-

- (a) If, and whenever, consolidation or subdivision of the Shares occurs, the Exercise Price shall be adjusted in the following manner:-

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$$\text{New Exercise Price} = \frac{A}{B} \times X$$

and the number of Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{B}{A} \times W$$

where:-

A = the aggregate number of issued and fully paid-up Shares immediately before such consolidation or subdivision;

B = the aggregate number of issued and fully paid-up Shares immediately after such consolidation or subdivision;

X = existing Exercise Price; and

W = existing number of Warrants held.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision becomes effective.

- (b) If, and whenever, the Company shall make any issue of Shares to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature), the Exercise Price and the number of Warrants shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{A}{A + B} \times X$$

$$\text{Adjusted number of Warrants} = \frac{A + B}{A} \times W$$

where:-

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to Shareholders (other than an allotment of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature);

X = as in X above; and

W = as in W above.

APPENDIX D

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue.

For the purpose of this Condition 5, “**record date**” in relation to the relevant transaction means the date as at the close of business (or such other time as may be notified by the Company) on which Shareholders must be registered as such to participate therein.

(c) If, and whenever:-

- (i) the Company shall make a Capital Distribution (as defined below) to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (ii) the Company shall make any offer or invitation to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights,

then the Exercise Price shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{C - D}{C} \times X$$

and in respect of each case referred to in Condition 5.2(c)(ii) above, the number of Warrants held by each Warrantholder shall be adjusted in the following manner:-

$$\text{Adjusted number of Warrants} = \frac{C}{C - D} \times W$$

where:-

C = the Last Dealt Price on the Market Day immediately preceding the date on which the Capital Distribution, or any offer or invitation referred to in Condition 5.2(c)(ii) above, is publicly announced to the SGX-ST or (failing any such announcement) immediately preceding the date of the Capital Distribution or as the case may be, of the offer or invitation;

D = (i) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under Condition 5.2(c)(ii) above, the value of the rights attributable to one (1) Share (as defined below); or (ii) in the case of any other transaction falling within Condition 5.2(c) above, the fair market value, as determined by an Approved Bank (if applicable), of that portion of the Capital Distribution or of the nil-paid rights attributable to one (1) Share;

X = as in X above; and

W = as in W above.

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For the purposes of definition (i) of “D” above, the “**value of the rights attributable to one (1) Share**” shall be calculated in accordance with the formula:-

$$\frac{C - Z}{Q + 1}$$

where:-

C = as in C above;

Z = the subscription price for one (1) additional Share under the offer or invitation to acquire or subscribe for Shares;

Q = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share by way of rights; and

1 = one.

For the purposes of these Conditions, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under Condition 5.2(b)) or other securities (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully or partly paid-up by way of capitalisation of profits or reserves. Any distribution out of profits or reserves shall not be deemed to be a Capital Distribution unless the profits or reserves are attributable to profits or gains arising from the sale of assets owned by the Company or any of its subsidiaries on or before the date of such distribution and any cancellation of capital which is lost or unrepresented by available assets shall not be deemed to be a Capital Distribution.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue pursuant to Condition 5.2(c)(i).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for the above transactions for such issue pursuant to Condition 5.2(c)(ii).

For the purposes of this Condition 5.2, “**closing date**” shall mean the date by which acceptance of and payment for the Shares is to be made under the terms of such offer or invitation.

- (d) If, and whenever, the Company makes any allotment to its Shareholders as provided in Condition 5.2(b) and also makes any offer or invitation to its Shareholders as provided in Condition 5.2(c)(ii) and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Exercise Price and the number of Warrants held by each Warrantholder shall be adjusted in the following manner:-

APPENDIX D

$$\begin{aligned} \text{New Exercise Price} &= \frac{(I \times C) + (J \times Z)}{(I + J + B) \times C} \times X \\ \text{Adjusted number of Warrants} &= \frac{(I + J + B) \times C}{(I \times C) + (J \times Z)} \times W \end{aligned}$$

where:-

- I = the aggregate number of issued and fully paid-up Shares on the record date;
- C = as in C above;
- J = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;
- Z = as in Z above;
- B = as in B above;
- X = as in X above; and
- W = as in W above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for such offer or invitation.

- (e) If, and whenever (otherwise than pursuant to a rights issue available to all Shareholders alike and requiring an adjustment under Conditions 5.2(c)(ii) or 5.2(d) and other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend), the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than 90% of the Last Dealt Price on the SGX-ST on five (5) Market Days before the date on which the issue price of such Shares is determined, or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the immediately preceding Market Day, the Exercise Price shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{K + L}{K + M} \times X$$

where:-

- K = the number of Shares in issue at the close of business on the SGX-ST on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- L = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at such Last Dealt Price for the five (5) Market Days before the date on which the issue price of such Shares is determined (exclusive of expenses);

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M = the aggregate number of Shares so issued; and

X = as in X above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the SGX-ST on the Market Day immediately preceding the date on which the issue is announced, or (failing any such announcement) immediately preceding the date on which the Company determines the offering price of such Shares.

For the purposes of Conditions 5.1(e) and 5.2(e), the “**Total Effective Consideration**” shall be the aggregate consideration receivable by the Company on payment in full for such Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration for each Share**” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

In the event any adjustment to the Exercise Price and/or the number of Warrants held by each Warrantholder is proposed or required to be made pursuant to these Conditions, the relevant party or parties, in exercising or making any discretion, consideration or determination (if applicable) shall, subject to any changes to, supplements, modifications and/or amendments of the accounting standards applicable to the Company from time to time, take into account or have reference to the general principle and intent, which is based on accounting standards applicable to the Company as at the date of the Deed Poll, that such adjustment shall, to the extent possible or permitted, be made in such manner such that the per share value of such adjustment cannot exceed the per share value of the dilution to the Warrantholder's interest in the equity of the Company (based on the New Shares comprised in the unexercised Warrants held by such Warrantholder) which would otherwise result from the relevant transaction or event (as contemplated under the relevant Condition) giving rise to such adjustment.

5.3 Notwithstanding any of the provisions hereinbefore contained, no adjustment to the Exercise Price and the number of Warrants will be required in respect of:-

- (a) an issue by the Company of Shares or other securities convertible into rights to acquire or subscribe for Shares to officers, including Directors, or employees of the Company or any of its subsidiaries pursuant to any purchase or option scheme or performance share plan approved by the Shareholders in general meeting;
- (b) an issue by the Company of Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business;
- (c) any issue by the Company of Shares pursuant to the exercise of any of the Warrants;
or
- (d) any issue by the Company of securities convertible into Shares or rights to acquire or subscribe for Shares and the issue of Shares arising from the conversion or exercise of such securities or rights.

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- 5.4 Any adjustment to the Exercise Price will be rounded upwards to the nearest half cent (S\$0.005) and in no event shall any adjustment (otherwise than upon the consolidation of Shares) involve an increase in the Exercise Price. No adjustments to the Exercise Price shall be made unless it is in accordance with Condition 5.2. No adjustment will be made to the Exercise Price in any case in which the amount by which the same would be reduced would be less than one half of one cent or the amount by which the Exercise Price is adjusted is equal to or less than five per cent (5%) of the prevailing Exercise Price but any adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.
- 5.5 Any adjustment to the number of Warrants held by each Warrantholder will be rounded downwards to the nearest whole Warrant. No adjustment to the number of Warrants held by each Warrantholder shall be made unless (i) it is in accordance with the formulae stated in Condition 5.2; and (ii) approval in-principle has been granted by the SGX-ST for the listing of and quotation for such additional Warrants as may be issued as a result of such adjustment and such additional Shares as may be issued on the exercise of any of such Warrants. If for any reason an event giving rise to an adjustment (the "**First Adjustment**") made to the Exercise Price or the number of Warrants held by each Warrantholder pursuant to these Conditions is cancelled, revoked or not completed, the Exercise Price or the number of Warrants held by each Warrantholder shall be readjusted to the amount prevailing immediately prior to the First Adjustment with effect from such date and in such manner as an Approved Bank (if applicable) may consider appropriate.
- 5.6 Whenever there is an adjustment as herein provided, the Company shall give notice to Warrantholders in accordance with Condition 12 that the Exercise Price and/or the number of Warrants held by each Warrantholder has/have been adjusted and setting forth the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall, at all times thereafter so long as any of the Warrants remains exercisable make available for inspection at its registered office for the time being, a copy of the certificate signed by a Director setting forth brief particulars of the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall, on request and at the expense of the Warrantholder, send a copy thereof to any Warrantholder. Whenever there is an adjustment to the number of Warrants, the Company will, as soon as practicable but not later than five (5) Market Days after the effective date of such adjustment, despatch by ordinary post Warrant Certificate(s) for the additional number of Warrants issued to each Warrantholder, at the risk and expense of that Warrantholder, at his address appearing in the Register or, in respect of Warrants registered in the name of CDP, to CDP provided that if additional Warrants are issued to each Warrantholder as a result of an adjustment which is cancelled, revoked or not completed and the number of Warrants held by each Warrantholder is readjusted pursuant to Condition 5.5, such additional Warrants shall be deemed to be cancelled with effect from such date and in such manner as an Approved Bank (if applicable) may consider appropriate.
- Pursuant to Rule 830 of the Listing Manual of the SGX-ST, any adjustment to the Exercise Price and/or the number of Warrants in accordance with the provisions of this Condition 5 will also be announced by the Company through SGXNET.
- 5.7 If the Directors and the Approved Bank (if applicable) are unable to agree upon any adjustment required under these provisions, the Directors shall refer the adjustment to the decision of another Approved Bank acting as expert and not arbitrator and whose decision as to such adjustment shall be final and conclusive.

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- 5.8 If the Company shall in any way modify the rights attached to any share or loan capital so as to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire or subscribe for, Shares, the Company may appoint an Approved Bank to consider whether any adjustment is appropriate and if such Approved Bank (if applicable) and the Directors shall determine that any adjustment is appropriate, the Exercise Price and/or the number of Warrants shall be adjusted accordingly.
- 5.9 Any new Warrants which may be issued by the Company under this Condition 5 shall be part of the series of Warrants constituted by the Deed Poll, and shall be issued subject to and with the benefit of the Deed Poll and on such terms and conditions as the Directors may from time to time think fit, including but not limited to the terms and conditions as set out herein for the Warrants.
- 5.10 In giving any certificate or making any adjustment hereunder, the Approved Bank (if applicable) shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decision shall be conclusive and binding on the Company, the Warrantheolders and all persons having an interest in the Warrants.
- 5.11 Notwithstanding anything herein contained, any adjustment to the Exercise Price and/or the number of Warrants other than in accordance with the provisions of this Condition 5, shall be subject to the approval of the SGX-ST and agreed to by the Company and the Approved Bank (if applicable).
- 5.12 Nothing shall prevent or restrict the buy-back of any class of shares in the Company pursuant to applicable law and the requirements of the SGX-ST. No approval or consent of the Warrantheolders shall be required for such share buy-back. There shall be no adjustments to the Exercise Price and number of Warrants by reason of such share buy-back.”

For the purposes of **Condition 5** above, the following definitions shall apply:

“**Approved Bank**” means any bank or merchant bank in Singapore of international repute and selected by the Directors.

“**Conditions**” means the terms and conditions enfacend and/or endorsed on the Warrant Certificates as the same may from time to time be modified in accordance with the provisions set out herein and therein and any reference in this Deed Poll to a particular Condition shall be construed accordingly.

“**Deed Poll**” means the Shareholder Warrants Deed Poll.

“**Exercise Price**” means, in respect of each Warrant, S\$0.03 for each New Share, subject to adjustment in accordance with Condition 5.

“**Last Dealt Price**” means, in relation to a Share on a relevant Market Day, the last dealt price per Share for one (1) or more board lots of Shares on that Market Day on which there is trading of the Shares on the SGX-ST.

“**New Shares**” means new Shares to be issued by the Company, credited as fully paid, upon the exercise of the Warrants, including, where the context so admits, such new Shares arising from the exercise of any additional Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Warrants.

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"Warrant Certificates" means the certificates (in registered form) to be issued in respect of the Warrants in or substantially in the form set out in Schedule 1 of the Deed Poll, as from time to time modified in accordance with the provisions set out herein.

"Warrantholders" means the registered holders of the Warrants, except that where the registered holder is CDP, the term "Warrantholders" shall, in relation to such Warrants registered in the name of CDP and where the context admits, include the persons named as Depositors in the Depository Register maintained by the CDP whose Securities Accounts are credited with those Warrants, provided that for the purposes of Schedule 2 of the Deed Poll relating to meetings of Warrantholders, such Warrantholders shall mean those persons named as Depositors in the Depository Register maintained by CDP having Warrants credited to their Securities Accounts as shown in the records of CDP as at a time not earlier than 72 hours prior to the time of a meeting of Warrantholders supplied by CDP to the Company. The word "holder" or "holders" in relation to Warrants shall (where appropriate) be construed accordingly.

"Warrants" means up to 22,527,400 warrants in registered form to be issued by the Company to the Entitled Shareholders.

**ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE MANAGEMENT
WARRANTS**

Condition 5 of the terms and conditions of the Shareholder Warrants, as set out in the Shareholder Warrants Deed Poll, provides for the circumstances in which the Shareholder Warrants Exercise Price and the number of Shareholder Warrants held by the holders of the Shareholder Warrants may be adjusted and the adjustment formulae applicable to each of the circumstances.

Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the Circular.

“5. Adjustments of Exercise Price and Number of Warrants

5.1 The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted by the Directors in consultation with an Approved Bank (if applicable). The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted as provided in these Conditions and the Deed Poll in all or any of the following cases:-

- (a) any consolidation or subdivision of the Shares;
- (b) an issue by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature) to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in *lieu* of cash or other dividend);
- (c) a Capital Distribution (as defined in Condition 5.2(c) below) made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
- (d) an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights; or
- (e) an issue (otherwise than pursuant to an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights, requiring an adjustment under Condition 5.2(d), and other than an issue of Shares to Shareholders who elect to receive Shares in *lieu* of cash or other dividend) by the Company of Shares, if the Total Effective Consideration (as defined in Condition 5.2(e) below) for each Share is less than ninety per cent. (90%) of the Last Dealt Price for each Share (calculated as provided below).

5.2 Subject to these Conditions and the Deed Poll, the Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two (2) or more of Conditions 5.1(a) to 5.1(e) or if such event is capable of giving rise to more than one (1) adjustment, the adjustment shall be made in such manner as an Approved Bank (if applicable) shall determine):-

- (a) If, and whenever, consolidation or subdivision of the Shares occurs, the Exercise Price shall be adjusted in the following manner:-

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$$\text{New Exercise Price} = \frac{A}{B} \times X$$

and the number of Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{B}{A} \times W$$

where:-

A = the aggregate number of issued and fully paid-up Shares immediately before such consolidation or subdivision;

B = the aggregate number of issued and fully paid-up Shares immediately after such consolidation or subdivision;

X = existing Exercise Price; and

W = existing number of Warrants held.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision becomes effective.

- (b) If, and whenever, the Company shall make any issue of Shares to its Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature), the Exercise Price and the number of Warrants shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{A}{A + B} \times X$$

$$\text{Adjusted number of Warrants} = \frac{A + B}{A} \times W$$

where:-

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to Shareholders (other than an allotment of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature);

X = as in X above; and

W = as in W above.

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Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue.

For the purpose of this Condition 5, “**record date**” in relation to the relevant transaction means the date as at the close of business (or such other time as may be notified by the Company) on which Shareholders must be registered as such to participate therein.

(c) If, and whenever:-

- (i) the Company shall make a Capital Distribution (as defined below) to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (ii) the Company shall make any offer or invitation to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights,

then the Exercise Price shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{C - D}{C} \times X$$

and in respect of each case referred to in Condition 5.2(c)(ii) above, the number of Warrants held by each Warrantholder shall be adjusted in the following manner:-

$$\text{Adjusted number of Warrants} = \frac{C}{C - D} \times W$$

where:-

C = the Last Dealt Price on the Market Day immediately preceding the date on which the Capital Distribution, or any offer or invitation referred to in Condition 5.2(c)(ii) above, is publicly announced to the SGX-ST or (failing any such announcement) immediately preceding the date of the Capital Distribution or as the case may be, of the offer or invitation;

D = (i) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under Condition 5.2(c)(ii) above, the value of the rights attributable to one (1) Share (as defined below); or (ii) in the case of any other transaction falling within Condition 5.2(c) above, the fair market value, as determined by an Approved Bank (if applicable), of that portion of the Capital Distribution or of the nil-paid rights attributable to one (1) Share;

X = as in X above; and

W = as in W above.

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For the purposes of definition (i) of “D” above, the “**value of the rights attributable to one (1) Share**” shall be calculated in accordance with the formula:-

$$\frac{C - Z}{Q + 1}$$

where:-

C = as in C above;

Z = the subscription price for one (1) additional Share under the offer or invitation to acquire or subscribe for Shares;

Q = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share by way of rights; and

1 = one.

For the purposes of these Conditions, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under Condition 5.2(b)) or other securities (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) credited as fully or partly paid-up by way of capitalisation of profits or reserves. Any distribution out of profits or reserves shall not be deemed to be a Capital Distribution unless the profits or reserves are attributable to profits or gains arising from the sale of assets owned by the Company or any of its subsidiaries on or before the date of such distribution and any cancellation of capital which is lost or unrepresented by available assets shall not be deemed to be a Capital Distribution.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue pursuant to Condition 5.2(c)(i).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for the above transactions for such issue pursuant to Condition 5.2(c)(ii).

For the purposes of this Condition 5.2, “**closing date**” shall mean the date by which acceptance of and payment for the Shares is to be made under the terms of such offer or invitation.

- (d) If, and whenever, the Company makes any allotment to its Shareholders as provided in Condition 5.2(b) and also makes any offer or invitation to its Shareholders as provided in Condition 5.2(c)(ii) and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Exercise Price and the number of Warrants held by each Warrantholder shall be adjusted in the following manner:-

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$$\text{New Exercise Price} = \frac{(I \times C) + (J \times Z)}{(I + J + B) \times C} \times X$$

$$\text{Adjusted number of Warrants} = \frac{(I + J + B) \times C}{(I \times C) + (J \times Z)} \times W$$

where:-

I = the aggregate number of issued and fully paid-up Shares on the record date;

C = as in C above;

J = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;

Z = as in Z above;

B = as in B above;

X = as in X above; and

W = as in W above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for such offer or invitation.

- (e) If, and whenever (otherwise than pursuant to a rights issue available to all Shareholders alike and requiring an adjustment under Conditions 5.2(c)(ii) or 5.2(d) and other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend), the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than 90% of the Last Dealt Price on the SGX-ST on five (5) Market Days before the date on which the issue price of such Shares is determined, or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the immediately preceding Market Day, the Exercise Price shall be adjusted in the following manner:-

$$\text{New Exercise Price} = \frac{K + L}{K + M} \times X$$

where:-

K = the number of Shares in issue at the close of business on the SGX-ST on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

L = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at such Last Dealt Price for the five (5) Market Days before the date on which the issue price of such Shares is determined (exclusive of expenses);

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M = the aggregate number of Shares so issued; and

X = as in X above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the SGX-ST on the Market Day immediately preceding the date on which the issue is announced, or (failing any such announcement) immediately preceding the date on which the Company determines the offering price of such Shares.

For the purposes of Conditions 5.1(e) and 5.2(e), the “**Total Effective Consideration**” shall be the aggregate consideration receivable by the Company on payment in full for such Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration for each Share**” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

In the event any adjustment to the Exercise Price and/or the number of Warrants held by each Warrantholder is proposed or required to be made pursuant to these Conditions, the relevant party or parties, in exercising or making any discretion, consideration or determination (if applicable) shall, subject to any changes to, supplements, modifications and/or amendments of the accounting standards applicable to the Company from time to time, take into account or have reference to the general principle and intent, which is based on accounting standards applicable to the Company as at the date of the Deed Poll, that such adjustment shall, to the extent possible or permitted, be made in such manner such that the per share value of such adjustment cannot exceed the per share value of the dilution to the Warrantholder's interest in the equity of the Company (based on the New Shares comprised in the unexercised Warrants held by such Warrantholder) which would otherwise result from the relevant transaction or event (as contemplated under the relevant Condition) giving rise to such adjustment.

5.3 Notwithstanding any of the provisions hereinbefore contained, no adjustment to the Exercise Price and the number of Warrants will be required in respect of:-

- (a) an issue by the Company of Shares or other securities convertible into rights to acquire or subscribe for Shares to officers, including Directors, or employees of the Company or any of its subsidiaries pursuant to any purchase or option scheme or performance share plan approved by the Shareholders in general meeting;
- (b) an issue by the Company of Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business;
- (c) any issue by the Company of Shares pursuant to the exercise of any of the Warrants;
or
- (d) any issue by the Company of securities convertible into Shares or rights to acquire or subscribe for Shares and the issue of Shares arising from the conversion or exercise of such securities or rights.

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- 5.4 Any adjustment to the Exercise Price will be rounded upwards to the nearest half cent (S\$0.005) and in no event shall any adjustment (otherwise than upon the consolidation of Shares) involve an increase in the Exercise Price. No adjustments to the Exercise Price shall be made unless it is in accordance with Condition 5.2. No adjustment will be made to the Exercise Price in any case in which the amount by which the same would be reduced would be less than one half of one cent or the amount by which the Exercise Price is adjusted is equal to or less than five per cent (5%) of the prevailing Exercise Price but any adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.
- 5.5 Any adjustment to the number of Warrants held by each Warrantholder will be rounded downwards to the nearest whole Warrant. No adjustment to the number of Warrants held by each Warrantholder shall be made unless (i) it is in accordance with the formulae stated in Condition 5.2; and (ii) approval in-principle has been granted by the SGX-ST for the listing of and quotation for such additional Shares as may be issued on the exercise of any of such Warrants. If for any reason an event giving rise to an adjustment (the "**First Adjustment**") made to the Exercise Price or the number of Warrants held by each Warrantholder pursuant to these Conditions is cancelled, revoked or not completed, the Exercise Price or the number of Warrants held by each Warrantholder shall be readjusted to the amount prevailing immediately prior to the First Adjustment with effect from such date and in such manner as an Approved Bank (if applicable) may consider appropriate.
- 5.6 Whenever there is an adjustment as herein provided, the Company shall give notice to Warrantholders in accordance with Condition 12 that the Exercise Price and/or the number of Warrants held by each Warrantholder has/have been adjusted and setting forth the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall, at all times thereafter so long as any of the Warrants remains exercisable make available for inspection at its registered office for the time being, a copy of the certificate signed by a Director setting forth brief particulars of the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall, on request and at the expense of the Warrantholder, send a copy thereof to any Warrantholder. Whenever there is an adjustment to the number of Warrants, the Company will, as soon as practicable but not later than five (5) Market Days after the effective date of such adjustment, despatch by ordinary post Warrant Certificate(s) for the additional number of Warrants issued to each Warrantholder, at the risk and expense of that Warrantholder, at his address appearing in the Register or, in respect of Warrants registered in the name of CDP, to CDP provided that if additional Warrants are issued to each Warrantholder as a result of an adjustment which is cancelled, revoked or not completed and the number of Warrants held by each Warrantholder is readjusted pursuant to Condition 5.5, such additional Warrants shall be deemed to be cancelled with effect from such date and in such manner as an Approved Bank (if applicable) may consider appropriate.
- Pursuant to Rule 830 of the Listing Manual of the SGX-ST, any adjustment to the Exercise Price and/or the number of Warrants in accordance with the provisions of this Condition 5 will also be announced by the Company through SGXNET.
- 5.7 If the Directors and the Approved Bank (if applicable) are unable to agree upon any adjustment required under these provisions, the Directors shall refer the adjustment to the decision of another Approved Bank acting as expert and not arbitrator and whose decision as to such adjustment shall be final and conclusive.

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- 5.8 If the Company shall in any way modify the rights attached to any share or loan capital so as to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire or subscribe for, Shares, the Company may appoint an Approved Bank to consider whether any adjustment is appropriate and if such Approved Bank (if applicable) and the Directors shall determine that any adjustment is appropriate, the Exercise Price and/or the number of Warrants shall be adjusted accordingly.
- 5.9 Any new Warrants which may be issued by the Company under this Condition 5 shall be part of the series of Warrants constituted by the Deed Poll, and shall be issued subject to and with the benefit of the Deed Poll and on such terms and conditions as the Directors may from time to time think fit, including but not limited to the terms and conditions as set out herein for the Warrants.
- 5.10 In giving any certificate or making any adjustment hereunder, the Approved Bank (if applicable) shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decision shall be conclusive and binding on the Company, the Warrantholders and all persons having an interest in the Warrants.
- 5.11 Notwithstanding anything herein contained, any adjustment to the Exercise Price and/or the number of Warrants other than in accordance with the provisions of this Condition 5, shall be subject to the approval of the SGX-ST and agreed to by the Company and the Approved Bank (if applicable).
- 5.12 Nothing shall prevent or restrict the buy-back of any class of shares in the Company pursuant to applicable law and the requirements of the SGX-ST. No approval or consent of the Warrantholders shall be required for such share buy-back. There shall be no adjustments to the Exercise Price and number of Warrants by reason of such share buy-back.”

For the purposes of **Condition 5** above, the following definitions shall apply:

“**Approved Bank**” means any bank or merchant bank in Singapore of international repute and selected by the Directors.

“**Conditions**” means the terms and conditions enfacéd and/or endorsed on the Warrant Certificates as the same may from time to time be modified in accordance with the provisions set out herein and therein and any reference in this Deed Poll to a particular Condition shall be construed accordingly.

“**Deed Poll**” means the Management Warrants Deed Poll.

“**Exercise Price**” means, in respect of each Warrant, S\$0.06 for each New Share, subject to adjustment in accordance with Condition 5.

“**Last Dealt Price**” means, in relation to a Share on a relevant Market Day, the last dealt price per Share for one (1) or more board lots of Shares on that Market Day on which there is trading of the Shares on the SGX-ST.

“**New Shares**” means new Shares to be issued by the Company, credited as fully paid, upon the exercise of the Warrants, including, where the context so admits, such new Shares arising from the exercise of any additional Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Warrants.

APPENDIX E

"Warrant Certificates" means the certificates (in registered form) to be issued in respect of the Warrants in or substantially in the form set out in Schedule 1 of the Deed Poll, as from time to time modified in accordance with the provisions set out herein.

"Warrantholders" means the registered holders of the Warrants, except that where the registered holder is CDP, the term "Warrantholders" shall, in relation to such Warrants registered in the name of CDP and where the context admits, include the persons named as Depositors in the Depository Register maintained by the CDP whose Securities Accounts are credited with those Warrants, provided that for the purposes of Schedule 2 of the Deed Poll relating to meetings of Warrantholders, such Warrantholders shall mean those persons named as Depositors in the Depository Register maintained by CDP having Warrants credited to their Securities Accounts as shown in the records of CDP as at a time not earlier than 72 hours prior to the time of a meeting of Warrantholders supplied by CDP to the Company. The word "holder" or "holders" in relation to Warrants shall (where appropriate) be construed accordingly.

"Warrants" means up to 23,033,431 warrants in registered form to be issued by the Company to the PRL Key Management.

APPENDIX F

EXISTING SHARE MANDATE OF THE COMPANY

That, pursuant to Section 161 of the Companies Act, Chapter 50, and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

- (a) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
- (b) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to, the creation and issue of warrants, debentures or other Instruments convertible into shares;
- (c) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and
- (d) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that:

- (A) the aggregate number of shares to be issued pursuant to the resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the resolution) does not exceed 50% of the total number of issued shares excluding treasury shares of the Company, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a *pro rata* basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company, and for the purpose of this resolution, the issued share capital shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of convertible securities;
 - (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and
- (B) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

NOTICE OF EXTRAORDINARY GENERAL MEETING

PACIFIC RADIANCE LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200609894C)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the shareholders of Pacific Radiance Ltd. (the “**Company**”) will be held by way of electronic means on 23 February 2022 at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without amendment, the ordinary resolutions as set out below.

*Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular dated 8 February 2022 issued by the Company (the “**Circular**”).*

ORDINARY RESOLUTIONS:-

ORDINARY RESOLUTION 1: THE PROPOSED DISPOSAL OF THE SALE VESSELS TO THE PURCHASER FOR THE CONSIDERATION OF APPROXIMATELY US\$200 MILLION

RESOLVED THAT:-

- 1.1 approval be and is hereby given for the disposal by the Company of the Sale Vessels to the Purchaser (and its affiliates) on the terms and subject to the conditions set out in the Consensual Sale Agreement, the MOA Umbrella Agreement and the MOAs, entered into between the applicable selling Group companies and the Purchaser (and its affiliates); and
- 1.2 any Director be and is hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Proposed Disposal and the Debt Restructuring Plan as a whole, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution or the transactions contemplated pursuant to or in connection with the Debt Restructuring Plan as a whole.

ORDINARY RESOLUTION 2: THE PROPOSED ALLOTMENT AND ISSUE OF 1,807,360,000 NOTEHOLDERS REDEMPTION SHARES REPRESENTING 253% OF THE COMPANY’S EXISTING SHARE CAPITAL (EXCLUDING TREASURY SHARES) TO THE NOTEHOLDERS ON THE BASIS OF 4,518,400 NOTEHOLDERS REDEMPTION SHARES FOR EVERY S\$250,000 IN PRINCIPAL AMOUNT OF NOTES HELD

RESOLVED THAT:-

- 2.1 pursuant to section 161 of the Companies Act 1967 of Singapore as well as Rule 803 and Rule 805 of the Listing Manual, approval is hereby given to the Directors of the Company to issue and allot up to 1,807,360,000 Noteholders Redemption Shares to the Noteholders, subject to and otherwise in accordance with the terms and conditions of the fourth supplemental trust deed to the Trust Deed to be entered into between the Company and the Trustee, whereby such Noteholders Redemption Shares shall rank *pari passu* in all respects with the then existing Shares of the Company, except for any dividends, rights, allotments, distributions or entitlements, the Record Date of which falls on or prior to the date of the issuance and allotment of the Noteholders Redemption Shares, and will be admitted for listing and quotation on the SGX-ST; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- 2.2 any Director be and is hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Proposed Noteholders Redemption Shares Issue, the Debt Restructuring Plan as a whole, the Consent Solicitation Exercise, and the Consent Solicitation Statement, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution or the transactions contemplated pursuant to or in connection with the Debt Restructuring Plan as a whole.

ORDINARY RESOLUTION 3: THE PROPOSED ISSUE OF S\$3,000,000 IN PRINCIPAL AMOUNT OF PERPETUAL SECURITIES TO THE NOTEHOLDERS ON THE BASIS OF ONE (1) PERPETUAL SECURITY FOR EVERY S\$250,000 IN PRINCIPAL AMOUNT OF NOTES HELD BY THE NOTEHOLDERS

RESOLVED THAT:-

- 3.1 approval is hereby given for the Proposed Noteholders Perpetual Securities Issue and to the Directors of the Company to do all things necessary in relation to the Proposed Noteholders Perpetual Securities Issue; and
- 3.2 any Director be and is hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Proposed Noteholders Perpetual Securities Issue, the Debt Restructuring Plan as a whole, the Consent Solicitation Exercise, and the Consent Solicitation Statement, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution or the transactions contemplated pursuant to or in connection with the Debt Restructuring Plan as a whole.

ORDINARY RESOLUTION 4: THE PROPOSED ISSUE OF 175,763,400 LENDER SHARES REPRESENTING 25% OF THE COMPANY'S EXISTING SHARE CAPITAL (EXCLUDING TREASURY SHARES) TO THE ENTITLED LENDERS AS PART OF THE DISCHARGE OF THE LIABILITIES OWING BY THE COMPANY TO THE ENTITLED LENDERS OF APPROXIMATELY US\$7.1 MILLION

RESOLVED THAT:-

- 4.1 pursuant to section 161 of the Companies Act 1967 of Singapore as well as Rule 803 and Rule 805 of the Listing Manual, and in consideration for the discharge of liabilities owing by the Company to the Entitled Lenders, approval is hereby given to the Directors of the Company to issue and allot up to 175,763,400 Lender Shares, whereby such Lender Shares shall rank *pari passu* in all respects with the then existing Shares of the Company, except for any dividends, rights, allotments, distributions or entitlements, the Record Date of which falls on or prior to the date of the issuance and allotment of the Lender Shares, and will be admitted for listing and quotation on the SGX-ST; and
- 4.2 any Director be and is hereby authorized to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Proposed Share Issuance to Lenders, and the Debt Restructuring Plan as a whole, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary

NOTICE OF EXTRAORDINARY GENERAL MEETING

Resolution or the transactions contemplated pursuant to or in connection with the Debt Restructuring Plan as a whole.

ORDINARY RESOLUTION 5: THE PROPOSED ISSUE OF 1,808,543,200 MANAGEMENT SHARES REPRESENTING 253% OF THE COMPANY'S EXISTING SHARE CAPITAL (EXCLUDING TREASURY SHARES) TO THE PRL KEY MANAGEMENT TO COMPLY WITH THE CONDITIONS OF THE MANAGEMENT UMBRELLA AGREEMENT WHICH FORMS PART OF THE DEBT RESTRUCTURING PLAN

RESOLVED THAT:

- 5.1 pursuant to section 161 of the Companies Act 1967 of Singapore as well as Rule 803, Rule 804, Rule 805 and Rule 812(2) of the Listing Manual, approval is hereby given to the Directors of the Company to issue and allot up to 1,808,543,200 Management Shares, whereby such Management Shares shall rank *pari passu* in all respects with the then existing Shares of the Company, except for any dividends, rights, allotments, distributions or entitlements, the Record Date of which falls on or prior to the date of the issuance and allotment of the Management Shares, and will be admitted for listing and quotation on the SGX-ST; and
- 5.2 any Director be and is hereby authorized to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Proposed Share Issuance to Management, and the Debt Restructuring Plan as a whole, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution or the transactions contemplated pursuant to or in connection with the Debt Restructuring Plan as a whole.

ORDINARY RESOLUTION 6: THE PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE SHARE CONSOLIDATION BOOKS CLOSURE DATE INTO ONE (1) CONSOLIDATED ORDINARY SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

RESOLVED THAT:

- 6.1 the Proposed Share Consolidation be and is hereby approved and that authority be and is hereby given for all the Shares in the Company issued to Shareholders as at the Share Consolidation Books Closure Date to be consolidated by consolidating every ten (10) Existing Shares held by each Shareholder as at the Share Consolidation Books Closure Date into one (1) Consolidated Share in the manner set out in the Circular;
- 6.2 any fractions of Consolidated Shares which may arise from the Proposed Share Consolidation pursuant to Section 6.1 above shall be disregarded, and all fractional entitlements arising from the implementation of the Proposed Share Consolidation shall be dealt with in such manner as the Directors may, in their absolute discretion, deem fit 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;
- 6.3 the Directors and each of them be and are hereby authorised to fix the Share Consolidation Books Closure Date and the date on which the Consolidated Shares will trade on the Mainboard of the SGX-ST in board lots of one hundred (100) Consolidated Shares in their absolute discretion as they deem fit; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- 6.4 any Director be and is hereby authorized to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Proposed Share Consolidation, and the Debt Restructuring Plan as a whole, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution or the transactions contemplated pursuant to or in connection with the Debt Restructuring Plan as a whole.

ORDINARY RESOLUTION 7: THE PROPOSED ISSUE OF 22,527,400 SHAREHOLDER WARRANTS TO THE ENTITLED SHAREHOLDERS, WITH EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) SHAREHOLDER WARRANT SHARE AT THE EXERCISE PRICE OF S\$0.03 PER SHAREHOLDER WARRANT SHARE

RESOLVED THAT:-

- 7.1 pursuant to section 161 of the Companies Act 1967 of Singapore as well as Rule 803, Rule 805 and Rule 824 of the Listing Manual, approval is hereby given to the Directors of the Company to issue and allot up to 22,527,400 Shareholder Warrants to the Entitled Shareholders, subject to and otherwise in accordance with the terms and conditions of the Shareholder Warrants Deed Poll, and will be admitted for listing and quotation on the SGX-ST;
- 7.2 pursuant to section 161 of the Companies Act 1967 of Singapore as well as Rule 803, Rule 805 and Rule 824 of the Listing Manual, approval be and is hereby given for the creation, allotment and issuance of such additional warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Shareholder Warrants Deed Poll (any such further warrants to rank *pari passu* with the Shareholder Warrants and for all purposes to form part of the same series, save as otherwise be provided in the terms and conditions of the Shareholder Warrants Deed Poll); and
- 7.3 any Director be and is hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Proposed Warrant Issuance to Shareholders and the Debt Restructuring Plan as a whole, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution or the transactions contemplated pursuant to or in connection with the Debt Restructuring Plan as a whole.

ORDINARY RESOLUTION 8: THE PROPOSED ISSUE OF UP TO 22,527,400 SHAREHOLDER WARRANT SHARES REPRESENTING 31% OF THE EXISTING CONSOLIDATED SHARE CAPITAL OF THE COMPANY (EXCLUDING TREASURY SHARES) TO THE ENTITLED SHAREHOLDERS PURSUANT TO THE EXERCISE OF THE SHAREHOLDER WARRANTS

RESOLVED THAT:-

- 8.1 pursuant to section 161 of the Companies Act 1967 of Singapore as well as Rule 803 and Rule 805 of the Listing Manual, approval be and is hereby given for the allotment and issuance, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:
- (a) 22,527,400 Shareholder Warrant Shares upon the exercise of the Shareholder Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the Shareholder Warrants Deed Poll, such Shareholder Warrant Shares (when issued and paid) to rank for any dividends, rights, allocations or other

NOTICE OF EXTRAORDINARY GENERAL MEETING

distributions, the Record Date for which is on or after the relevant date of exercise of the Shareholder Warrants and, subject as aforesaid, to rank *pari passu* in all respects with the then existing Shares; and

- (b) on the same basis as Section 8.1(a) above, such further Shareholder Warrant Shares as may be required to be allotted and issued on the exercise of any of the Shareholder Warrants issued in accordance with Section 7.2 above; and

- 8.2 any Director be and is hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Proposed Warrant Share Issuance to Shareholders and the Debt Restructuring Plan as a whole, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution or the transactions contemplated pursuant to or in connection with the Debt Restructuring Plan as a whole.

ORDINARY RESOLUTION 9: THE PROPOSED ISSUE OF 23,033,431 MANAGEMENT WARRANTS TO THE PRL KEY MANAGEMENT, WITH EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE MANAGEMENT WARRANT SHARE AT THE EXERCISE PRICE OF S\$0.06 PER MANAGEMENT WARRANT SHARE

RESOLVED THAT:-

- 9.1 pursuant to section 161 of the Companies Act 1967 of Singapore as well as Rule 803, Rule 804, Rule 805, Rule 812(2) and Rule 824 of the Listing Manual, approval is hereby given to the Directors of the Company to issue and allot up to 23,033,431 Management Warrants to the PRL Key Management, subject to and otherwise in accordance with the terms and conditions of the Management Warrants Deed Poll;
- 9.2 pursuant to section 161 of the Companies Act 1967 of Singapore as well as Rule 803, Rule 804, Rule 805, Rule 812(2) and Rule 824 of the Listing Manual, approval be and is hereby given for the creation, allotment and issuance of such additional warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Management Warrants Deed Poll (any such further warrants to rank *pari passu* with the Management Warrants and for all purposes to form part of the same series, save as otherwise be provided in the terms and conditions of the Management Warrants Deed Poll); and
- 9.3 any Director be and is hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Proposed Warrant Issuance to Management and the Debt Restructuring Plan as a whole, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution or the transactions contemplated pursuant to or in connection with the Debt Restructuring Plan as a whole.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 10: THE PROPOSED ISSUE OF UP TO 23,033,431 MANAGEMENT WARRANT SHARES REPRESENTING 32% OF THE EXISTING CONSOLIDATED SHARE CAPITAL OF THE COMPANY (EXCLUDING TREASURY SHARES) TO THE PRL KEY MANAGEMENT PURSUANT TO THE EXERCISE OF THE MANAGEMENT WARRANTS

RESOLVED THAT:-

- 10.1 pursuant to section 161 of the Companies Act 1967 of Singapore as well as Rule 803, Rule 804, Rule 805 and Rule 812(2) of the Listing Manual, approval be and is hereby given for the allotment and issuance, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:
- (a) 23,033,431 Management Warrant Shares upon the exercise of the Management Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the Management Warrants Deed Poll, such Management Warrant Shares (when issued and paid) to rank for any dividends, rights, allocations or other distributions, the Record Date for which is on or after the relevant date of exercise of the Management Warrants and, subject as aforesaid, to rank *pari passu* in all respects with the then existing Shares; and
 - (b) on the same basis as Section 10.1(a) above, such further Management Warrant Shares as may be required to be allotted and issued on the exercise of any of the Management Warrants issued in accordance with Section 9.2 above; and
- 10.2 any Director be and is hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Proposed Warrant Share Issuance to Management and the Debt Restructuring Plan as a whole, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution or the transactions contemplated pursuant to or in connection with the Debt Restructuring Plan as a whole.

**BY ORDER OF THE BOARD
PACIFIC RADIANCE LTD.**

Pang Yoke Min
Executive Chairman
8 February 2022

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:-

- (1) The EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this notice, the accompanying proxy form and the Circular will not be sent to members. Instead, this notice, the accompanying proxy form and the Circular will be sent to members by electronic means via an announcement on the website of the SGX-ST at the URL <https://www.sgx.com/securities/companyannouncements> and may be accessed at the Company's website at the URL www.pacificradiance.com.
- (2) Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the EGM in person. Members will be able to watch the proceedings of the EGM through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, members who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by **10.00 a.m. on 20 February 2022**. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the EGM by **10.00 a.m. on 22 February 2022**. Members who do not receive an email by **10.00 a.m. on 22 February 2022** should contact the Company's meeting agent, Complete Corporate Services Pte Ltd, by email at prl-egm@ryt-poll.com, or by phone at +65 6329 2744 / +65 6329 2745 during operating hours from 8.30 a.m. to 5.30 p.m. for assistance.

Investors who hold Shares through relevant intermediaries (as defined in section 181 of the Companies Act) and wish to participate in the EGM should, in addition to pre-registering, approach their respective agents, by **3.00 p.m. on 14 February 2022**, so that the necessary arrangements can be made by the relevant agents for their participating in the EGM.

- (3) Shareholders may submit questions related to the EGM in the following manner as soon as possible and in any event, not later than **20 February 2022 at 10.00 a.m.**:
 - (a) in hard copy by post, to be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898;
 - (b) via email to prl-egm@ryt-poll.com; or
 - (c) via the pre-registration website at the URL: <https://registration.ryt-poll.com/home/index/prl-egm>.

For verification purposes, when submitting questions via email or post, Shareholders **MUST** provide the Company with their particulars (comprising full name (for individuals) / company name (for corporates), email address, contact number, NRIC / passport number / company registration number, shareholding type and number of shares held).

Investors who hold Shares through relevant intermediaries (as defined in section 181 of the Companies Act) can submit their questions in relation to the Ordinary Resolutions set out in the Notice of EGM. However, they must approach their respective agents by **3.00 p.m. on 14 February 2022**, so that the necessary arrangements can be made by the relevant agents to submit the questions.

In view of the current COVID-19 measures which may make it difficult for Shareholders to submit their questions by post, Shareholders are strongly encouraged to submit their questions electronically via email.

The Company will endeavour to address the substantial and relevant questions received from Shareholders relating to the agenda of the EGM prior to the EGM by publishing the responses to these questions on SGXNET and the Company's website on or before **22 February 2022**. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the EGM in respect of substantial and relevant matters. The Company will also, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNET and the Company's website, and the minutes will include the responses to the questions referred to above.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (4) Shareholders who are pre-registered and verified to attend the EGM will be able to ask questions “live” in relation to the agenda of the EGM during the EGM by submitting text-based questions via the live webcast. To do so, click on the “Ask Question” feature, and then click on “Type Your Question”. Thereafter, select a resolution to enter your text-based question. The Company will endeavour to respond to questions as far as reasonably practicable. Where there are substantially similar questions, the Company will consolidate such questions. Consequently, not all questions may be individually addressed.
- (5) Members (whether individuals or corporates) who wish to exercise their voting rights at the EGM may appoint the Chairman of the EGM as their proxy to attend, speak and vote on their behalf at the EGM. In appointing the Chairman of the EGM as proxy, members (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
- (6) The Chairman of the EGM, as proxy, need not be a member of the Company.
- (7) The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company in the following manner:
- (a) in hard copy by post, to be lodged at the office of Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
- (b) via email to pri-egm@ryt-poll.com,

in either case, by **20 February 2022 at 10.00 a.m.**, being not less than 72 hours before the time for holding the EGM (or any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically by email.

Investors who hold Shares through relevant intermediaries (as defined in section 181 of the Companies Act) and wish to appoint the Chairman of the EGM as proxy, should approach their respective agents to submit their votes by **3.00 p.m. on 14 February 2022** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by **10.00 a.m. on 20 February 2022**.

- (8) The instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where an instrument appointing the Chairman of the EGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- (9) As an alternative to voting by proxy at the EGM, Shareholders (except relevant intermediaries (as defined in section 181 of the Companies Act)) who are pre-registered and verified to attend the EGM may cast their votes in real time for the Ordinary Resolutions to be tabled at the EGM. Unique access details for live voting will be provided to such Shareholders by the Company’s meeting agent, Complete Corporate Services Pte Ltd, by email prior to the EGM. The email will contain the user ID, password and URL to access the webcast as well as the toll-free telephone number.

IMPORTANT REMINDERS

Due to the constantly evolving COVID-19 situation, the Company may be required to change its EGM arrangements at short notice. Members are advised to regularly check the Company’s website or announcements released on SGXNET for updates on the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request, and (iv) agrees to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a results of the member's breach of warranty.

PROXY FORM

PACIFIC RADIANCE LTD.

(Company Registration No.200609894C)
(Incorporated in Singapore)

PROXY FORM EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. The Extraordinary General Meeting ("EGM") is being convened, and will be held, by electronic means in view of the ongoing COVID-19 situation and the related safe-distancing orders and/or regulations put in place in Singapore.
2. Alternative arrangements relating to, among others, attendance, submission of questions in advance of or live at the EGM and/or voting by electronic means live or by proxy at the EGM are set out in the Notice of EGM dated 8 February 2022 which has been uploaded on SGXNET and the Company's website.
3. CPF and SRS investors who wish to appoint the Chairman of the EGM as proxy should contact their respective CPF Agent Banks and SRS Operators to submit their votes by at least seven (7) working days before the EGM.
4. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the EGM as a member's proxy to vote on his/her/its behalf at the EGM.

This form of proxy has been made available on SGXNET and may be accessed at the URL <https://www.sgx.com/securities/companyannouncements>. A printed copy of this form of proxy will NOT be dispatched to members.

I/We* _____ (Name), NRIC/Passport number* _____
of _____ (Address) being a
member/members* of PACIFIC RADIANCE LTD. (the "**Company**") hereby appoint the Chairman of the EGM as
my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the EGM of the Company to be held
by way of electronic means on 23 February 2022 at 10.00 a.m., and at any adjournment thereof.

Ordinary Resolutions	For**	Against**	Abstain**
Ordinary Resolution 1 The Proposed Disposal			
Ordinary Resolution 2 The Proposed Noteholders Redemption Shares Issue			
Ordinary Resolution 3 The Proposed Noteholders Perpetual Securities Issue			
Ordinary Resolution 4 The Proposed Share Issuance to Lenders			
Ordinary Resolution 5 The Proposed Share Issuance to Management			
Ordinary Resolution 6 The Proposed Share Consolidation			
Ordinary Resolution 7 The Proposed Warrant Issuance to Shareholders			
Ordinary Resolution 8 The Proposed Warrant Share Issuance to Shareholders			
Ordinary Resolution 9 The Proposed Warrant Issuance to Management			
Ordinary Resolution 10 The Proposed Warrant Share Issuance to Management			

* Delete accordingly

** Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against"; or to "Abstain" from, the relevant resolution, please indicate with an "X" within the relevant box provided. Alternatively, if you wish to exercise your votes in a proportion of "For", "Against" or/and to "Abstain" from the relevant resolution, please indicate the number of shares in the boxes provided. In the absence of directions in respect of a specific resolution, the appointment of Chairman of the EGM as your proxy for that specific resolution will be treated as invalid.

Dated this _____ day of _____ 2022

Total Number of Shares Held

Signature(s) of Shareholder(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF



PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. Due to the ongoing COVID-19 situation and the COVID-19 restriction orders in Singapore, members of the Company will not be able to attend the EGM in person. Members (except a relevant intermediary (as defined below)) may cast their votes for each resolution live at the EGM. Unique access details for live voting will be provided to members who pre-registered and are verified to attend the EGM.
3. As an alternative to live voting, a member of the Company (whether individual or corporate) may exercise his/her/its voting rights at the EGM by submitting his/her/its proxy form appointing the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM.
4. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM through submission of proxy form, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
5. The Chairman of the EGM, as proxy, need not be a member of the Company.
6. The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company in the following manner:
 - (a) in hard copy by post, be lodged at the office of Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
 - (b) via email to pri-egm@ryt-poll.com,

in either case, by **20 February 2022 at 10.00 a.m.**, being not less than 72 hours before the time for holding the EGM (or any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically by email.

7. The instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where an instrument appointing the Chairman of the EGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with section 179 of the Companies Act 1967 of Singapore.

PROXY FORM

9. Investors who hold Shares through relevant intermediaries (as defined below) and wish to appoint the Chairman of the EGM as proxy, should approach their respective agents to submit their votes by **3.00 p.m. on 14 February 2022** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by **10.00 a.m. on 20 February 2022**.

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity;
or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 8 February 2022.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.