PACIFIC RADIANCE LTD.
(the “Company”)
(Company Registration No.: **200609894C**)
(Incorporated in the Republic of Singapore)

Minutes of the Annual General Meeting (“AGM” or “Meeting”) of the Company held at 15 Pandan Road, Singapore 609263 on Thursday, 27 April 2023 at 10.00 a.m.

PRESENT

MEMBERS
As per Attendance List

PROXY
As per Attendance List

DIRECTORS

Mr. Pang Yoke Min	-	Chairman of the Board
Mr. Pang Wei Meng	-	Executive Director
Mr. Lau Boon Hwee	-	Executive Director
Mr. Ng Tiong Gee	-	Lead Independent Director
Mr. Goh Chong Theng	-	Independent Director
Mr. Yong Yin Min	-	Independent Director

IN ATTENDANCE
As per Attendance List

WELCOME AND INTRODUCTION

The Chairman, Mr. Pang Yoke Min welcomed all to the Meeting today.

The Chairman acknowledged that members who were attending this Meeting and whose identities have been verified by the share registrar of the Company were hereby taken as present at this meeting and for quorum purpose.

The Chairman introduced the following fellow Directors and key executives of the Company in attendance for the Meeting:

- Mr. Ng Tiong Gee, the Lead Independent Director and chairman of the Nominating Committee (“NC”) and member of the Audit and Sustainability Committee (“ASC”) and Remuneration Committee (“RC”)

- Mr. Yong Yin Min, the Independent Director and the chairman for the RC and member of ASC and NC

- Mr. Goh Chong Theng, the Independent Director and the chairman of the ASC and member of the RC

- Ms. Iris Chia, the Chief Financial Officer of the Group ("CFO").
- Mr. Pang Wei Meng, Anthony, the Executive Director and Chief Commercial Officer
- Mr. Lau Boon Hwee, the Executive Director and Chief Technical and Shipyard Officer.
- Mr. Pang Wei Kuan, James, the Chief Executive Officer ("CEO") of the Group*

** participated via video conferencing*

QUORUM

There being a quorum present, the Chairman of the Meeting declared the Meeting open.

NOTICE OF MEETING

The notice convening the Meeting, having been in the hands of the Members for the requisite period, was taken as read.

RETIREMENT OF MR. LAU BOON HWEE

The Chairman informed the Members present that Mr Lau Boon Hwee ("Mr. Lau") would, retire without seeking for re-election, as a Director of the Company at the conclusion of the meeting but continue his current Executive Officer role in the Group as Chief Technical and Shipyard Officer.

The Board placed on record its appreciation to Mr. Lau for his past valuable contribution to the Group during his tenure as a Director of the Company.

Concurrently, the Chairman informed the Members present on the Board's decision for the redesignation of Mr. Lau's Executive Officer role from Chief Technical and Shipyard Officer to Chief Operating Officer of the Group effective immediately after the conclusion of the meeting. His responsibilities would include overseeing the operations of ship management services, in addition to shipyard operations.

AUDITED FINANCIAL STATEMENTS

The Chairman tabled the directors' statement, audited financial statements of the Group for FY2022 to the Members.

QUESTIONS AND ANSWERS

The Company had received some questions from Securities Investors Association Singapore ("SIAS") prior to the meeting and the responses would be published on the Company's website and SGXNET subsequent to the conclusion of the Meeting.

Members present were invited to ask questions they may have with regard to the proposed agenda items.

(The full text of the substantive questions raised, and answers given are contained in Appendix A as attached herewith and forms part of these minutes.)

After all the questions had been duly answered and addressed, the Chairman proceeded with the formal proceedings for voting on the proposed resolutions.

VOTING BY WAY OF POLL

The Chairman informed the Members present that all resolutions put forth at the meeting would be voted by way of polls.

The Chairman further informed the Members that Complete Corporate Services Pte Ltd and Moore Stephens LLP have been appointed as polling agent and scrutineer for the meeting respectively.

The Chairman invited Mr. Oon Hong Yu, the representative from Complete Corporate Services Pte Ltd to brief the Members present on the poll voting procedure.

After the polling agent's briefing, the Chairman put forward the following for voting.

ORDINARY BUSINESSES

<u>RESOLUTION 1 - DIRECTORS' FEES</u>

The following motion was put forward by the Chairman to the Members:-

"That the payment of Directors' Fees of S$395,000/- for the financial year ending 31 December 2023 be approved."

Based on the polling results, the Chairman announced the results of the voting as follows:

No. of votes for	:	195,155,217 shares representing 99.54%
No. of votes against	:	904,680 shares representing 0.46%
Total votes cast	:	196,059,897

The Chairman declared Ordinary Resolution 1 carried.

<u>RESOLUTION 2 - RE-ELECTION OF MR. YONG YIN MIN</u>

The following motion was put forward by the Chairman to the Members:-

"That Mr. Yong Yin Min, who retires pursuant to Regulation 89 of the Company's Constitution, be re-elected as a Director of the Company."

The verified results of the vote were:

No. of votes for	:	192,383,917 shares representing 99.53%
No. of votes against	:	904,680 shares representing 0.47%
Total votes cast	:	193,288,597

The Chairman declared Ordinary Resolution 2 carried.

<u>RESOLUTION 3 - RE-APPOINTMENT OF AUDITORS</u>

The following motion was put forward by the Chairman to the Members:-

"That Messrs Ernst & Young LLP, Certified Public Accountants, Singapore, be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors."

The verified results of the vote were:

No. of votes for	:	195,155,217 shares representing 99.54%
No. of votes against	:	904,680 shares representing 0.46%
Total votes cast	:	196,059,897

The Chairman declared Ordinary Resolution 3 carried.

SPECIAL BUSINESSES

<u>RESOLUTION 4 - AUTHORITY TO ALLOT AND ISSUE ORDINARY SHARES</u>

The Chairman put forward the following motion to the Members:-

"(a) That, pursuant to Section 161 of the Companies Act 1967, 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:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) 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;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (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:

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this 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;

(a) new shares arising from the conversion or exercise of convertible securities,

(b) 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 of the Singapore Exchange Securities Trading Limited, and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."

The verified results of the vote were:

No. of votes for	:	195,155,217 shares representing 99.77%
No. of votes against	:	452,840 shares representing 0.23%
Total votes cast	:	195,608,057

The Chairman declared Ordinary Resolution 4 carried.

There being no other business, the Meeting concluded at 11.24 a.m. and the Chairman thanked the Members for their attendance and participation for the Meeting.

Signed as a correct record of the proceedings,

Pang Yoke Min
Chairman of the Board

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APPENDIX A

SUBSTANTIVE QUESTIONS RECEIVED AND ANSWERS GIVEN AT THE COMPANY’S ANNUAL GENERAL MEETING (“AGM”) HELD ON 27 APRIL 2023

The following questions were raised by shareholders and answered by the Chairman, the CEO and the CFO of the Company at the meeting.

Q1 How did management derive the following financial figures in the annual report for financial year ended 31 December 2022?

a. The one-off gain arising from the debt restructuring as disclosed in the Chairman’s Statement.

b. The earnings per share (“EPS”) of US167.1 cents as disclosed in the financial statement.

A1 a. The gain arising from the debt restructuring was mainly due to debt forgiveness by the bank. Prior to the restructuring exercise, the Group had approximately US$500 million outstanding debts. Since the business downturn started in year 2015, the value of the assets of the Group have depleted significantly. As mentioned in note 25 of the annual report, the Group sold certain vessels that were mortgaged to the banks during 2021 and 2022. The sale proceeds were utilised to offset part of the outstanding bank loans while the unsettled portion of the loans were forgiven by the banks, resulting in a significant one-off gain on debt forgiveness of bank loans of approximately US$269 million.

b. The significant EPS was merely a mathematic consequence of the one-off gain arising from the debtrestructuring exercise as mentioned above.

Q2 How does the Group stand out amongst its competitors moving forward?

A2 Management is aware that the offshore market has turned better since last year. Undoubtedly, those companies which continue to hold their assets would do better as the market has improved, vessels valuation has gone up and ship chartering rate has increased.

Unfortunately, the Group has sold almost all of its vessels upon completion of the restructuring exercise. The Group has re-model its business and transiting towards providing ship management services to third party ship owners. Ship management business is a challenging business and will normally take years to develop.

Despite the challenges ahead as mentioned, the Group has started venturing into offshore wind assets business. Although the Group is asset light now, it will not stop the Group from looking at small potential vessels for acquisition in the future to build up its vessel portfolio.

At the request of the Chairman, Mr. James Pang shared the status of the offshore wind and other business segments of the Group as follows:

a. Due to limited capital and resources, the Group has to invest prudently and only on assets which could generate long-term sustainable income for the Group. Insofar, the Group has invested two small crew transfer vessels ("CTV") in Taiwan. The vessels were designed specifically to transport wind farm service teams to offshore wind farms. Both CTVs are currently doing well and generating stable revenue. In Southeast Asia, Taiwan is currently the fastest and the biggest in terms of growth and market size of offshore wind farm, followed by Korea in terms of speed and Japan in terms of size. These are the offshore markets the Group is monitoring closely. The Group is looking for potential investors or joint ventures partners to grow this segment of business due to the Group's current limited resources in hand.

b. Potentially, the Group would also acquire some undervalued assets and put them gainfully for deployment to generate revenue by leveraging on the network built over the years by the Group for job opportunities.

c. The Group has the advantage of owning a shipyard to do ship reactivation and ships repair works to third-party vessels for revenue.

d. In addition, the Group is developing some digital solutions to provide ship owners and charterers more visibility on data and information of their vessels. Example of data include health, safety and environment ("HSE") performance. The digital solution will enable the end user to see on real time the outstanding high speed craft closing points that need to be done and for owners to track the performance of the vessel in terms of number of incidents over a period of time. Investing in such digital solution could potentially create and add value to the owners and to the Group, particularly in this digital era.

Q3 What is the daily chartering rate and utilisation rate of the fleet of the Group?

A3 The average daily chartering rate was about US$20,000 and utilisation rate was about 70% to 80% between 2013 and 2014. The current daily chartering rate has improved significantly compared to a few years ago but has yet to fully recover to the level back in 2013 and 2014.

There are not many vessels left within the Group after the restructuring exercise. Only one vessel is wholly owned while the rest are under joint ventures ("JV") arrangements. Two of the JV vessels are currently undeployed in India due to some legal issues. While another JV vessel in Malaysia was not gainfully deployed since the JV partner is in the process of restructuring. Two more JV vessels are in Mexico operating at high utilisation rate of above 90% but the JV partners are looking for divestment.

Q4 What is the status of the legal proceedings for the recovery of debt owing by Atlantic Maritime Group FZE of the United Arab Emirates (“Atlantic”)?

A4 The legal proceedings against Atlantic had been resolved with the outstanding admitted debt fully settled and paid to the Group. An announcement was released via SGX platform on 21 April 2023 on the status of this debt recovery.

Q5 Could you briefly explain the restructuring exercise that had been completed recently and how did it lead to the share consolidation and issuance of warrants?

A5 Firstly, the debt restructuring exercise involved settlement with the banks via sale of vessels to settle certain portion of the outstanding bank loans and the banks forgiving the remaining portion of the outstanding bank loans, this led to the significant one-off gain on the debt restructuring. The bank settlement was done on a consensual basis between the bank, the investor and the Group.

Secondly, the scheme of arrangement of two entities of the Group involved the settlement of certain portion of the outstanding trade payables with trade creditors and the remaining portion of the outstanding trade payables forgiven by the trade creditors, this gave rise to some gain on debt restructuring.

In addition, the bondholders converted almost 97% in principal amount of their bonds into shares and the remaining in the form of perpetual securities. As a result, about 40% of the current shareholding are held by shareholders who were bondholders before.

The Company recognised that there may be a need to have some working capital or capital for growth. Therefore, warrants were issued to then existing shareholders, including key management personnel who were shareholders. Warrants issued to key management personnel were on the basis of 47 management warrants for every 100 consolidated shares. Warrants issued to shareholders (other than key management personnel) were on the basis of 100 shareholder warrants for every 100 consolidated shares.

Q6 What is the exercise price for the shareholders warrant and when is the expiry date?

A6 Each shareholder warrant carries the right to subscribe for one (1) share at an exercise price of $0.03 per share. The warrants will expire after 5 years from the date of the issuance with a moratorium period of three (3) before the warrants could be exercised.

Q7 Could management share some insight on how the Group could manage its offshore wind farm business to avoid investing wrongly, as majority of the offshore wind farms were relying and operating under government grants, and once the government grants cease, the business become non-viable.

A7 The advancement in wind farm technology has brought about rapid change in wind farms business and increased the overall efficiency in generating electricity significantly. Most of the current wind farms are commercially viable and without any government incentives or support. Like any other renewable energy sectors supported by government, government provides the initial grants but overtime, commercial efficiency will set in.

Q8 If there are more offshore wind farm projects, can the offshore service vessels like OSV and ATH be deployed in such area?

A8 Yes, the initial installation and commission stage of offshore wind farm will require offshore service vessels like OSV to transport their service team. In addition, with the current upturn in oil and gas industry, there is in fact, a competing demand for OSV.

Q9 Is there a pivot in the business that will move the needle significantly, given that the most valuable asset of the Company are the vessels or are there any other valuable assets the shareholders can be looking at?

A9 The Group is asset-light without many assets at this stage. As shared earlier, the focus of the Group will be to grow its ship management services, invest prudently and look for potential joint venture partners for co-investments.

Q10 What are the Group's strategies to grow the ship management business?

On the development of digital solutions to vessel owners as mentioned earlier, what is the Group trying to build and what exactly is the pivot?

A10 The natural customers of the Group are ship owners who are not able to operate at optimal level due to smaller fleet size and ship owners who are investors and lack the networks and experience in vessel operations. The Group can leverage on our past track record as owner and operator and our extensive network to serve their needs. Owning and operating vessels is a capital-intensive business.

There is a demand for a digital solution to enable ship owners to track their HSE standards and any of the global safety and environment standards for compliance reason. The digital solution could create and add value to the ship owners and to the ship management services of the Group.

Q11 Could you provide some statistics on vessel owners in different market for shareholders to understand the market potential? How many of them are independently owned or federated? It makes sense to provide the digital solution platform to ship owners to assist them in terms of efficiency and profitability.

Could you also provide more detail on how and what you intend to do to increase the current productivity and efficiency of the business operation?

A11 There is not much data available on ship owners in different markets which management could share, as ship owners are very fragmented and all over the world. A lot of ship owners have also gone through some form of restructuring themselves while some of them may still be undergoing restructuring.

There are also competitors in the markets as the Group is not the only ship managers in the market. There are other entities who have been in the ship management industry for the last 10-20 years who are also fighting for market share.

Q12 In view of the market competition as ship managers as mentioned, what kind of market share is the Company looking at?

A12 Given that the restructuring exercise has just been completed last year, a lot of the ship owners are still seeing the Group as a ship owner which may compete with them. It is not easy to put a figure to share of market, but the Group is working closely with ship owners to clearly communicate our strategy and service offering, and at the same time, deepening our relationships with partners in our network.

Q13 What does the Company foresee themselves or what kind of income could be generated in this space going forward?

A13 A lot of the charterers have pre-qualified the Group. The Company also have strong track record with a lot of the charterers and end users. This enhances our value proposition as a ship manager to our customers.

Q14 On the proposed ordinary resolution in relation to the retirement of Mr Yong Yin Min, could you advise if Mr Yong qualifies as an independent director of the Company under the SGX's rules and will he continue qualify based on SGX's nine years tenure limit as independent director going forward?

A14 Mr Yong's current role as an Independent Director of the Company complies with SGX's rules and the SGX's hard coded nine-year tenure requirement will be duly complied with by the Company in due course.

Q15 Under what situation will the Company consider issue more shares and at what price?

A15 The proposed resolution for authority to issue shares are meant for issuance of up to 50% new shares on pro-rata basis and up to 20% on non-pro-rata basis of the existing share capital.

The purpose for management to obtain this mandate is to facilitate any potential suitable investment opportunities that may require the Company to react timely.

The issue price will be determined at the point when new shares are to be issued.

Q16 Will the Company consider issue debt instrument instead of equity as a source of fund?

A16 Management will consider all available fund-raising options before making any decision to raise funds. Debt is definitely one of the options to consider, management is mindful of shareholders' concern about further equity dilution.