PACIFIC RADIANCE LTD.
COMPANY REGISTRATION NO. 200609894C

RESPONSE TO SGX-ST QUERIES RECEIVED ON 21 NOVEMBER 2023

The board of directors (the “**Board**”) of Pacific Radiance Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) sets out its responses to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 21 November 2023 in relation to the results for the 9 months ended 30 September 2023 (“**9M2023**”):

Query by SGX-ST

1 In relation to the movement in allowance accounts for trade receivables stated under Note 9, please disclose a breakdown for the US$5.2 million write back of allowance and US$9.8 million written off during the period as at 30 September 2023, including the nature, aging and reason(s)

<u>Company’s Response</u>

Write back of allowance	9M2023 (USD million)	Nature	Aging	Reasons
Allianz Marine Services WLL	3.8	Billed charter hire, vessel operating costs and late payment interest.	More than 360 days	Amount recovered from charterer
Atlantic Maritime Group	1.4	Billed charter hire, vessel operating costs and late payment interest.	More than 360 days	Amount recovered from charterer
Total	5.2			
Written off	**9M2023 (USD million)**	**Nature**	**Aging**	**Reasons**
Swiber Group	9.8	Billed charter hire, vessel operating costs and late payment interest.	More than 360 days	Compulsory liquidation of Swiber Group. Provision for impairment had been made prior to FY2023. The write off had no impact on the profit and loss statement for 9M2023.

Query by SGX-ST	
2	With reference to the amounts due to related companies amounting to US$13.3 million, please disclose: (i) the breakdown of the significant amounts due to related companies; (ii) how they are related to the Group; (iii) the underlying transactions which gave rise to the amounts owing of US$13.3 million; (iv) when these amounts are due for repayment; and (v) the reason(s) for the significant increase by 13% from US$11.8 million in 31 December 2022 to US$13.3 million in 9M2023

Company's Response

Entity	Total (USD million)	Relationship to the Group	Underlying transaction	Due for repayment
ENAV Radiance Group	9.7	Related party	Funding from third-party vessel owners for vessel operating costs	Funds will be used to pay vessel operating costs within 6 months

The increase by 13% from US$11.8 million as at 31 December 2022 to US$13.3 million as at 30 September 2023 is attributed to higher funding from ENAV Radiance Group for higher vessel operating costs incurred or to be incurred by the Group on behalf of ENAV Radiance Group in performing the ship management activities according to contract.

3	In relation to the movement in allowance accounts for amounts due from related companies stated under Note 10, please disclose a breakdown for the US$17.0 million written off during the period, including the nature, aging and reason(s).

Company's Response

Write back of allowance	9M2023 (USD million)	Nature	Aging	Reasons
PT Jawa Tirtamarin	4.4	Billed vessel operating costs and late payment interest.	More than 360 days	Vessels were sold as part of the debt restructuring of the Group which was completed in Sep 2022. Provision for impairment had been made during the debt restructuring period prior to FY2023. The write off has no impact on the profit and loss statement for 9M2023.

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<tr><th colspan="2">Query by SGX-ST</th></tr>
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<tr><td>Radiance Alliance Pte Ltd</td><td>11.4</td><td>Amount owing to the Group in relation to vessel financing taken by the Group and secured by a third-party mortgage on the vessel owned by Radiance Alliance Pte Ltd.</td><td>More than 360 days</td><td>Vessel was sold as part of the debt restructuring of the Group which was completed in Sep 2022. Provision for impairment had been made during the debt restructuring period prior to FY2023. The write off has no impact on the profit and loss statement for 9M2023.</td></tr>
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Please disclose the status on the use of proceeds raised from the issuance of the warrants and perpetual securities issuance and state whether the use of proceeds is in accordance with the stated use at the point of announcement.
<u>Company’s Response</u>
Pursuant to the debt restructuring plan of the Group, the Company issued and allotted 1,808,543,200 shares in the capital of the Company (being the number of shares prior to the share consolidation (“Share Consolidation”) completed by the Company on 14 September 2022) to the key management of the Company (“Management Shares”) on 1 September 2022. Following the Share Consolidation, the Management Shares comprised 180,854,320 Shares.
The key management subscribed for the Management Shares for cash in the aggregate amount of S$1 million. The Company disclosed in its circular to shareholders dated 8 February 2023 that it expected to utilise the proceeds in the following manner: (a) approximately 50% to be used for repayment of the amounts outstanding under the S$3,000,000 in principal amount of non-listed and non-cumulative perpetual securities issued by the Company on 1 September 2022; and (b) approximately 50% to be used for general corporate and working capital purposes.
The Company confirms that the proceeds from the key management’s subscription for the Management Shares have been utilised for the stated purposes.
The remaining securities, including the perpetual securities, which were issued as part of the debt restructuring of the Group were either (a) issued in consideration for the discharge of liabilities owed by the Company, or (b) issued for free. Accordingly, no cash proceeds were raised in respect of the issuance of these securities.
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Please disclose the actions that the Board are taking to resolve the issues which led to the disclaimer, as required under Listing Rule 705 and Appendix 7.2, Paragraph 3A.
<u>Company’s Response</u>
Reference is made to the Annual Report for FY2022 and the section under “Basis for Qualified Opinion” in the Independent Auditor’s Report.
(a) <u>Sale of vessels</u>
The basis of qualified opinion under this section was mainly due to the use of the consensual discharge amount in the consensual sale agreement between the purchaser, the lenders and the Group as the fair value of the vessels that were sold as part of the Group’s debt restructuring. The Group has completed its debt restructuring in September 2022. This event will not recur for FY2023.
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Query by SGX-ST	
	(b) <u>Finance costs and gain on debt settlement of bank loans</u> The basis of qualified opinion under this section was mainly due to the use of estimation for accrued interests on the outstanding bank loans as the Group was not able to obtain confirmation from all the lenders on the principal and interest amounts of the outstanding bank loans during the debt restructuring period. The Group completed its debt restructuring in September 2022 and the outstanding bank loans were discharged, released, restructured and/or settled. This event will not recur for FY2023.

By Order of the Board of
Pacific Radiance Ltd.

Pang Yoke Min
Executive Chairman

24 November 2023