

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

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**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE**

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**1. INTRODUCTION**

The board of directors (the “**Board**”) of Pacific Radiance Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue of up to 1,352,128,371 new ordinary shares (the “**Rights Shares**”) in the capital of the Company at an issue price of S\$0.023 for each Rights Share (“**Issue Price**”), on the basis of three (3) Rights Shares for every one (1) existing ordinary share in the capital of the Company (“**Share**”) held by the shareholders of the Company (“**Shareholders**”) (the “**Rights Issue**”) as at the date and time to be determined by the directors of the Company (“**Directors**”), at and on which the register of members of the Company and the transfer books will be closed to determine the Shareholders’ entitlements under the Rights Issue (“**Record Date**”), fractional entitlements to be disregarded.

The Company will be seeking specific approval from Shareholders by way of an extraordinary general meeting (“**EGM**”) to be convened for the allotment and issuance of the Rights Shares. A circular setting out, amongst other things, the details of, and other relevant information pertaining to the Rights Issue, together with the notice of the EGM, will be despatched to the Shareholders in due course. For avoidance of doubt, the Rights Issue cannot be withdrawn after the commencement of ex-rights trading.

**2. PROPOSED PRINCIPAL TERMS OF THE RIGHTS ISSUE**

2.1 The principal terms of the Rights Issue are set out below:

Issue Price	:	The Issue Price is S\$0.023 per Rights Share.
Discount	:	The Issue Price represents a discount <sup>(1)</sup> of approximately:  (a) 43.9% to the closing market price of S\$0.041 per Share for trades done on the Mainboard of the Singapore Exchange Securities Trading Limited (the “ <b>SGX-ST</b> ”) on 3 November 2023 (being the last full trading day on which the Shares were transacted on the SGX-ST immediately preceding the date of this announcement); and  (b) 16.4% to the theoretical ex-rights price <sup>(2)</sup> of S\$0.0275 per Share (rounded down to three (3) decimal places and calculated based on the closing market price of S\$0.041 per Share for trades done on the Mainboard of the SGX-ST on 3 November 2023).

Allotment Ratio	:	Rights Issue to be offered on a renounceable non-underwritten basis to Entitled Shareholders (as defined below) on the basis of three (3) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.
Use of Proceeds	:	Please refer to paragraph 3.3 of this announcement for further details.
Purpose of Rights Issue	:	Please refer to paragraph 3.2 of this announcement for further details.
Size	:	As at the date of this announcement, the Company has an existing issued and paid-up share capital comprising 450,709,457 Shares (excluding treasury shares and subsidiary holdings, if any) (the “ <b>Existing Share Capital</b> ”). <sup>(3)</sup>  For illustrative purposes only, based on the Existing Share Capital and assuming all the Entitled Shareholders subscribe and pay for their <i>pro-rata</i> entitlements of Rights Shares, the Company will issue 1,352,128,371 Rights Shares.
Ranking of Rights Shares	:	The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank <i>pari passu</i> , in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments, or other distributions, that may be declared or paid, the record date for which falls before the date of allotment and issue of the Rights Shares.

Notes:

- (1) The Issue Price and discount have been determined after taking into account the size of the Rights Issue, precedent transactions, the closing market price of the Shares on 3 November 2023 and the theoretical ex-rights price computed on the same.
- (2) The theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the Issue Price, the closing market price of S\$0.041 per Share for trades done on the Mainboard of the SGX-ST on 3 November 2023 and the number of Shares following the completion of the Rights Issue.
- (3) As at the date of this announcement, the Company has in aggregate 22,454,446 warrants issued to the public shareholders of the Company (“**Shareholder Warrants**”) and 23,033,431 warrants issued to Mr. Pang Yoke Min, Mr. Pang Wei Meng and Mr. Pang Wei Kuan, James (“**Management Warrants**”). The Shareholder Warrants and Management Warrants may only be exercised on the date falling on the third anniversary of the issuance of the Shareholder Warrants and Management Warrants respectively (being 19 September 2025), or earlier if all S\$3,000,000 in principal amount of non-listed and non-cumulative perpetual securities issued by the Company on 1 September 2022 (“**Perpetual Securities**”) have been redeemed by the Company. As neither of the above events has taken place, and the Company does not intend to redeem the Perpetual Securities prior to the close of the Rights Issue, the Shareholders Warrants and Management Warrants are not exercisable and the Existing Share Capital will not change as at the Record Date.

2.2 In the reasonable opinion of the Directors, and in view of the Irrevocable Undertakings (as defined below), there is no minimum amount which must be raised from the Rights Issue. After

taking into consideration the aforementioned, the costs of engaging an underwriter and having to pay commission in relation to the underwriting, the Directors have decided that it is not necessary for the Rights Issue to be underwritten by a financial institution. The Rights Issue will not be withdrawn after commencement of ex-rights trading pursuant to Rule 820(1) of the Listing Manual of the SGX-ST ("**Listing Manual**").

- 2.3 The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue including procedures, acceptances and renunciations of applications for the Rights Shares will be contained in the offer information statement ("**OIS**") to be lodged with the Monetary Authority of Singapore ("**MAS**") and to be despatched by the Company to Entitled Shareholders (as defined below) in due course.

### **3. BACKGROUND AND RATIONALE FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

#### **3.1 Background**

Prior to 2022, the Company's core business was owning and operating offshore vessels and providing offshore support services ("**Offshore Business**"). Due to factors explained in the Company's circular to shareholders dated 8 February 2022, the Company divested its entire fleet of vessels to ENAV Radiance Pte. Ltd. and changed its core business to ship management. The senior management of the Company believe that the offshore marine industry has turned the corner and is recovering, and there is an opportunity to return to the Offshore Business. The Offshore Business is led by a senior management team with over 30 years of expertise, and the Board firmly believes that the Company's best interests lie in returning to a familiar and well-understood business domain.

#### **3.2 Rationale for the Rights Issue**

The Company is proposing the Rights Issue to raise proceeds for general corporate and working capital purposes, including but not limited to operating costs and making strategic investments and/or acquisitions if such opportunities arise, to further strengthen the financial position and cash position of the Company.

There are opportunities in the market for the Group to acquire vessels to undertake the Offshore Business. The Offshore Business is capital intensive, and its growth is largely dependent on the Company's ability to tap equity and/or debt financing. The offshore support services market is competitive, and the Company requires readily available capital in order to acquire vessels. The Company is accordingly undertaking the Rights Issue to raise the capital required to be deployed as and when an opportunity to acquire vessels arise. The proceeds from the Rights Issue are also intended to repay bank borrowings and fund the working capital requirements of the Group.

#### **3.3 Use of Proceeds from the Rights Issue**

On the assumption that all of the Entitled Shareholders (as defined below) subscribe in full for their provisional entitlements of Rights Shares, 1,352,128,371 Rights Shares will be issued pursuant to the Rights Issue (the "**Maximum Subscription Scenario**"). Under the Maximum Subscription Scenario, the net proceeds from the subscription of the Rights Shares (the "**Net Proceeds**") is approximately S\$30.93 million after deducting approximately S\$0.17 million for professional fees and related expenses estimated to be incurred in connection with the Rights Issue.

On the assumption that only the Undertaking Shareholders (as defined below) subscribe for their *pro-rata* entitlements of the Rights Shares, 687,646,692 Rights Shares will be issued

pursuant to the Rights Issue (the “**Minimum Subscription Scenario**”). Under the Minimum Subscription Scenario, the Net Proceeds is approximately S\$15.65 million after deducting approximately S\$0.17 million for professional fees and related expenses estimated to be incurred in connection with the Rights Issue.

The intended uses of such Net Proceeds are set out below:

Use of Net Proceeds	Minimum Subscription Scenario		Maximum Subscription Scenario	
	Amount S\$ million	Percentage Allocation	Amount S\$ million	Percentage Allocation
Provision for acquisition of vessels	10.65	68%	17.93	58%
Repayment of bank borrowings	5.00	32%	10.00	32%
Working capital requirements	-	-	3.00	10%
<b>TOTAL</b>	<b>15.65</b>	<b>100%</b>	<b>30.93</b>	<b>100%</b>

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

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed, and provide a status report on the use of the Net Proceeds in the annual report of the Company. Where there is a material deviation in the stated use of Net Proceeds, the Company will state the reason(s) for such deviation.

As at the date of this announcement, the Directors are of the reasonable opinion that, barring unforeseen circumstances and after taking into consideration:

- (a) the present bank facilities and the Net Proceeds (based on the Minimum Subscription Scenario), the working capital available to the Group is sufficient to meet its present requirements; and
- (b) the rationale for the Rights Issue as set out above and the factors taken into consideration in arriving at the Issue Price set out in paragraph 2.1, that the Rights Issue is in the interest of the Company.

#### **4. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE**

##### **4.1 Entitled Shareholders**

The Company proposes to provisionally allot Rights Shares to all Shareholders who are eligible to participate in the Rights Issue on the basis of their shareholdings in the Company as at the Record Date (the “**Entitled Shareholders**”), which comprise Entitled Depositors and Entitled Scripholders (both as defined below).

Entitled Shareholders will be entitled to participate in the Rights Issue and receive the OIS to be issued by the Company for the Rights Issue together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of the Central Depository (Pte) Limited (“**CDP**”) or the Share Registrar (as defined below), as the case may be.

4.2 “**Entitled Depositors**” are Entitled Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Record Date, provided that such Entitled Depositors have registered addresses in Singapore with CDP as at the Record Date or if they have registered addresses outside Singapore, they have provided CDP, at 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 139589, with a registered address in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days (being a day on which the SGX-ST is open for trading in securities) prior to the Record Date.

4.3 “**Entitled Scripholders**” are Entitled Shareholders whose share certificates are not deposited with CDP and who have tendered to Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) (“**Share Registrar**”) valid transfers of their Shares and the certificates relating thereto for registration up to the Record Date, provided that such Entitled Scripholders have registered addresses in Singapore with the Share Registrar as at the Record Date or if they have registered addresses outside Singapore, they have provided the Share Registrar, at 80 Robinson Road #11-02, Singapore 068898, with a registered address in Singapore no later than 5.00 pm. (Singapore time) on the date being three (3) market days prior to the Record Date.

#### 4.4 **Provisional Allotments and Excess Applications**

Entitled Shareholders will be at liberty to accept (in full or in part), decline, or otherwise renounce or (in the case of Entitled Depositors only) trade their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders’ entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company.

In the allotment of excess Rights Shares, preference will be given to Entitled Shareholders for the rounding of odd lots, whereas Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Rights Issue, or have a representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares and for the applications for excess Rights Shares, including each different mode of acceptance or application and payment, will be contained in the OIS and the relevant application forms.

#### 4.5 **Supplementary Retirement Scheme (“SRS”)**

Members under the SRS (the “**SRS Members**”) who bought their Shares previously using their account opened with the relevant approved bank (the “**SRS Accounts**”) and who wish to accept their provisional allotments of Rights Shares and apply for excess Rights Shares (if

applicable) can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts. Such SRS Members who wish to accept their provisional allotments of Rights Shares and apply for excess Rights Shares using SRS monies (if applicable), must instruct the relevant approved banks in which they hold their SRS Accounts to accept their provisional allotments of Rights Shares and apply for excess Rights Shares (if applicable) on their behalf in accordance with the OIS. Any application made directly to CDP or through automated teller machines of any participating bank appointed and named in the OIS by such Entitled Shareholders will be rejected. For the avoidance of doubt, monies in SRS Accounts may not be used for the purchase of the provisional allotments of Rights Shares directly from the market. Such Entitled Shareholders should refer to the OIS to be lodged with the MAS for important details relating to the offer procedure in connection with the Rights Issue.

#### 4.6 **Central Provident Fund Investment Scheme**

Shareholders who have previously purchased Shares using their Central Provident Fund (“CPF”) account savings (“**CPF Funds**”) under the Central Provident Fund Investment Scheme (“**CPFIS**”):

- (a) and who wish to accept provisional allotments of the Rights Shares or apply for excess Rights Shares will need to contact their respective approved CPF agent banks with whom they hold their CPF investment accounts on how they may do so; and
- (b) may not use their CPF Funds to purchase provisional allotments of nil-paid Rights Shares directly from the market.

#### 4.7 **Foreign Shareholders**

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Issue is only made in Singapore and the Rights Shares will NOT be offered to Shareholders with registered addresses outside Singapore as at the Record Date and who have not, at least three (3) market days prior to the Record Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). The OIS and its accompanying documents will not be mailed outside Singapore. Accordingly, no provisional allotments of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application for Rights Shares by Foreign Shareholders will be valid.

Entitlements to Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders will, if practicable, be sold “nil-paid” on the Mainboard of the SGX-ST or be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company as soon as practicable after dealings in the provisional allotments of Rights Shares commence.

Where such provisional allotments of Rights Shares are sold “nil-paid” on the Mainboard of the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar, CDP or their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of the Rights Shares represented by such provisional allotments.

- 4.8 The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotments of the Rights Shares and for excess application for the Rights Shares pursuant to the Rights Issue will be set out in the OIS to be despatched by the Company to the Entitled Shareholders in due course.

## 5. IRREVOCABLE UNDERTAKINGS

- 5.1 As at the date of this announcement, Mr. Pang Yoke Min, the Executive Chairman and controlling shareholder of the Company, and YM Investco Pte. Ltd. ("**YM Investco**") (collectively, the "**Undertaking Shareholders**") hold 182,668,564 and 46,547,000 Shares, representing approximately 40.5% and 10.3% respectively of the issued and paid-up share capital of the Company. the existing share capital of the Company.
- 5.2 As an indication of their support and commitment to the Company and the Rights Issue, the Undertaking Shareholders have furnished irrevocable undertakings to the Company ("**Irrevocable Undertakings**"), pursuant to which the Undertaking Shareholders undertake, *inter alia*, that:
- (a) as at the date of the Irrevocable Undertakings, (i) in relation to Mr. Pang Yoke Min, he is the legal and/or beneficial owner of an aggregate of 182,668,564 Shares, representing approximately 40.5% of the issued and paid-up share capital of the Company; (ii) in relation to YM Investco, it is the legal and/or beneficial owner of an aggregate of 46,547,000 Shares, representing approximately 10.3% of the issued and paid-up share capital of the Company (collectively, the "**Undertaking Shares**");
  - (b) they will not sell, transfer or otherwise dispose of their respective Undertaking Shares on or prior to the Record Date and shall continue to own their respective Undertaking Shares as at the Record Date;
  - (c) they will vote and procure their nominees/proxies or relevant persons to vote, in respect of their respective Undertaking Shares in favour of the resolutions to be proposed at the EGM to be convened to approve the Rights Issue and any other matter necessary or proposed to implement or assist the implementation of the Rights Issue; and
  - (d) they will, by way of acceptance, subscribe and pay for in full at the Issue Price, the full *pro rata* entitlement to the Rights Shares in relation to the Shares held by each of them as at the Record Date in compliance with the terms and conditions of the Rights Issue.
- 5.3 The Undertaking Shareholders shall procure confirmation of financial resources from a financial institution that they have sufficient financial resources to fulfil their obligations under the Irrevocable Undertakings.
- 5.4 The Irrevocable Undertakings are subject to and conditional upon the following:
- (a) the receipt of the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights 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, and such approval not having been withdrawn or revoked on or prior to the date of completion of the Rights Issue;
  - (b) the obtaining of favourable financing terms by the Undertaking Shareholders to subscribe and pay for their full *pro rata* entitlement to the Rights Shares;
  - (c) subject to the fulfilment of their respective undertakings to vote in favour of the resolutions to approve the Rights Issue at the EGM (as set out in paragraph 5.2(c) above), the Rights Issue and the allotment and issue of the Rights Shares being approved by Shareholders at the EGM to be convened; and

- (d) the lodgement of the OIS, with all other accompanying documents (if applicable) in connection with the Rights Issue, with the MAS.

The Company will release an announcement in due course upon receiving confirmation that financing for the subscription of their full *pro rata* entitlement to the Rights Shares has been obtained by the Undertaking Shareholders.

## 6. SCALING DOWN OF SUBSCRIPTIONS

Depending on the level of subscription for the Rights Shares, the Company may, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any of the Shareholders (if such Shareholder chooses to subscribe for his/her/its pro-rata Rights Share entitlements and/or apply for excess Rights Shares) to avoid placing the relevant Shareholder and parties acting in concert with him/her/it (as defined in the Singapore Code on Take-overs and Mergers (the “Code”)) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up, whether partly or in full, their Rights Shares entitlements fully, and/or to avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Listing Manual, unless prior approval of the Shareholders is obtained in a general meeting.

## 7. APPROVALS

7.1 Shareholders should note that the Rights Issue is subject to, *inter alia*, the following conditions:

- (a) the receipt of the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST and if such approval is granted to subject to conditions, such conditions being acceptable to the Company, and such approval not having been withdrawn or revoked on or prior to the date of completion of the Rights Issue;
- (b) the Rights Issue and the allotment and issue of the Rights Shares being approved by Shareholders at the EGM to be convened; and
- (c) the lodgement of the OIS, with all other accompanying documents (if applicable) in connection with the Rights Issue, with the MAS.

7.2 An application will be made by the Company to the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST. The Company will release an announcement on the outcome of the application in due course.

## 8. NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001

The provisional allotments of Rights Shares and the Rights Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products Regulations 2018)) and Excluded Investment Products (as defined in the MAS’s Notice on the Sale of Investment Products (Notice No.: SFA 04-N12) and the MAS’s Notice on Recommendations on Investment Products (Notice No.: FAA-N16)).



**9. PRIOR EQUITY FUNDRAISING**

The Company has not undertaken any equity fund raising in the past twelve (12) months prior to the date of this announcement.

**10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company (in so far as the Directors are aware) has any direct or indirect interest in the Rights Issue (other than through their respective shareholdings in the Company (if any)).

**11. CIRCULAR TO SHAREHOLDERS**

The Company intends to convene the EGM to seek Shareholders' approval for the Rights Issue. A circular setting out, *inter alia*, the details of, and other relevant information pertaining to the Rights Issue, together with the notice of EGM, will be dispatched to the Shareholders in due course.

**12. RESPONSIBILITY STATEMENT**

The Directors of the Company (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement which would make any statement in this announcement misleading.

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

**13. CAUTIONARY STATEMENT**

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares as there is no certainty or assurance that: (i) the Undertaking Shareholders will be able to obtain financing to fulfill their obligations pursuant to the Irrevocable Undertakings; and (ii) the Rights Issue will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax or other professional adviser immediately.

**BY ORDER OF THE BOARD**

Pang Yoke Min  
Executive Chairman  
3 November 2023