

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

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- (1) **RECEIPT OF APPROVAL IN-PRINCIPLE FROM THE SGX-ST IN RESPECT OF PROPOSED RENOUNCEABLE RIGHTS ISSUE AND ADJUSTMENTS TO WARRANTS**
  - (2) **ADJUSTMENTS TO NUMBER AND EXERCISE PRICE OF SHAREHOLDER WARRANTS AND MANAGEMENT WARRANTS**
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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**”) refers to the Company’s announcements dated 3 November 2023 and 8 November 2023 (collectively, the “**Announcements**”) relating to the proposed renounceable non-underwritten rights issue of up to 1,352,128,371 new ordinary shares (the “**Rights Shares**”) in the capital of the Company (the “**Rights Issue**”).

Unless otherwise defined, capitalised terms used herein shall have the same meaning as ascribed to them in the Announcements.

## 2. RECEIPT OF APPROVAL-IN-PRINCIPLE FROM THE SGX-ST

The Board wishes to announce that the SGX-ST has on 8 December 2023 granted its approval in-principle (“**AIP**”) for the listing and quotation of (i) up to 1,352,128,371 Rights Shares, (ii) up to 11,023,092 additional Shareholder Warrant Shares (as defined below) to be issued and allotted pursuant to the exercise of the Additional Shareholder Warrants (as defined below) (“**Additional Shareholder Warrant Shares**”), and (iii) up to 11,307,321 additional Management Warrant Shares (as defined below) to be issued and allotted pursuant to the exercise of the Additional Management Warrants (as defined below) (“**Additional Management Warrant Shares**”), on the Mainboard of the SGX-ST, subject to the following:

- (a) compliance with the SGX-ST’s continuing listing requirements;
- (b) Shareholders’ approval for the Rights Issue;
- (c) a written undertaking from the Company that it will comply with Rules 704(30), 877(8) and 1207(20) of the Listing Manual in relation to the use of proceeds from the Rights Issue 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;
- (d) a written undertaking from the Company that it will comply with the confirmation given in Rule 877(10) of the Listing Manual with regards to the allotment of any excess Rights Shares;
- (e) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that the undertaking shareholders who have given the irrevocable undertakings have sufficient financial resources to fulfil their obligations under their undertakings;

- (f) a written confirmation from the Company that Rule 820 of the Listing Manual will be complied with; and
- (g) the Company announcing whether the Undertaking Shareholders have obtained their financing to subscribe and pay for their full *pro-rata* entitlements to the Rights Shares prior to commencement of the rights trading period.

As set out in fuller detail in paragraphs 3 to 7 of this announcement, the Shareholder Warrants and Management Warrants had been issued by the Company on 19 September 2022 as part of the debt restructuring of the Company. The Additional Shareholder Warrants and the Additional Management Warrants referred to above are being issued as the Rights Issue constitutes an event that gives rise to, *inter alia*, an adjustment to the number of Shareholder Warrants and Management Warrants held by the holders thereof pursuant to the terms and conditions of the Shareholder Warrants Deed Poll and the Management Warrants Deed Poll (each as defined below) respectively.

The Company has provided the written undertakings and confirmations referred to in sub-paragraphs (c) and (d) above to the SGX-ST.

The AIP is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Additional Shareholder Warrants, the Additional Shareholder Warrants Shares, the Additional Management Warrants, the Additional Management Warrant Shares, the 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.

A circular to Shareholders setting out the details of, amongst other things, the Rights Issue, together with the notice of EGM, will be despatched to Shareholders in due course. The Company will make further announcements relating to the Rights Issue, the Additional Shareholder Warrants and the Additional Management Warrants as and when necessary.

### 3. THE SHAREHOLDER WARRANTS AND MANAGEMENT WARRANTS

On 18 August 2022, the Company executed (a) the deed poll constituting the Shareholder Warrants ("**Shareholder Warrants Deed Poll**"), and (b) the deed poll constituting the Management Warrants ("**Management Warrants Deed Poll**").

On 19 September 2022, as part of the debt restructuring of the Company, the Company issued:

- (a) an aggregate of 22,454,446 Shareholder Warrants to the public shareholders of the Company who are entitled to the Shareholder Warrants, with each Shareholder Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("**Shareholder Warrant Share**") at the exercise price of S\$0.03 per Shareholder Warrant Share ("**Shareholder Warrants Exercise Price**"); and
- (b) an aggregate of 23,033,431 Management Warrants to Mr. Pang Yoke Min, Mr. Pang Wei Meng and Mr. Pang Wei Kuan, James (the "**PRL Key Management**"), with each Management Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("**Management Warrant Share**") at the exercise price of S\$0.06 per Management Warrant Share ("**Management Warrants Exercise Price**").

#### 4. ADJUSTMENTS TO THE OUTSTANDING SHAREHOLDER WARRANTS

As at the date of this announcement, there are 22,454,446 Shareholder Warrants which are outstanding and have not been exercised pursuant to the terms of the Shareholder Warrants Deed Poll. In accordance with the terms and conditions of the Shareholder Warrants Deed Poll, the Rights Issue constitutes an event that may give rise to, *inter alia*, an adjustment to the exercise price of each Shareholder Warrant and/or the number of Shareholder Warrants held by each holder of the Shareholder Warrants (“**Shareholder Warrant Holder**”).

The adjustment formula to be applied to the Shareholder Warrants under Condition 5.2(c)(ii) of Schedule 1 to the Shareholder Warrants Deed Poll is set out in Annex A to this announcement. Accordingly, after applying the aforementioned adjustment formula, the Shareholder Warrants will be adjusted by:

- (a) applying a ratio of 1.4909:1 to the Shareholder Warrants held by each Shareholder Warrant Holder to arrive at the number of outstanding warrants that have been adjusted; and
- (b) adjusting the existing Shareholder Warrants Exercise Price of S\$0.030 to the new exercise price of S\$0.025,

(collectively, the “**Shareholder Warrant Adjustments**”).

Any Shareholder Warrant Adjustments to the number of Shareholder Warrants held by each Shareholder Warrant Holder will be rounded down to the nearest whole Shareholder Warrant. Save for the Shareholder Warrant Adjustments described above, the terms and conditions of the Shareholder Warrants remain unchanged.

For illustration purposes, if a Shareholder Warrant Holder holds 1,000 Shareholder Warrants, the Shareholder Warrants held by the Shareholder Warrant Holder after applying the ratio of 1.4909:1 will be 1,490 Shareholder Warrants.

Pursuant to the adjustment ratio of 1.4909:1 above, up to 11,023,092 additional Shareholder Warrants (“**Additional Shareholder Warrants**”) will be issued to the Shareholder Warrant Holders.

#### 5. ADJUSTMENTS TO THE OUTSTANDING MANAGEMENT WARRANTS

As at the date of this announcement, there are 23,033,431 Management Warrants which are outstanding and have not been exercised pursuant to the terms of the Management Warrants Deed Poll. In accordance with the terms and conditions of the Management Warrants Deed Poll, the Rights Issue constitutes an event that may give rise to, *inter alia*, an adjustment to the exercise price of each Management Warrant respectively and/or the number of Management Warrants held by each holder of the Management Warrants (“**Management Warrant Holder**”).

The adjustment formula to be applied to the Management Warrants under Condition 5.2(c)(ii) of Schedule 1 to the Management Warrants Deed Poll is set out in Annex B to this announcement. Accordingly, after applying the aforementioned adjustment formula, the Management Warrants will be adjusted by:

- (a) applying a ratio of 1.4909:1 to the Management Warrants held by each Management Warrant Holder to arrive at the number of outstanding warrants that have been adjusted; and

- (b) adjusting the existing Management Warrants Exercise Price of S\$0.060 to the new exercise price of S\$0.045,

(collectively, the “**Management Warrant Adjustments**”).

Any Management Warrant Adjustments to the number of Management Warrants held by each Management Warrant Holder will be rounded down to the nearest whole Management Warrant. Save for the Management Warrant Adjustments described above, the terms and conditions of the Management Warrants remain unchanged.

For illustration purposes, if a Management Warrant Holder holds 1,000 Management Warrants, the Management Warrants held by the Management Warrant Holder after applying the ratio of 1.4909:1 will be 1,490 Management Warrants.

Pursuant to the adjustment ratio of 1.4909:1 above, up to 11,307,321 additional Management Warrants (“**Additional Management Warrants**”) will be issued to the Management Warrant Holders.

## **6. CONFIRMATION FROM ISSUE MANAGER**

The Company’s Issue Manager for the Rights Issue, CGS-CIMB Securities (Singapore) Pte. Ltd., has reviewed the Shareholder Warrant Adjustments and Management Warrant Adjustments respectively and confirmed that they are in accordance with the prescribed formula for the adjustments under the Shareholder Warrants Deed Poll and the Management Warrants Deed Poll respectively.

## **7. EFFECTIVE DATE OF THE ADJUSTMENTS**

Pursuant to the terms and conditions of the Shareholder Warrants Deed Poll and the Management Warrants Deed Poll, the Shareholder Warrant Adjustments and Management Warrant Adjustments will be effective from the commencement of the market day next following the closing date of the Rights Issue (“**Closing Date**”). As the indicative Closing Date is 26 January 2024, the Shareholder Warrant Adjustments and Management Warrant Adjustments are expected to be effective on 29 January 2024.

## **8. CAUTIONARY STATEMENT**

Shareholders and potential investors are advised to exercise caution when dealing or trading in the securities of the Company. 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  
11 December 2023

## ANNEX A

### ADJUSTMENT FORMULA OF SHAREHOLDER WARRANTS

The adjustment formula to be applied to the Shareholder Warrants under Condition 5.2(c)(ii) of Schedule 1 of the Shareholder Warrants Deed Poll is set out below:

The Shareholder Warrants Exercise Price shall be adjusted in the following manner:-

*New Shareholder Warrants Exercise Price = (C – D) / C multiplied by X*

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

*Adjusted number of Shareholder Warrants = C / (C – D) multiplied by W*

Where:-

C = the Last Dealt Price on the Market Day immediately preceding the date on which the Capital Distribution (as defined in the Shareholder Warrant Deed Poll), 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; 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 = Existing Shareholder Warrants Exercise Price; and

W = Existing number of Shareholder Warrants held.

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 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.

### **Definitions**

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

"**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.

"**Market Day**" means a day on which the SGX-ST is open for trading in securities in Singapore.

## ANNEX B

### ADJUSTMENT FORMULA OF MANGEMENT WARRANTS

The adjustment formula to be applied to the Management Warrants under Condition 5.2(c)(ii) of Schedule 1 of the Management Warrants Deed Poll is set out below:

The Management Warrants Exercise Price shall be adjusted in the following manner:-

*New Management Warrants Exercise Price = (C – D) / C multiplied by X*

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

*Adjusted number of Management Warrants = C / (C – D) multiplied by W*

Where:-

C = the Last Dealt Price on the Market Day immediately preceding the date on which the Capital Distribution (as defined in the Management Warrant Deed Poll), 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; 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 = Existing Management Warrants Exercise Price; and

W = Existing number of Management Warrants held.

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 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.

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