

Pacific Radiance granted S\$85 million in loans under government-backed financing schemes

- ◆ Funds will help support working capital needs over the medium term
- ◆ Group will continue to refine cost structure, extend reach in targeted markets and work closely with lenders
- ◆ Believes longer-term outlook has improved as OPEC and certain non-OPEC producers have agreed to extend oil cuts by another 9 months

SINGAPORE ◆ 8 June 2017

For immediate release

Pacific Radiance Ltd. (Pacific Radiance or the Group), a provider of integrated offshore marine support services, has been granted S\$85 million in loans under two Singapore government-backed financing schemes that will help support its working capital needs over the medium term.

The two programmes – the Internationalisation Finance Scheme (IFS) by International Enterprise (IE) Singapore and the Bridging Loan (BL) scheme by Spring Singapore – aim to help local offshore and marine (O&M) companies gain access to working capital and financing so they can weather the current prolonged industry downturn.

Mr Pang Yoke Min (冯学民), the Executive Chairman of Pacific Radiance, said: “We are pleased to be eligible for the two schemes, which have allowed the Group to secure maximum loans of S\$85 million. The loan approvals from both the participating banks, DBS and UOB, and government agencies reflect their strong support to help the Group overcome the downturn.”

The IFS was enhanced in late 2016 to allow O&M companies to borrow up to S\$70 million each, instead of S\$30 million previously, for project or asset financing needs. For Pacific Radiance, disbursement of the IFS loan will be in stages and is subject to fulfilling of certain disbursement conditions by the Group.

Under the BL, individual companies can borrow up to S\$5 million each, subject to a maximum of S\$15 million for each borrower group, and only for a maximum of six years,

to finance their operations and bridge short-term cashflow gaps. The government will take on 70% of the risk share for both the IFS and BL loans.

To qualify for IE Singapore's IFS, local O&M enterprises must fulfil a set of criteria that include having a Singapore-based global headquarters. Also, their operations must have at least three strategic business functions ⁽¹⁾ located locally. As for Spring Singapore's BL, companies are eligible to apply if they are registered and operating in Singapore with a local shareholding of at least 30%.

On the industry's prospects, Mr Pang commented: "We believe the longer-term outlook has improved as OPEC and certain non-OPEC producers have sustained oil production cuts until June this year and have also agreed to extend these cuts by another nine months. This concerted effort by oil producers should enable supply and demand to balance in the medium term.

"These positive developments will take time to flow through. Even though vessel utilisation and charters rates are bottoming out, market conditions will remain challenging in the near term. To withstand the headwinds ahead, we will continue to refine our cost structure, extend our reach in key markets and work closely with our lenders to manage our working capital and loan repayments to sustain our business for the long term."

⁽¹⁾ Strategic business functions refer to activities such as (i) banking and financial, (ii) marketing and business planning, (iii) procurement and logistics, (iv) training and personnel management, (v) investment planning and coordination, (vi) R&D and design, (vii) technical support, (viii) manufacturing and (ix) other value-added activities.

ABOUT THE COMPANY

www.pacificradiance.com ♦ SGX mainboard listing: 13 November 2013

Pacific Radiance Ltd. provides offshore support solutions to an expanding client base, catering to their key needs throughout the oil and gas (O&G) project life cycle. Our offshore support services division owns and charters out a young and diverse offshore vessel fleet that helps ensure efficient and successful project execution. We also offer subsea inspection, repair and maintenance services.

Our Group's fleet of more than 130 vessels has given us a strong foothold across Asia and other emerging O&G markets, namely Africa, Latin America and Australia. We are well-placed to benefit from the eventual growth in exploration and production as well as subsea spending in these regions over the long term.



Pacific Radiance Ltd.

15 Pandan Road
Singapore 609263

Tel: +65 6238 8881
Fax: +65 6278 2759

M
E
D
I
A

R
E
L
E
A
S
E

FOR FURTHER ENQUIRIES

MR. JAMES PANG		PACIFIC RADIANCE LTD.
	+65 6568 3238	james.pang@pacificradiance.com
MS CAROL CHONG		OAKTREE ADVISERS
	+65 9475 3167	carolchong@oaktreadvisers.com
MS NORA CHENG		OAKTREE ADVISERS
	+65 9634 7450	noracheng@oaktreadvisers.com

OAKTREE ADVISERS, YOUR IR PARTNER