

# PACIFIC RADIANCE LTD.

FY2020 Annual General Meeting

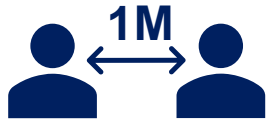
**In-person | Webcast**

29 April 2021, 10.00 AM



## In-person AGM Attendees are reminded to observe all Safe Distancing Measures put in place.

Maintain at least 1 metre safe distancing between attendees.



Mask must be worn at all times.



Attendees who are unwell will be refused entry.



Meeting attendance is capped at 50 persons.



Sit only at allocated seats as directed by ushers.



No mingling after the meeting or crowding at common areas.



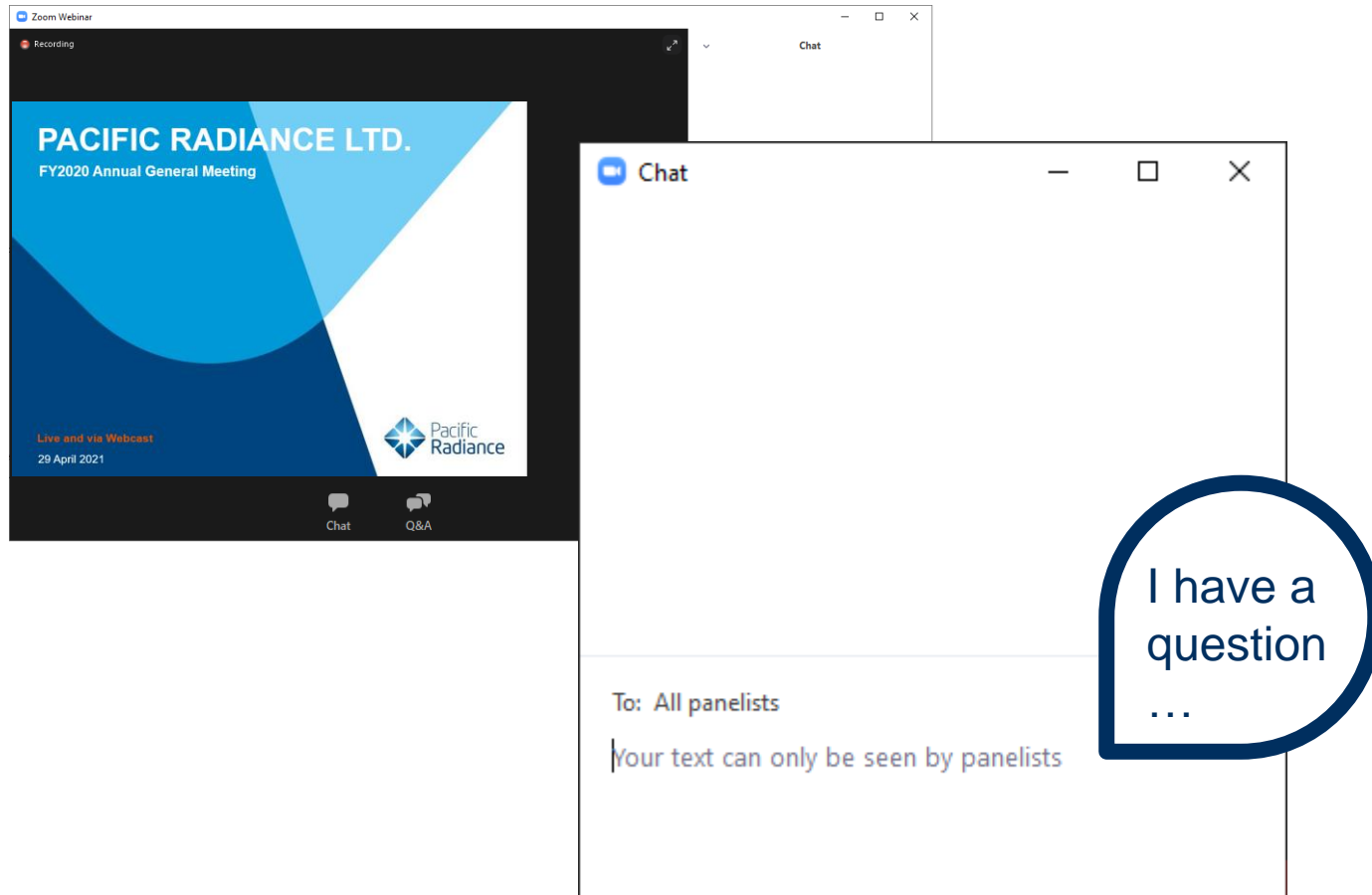
Hand sanitizer is available at registration counter.

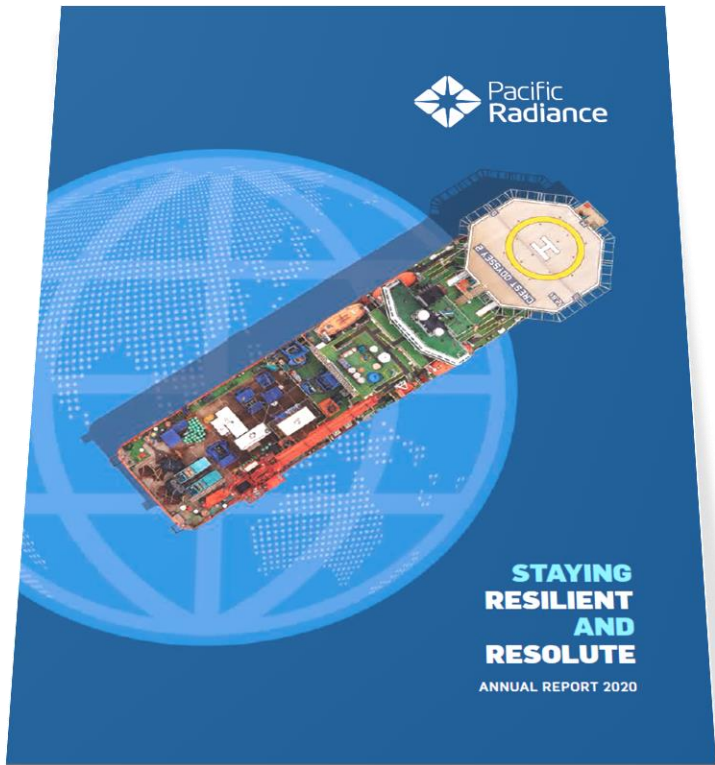


Microphone is disinfected before changing hands.



**Webcast attendees will be able to ask questions at the AGM in real time via the online chat function.**





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Annual Report**



**STAYING  
RESILIENT  
AND  
RESOLUTE**

ANNUAL REPORT 2020

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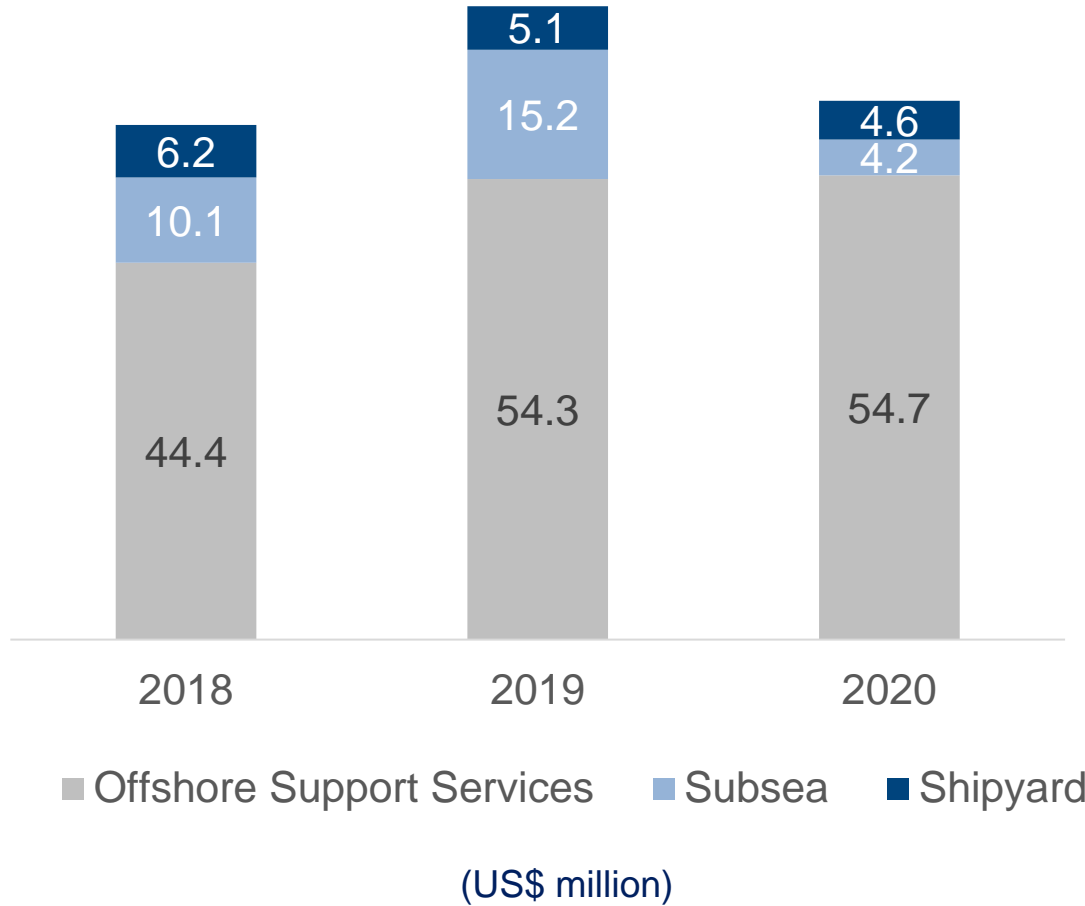


# Annual General Meeting

# Profit & Loss

| (US\$'000)                          | FY 2020         | %Δ          | FY 2019         |
|-------------------------------------|-----------------|-------------|-----------------|
| <b>Revenue</b>                      | <b>63,520</b>   | <b>(15)</b> | <b>74,758</b>   |
| Cost of sales                       | (56,233)        | (6)         | (59,575)        |
| <b>Gross profit</b>                 | <b>7,287</b>    | <b>(52)</b> | <b>15,183</b>   |
| Other operating income              | 16,535          | (4)         | 17,147          |
| General and administrative expenses | (14,584)        | (17)        | (17,474)        |
| Other operating expenses            | (46,616)        | (35)        | (71,541)        |
| Finance expenses                    | (20,740)        | (20)        | (25,840)        |
| Share of result of joint ventures   | 568             | N.M.        | 219             |
| Loss before tax                     | (57,550)        | (30)        | (82,306)        |
| Taxation                            | (892)           | (15)        | (1,054)         |
| <b>Loss for the period</b>          | <b>(58,442)</b> | <b>(30)</b> | <b>(83,360)</b> |

# Segment Performance





# Statement of Financial Position

| (US\$'000)                    | As at<br>31 Dec 2020 | As at<br>31 Dec 2019 |
|-------------------------------|----------------------|----------------------|
| Total non-current assets      | 264,844              | 298,357              |
| Total current assets          | 64,444               | 89,476               |
| <b>Total assets</b>           | <b>329,288</b>       | <b>387,833</b>       |
| Total current liabilities     | 608,685              | 606,934              |
| Total non-current liabilities | 22,524               | 23,349               |
| <b>Total liabilities</b>      | <b>631,209</b>       | <b>630,283</b>       |
| <b>Net assets</b>             | <b>(301,921)</b>     | <b>(242,450)</b>     |

# Our Restructuring Efforts

| Date                | Events  |
|---------------------|---|
| Jul 2017 – Oct 2017 | <p><b><u>Proposal 1</u></b></p> <ul style="list-style-type: none"> <li>• Commenced initial restructuring discussion with major creditors.</li> <li>• The debt of the PRL Group was about US\$480 million in bank loans and another approximately US\$75 million related to the Notes.</li> <li>• Received initial interest from two large funds based in the United States. One of them commenced due diligence.</li> <li>• Major creditors prefer not to deal with large funds.</li> </ul>                             |
| Oct 2017            | <p><b><u>Proposal 2</u></b></p> <ul style="list-style-type: none"> <li>• Company managed to garner interest from potential equity investors, mainly business associates, to raise new capital of US\$50 million ("Investor Group 1").</li> <li>• The restructuring proposal comprised the equity injection of US\$50 million, a certain amount of debt forgiveness and/or debt-to-equity conversion, and a certain amount of bank loans to be retained with moratorium on repayment.</li> </ul>                         |
| Oct 2017 - Jan 2018 | <p><b><u>Proposal 3</u></b></p> <ul style="list-style-type: none"> <li>• Restructuring proposal for the Notes was put together on the basis of Proposal 2 for approval by the Noteholders in Feb 2018.</li> <li>• Subsequently, significant changes to Proposal 2 were made, equity to be raised was increased to US\$120 million mainly for higher upfront cash payment for the bank loans, in return for higher amount of debt forgiveness and/or debt-to-equity conversion in relation to the bank loans.</li> </ul> |

# Our Restructuring Efforts

| Date                | Events  |
|---------------------|---|
| Feb 2018 – Nov 2018 | <p><b><u>Proposal 3 (continued)</u></b></p> <ul style="list-style-type: none"> <li>• Company managed to garner more interest from potential equity investors ("Investor Group 2"), the amount to be raised from Investor Group 1 and 2 was up to US\$85 million.</li> <li>• A Hong Kong based fund expressed interest in respect of the balance US\$35 million equity to be raised.</li> <li>• Company commenced preparation for application to the Court to restructure the debts of the Group, including the bank loans, via schemes of arrangement based on Proposal 3.</li> <li>• In Aug 2018, Noteholders approved the restructuring terms of the Notes and the extension of maturity date of the Notes to 30 Sep 2019.</li> <li>• In the later part of 2018, the global markets took a sharp turn for the worse. Investor Group 1 and Investor Group 2 decided to reduce their equity commitment significantly.</li> <li>• Due to the shortfall in equity commitment, Company could no longer proceed with Proposal 3.</li> </ul> |
| Dec 2018 - Mar 2019 | <p><b><u>Proposal 4</u></b></p> <ul style="list-style-type: none"> <li>• To preserve most of the agreed terms of Proposal 3 and the restructuring terms of the Notes, Company put together another restructuring proposal via the combination of business with Allianz Marine &amp; Logistics Services Holding Ltd ("AMLS")</li> <li>• The combined business is expected to be cash flow positive, terms of Proposal 3 were largely retained, except that the bank loans will be repaid substantially in instalments.</li> <li>• No objection from major creditors for Company to proceed with due diligence.</li> <li>• Company entered into a binding termsheet with AMLS for the business combination post due diligence.</li> <li>• In Mar 2019, major creditors informed its expectation for an all-cash deal.</li> </ul>  |

# Our Restructuring Efforts

| Date                | Events  |
|---------------------|---|
| Apr 2019 – Dec 2019 | <p><b><u>Proposal 5</u></b></p> <ul style="list-style-type: none"> <li>• Company expedited with another round of investor search process.</li> <li>• In May 2019, Company accepted a new debt financing proposal from a global investment firm (the “Financier”), Financier carried out due diligence on PR and AMLS over the course of the second half of 2019.</li> <li>• Company shared its restructuring roadmap to raise new debt and new equity to finance the proposed acquisition of AMLS, repay existing debt of the Group and complete the restructuring of the Notes.</li> <li>• In Oct 2019, Noteholders approved the extension of maturity date of the Notes to 31 Mar 2020.</li> <li>• Discussions with the Financier on the new debt stalled around December 2019 as certain difficulties arose in the course of the discussions.</li> <li>• Company promptly resumed talks with other potential financiers who had previously expressed interest and provided indicative debt financing proposals to Company in the course of 2019. One of the potential financiers, a global asset management firm (the “Second Financier”), showed keen interest and progressed to discuss the terms of debt financing with the Company.</li> </ul> |
| Jan 2020 – Oct 2020 | <p><b><u>Proposal 6</u></b></p> <ul style="list-style-type: none"> <li>• The unexpected outbreak of COVID-19 pandemic hurt investor sentiment severely and heightened market volatility significantly. This was compounded by the oil price war between Russia and Saudi Arabia.</li> <li>• These factors impacted considerations of potential financiers, including the Second Financier.</li> <li>• Company continued to discuss with the major creditors of the Group and potential financiers on restructuring options. These options included the possibility of proceeding with the combination of business with AMLS and having the restructured debt repaid by way of some upfront cash payment and the balance payment over time.</li> </ul>   |

# Our Restructuring Efforts

| Date     | Events   |
|----------|--|
| Nov 2020 | <p data-bbox="436 297 606 329"><b><u>Proposal 7</u></b></p> <ul data-bbox="436 344 1831 458" style="list-style-type: none"><li data-bbox="436 344 1831 415">• Major creditors eventually expressed their preference for another proposal submitted by an owner of offshore support vessels that is backed by a private equity fund (the “Third Financier”).</li><li data-bbox="436 425 1624 458">• Letter of agreement was signed between the Third Financier and major creditors.</li></ul> |

# Restructuring Proposal - Group

## Impact on PRL Group

- The Third Financier is keen on almost the entire fleet of vessels of the Group.
- The Third Financier is receptive to ship management of the vessels by the Group.
- The Group to remain a viable and a going concern post restructuring.
- There shall be no change in control post restructuring.

# Restructuring Proposal - Group

| Party   | Proposal   | Status   | Expected Timeline   |
|---|--|--|---|
| Between Third Financier and Secured Creditors   | <ul style="list-style-type: none"> <li>Third Financier to acquire vessels from secured creditors</li> </ul>  | <ul style="list-style-type: none"> <li>Definitive agreements under negotiation</li> </ul>  | <ul style="list-style-type: none"> <li>April – May 2021</li> </ul>                                |
| Between Third Financier and the Group           | <ul style="list-style-type: none"> <li>Following the acquisition of the vessels, Third Financier to collaborate with the Group and enter into ship management agreement with the Group for the vessels.</li> </ul>                       | <ul style="list-style-type: none"> <li>Ship management agreement under negotiation</li> <li>Regulatory clearance in progress in relation to vessel sale and restructuring</li> </ul> | <ul style="list-style-type: none"> <li>April – May 2021</li> <li>May – Jul 2021</li> </ul>        |
| Between the Group and Other Unsecured Creditors | <ul style="list-style-type: none"> <li>The Group to restructure the ~USD75 million notes by way of consent solicitation exercise.</li> <li>The Group to restructure the other liabilities owing to other unsecured creditors.</li> </ul> | <ul style="list-style-type: none"> <li>Completed in April 2021</li> <li>Preparation of scheme application in progress</li> </ul>   | <ul style="list-style-type: none"> <li>Completed in April 2021</li> <li>May – Sep 2021</li> </ul> |
| Between the Group and Shareholders              | <ul style="list-style-type: none"> <li>The Group to obtain shareholders' approval for, inter alia, the sale of vessels to the Third Financier in order to put into effect the restructuring proposal.</li> </ul>                         | <ul style="list-style-type: none"> <li>Upon regulatory clearance in relation to vessel sale and restructuring</li> </ul>   | <ul style="list-style-type: none"> <li>Jul - Aug 2021</li> </ul>                                  |

# Going Forward

## Key Priorities & Strategy

### Immediate priorities

To complete sale of vessels to Third Financier for cash and complete settlement of secured debt



To complete restructuring of unsecured debt schemes of arrangement and/or bi-lateral agreement



To enter into ship management contracts with Third Financier in relation to the vessels



### Near term priorities

Leverage on skills and reputation as a quality owner-operator to transition to a full-fledge ship management business



Focus marketing efforts with ship owners to develop ship management business



Continue to manage costs and liquidity, operating on asset-light and lean capital structure



Complete rollout of new marine ERP system



### Medium term priorities

New business stream through charter-in vessels



Diversifying to offshore wind farm space



Seeking potential M&A and JV opportunities





# Questions and Answers

# Pre-submitted Questions



## Questions from Shareholders

1. When will the Company resume trading after a long hiatus?
2. What are the plans going forward to generate value for shareholders?
3. With the oil price hovering in the range of USD \$58 to \$60, will Pacific Radiance be getting more profitable projects and opportunities in 2021?
4. When do you expect Pacific Radiance to be reporting net profit in the future?



# Annual General Meeting

## Resolution 1

**Approval of Directors' Fees for the financial year ending 31 December 2021**

## Resolution 1

### Approval of Directors' Fees for the financial year ending 31 December 2021

|  | For         | Against |
|--|-------------|---------|
| No. of shares represented by votes           | 571,596,270 | 117,300 |
| As a percentage of total "For" and "Against" | 99.98%      | 0.02%   |

## Resolution 2

**Re-election of Mr. Pang Yoke Min as director**

## Resolution 2

### Re-election of Mr. Pang Yoke Min as director

|   | <b>For</b>         | <b>Against</b> |
|---|--------------------|----------------|
| <b>No. of shares represented by votes</b>           | <b>571,665,570</b> | <b>48,000</b>  |
| <b>As a percentage of total “For” and “Against”</b> | <b>99.99%</b>      | <b>0.01%</b>   |

## Resolution 3

**Re-election of Mr. Pang Wei Meng as director**



## Resolution 3

### Re-election of Mr. Pang Wei Meng as director

|   | <b>For</b>         | <b>Against</b>   |
|---|--------------------|------------------|
| <b>No. of shares represented by votes</b>           | <b>568,473,070</b> | <b>3,240,500</b> |
| <b>As a percentage of total “For” and “Against”</b> | <b>99.43%</b>      | <b>0.57%</b>     |

## Resolution 4

### Re-appointment of Auditors

# Resolution 4

## Re-appointment of Auditors

|  | For         | Against |
|--|-------------|---------|
| No. of shares represented by votes           | 571,703,570 | 10,000  |
| As a percentage of total “For” and “Against” | 100.00%     | 0.00%   |



## Resolution 5

### Authority to allot and issue ordinary shares

# Resolution 5

## Authority to allot and issue ordinary shares

|   | <b>For</b>         | <b>Against</b>   |
|---|--------------------|------------------|
| <b>No. of shares represented by votes</b>           | <b>566,288,970</b> | <b>5,424,600</b> |
| <b>As a percentage of total “For” and “Against”</b> | <b>99.05%</b>      | <b>0.95%</b>     |



## Resolution 6

**Authority to grant awards and to issue shares under the Pacific Radiance Performance Share Plan**

## Resolution 6

### Authority to grant awards and to issue shares under the Pacific Radiance Performance Share Plan

|  | For         | Against   |
|--|-------------|-----------|
| No. of shares represented by votes           | 568,473,070 | 3,240,500 |
| As a percentage of total “For” and “Against” | 99.43%      | 0.57%     |

## Resolution 7A

**Continued appointment of Mr. Yong Yin Min as an Independent Director – to be voted by Tier 1 Shareholders**



## Resolution 7A

**Continued appointment of Mr. Yong Yin Min as an Independent Director – to be voted by Tier 1 Shareholders**

|   | <b>For</b>         | <b>Against</b> |
|---|--------------------|----------------|
| <b>No. of shares represented by votes</b>           | <b>571,665,570</b> | <b>48,000</b>  |
| <b>As a percentage of total “For” and “Against”</b> | <b>99.99%</b>      | <b>0.01%</b>   |

## Resolution 7B

**Continued appointment of Mr. Yong Yin Min as an Independent Director – to be voted by Tier 2 Shareholders**

## Resolution 7B

**Continued appointment of Mr. Yong Yin Min as an Independent Director – to be voted by Tier 2 Shareholders**

|   | <b>For</b>        | <b>Against</b> |
|---|-------------------|----------------|
| <b>No. of shares represented by votes</b>           | <b>52,494,156</b> | <b>48,000</b>  |
| <b>As a percentage of total “For” and “Against”</b> | <b>99.91%</b>     | <b>0.09%</b>   |

Thank you for attending our  
**FY2020 Annual General Meeting**

## **Investor Relations**

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