

RESPONSE TO SGX-ST QUERIES RECEIVED ON 7 MARCH 2024

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 7 March 2024 in relation to the full year results for the 12 months ended 31 December 2023 (“**FY2023**”):

Query by SGX-ST																				
1	<p>Please explain the nature of and reasons for the acquisition of property, plant and equipment amounting to US\$4.8 million in FY2023, considering that the Group had assessed that there is no indication that its existing vessels, property and buildings may be impaired and in fact did a write-back of impairment for a vessel amounting to US\$3.5 million.</p> <p><u>Company’s Response</u></p> <p>Acquisition of property, plant and equipment was mainly due to the purchase of vessel to expand chartering activities and investment in ship management digital solutions.</p>																			
2	<p>Please explain the reason(s) and the nature of the underlying transactions for the 16% increase in other receivables from US\$7.5 million in FY2022 to US\$8.8 million in FY2023 and disclose the breakdown of the Group’s other receivables, including the aging of these receivables.</p> <p><u>Company’s Response</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Other Receivables</th> <th style="text-align: center;">31 Dec 2023 (US\$’000)</th> <th style="text-align: center;">31 Dec 2022 (US\$’000)</th> </tr> </thead> <tbody> <tr> <td>Deposits, Prepayments and Advances</td> <td style="text-align: center;">1,705</td> <td style="text-align: center;">872</td> </tr> <tr> <td>GST/Tax Recoverables</td> <td style="text-align: center;">248</td> <td style="text-align: center;">258</td> </tr> <tr> <td>Other Recoverables</td> <td style="text-align: center;">6,296</td> <td style="text-align: center;">5,923</td> </tr> <tr> <td>Others</td> <td style="text-align: center;">550</td> <td style="text-align: center;">519</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">8,799</td> <td style="text-align: center;">7,572</td> </tr> </tbody> </table> <p>The 16% increase to US\$8.8 million (FY2023) from US\$7.5 million (FY2022) is mainly due to the increase in Deposits and Other Recoverables. Deposits mainly relate to deposit placed for vessel acquisition. Other Recoverables represent unbilled vessel operating costs incurred by the Group on behalf of third-party vessel owners in performing the ship management activities according to contracts.</p>		Other Receivables	31 Dec 2023 (US\$’000)	31 Dec 2022 (US\$’000)	Deposits, Prepayments and Advances	1,705	872	GST/Tax Recoverables	248	258	Other Recoverables	6,296	5,923	Others	550	519	Total	8,799	7,572
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Query by SGX-ST (cont'd)

3 Please disclose a breakdown of other liabilities amounting to US\$14.4 million in FY2023, including the aging, nature and reason(s) of these other liabilities. To also disclose whether the counterparties are related parties.

Company's Response

Other Liabilities	31 Dec 2023 (US\$'000)	Nature
Other Payables	231	Creditors that are non-trade in nature.
Deposits Received	26	Deposits received from customers.
Accrued Operating and Tax Expenses	10,215	Accrual for interest, operating costs and tax payable.
Deferred Gain on Sale of Vessels	466	Deferred gain on sale of vessel to joint venture to be realized upon sale or depreciation of vessel by joint venture.
Advanced Billings to Customers	3,452	Advances received from ship management customers.
Total	14,390	

Query by SGX-ST (cont'd)

4 Pursuant to Listing Rule 705 and Appendix 7.2 of, Paragraph 8, please disclose the status on the use of proceeds raised from the renounceable non-underwritten rights issue (the "Rights Issue") and whether the use these proceeds is in accordance with the stated use announced in FY2023. Where the proceeds have been used for working capital purposes, please provide a breakdown with specific details on how the proceeds have been applied.

Company's Response

Stated use of proceeds from Rights Issue:

Use of Final Net Proceeds	Amount S\$ million	Percentage Allocation
Provision for acquisition of vessels	14.12	62%
Repayment of bank borrowings	8.65	38%
Total	22.77	100%

Use of proceeds from Rights Issue:

Use of Final Net Proceeds	Amount S\$ million	Percentage Allocation
Acquisition of vessels	5.60	25%
Repayment of bank borrowings	8.65	38%
Total	14.25	63%

Proceeds from Rights Issue to be used is S\$8.52 million.

By Order of the Board of
Pacific Radiance Ltd.

Pang Yoke Min
Executive Chairman

12 March 2024