

# PACIFIC RADIANCE LTD.

February 2018



# Confidentiality, Disclaimer and Caution

## Important Notes

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## Important Notes (continued)

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# Confidentiality, Disclaimer and Caution

## Important Notes (continued)

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# Initial Proposal



Full conversion of  
S\$100 million of  
notes to equity



S\$1 = 3  
Pacific Radiance Ltd shares



S\$4.3 million in  
escrow account

## What do Noteholders get?

- Total 300,000,000 of new shares to be issued, no lock-up period.
- Value of shares S\$36 million based on S\$0.119 per share (illustrative based on closing price on 18 Jan 2017).
- S\$4.3 million to be released from escrow account.
- Option to liquidate shares or hold.

# Feedback from Noteholders

## ***Not to wait***

Option 1: Liquidate position → sell bonds but illiquid<sup>(a)</sup>  
→ convert to equity and sell shares

Option 2: Convert to shares and participate in future equity raise and recovery as shareholders

## ***To wait***

Option 3: Partial redemption or partial redemption cum partial conversion

- 
- The Proposal offers Options 1 and 2 to Noteholders.
  - Option 3 can only be considered when restructuring terms with investors and secured lenders have been agreed.
  - Priority of payment to secured lenders need to be considered for Option 3.

(a) Bloomberg Bid/Ask price of S\$0.0975/0.19375 to S\$1 as at 31 January 2018.

# Revised Proposal



Full conversion of  
S\$100 million of  
notes to equity



**S\$5 = 19**  
**Pacific Radiance Ltd shares**



S\$4.3 million in  
escrow account

## What do Noteholders get?

- Total 380,000,000 of new shares to be issued, no lock-up period.
- Value of shares S\$45.6 million based on S\$0.120 per share (illustrative based on closing price on 31 January 2018).
- S\$4.3 million to be released from escrow account.
- Option to liquidate shares or hold.

# Why The Proposal Now?

- Discussions with secured lenders and investors require more time.
- Notes mature on 29 August 2018.
- CSE to address maturing Notes has to be launched in 2Q 2018.
- Current sentiments in the oil and equity markets have improved, giving Noteholders the option now to liquidate shares or participate in future equity raise and recovery as shareholders.
- If Noteholders prefer **to wait**, possible scenarios in 2Q 2018:
  - ✓ Restructuring terms are not finalised with investors and secured lenders and more time is required.
    - ⇒ Noteholders may have to reconsider full conversion.
    - ⇒ Recovery will be based on market conditions then.
  - ✓ Restructuring terms finalised with investors and secured lenders
    - ⇒ Proposal to noteholders may be similar, better or worse, depending on agreed terms with investors and secured lenders.



# What Noteholders Need To Do

**Not to wait (Pass ER1 and ER2)**



Proposed  
Extraordinary  
Resolution  
**1**  
**(ER1)**

AND

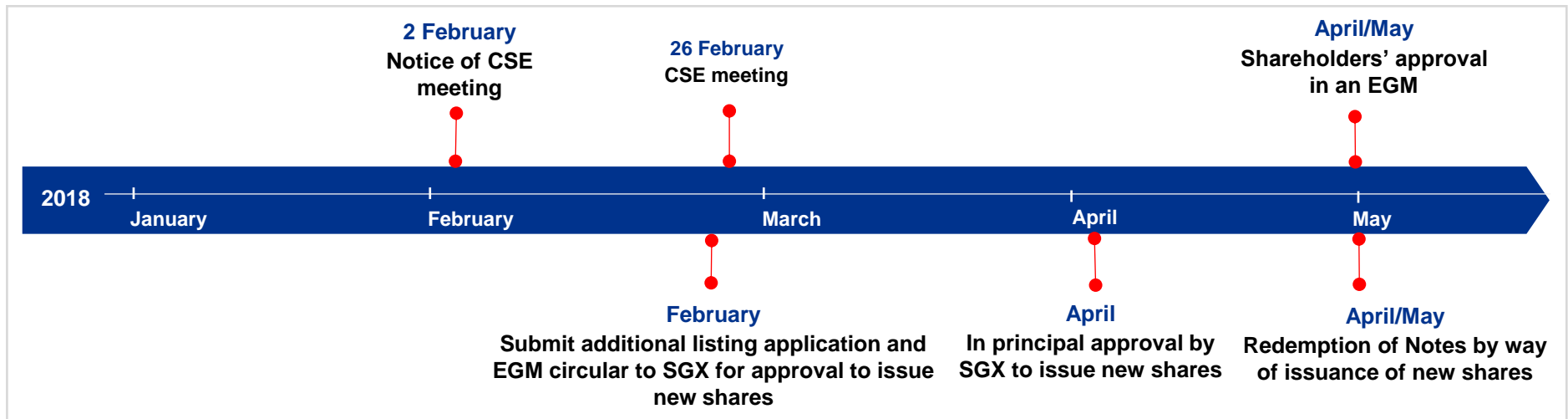


Proposed  
Extraordinary  
Resolution  
**2**  
**(ER2)**



Accept full conversion and S\$4.3 million in escrow account  
  
AND  
  
Waive events of default and covenants that may be breached

## Indicative Timeline



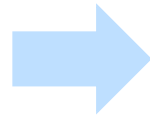
Indicative timeline will be pushed out by at least another 14 days if CSE meeting is adjourned

# What Noteholders Need To Do

**To wait (Pass ER2)**



Proposed  
Extraordinary  
Resolution  
**2**  
**(ER2)**

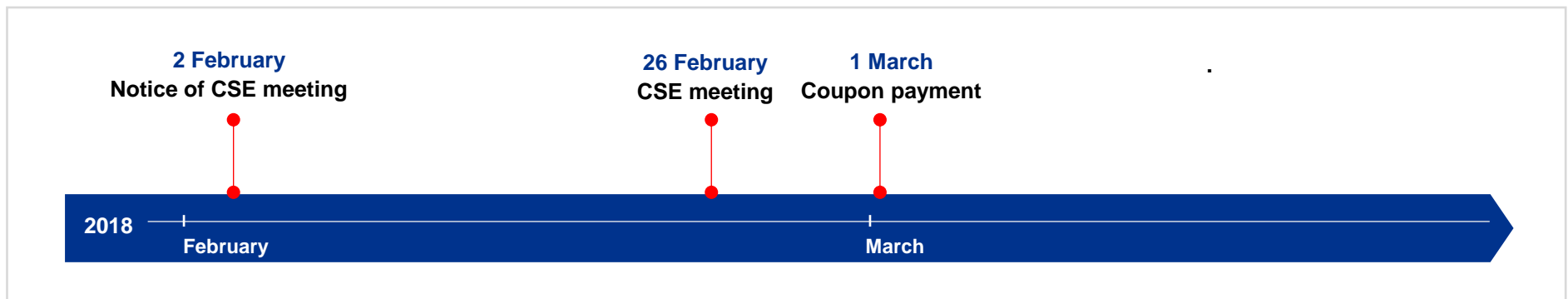


*MUST PASS* ER2 to waive potential events of default and covenants that may be breached

AND

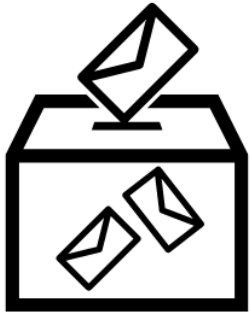
Receive S\$2.15 million in coupon payment from monies in escrow account

## Indicative Timeline



A second CSE to be held in 2Q 2018 to address Notes maturity

# What Noteholders Need To Do



**Notes held directly with CDP:** Voting Instruction Form must reach Tricor Singapore Pte Ltd by 10am (Singapore time) on 24 February 2018

**Notes held through a bank:** Contact your bank for the deadline for the submission of votes.

# Informal Session With Noteholders

The Company will be holding informal clinic sessions to address any further queries that Noteholders may have pertaining to the CSE.

	<b>Informal Clinic Session</b>
<b>Date</b>	7, 8, 9 February 2018
<b>Time</b>	7 and 8 February - 4pm to 6pm 9 February – 4pm to 7pm
<b>Venue</b>	Dentons Rodyk & Davidson 80 Raffles Place, #33-00, Singapore 048624
<b>Registration</b>	Noteholders are required to register 24 hours before their preferred timing. Please contact Jimmy Thay via <a href="mailto:jimmy.thay@pacificradiancance.com">jimmy.thay@pacificradiancance.com</a>

# APPENDIX

# Summary Proposal For ER1



Proposed  
Extraordinary  
Resolution

1  
(ER1)

	Detailed Terms
<b>Conversion amount</b>	Full conversion of S\$100 million Series 001 Notes into shares
<b>Conversion per S\$ to shares</b>	S\$5 = 19 shares (total of 380,000,000 of new shares to be issued)
<b>Coupon payment</b>	S\$4.3 million representing two coupon payments will be released from escrow account upon successful CSE and shareholders' approval in EGM
<b>MTN covenants</b>	All events of default and covenants that may be breached to be waived
<b>Voting requirement by Noteholders</b>	Quorum of two or more Noteholders holding 75% of principal amount of Notes, at least 75% in value of the votes cast in favour of ER1
<b>Other requirements</b>	Assuming CSE is successful, SGX clearance and approval from shareholders
<b>Shares lock-up period</b>	No lock-up period
<b>Conditions of payment</b>	<ul style="list-style-type: none"> <li>▪ Noteholders duly passing the Extraordinary Resolution approving ER1;</li> <li>▪ Shareholders' approval in an EGM, and</li> <li>▪ Noteholders duly completing and returning to the Tabulation Agent, the Voting Instruction Form</li> </ul>

# Summary Proposal For ER2



Proposed  
Extraordinary  
Resolution

**2**  
**(ER2)**

	Detailed Terms
<b>Coupon payment</b>	One coupon payment of S\$2.15 million due on 1 March 2018 will be released from escrow account
<b>Coupon payment date</b>	Due 1 March 2018, subject to CDP, Escrow Agent and Paying Agent timeline date
<b>MTN covenants</b>	All events of default and covenants that may be breached to be waived
<b>Voting requirement by Noteholders</b>	Quorum of two or more Noteholders holding 50% of principal amount of Notes, at least 75% in value of the votes cast in favour of ER2
<b>Conditions of payment</b>	<ul style="list-style-type: none"><li>▪ Noteholders duly passing the Extraordinary Resolution approving ER2; and</li><li>▪ Noteholders duly completing and returning to the Tabulation Agent the Voting Instruction Form</li></ul>
<b>Important note</b>	A second CSE will need to take place in 2Q 2018 to address Notes maturity.