

## Pacific Radiance posts 20% higher FY14 PATMI of US\$68.3m; ups DPS to 3 S¢

- ◆ Revenue rose 2% to US\$172.2m despite the challenging operating conditions in the Oil & Gas sector, especially in 4QFY14
- ◆ 50% higher proposed dividend per share supported by Group's strong net operating cashflow of US\$61.3m and strengthened balance sheet
- ◆ Backed by its proven and scalable business model, Group looks to deliver steady growth over the medium term

SINGAPORE ◆ 26 February 2015

For immediate release

Pacific Radiance Ltd. (Pacific Radiance or the Group), a provider of integrated offshore marine services in Asia and beyond, reported a 20% rise in net attributable profit (PATMI) to US\$68.3 million for the full year ended 31 December 2014 (FY14).

The year's higher earnings was mainly supported by charters from its newly delivered offshore support vessels as well as its ongoing fleet rejuvenation program and lower interest costs.

Group revenue also rose to US\$172.2 million, largely due to higher contribution from its Offshore Support Services arm despite the challenging operating conditions in the Oil & Gas (O&G) sector, especially in the fourth quarter (4QFY14). The division posted a revenue of US\$128.1 million in FY14, 17% above FY13's US\$109.3 million on the back of new charters secured.

At the Subsea Services unit, revenue came in lower at US\$33.4 million, as its two diving support vessels (DSVs) were drydocked for enhancement works and experienced lower utilisation in the second half of the year.

The Board of Pacific Radiance has proposed an ordinary dividend of 3.0 S¢ per share for FY14 compared with FY13's 2.0 S¢. This higher dividend is well supported by the Group's strong net operating cashflow which more than doubled to US\$61.3 million in FY14, and its improved financial position, as well as after considering its working capital and capital expenditure requirements. As at end December 2014, the Group had grown its



shareholders' funds by 14% to US\$428.0 million, and pared its net gearing to 0.5 times from 0.6 times a year ago.

Mr Pang Yoke Min (冯学民), the Executive Chairman of Pacific Radiance, said: "Our results reflect the resilience of our business model, buttressed by our steps to strengthen the Group's financial position during the year."

In spite of the difficult operating conditions in 4QFY14, the Group successfully secured long term charters worth more than US\$200 million for its newbuilds, including a 5-year contract worth over US\$70 million with extension options for a newly delivered offshore support vessel in 2014. Revenue from the Offshore Support division increased by 12% to US\$29.7 million in the quarter. However, the lower DSV utilisation and decline in revenue from the Complementary Business unit resulted in a 12% drop in Group revenue to US\$37.2 million.

Commenting on the outlook, Mr Pang said: "We remain cautiously optimistic about the long term fundamentals of the oil & gas sector as energy demand is expected to grow with the rise in global population and affluence.

I am confident that the steps we have taken to shore up our balance sheet and improve our efficiency, as well as our proven and scalable business model to provide the market with relevant vessels will enable Pacific Radiance to ride through this current period of volatile oil prices. Whilst short term results may be affected, the Group continues to see opportunities in its businesses as it remains focused on executing its strategies and staying responsive to changes in the business environment."

#### ABOUT THE COMPANY

[www.pacificradiance.com](http://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 (IRM) services. Our value-added services include ship repair, project logistics and the supply, rental and maintenance of deck equipment.

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 growth in exploration and production (E&P) and subsea spending in these regions.



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Despite the competitive landscape, we have been able to carve out a definitive presence in strategic market segments and geographies through our intimate knowledge of how these markets operate, and by securing the 'right assets' and entering into key local partnerships in cabotage-protected markets such as Indonesia and Malaysia.

Having better control over our supply chain, we are always improving our processes and resource management systems in order to further enhance our competitiveness and maximise cost-effectiveness. As part of continued efforts to upgrade our offerings and provide value-added solutions, we will launch our ship-repair yard in early 2016, which will provide us with greater control over our fleet maintenance programme. Rejuvenation of our fleet will also enable us to stay relevant to the market and expand our services in tandem with our clients' needs.

Our proven commitment to maintaining rigorous safety and service standards that help prevent undue delays and rein in costs has allowed us to build a strong track record and win over clients who value our ability to deliver reliable services to their projects promptly and cost-effectively.

**FOR FURTHER ENQUIRIES**

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The initial public offering of Pacific Radiance Ltd. was sponsored by United Overseas Bank Limited and UOB Kay Hian Private Limited (the "Joint Issue Managers"). The Joint Issuer Managers assume no responsibility for the contents of this announcement.