

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM SHAREHOLDERS PRIOR TO THE EXTRAORDINARY GENERAL MEETING TO BE HELD ON 29 DECEMBER 2023

The board of directors (the “**Board**”) of Pacific Radiance Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to thank all shareholders of the Company who have submitted their questions in advance of our Extraordinary General Meeting (the “**EGM**”) to be held at 15 Pandan Road, Singapore 609263 on Friday, 29 December 2023 at 10.00 a.m..

The following are the responses to the substantial and relevant questions that were raised. Questions reproduced below have been edited for grammar and brevity. Unless otherwise defined, all terms and references used herein shall bear the same meanings ascribed to them herein and in the circular to shareholders dated 14 December 2023 (the “**Circular**”).

1.	<p>What is the purpose of the proposed Rights Issue. What is the impact to the existing shareholders if they subscribe or do not subscribe for the Rights Shares.</p> <p><u>Company’s Response</u></p> <p>The rationale of the proposed Rights Issue is set out in Section 3.2 of the Circular.</p> <p>The following table illustrates the impact of the proposed Rights Issue to an existing Shareholder who owns 4,507,094 Shares or 1% of the existing share capital in the Company:</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th colspan="3">Before Rights Issue</th> <th colspan="3">After Rights Issue</th> </tr> <tr> <th>Number of Shares</th> <th>Shareholding⁽¹⁾ (%)</th> <th>Value⁽²⁾ (S\$)</th> <th>Number of Shares</th> <th>Shareholding⁽³⁾ (%)</th> <th>Value⁽⁴⁾ (S\$)</th> </tr> </thead> <tbody> <tr> <td colspan="6">Option 1: Subscribe for full <i>pro rata</i> entitlement to the Rights Shares</td> </tr> <tr> <td>4,507,094</td> <td>1.00</td> <td>184,791</td> <td>18,028,376</td> <td>1.00</td> <td>495,780</td> </tr> <tr> <td colspan="6">Option 2: Does not subscribe for the Rights Shares</td> </tr> <tr> <td>4,507,094</td> <td>1.00</td> <td>184,791</td> <td>4,507,094</td> <td>0.25</td> <td>123,945⁽⁵⁾</td> </tr> </tbody> </table> <p>Notes:</p> <p>(1) Based on existing share capital of 450,709,457 Shares (excluding treasury shares and subsidiary holdings, if any) as at 2 November 2023 (before the announcement of the proposed Rights Issue by the Company on 3 November 2023).</p> <p>(2) Based on the closing market price of S\$0.041 per Share for trades done on the Mainboard of the SGX-ST on 3 November 2023.</p> <p>(3) Based on the Maximum Subscription Scenario assuming all Entitled Shareholders subscribe and pay for their <i>pro-rata</i> entitlements of Rights Shares. The Company will issue 1,352,128,371 Rights Shares and the resultant enlarged share capital will be 1,802,837,828 Shares.</p> <p>(4) Based on theoretical ex-rights price of S\$0.0275 per Share (calculated based on the closing market price of S\$0.041 per Shares for trades done on the Mainboard of the SGX-ST on 3 November 2023).</p> <p>(5) Proceeds to be received from the disposal of the Nil-Paid Rights during the provisional allotment trading period have not been considered.</p>	Before Rights Issue			After Rights Issue			Number of Shares	Shareholding ⁽¹⁾ (%)	Value ⁽²⁾ (S\$)	Number of Shares	Shareholding ⁽³⁾ (%)	Value ⁽⁴⁾ (S\$)	Option 1: Subscribe for full <i>pro rata</i> entitlement to the Rights Shares						4,507,094	1.00	184,791	18,028,376	1.00	495,780	Option 2: Does not subscribe for the Rights Shares						4,507,094	1.00	184,791	4,507,094	0.25	123,945 ⁽⁵⁾
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2.	<p>Market conditions of the offshore and marine industry have improved significantly and sentiments have turned bullish. However, the amount to be raised from the proposed Rights Issue would not be sizeable enough to acquire a meaningful fleet size and achieve economies of scale. Please share some thoughts on whether this is the right time for investment in this industry.</p>																																				

Company's Response

The rationale of the proposed Rights Issue is set out in Section 3.2 of the Circular. The Company recognises that there may be opportunities for more sizeable investments. In the event if more capital is required, the Company may consider investing through joint venture arrangements or other financing mechanisms.

By Order of the Board of
Pacific Radiance Ltd.

Pang Yoke Min
Executive Chairman

26 December 2023