Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Pacific Radiance Ltd.

Stock code: RXS

Meeting details:
Date: 27 April 2023
Time: 10.00 a.m.
Venue: 15 Pandan Road, Singapore 609263

Q1. The group's debt restructuring plan involved the transfer of 33 secured vessels and accompanying income and revenue streams to ENAV Radiance Pte. Ltd. After the restructuring, the offshore support services business and subsea services business were discontinued.

The group has since transitioned into an asset-light ship manager, providing offshore marine services. It now manages most vessels that were sold, with ENAV carrying out dry docking of these vessels at the group's shipyard, based on availability and pricing.

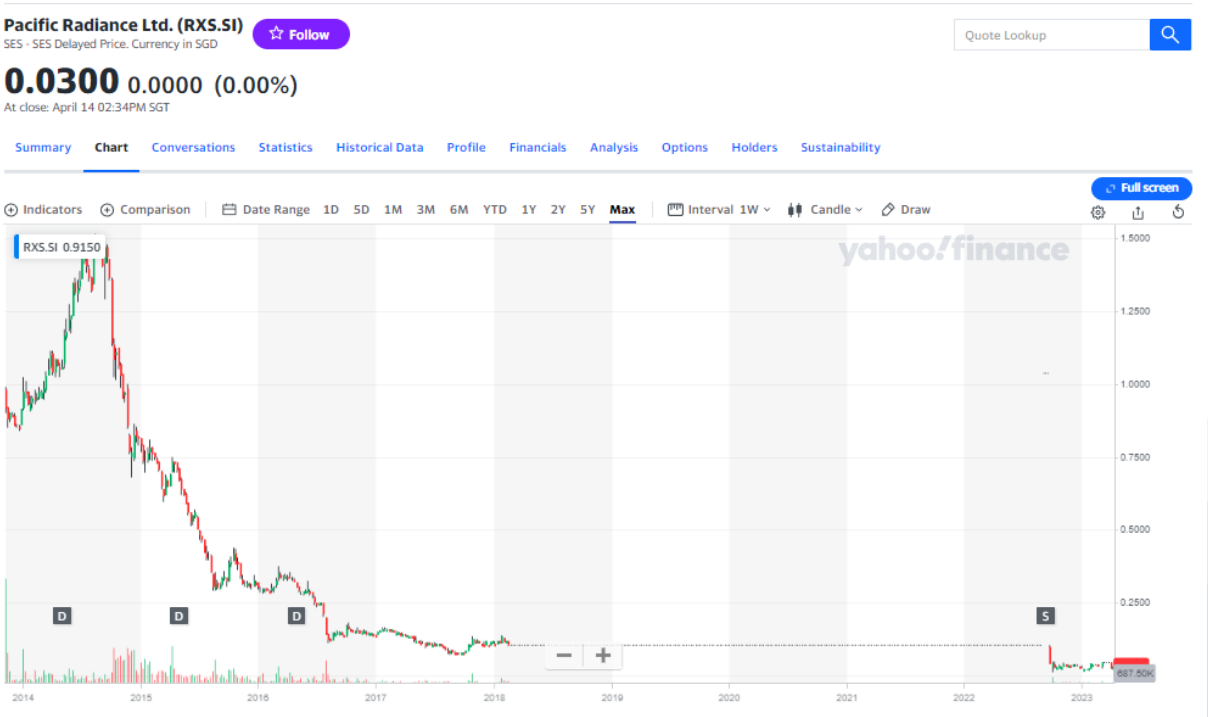
As mentioned in the chairman's statement, with the restructuring now completed, the group's immediate strategic focus will center around executing a seamless transition to a full-fledged ship management business.

It is noted that the executive directors have each been with the group for at least the past 10 years, and the chief commercial officer has served as an executive director since as early as 2006.

(i) **Has the board reviewed if it has been effective at providing entrepreneurial leadership and setting strategic objectives?**

(ii) **Has the board also reviewed if the necessary human resources are in place for the group to successfully execute its strategic growth plans?**

The long-term stock chart is shown below:



(Source: https://finance.yahoo.com/quote/RXS.SI/chart?p=RXS.SI)

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In addition, before the completion of the debt restructuring, the group's accumulated losses were US$(485.9) million.

(iii) **Has the nominating committee evaluated the track records of the executive directors at creating and delivering long-term, sustainable value for shareholders?**

Q2. The group has commenced legal proceedings against Atlantic Maritime Group FZE of the United Arab Emirates ("Atlantic") for charter debts of USD 2,723,927.09 owed to the group. Atlantic has failed to pay charter hire since May 2020 for vessels under charters which have ended.

(i) **Can management help shareholders understand the circumstances that led to the charterer accumulating unpaid debts of over US$2.7 million?**

(ii) **Did management carry out any credit assessment prior to the charter? If so, what were the reasons that Atlantic failed to pay charter hire? Did the group consider exercising its rights, for example, by seizing the vessel before the charter ended?**

(iii) **Would the board review the group's credit risk assessment framework and actively oversee the group's compliance with its credit risk policies?**

Q3. As disclosed in the corporate governance report, the board is cognisant of the new 9-year limit on the tenure of independent directors. Accordingly, the independent directors who have served for more than nine years will either step down as independent directors or be redesignated as non-independent director before or at the next annual general meeting ("AGM") to be held for financial year ending 31 December 2023.

(i) **Can the nominating committee (NC) elaborate further on the succession planning of directors and its strategy to achieve progressive refreshing of the board in an orderly manner?**

In addition, Mr Lau Boon Hwee will not be seeking re-election as a director of the company. Following his cessation after the AGM, the board will then comprise two executive directors and three independent directors.

In January 2023, when announcing the new rules on independence, Mr Tan Boon Gin, CEO of SGX RegCo, also noted that the limit on tenure of IDs provides an opportunity for companies to inject new skills, experience and knowledge into their boards, all of which will be invaluable in guiding the business for the long term.

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(ii) **Has the NC reviewed the current competency matrix of the board and identified any gaps in skills or competencies that need to be addressed in future director appointments?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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