PACC OFFSHORE SERVICES HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200603185Z)

ANNOUNCEMENT ON LITIGATION

The Board of Directors of PACC Offshore Services Holdings Ltd. (the "**Company**" together with its subsidiaries, the "**Group**") refers to the announcements dated 3 September 2015 and 3 May 2017 in relation to the Claim and subsequent amendments thereto by Kensteel Engineering Pte Ltd (the "**Claimant**").

In January 2015, the Company entered into a sale and purchase agreement (the "**SPA**") with the Claimant for the acquisition by the Company of a property in Singapore (the "**Acquisition**"). Under the terms of the SPA, the Acquisition was subject to the Claimant obtaining approval from Jurong Town Corporation ("**JTC**"). The Claimant's application for such approval was rejected by JTC and the Company sought a refund of the deposit paid under the SPA from the Claimant. The Claimant claimed a total amount of S$30.519 million. The Company contested the Claim and counterclaimed for the return of the deposit by the Claimant as well as for interest and costs.

The Court has on 2 August 2018 granted judgment in favour of the Company on its counterclaim for the return of the deposit by the Claimant and interest, with costs to be determined at a later date. The Claimant has also discontinued its action against the Company with the undertaking that the Claimant shall not bring any subsequent action against the Company for the same or substantially the same cause of action.

The Company will be taking steps, including obtaining the requisite court order against the Claimant (which is in liquidation), to enforce the judgment. Further announcements will be made by the Company as and when appropriate.

By Order of the Board

Lim Ka Bee
Company Secretary
6 August 2018