PACC OFFSHORE SERVICES HOLDINGS LTD. [1]
(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**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 2 September 2015 been served with a writ of summons and statement of claim (the "**Claim**") by Kensteel Engineering Pte Ltd (the "**Claimant**"). Further details of the Claim are set out below.

The Company had in January 2015 entered into a sale and purchase agreement (the "**SPA**") with the Claimant for the acquisition by the Company of a property in Singapore from the Claimant (the "**Acquisition**"). The Acquisition is subject to the Claimant obtaining approval from Jurong Town Corporation ("**JTC**"). The application by the Claimant for such approval was rejected by JTC and the Company has accordingly sought a refund of the deposit paid under the SPA from the Claimant.

In the Claim, the Claimant has claimed for, amongst others, a declaration that it is entitled to forfeit the deposit (including goods and services tax). The Claimant has also claimed for damages of approximately S$3.3 million which it alleges it suffered as a result of the sale of the property not having been completed. The total sum of the deposit (S$3.8 million) and the claim for damages (approximately S$3.3 million) is approximately S$7.1 million. This represents approximately 9.4% of the Group's audited net profit after tax for the financial year ended 31 December 2014 and less than 0.1% of the Group's audited net tangible assets as at 31 December 2014.

The Company intends to defend the Claim vigorously and is taking legal advice.

Further announcements will be made by the Company as and when appropriate.

By Order of the Board

3 September 2015

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[1] *The initial public offering of the Company was sponsored by DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd. and Oversea-Chinese Banking Corporation Limited (together, the "Joint Issue Managers"). The Joint Issue Managers assume no responsibility for the contents of this Announcement.*