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

ANNOUNCEMENT REGARDING JOINT VENTURE

The Board of Directors ("**Board**") of PACC Offshore Services Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce the signing of an agreement with Dolphin Shipping Company Pte Ltd ("**Dolphin**") to acquire the remaining equity stake in their Pacific Workboats Pte Ltd ("**PWPL**") joint venture.

PWPL is a 50:50 joint venture between POSH and Dolphin, the latter being a 100% owned subsidiary of Sembcorp Marine Limited ("**Sembcorp Marine**"). PWPL offers harbour services in Singapore and across the region.

The transaction will see POSH acquiring Dolphin's 50% equity stake in PWPL for a consideration of US$679,464 (the "**Acquisition**"). The completion of the Acquisition is conditional upon, amongst others, a dividend distribution by PWPL to POSH and Dolphin, which will be satisfied through a distribution of assets, comprising primarily of vessels (the "**Distribution in Specie**"). The Acquisition is expected to complete by end 2019, following which PWPL will cease to be a joint venture of POSH and will become a wholly-owned subsidiary of POSH.

The consideration for the Acquisition was arrived at, on a willing-buyer, willing-seller basis, after taking into account the net asset value of the 50% equity stake in PWPL following the completion of the Distribution in Specie. The consideration will be paid in cash upon completion of the Acquisition.

Based on the unaudited consolidated financial statements of POSH for the six months ended 30 June 2019, the book value and the net tangible assets value attributable to a 50% equity stake in PWPL were approximately US$34,877,000 each. Assuming the Distribution in Specie was completed on 30 June 2019, the adjusted book value and the adjusted net tangible assets value attributable to a 50% equity stake in PWPL were approximately US$877,000 each.

The Acquisition does not amount to a discloseable transaction for the purposes of Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited. The Acquisition is not expected to have any material impact on the net tangible assets per share and earnings per share of POSH for the financial year ending 31 December 2019.

None of the directors or the controlling shareholders of POSH have any interests, direct or indirect, in the Acquisition other than through their shareholdings (if any) in POSH.

BY ORDER OF THE BOARD

Ooi Pooi Teng
Company Secretary
9 October 2019