

PACC OFFSHORE SERVICES HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200603185Z)

VOLUNTARY CONDITIONAL CASH OFFER FOR PACC OFFSHORE SERVICES HOLDINGS LTD.

1. INTRODUCTION

The board of directors (the "**Board**") of PACC Offshore Services Holdings Ltd. (the "**Company**" or "**POSH**") wishes to inform its shareholders (the "**Shareholders**") that Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**"), for and on behalf of Quetzal Capital Pte. Ltd. (the "**Offeror**"), has on 4 November 2019 (the "**Announcement Date**") released an announcement (the "**Offer Announcement**") that the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") for all the issued and outstanding ordinary shares (the "**Shares**") in the capital of the Company in accordance with Section 139 of the Securities and Futures Act (Chapter 289 of Singapore) and Rule 15 of the Singapore Code on Take-overs and Mergers.

The shareholders of the Offeror are Kuok (Singapore) Limited ("**KSL**"), Trendfield Inc., a wholly-owned subsidiary of Kuok Brothers Sdn Bhd ("**KBSB**"), and Merry Voyage Limited, a wholly-owned subsidiary of Kerry Holdings Limited ("**KHL**"). KSL, KBSB and KHL are members of the Kuok group of companies.

As at the Announcement Date, the Offeror does not hold any Shares. KHL also does not hold any Shares. KSL has an interest, direct and indirect (through its subsidiaries and associated companies), in an aggregate 1,361,289,319 Shares, representing approximately 75.03 per cent. of the Shares in issue, and KBSB is deemed to be interested in 54,093,990 Shares, representing approximately 2.98 per cent. of the Shares in issue, held by its subsidiary listed on Bursa Malaysia, PPB Group Berhad.

2. THE OFFER

The Offer Announcement states, *inter alia*, that subject to the terms and conditions set out in the formal offer document (the "**Offer Document**") to be issued by OCBC Bank, for and on behalf of the Offeror, the Offeror will make the Offer on the following basis:

- (a) the offer price for each Offer Share (as defined below) will be **S\$0.215 in cash** (the "**Offer Price**"). The Offer Price is final and the Offeror does not intend to increase the Offer Price;
- (b) the Offer, when made, will be extended to:
 - (i) all the Shares in issue (excluding any treasury shares);
 - (ii) all new Shares or treasury shares unconditionally issued or to be issued, or delivered or to be delivered, pursuant to the valid vesting and release of any outstanding share awards (the "**POSH Awards**") granted under the POSH Performance Share Plan prior to the final closing date of the Offer; and

- (iii) all new Shares or treasury shares unconditionally issued or to be issued, or delivered or to be delivered, pursuant to the valid exercise of any outstanding share options (the "**POSH Options**") granted under the POSH Share Option Plan prior to the final closing date of the Offer,

in each case including any Shares owned, controlled or agreed to be acquired by parties acting in concert or deemed to be acting in concert with the Offeror in relation to the Offer. For the purposes of the Offer and for the avoidance of doubt, the expression "**Offer Shares**" shall include all such Shares;

- (c) the Offer Shares will be acquired (i) fully paid, (ii) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing, and (iii) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) which may be announced, declared, paid or made thereon by POSH in respect of the Offer Shares (collectively, "**Distributions**") on or after the Announcement Date;
- (d) in the event any Distribution is or has been announced, declared, paid or made by POSH in respect of the Offer Shares on or after the Announcement Date to a Shareholder who validly accepts or has validly accepted the Offer, the Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution depending on when the settlement date in respect of the Offer Shares tendered in acceptance by such Shareholder pursuant to the Offer falls, as follows:
 - (i) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the "**Books Closure Date**"), the Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the accepting Shareholder the Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from POSH; or
 - (ii) if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Offer Price after such reduction, the "**Adjusted Offer Price**") and the Offeror shall pay the accepting Shareholder the Adjusted Offer Price for each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from POSH; and
- (e) the Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Shares which will result in the Offeror holding not less than 90 per cent. of the total number of Shares in issue (excluding any treasury shares) as at the close of the Offer (including any Shares which may be unconditionally issued or delivered pursuant to the valid vesting and release of the outstanding POSH Awards and/or the valid exercise of the outstanding POSH Options prior to the close of the Offer) (the "**Acceptance Condition**").

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of

the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which will result in the Offeror holding such number of Shares representing not less than 90 per cent. of the maximum potential issued share capital of POSH. For this purpose, the "**maximum potential issued share capital of POSH**" means the total number of Shares which would be in issue (excluding treasury shares) had all the outstanding POSH Awards been validly vested and released and the outstanding POSH Options been validly exercised as at the date of such declaration.

The Offeror reserves the right to waive the Acceptance Condition or reduce such condition to a level below 90 per cent. (but in any event above 50 per cent.) of the total number of Shares (as required by Rule 15.1 of the Code), subject to the consent of the Securities Industry Council of Singapore ("**SIC**"). In the event that such waiver or revision of the Acceptance Condition is made during the course of the Offer with the consent of the SIC, the revised Offer will remain open for at least another 14 days following the date of the posting of the written notification of revision to the Shareholders, and Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptances within eight (8) days of the posting of the written notification of the revision. The revised acceptance level will take into account withdrawals and new acceptances as at the close of the Offer.

Save for the Acceptance Condition, the Offer is unconditional in all other respects.

The Offer Announcement further states that as at the Announcement Date, the Offeror has received irrevocable undertakings (the "**Irrevocable Undertakings**") from KSL and KSL's wholly-owned subsidiary, Camsward Pte Ltd ("**Camsward**"), pursuant to which each of KSL and Camsward has, among others, unconditionally and irrevocably undertaken to the Offeror to (i) tender all the Shares directly held by it as at 4 November 2019, being the date of the Irrevocable Undertakings, and any other Shares which it may subsequently acquire (directly or indirectly or through a nominee), in acceptance of the Offer; and (ii) agree to defer all of the consideration payable to it for its Shares tendered in acceptance of the Offer, such consideration to be paid at a later date in accordance with the terms of its respective Irrevocable Undertaking.

As at the Announcement Date, the aggregate number of Shares directly held by KSL and Camsward which are subject to the Irrevocable Undertakings amount to 1,361,271,365 Shares, representing approximately 75.03 per cent. of the Shares in issue, as follows:

- (A) 1,178,684,065 Shares, representing approximately 64.97 per cent. of the Shares in issue, held directly by KSL; and
- (B) 182,587,300 Shares, representing approximately 10.06 per cent. of the Shares in issue, held directly by Camsward.

A copy of the Offer Announcement is attached herewith to this announcement (the "**Announcement**") and is also available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com. Shareholders are advised to refer to the full text of the Offer Announcement.

3. **DESPATCH OF THE OFFER DOCUMENT**

The Offer Document, setting out the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance, will be despatched to holders of Shares not earlier than 14 days and not later than 21 days from the Announcement Date.

4. **INDEPENDENT FINANCIAL ADVISER AND OFFEREE CIRCULAR**

The Board will, in due course, appoint an independent financial adviser ("**IFA**") in connection with the Offer. A circular containing, *inter alia*, the advice of the IFA and the recommendation of the directors of the Company who are considered independent for the purposes of the Offer will be sent to Shareholders within 14 days from the date of despatch of the Offer Document to be issued by or on behalf of the Offeror.

In the meantime, Shareholders are advised to exercise caution when dealing with their Shares and to refrain from taking any action in respect of their Shares which may be prejudicial to their interests. The Company will release further announcements at the appropriate junctures.

5. **RESPONSIBILITY STATEMENT**

The directors of the Company (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement (other than those relating to the Offeror) are fair and accurate, and that there are no material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement), the sole responsibility of the directors of the Company has been to ensure, through reasonable enquiries, that such information has been accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The directors of the Company jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD
PACC OFFSHORE SERVICES HOLDINGS LTD.

Lee Keng Lin
Chief Executive Officer
5 November 2019