



TIONG WOON CORPORATION HOLDING LTD.
(Company Registration Number: 199705837C)
Incorporated in Singapore

RECEIPT OF NOTICE OF CLAIM

The Board of Directors of Tiong Woon Corporation Holding Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that its wholly owned subsidiary, TWC Arabia Ltd (“**TWCA**”), had received a statement of claim (the “**Claim**”) from its subcontractor, Bo Won Lee Contracting Establishment (“**BWL**”) for an amount of SAR 11,384,439 (approximately S\$4.1 million) on 24 May 2018.

In the claim, BWL is seeking payment from TWCA in respect of the subcontractor agreements entered in May 2012 to perform coastal remediation and restoration works in Saudi Arabia (“**UNCC Project**”).

The Company is of the view that the amounts are not yet due for payment as “back to back” arrangement had been agreed with BWL that payment will be made to BWL when TWCA receives payment from its main contractor, PAN Environmental Services Company Limited (“**PAN**”). PAN is a main contractor engaged by Presidency of Meteorology and Environment (“**PME**”) and PME is the government agency and owner of this project funded by United Nations Compensation Commission (“**UNCC**”).

TWCA has filed a lawsuit against PAN in Saudi Arabia for the non-payment of outstanding sums of SAR38,489,478 (approximately S\$13.8 million) on 24 May 2018.

TWCA is currently seeking legal advice relating to the claim from BWL in Saudi Arabia and will take the necessary steps and measures to respond to the claim.

The claim is not expected to have any material adverse impact on the Group's financial performance as costs have been recognized except for legal costs. The Group will be able to meet the payment if it is ascertained that the claim falls due.

The Company will make the necessary announcements to update Shareholders of further material developments in connection with the above matter.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully.

By Order of the Board

Ang Kah Hong
Executive Chairman and Managing Director

1 June 2018