

**TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF SHARES IN JOINT
STOCK COMPANY IN VIETNAM**

1. Introduction

The Board of Directors (“**Board**”) of SHS Holdings Ltd. (“**Company**”) wishes to announce that the Company’s wholly-owned subsidiary, Hetat Holdings Pte. Ltd. (“**Hetat**”), has on 4 May 2016 entered into a non-binding term sheet (“**Term Sheet**”) with Ms. Duong Thi Thuy Mai (“**Vendor**”, and together with Hetat, the “**Parties**” and each a “**Party**”) in relation to the proposed acquisition (“**Proposed Acquisition**”) of 60% of the total issued and paid-up share capital in a joint stock company (“**New TLC**”) to be converted from Thao Li Construction, Services and Trading Co. Ltd. (“**Old TLC**”).

The Term Sheet is not intended to be legally binding between the Parties, save for provisions relating to confidentiality and exclusivity.

2. Information on New TLC and Vendor

The Vendor and her nominee are the legal owners of the entire issued and paid-up share capital of Old TLC, a company incorporated in Vietnam and engaged in the business of, among others, providing design, construction and manufacturing services in modular construction projects (“**Business**”). Alistar Sawer (“**AS**”) is the beneficial owner of the entire issued and paid-up share capital in, and the managing director of, Old TLC.

To facilitate the investment by Hetat into the Business, the Vendor shall convert Old TLC into New TLC in accordance with Vietnamese law (“**Conversion**”), pursuant to which the Business, comprising, among others, land, factory, contracts and the employees of Old TLC, and the debts and other obligations of Old TLC are transferred to and vest in New TLC.

Pursuant to the Conversion, the Vendor and two of her nominees (“**Initial Shareholders**”) will hold the entire equity interest in New TLC.

3. Proposed Acquisition

Subject to and subsequent to the Conversion, it is intended that the Initial Shareholders transfer 60% and 40% of the total issued and paid-up share capital in New TLC to (a) Hetat; and (b) AS and his nominee respectively, such that Hetat, AS and such nominee of AS shall be the shareholders of New TLC upon completion of the Proposed Acquisition.

The aggregate consideration for the Proposed Acquisition is expected to be in the range of USD\$3.72 million to USD\$4.34 million and is based on the valuation of Old TLC.

Completion of the Proposed Acquisition shall be conditional upon, among others, the execution of a service agreement entered into between AS and New TLC for AS to act as Chief Executive Officer of New TLC and its subsidiaries and associated companies.

4. Exclusivity Period

The Parties agree to an exclusivity period of six (6) months commencing from the date of the Term Sheet ("**Exclusivity Period**"). During the Exclusivity Period, each Party shall work exclusively with the other party to finalise and endeavour to execute the definitive sale and purchase agreement to be entered into ("**SPA**") and other documents contemplated by the SPA, and neither Party shall, without the prior written consent of the other Party, engage in any discussions, negotiations or enter into any understanding or agreement of any nature whatsoever with any third party which is similar to the matters contemplated by the Term Sheet and/or the SPA which may be in conflict with or jeopardise the matters contemplated by the Term Sheet and/or SPA.

5. Interests of Directors and Substantial Shareholders

None of the directors or controlling shareholders of the Company (other than in his capacity as director or shareholder of the Company) has any interest, direct or indirect, in the Proposed Acquisition.

6. Further Announcements

The Company will make further announcements on the Proposed Acquisitions as may be required under the Listing Manual of the SGX-ST in due course when the SPA is signed, or as and when appropriate.

7. Cautionary Statement

The Board wishes to emphasize that the Term Sheet is a non-binding agreement between the Parties and that there is no certainty or assurance as at the date of this announcement that (a) the Parties will enter into the SPA as contemplated under the Term Sheet; (d) the terms of the Proposed Acquisition will remain the same as disclosed in this announcement; or (c) the Proposed Acquisition will proceed.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Ng Han Kok, Henry
Executive Director and Group Chief Executive Officer
4 May 2016