



SHS HOLDINGS LTD

ANNOUNCEMENT

TAT PETROLEUM EXPANDS ASPHALT DRUMMING FACILITY TO MEET ROBUST DEMAND IN THE REGION

The Board of Directors of SHS Holdings Ltd. ("**SHS**" or the "**Company**"), and together with its subsidiaries, (the "**Group**") is pleased to announce that its subsidiary, TAT Petroleum Pte. Ltd., ("**TAT Petroleum**") will embark on an expansion project to double its asphalt filling and drumming capacity at an estimated capital expenditure of S\$1.1 million.

The expansion project will commence in the upcoming months and is expected to complete by the second quarter of FY2016.

TAT Petroleum secured a distribution contract on 1 February 2012 from its principal supplier which allows TAT Petroleum to purchase bulk asphalt, fills the product into drums that carry the trademark and brand of its principal supplier and then resell them across all geographical regions. Asphalt is a petroleum-derived product that is used primarily in road surfacing and construction.

Its existing facility, which the Group invested after winning the contract and located at TAT Petroleum's existing premises at 9 Jalan Pesawat, comprises an automated drum filling station, a dedicated storage yard, and a fleet of ISO tank containers and trucks. It has since reached high capacity utilization since its inception three years ago following a strong business development and marketing efforts carried out by TAT Petroleum in developing the markets for its principal supplier.

With demand of asphalt in the region remaining strong, spurred by rapid infrastructure developments in emerging markets, this expansion project will help TAT Petroleum to strengthen its positioning and capabilities as well as meeting the strong regional demand.

On 18 September 2015, the Group announced that it has entered into a conditional sale and purchase agreement with Brenntag (Holding) B.V., a unit of global chemicals distribution giant Brenntag AG that listed on the Frankfurt Stock Exchange, for the sale of its entire shareholding interests in its Refined Petroleum distribution business which comprises TAT Petroleum, Axxmo International Pte Ltd and PT TAT Petroleum Indonesia (the "**Proposed Disposal**"). The Proposed Disposal is pending SHS shareholders' approval at an extraordinary general meeting to be convened at a later date.

The Group has obtained the full support and endorsement of this expansion project from Brenntag (Holding) B.V.

By Order of the Board

Ng Han Kok, Henry
Group Chief Executive Officer
9 November 2015