

**AMENDMENT TO THE HEADS OF AGREEMENT IN RELATION TO THE PROPOSED
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITALS OF ENTRACO MARINE
ENGINEERING PTE LTD, ENTRACO OFFSHORE PTE LTD, TAMACO PRIVATE LIMITED AND
EURONAVY COATINGS (S) PTE LTD**

1 Introduction

The Board of Directors ("**Board**") of SHS Holdings Ltd. ("**Company**") refers to the Company's announcement dated 27 May 2016 in relation to the entry of the Company and its wholly-owned subsidiary, See Hup Seng CP Pte. Ltd., into a binding heads of agreement ("**HOA**") with Mr Teng Choon Kiat and Entraco Venture Corporate Pte Ltd in relation to the proposed acquisition of 100% of the total issued and paid-up share capitals in Entraco Marine Engineering Pte Ltd, Entraco Offshore Pte Ltd, Tamaco Private Limited And Euronavy Coatings (S) Pte Ltd ("**HOA Announcement**") and the announcement on 20 June 2016 in relation to an Amendment to the HOA ("**HOA Amendment 1 Announcement**") in relation to the proposed sale of the Tuas Property. Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as in the HOA Announcement and the HOA Amendment 1 Announcement.

2 Amendment to HOA 2

Based on the HOA, the obligations of the parties to proceed with the transaction shall be conditional on and subject to Purchasers and Vendors entering into a definitive sale and purchase agreement no later than three months after the date of the HOA, which in this case shall not be later than 26 August 2016.

The Company wishes to announce that the Vendors in a letter received on 25 August 2016 sought consent from the Purchasers to extend the period for entering into a definitive sale and purchase agreement by another three months to no later than 26 November 2016. The Vendors has provided the following reasons for seeking the extension in order to provide more time for:

- (a) Finalising of an appropriate transaction structure, especially with regards to the Earnout Tranche that needs to be mutually agreed between the Parties;
- (b) Completion of satisfactory due diligence on the Targets by the Purchasers;
- (c) The negotiation and entry by Mr. Teng Choon Kiat into a service agreement with the Targets;
- (d) Appointment of Moore Stephens LLP (the "**Auditors**") to assist in conduction a review of the Targets' audited financial statements and preparation of *pro forma* financial statements.

The Purchasers have agreed to extend the period for entering into a definitive sale and purchase agreement by another three months to no later than 26 November 2016.

3 Further Announcements

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

4 Cautionary Statement

The Board wishes to emphasize 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 HOA; (b) 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 announcement 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
26 August 2016