

SHS HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 197502208Z)

UPDATE ON LEGAL PROCEEDINGS INVOLVING NANNING TIDAL ALUMINIUM CO., LTD.

(南宁市潮力铝业有限公司)

– SETTLEMENT AGREEMENT ENTERED INTO

The Board of Directors (the "Board") of SHS Holdings Ltd. (the "Company", and together with its subsidiaries, the "Group") refers to the Company's announcement dated 10 July 2025 regarding the legal proceedings involving its wholly-owned subsidiary, Nanning Tidal Aluminium Co., Ltd. ("Nanning Tidal"), in the People's Republic of China.

The Board wishes to announce that Nanning Tidal has on 2nd July 2026 entered into a settlement agreement with the construction contractor (the "Contractor") in relation to the dispute arising from construction works for Nanning Tidal's recycled aluminium production facility in Guangxi, China.

Background

As previously announced, the Contractor commenced legal proceedings against Nanning Tidal in connection with claims amounting to approximately RMB 113.9 million, comprising alleged unpaid construction progress payments as well as ancillary claims including interest, loss of profits and other related losses.

Following a court-appointed judicial valuation of the construction works and subsequent negotiations between the parties, Nanning Tidal and the Contractor have agreed to fully and finally settle all claims and counterclaims arising from the dispute.

Pursuant to the settlement agreement, the final agreed amount payable by Nanning Tidal is approximately RMB 89.4 million, representing a reduction of approximately RMB 24.5 million from the amount originally claimed. The reduction arises primarily from the Contractor's agreement to waive its claims for interest, loss of profits and other ancillary claims, with the settlement based on the value of the construction works determined through the judicial valuation process.

Principal Terms of Settlement

The principal terms of the settlement agreement include the following:

1. The final value of the construction works has been determined, based on a court-appointed judicial valuation, at approximately RMB 134.1 million.
2. After taking into account payments previously made by Nanning Tidal of approximately RMB 44.7 million, the outstanding amount payable by Nanning Tidal has been agreed at approximately RMB 89.4 million.
3. The Contractor has agreed to waive all claims for interest, loss of profits and other ancillary claims previously asserted in the legal proceedings.
4. Nanning Tidal has agreed to waive all counterclaims previously asserted against the Contractor.

5. The outstanding amount of approximately RMB89.4 million will be settled pursuant to an agreed payment schedule. Under the settlement agreement, Nanning Tidal will make an initial payment of RMB 10.0 million. The remaining balance will generally be payable by instalments over a period of up to three (3) years. If bank financing is obtained, Nanning Tidal is required to apply RMB 40.0 million of the loan proceeds towards the settlement within seven (7) working days of receipt, with the remaining balance payable in two instalments by 31 May 2027.
6. Following payment of an initial amount of RMB 10.0 million and execution of the settlement agreement which has occurred on 2nd July 2026, the parties will jointly apply to the court for the issuance of a civil mediation order reflecting the settlement terms.
7. Upon full performance of the settlement agreement by both parties, all claims, counterclaims, rights and obligations arising from the construction contract and the related legal proceedings shall be fully and finally resolved.
8. In respect of all payment obligations of Nanning Tidal under the settlement agreement, Guangxi Tidal Precision Technology Co., Ltd. (广西潮力精密技术有限公司), an indirect wholly-owned subsidiary of the Company and a fellow subsidiary of Nanning Tidal, shall assume joint and several guarantee liability in favour of the Contractor.

Financial Impact

The Board wishes to highlight that the underlying construction costs and related liabilities had been recognised in Nanning Tidal's financial records prior to the Group's acquisition of Nanning Tidal and have since been consolidated into the Group's financial statements.

The agreed settlement amount of approximately RMB 89.4 million is consistent with the liability previously recognised by the Group in respect of the construction works.

By Order of the Board

Ng Han Kok, Henry
Group Chief Executive Officer
3rd July 2026