

SHS HOLDINGS LTD.

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

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**"); 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; the announcements on 26 August 2016 and 26 November 2016 in relation to the extension of the deadline for parties to enter into a definitive sale and purchase agreement to 26 May 2017. Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as the above earlier announcements.

2 Final Extension of Deadline

Based on the announcement on 25 November 2016, 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 26 May 2017.

The Company wishes to announce that the Vendors in a letter received on 24 May 2017 sought consent from the Purchasers to extend the period for entering into a definitive sale and purchase agreement by a final six months to no later than 26 November 2017. The Vendors has provided the following reasons for seeking the extension in order to provide more time for:

- (a) Purchasers to evaluate the Vendor's additional business plans to introduce new assets to the Company that are an extension to the business to be acquired which will change the basket of assets into the deal.
- (b) Finalising of an appropriate transaction structure, especially with regards to the Earnout Tranche that needs to be mutually agreed between the Parties taking into account the additional business plans;
- (c) Extension of due diligence on the Targets by the Purchasers taking into account the additional business plans and change in business environment;
- (d) The negotiation and entry by Mr. Teng Choon Kiat into a service agreement with the Targets;
- (e) Appointment of Moore Stephens LLP (the "**Auditors**") to assist in conducting a review of the Targets' audited financial statements and preparation of *pro forma* financial statements taking into account the new business plans.

The Purchasers have agreed to extend the period for entering into a definitive sale and purchase agreement for a final six months to no later than 26 November 2017.

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 and the additional business plan; (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 May 2017