

**SHS HOLDINGS LTD**

(Company Registration Number 197502208Z)

(Incorporated in the Republic of Singapore)

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**PROPOSED ACQUISITION OF SHARES IN TLC MODULAR CONSTRUCTION JOINT STOCK COMPANY, VIETNAM**

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The Board of Directors of SHS Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to refer to the announcement on 4 May 2016 in relation to the Company’s wholly owned subsidiary, Hetat Holdings Pte Ltd (“**Hetat**”) entering into a non-binding 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 of 60% of the total issued and paid-up share capital of TLC Modular Construction Joint Stock Company (“**TLC**”).

The Company wishes to announce that the Parties has on 4 November 2016 entered into a conditional Share Purchase Deed whereby Hetat will acquire 60% of the total issued and paid-up capital of TLC (the “**Proposed Acquisition**”).

**The Proposed Acquisition is in the ordinary course of the Group’s business.**

**CONSIDERATION FOR THE PROPOSED ACQUISITION**

The aggregate consideration for the Proposed Acquisition is US\$4,215,000 (the “**Consideration**”) and was arrived at following arm’s length negotiation on a “willing-buyer, willing-seller” basis taking into consideration the net tangible assets, the design and human resource capabilities of TLC.

On completion of the Proposed Acquisition, US\$3,375,000 will be paid to the Vendor, the balance of the Consideration shall be paid subject to the conditions set up in the Share Purchase Deed, which includes the achievement of certain targets. Completion of the Proposed Acquisition is subject to the fulfillment and/or waiver of the conditions precedents as set up in the Share Purchase Deed.

The Consideration will be satisfied by way of cash and to be funded from the Group’s internal resources.

## FINANCIAL EFFECTS ON THE PROPOSED ACQUISITION

The pro forma financial effects of the proposed Acquisition on the net tangible assets ("NTA") and on the earnings of the Group have been prepared based on the latest audited financial statements of the Group for the financial year ended 31 December 2015 and the latest unaudited financial statements of TLC for the financial year ended 31 December 2015.

The pro forma financial effects of the Proposed Acquisition are for illustration purpose only and do not necessary reflect the actual future results and financial position of the Group following the completion of the Proposed Acquisition.

For illustration purposes only, the financial effects of the Proposed Acquisition have been computed based on the following assumptions:

- (a) The financial effects on the Group NTA attributable to the Company's shareholders ("**Shareholders**") and the NTA per ordinary share in the capital of the Company ("**Share**") are computed assuming that the Proposed Acquisition are completed on 31 December 2015; and
- (b) The financial effects on the Group's earnings attributable to Shareholders and earnings per Share have been computed assuming that the Proposed Acquisition was completed on 1 January 2015.

### NTA per Share

	Before Completion of the Proposed Acquisition	After Completion of the Proposed Acquisition
NTA attributable to Shareholders (S\$'000)	192,542	190,240
Number of Shares (Excluding treasury shares)	608,987,386	608,987,386
NTA per Share attributable to Shareholders (cents)	31.62	31.24

### Earnings per Share ("EPS") \*

	Before Completion of the Proposed Acquisition	After Completion of the Proposed Acquisition
Net profit attributable to Shareholders (S\$'000)	9,012	9,058
Weighted average number of Shares (Excluding treasury shares)	605,972,754	605,972,754
EPS (cents)	1.49	1.49

\* computed based on continuing operations only.

## **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the directors or controlling shareholders of the Company has any interests, direct or indirect, in the Proposed Acquisition.

By Order of the Board  
SHS Holdings Ltd

Ng Han Kok, Henry  
Group Chief Executive Officer  
4 November 2016