

## SHS HOLDINGS LTD.

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

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### UPDATE ON THE PROPOSED DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE OF A 50MW CAPACITY SOLAR POWER PLANT BY HDFC SINPOWER LIMITED, A SUBSIDIARY OF THE COMPANY, AT SUTIAKHALI, MYMENSINGH DISTRICT, BANGLADESH

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#### 1 INTRODUCTION

The Board of Directors (“**Board**”) of SHS Holdings Ltd. (“**Company**”) refers to its earlier circular to shareholders dated 10 May 2016 (“**Circular**”) and its announcements dated 19 October 2016, 23 October 2018 and 26 December 2018 (“**Earlier Announcements**”) in relation to the Solar Project. Unless specifically defined, all capitalised terms used herein shall have the same meanings as ascribed to them in the Circular and Earlier Announcements.

In the announcement of 23 October 2018, the Board had announced substantial delay in the progress of the Solar Project due to land issues, regulatory approval, delay in obtaining financing and inclement weather conditions, which prompted HDFC to seek an extension of the Planned Commercial Operations Date of 18 April 2019.

#### 2 PROJECT UPDATE

The Board wishes to update that notwithstanding the extension of the Planned Commercial Operations Date for the Solar Project to the Extended Planned Commercial Operations Date of 31 October 2019 by the Ministry of Power, the Solar Project is still facing delays as financing for the Solar Project that was previously anticipated for the construction of the Solar Power Plant to progress has not been forthcoming, due principally to land issues which involved delayed completion of acquisition of private and government land.

As stated in the Circular and the Earlier Announcements, funding of up to 70% of the total cost of the Solar Project (being up to US\$56 million) was expected to be sought from financial institutions.

Based on the construction schedule proposed by HDFC’s project contractor for the Solar Project, construction of the Solar Power Plant should commence by February 2019 for HDFC to be able to complete the Solar Project by the Extended Planned Commercial Operations Date.

In the absence of such anticipated financing, HDFC has been exploring alternative financing and is presently in negotiations with various parties for such financing for construction of the Solar Power Plant to progress and thereafter, to seek a further extension (“**Further COD Extension**”) of the deadline (currently being the Extended Planned Commercial Operations Date of 31 October 2019) for completion of the Solar Project.

#### 3 FINANCIAL IMPACT

Unless there be a Further COD Extension, non-completion by HDFC of the Solar Project by the Extended Planned Commercial Operations Date, constitutes a default pursuant to the terms of the PPA and the Implementation Agreement which the Board has been advised may result in BDPD terminating the respective agreements.

In such an event, the Group will only be able to recover - whether in cash or in kind - a portion of the US\$21.7 million (approximately S\$30 million) already invested into the Solar Project, which recovery is estimated to be between US\$3 million to US\$8 million depending on negotiation of contractual obligations under the respective agreements.

#### **4 OTHER MATTERS**

The Company will provide further updates on material developments to the Solar Project as necessary or appropriate.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. There is no certainty or assurances as at the date of this announcement that the Solar Project will be successfully concluded. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors 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  
20 February 2019