

SHS HOLDINGS LTD.

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

**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**

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, 26 December 2018 and 20 February 2019 ("**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 Earlier Announcement of 20 February 2019, the Board had announced that the Solar Project was 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 same announcement, unless there be a Further COD Extension, non-completion by HDFC of the Solar Project by the Extended Planned Commercial Operations Date (currently being 31 October 2019), 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.

2 PROJECT UPDATE

The Board wishes to update that HDFC has entered into various contracts with certain EPC contractors ("**EPC Contracts**") with a view to supporting the application for an extension of the Extended Planned Commercial Operations Date by the Ministry of Power. Payment for the EPC contracts will be on a deferment basis. The contractors' payments under the EPC Contracts are to be made by HDFC, and the EPC contractors will have no recourse against any other entity within the Group.

3 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
22 September 2019