

SHS Holdings Ltd.
(Company Registration No. 197502208Z)

Unaudited Financial Statement Announcement for the First Quarter 2015

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		
	3 months ended 31 Mar		
	2015	2014	Change
	S\$'000	S\$'000	%
Revenue	150,861	85,281	77%
Cost of sales and services	(137,293)	(69,561)	97%
Gross profit	<u>13,568</u>	<u>15,720</u>	(14%)
Other income	407	549	(26%)
Selling and distribution expenses	(2,801)	(2,819)	(1%)
Administrative expenses	(5,315)	(5,276)	1%
Other operating expenses	(2,315)	(3,155)	(27%)
Profit from operations	<u>3,544</u>	<u>5,019</u>	(29%)
Finance costs	(266)	(366)	(27%)
Share of (loss)/profit of associated companies	(7)	(3)	140%
Profit before income tax	<u>3,271</u>	<u>4,650</u>	(30%)
Income tax	(566)	(814)	(30%)
Profit after income tax	<u>2,705</u>	<u>3,836</u>	(29%)
Attributable to:			
Equity holders of the Company	2,698	3,868	(30%)
Non-controlling interests, net of income tax	<u>7</u>	<u>(32)</u>	N/M
	<u><u>2,705</u></u>	<u><u>3,836</u></u>	(29%)

Statement of Comprehensive Income

	Group		
	3 months ended 31 Mar		
	2015 S\$'000	2014 S\$'000	Change %
Profit after income tax	2,705	3,836	(29%)
<u>Other comprehensive income</u>			
Foreign currency translation	385	(173)	N/M
	<u>385</u>	<u>(173)</u>	N/M
Total comprehensive income	<u>3,090</u>	<u>3,663</u>	(16%)
Attributable to:			
Equity holders of the Company	3,083	3,697	(17%)
Non-controlling interests, net of income tax	7	(34)	N/M
	<u>3,090</u>	<u>3,663</u>	(16%)

Additional Information to Group Consolidated Profit and Loss Accounts Under the Provision of Rule 705 of SGX-ST Listing Manual

	Note	Group		Change %
		3 months ended 31 Mar		
		2015 S\$'000	2014 S\$'000	
Other Income	1	385	419	(8%)
Interest Income	2	19	99	(81%)
Interest on borrowings	3	(266)	(366)	(27%)
Depreciation	4	(1,171)	(1,298)	(10%)
Fixed assets written off		(2)	(9)	(78%)
Gain on disposal of fixed assets	5	3	31	(90%)
Amortisation of intangible assets	6	(81)	(842)	(90%)
Bad debts expense		(1)	-	NM
Allowance for doubtful debts	7	(60)	(8)	650%
(Allowance)/Write-back on allowance for stock obsolescence	8	(60)	110	(155%)
Stock written off		(31)	(35)	(11%)
Foreign exchange loss	9	(207)	(65)	218%

- 1) The decrease was largely due to lower service income.
- 2) The decrease was mainly due to repayment of shareholder loan extended to an associated company for its property development business.
- 3) The decrease was mainly due to lower term loan and shorter trust receipts placement.
- 4) The decrease was in line with lower fixed assets.
- 5) The decrease was mainly due to lower gain was accounted on the disposed assets.
- 6) The decrease was mainly due to lower Group amortisation in relation the fair value of Hetat's order book at acquisition as required by FRS 103 as substantially of the order book had been completed and the relative Group amortisation had been recognized accordingly in prior year.
- 7) The increase was mainly due to more doubtful debts were noted and required to be provided.
- 8) The decrease was mainly due to lesser obsolete stocks were noted and required to be written off.
- 9) The increase was mainly due to stronger US\$ against S\$ and other regional currencies.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31 Mar 2015 S\$'000	31 Dec 2014 S\$'000	31 Mar 2015 S\$'000	31 Dec 2014 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	38,912	39,748	11,826	12,181
Subsidiary companies	-	-	94,628	95,028
Associated companies	4,520	4,527	3,177	3,177
Financial assets, available-for-sale	18,162	18,162	15,289	15,289
Membership rights	125	125	-	-
Intangible assets	541	622	-	-
Goodwill	37,177	37,177	-	-
Other receivables	727	612	-	-
	<u>100,164</u>	<u>100,973</u>	<u>124,920</u>	<u>125,675</u>
Current Assets				
Stock and work-in-progress	29,992	31,553	-	-
Trade receivables	63,524	67,852	2,467	5,614
Amount due from related parties	-	-	16,271	14,209
Other receivables	13,504	14,068	7,277	7,337
Loan to related party	600	600	-	-
Fixed deposits	3,557	3,532	1,524	1,523
Cash and bank balances	38,652	35,596	3,072	3,525
	<u>149,829</u>	<u>153,201</u>	<u>30,611</u>	<u>32,208</u>
Total Assets	<u>249,993</u>	<u>254,174</u>	<u>155,531</u>	<u>157,883</u>
LIABILITIES				
Current Liabilities				
Trade payables and accruals	21,488	29,312	925	1,839
Other payables	3,948	3,457	538	667
Amount due to related parties	-	-	8,997	9,028
Term loans	980	1,377	-	-
Other amounts due to bankers	60,167	59,821	3,315	3,807
Hire purchase creditors	251	292	-	-
Provision for taxation	4,141	3,907	102	94
	<u>90,975</u>	<u>98,166</u>	<u>13,877</u>	<u>15,435</u>
Non-current Liabilities				
Hire purchase creditors	208	258	-	-
Deferred taxation	3,473	3,503	1,084	1,084
	<u>3,681</u>	<u>3,761</u>	<u>1,084</u>	<u>1,084</u>
Total Liabilities	<u>94,656</u>	<u>101,927</u>	<u>14,961</u>	<u>16,519</u>
EQUITY				
Share capital	143,625	143,625	143,625	143,625
Treasury shares	(3,226)	(3,226)	(3,226)	(3,226)
Asset revaluation reserve	2,508	2,508	2,874	2,874
Foreign currency translation reserve	1,557	1,172	-	-
Other reserve	(16,687)	(16,687)	-	-
Revenue reserve/(accumulated losses)	26,056	23,358	(2,703)	(1,909)
	<u>153,833</u>	<u>150,750</u>	<u>140,570</u>	<u>141,364</u>
Non-controlling interests	1,504	1,497	-	-
Total Equity	<u>155,337</u>	<u>152,247</u>	<u>140,570</u>	<u>141,364</u>
Total Liabilities and Equity	<u>249,993</u>	<u>254,174</u>	<u>155,531</u>	<u>157,883</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	31-Mar-15 S\$'000	31-Dec-14 S\$'000
Amount Repayable in one year or less, or on demand		
Secured	61,398	61,490
Unsecured	-	-
	<u>61,398</u>	<u>61,490</u>
Amount Repayable after one year, or on demand		
Secured	208	258
Unsecured	-	-
	<u>208</u>	<u>258</u>

Details of any collateral

The credit facilities of the Group were secured by the following:

- (i) A mortgage in-escrow and deed of assignment over 81 Tuas South Street 5 for the Company's banking facility (including foreign exchange spot and forward) of approximately S\$29.0 million.
- (ii) A mortgage in-escrow and deed of assignment over 9 Jalan Pesawat, fixed and floating charge over all present and future undertakings, property assets, revenues and right of TAT Petroleum Pte Ltd ("TAT Petroleum"), corporate guarantee of S\$120.0 million and fixed deposit of S\$1.5 million and S\$1.1 million by the Company and TAT Petroleum respectively for banking facility (including foreign exchange spot and forward) extended to TAT Petroleum of approximately S\$166.0 million;
- (iii) TAT Petroleum's corporate guarantee of approximately S\$3.4 million and fixed deposits of S\$0.5 million by TAT Petroleum (HK) Pte Limited ("TAT HK") for banking facilities extended to TAT HK of approximately S\$3.4 million;
- (iv) Corporate guarantee of S\$3.8 million for banking facilities (including foreign exchange spot and forward) extended to Axxmo International Pte Ltd of approximately S\$6.3 million (including foreign exchange spot and forward);
- (v) A mortgage in-escrow and deed of assignment over 19 Tuas Avenue 20, corporate guarantee of S\$14 million by the Company and Corporate guarantee of S\$2 million by Hetat Engineering Construction Sdn Bhd for banking facilities (including foreign exchange spot and forward) extended to Hetat Pte Ltd of approximately S\$21.5 million;
- (vi) Fixed assets under hire purchase arrangements.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	3 months ended 31 Mar	
	2015	2014
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Profit before income tax	3,271	4,650
Adjustments for:		
Depreciation	1,171	1,298
Fixed assets written off	2	9
Amortisation of intangible assets	81	842
Gain on disposal of fixed assets	(3)	(31)
Interest on borrowings	266	366
Interest income	(19)	(99)
Share of loss of associated companies	7	3
Allowance for doubtful debts	60	8
Allowance/(Write-back on allowance) for stock obsolescence	60	(110)
Bad debts expense	1	-
Stock written off	31	35
Net foreign currency translation adjustments	(426)	(172)
Operating cash flow before working capital changes	4,502	6,799
Changes in working capital		
Inventories and work-in-progress	1,470	3,472
Receivables	4,580	(5,512)
Payables	(7,356)	(1,918)
Cash generated from operations	3,196	2,841
Interest paid	(266)	(366)
Interest received	13	8
Income tax payment	(360)	(23)
Net cash generated from operating activities	2,583	2,460
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(332)	(147)
Proceeds from disposal of property, plant and equipment	3	457
Loan repayment by an associated company	-	10,500
Acquisition of other investment	-	(1,000)
Cashflow on acquisition of subsidiary (net of cash)	-	(27,194)
Net cash used in from investing activities	(329)	(17,384)
Cash Flows from Financing Activities		
Net proceeds from issue of shares	-	35,171
Fixed deposit pledges with bank	(26)	4
Repayment to hire purchase	(91)	(216)
Repayment to term loan	(397)	(3,366)
Fund from/(Repayment to) trusts receipts	1,954	(14,815)
Net cash generated from financing activities	1,440	16,778
Net foreign currency translation adjustments	(638)	(7)
Net increase in cash and cash equivalents	3,056	1,847
Cash and cash equivalents at the beginning of the period	35,620	48,064
Cash and cash equivalents at the end of the period	38,676	49,911

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share Capital	Treasury Share	Revaluation Reserve	Other Reserve	Foreign Currency Translation Reserve	Revenue Reserve	Total	Minority Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group									
Balance at 01 January 2015	143,625	(3,226)	2,508	(16,687)	1,172	23,358	150,750	1,497	152,247
Comprehensive income	-	-	-	-	385	2,698	3,083	7	3,090
Exercise of warrants*	-	-	-	-	-	-	-	-	-
Balance at 31 March 2015	143,625	(3,226)	2,508	(16,687)	1,557	26,056	153,833	1,504	155,337
Balance at 01 January 2014	94,953	(3,226)	2,490	(16,687)	941	13,347	91,818	1,517	93,335
Comprehensive income	-	-	-	-	(171)	3,868	3,697	(34)	3,663
Allotment and issue of new ordinary shares to fund the acquisition of a company*	13,500	-	-	-	-	-	13,500	-	13,500
Allotment and issue of new ordinary shares as consideration share for the acquisition of a company*	36,024	-	-	-	-	-	36,024	-	36,024
Share issue expense	(852)	-	-	-	-	-	(852)	-	(852)
Balance at 31 March 2014	143,625	(3,226)	2,490	(16,687)	770	17,215	144,187	1,483	145,670
Company									
Balance at 01 January 2015	143,625	(3,226)	2,874	-	-	(1,909)	141,364	-	141,364
Comprehensive income	-	-	-	-	-	(794)	(794)	-	(794)
Exercise of Warrant*	-	-	-	-	-	-	-	-	-
Balance at 31 March 2015	143,625	(3,226)	2,874	-	-	(2,703)	140,570	-	140,570
Balance at 01 January 2014	94,953	(3,226)	2,874	-	-	(12,483)	82,118	-	82,118
Allotment and issue of new ordinary shares to fund the acquisition of a company*	13,500	-	-	-	-	-	13,500	-	13,500
Allotment and issue of new ordinary shares as consideration share for the acquisition of a company*	36,024	-	-	-	-	-	36,024	-	36,024
Share issue expense	(852)	-	-	-	-	-	(852)	-	(852)
Comprehensive income	-	-	-	-	-	1,147	1,147	-	1,147
Balance at 31 March 2014	143,625	(3,226)	2,874	-	-	(11,336)	131,937	-	131,937
* Amount less than 1000									

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Details of the changes in the issued and paid-up capital of the Company since 31 December 2014 to 31 March 2015 are as follows:-		
Ordinary shares	Number of shares	\$
Issued and fully paid ordinary shares at 31 December 2014	625,561,178	143,624,719
Exercise of warrants	500	100
Issued and fully paid ordinary shares at 31 March 2015	<u>625,561,678</u>	<u>143,624,819</u>

Pursuant to announcements made on 18 December 2014, 303,641,586 Warrants were issued on 17 December 2014, and listed and quoted on the Mainboard of SGX-ST with effect from 19 December 2014 at an exercise price of SGD0.20. The Warrants have a 5-year exercise period from the date of issue and it will expire on 17 December 2019.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31-Mar-15	31-Dec-14
Total number of shares (including treasury shares)	625,561,678	625,561,178
Less treasury shares	(17,100,000)	(17,100,000)
Total number of shares (excluding treasury shares)	<u>608,461,678</u>	<u>608,461,178</u>

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There are no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

These figures have not been reviewed nor audited by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report including any qualifications or emphasis of matter**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the financial year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

None.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	3 months ended 31 Mar	
	2015	2014
Profit per ordinary share for the financial year based on consolidated profit attributable to members of the Company (Basic and diluted)		
- Basic	0.45 cents	0.83 cents
-Diluted	0.41 cents	0.83 cents
Based on the weighted average number of shares (Basic)	605,852,972	464,948,088
Based on the weighted average number of shares (Diluted)	653,795,881	464,948,088

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	GROUP		COMPANY	
	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
Net asset backing per ordinary share	25.28 cents	24.78 cents	23.10 cents	23.23 cents
Based on the number of shares in issue, excluding treasury shares	608,461,678	608,461,178	608,461,678	608,461,178

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Overview

The Group recorded a 77% increase in revenue to S\$150.9 million, but a lower net profit attributable to equity holders of S\$2.7 million, a decline by 30% year-on-year for the first quarter ended 31 March 2015 ("1Q15").

While the Group saw stronger net contribution from the Refined Petroleum ("RP") segment, which driven by the volume of its distribution and trading businesses unit and improved gross margin from its distribution business, and lower amortisation and additional depreciation at Group level related to the fair value of Structural Steel and Facade ("SSF") segment's order book and revaluation of land and building as required by FRS103, it's the two other core businesses, Corrosion Prevention ("CP") and SSF recorded lower net contribution as a result of lower revenue and gross margin in 1Q15, undermined by slowdown in the industries and stiff competition.

As at 31 March 2015, the Group strengthened its financial position with cash and fixed deposits to S\$42.2 million from S\$39.1 million as at 31 December 2014. Net gearing was slightly lower at approximately 0.13 times (31 December 2014: 0.15 times).

Revenue

The Group's revenue rose by 77% to S\$150.9 million in 1Q15, compared with S\$85.3 million in the previous corresponding period. This was mainly due to higher revenue contribution from RP segment, which was partially offset by lower revenue contributions from CP and SSF segments.

CP segment

Revenue for CP segment declined by 38% year-on-year to S\$5.2 million in 1Q15, compared with S\$8.4 million in 1Q14. The lower revenue for 1Q15 was mainly due to overall lower business activities undermined by significant slowdown in orders arising from the drop in capex by the E&P (Exploration and Production) companies due to the significant drop in oil prices and and intense competition.

RP segment

Revenue for the RP segment surged 108% year-on-year from S\$67.1 million in 1Q14 to S\$139.3 million in 1Q15. The growth was mainly driven by higher volume under the Distribution and Trading businesses as a result of additional demand from the existing customers and new customers secured in the region.

SSF segment

Revenue for SSF segment decreased by 37% year-on-year to S\$6.1 million in 1Q15 from S\$9.5 million in 1Q14 as the level of business activities in the domestic construction sector slowed down during the quarter.

Gross Profit and Gross Margin

For 1Q15, the Group's gross profit declined by 14% year-on-year to S\$13.6 million, compared with S\$15.7 million in 1Q14. The decrease was mainly due to lower revenue contributions and gross margin from CP and SSF segments partly offset the higher gross profit contribution from RP segment which driven by higher volume of its distribution and trading businesses unit and improved gross margin from its distribution business.

The Group's composite gross margin narrowed from 18.4% in 1Q14 to 9.0% in 1Q15, due mainly to lower gross margins across the three core businesses amid the challenges in the macro business environment faced by CP and SSF and the surge in trading business volume which typically commands lower gross margin in nature as compared to the distribution business.

CP segment

CP segment's gross profit declined by 68% year-on-year to S\$1.1 million in 1Q15 from S\$3.3 million in 1Q14, on the back of lower revenue which also saw gross margin eroded from 39.7% in 1Q14 to 20.2% in 1Q15 amid significant slowdown in orders arising from the drop in capex by the E&P (Exploration and Production) companies due to the significant drop in oil prices and intense competition.

RP segment

Gross profit for RP segment rose 23% year-on-year to S\$11.1 million in 1Q15 from S\$9.0 million in 1Q14, mainly driven by higher volume in Distribution and Trading businesses, but partially offset by lower gross margin, which narrowed by 5.3 percentage points to 8.0%, despite improved gross margin registered by the distribution business as the surge in trading business volume which typically commands lower gross margin in nature than the distribution business pulled down the average gross margin.

SSF segment

Gross profit for SSF segment slipped by 61% from S\$3.4 million in 1Q14 to S\$1.3 million in 1Q15 on the back of lower revenue which also saw gross margin eroded from 35.2% in 1Q14 to 21.5% in 1Q15 amid slowdown in activities in the construction sector and intense competition.

Other Income

Other income decreased by 26% year-on-year from S\$0.5 million in 1Q14 to S\$0.4 million in 1Q15. The decline was due to lower interest income following the shareholder loan extended to an associated company for its property development business was substantially repaid.

Selling, Distribution, Administrative and Other Operating Expenses

Total operating expenses decreased by 7.2% year-on-year from S\$11.3 million in 1Q14 to S\$10.4 million in 1Q15, on the back of lower amortisation and additional depreciation related to the fair value of SSF segment's order book and revaluation of property as required by FRS 103. This was, however, partially offset by higher personal related expenses.

Selling and distribution expenses was relatively maintained at S\$2.8 million in 1Q15.

Administrative expenses rose marginally by 1% to S\$5.3 million in 1Q15 as a result of the increase in personal related expenses to support the higher business activities in RP.

Other operating expenses decreased by 27% to S\$2.3 million in 1Q15, compared with S\$3.2 million in 1Q14. This was mainly due to lower amortisation and additional depreciation at Group level related to the fair value of SSF segment's order book and revaluation of land and building as required by FRS103.

Finance Costs

Finance costs was lower at S\$0.3 million in 1Q15, decreased by 27% compared with S\$0.4 million in 1Q14. The decline was mainly due to lower term loan shorter trust receipts placement.

Financial Position and Cash Flow Analysis

As at 31 March 2015, the Group had cash and cash equivalents amounting to S\$42.2 million. Net gearing inched lower to 0.13 times as at 31 March 2015, compared with 0.15 times as at 31 December 2014.

Non-current assets were lower marginally from S\$101.0 million as at 31 December 2014 to S\$100.2 million as at 31 March 2015. This was mainly due to amortisation of fair value of SSF segment's order book and depreciation charge during the period.

Current assets decreased to S\$149.8 million as at 31 March 2015 from S\$153.2 million as at 31 December 2014. This was primarily due to decrease in working capital balances of CP and SSF which were in line with lower business activities.

Current liabilities as at 31 March 2015 decreased to S\$91.0 million from S\$98.2 million as at 31 December 2014. This was mainly due to a decrease in working capital balances of CP and SSF which were in line with lower activities.

Long-term liabilities as at 31 March 2015 was marginally lower at S\$3.7 million with lower deferred taxation and repayment of hire purchase creditors.

Shareholders' equity increased to S\$153.8 million as at 31 March 2015 from S\$150.8 million as at 31 December 2014. The increase was largely attributed to higher revenue reserve arising from profit attributable to equity holders of S\$2.7 million for 1Q15.

During 1Q15, the Group generated net cash of S\$2.6 million from operating activities after deducting S\$1.3 million for working capital used for inventory, trade receivables and payables, and S\$0.6 million for interest and income tax payments.

Net cash used in investing activities amounted to S\$0.3 million in 1Q15, mainly due to the purchase of property, plant and equipment.

Net cash generated from financing activities in 1Q15 was S\$1.4 million, mainly due to increase in short term financing of trust receipts for RP's working capital which was partially offset by repayment of term loan and hire purchase.

After taking into account net foreign currency translation adjustments, the Group recorded a net increase in cash equivalents of S\$3.1 million to S\$38.7 million for 1Q15.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The current announced results are in line with the prospect commentary previously disclosed to shareholders in the results announcement for the year ended 31 December 2014.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects the macro business environment to continue to be challenging amid the anticipated slowdown in both the domestic and global economies, intense competition and depressed oil prices and this will impact on the operating performance of the Group.

Barring unforeseen circumstances, the Group is cautiously optimistic to remain profitable going forward. The Group will continue to pursue business opportunities to enhance its three core businesses – CP, RP and SSF segments, while strengthening its operation efficiency and sharpening its competitiveness.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect,

There had been no interested person transactions during the three months ended 31 March 2015. The Group does not have a general mandate pursuant to Rule 920(1)(a)(ii).

14. Confirmation Pursuant to Rule 705(5) of the Listing Manual

We, Ng Han Kok, Henry and Goh Koon Seng being two directors of SHS Holdings Ltd. (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the 1Q15 financial statements to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Ng Han Kok, Henry
Group CEO
14 May 2015