

SHS HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197502208Z)

**RESPONSE TO QUERY FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
(THE “SGX-ST”) ON THE COMPANY’S ANNUAL REPORT 2020**

The Board of Directors of SHS Holdings Ltd (the “Company”, and together with its subsidiaries, the “Group”) refers to the following queries raised by the SGX-ST on 29 April 2021 in relation to the Company’s annual report for the financial year ended 31 December 2020 (the “FY2020 Annual Report”):-

SGX-ST Query (a):

Listing Rule 704 provides, inter alia, that an issuer must announce any material adjustments to its preliminary full-year results made subsequently by auditors.

We note that there are material variances in the values for: (a) operating cash flows before working capital changes; (b) cash used in operations, (c) net cash used in operating activities, (d) net cash generated from investing activities; and (e) net cash (used in) / generated from financing activities, in the Company’s full-year financial statements announced on 1 March 2021 and the Annual Report. Please explain the reason for the material variances and why the Company has not made an announcement in this regard.

Company’s Response to SGX-ST Query (a):

Statement of cash flow		Unaudited Financial Statements	Audited Financial Statements	Change	Note
		S\$’000	S\$’000	S\$’000	
(a)	Operating cash flows before working capital Changes	(279)	(375)	96	i
(b)	Cash used in operations	1,103	(2,468)	3,571	ii
(c)	Net cash used in operating activities	(636)	(3,372)	2,736	iii
(d)	Net cash generated from investing activities	1,681	4,747	(3,066)	iv
(e)	Net cash (used in)/ generated from financing activities	(417)	(516)	99	v

- (i) Classification difference of interest expenses and depreciation charges which contributed to the change.
- (ii) In unaudited financial statement, movement of asset classified for held for sales treated as movement in operating activities. However, this was further split into investing and financing activities in Annual Report for better understanding.
- (iii) Same as (ii)
- (iv) Mainly due to reason stated in (ii) and reclassification of deposit for the disposal of subsidiary to investing activities treated as proceed of disposal.
- (v) Amount due to associate is recorded in financing activities instead of operating activities.

The Company is of the view that the line items reclassification is to improve its presentation and facilitates better understanding of the Financial Statement and not as a result of actual material variances and therefore has not made an announcement in this regard.

SGX-ST Query (b):

Please confirm that none of the RPTs (e.g. professional fees paid to a firm in which a director is a partner of the firm) disclosed on page 139 of the Annual Report are IPTs.

Company's Response to SGX-ST Query (b):

The Company confirms that none of the RPTs as disclosed on page 139 are IPTs.

By Order of the Board

Ng Han Kok, Henry
Executive Director and Group CEO
30 April 2021