

HUAN HSIN HOLDINGS LTD

(Incorporated in the Republic of Singapore)

Company Registration No. 199509142R

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")

Huan Hsin Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") was placed on the Watch-List pursuant to Rule 1311 of the SGX-ST Listing Manual on 5 March 2014. Pursuant to Rule 1313(2) of the SGX-ST Listing Manual, the Board of Directors (the "**Board**") of the Company wishes to provide the following updates:

Update on Financial Position

For the first quarter ended 31 March 2019 ("Q1 2019"), the Group revenue increased by 17% to S\$4.5 million from S\$3.9 million in Q1 2018. Revenue increased was mainly driven by customers increasing orders to stock up on goods ahead of the tariff deadline of 1 March 2019, which tariffs are scheduled to rise on the US\$200 billion for Chinese goods.

Please refer to our result announcement for the first quarter ended 31 March 2019 released on 3 May 2019 for full detail.

Going concern

As at 31 March 2019, the Group's current assets were S\$20.6 million and current liabilities were S\$69.9 million. This posts a going concern issue. However, management is confident that with the strategies of restructuring to streamline operations and disposing non-performing assets to lower costs and reduce borrowings, the Group will be able to continue operating as a going concern in the foreseeable future.

Update on Future Direction

As announced by the Company in its announcement dated 1 March 2019, the SGX-ST had granted the Company up until 1 April 2019 to submit a reasonable cash exit offer proposal ("**Exit Offer Proposal**").

The Company and its controlling shareholders however require more time to finalise the Exit Offer Proposal and have accordingly applied to the SGX-ST for more time to provide a reasonable cash exit offer to the Company's shareholders. Subsequently, the deadline was extended by SGX-ST.

In the meantime, the Company had on 4 April 2019 submitted application to the Securities Industry Council ("Council"), to seek various confirmations and rulings from the Council on the extent to which the Singapore Code on Take-overs and Mergers applies to the Exit Offer Proposal.

The Company will continue to keep shareholders updated via announcements on the SGXNet as and when there are any material developments or updates on the Exit Offer Proposal.

Shareholders are advised to 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
HUAN HSIN HOLDINGS LIMITED

Hsu Hung Chun
Chairman
3 May 2019