

HUAN HSIN HOLDINGS LTD
Company registration No: 199509142R
RESPONSE TO SGX'S QUERY

In response to the following queries posed by Singapore Exchange Securities Trading Limited ("SGX"), the Board of Directors (the "Board") of Huan Hsin Holdings Ltd ("the Company") (together with its subsidiaries, the "Group") wishes to respond as follows:

Question 1: We refer to the Company's Annual Report on the emphasis of matter highlighted by auditors for the financial year ended 31 December 2014. The Independent Auditors of the Company noted "These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt on the Group's and Company's ability to continue as going concerns."

For the Exchange's consideration under Rule 1303(3)(c) and noting the Independent Auditor's findings on "Going concern", please provide the following information via SGXNET by the close of business tomorrow, 26 May 2015:-

(a) the Board's opinion if the Company will be able to operate as going concern and basis for the Board's view; and

(b) the Board's confirmation that all material disclosures have been provided for trading of the Company's shares to continue.

Company's Response:

(a) Base on the following measures taken, the Board is in the opinion that the Company will be able to operate as going concern:

- i. Management has implemented various restructuring exercises such as divestment of non-core assets, cessation of non-performing companies and streamlines its operation to improve and optimize the utilization rate of the Group. Management is confident that the strategies in place will help the business navigate through the challenges and improve the operating performance and financial position of the Group and the Company will be able to continue in operational existence for the foreseeable future.
- ii. As at 31 March 2015, the Group has cash and bank balances of S\$58.9 million (31 December 2014: S\$36.0 million). As at 31 March 2015, the Group has untapped banking facilities of approximately S\$35.0 million. If necessary, the Group will be able to roll forward their existing trade and banking facilities.

iii. As at to date, the Group has both current and non-current borrowings, the current portion facilities can be rolling forward under current terms. The Group has not in breach of any borrowings terms.

(b) The Board confirms that, to the best of their knowledge, all material disclosures have been provided for trading of the Company's shares to continue.

By Order of the Board
Hsu Hung Chun
Chairman
26 May 2015