

## **TERMINATION OF ACQUISITION AGREEMENT**

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*Capitalised terms used herein and not otherwise defined or the context requires otherwise, have the same meanings as set out in the announcements made by Huan Hsin Holdings Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) on 24 February 2016, 11 March 2016, 29 December 2016, 5 April 2017, 4 May 2017, 29 June 2017, 2 October 2017, 26 January 2018, 1 March 2018, 5 March 2018, 15 March 2018, 20 April 2018, 18 May 2018, 8 June 2018, 25 June 2018, 29 June 2018 and 13 August 2018 (the “**Previous Announcements**”).*

1. The Board of Directors (the “**Board**”) of the Company refers to the Previous Announcements in respect of the Proposed Acquisition.
2. The Board wishes to announce that the Company has on 14 August 2018 received a notice (the “**Termination Notice**”) from the Vendor terminating the Acquisition Agreement with effect from 14 August 2018 pursuant to Clause 7.1(b)(ii)(IV) of the Acquisition Agreement. The Termination Notice was served on the basis that Tranche 1 Subscription was not completed by 31 July 2018. Having considered the progress of the RTO preparatory work to-date, the Board is of the opinion that it would be desirous to proceed with the termination of the Acquisition Agreement.
3. Following the Termination Notice, the Acquisition Agreement shall cease to have any force and effect save for certain surviving clauses as set out in the Acquisition Agreement and there shall be no liability on the part of either the Company or the Vendor, without prejudice to the accrued rights and liabilities, if any.
4. As stated in the announcement dated 5 March 2018 read together with the announcement dated 18 May 2018, one of the conditions for the extension of time to 4 March 2019 for the Company to exit the Watch-List (the “**Initial Exit Deadline**”) was the submission of the RTO application and circular by the Company to SGX-ST by 28 September 2018. Following the termination of the Acquisition Agreement, the Board wishes to inform Shareholders that the Company and its professional advisers are in the process of identifying and evaluating other potential opportunities and proposals that would provide a basis to support a new RTO application to the SGX-ST with the aim of removal from the Watch-List. The Board also wishes to inform Shareholders that notwithstanding the termination of the Acquisition Agreement, the Company will continue to use its best efforts to assist the Subscriber in completing Tranche 1 Subscription as part of its continuing efforts to exit the Watch-List. The Company will consult the SGX-ST in relation to the Initial Exit Deadline and a new RTO application, if any in due course.
5. The termination of the Acquisition Agreement is not expected to have any material adverse impact on the net tangible assets per share and earnings per share of the Company for the financial year ending 31 December 2018.
6. Further announcements will be made by the Company as and when there are any material developments.

7. **In the meantime, shareholders are advised to exercise caution in dealing or trading in the shares of the Company. There is no assurance that the SGX-ST will grant any further extension of time to meet the requirements to exit the Watch-List. Shareholders are advised to read this announcement and any further announcements by the Company carefully, and 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**

Hsu Hung Chun  
Chairman

14 August 2018