

## HUAN HSIN HOLDINGS LTD

### COMPANY ANNOUNCEMENT

---

- (A) **THE PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 16,022,727,273 SHARES AT AN ISSUE PRICE OF S\$0.022 PER SHARE TO RAISE GROSS PROCEEDS OF UP TO US\$250 MILLION**
  - (B) **APPLICATION FOR A FURTHER EXTENSION OF TIME OF 12 MONTHS TO SATISFY THE REQUIREMENTS FOR REMOVAL FROM THE WATCH-LIST FROM 4 MARCH 2017 TO 4 MARCH 2018**
- 

1. The Company refers to the announcements released on 24 February 2016, 11 March 2016, 29 December 2016 and 5 April 2017 in relation to *inter alia* the Proposed Subscription and extension of time to satisfy the requirements for removal from the Watch-List ("**Announcements**"). Unless otherwise defined herein, the capitalised terms used herein shall have the same meaning ascribed to them in the Announcements, unless defined herein or the context requires otherwise.
2. The Company is pleased to advise that in relation to its various applications on 30 December 2016, 18 January 2017 and 27 April 2017 to the Singapore Exchange Securities Trading Limited ("**the Exchange**") regarding the above, the Exchange has approved in-principle the listing and quotation of the Subscription Shares and Option Shares, subject to the following:-
  - (a) Compliance with the Exchange's listing requirements;
  - (b) Shareholders' approval for the Proposed Subscription, the Whitewash Resolution and the Proposed Business Diversification;
  - (c) The Company shall not make any acquisition from China CYTS Group Company or its associates within 12 months following completion of the Proposed Subscription unless the RTO requirements under Listing Rule 1015 are complied with;
  - (d) The Company shall consult the Exchange on any acquisitions entered into in the next 12 months following completion of the Proposed Subscription and the Exchange may require the Company to comply with one or more of the following conditions:
    - (i) Target company to be profitable;
    - (ii) Target company to be in healthy financial position;
    - (iii) An independent valuation to be commissioned on the target company; and
    - (iv) Moratorium of at least 6 months on the shareholdings of the controlling shareholders.
  - (e) The Company and CCIL (i.e. the Fund Manager of the Subscriber) undertaking to comply with the requirements in Chapter 9 of the Listing Manual for any transactions or agreements that may be entered into by the Group with China CYTS Group Company or its associates. For the purpose of seeking shareholders' approval under Chapter 9 of the Listing Manual for any

proposal involving China CYTS Group Company or its associates, the Subscriber and CCIL and their associates will abstain from voting on the proposal; and

- (f) Submission of the following documents:-
  - (i) A written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the Proposed Subscription of shares and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
  - (ii) A written undertaking from the Company that it will comply with Listing Rule 803; and
  - (iii) A written confirmation from the Company that it will not issue the Subscription Shares and Option Shares to persons prohibited under Rule 812(1) of the Listing Manual.

3. We also wish to advise that the Exchange has no objection to the Company's application for extension of time from 4 March 2017 to 4 March 2018 to meet the requirements for removal from the Watch-List under the financial criteria, subject to the following:-

- (a) the Company announcing the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Listing Rule 107; and
- (b) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company.

4. Please note that the Exchange's in-principle approval above is not to be taken as an indication of the merits of the Proposed Subscription, Subscription Shares, Option Shares, the Company and/or its subsidiaries.

\*\*\*\*\*