

HUAN HSIN HOLDINGS LTD
(Company Registration No. 199509142R)
(Incorporated in the Republic of Singapore)

UPDATE ON THE PROPOSED SUBSCRIPTION

The board of directors (the “**Board**”) of Huan Hsin Holdings Ltd (the “**Company**”) refers to the announcements dated 24 February 2016, 29 December 2016, 5 April 2017, 29 June 2017, 2 October 2017, 26 January 2018 and 1 March 2018.

The Board is pleased to announce the following:

- (i) the Company, Oriental Straits Investment Limited (the “**Subscriber**”), China Capital Impetus Investments Limited (“**CCIL**”) and China Capital Impetus Asset Management Pte Ltd (“**CCIAM**”) had on 4 March 2018 entered into a deed of novation in respect of the substitution of CCIL by CCIAM as a party to the subscription agreement dated 24 February 2016 (as amended, supplemented and modified) (the “**Subscription Agreement**”); and
- (ii) the Company, the Subscriber and CCIAM had on 4 March 2018 entered into an agreement to supplement the Subscription Agreement (the “**Supplemental Agreement**”).

Pursuant to the Supplemental Agreement, the parties had agreed to the following principal amendments to the Subscription Agreement:

(a) Aggregate Subscription Amount

The Subscriber shall subscribe for, and the Company shall allot and issue to the Subscriber 3,636,363,636 ordinary shares in the share capital of the Company (“**Shares**”) at S\$0.022 per Share (the “**Issue Price**”) for an aggregate amount of S\$80 million (“**Aggregate Subscription Amount**”) in two (2) tranches – S\$20 million (“**Tranche 1 Subscription**”) and S\$60 million (“**Tranche 2 Subscription**”) - upon the terms and subject to the conditions of the Subscription Agreement (collectively, the “**Proposed Subscription**”).

Completion of the Tranche 1 Subscription shall be subject to customary conditions precedent, including but not limited to shareholders’ and regulatory approval of the Proposed Subscription; whereas completion of the Tranche 2 Subscription shall be contingent on completion of the Tranche 1 Subscription and the Company’s receipt of the approval-in-principle from the Singapore Exchange Securities Trading Limited of the Proposed RTO.

(b) The Proposed RTO

The “**Proposed RTO**” refers to the proposed transaction announced by the Company on the SGXNET on 5 March 2018, pursuant to which the Company will become the legal and beneficial owner of a 99.99% equity interest of a company incorporated in the British Virgin Islands and wholly-owned by Jade Merit Developments Limited on the terms and conditions of a sale and purchase agreement dated 4 March 2018 entered into between the Company and Jade Merit Developments Limited (“**Acquisition Agreement**”), which will result in a reverse takeover pursuant to Chapter 10 of the Listing Manual.

The Subscriber and CCIAM each acknowledges (i) the terms and conditions of the Acquisition Agreement; and (ii) the Aggregate Subscription Amount of S\$80,000,000 shall be utilised by the Company for purposes of the Proposed RTO, in accordance with the terms and conditions of the Acquisition Agreement.

(c) Options

The Company shall grant each of the Subscriber and CCIAM (collectively, “**Option Holders**” and each an “**Option Holder**”) the right but not the obligation to each subscribe for up to 454,545,455 Shares at the Issue Price per Share for up to S\$10 million upon the terms and subject to the conditions of the Subscription Agreement (each an “**Option**”). Each Option Holder may, subject to the terms of the Subscription Agreement, exercise its Option at any time and from time to time during the 36 month period commencing from the completion date of the Tranche 1 Subscription.

For the avoidance of doubt, assuming each Option Holder fully exercises its Option, the aggregate monies to be raised by the Company from both Option Holders is S\$20 million.

(d) Long Stop Date

The Long Stop Date of the Proposed Subscription shall be extended to 30 June 2018.

Shareholders are advised to exercise caution in trading their Shares. The Proposed Subscription is subject to conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Subscription will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, 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

5 March 2018