

HUAN HSIN HOLDINGS LTD

(Incorporated in 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 second quarter ended 30 June 2016 (“Q2 2016”), the Group revenue decreased by 58% to S\$15.0 million from S\$35.5 million in Q2 2015. The substantial decline in revenue was in line with the Group’s on-going plan to shut down some of the loss making factories.

Please refer to our result announcement for the financial period ended 30 June 2016 released on 10 August 2016 for full details.

Update on Future Direction

Following a series of major restructuring exercises, the Group had adopted a two-pronged strategy of corporate restructuring to streamline operations and dispose non-performing assets to lower costs and reduce borrowings and concurrently look into fundraising and/or acquisition and diversification opportunities to generate additional income streams.

As part of its strategy, the Group has proposed to dispose a factory in Shanghai for RMB274 million to repay existing debts and increase working capital. Due to the relative size of the transaction, the disposal is subject to Shareholder’s approval.

As at 30 June 2016, the Group has closed six plants in Shanghai, Chongqing, Shandong and Malaysia and will continue to downsize loss making entities in the second half of FY2016.

On 27 August 2015, the Group appointed RHB Securities Singapore Pte Ltd (“RHB”) as Financial Advisor to assist in identifying strategy investor(s) as well as in identifying new viable business(es) to acquire to improve the Group’s financial performance.

RHB had introduced two investors (“Oriental Straits Investment Limited” and “China Capital Impetus Investment Limited”). The Company had signed a subscription agreement on 24 February 2016 with investors, for an aggregate subscription of up to US\$250 million (equivalent to S\$352.5 million) in tranches. This proposed subscription, which is subject to shareholder’s approval at an EGM to be called later, will provide funds for investment,

acquisition and diversification opportunities to generate additional sources of earnings and facilitate the Company's efforts and application for exiting SGX's Watch list.

On 11 March 2016, the Singapore Exchange Securities Trading Limited the ("SGX-ST") granted the Company an extension of 12 months to 4 March 2017 to meet the requirements for removal from the watch-list.

By Order of the Board
HUAN HSIN HOLDINGS LIMITED

Hsu Hung Chun
Chairman
10 August 2016