

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 first quarter ended 31 March 2014 ("Q1 2014"), the Group revenue fell 9% to S\$98.8 million compared to the same quarter last year ("Q1 2013"). This was due mainly to the continued competition in the industry as well as the declining demand in PC market.

Please refer to our result announcement for the financial period ended 31 March 2014 released on 5 May 2014 for full details.

Update on Future Direction

With continuing uncertainties over the strength and sustainability of the economic recovery of the major global economies, the Group expects overall business outlook conditions to remain challenging.

Management will continue to (i) streamline its operations in PRC by closing down or disposing some of the loss making subsidiaries, (ii) look for ways to diversify its product mix away from PCs, and (iii) implement various costs cutting measures to lower operating costs.

The Group is aware of the deadline given by the SGX-ST for its removal from the Watch-List. The Group will endeavour to meet the requirements of Rule 1314 of the SGX-ST Listing Manual to be removed from the Watch-List.

By Order of the Board
HUAN HSIN HOLDINGS LIMITED

Hsu Hung Chun
Chairman
5 May 2014