

HUAN HSIN HOLDINGS LTD
Company registration No: 199509142R
Company Announcement

In response to the following queries posed by SGX, the Company is pleased to respond as follows:

Question 1: Whether the Company has commissioned an independent valuation of the land use rights owned by Shanghai Indeed Electronic Technology Co., Ltd? If so, please provide details of the independent valuation performed including and not limited to the name of the independent valuer, date of valuation, the amount of the valuation and whether the land use rights are carried at fair value. If not, please provide an explanation.

Company's Response:

The Company has commissioned Shanghai San Lian Assets Appraisal Co., Ltd (“上海三聯資產評估有限公司”) which is a licensed real estate valuer in Shanghai. The valuation report was issued on 30 January 2015 (“Valuation Report”). The valuation of land use rights and building of RMB175,553,742 (USD28,689,940 based on exchange rate of USD1:RMB 6.119). A copy of the Valuation Report is available for inspection at the Company's registered office.

In accordance with the Group's accounting policies, the land use right is carried at cost less amortization on a straight line basis over the term of the land use right. The building is carried at cost less accumulated depreciation. As at 31 December 2014, the net book value of the land use rights and building was RMB97,488,337 (USD15,932,070).

Question 2: How is the Board satisfied that the proposed consideration is in line with the market value of the Assets (as defined in the shareholders' circular in relation to the Proposed Disposal)?

Company's Response:

The Board is in view that the proposed consideration of the Assets at USD29,868,800 based on “willing buyer and willing seller” basis is fair.

The proposed consideration is 4% in excess of the value stated in the Valuation Report and 87% in excess of net book value.

By Order of the Board
Hsu Hung Chun
Chairman
24 April 2015