

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 third quarter ended 30 September 2014 (“Q3 2014”), the Group revenue decreased 30% to S\$82.5 million compared to S\$118.5 million in the same quarter last year (“Q3 2013”). The decline in revenue was mainly due to the closure of two loss making subsidiaries in Shanghai and Shandong and the persistent decline in PC shipments.

As a result, the Group loss attributable to equity holders of the Company increased to S\$19.3 million in Q3 2014 compared to net loss of S\$15.0 million in Q3 2013.

Please refer to the Company’s Result Announcement for the financial period ended 30 September 2014 released on 12 November 2014 for full details.

Update on Future Direction

The Group will continue to carry out its restructuring program as revenue fell sharply. Management has ceased the operation of Shanghai Indeed Electronic Technology Co., Ltd, Shandong Dong Hsin Electronics Co., Ltd as well as the mould division in Shanghai Heisei Electronics Co., Ltd. These have resulted in reduction in headcounts from 11,391 in January 2014 to 7,326 as at 30 September 2014.

Going forward, the Group will continue to restructure, downsize and divest other loss making subsidiaries where appropriate, and to improve its working capital.

Operationally, Management will continue to diversify its products mix away from PC business, and focus on improving gross margins, reducing costs and improving cash flow.

By Order of the Board
HUAN HSIN HOLDINGS LTD

Hsu Hung Chun
Chairman
12 November 2014