

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 2016 (“Q1 2016”), the Group revenue decreased by 61% to S\$16.0 million compared to S\$40.9 million same period last year (“Q1 2015”). The substantial decline in revenue was due to the Group not accepting orders during the quarter in the midst of on-going plan to shut down some of the loss making factories.

Please refer to our result announcement for the financial period ended 31 March 2016 released on 13 May 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 disposed non-performing assets to lower costs and reduce borrowing and concurrently look into fundraising and/or acquisition and diversification opportunities to generate additional earning streams. As at 31 March 2016, the Group has closed six plants in Shanghai, Chongqing, Shandong and Malaysia and will continue to close down loss making plants in 2016.

On 27 August 2015, the Group appointed RHB Securities Singapore Pte Ltd (“RHB”) as Financial Advisor to assist in identifying new viable business(es) to rejuvenate the Group’s financial performance as well as to identify strategic investor(s) with a view to provide funding for suitable investment(s) and/or business acquisition(s).

RHB had recommended two investors (“Oriental Straits Investment Limited” and “China Capital Impetus Investment Limited”). The Company had signed a subscription agreement on 24 February 2016 with the investors, for an aggregate subscription of up to US\$250 million (equivalent to S\$352.5 million) in tranches. Please refer to the Company announcement dated 24 February 2016 for further details of the subscription agreement.

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.

Please note that SGX has granted the Company a 12-month extension until 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
13 May 2016