

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 update:

Update on Financial Position

For the second quarter ended 30 June 2014 (“Q2 2014”), the Group revenue fell 8% to S\$98.7 million compared to the same quarter last year (“Q2 2013”). The decrease was mainly due to the decline in PC shipments.

As a result, the Group loss attributable to equity holders of the company amounted to S\$14.3 million in Q2 2014 compared to net loss of S\$10.2 million in Q2 2013.

Please refer to our result announcement for the financial period ended 30 June 2014 released on 6 August 2014 for full details.

Update on Future Direction

As part of its turnaround strategy, Management has decided to cease operation of its two loss making subsidiaries in Shanghai and Shandong namely Shanghai Indeed Electronic Technology Co., Ltd and Shandong Dong Hsin Electronics Co., Ltd in July, 2014. It will continue to divest its other loss making subsidiaries where appropriate and to monetize and unlock the value of its assets to strengthen its working capital.

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

The Board cautions that the increasing manpower costs in China, stiff price competition and foreign currency movements would pose challenges for the Group in 2014.

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
6 August 2014