

HUAN HSIN HOLDINGS LTD

(Incorporated in the Republic of 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 2020 ("Q1 2020"), the Group revenue suffered a sharp decline by 80% to S\$895,000 from S\$4.5 million in Q1 2019. The decrease was mainly due to Covid-19 pandemic outbreak. Following the lockdown in PRC in late January 2020, our production operations in Shanghai had been forced to close and only resumed operation in late February 2020. This pandemic has had an adverse impact on the performance of the Group.

Please refer to our result announcement for the first quarter ended 31 March 2020 released on 15 May 2020 for full detail.

Going concern

As at 31 March 2020, the Group's current assets were S\$7.8 million and current liabilities were S\$56.0 million. The Company however is able to operate as a going concern for the following reasons:

- (a) The ongoing corporate restructuring exercises undertaken by the Group to streamline its operations;
- (b) The disposal of non-performing assets to lower the costs and reduce borrowings; and
- (c) The financial support/commitment from some of the directors to fund the Group's working capital when required.

To the best of the Board's knowledge and belief, all material information relating to the Company's ability to operate as a going concern has been disclosed.

Update on Future Direction

On 29 April 2020, the Company and Pacific Moment Holdings Ltd (the "Offeror") jointly announced that the Offeror had presented to the directors of the Company a proposal to make an exit offer to the shareholders of the Company pursuant to Rules 1306 and 1309 of the Listing Manual in connection with the directed delisting of the Company by the SGX-ST in accordance with Rule 1315 of the Listing Manual and the delisting notification dated 19 December 2018.

The Exit Offer Letter dated 14 May 2020 containing the terms of the exit offer has been despatched to the shareholders on 14 May 2020.

Please refer to our announcement released on 29 April 2020 and 14 May 2020 for full detail.

By Order of the Board
HUAN HSIN HOLDINGS LIMITED

Hsu Hung Chun
Chairman
15 May 2020