

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 financial year ended 31 December 2014 (“FY2014”), the Group revenue decreased sharply by 25% to S\$355.8 million compared to S\$472.5 million in FY2013. The decline in revenue was mainly due to the closure of various loss making subsidiaries and the stiff competition in the PC industry in the light of persistent decline in PC shipments.

As a result of the above, the Group loss attributable to equity holders of the company amounted to S\$79.0 million in FY2014 compared to S\$75.2 million in FY2013.

Please refer to our result announcement for the financial period ended 31 December 2014 released on 27 February 2015 for full details.

Update on Future Direction

The Group has implemented various major restructuring exercises in FY2014. In the process of the restructuring, the Management has halted operations of Shanghai Indeed Electronic Technology Co., Ltd, and Shandong Dong Hsin Electronics Co., Ltd, as well as closing down the mould division in Shanghai Heisei Electronics Co., Ltd.

The disposal of some of its assets and subsidiaries was necessary in order to improve working capital and reduce bank borrowings. Consequently, the Group has also reduced its manpower headcount by 39% from 11,391 in January 2014 to 6,892 in December 2014.

Going forward, The Group will continue with restructuring efforts in order to turnaround and improve performance.

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 in order to be removed from the Watch-List.

By Order of the Board
HUAN HSIN HOLDINGS LIMITED

Hsu Hung Chun
Chairman
27 February 2015