
JOINT ANNOUNCEMENT

EXIT OFFER

**IN CONNECTION WITH THE DIRECTED DELISTING OF HUAN HSIN HOLDINGS LTD
PURSUANT TO RULES 1315 AND 1306 READ TOGETHER WITH RULE 1309 OF
THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

1 INTRODUCTION

- 1.1 Huan Hsin Holdings Ltd (the “**Company**”) was placed on the watch-list (the “**Watch-List**”) by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) pursuant to Rule 1311(1) (Financial Entry Criteria) and Rule 1311(2) (Minimum Trading Price (“**MTP**”) Entry Criteria) of the listing manual of the SGX-ST (the “**Listing Manual**”) on 5 March 2014 and 5 June 2017 respectively. Pursuant to Rule 1315 of the Listing Manual, if an issuer fails to meet the requirements of Rule 1314 within 24 months of the date on which it was placed on the watch-list, the SGX-ST may either remove the issuer from the Official List, or suspend trading of the listed securities of the issuer (without agreement of the issuer) with a view to removing the issuer from the Official List, and accordingly the Company was required to meet the requirements of Rule 1314 by 4 March 2016. The Company was subsequently granted extensions of time to meet the requirements for removal from Watch-List on 11 March 2016, 3 May 2017 and 2 March 2018. On 2 March 2018, the SGX-ST informed the Company that the extension given to the Company on 2 March 2018 to comply with the requirements for removal from Watch-List by 4 March 2019 would be the final extension (“**Final Deadline**”).
- 1.2 On 19 December 2018, the Company received a notification letter from the SGX-ST (the “**Delisting Notification**”) informing the Company, among other things, that the SGX-ST will delist the Company from the Official List of the SGX-ST pursuant to Rule 1315 of the Listing Manual as the Company is unable to meet the requirements under Rule 1314 of the Listing Manual for its removal from the Watch-List by the Final Deadline. Trading in the Company’s securities has been suspended from 9.00 am, 21 January 2019, and will remain suspended until the completion of an exit offer.
- 1.3 The Company and Pacific Moment Holdings Ltd. (the “**Offeror**”) wish to jointly announce that the Offeror has presented to the directors of the Company (the “**Directors**”) a formal proposal to make an exit offer to the shareholders of the Company (the “**Shareholders**”) pursuant to Rules 1306 and 1309 of the Listing Manual (the “**Delisting Proposal**”) in connection with the directed delisting of the Company (the “**Delisting**”) by the SGX-ST in accordance with Rule 1315 of the Listing Manual and the Delisting Notification. Under the Delisting Proposal, the Offeror will make a conditional cash exit offer (the “**Exit Offer**”) to acquire all the issued and paid-up ordinary shares in the capital of the Company (the “**Shares**”) (excluding treasury shares), other than those Shares already held directly or indirectly by the Offeror as at the date of the Exit Offer (the “**Offer Shares**”), in accordance with Section 139 of the Securities and Futures Act (Chapter 289) of Singapore and the Singapore Code on Take-overs and Mergers (the “**Code**”).

- 1.4 An exit offer letter by the Offeror (the “**Exit Offer Letter**”) containing the terms and conditions of the Exit Offer, together with a letter issued by the Company to the Shareholders in relation to the Exit Offer (the “**Company’s Letter to Shareholders**”) and the relevant forms for acceptance of the Exit Offer (the “**Acceptance Forms**”), will be despatched by or on behalf of the Offeror to the Shareholders in due course. Shareholders are advised to read the Exit Offer Letter, including the Company’s Letter to Shareholders and the Acceptance Forms carefully and in their respective entirety.

2 LISTING MANUAL PROVISIONS ON THE DELISTING AND THE EXIT OFFER

- 2.1 Under Rule 1306 of the Listing Manual, if the SGX-ST exercises its power to remove an issuer from the Official List of the SGX-ST, the issuer or its controlling shareholder(s) must comply with the requirements of Rule 1309 of the Listing Manual. As mentioned in paragraph 1.2 above, on 19 December 2018, the Company received the Delisting Notification from the SGX-ST directing the delisting of the Company from the Official List of the SGX-ST pursuant to Rule 1315 of the Listing Manual.
- 2.2 Under Rule 1309 of the Listing Manual, if the Company is seeking to delist from the Official List of the SGX-ST:
- (i) a reasonable exit alternative, which should normally be in cash, should be offered to the shareholders and holders of any other classes of listed securities to be delisted; and
 - (ii) the Company should normally appoint an independent financial adviser to advise on the exit offer.

Notes:

- (1) Rule 1309 of the Listing Manual as set out in paragraph 2.2 above, which requires a “reasonable exit alternative” to be offered to shareholders, is based on the version of the Listing Manual in force on 19 December 2018 (the date on which the Company received the Delisting Notification) which is applicable to the Exit Offer.
- (2) Shareholders should note that Rule 1309 of the Listing Manual was subsequently amended on 11 July 2019 to, among other things, require a “fair and reasonable exit offer” to be offered to shareholders. The said amendments are not applicable to the Exit Offer as they took effect after the date of the Delisting Notification (which was issued on 19 December 2018).

3 INFORMATION ON THE COMPANY

- 3.1 The Company was incorporated in the Republic of Singapore on 26 December 1995 and was listed on the Main Board of the SGX-ST on 11 June 1997. The principal activities of the Company are investment holding and the provision of services to its subsidiaries. The group (“**Group**”), comprising the Company, its associated companies and subsidiaries, is an integrated contract manufacturer of telecommunications and electronic products.
- 3.2 As at the date of this announcement (the “**Joint Announcement Date**”), the board of Directors of the Company comprises the following:
- (i) Mr. Hsu Hung Chun – Chairman
 - (ii) Mr. Hsu Cheng Chien – Managing Director
 - (iii) Mr. Hsu Ming Hung – Executive Director
 - (iv) Mr. Lim Hock Beng – Lead Independent Non-Executive Director
 - (v) Mr. Lau Ping Sum, Pearce – Independent Non-Executive Director

(vi) Mr. Chew Heng Ching – Independent Non-Executive Director

- 3.3 As at the Joint Announcement Date, the issued and paid-up share capital of the Company is S\$151,096,603 comprising 400,000,000 Shares. There are no Shares held by the Company as treasury shares.
- 3.4 As at the Joint Announcement Date, the Company has no outstanding instruments convertible into, rights to subscribe for, warrants, options (whether pursuant to an employee share option scheme or otherwise) nor derivatives in respect of securities which carry voting rights of the Company.

For the avoidance of doubt, pursuant to a subscription agreement dated 24 February 2016 (as amended, supplemented and/or modified from time to time) ("**Subscription Agreement**") between the Company, Oriental Straits Investment Limited ("**OSIL**") and China Capital Impetus Asset Management Pte. Ltd. ("**CCIAM**"), the Company had, among other things, agreed to grant each of OSIL and CCIAM (each an "**Option Holder**") the right but not the obligation to each subscribe for up to 454,545,455 new Shares ("**Option Shares**") at the issue price of S\$0.022 per Option Share for up to S\$10 million upon the terms and subject to the conditions of the Subscription Agreement (each an "**Option**"). In other words, the Company had agreed to allot and issue up to an aggregate of 909,090,910 Option Shares to the Option Holders for up to S\$20 million. Pursuant to the Subscription Agreement, OSIL had, among other things, also agreed to subscribe for 909,090,909 Shares ("**Tranche 1 Subscription**"). Pursuant also to the Subscription Agreement, each Option Holder may, subject to the terms of the Subscription Agreement, exercise its Option at any time and from time to time during the 36-month period commencing from the date on which Tranche 1 Subscription is completed. The long stop date of the Subscription Agreement ("**Long Stop Date**") was 31 December 2018, which has since elapsed. As Tranche 1 Subscription has to date not materialized and did not take place before the Long Stop Date, the Options granted to the Option Holders are no longer exercisable and are no longer relevant. Accordingly, the Company does not have any outstanding options in respect of securities which carry voting rights of the Company.

4 INFORMATION ON THE OFFEROR

- 4.1 The Offeror is a special purpose vehicle incorporated under the Business Companies Act, 2004, in the British Virgin Islands on 5 October 2015, and has its registered office at Quijano Chambers, P.O. Box 3159, Road Town, Tortola, British Virgin Islands. The principal activities of the Offeror are those of an investment holding company.
- 4.2 As at the Joint Announcement Date, the Offeror has an authorised share capital of US\$50,000 comprising 50,000 ordinary shares with a par value of US\$1.00 each, and the total issued and paid-up share capital of the Offeror is US\$2.00 comprising two (2) ordinary shares. Its shareholders and directors are namely Mr. Hsu Hung Chun and Mr. Hsu Cheng Chien, each holding one (1) ordinary share in the Offeror.
- 4.3 As mentioned above, Mr. Hsu Hung Chun is also the Chairman of the Company, and Mr. Hsu Cheng Chien is also the Managing Director of the Company. Please refer to paragraph 5 below for further details on Mr. Hsu Hung Chun's and Mr. Hsu Cheng Chien's shareholding interests in the Company.
- 4.4 As at the Joint Announcement Date, the Offeror does not hold any Shares in the Company.

5 INFORMATION ON CONCERT PARTIES

5.1 As at the Joint Announcement Date, subject to further enquiries to be made as disclosed in paragraph 13 below, the following persons are acting or presumed to be acting in concert with the Offeror under the Code:

- (i) Mr. Hsu Hung Chun, a director and shareholder of the Offeror, also the Chairman and a shareholder of the Company, and the brother of Mr. Hsu Cheng Chien;
- (ii) HungChun Holdings Limited, a company wholly-owned and controlled by Mr. Hsu Hung Chun;
- (iii) HungChun Assets Limited, a company wholly-owned and controlled by Mr. Hsu Hung Chun;
- (iv) Mrs. Hsu Chang Yu-Mei, the wife of Mr. Hsu Hung Chun;
- (v) Mr. Hsu Cheng Chien, a director and shareholder of the Offeror, also the Managing Director and a shareholder of the Company, and the brother of Mr. Hsu Hung Chun;
- (vi) CCH Holdings Limited, a company wholly-owned and controlled by Mr. Hsu Cheng Chien;
- (vii) CCH Assets Limited, a company wholly-owned and controlled by Mr. Hsu Cheng Chien;
- (viii) Ms. Yang Yu Lin, the wife of Mr Hsu Cheng Chien; and
- (ix) Mr. Hsu Ming Hung, an Executive Director of the Company and the nephew of Mr. Hsu Hung Chun and Mr. Hsu Cheng Chien,

(collectively, the “**Concert Parties**”).

5.2 As at the Joint Announcement Date, the Concert Parties hold in aggregate of approximately **38.17%** of the Shares. Please refer to the table below for further details on the shareholdings of the Concert Parties. To clarify, **each** of Mr. Hsu Hung Chun and Mr. Hsu Cheng Chien is deemed interested in approximately 18.93% of the Shares, while Mr. Hsu Cheng Chien has a direct interest in approximately 0.13% of the Shares, and Mr. Hsu Ming Hung has a direct interest in approximately 0.19% of the Shares - **these represent a collective interest of 38.17%** (due to rounding, the percentage figures may not add up precisely to the total indicated). Please also refer to the explanatory notes below for further details on the deemed interests of Mr. Hsu Hung Chun and Mr. Hsu Cheng Chien.

Table setting out shareholdings of the Concert Parties

	As at the Joint Announcement Date			
	Direct Interest		Deemed Interest	
Shareholders	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾
Hsu Hung Chun⁽¹⁾	-	-	75,712,234	18.93%
HungChun Holdings Limited ⁽¹⁾	54,534,175	13.63%	-	-
HungChun Assets Limited ⁽¹⁾	18,178,059	4.54%	-	-
Hsu Chang Yu-Mei ⁽¹⁾	3,000,000	0.75%	72,712,234	18.18%
Hsu Cheng Chien⁽²⁾	500,000	0.13%	75,712,233	18.93%
CCH Holdings Limited ⁽²⁾	54,534,175	13.63%	-	-
CCH Assets Limited ⁽²⁾	18,178,058	4.54%	-	-
Yang Yu Lin ⁽²⁾	3,000,000	0.75%	73,212,233	18.30%
Hsu Ming Hung	750,000	0.19%	-	-
Total number of Shares directly held by the Concert Parties	152,674,467	38.17%	-	-

(Table 1)

Notes:

- (1) Mr. Hsu Hung Chun is, by virtue of (i) his interest in HungChun Holdings Limited which holds 54,534,175 Shares; (ii) his interest in HungChun Assets Limited which holds 18,178,059 Shares; and (iii) his wife Mrs. Hsu Chang Yu-Mei holding 3,000,000 Shares, deemed to be a substantial shareholder of the Company. HungChun Holdings Limited and HungChun Assets Limited are companies incorporated in the British Virgin Islands and wholly-owned by Mr. Hsu Hung Chun.
- (2) Mr. Hsu Cheng Chien is, by virtue of (i) his direct interest of 500,000 Shares; (ii) his interest in CCH Holdings Limited which holds 54,534,175 Shares; (iii) his interest in CCH Assets Limited which holds 18,178,058 Shares; and (iv) his wife Ms. Yang Yu Lin holding 3,000,000 Shares, deemed to be a substantial shareholder of the Company. CCH Holdings Limited and CCH Assets Limited are companies incorporated in the British Virgin Islands and wholly-owned by Mr. Hsu Cheng Chien.
- (3) The percentage figures in the above Table 1 have been rounded to the nearest two decimal places.

- 5.3 The Concert Parties have undertaken (i) to tender all the Offer Shares held by them in acceptance of the Exit Offer, and (ii) to unconditionally waive their rights under Rule 30 of the Code (the “**Waiver**”) to receive any cash settlement or payment in respect of all the Offer Shares that are held by them and tendered in acceptance of the Exit Offer (the “**Amount**”) (collectively, the “**Undertakings**”). Save for the Undertakings provided by the Concert Parties, the Offeror and/or the Concert Parties have not received any irrevocable undertaking from any party to accept or reject the Exit Offer.

6 KEY TERMS OF THE EXIT OFFER

6.1 Exit Offer Price

Under the terms of the Exit Offer, the Offeror will make the Exit Offer at:

For each Offer Share : S\$0.016 in cash (the “ Exit Offer Price ”)

The closing price of the Shares on 20 December 2018, being the date on which the Shares were last traded on the SGX-ST prior to the suspension of the trading of the Shares, was S\$0.014. The Exit Offer Price represents a premium of approximately 14.3% over the closing price of the Shares on 20 December 2018. Based on the latest published audited consolidated financial statements of the Company for the financial year ended 31 December 2018, the net liabilities of the Group amounted to approximately S\$74,696,000. The loss of the Group attributable to Shareholders was approximately S\$0.0062 per Share. The Exit Offer Price is therefore at a premium when compared with the net liability position of the Group.

The Offeror DOES NOT intend to increase the Exit Offer Price save in a competitive situation. Therefore, in accordance with Rule 20.2 of the Code, save in a competitive situation, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Exit Offer Price, in any way. **For the avoidance of doubt, the Exit Offer Price will not be reduced except as mentioned in paragraph 6.3 below. Accordingly, the Exit Offer Price will not be revised or increased under any circumstances save as hereinafter provided.**

The Exit Offer will be extended to all Offer Shares and the Exit Offer Price is applicable to all Offer Shares tendered in acceptance. Shareholders may accept the Exit Offer in full or in part of their holdings of Offer Shares.

6.2 Acceptance Condition

The Exit Offer is subject to the Offeror having received, by the close of the Exit Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Exit Offer and pursuant to the Exit Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 50% of the total voting rights attributable to the issued share capital of the Company as at the close of the Exit Offer.

Accordingly, the Exit Offer will **not** become or be capable of being declared unconditional as to acceptances, unless at any time prior to or as at the date the Exit Offer closes, the Offeror has received valid acceptances in respect of such number of Offer Shares which, together with the number of Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Exit Offer and pursuant to the Exit Offer or otherwise),

will result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 50% of the total voting rights attributable to the issued share capital of the Company.

For the avoidance of doubt, the Exit Offer is not subject to any other condition.

6.3 No Encumbrances

The Offer Shares are to be acquired (a) fully paid, (b) free from any claim, equity, assignment, mortgage, debenture, lien, hypothecation, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or similar right, right of first refusal and any other encumbrance or condition whatsoever (each an “**Encumbrance**”), and (c) together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto including all voting rights, the right to receive and retain all dividends, rights, return of capital and/or other distributions (the “**Distribution**”) (if any) which may be announced, declared, paid or made by the Company on or after the Joint Announcement Date.

Accordingly, if any Distribution is announced, declared, paid or made by the Company on or after the Joint Announcement Date to a Shareholder who validly accepts or has accepted the Exit Offer, the Offeror reserves the right to reduce the Exit Offer Price by the amount equivalent to such Distribution as set out in paragraph 6.4 below.

6.4 Adjustments for Distributions

Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Joint Announcement Date.

Accordingly, if any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Joint Announcement Date to a Shareholder who validly accepts or has validly accepted the Exit Offer (the “**Accepting Shareholder**”), the Offer Price payable to such Accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution payable to such Accepting Shareholder, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Exit Offer by the Accepting Shareholder falls, as follows:

- (a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Offer Price for each Offer Share shall remain unadjusted and the Offeror shall pay the Accepting Shareholder the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; or
- (b) if such settlement falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Offer Price after such reduction, the “**Adjusted Offer Price**”) and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

6.5 Warranty

Acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Offer Share in respect of which the Exit Offer is accepted is sold by him as, or on behalf of, the beneficial owner(s) thereof, fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date, and thereafter attaching thereto (including the right to receive and retain all Distributions, if any, declared, paid or made by the Company on or after the Joint Announcement Date).

6.6 Duration and Closing Date

The Exit Offer will remain open for acceptance by Shareholders for a period of 28 days after the date of despatch of the Exit Offer Letter by the Offeror to the Shareholders (the “**Closing Date**”).

Although no extension of the Exit Offer is currently contemplated by the Offeror, if the Exit Offer is extended, announcements will be made on such extensions, and the Exit Offer will remain open for acceptance for such period as may be announced by the Offeror. If the Exit Offer is extended, Shareholders who have validly accepted the Exit Offer in respect of part of their Shares will be entitled to tender additional Offer Shares in acceptance of the Exit Offer.

If there is an extension of the Exit Offer, then pursuant to Rule 22.4 of the Code, any announcement of an extension will state the next Closing Date or if the Offer is unconditional as to acceptances, a statement may be made that the Exit Offer will remain open until further notice. In the latter case, Shareholders who have not accepted the Exit Offer will be notified in writing at least 14 days before the Exit Offer is closed.

6.7 No Undertakings

As at the Joint Announcement Date, save for the Undertakings provided by the Concert Parties, none of the Offeror or Concert Parties has received any irrevocable undertaking from any party to accept or reject the Exit Offer.

6.8 Further Information

Further information on the Exit Offer and its detailed terms and conditions will be set out in the Exit Offer Letter.

7 **RULINGS FROM THE SECURITIES INDUSTRY COUNCIL**

7.1 An application was made to the Securities Industry Council (the “**SIC**”) to seek clarification regarding the extent to which the provisions of the Code apply to the Exit Offer. The SIC had, on 25 July 2019, among other things:

7.1.1 Exempted Mr. Hsu Chung Chun, Mr. Hsu Cheng Chien and Mr. Hsu Ming Hung (collectively, the “**Relevant Directors**”) from the requirement to make a recommendation to the Shareholders on the Exit Offer as the Relevant Directors, being persons who are acting or deemed to be acting in concert with the Offeror, face irreconcilable conflicts of interests in doing so. Nevertheless, the Relevant Directors must still assume responsibility for the accuracy of the facts stated and opinions expressed in documents or advertisements issued by, or on behalf of, the Company to the Shareholders in connection with the Exit Offer.

- 7.1.2 Confirmed that the Waiver by the Concert Parties does not constitute a special due or arrangement under Rule 10 of the Code; and
- 7.1.3 Confirmed that the confirmation of the adequacy of financial resources to be given by a financial adviser appointed in relation to the Exit Offer in accordance with Rules 3.5 and 23.8 of the Code may exclude the Amount (as the Concert Parties undertaken to waive their rights to receive the Amount), subject to the Undertakings being in force during the Exit Offer Period.
- 7.2 Mr. Lim Hock Beng, Mr. Lau Ping Sum, Pearce and Mr. Chew Heng Ching, being the other Directors of the Company (collectively, the “**Independent Directors**”), will be considered independent for the purposes of providing a recommendation on the Exit Offer to the Shareholders.

8 THE OFFEROR'S INTENTIONS FOR THE COMPANY

Following the close of the Exit Offer, the Offeror has no immediate plans for:

- (i) making material changes to the Group's existing business;
- (ii) re-deploying the Group's fixed assets;
- (iii) discontinuing the employment of the employees of the Group, other than in the ordinary course of business; or
- (iv) listing the Shares on another stock exchange.

Nonetheless, the Offeror retains the flexibility at any time to consider options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company, including but not limited to disposing of non-performing assets to lower operation costs in order to reduce the losses and borrowings of the Group and to streamline the Group's operations as and when suitable opportunities arise.

9 COMPULSORY ACQUISITION

- 9.1 Pursuant to Section 215(1) of the Companies Act, Chapter 50, of Singapore (“**Companies Act**”), in the event that the Offeror acquires not less than 90% of the Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of the Exit Offer and excluding any Shares of the Company held as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Exit Offer (“**Dissenting Shareholders**”) at a price equal to the Exit Offer Price.
- 9.2 **The Offeror intends to exercise its right to compulsorily acquire all the Shares not tendered in acceptance of the Exit Offer pursuant to Section 215(1) of the Companies Act if it is entitled to do so.**
- 9.3 In addition, the Dissenting Shareholders who have not accepted the Exit Offer have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares in the event that the Offeror and/or its nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations and/or their respective nominees, comprise 90% or more of the total issued Shares.
- 9.4 **Shareholders who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent professional advice.**

10 CONFIRMATION OF FINANCIAL RESOURCES

CEL Impetus Corporate Finance Pte. Ltd. (“CICF”), the financial adviser to the Offeror in respect of the Exit Offer, has confirmed that sufficient financial resources are available to the Offeror to satisfy in full the aggregate consideration payable by the Offeror for all the Offer Shares on the basis of the Exit Offer Price (excluding the Amount).

11 INDEPENDENT FINANCIAL ADVISER

The Company has appointed Provenance Capital Pte. Ltd. as the independent financial adviser (the “IFA”) to advise the Independent Directors on the Exit Offer. The advice of the IFA and recommendation of the Independent Directors regarding the Exit Offer will be set out in the letter from the Company to the Shareholders to be appended to the Exit Offer Letter.

12 DISCLOSURE OF SHAREHOLDINGS AND DEALINGS IN THE COMPANY

12.1 The details of the Directors’ and substantial shareholders’ interests in the Shares as at the Joint Announcement Date are set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽³⁾	Number of Shares	% ⁽³⁾
<u>Directors</u>				
Hsu Hung Chun ⁽¹⁾	-	-	75,712,234	18.93%
Hsu Cheng Chien ⁽²⁾	500,000	0.13%	75,712,233	18.93%
Hsu Ming Hung	750,000	0.19%	-	-
Lim Hock Beng	-	-	-	-
Lau Ping Sum, Pearce	-	-	-	-
Chew Heng Ching	-	-	-	-
<u>Substantial Shareholders (Other than Directors)</u>				
HungChun Holdings Limited ⁽¹⁾	54,534,175	13.63%	-	-
HungChun Assets Limited ⁽¹⁾	18,178,059	4.54%	-	-
Hsu Chang Yu-Mei ⁽¹⁾	3,000,000	0.75%	72,712,234	18.18%
CCH Holdings Limited ⁽²⁾	54,534,175	13.63%	-	-
CCH Assets Limited ⁽²⁾	18,178,058	4.54%	-	-
Yang Yu Lin ⁽²⁾	3,000,000	0.75%	73,212,233	18.30%
USP Group Limited	64,809,400	16.20%	-	-

(Table 2)

Notes:

- (1) See Note 1 under paragraph 5.2 above.
- (2) See Note 2 under paragraph 5.2 above.
- (3) The percentage figures in the above Table 2 have been rounded to the nearest two decimal places.

12.2 Save as disclosed in this announcement, as at the Joint Announcement Date, (i) the Offeror, (ii) the Concert Parties and/or (iii) CICF:

12.2.1 does not own, control or has agreed to acquire any Shares or securities which carry voting rights in the Company, or convertible securities, warrants, options or derivatives in respect of such Shares or securities (the “**Relevant Securities**”);

12.2.2 has not, save for the Undertakings provided by the Concert Parties, received any irrevocable undertaking from any party to accept or reject the Exit Offer;

12.2.3 has not, save for the Undertakings provided by the Concert Parties, entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Company which might be material to the Exit Offer;

12.2.4 has not:

- (i) granted a security interest over any Relevant Securities to another person, whether through a charge, pledge or otherwise;
- (ii) borrowed from another person any Relevant Securities (excluding borrowed securities which have been on-lent or sold); or
- (iii) lent any Relevant Securities to another person; and

12.2.5 has not dealt for value in any Shares during the three-month period immediately preceding the Joint Announcement Date.

13 CONFIDENTIALITY

In the interests of confidentiality, apart from the Concert Parties and CICF, the Offeror has not made enquiries in respect of any other parties who are or may be deemed to be acting in concert with it in connection with the Exit Offer. Further enquiries will be made of such parties and the relevant disclosure, if any, will be made in due course and in the Exit Offer Letter.

14 EXIT OFFER LETTER

No immediate action is required of Shareholders on their part in respect of the Exit Offer. Shareholders will be advised on the procedure for accepting the Exit Offer in the Exit Offer Letter to be despatched with the Company's Letter to Shareholders and the Acceptance Forms.

15 OVERSEAS SHAREHOLDERS

15.1 This announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law. The Exit Offer will be made solely by the Exit Offer

Letter and the Acceptance Forms, which will contain the full terms and conditions of the Exit Offer, including details of how the Exit Offer may be accepted.

- 15.2 The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions in which this announcement is released, published or distributed should inform themselves about and observe such restrictions.
- 15.3 Copies of this announcement and any formal documentation relating to the Exit Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Exit Offer would violate the law of that jurisdiction (the “**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. For the avoidance of doubt, the Exit Offer shall be open to all Shareholders including those to whom the Exit Offer Letter and the Acceptance Forms will not be sent.
- 15.4 The Exit Offer Letter (unless otherwise determined by the Offeror and permitted by applicable law and regulation), the relevant Acceptance Form(s) and any other related documents will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or securities exchange of, any Restricted Jurisdiction and the Exit Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.
- 15.5 The ability of Shareholders who are not resident in Singapore to accept the Exit Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

16 RESPONSIBILITY STATEMENTS

- 16.1 The directors of the Offeror (“**Offeror Directors**”) (including any Offeror Director who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed herein (other than those relating to the Company, the Group and the IFA) are fair and accurate and that there are no other material facts not contained in this announcement, the omission of which would make any statement in this announcement misleading. Where any information in this announcement has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the Offeror Directors have been to ensure through reasonable enquiries that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this announcement. The Offeror Directors jointly and severally accept responsibility accordingly.
- 16.2 The Directors of the Company (including any Director who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein (other than those relating to the Offeror, the IFA and the Concert Parties) are fair and accurate and that no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading. Where any information in this announcement has been extracted or reproduced from published or publicly available sources or obtained from the Offeror, the IFA or the Concert Parties, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately and correctly extracted from such sources or, as the case may

be, accurately reflected or reproduced in this announcement. The Directors jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD

Huan Hsin Holdings Ltd

Lim Hock Beng
Lead Independent Director
29 April 2020

BY ORDER OF THE BOARD

Pacific Moment Holdings Ltd.

Hsu Hung Chun
Director
29 April 2020

Forward-Looking Statements

All statements other than statements of historical facts included in this announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors of the Company and/or the Offeror should not place undue reliance on such forward-looking statements, and none of the Company and the Offeror undertakes any obligation to update publicly or revise any forward-looking statements.