

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 full year ended 31 December 2015 (“FY2015”), the Group revenue decreased by 58% to S\$151.1 million compared to S\$355.8 million same period last year. The decline in revenue was mainly due to the closure of various loss-making factories during the year as well as the decrease in market demand for PCs.

Please refer to our result announcement for the financial year ended 31 December 2015 released on 26 February 2016 for full details.

Update on Future Direction

In view of the Company being placed on the SGX-ST watch-list since 5 March 2014, the Company has adopted a two-pronged strategy of corporate restructuring to streamline its operations and dispose non-performing assets to lower costs and reduce borrowings and concurrently look into fundraising and/or acquisition and diversification opportunities to generate additional earning streams.

The Company had, on 27 August 2015, appointed RHB Securities Singapore Pte Ltd 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).

On 24 February 2016, the Company signed a subscription agreement with Oriental Straits Investment Limited and China Capital Impetus Investment Limited, pursuant to which the Company shall allot and issue up to 16,022,727,273 ordinary shares in the capital of the Company at an issue price of S\$0.022 per Subscription Share, for an aggregate subscription amount of up to US\$250 million (equivalent to S\$352.5 million, based on the exchange rate of US\$1.00 : S\$1.41) in two tranches.

The Proposed Subscription is a fund-raising initiative by the Company to primarily (i) raise funds for investment, acquisition and diversification opportunities to generate additional sources of earnings; and (ii) facilitate the Company’s effort and application towards exiting the watch-list.

Accordingly, the Company had, on 24 February 2016 submitted an application to the SGX-ST seeking an extension of deadline prescribed under Rule 1315 of the Listing Manual to allow the Company to satisfy the requirements for removal from the watch-list.

By Order of the Board
HUAN HSIN HOLDINGS LIMITED

Hsu Hung Chun
Chairman
26 February 2016