

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 first quarter ended 31 March 2017 (“Q1 2017”), the Group revenue decreased by 69% to S\$4.9 million from S\$16.0 million in Q1 2016. The substantial decline in revenue was the result of the Group’s plan to shut down some of its loss making plants.

Please refer to our result announcement for the first quarter ended 31 March 2017 released on 13 May 2017 for full details.

Update on Future Direction

The Group will continue to adopt multi-pronged strategies of corporate restructuring to streamline operations and dispose non-performing assets to lower costs; reduce borrowings; and concurrently look for acquisition and diversification opportunities to generate additional earning streams.

The Group’s financial advisor RHB has introduced two investors (“Oriental Straits Investment Limited” and “China Capital Impetus Investment Limited”) to the Group. The Company had signed a subscription agreement on 24 February 2016 with the investors for an aggregate subscription of up to US\$250.0 million (equivalent to S\$352.5 million) in tranches. This proposed subscription is subject to shareholder’s approval at an EGM to be called later, will provide funds for acquisition opportunities to generate additional sources of earnings.

It is noted that the Company is placed on the Watch-List with effect from 5 March 2014. On 3 May 2017, the SGX-ST has granted the Company an extension for the second time to 4 March 2018 to meet the requirements for removal from the Watch-List.

By Order of the Board
HUAN HSIN HOLDINGS LIMITED

Hsu Hung Chun
Chairman
13 May 2017