

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 third quarter ended 30 September 2016 (“Q3 2016”), the Group revenue decreased by 67% to S\$13.2 million from S\$40.4 million in Q3 2015. The substantial decline in revenue was in line with the Group’s on-going plan to shut down some of the loss making factories.

Please refer to our result announcement for the financial period ended 30 September 2016 released on 12 November 2016 for full details.

Update on Future Direction

Following a series of major restructuring exercises, the Group had adopted a two-pronged strategy of corporate restructuring to streamline operations and dispose non-performing assets to lower costs; reduce borrowings; and concurrently look into acquisition and diversification opportunities to generate additional earning streams.

As at 30 September 2016, the Group has closed six plants in Shanghai, Chongqing, Shandong and Malaysia. As part of its strategy, the Group has disposed another factory in Shanghai for RMB273.5 million to reduce its debt and increase working capital. As of today, the Group has received (i) the deposit from the escrow agent amounting to US\$3.8 million, and (ii) the second payment of US\$30.6 million, being the US Dollar equivalent of RMB204.0 million, from the buyer.

RHB had 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 million (equivalent to S\$325.5 million) in tranches. This proposed subscription which is subject to shareholder's approval at an EGM to be called later, will provide funds for investment, acquisition and diversification opportunities to generate additional sources of earnings and facilitate the Company's efforts for exiting SGX's watch list.

It is noted that the Group is placed on the watch-list with effect from 5 March 2014. On 11 March 2016, the Singapore Exchange Securities Trading Limited (“SGX-ST”) granted the

company an extension of time of up to 12 months to 4 March 2017 to meet the requirements for removal from the watch-list.

By Order of the Board
HUAN HSIN HOLDINGS LIMITED

Hsu Hung Chun
Chairman
12 November 2016