

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 second quarter ended 30 June 2017 (“Q2 2017”), the Group revenue decreased by 55% to S\$6.8 million from S\$15.0 million in Q2 2016. The substantial decline in revenue was a consequence of the Group’s on-going plan to close some of its loss making plants.

Please refer to our result announcement for the financial period ended 30 June 2017 released on 11 August 2017 for full detail.

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 will provide funds for acquisition opportunities to generate additional sources of earnings.

On 3 May 2017, the SGX-ST has approved in-principle the listing and quotation of the proposed subscription shares. The Company is finalising preparation of the Circular to approve the proposed subscription. An EGM will be called in due course.

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.

Shareholders are advised to exercise caution in trading their shares. The Company will make any necessary announcements when there are further developments.

By Order of the Board

HUAN HSIN HOLDINGS LIMITED
Hsu Hung Chun
Chairman
11 August 2017