

Huan Hsin Holdings Ltd (Company No.: 199509142R)**First Quarter Financial Statement On The Consolidated Results For The Three Months Ended 31 March 2015****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY(Q1,Q2 & Q3),HALF YEAR AND FULL YEAR RESULTS**

1. (a) **An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

GROUP INCOME STATEMENTS for the 1st quarter ended 31 March 2015

	Group		
	3 months ended		
	31-03-15	31-03-14	Change
	S\$'000	S\$'000	%
Revenue	40,944	98,757	(59)
Other operating income	4,109	1,316	212
Changes in inventories of finished goods and work-in-progress	(5,238)	(3,488)	50
Raw material and consumables used	(19,066)	(56,584)	(66)
Employee benefits expenses	(13,667)	(25,917)	(47)
Depreciation and amortisation expense	(1,778)	(4,061)	(56)
Other operating expenses	(15,719)	(25,389)	(38)
Share of results of associate	(79)	(19)	316
Finance costs	(1,819)	(2,072)	(12)
Loss before income tax	(12,313)	(17,457)	(29)
Income tax	-	-	-
Loss for the period	(12,313)	(17,457)	(29)
Loss for the period attributable to:			
Equity holders of the Company	(12,103)	(15,126)	(20)
Non-controlling interests	(210)	(2,331)	(91)
Total	(12,313)	(17,457)	(29)

Statement of Comprehensive Income for the 1st quarter ended 31 March 2015

	Group		
	3 months ended		
	31-03-15	31-03-14	Change
	S\$'000	S\$'000	%
Loss for the period	(12,313)	(17,457)	(29)
Other comprehensive loss :			
Items that may be reclassified subsequently to profit or loss			
Exchange realignment of foreign entities	(4,166)	(2,825)	47
Total comprehensive loss for the period	(16,479)	(20,282)	(19)

Total comprehensive loss attributable to:

Equity holders of the Company

Non-controlling interests

Total

n.m. - not meaningful

(16,878)	(17,584)	(4)
399	(2,698)	n.m.
(16,479)	(20,282)	(19)

Notes:

(I) Revenue

	Group		
	3 months ended		
	31-03-15	31-03-14	Change
	S\$'000	S\$'000	%
Sale of goods	40,846	98,636	(59)
Interest income	98	121	(19)
Total	40,944	98,757	(59)

(II) Loss for the period is arrived at after crediting /(charging) the following:

	Group		
	3 months ended		
	31-03-15	31-03-14	Change
	S\$'000	S\$'000	%
Gain on disposal of non-current assets held for sale	-	828	(100)
Gain on disposal of property, plant and equipment	-	91	(100)
Depreciation and amortisation expense	(1,778)	(4,061)	(56)
Net foreign exchange adjustment gain / (loss)	3,156	(2,180)	n.m.
Allowance for inventories obsolescence	-	(1,714)	(100)
Interest expenses	(1,819)	(2,072)	(12)

n.m. - not meaningful

1 (b)(i)

A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

STATEMENTS OF FINANCIAL POSITION as at 31 March 2015

	Group		Company	
	31-03-15	31-12-14	31-03-15	31-12-14
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank balances	58,901	35,988	591	205
Trade receivables	63,033	81,538	-	-
Other receivables, deposits and prepayments	26,610	33,970	62,371	60,263
Inventories	58,296	60,603	-	-
Non-current assets classified as held for sale	23,999	23,407	-	-
Total current assets	230,839	235,506	62,962	60,468
Non-current assets:				
Associate	1,563	1,580	1,135	1,089
Subsidiaries	-	-	121,101	116,191
Available-for-sale investments	27,459	26,341	26,339	25,272
Land use rights	7,980	7,729	-	-
Property, plant and equipment	62,421	61,739	-	-
Total non-current assets	99,423	97,389	148,575	142,552
Total assets	330,262	332,895	211,537	203,020
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	67,139	82,143	-	-
Other payables and accruals	56,879	45,182	2,597	2,629
Borrowings	115,728	102,093	-	-
Income tax payable	1,288	1,238	-	-
Total current liabilities	241,034	230,656	2,597	2,629
Non-current liability:				
Borrowings	85,190	81,722	54,097	51,461
Capital, reserves and non-controlling interests:				
Share capital	151,097	151,097	151,097	151,097
Capital reserve	54,772	54,772	-	-
Translation reserves	(11,341)	(6,566)	5,898	(372)
Legal reserves	37,952	34,896	-	-
Accumulated losses	(245,073)	(229,914)	(2,152)	(1,795)
Equity attributable to owners of the Company	(12,593)	4,285	154,843	148,930
Non-controlling interests	16,631	16,232	-	-
Total equity	4,038	20,517	154,843	148,930
Total liabilities and equity	330,262	332,895	211,537	203,020

1 (b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less , or on demand

As at 31-03-2015		As at 31-12-2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(a) 43,470	24,080	(a) 30,267	25,591
(b) 48,178	-	(c) 46,235	-
Total 91,648	24,080	Total 76,502	25,591

Amount repayable after one year

As at 31-03-2015		As at 31-12-2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(b) 68,825	16,365	(c) 66,050	15,672

(a) The short term loans are secured by subsidiaries' land use rights, buildings and pledged of trade receivables.

(b) A charge over all of the Group's present shares in Smart Idea Holdings Limited ("SIHL"), representing 16.84% of the issued share capital of SIHL.

(c) A charge over all of the Group's present shares in:

(i) SIHL; and

(ii) Indeed Holdings Limited ("IHL"), representing 51% of the issued share capital of IHL

1(c)

A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED CASH FLOW STATEMENT
for the financial period ended 31 March 2015

Operating activities:

Loss before income tax

Adjustments for:

Share of results of associate

Depreciation and amortisation expense

Gain on disposal of non-current assets held for sale

Gain on disposal of property, plant and equipment

Allowance for inventories obsolescence

Interest expense

Interest income

Operating cash flows before movements in working capital

Trade receivables

Other receivables and prepaid expenses

Inventories

Trade payables

Other payables

Cash (used in) / generated from operations

Income tax refund

Interest paid

Interest received

Net cash (used in) / from operating activities

Investing activities:

Additions to property, plant and equipment

Proceeds from disposal of non-current assets held for sale

Prepayment from disposal of non-current assets held for sale

Proceeds from disposal of property, plant and equipment

Net cash from investing activities

Financing activities:

Increase in short-term bank loans

Increase in other loans payable

Restricted cash

Net cash from / (used in) financing activities

Net effect of exchange rate changes in consolidating subsidiaries

Net increase in cash and cash equivalents

Cash and cash equivalents at beginning of financial period

Effects of exchange rate changes on the balance of cash held in foreign

Cash and cash equivalents at end of financial period

Note 1:

Cash and bank balances

Less: Restricted bank deposits

Cash and cash equivalents per cash flow statement

Group	
3 months ended	
31-03-15	31-03-14
S\$'000	S\$'000
(12,313)	(17,457)
79	19
1,778	4,061
-	(828)
-	(91)
-	1,714
1,819	2,072
(98)	(121)
(8,735)	(10,631)
18,505	30,211
4,160	1,153
2,307	9,025
(15,004)	(21,644)
(2,981)	(3,561)
(1,748)	4,553
50	37
(1,819)	(2,072)
98	121
(3,419)	2,639
-	(2,795)
-	2,228
14,678	-
3,200	863
17,878	296
9,543	(8,281)
1,875	7,054
1,871	177
13,289	(1,050)
(3,799)	1,391
23,949	3,276
22,101	54,137
835	(32)
46,885	57,381
58,901	66,274
(12,016)	(8,893)
46,885	57,381

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

STATEMENTS OF CHANGES IN EQUITY for the period ended 31 March 2015

	Share capital	Capital reserve	Translation reserves	Legal reserves	Accumulated losses	Attributable to owners of the Company	Non-controlling interests	Total
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2015	151,097	54,772	(6,566)	34,896	(229,914)	4,285	16,232	20,517
Transfer from accumulated profit	-	-	-	3,056	(3,056)	-	-	-
Total comprehensive loss for the period	-	-	(4,775)	-	(12,103)	(16,878)	399	(16,479)
Balance at 31 March 2015	151,097	54,772	(11,341)	37,952	(245,073)	(12,593)	16,631	4,038

Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2014	151,097	54,772	(1,874)	34,843	(150,906)	87,932	27,743	115,675
Total comprehensive loss for the period	-	-	(2,458)	-	(15,126)	(17,584)	(2,698)	(20,282)
Balance at 31 March 2014	151,097	54,772	(4,332)	34,843	(166,032)	70,348	25,045	95,393

	Share capital	Translation reserves	Accumulated (losses) / profits	Total
Company	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2015	151,097	(372)	(1,795)	148,930
Total comprehensive income for the period	-	6,270	(357)	5,913
Balance at 31 March 2015	151,097	5,898	(2,152)	154,843

Company	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2014	151,097	(2,828)	15,075	163,344
Total comprehensive loss for the period	-	(4,770)	329	(4,441)
Balance at 31 March 2014	151,097	(7,598)	15,404	158,903

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

There were no changes in the Company's share capital since the end of the previous period reported on.

There were no outstanding convertible securities and employees' share options as at 31 March 2015 and 2014

As at 31 March 2015 and 2014, no shares were being held as treasury shares

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares as at 31 March 2015 is 400,000,000 shares (31 December 2014 : 400,000,000 shares).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and / or use of treasury shares as at the end of the current financial period reported on.**

Not applicable

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The same accounting policies and methods of computation have been applied in the financial statements as compared with the most recent audited annual financial statements.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

NIL

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Loss per ordinary share for the financial period based on net loss attributable to the shareholders

	Group	
	31-03-15	31-03-14
(i) Based on the weighted average number of ordinary shares on issue; and	(3.03) cts	(3.78) cts
(ii) On a fully diluted basis	(3.03) cts	(3.78) cts

Notes:

- (a) The loss per ordinary share for the financial period ended 31 March 2015 is calculated based on 400,000,000 (31 March 2014 : 400,000,000) ordinary shares issued.
- (b) As at end of March 2015 and 2014 , there were no outstanding employees' share options

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group			Company		
	31-03-15	31-12-14	Change	31-03-15	31-12-14	Change
	cents	cents	%	cents	cents	%
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	(3.15)	1.07	n.m.	38.71	37.23	4

n.m. - not meaningful

Note:

The net asset value per ordinary share for the financial period ended 31 March 2015 is calculated based on the issued share capital of 400,000,000 shares (31 December 2014: 400,000,000 shares)

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors, and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Q1 2015 VS Q1 2014

Revenue

For the first quarter ended 31 March 2015 ("Q1 2015"), the Group revenue decreased sharply by 59% to S\$40.9 million compared to S\$98.8 million same period last year. The decline in revenue was mainly due to the closure of several loss making factories as well as the decrease in market demand of PCs' which has substantially affected the Group's revenue.

Other operating income

Other operating income increased by 212% from S\$1.3 million in Q1 2014 to S\$4.1 million in Q1 2015 due to the net foreign exchange gain of S\$3.2 million in the current quarter as a result of the strengthening of U\$ against S\$.

Raw material and consumables used

Changes in inventories of finished goods and work-in-progress

Cost of inventories was substantially lower from S\$60.1 million in Q1 2014 to S\$24.3 million in Q1 2015. The decrease was mainly due to lower production volume arising from the lower revenue.

Employee benefits expenses

Employee benefits expenses decreased by 47% from S\$25.9 million in Q1 2014 to S\$13.7 million in Q1 2015 mainly due to reduced headcounts following various cost cutting measures.

Depreciation and amortisation expense

Depreciation and amortisation expenses decreased by 56% from S\$4.1 million in Q1 2014 to S\$1.8 million in Q1 2015 in line with the lower carrying value of the relevant assets.

Other operating expenses

Other operating expenses were lower by 38% from S\$25.4 million in Q1 2014 to S\$15.7 million in Q1 2015. In line with lower revenue, selling and distribution costs and manufacturing overheads were lower.

Finance costs

Finance costs decreased by 12% from S\$2.1 million in Q1 2014 to S\$1.8 million in Q1 2015 mainly due to lower borrowings.

Group Net Loss

As a result of the above, the Group loss attributable to equity holders of the company narrowed to S\$12.1 million compared to S\$15.1 million in Q1 2014.

Review of Balance Sheet

The Group current assets were S\$230.8 million as at 31 March 2015 compared to S\$235.5 million as at 31 December 2014. The decline was mainly due to the decrease in trade receivables from S\$81.5 million as at 31 December 2014 to S\$63.0 million as at 31 March 2015.

The Group current liabilities increased from S\$230.7 million as at 31 December 2014 to S\$241.0 million as at 31 March 2015. The increase was largely due to increase in borrowings for working capital requirements from S\$102.1 million as at 31 December 2014 to S\$115.7 million as at 31 March 2015.

Review of Cash Flow Statement

Net cash outflow from operating activities in Q1 2015 was S\$3.4 million compared to net cash generated from operating activities of S\$2.6 million in Q1 2014. This was primarily due to working capital requirement in the current quarter.

Net cash from investing activities of S\$17.9 million in Q1 2015 was due mainly to the prepayment and proceeds from disposal of assets.

Net cash from financing activities of S\$13.3 million in Q1 2015 was mainly attributed to the increase in bank borrowings.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There were no forecast or prospect statement disclosed to shareholders previously.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group has implemented various restructuring exercises such as closure of operations of a few factories in China and disposal of some of its assets and its subsidiaries to improve working capital and reduce bank borrowings in FY2014.

In FY2015, management will continue with the restructuring strategy to lower costs, streamline operations and dispose non performing assets to repay the Group's borrowings and improve its performance.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on ? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12 If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared/recommended for the period ended 31 March 2015.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There are no recurrent interested person transactions in the current period

The Company does not have any interested person transaction mandate

BY ORDER OF THE BOARD

Hsu Hung Chun

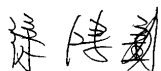
Chairman

Date : 7 May 2015

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, Hsu Hung Chun and Hsu Cheng Chien being two directors of Huan Hsin Holdings Ltd (the “Company”), do hereby confirm on behalf of the directors of the Company that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the first quarter 2015 financial statements to be false or misleading in any material aspect.

On behalf of the Board of Directors



Hsu Hung Chun
President



Hsu Cheng Chien
Managing Director

Date: 7 May 2015