

## USP Group Limited

8 Shenton Way AXA Tower #42-02 Singapore 068811

(UEN: 200409104W)

27 November 2015

Huan Hsin Holdings Ltd  
3 Anson Road  
#27-01 Springleaf Tower  
Singapore 079909

Attn: The Board of Directors

### CONCERNS WITH RESPECT TO THE STATUS OF THE COMPANY'S RESTRUCTURING

Dear Sirs,

We hold (as the date hereof) an aggregate of 64,809,400 ordinary shares in the capital of the Company, representing approximately 16.20% of the total number of ordinary shares in the capital of the Company. We write to express our continued concern with respect to the status of the Company's restructuring based on its recent financial announcements dated 12 Nov 2015:

1. Total Comprehensive Loss before income tax (i.e. excluding exchange realignment) increased from S\$5.5 mil to S\$20.4 mil for the 3 months period ending 30 June 2015 ("**June Period**") versus the 3 months period ending 30 Sep 2015 ("**Sep Period**"), an increase of more than 270%! Although the year on year figures have improved, but the fact that quarter on quarter results have worsen considerably is an indication that the Management is not achieving with its restructuring goals to lower costs, streamline operations and dispose off non-performing assets.
2. Employee benefits have increased from S\$11.8 mil as at June Period to S\$14.2 mil for the Sep Period. This increase of 20.3% is again contrary to the Management's goal of streamlining operations.
3. Almost S\$10 mil has been repaid to short-term and long term borrowings during the period from 30 June 2015 to 30 Sep 2015. We demand to know if any of the loans have been repaid to shareholders or loans that shareholders have provided personal guarantees to.

4. On 20 Nov 2015, the Company announced the incorporation of Greatest Innovation Investment Ltd as part of its on-going business restructuring and structural streamlining. We seek to clarify on how the incorporation of this BVI entity would achieve the restructuring goal for the benefit of (a) the Company; and (b) the shareholders.
5. As reported by the Company, it was placed in the SGX's watchlist and under the SGX listing rules, the Company would be delisted by early March 2016. During the general meetings, the Management expressed that they may be writing to SGX to request for extension of time before delisting. We seek the Board's clarification on whether this request has been made and if not, what are the plans in the best interests of the shareholders of the Company, from now till March 2016, as the deadline draws near.
6. The Company announced that it has appointed RHB Corporate Finance as its Financial Advisor for the restructuring in August 2015. We would like the Board to provide the shareholders with a complete update on what has the Financial Advisor advised and what has the Company done in accordance with the advises given. We look forward to a detailed report instead of repeating the same found in the quarterly update pursuant to Rule 1313(2). We further request the Company to convene a meeting for the financial advisor to present and update to the shareholders on their progress and if need be, to be given a chance to provide our views and input on their recommendation and vote on any course of actions that the Company should take from here on.

Yours faithfully,

Li Hua  
Executive Chairman & CEO  
For and on behalf of  
USP Group Limited