

## **HUAN HSIN HOLDINGS LTD (Company Registration no: 199509142R)**

---

### **INCORPORATION OF SUBSIDIARY**

---

The Board of Directors of Huan Hsin Holdings Ltd (the "Company" together with its subsidiaries the "Group") wishes to announce that the Company has incorporated a wholly-owned subsidiary in Zhejiang, China known as Zhejiang Huan Yi Electronics Technology Co., Ltd ("ZHY") with proposed capital of US\$12.0 million. The capital contribution in ZHY will be done progressively over a period of two years.

ZHY will be acquiring a right for the use of a piece of land in Zhejiang, China for the purpose of relocating part of the Group's operation in Shanghai, China to Zhejiang, China in view of the escalating cost of operation in Shanghai, particularly, the labour cost.

The principal activity of ZHY is to manufacture notebook casings, develop and fabricate various electrical products' plastic and metal precision mould and provision of paint spraying services for electronic products.

The investment will be funded from internal resources of the Group and is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the current financial year ending 31 December 2007.

None of the Directors or substantial shareholders of the Company has any interest in the above transaction save for their interests arising by way of their shareholdings and/or directorships, as the case may be, in the Company.

Submitted by Juliana Loh, Company Secretary on 02/05/2007 to the SGX