

HUAN HSIN HOLDINGS LTD (Co. Regn. No. 199509142R)

ACQUISITION OF A COMPANY MANUFACTURING MAGNESIUM ALLOY PRODUCTS

The Board of Directors of Huan Hsin Holdings Ltd (the "Company" and together with its subsidiaries, the "Group") wishes to announce that the Company, through its wholly owned subsidiary, Huan Hsin (BVI) Ltd, has signed a Sale and Purchase Agreement with AJC Co., Ltd ("AJC"), a company incorporated in Japan, to acquire the entire share capital of AJC Mg Tech Co., Ltd ("AMT") at a consideration of JPY104,900,000/- which is equivalent to S\$1,418,000/-. The consideration was the bid price, which the Company submitted when AMT was put up for auction by AJC which is presently under Rehabilitation Procedure in Japan.

AMT was incorporated in Suzhou, China in 2004 with a registered capital of US\$11.13 million and has an accumulated loss of US\$3.80 million up to 31 August 2006. AMT's factory is located in Suzhou, China. The factory is fully equipped with machinery and equipment for the manufacture of magnesium alloy enclosure for consumer electronics such as computers, mobile phones and digital cameras. The acquisition of such know-how in the manufacture of magnesium alloy products applying press forming technology provides an excellent opportunity for the Group to produce magnesium casing.

The investment will be funded from internal resources and is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Company for the current financial year ending 31 December 2006.

None of the Directors or substantial shareholders of the Company has any interest in the above investments 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 Joo Hui, Company Secretary on 19/09/2006 to the SGX