

Huan Hsin Holdings Ltd (Company No.: 199509142R)

Second Quarter Financial Statement On The Consolidated Results For The Period Ended 30 June 2008

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY(Q1,Q2 & Q3),HALF YEAR AND FULL YEAR RESULTS

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

GROUP INCOME STATEMENTS for the second quarter and the half year ended 30 June 2008

	Group			Group		
	3 months ended			6 months ended		
	30-06-08	30-06-07	Change	30-06-08	30-06-07	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	249,668	203,955	22	484,460	401,537	21
Other operating income	9,878	1,884	424	11,490	11,549	(1)
Changes in inventories of finished goods and work-in-progress	13,991	2,373	490	25,792	13,864	86
Raw material and consumables used	(193,342)	(149,052)	30	(356,381)	(295,550)	21
Employee benefits expenses	(35,239)	(21,508)	64	(59,750)	(41,339)	45
Depreciation and amortisation expense	(6,829)	(5,500)	24	(12,733)	(10,100)	26
Other operating expenses	(26,347)	(26,598)	(1)	(68,898)	(56,573)	22
Share of results of associates	261	(100)	(361)	72	97	(26)
Finance costs	(2,891)	(2,939)	(2)	(5,342)	(4,991)	7
Profit before income tax	9,150	2,515	264	18,710	18,494	1
Income tax expense	(3,237)	(748)	333	(6,031)	(2,079)	190
Profit for the period	5,913	1,767	235	12,679	16,415	(23)
Attributable to:						
Equity holders of the Company	7,100	1,981	258	13,411	16,633	(19)
Minority interests	(1,187)	(214)	455	(732)	(218)	236
	5,913	1,767	235	12,679	16,415	(23)

Notes:
(I) Revenue

	Group			Group		
	3 months ended			6 months ended		
	30-06-08	30-06-07	Change	30-06-08	30-06-07	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sale of goods	244,911	203,279	20	479,301	400,515	20
Interest income	117	676	(83)	519	1,022	(49)
Dividend income	4,640	-	-	4,640	-	-
	249,668	203,955	22	484,460	401,537	21

(II) Other operating income

	Group			Group		
	3 months ended			6 months ended		
	30-06-08	30-06-07	Change	30-06-08	30-06-07	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Negative goodwill arising on acquisition of a subsidiary	-	-	-	-	8,427	(100)
Gain on disposal of non-current assets classified as held for sale	-	175	(100)	-	175	(100)
Tax refund income	6,085	-	-	6,085	-	-
Net foreign exchange adjustment gain	1,594	-	-	2,034	-	-
Rental income	395	521	(24)	788	927	(15)
Sundry income	1,655	633	161	2,050	924	122
Sales of scrap	149	555	(73)	533	1,096	(51)
Total	9,878	1,884	424	11,490	11,549	(1)

(III) Profit for the period is arrived at after crediting /(charging) the followings: ...

	Group			Group		
	3 months ended			6 months ended		
	30-06-08	30-06-07	Change	30-06-08	30-06-07	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net foreign exchange adjustment loss	-	(1,416)	(100)	-	(2,437)	(100)
Allowances for doubtful debts - Trade receivables	(109)	(32)	241	(109)	(32)	241
Allowance for inventories	(911)	-	-	(911)	-	-
Research and development expenses	(1,010)	(859)	18	(2,609)	(1,805)	45
Interest expenses	(2,891)	(2,939)	(2)	(5,342)	(4,991)	7

1 (b)(i)

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

BALANCE SHEETS as at 30 June 2008

	Group		Company	
	As At		As At	
	30-06-08	31-12-07	30-06-08	31-12-07
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank balances	71,673	117,555	11,129	2,821
Trade receivables	282,248	290,355	-	-
Other receivables and prepaid expenses	33,610	19,575	7,873	17,771
Inventories	189,855	157,402	-	-
Total current assets	577,386	584,887	19,002	20,592
Non-current assets:				
Associates	6,404	6,225	5,211	5,211
Subsidiaries	-	-	220,265	212,934
Long-term receivables	-	-	9,735	21,315
Available-for-sale investments	28,901	29,065	21,670	21,670
Derivative financial instruments	-	-	-	57
Land use rights	11,778	11,864	-	-
Property, plant and equipment	312,417	248,101	1,546	1,565
Deferred tax assets	1,246	1,014	-	-
Total non-current assets	360,746	296,269	258,427	262,752
Total assets	938,132	881,156	277,429	283,344
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	286,770	275,387	-	-
Other payables	18,562	22,704	6,246	2,691
Short-term bank loans	50,542	9,850	-	-
Current portion of long-term bank loans	25,500	13,481	8,160	4,314
Income tax payable	4,089	3,659	835	-
Total current liabilities	385,463	325,081	15,241	7,005
Non-current liabilities:				
Long-term loan payable	-	-	9,735	21,315
Long-term bank loans	151,300	173,459	32,640	38,826
Derivative financial instruments	193	79	-	-
Total non-current liabilities	151,493	173,538	42,375	60,141
Capital, reserves and minority interests				
Share capital	151,097	151,097	151,097	151,097
Capital reserve on share-based payment	-	241	-	241
Hedging reserves	(193)	(79)	-	57
Foreign currency translation reserves	(7,572)	(16,584)	-	-
Legal reserves	20,436	20,436	-	-
Accumulated profits	195,622	185,411	68,716	64,803
Equity attributable to equity holders of the Company	359,390	340,522	219,813	216,198
Minority interests	41,786	42,015	-	-
Total equity	401,176	382,537	219,813	216,198
Total liabilities and equity	938,132	881,156	277,429	283,344

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

Amount repayable in one year or less , or on demand

As at 30-06-2008		As at 31-12-2007	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	76,042	-	23,331

Amount repayable after one year

As at 30-06-2008		As at 31-12-2007	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	151,300	-	173,459

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

	Group		Group	
	3 months ended		6 months ended	
	30-06-08	30-06-07	30-06-08	30-06-07
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities:				
Profit before income tax	9,150	2,515	18,710	18,494
Adjustments for:				
Share of results of associates	(261)	100	(72)	(97)
Depreciation and amortisation expense	6,829	5,500	12,733	10,100
Negative goodwill arising on acquisition of a subsidiary	-	-	-	(8,427)
Gain on disposal of non-current assets classified as held for sale	-	(175)	-	(175)
Loss on disposal of property, plant and equipment (Reversal of impairment loss) / Impairment loss on property, plant and equipment	-	-	426	8
Allowance for doubtful debts	109	32	109	32
Allowance / (reversal on allowance) for inventories	911	(123)	911	(123)
Interest expense	2,891	2,939	5,342	4,991
Dividend income	(4,640)	-	(4,640)	-
Interest income	(117)	(676)	(519)	(1,022)
Operating cash flows before movements in working capital	14,872	10,061	33,000	23,730
Trade receivables	11,190	(26,751)	7,998	(24,822)
Other receivables and prepaid expenses	(15,887)	(1,017)	(14,035)	(8,987)
Inventories	(22,956)	(5,847)	(33,364)	(15,534)
Trade payables	28,302	22,691	11,383	31,079
Other payables	765	(2,508)	(4,142)	(1,936)
Cash generated from / (used in) operations	16,286	(3,371)	840	3,530
Income tax paid	(2,335)	(360)	(5,833)	(1,721)
Interest paid	(2,891)	(2,939)	(5,342)	(4,991)
Dividend income	4,640	-	4,640	-
Interest received	117	676	519	1,022
Net cash generated from / (used in) operating activities	15,817	(5,994)	(5,176)	(2,160)
Investing activities:				
Additions to property, plant and equipment	(23,361)	(19,637)	(77,165)	(29,361)
Additions to land use rights	-	(3,883)	-	(3,883)
Proceeds from disposal of property, plant and equipment	-	40	-	407
Proceeds from disposal of available-for-sale investment	-	-	-	25,321
Proceeds from disposal of non-current assets classified as held for sale	-	412	-	412
Acquisition of a subsidiary, net of cash acquired	-	-	-	737
Net cash used in investing activities	(23,361)	(23,068)	(77,165)	(6,367)
Financing activities:				
Dividends paid	(3,200)	(3,200)	(3,200)	(3,200)
Decrease in long-term bank loans	(2,730)	(10,060)	(10,140)	(11,522)
Increase in short-term bank loans	(4,327)	250	40,692	250
Contributions from minority shareholder	-	-	-	11,150
Net cash (used in) / from financing activities	(10,257)	(13,010)	27,352	(3,322)
Net effect of exchange rate changes in consolidating subsidiaries				
	8,801	3,680	11,469	4,224
Net decrease in cash and cash equivalents	(9,000)	(38,392)	(43,520)	(7,625)
Cash and cash equivalents at beginning of financial period	82,616	97,651	117,555	67,429
Effects of exchange rate changes on the balance of cash held in foreign currencies	(1,943)	(488)	(2,362)	(1,033)
Cash and cash equivalents at end of financial period	71,673	58,771	71,673	58,771
Cash and cash equivalents consist of the following:				
Cash on hand and balances with banks	71,673	58,771	71,673	58,771

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 30 June 2008

	Share capital	Hedging reserves	Foreign currency translation reserves	Legal reserves	Accumulated profits	Attributable to equity holders of the Company	Minority interest	Total
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2008	151,097	(269)	(14,233)	20,436	191,722	348,753	42,481	391,234
Currency translation differences	-	-	6,661	-	-	6,661	492	7,153
Profit on cash flow hedges	-	76	-	-	-	76	-	76
Net income recognised directly in equity	-	76	6,661	-	-	6,737	492	7,229
Profit / (loss) for the period	-	-	-	-	7,100	7,100	(1,187)	5,913
Total recognised income and expense for the period	-	76	6,661	-	7,100	13,837	(695)	13,142
Dividends paid	-	-	-	-	(3,200)	(3,200)	-	(3,200)
Balance at 30 June 2008	151,097	(193)	(7,572)	20,436	195,622	359,390	41,786	401,176

	Share capital	Capital reserve on share-based payment	Hedging reserves	Foreign currency translation reserves	Legal reserves	Accumulated profits	Attributable to equity holders of the Company	Minority interest	Total
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2007	151,097	241	537	(18,431)	19,716	174,446	327,606	11,146	338,752
Currency translation differences	-	-	-	7,131	-	-	7,131	382	7,513
Loss on cash flow hedges	-	-	(98)	-	-	-	(98)	-	(98)
Net income recognised directly in equity	-	-	(98)	7,131	-	-	7,033	382	7,415
Transfer to accumulated profit	-	-	-	-	(593)	593	-	-	-
Profit for the period	-	-	-	-	-	1,981	1,981	(214)	1,767
Total recognised income and expense for the period	-	-	(98)	7,131	(593)	2,574	9,014	168	9,182
Dividends paid	-	-	-	-	-	(3,200)	(3,200)	-	(3,200)
Balance at 30 June 2007	151,097	241	439	(11,300)	19,123	173,820	333,420	11,314	344,734

	Share capital	Capital reserve on share-based payment	Hedging reserves	Accumulated profits	Total equity
Company	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2008	151,097	-	56	63,208	214,361
Loss on cash flow hedges	-	-	(56)	-	(56)
Net expense recognised directly in equity	-	-	(56)	-	(56)
Profit for the period	-	-	-	8,708	8,708
Total recognised income and expense for the period	-	-	(56)	8,708	8,652
Dividends paid	-	-	-	(3,200)	(3,200)
Balance at 30 June 2008	151,097	-	-	68,716	219,813

	Share capital	Capital reserve on share-based payment	Hedging reserves	Accumulated profits	Total equity
Company	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2007	151,097	241	403	73,673	225,414
Loss on cash flow hedges	-	-	(185)	-	(185)
Net expense recognised directly in equity	-	-	(185)	-	(185)
Loss for the period	-	-	-	(683)	(683)
Total recognised income and expense for the period	-	-	(185)	(683)	(868)
Dividends paid	-	-	-	(3,200)	(3,200)
Balance at 30 June 2007	151,097	241	218	69,790	221,346

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.

Option granted under the Huan Hsin Share Option Scheme outstanding as at 30 June 2008 is NIL shares (30 June 2007 :840,000 shares)

As at 30 June 2008 and 2007, no shares were 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 30 June 2008 is 400,000,000 shares (31 December 2007 : 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 are followed 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

Earnings per ordinary share for the period ended 30 June

	Group		Figures	
	3 months ended 30-06-08		3 months ended 30-06-07	
Earnings per ordinary share for the financial period based on net profit attributable to the shareholders				
(i) Based on the weighted average number of ordinary shares on issue; and	1.78 cts		0.50 cts	
(ii) On a fully diluted basis	N/A cts		0.50 cts	

Earnings per ordinary share for the financial period based on net profit attributable to the shareholders

(i) Based on the weighted average number of ordinary shares on issue; and

(ii) On a fully diluted basis

Earnings per ordinary share for the period ended 30 June

	Group		Figures	
	6 months ended 30-06-08		6 months ended 30-06-07	
Earnings per ordinary share for the financial period based on net profit attributable to the shareholders				
(i) Based on the weighted average number of ordinary shares on issue; and	3.35 cts		4.16 cts	
(ii) On a fully diluted basis	N/A cts		4.16 cts	

Earnings per ordinary share for the financial period based on net profit attributable to the shareholders

(i) Based on the weighted average number of ordinary shares on issue; and

(ii) On a fully diluted basis

Notes:

- (a) The earnings per ordinary share ("EPS") for the financial period 3 and 6 months ended 30 June 2008 are calculated based on number of ordinary shares in issue of 400,000,000 shares. (3 and 6 months ended 30 June 2007 : 400,000,000 shares)
- (b) In June 2008, there were no outstanding employees' share options
- (c) Fully diluted EPS for the financial period 3 and 6 months ended 30 June 2007 are calculated based on 400,000,000 ordinary shares as the share option are anti-dilutive and are ignored in the calculation of diluted EPS.

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

Net asset value per ordinary share as at 30 June

	Group			Company		
	30-06-08	31-12-07	Change	30-06-08	31-12-07	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	89.85	85.13	5.54	54.95	54.05	1.67

Note:

The net asset value per ordinary share for the financial period ended 30 June 2008 is calculated based on the issued share capital of 400,000,000 shares (31 December 2007: 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

Group Performance

Group revenue in the Second Quarter ended 30 June 2008 (2Q08) rose 22% to S\$ 249.7 million against the corresponding period of last year (2Q07). Included in this revenue is a dividend income of S\$4.6 million from an investment company. Group revenue for the first six months ended 30 June 2008 (1H08) rose 21% to S\$484.5 million from the same period last year (1H07). The growth in Group revenue continued to be driven by higher demand for products from the mould, moulded plastic products & finished product assembly segment.

In 2Q08, Group net profit after tax attributable to shareholders was S\$ 7.1 million compared to S\$ 2.0 million in 2Q07. A substantial part of the increase was due to an incentive grant of S\$6.1 million from the PRC tax authority for reinvestment earning in a subsidiary.

In 1H08, Group net profit after tax attributable to shareholders was 19% lower at S\$13.4 million compared to S\$16.6 million due to increased employee benefits expenses and tax expenses which rose by 45% and 190% respectively. Increase in employee benefits expenses by S\$18.4 million was attributed to higher headcount and basic monthly salary adjustments. The increase in income tax expenses from S\$2.1 million to S\$6.0 million was due to the expiration of 50% income tax exemption for some of Group's subsidiaries in the PRC.

Other Operating Income

Other operating income increased by 424% to S\$9.9 million in 2Q08 from S\$1.9 million in 2Q07. This was mainly due to the foreign exchange gain of S\$1.6 million in 2Q08 against a foreign exchange loss of S\$1.4 million in 2Q07 and a one time incentive grant of S\$6.1 million. In 1H08, other operating income was marginally lower at S\$ 11.5 million compared to S\$11.6 million in 1H07.

Employee benefits expenses

Employee benefits expenses increased year on year, by 64% in 2Q08 to S\$35.2 million from S\$21.5 million and by 45% in 1H08 to S\$59.8 million from S\$41.3 million. The increase is attributed to higher headcount and salary adjustments.

Total Group headcount grew to 23,500 as at June 2008 from 18,010 a year ago as the Group commenced operation of its new plants in Shanghai and Suzhou PRC. At the same time, the employee basic monthly salary in Shanghai plants has also been revised upwards by 14% from RMB 840 to RMB 960. The revision was in compliance with the new regulation.

Other operating expenses

Other operating expenses declined slightly by 1% in 2Q08 to S\$26.3 million compared to S\$26.6 million in 2Q07. In 1H08, other operating expenses increased by 22% to S\$68.9 million from S\$56.6 million in 1H07 due to expenses incurred by the Group's new subsidiaries in PRC, as well as inflationary pressures.

Income Tax Expense

In 2Q08, income tax expense rose to S\$3.2 million from S\$ 748,000 in 2Q07. In 1H08, income tax expense increased to S\$6.0 million from S\$2.1 million in 1H07. The increase was due to the expiration of 50% income tax exemption for some of the Group's subsidiaries in the PRC.

Earnings per share

Group's earnings per share rose to 1.78 cents in 2Q08 compared to 0.50 cents in 2Q07. Net asset value per share increased to 89.85 cents as at 30 June 2008 from 85.13 cents as at 31 December 2007.

Cash and bank balances

The Group's cash and bank balance declined to S\$71.7 million as at 30 June 2008 from S\$117.6 million as at 31 December 2007 largely due to capital expenditure incurred for new plants such as Suzhou Yi Quan Electronics Technology, Suzhou Rong Qing Magnesium Alloy Precision, and Shanghai Indeed Technology in the PRC.

Inventories

Inventories increased to S\$ 189.9 million as at 30 June 2008 from S\$ 157.4 million as at 31 December 2007. This was partly due to the stocking up of raw materials and finished goods in anticipation of higher orders.

Other receivables and prepaid expenses

Other receivables and prepaid expenses increased to S\$ 33.6 million as at 30 June 2008 from S\$ 19.6 million as at 31 December 2007. This was due to a deposit paid for purchase of machineries and equipment.

Short term bank loans

Short term bank loans increased to S\$50.5 million as at 30 June 2008 from S\$9.9 million as at 31 December 2007 mainly for acquisition of equipment and machinery

Segmental Performance

The group's core business, the mould, moulded plastic products and finished product assembly segment continued to be a main driver for the group and contributed 95% of Group Revenue.

This segment continued to grow with strong orders for notebook casings, notebook peripherals and printer related products in 2Q08 and in 1H08 when compared to the same period last year.

In 2Q08, revenue from notebook peripherals accounted for 15% while printer related products accounted for 14% of Group revenue. Revenue for notebook casings accounted for 56% of Group revenue.

The wire, cable and related products segment posted higher revenue in 2Q08. Revenue for this segment improved 10% to S\$ 10.3 million compared to S\$ 9.3 million last year.

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

With the recent introduction of miniature size notebooks at lower prices to target the mass market, demand for notebooks globally is expected to grow. The challenges ahead is for the Group to efficiently manage and mitigate the inflationary pressures on raw materials, energy and manpower costs.

The Group is contemplating seeking a listing of part of its business and operation in a stock exchange outside Singapore. In preparation for this listing, the Group may carry out a restructuring exercise of its operations in China. The company will make appropriate announcements in due course.

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Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on ? No

Name of Dividend	-
Dividend Type	-
Dividend Amount per Share (in cents)	-
Tax Rate	-

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.55
Tax Rate	Tax exempt

Name of Dividend	Interim
Dividend Type	Cash
Gross Dividend Amount per Share (in cents)	0.30
Net Dividend Amount per Share (in cents)	0.246
Tax Rate	18%

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend for the period ended 30 June 2008 is recommended or declared.

BY ORDER OF THE BOARD

Hsu Hung Chun

Chairman

Date : 8 August 2008



HUAN HSIN HOLDINGS LTD

奐 鑫 控 股 有 限 公 司

Company Registration Number: 199509142R

Date: 8 August 2008

CONFIRMATION BY THE BOARD

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 second quarter 2008 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