

### **3QFY2007 RESULTS RELEASE**

## **HUAN HSIN GREW THE NINE MONTHS OF FY2007 REVENUE BY 7% TO S\$672.7M AND REPORTED S\$23M OF NET PROFIT**

### **Results Highlights:**

- **Group net profit increased 6% to S\$23m from S\$21.7m in the nine months of FY2007**
- **Group revenue for the nine months of FY2007 crossed the half billion mark**
- **Notebook casing shipments reports record of nearly 10m units in the nine months of FY2007**
- **Nine months earnings per share was 5.75 cents**
- **Net asset value per share rose to 83.04 cents**

SINGAPORE, 12 November 2007 - Mainboard-listed Huan Hsin Holdings Ltd (“Huan Hsin” and together with its subsidiaries, the “Group”), an integrated contract manufacturer of telecommunications and electronic products today announced its financial results for the third quarter ended 30 September 2007.

Group revenue in 3Q07 grew 15% to S\$271.1 million from S\$235.7 million in the corresponding quarter of last year (3Q06). For the nine months of 2007, Group revenue rose by 7% to S\$672.7 million from S\$630.9 million a year ago. All segments contributed to higher revenue.

In 3Q07, Group net profit attributable to shareholders was marginally higher at S\$6.4 million compared to S\$6.2 million in 3Q06. This is despite healthy growth in revenue. The relatively flat net profit was attributed mainly to higher expenses namely raw material (higher by 19%); staff cost (higher by 12%); and depreciation and amortisation (higher by 48%). There was also unrealized foreign exchange loss of S\$1.0 million due to the weakening of US\$.

Group net profit attributable to shareholders for the nine months of 2007 was S\$23 million, up S\$1.2 million or 6% from S\$21.7 million of last year. The increase was attributable to a one-time gain of S\$8.4 million in 1Q07 from negative goodwill arising from the acquisition of the magnesium plant in Suzhou.

In 3Q07, revenue for mould, moulded plastic products & finished product assembly segment increased by 14% to S\$251.4 million from S\$221 million in 3Q06. For the nine months of 2007, revenue for this segment increased by 6% and contributed about 94% to Group revenue.

Notebook casings shipments for the nine months of 2007 increased 8% to 9.9 million units from 9.2 million units a year ago. Printer related products and notebook peripherals were two major revenue contributors. Both printer related products and notebook peripherals accounted for about 16% and 15% respectively of Group revenue in the first nine months of 2007.

Wire, cable and related components segment reported higher revenue for 3Q07, recorded an increase of 38% to S\$19.5 million from S\$14.1 million. For the nine months of 2007, revenue for this segment rose by 9% to S\$41 million from S\$37.6 million a year ago. This segment contributed about 6% to Group revenue in the nine months of 2007.

For the nine months of 2007, finance costs rose 22% to S\$7.5 million from S\$6.1 million in the same period last year on account of higher bank borrowings and interest rate.

In the nine months, earnings per share rose 6% to 5.75 cents from 5.44 cents in the same period of last year. The Group's net asset value rose to 83.04 cents per share as at 30 September 2007 from 78.17 cents per share as at 31 December 2006.

Commenting on the results, Managing Director of Huan Hsin, Mr. Hsu Cheng Chien said, "I am pleased to see that the Group revenue continues to grow. The growth is also well-balanced in the third quarter and the nine months of FY2007. Notebook casings shipments continue to grow steadily but we also saw growing contribution from printer related products, notebook peripherals and wire & cable."

### **Going Forward**

The demand for mould, moulded plastic products and finished product assembly segment, in particular IMD casings for notebooks will continue in the foreseeable future. However, the business environment will remain competitive with pressure on margins. With rising oil prices, raw material prices will remain volatile. The Group will continue to capitalize on market consolidation in the notebook casings industry in order to gain market share, and at the same time, manage rising material costs and operating expenses. Measures will continue to be undertaken to improve production efficiency.

### **About Huan Hsin**

Established in 1980, SGX Mainboard listed Huan Hsin Group is an integrated contract manufacturer of telecommunications and electronic products. With 8 plants in the People's Republic of China and 1 in Malaysia, the Group's integrated operations include tooling, precision injection moulding, metal stamping, spray painting, PCB assembly, wire and cable and finished product assembly.

Riding on the global outsourcing trend, Huan Hsin has grown to become one of the leading notebook casing manufacturers in the world. Huan Hsin also manufactures products such as notebook peripherals, printer casings, printer cartridges, LCD TV casings, LCD monitor casings, MP3 players, telephone cords and power cords.

*Note:*

*This release may contain predictions, estimates or other information that may be considered forward-looking statements. Actual results may differ materially from those currently expected because of a number of factors. These factors include (without limitation) changes in general industry and economic conditions, interest rate movements, cost of capital and capital availability, competition from other companies and venues for sale/manufacture/distribution of goods and services, shift in customer demands, changes in operation expenses, including employee wages and raw material prices, governmental and public policy changes, social and political turmoil and major health concerns, such as the spread of deadly virus. You are cautioned not to place under reliance on these forward-looking statements, which are based on current view of management on future events. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.*

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