

RESULTS RELEASE

HUAN HSIN GREW THE FIRST NINE MONTHS OF FY2006 REVENUE BY 41% TO S\$630.9M AND REPORTED S\$21.7M OF NET PROFIT

Results Highlights:

- **Group revenue for the first nine months of FY2006 crossed the half billion dollar mark on strong performance of the moulded plastic & assembly segment**
- **Group net profit increased 9% to S\$21.7m from S\$19.9m in the first nine months of FY2005**
- **Excluding the one-time gain in 3Q05 of S\$3.9 million, the Group net profit in 3Q06 would have increased by 52% to S\$6.2m**
- **Notebook casing shipments reports record of 3.5m units in 3Q06**
- **Nine months earnings per share increased to 5.44 cents from 5.20 cents**
- **Net asset value per share rose to S\$0.78**

SINGAPORE, 11 November 2006 - Mainboard-listed Huan Hsin Holdings Ltd (“Huan Hsin” together with its subsidiaries to be known as the “Group”), an integrated contract manufacturer of telecommunications and electronic products today announced its financial results for the third quarter ended 30 September 2006.

Group revenue in the 3Q06 grew 51% to S\$235.7 million while Group net profit attributable to shareholders was lower at 22 % to S\$6.2 million compared to S\$7.9 million in 3Q05, which included a one-time gain of S\$3.9 million from disposal of a subsidiary. Excluding the one-time gain, the 3Q06 earnings would have grown by 52 %.

For the first nine months of 2006, Group revenue increased by 41% to S\$630.9 million and Group net profit attributable to shareholders was S\$21.7 million, up S\$1.8 million or 9% from S\$19.9 million of last year. However, excluding the one-time gain of S\$1.3 million on disposal of an associate in the 1Q06 and a one-time gain of S\$3.9 million on disposal of a subsidiary in 3Q05, the earnings for the first nine months would have risen by 27%.

The growth was driven by the strong performance from the mould, moulded plastic products and finished product assembly segment, which recorded higher shipments of notebook casings, notebook peripherals and printer related products. Revenue for this

segment increased 43% to S\$592.2 million from S\$414.8 million, accounting for 94% of Group revenue for the first nine months of 2006.

Notebook casings shipments for the first nine months increased 23% to 9.2 million units from 7.5 million units a year ago. The Group remains as one of the leading notebook casing manufacturers in the world, supplying to major notebook manufacturers in the world.

Besides notebook casings, printer related products and notebook peripherals were two major revenue contributors for the first nine months. Both printer related products and notebook peripheral accounted for about 16% each of Group revenue in the first nine months of 2006.

For the first nine months of 2006, staff costs of the Group rose by 36% to S\$61.2 million from S\$44.9 million in the same period of last year. This was mainly due to increased head-count at the plants in Shanghai and Shandong. Finance cost for first nine months rose by 30% to S\$6.1 million from S\$4.7 million in the same period of last year on account of higher bank loans and interest rate.

Income tax expenses increased 75% to S\$4.6 million from S\$2.6 million in the same period of last year was due to the expiration of income tax exemption of a subsidiary in Shanghai.

The Group's cash balance was lower at the end of the first nine months as the Group continued to invest in plant and machinery, and in an associated company.

In the first nine months, earnings per share rose by 5% to 5.44 cents from 5.20 cents in the same period of last year. The Group's net asset value rose to 77.90 cents per share as at 30 September 2006 from 75.75 cents per share as at 31 December 2005.

Commenting on the results, Managing Director of Huan Hsin, Mr. Hsu Cheng Chien said, "I am pleased to see the group continued to grow robustly for the third quarter ended 30 September 2006 (3Q06) and the first nine months. The order momentum for our core products remained strong were boosted by the higher shipments of notebook casings, notebook peripherals and printer related products."

Mr. Hsu added, "Although our recent joint venture with ASUSTek Computer to manufacture notebook casings and acquisition of a company with facilities to manufacture magnesium alloy products are not expected to make any contributions for the next six months, they will enable us to enhance our capabilities and explore new growth areas. These will have a positive impact on our overall competitiveness and set the foundation for sustainable growth in the future."

Going Forward

In August, the Group entered into a joint venture with ASUSTek Computer ("ASUS"), a leading notebook manufacturer in Taiwan, to manufacture notebook casings in Shanghai, China. The strategic alliance with ASUS is expected to benefit the Group

because ASUS is a well-established notebook manufacturer with good technical know-how and has a broad customer base.

The Group also recently acquired a wholly owned subsidiary, which is fully equipped with machinery and equipment using press forming technology capable of manufacturing magnesium alloy products for consumer electronics such as computers, mobile phones and digital cameras. The acquisition of such know-how provides an excellent opportunity for the Group to diversify its production base.

The global outsourcing trend is likely to remain healthy as global manufacturers are constantly seeking lower cost solutions. The Group will continue to benefit from increased outsourcing activities in China where the Group has already established a strong foothold.

The business environment is expected to remain competitive with pressure on margins as there will be continued consolidation in the notebook casings industry. The Group will continue tighten controls on operating expenses and improve on production efficiency and at the same time manage rising material costs to maintain its profit margin.

About Huan Hsin

Established in 1980, SGX Mainboard listed Huan Hsin Group is an integrated contract manufacturer of telecommunications and electronic products. With 10 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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