

HUAN HSIN HOLDINGS LTD (Registration No. 199509142R)

**REPLY TO SGX QUERY ON THE BUSINESS TIMES' ARTICLE ON 15
AUGUST 2006**

We refer to the Business Times article on 15 August 2006, which highlighted our President Mr Hsu Hung Chun's quote : "This is our internal target - to grow both sales and profit by 20-30 per cent as we have done so in the past, and this is definitely achievable."

We would like to clarify that this statement refers to the internal goal set by our President to encourage all our employees to work towards. The goal was set based on our past track record of performance. This goal refers to the sales growth and not profit growth of the Group. We would also like to highlight that while the Group will work hard and strive to achieve this growth target, it is not an indication of the Group's commitment or representation of the Group's future performance.

BY ORDER OF THE BOARD

Christine Tan (Ms)
Company Secretary