

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

First Quarter Financial Statement On The Consolidated Results For The Three Months Ended 31 March 2007

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 1st quarter ended 31 March 2007

	Group		
	3 months ended		
	31-03-07	31-03-06	Change
	S\$'000	S\$'000	%
Revenue	197,582	194,046	2
Other operating income	9,665	3,373	187
Changes in inventories of finished goods and work-in-progress	11,491	(2,134)	(638)
Raw material and consumables used	(146,498)	(129,467)	13
Staff costs	(19,831)	(20,360)	(3)
Depreciation and amortisation	(4,600)	(4,402)	4
Other operating expenses	(29,975)	(29,194)	3
Finance costs	(2,052)	(2,103)	(2)
Share of results of associates	197	490	(60)
Profit before income tax	15,979	10,249	56
Income tax	(1,331)	(1,335)	(0)
Profit after income tax	14,648	8,914	64
Attributable to:			
Equity holders of the parent	14,652	9,292	58
Minority interests	(4)	(378)	(99)
	14,648	8,914	64

Notes:
(I) Revenue

	Group		
	3 months ended		
	31-03-07	31-03-06	Change
	S\$'000	S\$'000	%
Sale of goods	197,236	193,813	2
Interest income	346	233	48
	197,582	194,046	2

(II) Other operating income

	Group		
	3 months ended		
	31-03-07	31-03-06	Change
	S\$'000	S\$'000	%
Gain on disposal of investment	-	1,330	(100)
Rental income	406	352	15
Income from processing, sales and assembly of moulds	-	181	(100)
Sundry income	291	733	(60)
Sales of scrap	541	513	5
Foreign exchange gain	-	264	(100)
Negative goodwill arising on acquisition of a subsidiary	8,427	-	-
Total	9,665	3,373	187

(III) Profit after income tax is arrived at after crediting /(charging) the following:

	Group		
	3 months ended		
	31-03-07	31-03-06	Change
	S\$'000	S\$'000	%
Interest expenses	(2,052)	(2,103)	(2)
Foreign exchange loss	(1,021)	-	-
Research and development expenses	(946)	(926)	2

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 31 March 2007

	Group		Company	
	As at		As at	
	31-03-07	31-12-06	31-03-07	31-12-06
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank balances	97,651	67,429	3,701	1,238
Trade receivables	221,149	222,797	-	-
Other receivables and prepaid expenses	16,363	8,408	42,890	33,790
Inventories	120,816	110,666	-	-
Non-current assets classified as held for sale	239	237	-	-
Available-for-sale investments	-	25,321	-	13,679
Total current assets	456,218	434,858	46,591	48,707
Non-current assets:				
Associates	5,908	5,759	5,211	5,211
Subsidiaries	-	-	197,521	193,510
Long-term receivables	-	-	21,616	21,563
Available-for-sale investments	29,442	29,504	21,670	21,670
Derivative financial instruments	537	567	403	404
Deferred tax assets	69	69	-	-
Land use rights	7,602	7,646	-	-
Property, plant and equipment	185,847	168,542	1,596	1,606
Total non-current assets	229,405	212,087	248,017	243,964
Total assets	685,623	646,945	294,608	292,671
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	178,725	169,803	-	-
Other payables	17,572	15,342	2,068	2,116
Short-term bank loans	9,800	9,800	-	-
Current portion of long-term bank loans	75,936	76,737	45,510	45,990
Income tax payable	1,173	1,203	-	-
Total current liabilities	283,206	272,885	47,578	48,106
Non-current liabilities:				
Long-term loan	-	-	21,616	21,563
Long-term bank loans	63,665	61,364	-	-
Total non-current liabilities	63,665	61,364	21,616	21,563
Capital, reserves and minority interests				
Share capital	151,097	151,097	151,097	151,097
Capital reserve on share-based payment	241	241	241	241
Hedging and foreign currency translation reserves	(17,894)	(18,152)	403	404
Legal reserves	19,716	19,123	-	-
Accumulated profits	174,446	160,387	73,673	71,260
Equity attributable to equity holders of the parent	327,606	312,696	225,414	223,002
Minority interests	11,146	-	-	-
Total equity	338,752	312,696	225,414	223,002
Total liabilities and equity	685,623	646,945	294,608	292,671

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

Amount repayable in one year or less , or on demand

As at 31-03-2007		As at 31-12-2006	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(a) 30,426	55,310	(a) 30,747	55,790

Amount repayable after one year

As at 31-03-2007		As at 31-12-2006	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
(a) 63,665	-	(a) 61,364	-

Details of any collateral :

(a) This is secured by the assignment of the Company's rights, both present and future, title and interest in receivables from subsidiaries amounting to S\$21,616,000 (2006 : S\$21,563,000)

1(c)

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

CONSOLIDATED CASH FLOW STATEMENT
for the financial period ended 31 March 2007

	Group	
	3 months ended	
	31-03-07	31-03-06
	S\$'000	S\$'000
Operating activities		
Profit before income tax	15,979	10,249
Adjustments for:		
Share of results of associates	(197)	(490)
Negative goodwill arising on acquisition of a subsidiary	(8,427)	-
Depreciation and amortisation expenses	4,600	4,402
Loss on disposal of property, plant and equipment	8	-
Gain on disposal of investment	-	(1,330)
Interest expense	2,052	2,103
Interest income	(346)	(233)
Operating cash flows before movements in working capital	13,669	14,701
Trade receivables	1,929	(9,991)
Other receivables and prepaid expenses	(7,970)	7,055
Inventories	(9,687)	(6,650)
Trade payables	8,388	(3,836)
Other payables	572	(445)
Cash generated from operations	6,901	834
Income tax paid	(1,361)	(1,826)
Interest paid	(2,052)	(2,103)
Interest received	346	233
Net cash from operating activities	3,834	(2,862)
Investing activities:		
Additions to property, plant and equipment	(9,724)	(17,234)
Investment in associate	-	(4,241)
Proceeds from disposal of investment	25,321	1,330
Cash and cash equivalents acquired	737	-
Proceeds from disposal of property, plant and equipment	367	-
Net cash from / (used in) investing activities	16,701	(20,145)
Financing activities:		
Long-term bank loans	(1,462)	(3,043)
Short-term bank loans	-	(507)
Contributions from minority shareholder	11,150	-
Net cash from / (used in) financing activities	9,688	(3,550)
Net effect of exchange rate changes in consolidating subsidiaries	(1)	(247)
Increase / (Decrease) in cash and cash equivalents	30,222	(26,804)
Cash and cash equivalents at beginning of financial period	67,429	80,663
Cash and cash equivalents at end of financial period	97,651	53,859
Cash and cash equivalents consist of the following:		
Cash on hand and balances with banks	97,651	53,859

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 31 March 2007

Group	Share capital	Capital reserve on share-based payment	Hedging and translation reserves	Legal reserves	Accumulated profits	Attributable to equity holders of the parent	Minority interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2007	151,097	241	(18,152)	19,123	160,387	312,696	-	312,696
Currency translation differences	-	-	288	-	-	288	-	288
Loss on cash flow hedges	-	-	(30)	-	-	(30)	-	(30)
Net income recognised directly in equity	-	-	258	-	-	258	-	258
Transfer from accumulated profit	-	-	-	593	(593)	-	-	-
Net profit after income tax	-	-	-	-	14,652	14,652	(4)	14,648
Total recognised income and expense for the period	-	-	258	593	14,059	14,910	(4)	14,906
Contributions from minority shareholder	-	-	-	-	-	-	11,150	11,150
Balance at 31 March 2007	151,097	241	(17,894)	19,716	174,446	327,606	11,146	338,752

Group	Share capital	Share premium	Capital reserve on share-based payment	Hedging and translation reserves	Legal reserves	Accumulated profits	Attributable to equity holders of the parent	Minority interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2006	80,000	71,097	241	(4,567)	13,227	143,020	303,018	20,615	323,633
Currency translation differences	-	-	-	(5,730)	-	-	(5,730)	(402)	(6,132)
Gain on cash flow hedges	-	-	-	387	-	-	387	-	387
Net expense recognised directly in equity	-	-	-	(5,343)	-	-	(5,343)	(402)	(5,745)
Net profit after income tax	-	-	-	-	-	9,292	9,292	(378)	8,914
Total recognised income and expense for the period	-	-	-	(5,343)	-	9,292	3,949	(780)	3,169
Transfer from share premium account	71,097	(71,097)	-	-	-	-	-	-	-
Balance at 31 March 2006	151,097	-	241	(9,910)	13,227	152,312	306,967	19,835	326,802

	Share capital	Share premium	Capital reserve on share-based payment	Hedging and translation reserves	Accumulated profits	Total
Company	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2007	151,097	-	241	404	71,260	223,002
Loss on cash flow hedges	-	-	-	(1)	-	(1)
Net expense recognised directly in equity	-	-	-	(1)	-	(1)
Net profit after income tax	-	-	-	-	2,413	2,413
Total recognised income and expense for the period	-	-	-	(1)	2,413	2,412
Balance at 31 March 2007	151,097	-	241	403	73,673	225,414

	Share capital	Share premium	Capital reserve on share-based payment	Hedging and translation reserves	Accumulated profits	Total
Company	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2006	80,000	71,097	241	855	67,705	219,898
Gain on cash flow hedges	-	-	-	147	-	147
Net income recognised directly in equity	-	-	-	147	-	147
Net profit after income tax	-	-	-	-	9,321	9,321
Total recognised income and expense for the period	-	-	-	147	9,321	9,468
Transfer from share premium account	71,097	(71,097)	-	-	-	-
Balance at 31 March 2006	151,097	-	241	1,002	77,026	229,366

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 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 31 March 2007 is 4,350,000 shares (31 March 2006 :4,770,000 shares)

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 31 March

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

	Group		Figures	
	31-03-07		31-03-06	
(i) Based on the weighted average number of ordinary shares on issue; and	3.66	cts	2.32	cts
(ii) On a fully diluted basis	3.66	cts	2.32	cts

Notes:

- (a) The earnings per ordinary share ("EPS") for the financial period ended 31 March 2007 is calculated based on number of ordinary shares in issue of 400,000,000 shares (31 March 2006 : 400,000,000 shares)
- (b) Fully diluted EPS for 3 months ended 31 March 2007 is calculated based on 400,000,000 ordinary shares as the share option are anti-dilutive and are ignored in the calculation of diluted EPS (31 March 2006 : 400,000,000 shares)

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 31 March

Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on

	Group			Company		
	31-03-07	31-12-06	Change	31-03-07	31-12-06	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	81.90	78.17	4.77	56.35	55.75	1.08

Note:

The net asset value per ordinary share for the financial period ended 31 March 2007 is calculated based on the issued share capital of 400,000,000 shares (31 December 2006: 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 1Q07 grew marginally by 2% to S\$197.6 million from S\$194.0 million in 1Q06. For the first quarter, the Group registered a net profit after tax attributable to shareholders of S\$14.7 million, 58% above that of 1Q06. The increase was primarily due to an one-time gain of S\$8.4 million from negative goodwill arising from the acquisition of Suzhou Rong Qing Magnesium Alloy Precision Tech Co. Ltd (formerly known as AJC Mg Tech Co. Ltd), which has manufacturing facility for magnesium alloy enclosure for consumer electronics products such as computers, mobile phones and digital cameras.

In 1Q07, staff costs of the Group were reduced by 3% to S\$19.8 million from S\$20.4 million in 1Q06. Finance cost declined 2% to S\$2.05 million from S\$2.10 million.

As at end of the first quarter, the Group cash balance was higher mainly due to the proceeds received from the disposal of its entire 42.5% shareholding in the capital of Tech Chain Ltd for a total cash consideration of US\$16,517,000. The disposal is part of the Group's ongoing strategy to create better strategic alignment among its various business units and free the fund to enhance the Group's production capacity.

Earnings per share rose 58% to 3.66 cents from 2.32 cents in the same period last year. Net asset value per share rose to 81.90 cents as at the end of the first quarter.

SEGMENTAL PERFORMANCE

Mould, moulded plastic products and finished product assembly

In 1Q07, revenue for this segment increased marginally by 2% to S\$185.1 million from S\$182.2 million in 1Q06. This segment contributed about 94% to Group revenue and remains as the main contributor in 1Q07.

The growth in this segment was primarily due to higher orders for notebook casings, notebook peripherals and printer related products. In particular, revenue from notebook casings made up about 48% of the Group revenue. Notebook casing shipments for 1Q07 was 2.2 million units.

The orders of printer related products and notebook peripherals are fairly stable. Both printer related products and notebook peripherals accounted for 20% and 14% respectively of Group revenue in 1Q07.

Wire, cable and related components

For the first quarter, revenue of S\$12.1 million for wire, cable and related components segment was about 4% above that of 1Q06. The increase was due to increased orders for telephone and power cords. This segment accounted for about 6% of Group revenue.

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

The Group expects orders for notebook casings and printer related products to remain strong in FY2007. Global notebook shipments are expected to grow in 2007, mainly driven by the increasing replacement of desktops by notebooks and greater use of wireless technology.

The Group's key focus is to stay ahead in the notebook casing business by constantly improving its technology. For example, the introduction of In Mould Decoration technology which directly adhere the decorated film to plastic casing by moulding technique without any spray painting of notebook casing. It is capable of creating three dimensional visual effects to give notebook casing more colourful and attractive appearances. The technology has reduced both labour cost and time.

As for the joint venture with Asustek, the construction of the factory building has started. Production is expected to commence at the end of the year. Another joint venture plant with Inventec, which will manufacture notebook casings and assemble finished goods of related consumer electronics products such as internet radio and ultra mobile personal computer, will also commence the production towards the end of FY2007.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on ? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Not applicable

BY ORDER OF THE BOARD

Hsu Hung Chun

Chairman

Date : 10 May 2007



HUAN HSIN HOLDINGS LTD

奐 鑫 控 股 有 限 公 司

Company Registration Number: 199509142R

Date: 10 May 2007

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 first quarter 2007 financial results to be false or misleading.

On behalf of the Board of Directors

Hsu Hung Chun
President

Hsu Cheng Chien
Managing Director