

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

First Quarter Financial Statement On The Consolidated Results For The Three Months Ended 31 March 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 1st quarter ended 31 March 2008

| | Group | | |
|---|----------------|-----------|----------|
| | 3 months ended | | |
| | 31-03-08 | 31-03-07 | Change |
| | S\$'000 | S\$'000 | % |
| Revenue | 234,792 | 197,582 | 19 |
| Other operating income | 1,612 | 9,665 | (83) |
| Changes in inventories of finished goods and work-in-progress | 11,801 | 11,491 | 3 |
| Raw material and consumables used | (163,039) | (146,498) | 11 |
| Employee benefit expenses | (24,511) | (19,831) | 24 |
| Depreciation and amortisation expense | (5,904) | (4,600) | 28 |
| Other operating expenses | (42,551) | (29,975) | 42 |
| Share of results of associates | (189) | 197 | (196) |
| Finance costs | (2,451) | (2,052) | 19 |
| Profit before income tax | 9,560 | 15,979 | (40) |
| Income tax expense | (2,794) | (1,331) | 110 |
| Profit for the period | 6,766 | 14,648 | (54) |
| Attributable to: | | | |
| Equity holders of the Company | 6,311 | 14,652 | (57) |
| Minority interests | 455 | (4) | (11,475) |
| | 6,766 | 14,648 | (54) |

Notes:

(I) Revenue

| | Group | | |
|-----------------|----------------|----------|--------|
| | 3 months ended | | |
| | 31-03-08 | 31-03-07 | Change |
| | S\$'000 | S\$'000 | % |
| Sale of goods | 234,390 | 197,236 | 19 |
| Interest income | 402 | 346 | 16 |
| | 234,792 | 197,582 | 19 |

(II) Other operating income

| | Group | | |
|--|----------------|----------|--------|
| | 3 months ended | | |
| | 31-03-08 | 31-03-07 | Change |
| | S\$'000 | S\$'000 | % |
| Negative goodwill arising on acquisition of a subsidiary | - | 8,427 | (100) |
| Net foreign exchange adjustment gain | 440 | - | - |
| Rental income | 393 | 406 | (3) |
| Sundry income | 395 | 291 | 36 |
| Sales of scrap | 384 | 541 | (29) |
| Total | 1,612 | 9,665 | (83) |

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

| | Group | | |
|--------------------------------------|----------------|----------|--------|
| | 3 months ended | | |
| | 31-03-08 | 31-03-07 | Change |
| | S\$'000 | S\$'000 | % |
| Net foreign exchange adjustment loss | - | (1,021) | (100) |
| Interest expenses | (2,451) | (2,052) | 19 |
| Research and development expenses | (1,599) | (946) | 69 |

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 2008

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | As At | | As At | |
| | 31-03-08 | 31-12-07 | 31-03-08 | 31-12-07 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and bank balances | 82,616 | 117,555 | 1,731 | 2,821 |
| Trade receivables | 293,547 | 290,355 | - | - |
| Other receivables and prepaid expenses | 17,723 | 19,575 | 10,940 | 17,771 |
| Inventories | 167,810 | 157,402 | - | - |
| Total current assets | 561,696 | 584,887 | 12,671 | 20,592 |
| Non-current assets: | | | | |
| Associates | 6,028 | 6,225 | 5,211 | 5,211 |
| Subsidiaries | - | - | 216,459 | 212,934 |
| Long-term receivables | - | - | 15,832 | 21,315 |
| Available-for-sale investments | 28,964 | 29,065 | 21,670 | 21,670 |
| Derivative financial instruments | - | - | 56 | 57 |
| Deferred tax assets | 1,012 | 1,014 | - | - |
| Land use rights | 11,682 | 11,864 | - | - |
| Property, plant and equipment | 295,738 | 248,101 | 1,556 | 1,565 |
| Total non-current assets | 343,424 | 296,269 | 260,784 | 262,752 |
| Total assets | 905,120 | 881,156 | 273,455 | 283,344 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities: | | | | |
| Trade payables | 258,468 | 275,387 | - | - |
| Other payables | 17,797 | 22,704 | 1,832 | 2,691 |
| Short-term bank loans | 54,869 | 9,850 | - | - |
| Current portion of long-term bank loans | 17,090 | 13,481 | 8,286 | 4,314 |
| Income tax payable | 2,953 | 3,659 | - | - |
| Total current liabilities | 351,177 | 325,081 | 10,118 | 7,005 |
| Non-current liabilities: | | | | |
| Long-term loan payable | - | - | 15,832 | 21,315 |
| Long-term bank loans | 162,440 | 173,459 | 33,144 | 38,826 |
| Derivative financial instruments | 269 | 79 | - | - |
| Total non-current liabilities | 162,709 | 173,538 | 48,976 | 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 | (269) | (79) | 56 | 57 |
| Foreign currency translation reserves | (14,233) | (16,584) | - | - |
| Legal reserves | 20,436 | 20,436 | - | - |
| Accumulated profits | 191,722 | 185,411 | 63,208 | 64,803 |
| Equity attributable to equity holders of the Company | 348,753 | 340,522 | 214,361 | 216,198 |
| Minority interests | 42,481 | 42,015 | - | - |
| Total equity | 391,234 | 382,537 | 214,361 | 216,198 |
| Total liabilities and equity | 905,120 | 881,156 | 273,455 | 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 31-03-2008 | | As at 31-12-2007 | |
|------------------|-------------------|------------------|-------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| - | 71,959 | - | 23,331 |

Amount repayable after one year

| As at 31-03-2008 | | As at 31-12-2007 | |
|------------------|-------------------|------------------|-------------------|
| Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| - | 162,440 | - | 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**

CONSOLIDATED CASH FLOW STATEMENT
for the financial period ended 31 March 2008

Operating activities:

Profit before income tax

Adjustments for:

Share of results of associates

Depreciation and amortisation expense

Negative goodwill arising on acquisition of a subsidiary

Net foreign exchange losses

Loss on disposal of property, plant and equipment

Interest expense

Interest income

Operating cash flows before movements in working capital

Trade receivables

Other receivables and prepaid expenses

Inventories

Trade payables

Other payables

Cash (used in) / generated from operations

Income tax paid

Interest paid

Interest received

Net cash (used in) / from operating activities

Investing activities:

Additions to property, plant and equipment

Proceeds from disposal of property, plant and equipment

Proceeds from disposal of available-for-sale investment

Acquisition of a subsidiary, net of cash acquired

Net cash (used in) / from investing activities

Financing activities:

Decrease in long-term bank loans

Increase in short-term bank loan

Contributions from minority shareholders

Net cash from financing activities

Net (decrease) / increase in cash and cash equivalents

Cash and cash equivalents at beginning of financial period

Effects of exchange rate changes on the balance of cash held in foreign currencies

Cash and cash equivalents at end of financial period

Cash and cash equivalents consist of the following:

Cash on hand and balances with banks

| Group | |
|----------------|----------|
| 3 months ended | |
| 31-03-08 | 31-03-07 |
| S\$'000 | S\$'000 |
| 9,560 | 15,979 |
| 189 | (197) |
| 5,904 | 4,600 |
| - | (8,427) |
| 2,668 | 544 |
| 426 | 8 |
| 2,451 | 2,052 |
| (402) | (346) |
| 20,796 | 14,213 |
| (3,192) | 1,929 |
| 1,852 | (7,970) |
| (10,408) | (9,687) |
| (16,919) | 8,388 |
| (4,907) | 572 |
| (12,778) | 7,445 |
| (3,498) | (1,361) |
| (2,451) | (2,052) |
| 402 | 346 |
| (18,325) | 4,378 |
| (53,804) | (9,724) |
| - | 367 |
| - | 25,321 |
| - | 737 |
| (53,804) | 16,701 |
| (7,410) | (1,462) |
| 45,019 | - |
| - | 11,150 |
| 37,609 | 9,688 |
| (34,520) | 30,767 |
| 117,555 | 67,429 |
| (419) | (545) |
| 82,616 | 97,651 |
| 82,616 | 97,651 |

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 2008

| | 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 January 2008 | 151,097 | 241 | (79) | (16,584) | 20,436 | 185,411 | 340,522 | 42,015 | 382,537 |
| Currency translation differences | - | - | - | 2,351 | - | - | 2,351 | 11 | 2,362 |
| Loss on cash flow hedges | - | - | (190) | - | - | - | (190) | - | (190) |
| Net income recognised directly in equity | - | - | (190) | 2,351 | - | - | 2,161 | 11 | 2,172 |
| Transfer to profit or loss on option shares expired | - | (241) | - | - | - | - | (241) | - | (241) |
| Profit for the period | - | - | - | - | - | 6,311 | 6,311 | 455 | 6,766 |
| Total recognised income and expense for the period | - | (241) | (190) | 2,351 | - | 6,311 | 8,231 | 466 | 8,697 |
| Balance at 31 March 2008 | 151,097 | - | (269) | (14,233) | 20,436 | 191,722 | 348,753 | 42,481 | 391,234 |

| Group | 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 |
|--|---------------|--|------------------|---------------------------------------|----------------|---------------------|---|-------------------|---------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 January 2007 | 151,097 | 241 | 567 | (18,719) | 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 | - | - | (30) | 288 | - | - | 258 | - | 258 |
| Transfer from accumulated profit | - | - | - | - | 593 | (593) | - | - | - |
| Profit for the period | - | - | - | - | - | 14,652 | 14,652 | (4) | 14,648 |
| Total recognised income and expense for the period | - | - | (30) | 288 | 593 | 14,059 | 14,910 | (4) | 14,906 |
| Contributions from minority shareholders | - | - | - | - | - | - | - | 11,150 | 11,150 |
| Balance at 31 March 2007 | 151,097 | 241 | 537 | (18,431) | 19,716 | 174,446 | 327,606 | 11,146 | 338,752 |

| Company | Share capital | Capital reserve on share-based payment | Hedging reserves | Accumulated profits | Total equity |
|---|---------------|--|------------------|---------------------|--------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 January 2008 | 151,097 | 241 | 57 | 64,803 | 216,198 |
| Loss on cash flow hedges | - | - | (1) | - | (1) |
| Net expense recognised directly in equity | - | - | (1) | - | (1) |
| Transfer to profit or loss on option shares expired | - | (241) | - | - | (241) |
| Loss for the period | - | - | - | (1,595) | (1,595) |
| Total recognised income and expense for the period | - | (241) | (1) | (1,595) | (1,837) |
| Balance at 31 March 2008 | 151,097 | - | 56 | 63,208 | 214,361 |

| Company | Share capital | Capital reserve on share-based payment | Hedging reserves | Accumulated profits | Total equity |
|--|---------------|--|------------------|---------------------|--------------|
| | 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) |
| Profit for the period | - | - | - | 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 |

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.

Options granted under the Huan Hsin Share Option Scheme outstanding as at 31 March 2008 is NIL (31 March 2007 :4,350,000 shares)

During the period, 540,000 option shares expired.

As at 31 March 2008 and 2007, no shares 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 31 March 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 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 |
|---|----------|----------|
| | 31-03-08 | 31-03-07 |
| (i) Based on the weighted average number of ordinary shares on issue; and | 1.58 cts | 3.66 cts |
| (ii) On a fully diluted basis | NA cts | 3.66 cts |

Notes:

- (a) The earnings per ordinary share ("EPS") for the financial period ended 31 March 2008 is calculated based on number of ordinary shares in issue of 400,000,000 shares (31 March 2007 : 400,000,000 shares)
- (b) In March 2008, there were no outstanding employees' share options
- (c) 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.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares 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 | | |
|---|----------|----------|--------|----------|----------|--------|
| | 31-03-08 | 31-12-07 | Change | 31-03-08 | 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 | 87.19 | 85.13 | 2.42 | 53.59 | 54.05 | (0.85) |

Note:

The net asset value per ordinary share for the financial period ended 31 March 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

Driven by growing demand for notebook casings and notebook peripherals, the Group revenue for the first quarter ended 31 March 2008 (1Q08) increased 19% to S\$234.8 million from S\$197.6 million in 1Q07. The Group net profit after tax attributable to shareholders was S\$6.3 million compared to S\$14.7 million in 1Q07. However, excluding the one-time gain of S\$8.4 million in 1Q07 from the negative goodwill arising from the acquisition of the magnesium plant in Suzhou, the earnings for the 1Q08 would have increased by 1%.

Other operating expenses were higher by 42% compared to 1Q07 due mainly to expenses incurred by the newly acquired subsidiary, Suzhou Rong Qing Magnesium Alloy Precision Tech Co. Ltd and new set-up subsidiaries, namely, Shanghai Indeed Technology Co. Ltd and Suzhou Yi Quan Electronics Technology Co. Ltd. These subsidiaries incurred less than S\$1 million of other operating expenses in 1Q07. When compared to S\$43.3 million of other operating expense in 4Q07, 1Q08 of S\$42.6 million was marginally lower.

In 1Q08, employee benefit costs rose by 24% to S\$24.5 million mainly due to increased headcounts at the plants in Shanghai and Changshu as the Group continued to expand its operations there. When compared to the 4Q07, 1Q08 employee benefit costs decreased 18% from S\$29.9 million.

Finance cost for 1Q08 rose by 19% to S\$2.5 million from S\$2.1 million in 1Q07 on account of increased bank borrowings. Net gearing ratio as at the end of 1Q08 was about 0.44. Income tax expenses increase by 110% to S\$2.8 million from S\$1.3 million in 1Q07 mainly due to the expiry of 50% income tax exemption of subsidiaries in Shanghai.

The first quarter was challenging for the Group. The Group's profitability was impacted by cost increases, namely, raw material prices which escalated to record level, higher employee benefits costs, and the continued rise of the Renminbi. As a result of these, margins were further squeezed and affected profits despite increase in the Group revenue.

Earnings per share for the Group was 1.58 cents compared to 3.66 cents in the previous year. Net asset value per share increased to 87.19 cents as at 31 March 2008 from 85.13 cents as at 31 December 2007.

The Group cash and bank balances dropped mainly due to construction of the plants and acquisition of the machineries for expansion purposes. 1Q08 saw the upgrading of existing plants and installation of new plants which will be completed in 2008. The four new plants are in Shanghai, Changshu and Jiashan.

Segmental Performance

The Group's core business, the mould, moulded plastic products and finished product assembly segment accounts for 96% of Group revenue.

This segment saw revenue growth of 22% to S\$225.6 million from S\$185.1 million in 1Q07. The revenue growth was primarily due to strong orders for notebook casings and notebook peripherals. Following diversification, the Group has seen notebook peripherals recording good growth as well. Revenue from notebook peripherals accounted for 16% while printer related products accounted for 14% of Group revenue. Revenue for notebook casings accounted for 54% of Group revenue.

Wire, cable and related components segment made up 4% of Group revenue in 1Q08. This segment's revenue decreased 28% to S\$8.8 million from S\$12.1 million a year ago partly due to lower orders.

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 will continue to face competitive prices. An enhancement of features in notebooks will drive the demand for notebooks. Notebook production will continue to grow in FY2008. The Group also expects emerging markets to influence demand for notebooks.

The Group has accumulated a wealth of experience in meeting the exacting demands of its customers. The efficient use of the Group's state of the art production facilities and wide customer base underpin the Group momentum moving forward. However, the performance of the Group will be susceptible to volatility of the raw material prices, which keep fluctuating at high levels. Management will continue to focus on improving operational efficiency and cost management to mitigate the impact of high raw material prices.

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 2008



Company Registration Number: 199509142R

Date: 10 May 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 first quarter 2008 financial statements to be false or misleading in any material aspect.

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to be 'Hsu Hung Chun', written over a horizontal line.

Hsu Hung Chun
President

A handwritten signature in black ink, appearing to be 'Hsu Cheng Chien', written over a horizontal line.

Hsu Cheng Chien
Managing Director