

HUAN HSIN HOLDINGS LTD (Co. Regn. No. 199509142R)

ADDITIONAL INVESTMENT IN SUBSIDIARY

The Board of Directors of Huan Hsin Holdings Ltd (the "Company" and together with its subsidiaries, the "Group") wishes to announce that the Company, through its wholly owned subsidiary Huan Hsin (BVI) Ltd had invested an additional sum of US\$8.87 million in the registered capital of its wholly-owned subsidiary, Suzhou Rong Qing Magnesium Alloy Precision Tech Co., Ltd ("SRQ) which was formerly known as AJC Mg Tech Co., Ltd. Subsequently thereto, the registered capital of SRQ increased from US\$11.13 million to US\$20 million.

The aforesaid investment will be funded by internal resources and is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Company and the Group for the current financial year ending 31 December 2007.

None of the Directors or Substantial Shareholders of the Company has any interest in the above transactions, save for their interests arising by way of their directorships and/or shareholdings, as the case may be, in the Company.

Submitted by Juliana Loh Joo Hui, Company Secretary on 19/12/2007 to the SGX