

HUAN HSIN HOLDINGS LTD (Company Registration No: 199509142R)

INCORPORATION OF 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 has incorporated a wholly-owned subsidiary in Chang Su, Suzhou, China known as Suzhou Yi Quan Electronics Technology Co., Ltd. ("SYQ") with registered capital of US\$10,000,000/-.

SYQ will be acquiring a right for the use of a piece of land in Chang Su, Suzhou for a period of 50 years, for the purpose of relocating part of the Group's operation in Shanghai, China to Chang Su, Suzhou in view of the escalating cost of operation in Shanghai, particularly, the labour cost. The relocation would also benefit the Group in terms of lower corporate tax rate in Chang Su, Suzhou.

The principal activity of SYQ is to manufacture notebook casings, develop and fabricate various electrical products' plastic and metal precision mould and provision of paint spraying services for electronic products.

The investment will be funded from internal resources and is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the current financial year ending 31 December 2006.

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

Submitted by Juliana Loh Joo Hui, Company Secretary on 02/11/2006 to the SGX