



HUAN HSIN HOLDINGS LTD

奐 鑫 控 股 有 限 公 司

Company Registration Number: 199509142R

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PRESS RELEASE

HUAN HSIN TO DOUBLE LASER PRINTER CARTRIDGES CAPACITY IN ANTICIPATION OF STRONGER ORDERS IN 4Q05

Highlights :

- First plant in Shandong broke-even in 3Q05
- Shipments of laser printer cartridges reached full capacity of 300,000 units in September 2005
- Doubling monthly capacity to 600,000 units in October 2005
- Expects more outsourcing opportunities from MNC customer in Shandong
- Second Shandong plant on track to commence operations in 4Q05

Singapore 7 October 2005 – Mainboard-listed Huan Hsin Holdings Ltd ("Huan Hsin" or "Company"), an integrated contract manufacturer of telecommunications and electronic products has doubled the capacity to produce laser printer cartridges in October 2005 in anticipation of stronger orders in 4Q05.

Huan Hsin's first plant in Shandong Province, China previously has capacity to manufacture 300,000 units of laser printer cartridges per month. Monthly shipments have been rising steadily since the first delivery began in February 2005. In September 2005, monthly shipments reached full capacity of 300,000 units. As a result, the first plant in Shandong broke-even earlier than expected in 3Q05.

Mr. Hsu Cheng Chien, Managing Director of Huan Hsin said, "The MNC (multi-national corporation) customer in Shandong has been pleased with our execution so far. I am confident that orders for laser printer cartridges will rise above 300,000 units per month in 4Q05 and it will be one of our fastest growing products in 2006. Demand for mono-laser printers has remained strong due to attractive pricing by major vendors. We are well-positioned to benefit from this trend since demand for laser printer cartridges is recurrent compared with demand for printers which is one-off."

Mr. Hsu added, "I expect more outsourcing opportunities from the MNC customer in Shandong and we hope to broaden our service and product offerings to them. Our second plant in Shandong is on track to commence operations in 4Q05. It

will enable Huan Hsin to provide more value-added services in Shandong such as mould fabrication and spray-painting. ”

About Huan Hsin

Established in 1980, SGX Mainboard listed Huan Hsin Group is an integrated contract manufacturer of telecommunications and electronic products. With 8 plants in the People's Republic of China and 1 in Malaysia, the Group's operations include tooling, plastic injection, metal stamping, spray painting, PCB assembly, wire and cable and finished product assembly.

Riding on the global outsourcing trend, Huan Hsin has grown to become one of the leading notebook casing manufacturers in the world. Huan Hsin also manufactures products such as notebook peripherals, laser printer cartridges, printer casings, LCD TV casings, LCD monitor casings, fixed-line handsets, telephone cords and power cords. For the year ended 2004, Huan Hsin posted net profit of S\$32.2 million on Group revenue of S\$471.4 million.

Note :

This release may contain predictions, estimates or other information that may be considered forward-looking statements. Actual results may differ materially from those currently expected because of a number of factors. These factors include (without limitation) changes in general industry and economic conditions, interest rate movements, cost of capital and capital availability, competition from other companies and venues for sale/manufacture/distribution of goods and services, shift in customer demands, changes in operating expenses, including employee wages and raw material prices, governmental and public policy changes, social and political turmoil and major health concerns, such as Severe Acute Respiratory Syndrome, or SARS. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.

End of Release

For enquiries, please contact :

Mr. Parry Ng

VP, Corporate Communications & Investor Relations

Huan Hsin Holdings Ltd

Tel : +65-97547236 / +604-4237766

Email : pyng@huanhsin.com.my