

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

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**ADDITIONAL INVESTMENT IN SUBSIDIARY**

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The Board of Directors of Huan Hsin Holdings Ltd (the "Company") wishes to announce that the Company will invest an additional sum of US\$4,900,000/- in its wholly owned subsidiary, Shanghai Heisei Electronics Co., Ltd ("SHECL") which is engaged in the development and fabrication of various electrical products' plastic and metal precision mould and precision injection moulding. The registered capital of SHECL will increase from US\$10,000,000/- to US\$14,900,000/-.

The additional investment will be used to purchase additional machinery and equipment to further expand its production capabilities.

The investment will be funded up to the extent of US\$3,600,000/- from the proceeds of the placement of 65,000,000 new ordinary shares in the capital of the Company, which was completed on 14 March 2005 and the balance of US\$1,300,000/- will be funded from internal resources. The additional investment is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group 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 transactions, save for their interests arising by way of their directorships and/or shareholdings, as the case may be, in the Company.

Submitted by Tan Cheng Siew, Company Secretary on 3 July 2006 to the SGX