

1HFY06 RESULTS RELEASE

HUAN HSIN FIRST HALF NET PROFIT ROSE 30% TO S\$15.6M WHILE REVENUE INCREASED 35% TO S\$395.2M

	1H06	1H05	Growth %
Revenue	S\$395.2m	S\$292.4m	35
Net Profit	S\$15.6m	S\$12.0m	30

Results Highlights:

- **Group net profit increased 30% to S\$15.6m from S\$12.0m in 1H05**
- **Group revenue of S\$395.2m increased 35% from 1H05 on strong orders for notebook casings, notebook peripherals and printer related products**
- **Notebook casings shipments increased by 24% to 5.7m units**
- **Proposed interim dividend of 0.8 cents per share**
- **Net asset value per share rose to S\$0.76**

SINGAPORE, 14 August 2006 - Mainboard-listed Huan Hsin Holdings Ltd (“Huan Hsin” and together with its subsidiaries, the “Group”), an integrated contract manufacturer of telecommunications and electronic products today announced its financial results for the first half ended 30 June 2006.

Group revenue for the first half of 2006 was S\$395.2 million, up S\$102.8 million or 35% compared with the same half of last year. For the first six months, net profit attributable to shareholders rose by 30% to S\$15.6 million from S\$12.0 million in the same period of last year. The growth can be attributed to higher orders for existing and new products such as notebook casings, notebook peripherals and printer related products.

Notebook casings shipments increased by 24% to 5.7 million units from 4.6 million units a year ago. The Group remains one of the leading notebook casing manufacturers in the world, supplying to 6 major notebook manufacturers in the world.

Besides notebook casings, printer related products and notebook peripherals were the other two major revenue contributors. Printer related products accounted for about 16% of Group revenue in 1H06, up from 7% in 1H05 while notebook peripheral accounted for 17% of Group revenue in the first six months of 2006.

Staff costs of the Group rose by 38% to S\$40.3 million from S\$29.2 million in the same period of last year. This was mainly due to increased head count at the new plants in Shanghai and Shandong. Finance cost for 1H06 rose by 35% to S\$4.1 million from S\$3.0 million in 1H05 on account of higher bank loans amount and interest rate.

Earnings per share rose by 22% to 3.90 cents from 3.20 cents in the same period of last year. Net asset value rose to 76.34 cents per share as at 30 June 2006 compared to 75.75 cents per share as at 31 December 2005.

The directors are pleased to propose a tax-exempt interim dividend of 0.8 cent per share, compared with 1 cent for the same period of last year.

The Group was recently ranked as one of the 50 fastest growing companies under the “FASTEST GROWING 50” Award launched by DP Information Group in Singapore.

Commenting on the results, Managing Director of Huan Hsin, Mr. Hsu Cheng Chien said, “I am pleased to see that our revenue growth in the first half has been well-balanced. Notebook casings shipments continued to grow steadily but we also reported growing contribution from printer related products and notebook peripherals. The Group recently set up tooling and precision injection moulding facilities in Shanghai. These new facilities are expected to strengthen our competitive edge as it enables us to provide more value-added service to our customers.”

Going Forward

Global restocking for notebooks and printers is likely to resume in the second half of the year in line with the year-end holiday season. The Group expects order momentum for products such as notebook casings, notebook peripherals and printer related products to continue.

The Group will continue its effort to further integrate its operations and diversify its product offerings. After research and development work on a new product called ultra mobile personal computer (UMPC), the Group expects to commence marketing and production of UMPC in the second half of the year.

About Huan Hsin

Established in 1980, SGX Mainboard listed Huan Hsin Group is an integrated contract manufacturer of telecommunications and electronic products. With 10 plants in the People's Republic of China and 1 in Malaysia, the Group's integrated operations include tooling, precision injection moulding, 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, printer casings, printer cartridges, LCD TV casings, LCD monitor casings, MP3 players, telephone cords and power cords.

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 operation expenses, including employee wages and raw material prices, governmental and public policy changes, social and political turmoil and major health concerns, such as the spread of deadly virus. You are cautioned not to place under 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.

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