

HUAN HSIN HOLDINGS LTD

PRESS RELEASE

HUAN HSIN POSTED RECORD REVENUE AND PROFIT IN FY2003

REVENUE INCREASED 96% TO S\$335.8M, NET PROFIT ROSE 38% TO S\$29.8M

Results Highlights:

- **Group revenue hit historic high, rising 96% to S\$335.8m on record notebook casing shipments**
- **Operating profit rose 95% to S\$43.1m**
- **Net profit increased 38% to S\$29.8m**
- **Notebook casing shipments surged 285% to 5m from 1.3m units**
- **Proposed tax-exempt final dividend of 6% per ordinary share**

SINGAPORE, 18 February 2004 - 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 full year results for the financial year ended 31 December 2003.

Despite the challenging business environment compounded by the Iraqi war and the SARS outbreak in the first half of the year, the Group delivered an impressive set of results with Group revenue and net profit both reaching record levels. Group revenue surged 96% to S\$335.8 million from S\$171.3 million a year ago. With higher revenue, operating profit rose 95% to S\$43.1 million from S\$22.1 million. Net profit after tax increased 38% to S\$29.8 million from S\$21.6 million a year ago.

The strong performance in 2003 can be attributed to the strength of the Group's main revenue contributor, mould, moulded plastic products and finished product assembly segment. Revenue for this segment surged 128% to S\$284.4 million from S\$125.0 million and profit before tax increased 87% to S\$31.1 million from S\$16.7 million. This segment registered strong orders across the board for various electronic components, especially notebook casings, as a result of the global outsourcing trend and strong demand for notebooks worldwide. The Group shipped a record 5 million units of notebook casings in 2003, representing shipment growth of 285% compared with 1.3 million units a year ago. This segment accounted for 85% of Group revenue.

Revenue for the wire, cable and related components segment eased 7% to S\$36.3 million and profit before tax fell 29% to S\$7.4 million due to lower orders for telephone cords and higher raw material costs, in particular, the increase in copper wire prices worldwide. This segment contributed 11% to Group revenue.

The pressed metal products segment registered a remarkable turnaround as a result of strong orders for notebook related metal parts. Its revenue jumped 116% to S\$14.9 million and it posted a profit before tax of S\$3.2 million for the first time compared with a loss of S\$2.1 million a year ago. This segment contributed 4% to Group revenue.

Mr. Hsu Cheng Chien, Managing Director of Huan Hsin said, " Overall, I am pleased with our performance in 2003 with the expansion of our customer base and product range. For example, we secured a major notebook casing customer in July. We also secured new orders for notebook peripherals in October. Our growth momentum remained strong in the fourth quarter with Group revenue rising 38% over the third quarter. The positive results show that our continuous effort to diversify from wire to electronics related business is paying off. We will continue to leverage on the global outsourcing trend to explore growth opportunities for the Group."

Mr. Hsu added, "Huan Hsin has achieved consistent growth since it was listed on the SGX in 1997. In 2003, it posted record revenue and net profit after tax. We will continue to strive for sustainable growth."

DIVIDEND

The directors are proposing a tax-exempt final dividend of 6% per ordinary share (1.2 cents per share) for shareholders' approval. Together with the interim tax-exempt dividend of 4% per ordinary share (0.8 cents per share) paid on 6 November 2003, the total dividend payout for 2003 will be 10% per ordinary share (2 cents per share).

OUTLOOK

With a cost competitive, integrated and strategically located manufacturing base, the Group believes it is well positioned to leverage on the global outsourcing trend as it continues to expand its production capacity and capabilities in China.

In October 2003, two new plants in Shanghai, China commenced operations. The first new plant is a surface treatment plant equipped with state of the art spray painting facilities. It has a capacity to spray paint up to 2.4 million pieces of components per month. The second new plant is an electronics assembly plant providing SMT, assembly and testing services.

In December 2003, the Group expanded the production capacity of the metal stamping division with the addition of 34 new stamping machines.

By the middle of 2004, the Group expects to complete construction of a new electronics assembly plant in Songjiang, Shanghai.

With a strong customer base, the Group expects orders for notebook casings to remain strong in 2004. Apart from notebook casings, there are opportunities to secure new orders from major Taiwanese ODMs (Original Design Manufacturers), which are setting up production of LCD TVs, mobile phones, notebook peripherals and servers in China.

Barring unforeseen circumstances, the directors are optimistic of the Group's performance in 2004.

About Huan Hsin

Established in 1980, SGX Mainboard listed Huan Hsin Group is an integrated contract manufacturer of telecommunications and electronic products. With 7 plants in the People's Republic of China and 1 in Malaysia, the Group's operations include tooling, plastic injection, metal stamping, spray painting, SMT assembly, wire and cable and finished product assembly.

Riding on the outsourcing trend, Huan Hsin's notebook casing business has become one of the major growth drivers for the Group. Having shipped about 1.3 million notebook casings for in 2002 and 5 million units in 2003, Huan Hsin is now one of the leading notebook casing manufacturers in China. Huan Hsin also manufactures other products such as notebook peripherals, LCD monitor casings, keyboard casings, handsets, telephone cords and power cable.

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 Press Release

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