



## HLN TECHNOLOGIES LIMITED

16 Kallang Place  
#01-16/18  
Kallang Basin Industrial Estate  
Website: [www.hlnotech.com](http://www.hlnotech.com)  
(Registration No. 200402180C)

## NEWS RELEASE

### **HLN HY08 Revenue Increased to S\$24.4 Million Despite Challenging Business Environment**

- Total revenue increased by a respectable growth of 9.1%
- First net loss since IPO due to market conditions and provisions
- The Group will undergo an intensive re-assessment of its business structure to increase profitability
- Proposed establishment of a new polymeric production facility in PRC to cater to growing demands for the Group's products
- Declares an interim dividend of \$0.01 per ordinary share

**Singapore, August 14, 2008** – HLN Technologies Limited (“HLN” or the “Group”), a manufacturer of a diverse range of customised precision metallic, elastomeric, and polymeric components, announced its set of results for the half year ended 30 June 2008 (“1H08”) today.

The Group registered a commendable 9.1% growth in total revenue to S\$24.4 million in 1H08 compared to S\$22.4 million during the same period for the previous year (“1H07”). This growth of S\$2.0 million was achieved despite operating in a competitive business environment that has been unfavourably impacted by weaker consumer demands.

For the first time since its IPO in November 2005, the Group experienced a net loss attributable to shareholders of S\$0.4 million in 1H08, compared to a net profit after tax of S\$2.2 million in 1H07, mainly due to the sharp increase in provision for slow moving stock and foreign exchange losses. In addition, escalating material and energy costs and the continuing decline of the US currency adversely affected the Group's bottom line.

Mr Leslie Wa, Executive Director and Chief Executive Officer of HLN, commented on the Group's results: “While the Group achieved growth in our top line sales, our bottom line suffered from losses incurred by our newly acquired business under the metallic division, in addition to increases in material costs and other operating expenses. Despite having committed a sizable portion of resources into the metallic business, we are unable to fully assimilate its synergistic benefits with our profitable polymeric and elastomeric businesses. To meet the challenges of an increasingly difficult operating environment, we are undertaking an intensive re-assessment of our business structure to turn around our losses for the next half of the year. The Group will



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re-align its business strategies to focus more on the high-end growth businesses.”

As part of these business strategies, HLN’s wholly owned subsidiary, Process Innovation Technology Pte Ltd (“Process Innovation”), will be setting up a new polymeric production facility in the Jiangsu Province of the People’s Republic of China (“PRC”) to support its existing customers located in Kunshan, Shanghai, Suzhou, Wuxi and Ningbo.

Commenting enthusiastically on the establishment of this new factory, Mr Wa said, “We are delighted with the proposed establishment of this facility and are optimistic that this will provide an additional source of recurring income for the Group. Moreover, moving our production lines closer to customers will help us save costs by reducing distribution and marketing expenses. We also intend to use this facility as a production and marketing headquarter to expand our current customer base in the PRC.”

The proposed China facility will free up production capacity in the Group’s existing factory in Singapore to focus on production for high-end products in future.

Given the concerns over the economic and market risks, the Group will endeavour to ride out the difficult business environment and strive to turn around its losses in the second half year.

In spite of the above, the directors see it fit to declare an interim dividend of \$0.01 per ordinary share to reward our loyal shareholders for their continuing support.

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**About HLN Technologies Limited**

HLN Technologies Limited is involved in the manufacture and sale of a wide range of customised precision metallic, elastomeric and polymeric components. Our products are used in a variety of industries, principally in the office automation, consumer electronics, and automotive industries. With our very own in-house material formulation and compounding facilities, we are able to create important raw materials that are used in the production of our components. Coupled with our specialised polymeric die-cutting services, HLN serves as a One-Stop Solutions Provider for all of our customers’ components needs.

HLN was listed on the then SESDAQ (now Catalist) of the Singapore Exchange on 25 November 2005, and was subsequently upgraded to the Mainboard on 22 January 2008.



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We have production facilities in Singapore, Johor, Batam, Shenzhen and Suzhou located near to our primary customer base.

For more information, please refer to our website at [www.hlnotech.com](http://www.hlnotech.com).

**For further information, please contact:**

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