

HLN TECHNOLOGIES LIMITED
(Incorporated in Singapore on 26 February 2004)
(Company Registration Number 200402180C)

**PROPOSED PLACEMENT OF UP TO 21,000,000 NEW ORDINARY SHARES
IN THE CAPITAL OF HLN TECHNOLOGIES LIMITED AT
A PLACEMENT PRICE OF S\$0.149 PER PLACEMENT SHARE**

The Directors of HLN Technologies Limited (the "Company") wish to announce that the Company has entered into a placement agreement dated 27 August 2008 (the "Placement Agreement") with Kim Eng Securities Pte. Ltd. (the "Placement Agent"). Pursuant to the Placement Agreement, the Company has agreed to issue up to 21,000,000 new ordinary shares (the "Placement Shares") in the capital of the Company at a placement price of S\$0.149 (the "Placement Price") for each Placement Share (the "Placement") and the Placement Agent has agreed to procure the subscription and payment for, the Placement Shares at Placement Price for each Placement Share on a best efforts basis. A placement commission of 5.0% of the Placement Price for each Placement Share subscribed, is payable by the Company to the Placement Agent pursuant to the Placement Agreement. The Placement is non-underwritten.

The Company has lodged its offer information statement dated 27 August 2008 (the "Offer Information Statement"), pursuant to Section 277 of the Securities and Futures Act, Chapter 289 of Singapore, and in accordance with the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, with the Monetary Authority of Singapore on 27 August 2008.

The Company will be making an application to the Singapore Exchange Securities Trading Limited ("SGX-ST") for the listing of and quotation for the Placement Shares on the Official List of the SGX-ST. The Placement is conditional upon, *inter-alia*, the approval of the SGX-ST for the listing of and quotation for the Placement Shares on the Official List of the SGX-ST.

The Placement Shares are intended to be issued pursuant to the general mandate obtained at the annual general meeting of the Company held on 28 April 2008 which authorises the Directors of the Company pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, to allot and issue new shares not exceeding 20% of the Company's issued share capital (excluding treasury shares) in the case where shares are issued other than on a pro-rata basis to existing shareholders. Assuming that the Placement is fully subscribed, the Placement Shares represent approximately 19.1% of the Company's existing issued and paid up share capital of 109,887,920 ordinary shares (excluding 150,000 treasury shares) as at the date of this announcement. The Placement Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing ordinary shares of the Company.

The placement price of S\$0.149 for each Placement Share represents a discount of approximately 9.9% of the weighted average price for trades done on the Company's Shares on the SGX-ST on the preceding full market day (being 22 August 2008 as the Company requested for a trading halt of its shares with effect from 2 p.m. on 25 August 2008) up to the time the Placement Agreement was signed (being 27 August 2008).

When completed, the Placement will increase the issued and paid up share capital of the Company to 130,887,920 ordinary shares (excluding 150,000 treasury shares) and the Placement Shares will represent approximately 16.0% of the Company's enlarged share capital.

The net assets value per share and the losses per share of the Company and its subsidiaries (the "Group") as at 30 June 2008, based on the unaudited financial statements of the Company for the half year ended 30 June 2008 published on the SGXNET on 14 August 2008 and its issued and paid up share capital as at 30 June 2008, were 21.0 cents and 0.38 cent respectively. The net assets value per share and the losses per share of the Group, after adjusting for the issue of the Placement Shares would be 19.86 cents and 0.32 cent respectively.

Assuming that the Placement is fully subscribed, the estimated net proceeds from the Placement, after deducting estimated expenses pertaining to the Placement of approximately S\$199,000 will be approximately S\$2,930,000. The net proceeds will be used (i) to fund the expansion of the Group's polymeric facility in Suzhou, PRC; (ii) to repay loans to financial institutions; and (iii) to fund the expansion of the Group's business through investments, mergers and acquisitions, joint ventures, strategic alliance, general working capital and/or such other purposes as the Directors may deem fit.

Pending the deployment of the net proceeds from the Placement, the net proceeds may be deposited with banks and/or financial institutions as the Directors may deem appropriate in the interests of the Group.

None of the Placement Shares will be placed by the Company to any person who is a director or a substantial shareholder of the Company, or any other person in the categories as set out in Rule 812(1) of the Listing Manual of the SGX-ST.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Placement.

BY ORDER OF THE BOARD

Submitted by Wa Kok Liang on 27 August 2008 to the SGX-ST