

HLN TECHNOLOGIES LIMITED
(Incorporated in Singapore)
(Company Registration Number 200402180C)

**PROPOSED DISPOSAL OF ASSETS IN HLN METAL CENTRE PTE. LTD. (THE
"PROPOSED DISPOSAL")**

1. Introduction

The Board of Directors of HLN Technologies Limited (the "Company", and together with its subsidiaries, the "Group") wishes to announce that further to the Company's half year results announcement made on 14 August 2008 where it mentioned about discussions being held on selling certain assets of a subsidiary, the Company, through its 75%-owned subsidiary, HLN Metal Centre Pte. Ltd. ("HLN Metal") has on 13 September 2008 entered into an asset purchase agreement (the "Asset Purchase Agreement") with Reliance Metalcenter Asia Pacific Pte. Ltd. (the "Purchaser") to dispose certain assets of HLN Metal to the Purchaser for an aggregate consideration of US\$2,635,000.

2. Assets sold under the Asset Purchase Agreement

The assets sold are aluminium products comprising the entire inventory of HLN Metal together with the equipment and machinery comprising its fixed assets.

HLN Metal is a subsidiary of the Company, whose issued and paid up share capital is currently owned by HLN Micron Pte. Ltd. (a subsidiary of the Company) and Tay Mun Hwa in the proportion of 75% and 25% respectively. Its principal business is the manufacture of customised material machining and sawing of metal products and components. HLN Metal incurred losses for the half year ended 30 June 2008.

3. Purchase Consideration

The purchase consideration of US\$2,635,000 shall be paid by the Purchaser in cash within two days from the date of the Asset Purchase Agreement. The purchase consideration was arrived on a willing-buyer and willing-seller basis having regard to the net book value of the assets sold which as at 13 September 2008 was approximately S\$4,138,000 (US\$2,885,000 equivalent).

4. Conditions Precedent

The completion of the Proposed Disposal is conditional upon the following conditions precedent:

- (i) the representations and warranties of HLN Metal as set out in clause 5 of the Asset Purchase Agreement are true and accurate;
- (ii) the representations and warranties of the Purchaser as set out in clause 5 of the Asset Purchase Agreement are true and accurate;
- (iii) neither HLN Metal nor the Purchaser is in breach of any of its obligations or undertakings under the Asset Purchase Agreement;
- (iv) HLN Metal shall have terminated the sublease agreement dated 2 November 2006 and released its rights under the same or to the property located at 14 Fan Yoong Road Singapore 629791 (the "Facility") and the Purchaser and

HLN Metal's landlord shall have entered into the tenancy agreement for the rental of the Facility and for the occupancy and use of the Facility;

- (v) the Purchaser shall be satisfied with the results of its due diligence investigation or inspection of the assets in its sole and absolute discretion immediately prior to the completion date;
- (vi) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary approvals, authorisations, waivers, registration and confirmations) in order: (a) to effect and complete the sale and purchase of the assets; and (b) to ensure that the obligations created under the Asset Purchase Agreement are valid, legally binding and enforceable, shall have been taken, fulfilled and done and be in full force and effect;
- (vii) the Purchaser shall be satisfied that there shall have been no material adverse change, or events, acts or omissions likely to lead to such a change, in the assets; and
- (viii) no governmental or court act, decree or order is made which may materially hinder the completion or the performance by HLN Metal and the Purchaser of their obligations under the Asset Purchase Agreement.

5. Rationale for the Proposed Disposal

The Proposed Disposal is part of the Group's re-alignment of its business strategy. To meet the challenges of an increasingly difficult operating environment, the Group has undertaken a re-assessment of its business structure in relation to its metallic business division and has thereby decided to exit the metals service centre business in Singapore.

6. Use of Proceeds

HLN Metal expects to receive net proceeds of approximately US\$2,635,000 from the Proposed Disposal. The net proceeds from the Proposed Disposal will be used for general working capital.

7. Gain or loss on the Assets Sold

The loss on the Proposed Disposal is approximately S\$358,000.

8. Financial Effects of the Proposed Disposal

The table illustrates the financial effects of the Proposed Disposal on (i) the net assets value per share of the Company and (ii) the earnings per share of the Company based on the audited financial statements of the Group for the financial year ended 31 December 2007:

	Before the Proposed Disposal (cents)	After the Proposed Disposal (cents)
Effects of the Proposed Disposal on the net assets value per share assuming that the Proposed Disposal has been completed on 31 December 2007	21.49	21.16
Effects of the Proposed Disposal on the earnings per share assuming that the Proposed Disposal has been completed on 1 January 2008	3.36	3.02

9. Relative Figures computed based on Rule 1006 of the Listing Manual

1006 (a)	Net Asset Value Test	Based on the unaudited financial statements of the Group for the half year ended 30 June 2008, the net asset value of the assets sold being approximately S\$4,138,000 represents approximately 17.9% of the Group's net asset value of approximately S\$23,062,000.
1006 (b)	Profits Test	HLN Metal operates as an integral part of a business group comprising its two wholly owned subsidiaries in China. However, HLN Metal does not report profit contributions by business segments due to the integral business structure and sharing of common resources. In addition, HLN Metal incurred losses for the half year ended 30 June 2008. Hence, it is not meaningful for HLN Metal to report the net profit/loss attributable to the assets sold.
1006 (c)	Consideration Test	The purchase consideration of US\$2,635,000 (S\$3,780,000 equivalent) represents approximately 19.3% of the Company's market capitalisation of approximately S\$19,634,000 as at 12 September 2008 (the market day preceding the date the Asset Purchase Agreement is executed).
1006 (d)	Equity Securities Test	Not applicable.

10. Information about the Purchaser

Incorporated in Singapore on 19 August 2008, the Purchaser is a wholly owned subsidiary of Reliance Steel & Aluminum Co., one of the largest metals service centre companies in the United States listed on the New York Stock Exchange.

11. Interest of Directors and Controlling Shareholders

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal. None of the Directors or substantial shareholders of the Company is related to the Vendors.

12. Documents for Inspection

A copy of the Asset Purchase Agreement is available for inspection at the Company's registered office at 16 Kallang Place #01-16/18 Kallang Basin Industrial Estate Singapore 339156 for three months from the date of this Announcement.

BY ORDER OF THE BOARD

Group Chief Executive Officer / Executive Director
Wa Kok Liang