HLN TECHNOLOGIES LIMITED
FULL YEAR FINANCIAL STATEMENT FOR PERIOD ENDED 31 DECEMBER 2008 (UNAUDITED)

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

(In $'000)	FY 2008	FY 2007	Change
Revenue	**46,127**	**50,350**	**(8.4%)**
Cost of Sales	(34,161)	(36,353)	(6.0%)
Gross Profit	**11,966**	**13,997**	**(14.5%)**
Other Items of Income			
Interest Income	59	48	22.9%
Other Credits	52	8	550.0%
Other Items of Expenses			
Marketing and Distribution Costs	(2,810)	(2,875)	(2.3%)
Administrative Expenses	(6,055)	(5,964)	1.5%
Finance Costs	(533)	(483)	10.4%
Other Charges	(1,898)	(751)	152.7%
Profit Before Tax from Continuing Operations	**781**	**3,980**	**(80.4%)**
Income Tax Expenses	(375)	(793)	(52.7%)
Profit Net of Tax	**406**	**3,187**	**(87.3%)**
Minority Interest	90	356	(74.7%)
Net Profit Attributable to Shareholders	**496**	**3,543**	**(86.0%)**

Note: Refer to paragraph 8 - Review of the performance of the Group, found on pages 7 to 10 of this announcement.

Profit after tax is arrived at after (charging)/ crediting the following:

(In S$'000)	FY 2008	FY 2007	Change	Note
Loss on Disposal of Assets in a Subsidiary	(338)	-	NM	(a)
Amortisation of Intangible Assets	(56)	(91)	(38.5%)	(b)
Loss of Stocks Due to Theft	(91)	-	NM	(c)
Provision for Slow Moving & Obsolete Stocks	(297)	-	NM	(d)
Inventories Written off	(409)	-	NM	(e)
Impairment of Plant and Equipment	(246)	-	NM	(f)
Allowance for Impairment on Trade Receivables	(240)	(154)	55.8%	(g)
Plant and Equipment Written off	(251)	(62)	304.8%	(h)
Foreign Exchange Gain/(Loss)	-	(272)	(100.0%)	(i)
Depreciation of Plant and Equipment	(1,676)	(1,209)	38.6%	(j)
Gain/(Loss) on Disposal of Plant and Equipment	5	(31)	NM	
Bad Debts Written off	(1)	(1)	-	
Loss on Disposal of Subsidiaries	-	(77)	NM	
Negative Goodwill Written off	-	8	NM	
Pre-Operating Expenses	-	(63)	NM	

NM – not meaningful

(a) Loss on disposal of assets in a subsidiary arose from disposal of assets in HLN Metal Centre Pte Ltd in September 2008
(b) Decrease in amortisation of intangible assets after disposal of HLN Promax Pte Ltd in FY 2007
(c) Loss of stock was due to theft in one of the subsidiaries in Malaysia

(d) *Provision for slow moving and obsolete stocks in accordance with Group accounting policy*
(e) *Inventories written off in a few subsidiries due to restructuring of operations*
(f) *Impairment of plant and equipment in a few subsidiaries due to restructuring of operations*
(g) *Allowance for impairment on trade receivables in accordance with Group accounting policy*
(h) *Plant and equipment written off from closure of one plant in Batam in FY 2008. In FY 2007, plant and equipment was written off due to replacement*
(i) *Foreign exchange loss in FY 2007 was due to depreciation of USD against SGD*
(j) *Higher depreciation expenses in FY 2008 due to higher capital expenditure in FY 2007 & 2008*

1(b)(i) A balance sheet (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year

(in $'000)	Group	Group	Company	Company	
	31.12.08	**31.12.07**	**31.12.08**	**31.12.07**	**Note**
Non Current Assets					
Plant & Equipment	9,034	10,226	337	484	(1)
Intangible Assets	73	128	-	-	(2)
Investments in Subsidiaries	-	-	4,350	7,750	(3)
Financial Assets, Available-for-sale	133	-	133	-	(4)
Total Non-Current Assets	**9,240**	**10,354**	**4,820**	**8,234**	
Current Assets					
Inventories	5,830	13,236	-	-	(5)
Trade and Other Receivables	8,985	13,865	2,008	4,719	(6)
Cash and Cash Equivalents	8,664	6,748	3,339	2,389	(7)
Total Current Assets	**23,479**	**33,849**	**5,347**	**7,108**	
Total Assets	**32,719**	**44,203**	**10,167**	**15,342**	
EQUITY AND LIABILITIES					
Equity					
Share Capital	16,648	13,708	16,648	13,708	
Treasury Shares	(741)	-	(741)	-	
Retained Earnings	8,193	10,277	(6,311)	1,055	
Other Reserves	(106)	(212)	54	16	
Equity, Attributable to Equity Holders of the Parent	**23,994**	**23,773**	**9,650**	**14,779**	(8)
Minority Interest	942	759	-	-	(9)
Total Equity	**24,936**	**24,532**	**9,650**	**14,779**	
Non Current Liabilities					
Deferred Tax Liabilities	393	341	58	-	
Finance Leases, Non Current	10	126	-	-	(10)
Other Financial Liabilities, Non Current	245	530	-	-	(11)
Total non-current liabilities	**648**	**997**	**58**	**-**	
Current Liabilities					
Income Tax Payable, Current	436	745	-	2	(12)
Trade and Other Payables, Current	3,785	6,472	459	561	(13)
Finance Leases, Current	7	49	-	-	(10)
Other Financial Liabilities, Current	2,907	11,408	-	-	(11)
Total Current Liabilities	**7,135**	**18,674**	**459**	**563**	
Total Liabilities	**7,783**	**19,671**	**517**	**563**	
Total Equity and Liabilities	**32,719**	**44,203**	**10,167**	**15,342**	

Note: Refer to paragraph 8 - Review of the performance of the Group, found on pages 7 to 10 of this announcement.

1(b)(ii) Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand
(In $'000)

	As at 31.12.2008		As at 31.12.2007	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	7	-	49	-
Borrowings	2,907	-	11,408	-
Total	2,914	-	11,457	-

Amount repayable after one year
(In $'000)

	As at 31.12.2008		As at 31.12.2007	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	10	-	126	-
Borrowings	245	-	530	-
Total	255	-	656	-

Details of any collateral

Finance lease liabilities refer to hire purchases for a motor vehicle secured over the plant and equipment.

Bank borrowings amounting to $3,152,000 (31 Dec 07 : $11,938,000) consist of:

a. $723,000 (31 Dec 07 : $1,520,000) comprising short term loans extended to our subsidiaries in Malaysia
b. $1,050,000 (31 Dec 07 : $1,396,000) short term loans extended to our subsidiaries in China
c $1,379,000 (31 Dec 07 : $9,022,000) comprising short term loans and trade finance facilities extended to our subsidiaries in Singapore

The above bank borrowings are secured by a combination of the Company's corporate guarantees and personal guarantees from minority shareholder of our subsidiaries.

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

(In $'000)	Group FY 2008	Group FY 2007
Cash Flows from Operating Activities		
Profit Before Tax	**781**	**3,980**
Adjustments for :		
Depreciation of Plant and Equipment	1,676	1,209
Amortisation of Intangible Assets	56	91
Impairment of Plant and Equipment	246	-
Interest Income	(59)	(48)
Interest Expense	533	483
Loss of Stock Due to Theft	91	-
Inventories Written off	409	-
Provision for Slow Moving & Obsolete Stocks	297	-
Plant and Equipment Written off	251	62
Share-Based Payment	54	(5)
Loss on Disposal of Assets in A Subsidiary	338	-
Loss on Disposal of Subsidiary	-	77
(Gain)/Loss on Disposal of Plant and Equipment	(5)	31
Negative Goodwill Written off	-	(8)
Dividend Income	(3)	-
Operating Cash Flows Before Changes in Working Capital	**4,665**	**5,872**
Trade and Other Receivables	4,422	(6,624)
Inventories	2,803	(10,287)
Trade and Other Payables	(2,687)	2,493
Net Cash Flows from/(used in) Operations Before Interest and Tax	**9,203**	**(8,546)**
Income Tax Paid	(634)	(946)
Net Cash Flows from/(used in) Operating Activities	**8,569**	**(9,492)**
Cash Flows from investing Activities		
Purchase of Plant and Equipment	(2,025)	(5,117)
Cash Restricted in Use Over 3 Months	1,000	200
Interest Received	59	48
Investments in Quoted Equities	(150)	-
Proceeds from Disposal of Plant and Equipment	469	1,073
Receipt from Acquirer from Disposal of Subsidiary	458	-
Acquisition of Subsidiaries, (Net of Cash Acquired)	-	(98)
Proceeds from Disposal of Assets in A Subsidiary	3,792	106
Dividend Received	3	-
Net Cash Flows from/(used in) Investing Activities	**3,606**	**(3,788)**
Cash Flows from Financing Activities		
Interest Paid	(533)	(483)
Issue of Shares	3,129	5,860
Share Issue Expenses	(189)	(198)
Shares Buy Back	(741)	-
Finance Lease Repayment	(158)	(32)
Minority Shareholder Contributions	250	1,152
Loan from Minority Shareholder	-	(74)
Net Borrowings	(8,751)	9,544
Dividends Paid	(2,580)	-
Net Cash Flows (used in)/from Financing Activities	**(9,573)**	**15,769**
Net Effect of Exchange Rate Changes in Consolidating Subsidiaries	350	41
Net Increase in Cash and Cash Equivalents	**2,952**	**2,530**
Cash and Cash Equivalents at Beginning of Year	5,712	3,182
Cash and Cash Equivalents at End of Year	**8,664**	**5,712**
Balance as in Balance Sheet	**8,664**	**6,748**
Cash Restricted in Use over 3 Months	**-**	**(1,036)**
Cash and Cash Equivalent from Cash Flow Statement	**8,664**	**5,712**

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Attributable to equity holders of the parent					Minority	Total
	Capital	Treasury shares	Other reserves	Retained earnings	Parent sub-total	interest	equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Balance at 1 January 2007	**7,570**	-	**(71)**	**6,734**	**14,233**	**1,050**	**15,283**
Exchange difference on translating foreign operations	-	-	(52)	-	(52)	-	**(52)**
Profit/(Loss) for the year	-	-	-	3,543	3,543	(356)	**3,187**
Share based payment	84	-	(89)	-	(5)	-	**(5)**
Issue of share capital	6,054	-	-	-	6,054	-	**6,054**
Capital contribution by minority shareholders	-	-	-	-	-	1,152	**1,152**
Disposal of subsidiary	-	-	-	-	-	(589)	**(589)**
Acquisition of minority interest's shareholding	-	-	-	-	-	(498)	**(498)**
Balance at 31 December 2007	**13,708**	-	**(212)**	**10,277**	**23,773**	**759**	**24,532**
Balance as at 1 January 2008	**13,708**	-	**(212)**	**10,277**	**23,773**	**759**	**24,532**
Exchange difference on translating foreign operations	-	-	68	-	68	24	**92**
Profit/(Loss) for the year	-	-	-	496	496	(90)	**406**
Issue of share capital	2,940	-	-	-	2,940	-	**2,940**
Purchase of treasury shares	-	(741)	-	-	(741)	-	**(741)**
Share based payment (Performance Shares)	-	-	62	-	62	-	**62**
Cancellation of share options	-	-	(8)	-	(8)	-	**(8)**
Dividend paid	-	-	-	(2,580)	(2,580)	-	**(2,580)**
Fair value losses on available-for sale financial assets	-	-	(17)	-	(17)	-	**(17)**
Capital contribution by minority shareholders	-	-	-	-	-	250	**250**
Balance at 31 December 2008	**16,648**	**(741)**	**(106)**	**8,193**	**23,994**	**942**	**24,936**
Company							
Balance at 1 January 2007	**7,570**	-	**105**	**1,041**	**8,716**		
Profit for the year	-	-	-	14	**14**		
Share based payment	84	-	(89)	-	**(5)**		
Issue of share capital	6,054	-	-	-	**6,054**		
Balance at 31 Decemeber 2007	**13,708**	-	**16**	**1,055**	**14,779**		
Balance at 1 January 2008	**13,708**	-	**16**	**1,055**	**14,779**		
Issue of share capital	2,940	-	-	-	**2,940**		
Purchase of treasury shares	-	(741)	-	-	**(741)**		
Share based payment (Performance Shares)	-	-	62	-	**62**		
Cancellation of share options	-	-	(8)	-	**(8)**		
Profit for the year	-	-	-	(4,786)	**(4,786)**		
Fair value losses on available-for sale financial assets	-	-	(17)	-	**(17)**		
Dividend paid	-	-	-	(2,580)	**(2,580)**		
Balance at 31 December 2008	**16,648**	**(741)**	**54**	**(6,311)**	**9,650**		

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

The Company acquired 5,155,000 of its own shares through on-market purchases on the Singapore Exchange Securities Trading Limited and these shares were held as Treasury Shares for the year ended 31 December 2008.

On 9 September 2008, the Company issued 21,000,000 new ordinary shares pursuant to a Share Placement exercise.

As at 31 December 2008, there were 160,000 unissued ordinary shares under options granted and unexercised (31 December 2007: 310,000 shares) and 254,000 unissued ordinary shares under performance shares granted (31 December 2007: Nil shares).

(d)(iii) To show the total number of Issued share excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares was 125,882,920 shares as at 31 December 2008 and 110,037,920 shares as at 31 December 2007 respectively.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury share as at the end of current financial period reported on.

Total number of treasury shares as at 01 January 08	0
Treasury shares purchased from open market on:	
- 21 May 2008	50,000
- 03 June 2008	50,000
- 20 June 2008	50,000
- 16 September 2008	510,000
- 17 September 2008	940,000
- 25 September 2008	587,000
- 29 September 2008	100,000
- 30 September 2008	313,000
- 28 October 2008	2,340,000
- 26 December 2008	215,000
Total number of treasury shares as at 31 December 08	5,155,000

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by external auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current year as those in the audited financial statements for the year ended 31 December 2007 except for the following.

The Group has early adopted and applied FRS 108 – Operating Segments in the financial statements for the year ended 31 December 2008.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

FRS 108, which replaces FRS 14 – Segment Reporting, applies for annual periods beginning on or after 1 January 2009. The Group has redefined its reportable operating segments based on strategic business units whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Other than the presentation format, there is no impact on the Group's earnings and net asset value arising from the early adoption of FRS 108.

Kindly refer to paragraph 13 of Part II.

6. Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	12 months ended 31.12.2008	12 months ended 31.12.2007
Earnings per share based on profit attributable to shareholders:		
(a) Basic (in cents)	0.43	3.36
(b) On a fully diluted basis (in cents)	0.43	3.34

The basic earnings per share above have been calculated based on net profit atttributable to shareholders of $496,000 (FY 2007: $3,543,000) and the weighted average number of ordinary shares in issue during the period of 115,346,445 (FY 2007: 105,555,147). The fully diluted earnings per share above have been calculated based on net profit atttributable to shareholders of $496,000 (FY 2007: $3,543,000) and the weighted average number of ordinary shares in issue during the period of 115,603,782 (FY 2007: 106,204,671).

7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group	Group	Company	Company
as at	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Net Asset Value per ordinary share (cents)	19.06	21.60	0.08	13.43

The net asset value per share of the Group has been calculated based on shareholders' equity of $23,994,000 (31 December 2007 : $23,773,000) and 125,882,920 shares (31 December 2007: 110,037,920 shares). The net asset value per share of the Company has been calculated based on shareholders' equity of $9,650,000 (31 December 2007 : $14,779,000) and issued share capital of 125,882,920 shares (31 December 2007: 110,037,920 shares).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on

The principal activities of our Group involve the manufacture and sale of a wide range of customised precision elastomeric, polymeric and metallic components which are used in a variety of industries principally in office automation, lifestyle products, industrial application, consumer electronics and automotive industries.

Our metallic, elastomeric and polymeric component production capabilities range from material formulation and compounding as well as molding to secondary process including polymeric die-cutting, precision turning and precision machining of metallic components. We also supply machined aluminium products through our metal service centres. Our production facilities and sales offices are located in Singapore, Johor, Malaysia, Batam, Indonesia, Shenzhen and Suzhou, PRC. Our customers include multinational corporations with presence in South East Asia, North and East Asia, the US and Europe.

While the Group has expanded aggressively into the precision turning, precision machining and aluminium service centre businesses immediately after its November 2005 IPO to augment its diversification strategy, it has also seriously reviewed the strategic fit and contribution of each individual acquired business along the way. As a result of the strategic review, the Group decided to divest its entire 51% in HLN Promax Pte Ltd in 3Q 2007 and restructured its shareholdings and operations in the precision turning operations and aluminium service centre business. On 16 September 2008, the Group completed the disposal of assets and business in HLN Metal Centre Pte Ltd as part of the Group's restructuring exercise due to the continuing losses of the Singapore metal centre business.

<u>Income Statement</u>

<u>Revenue</u>

Revenue reduced by $4.2 mil or 8.4% from $50.3 mil in FY 2007 to $46.1 mil in FY 2008. Other than our Office Automation operating segment which posted $0.88 mil increase in revenue, sales in the Group's other operating segments declined due to lower demand. The decline in total revenue was also due the the disposal of our metal service business in Singapore which was a significant revenue contributor in FY 2007.

<u>Gross profit</u>

Due to lower revenue, gross profit reduced by $2.0 mil or 14.5% from $14.0 mil in FY 2007 to $12.0 mil in FY 2008 as overall GP% dropped to 25.9% from 27.8%. The higher than proportionate decline in gross profit is due to the high and relatively fixed production costs.

<u>Operating Expenses and Finance Costs</u>

Distribution costs reduced by $65K or 2.3% from $2.88 mil in FY 2007 to $2.81 mil in FY 2008 but Administrative expenses increased by $92K or 1.5% from $5.96 mil to $6.06 mil. Nevertheless, total operating expenses only increased by $26K or 0.3% in FY 2008 compared to FY 2007.

Financial costs increased by $50K or 10.4% from $483K in FY 2007 to $533K in FY 2008 mainly due to higher bank borrowings and trust receipt financing in 1H 2008 but which has since been substantially repaid as at 31 December 2008.

Overall, total operating expenses and finance costs increased by $76K or 0.8% from $9.32 mil in FY 2007 to $9.42 mil in FY 2008.

<u>Other Charges</u>

Other charges increased by $1.15 mil from $0.75 mil in FY 2007 to $1.90 mil in FY 2008 due to various charges and provisions. Included in other charges were loss on disposal of business in HLN Metal Centre, impairment losses due to restructuring of operations within the Group and various provisions in accordance with the Group acocunting policy.

<u>Profitability</u>

Profit before tax from continuing operations reported a decline of $3.20 mil or 80.4% due to lower gross profit and various charges and provisions.

Income tax expense dropped by $418K or 52.7% from FY 2007 compared to an 80.4% decline in profit before tax due to losses from a few subsidiaries which cannot be relieved against profits of other subsidiaries in the Group while some profitable companies continue to pay income tax in their countries of operations outside Sinagpore.

Minority interest's share of losses has decreased by $266K from $356K in FY 2007 to $90K in FY 2008 despite higher losses from HLN Metal Centre Group mainly due to the inclusion of the share of losses by minority interest in HLN Promax Pte Ltd and HLN Technologies Sdn Bhd in FY2007 whilst the profitable turnaround of Pri-V Group has enabled the minority interest to share in its profits during this period. HLN Promax Pte Ltd has been disposed of and we have acquired the remaining 40% interest from the minority interest in HLN Technologies Sdn Bhd in FY2007. HLN Technologies Sdn Bhd continued to report losses for this period.

Based on the above, net profit attributable to shareholders decreased by $3.0 mil or 86.0% from $3.54 mil in FY 2007 to $0.50 mil in FY 2008.

Balance Sheet

Below is a review of material changes in key balance sheet items between 31 December 2008 and 31 December 2007.

(1) **Plant and equipment** of the Group reduced by $1.2 mil from $10.2 mil as at 31 December 2007 to $9.0 mil as at 31 December 2008. Excluding depreciation, plant and equipment written off and impairment loss provisions made in FY 2008, capital expenditure increased $2.0 mil during the year.

(2) **Intangible assets** of the Group decreased by $55K from $128K as at 31 December 2007 to $73K as at 31 December 2008 due to amortisation during the year.

(3) **Investment in subsidiaries** of the Company decreased by $3.4 mil as at 31 December 2008 due to the provision for impairment loss in a subsidiary, HLN Micron Pte Ltd.

(4) **Financial assets, available-for-sale** of the Group and the Company are investments in quoted securities listed on the SGX-ST. Fair value losses on available-for sale financial assets of $17K have been taken to equity.

(5) **Inventories** of the Group decreased by $7.4 mil from $13.2 mil as at 31 December 2007 to $5.8 mil as at 31 December 2008. Excluding inventory related charges and provisions as well as value of stocks sold pursuant to the disposal of business in HLN Metal Centre, inventories actually decreased by $2.8 mil due to faster stock turnover and lower stocks. Inventory turnover days improved from 133 days as at 31 December 2007 to 62 days as at 31 December 2008.

(6) **Trade and other receivables** of the Group decreased by $4.9 mil from $13.9 mil as at 31 December 2007 to $9.0 mil as at 31 December 2008. Excluding bad debts and provision for bad debts as well as receipt from disposal of subsidiary, trade receivable decreased by $4.4 mil as a result of better collection efforts. Debtors' turnover days improved to 62 days as at 31 December 2008 compared to 88 days as at 31 December 2007. Trade and other receiveables of the Company decreased by $3.1 mil as at 31 December 2008 due to the provision for doubtful debts due from a subsidiary, HLN Micron Pte Ltd.

(7) **Cash and cash equivalents** of the Group increased by $1.9 mil from $6.7 mil as at 31 December 2007 to $8.7 mil as at 31 December 2008. The Group cash flow statement reported net increase in cash and cash equivalents of $2.9 mil due to the discharge of a $1.0 mil fixed deposit previously placed out to a financial institution in consideration for certain banking facilities granted. The Group generated net cash from operating activities of $8.6 mil compared to net cash used of $9.5 mil in FY 2007 as FY 2007 was the inception of the aluminium service centre business which utilized substantial working capital in inventory purchase and debtors' financing as well as improved working capital management of the Group's other businesses.

During the year, the Group received $4.7 mil proceeds from the disposal of business in HLN Metal Centre, receipt from disposal of subsidiary and some other plant and equipment and paid $2.0 mil for purchase of plant and equipment. During the same period, the Group repaid bank borrowings, finance leases and interest cost of $9.44 mil while raising cash of $2.94 mil from issue of new shares and $0.25

mil from minority shareholder. The Group also purchased $0.74 mil of its own shares from the market and paid out $2.58 mil in dividends.

(8) **Equity attributable to Equity Holders of the Company** increased by $221K from $23.8 mil as at 31 December 2007 to $24.0 mil as at 31 December 2008. This was after the Company raised $2.94 mil from issue of 21,000,000 new ordinary shares and paid out dividends of $2.58 mil, generated profit during the year of $0.47 mil and share buy back of $0.74 mil.

(9) **Minority interest** increased by $183K from $759K as at 31 December 2007 to $942K as at 31 December 2008 due to additional capital contribution of $0.25 mil in HLN Metal Centre by the minority shareholder but offsett by minority interest share of losses for the year ended 31 December 2008.

(10) **Finance leases** of the Group decreased by $158K due to regular repayments.

(11) **Bank borrowings** of the Group refers to trust receipts and short term revolving loan facilities granted to our subsidiaries. As at 31 December 2008, the Group has repaid substantially the bank borrowings of $8.8 mil.

(12) **Current tax payable** of the Group decreased by $309K from $745K as at 31 December 2007 to $436K as at 31 December 2008 as the Group paid off $634K income taxes during the period and made further provision for income tax of $375K for FY 2008.

(13) **Trade payables and other payables** of the Group decreased by $2.7 mil from $6.5 mil as at 31 December 2007 to $3.8 mil as at 31 December 2008 due to payment of approximately of $2.0 mil for the factory renovation and production machinery in HLN Rubber Industries completed in FY 2007.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

During the FY 2007 results announcement, the Group mentioned that it will remain profitable in FY 2008. On 11 Jul 2008, the company issued a profit warning and subsequently announced a half year net loss attributable to shareholders of $0.42 mil on 14 August 2008. In its half results announcement, the Group mentioned that given the concerns over the economic and market risks, it will endeavour to ride out the difficult business environment and strive to turn around its losses in the second half year. On 19 January 2009, the Group issued a Profit Guidance for the financial year ended 31 December 2008 and expected FY 2008 to be profitable although FY 2008 profits would be substantially lower compared to FY 2007. Other than the aforementioned, the Company has not previously disclosed any forecast or prospect statement.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The Group posted its first net loss in 1H 2008 since its IPO in November 2005, but has since turned around with a net profit attributable to the shareholders of $0.50 mil for the year ended 31 December 2008. Notwithstanding the profit turnaround, profitability has declined 87.3% compared to FY 2007 and net profit attributable to shareholders has declined 86.0%, mainly due to the lower sales and significant provisions and charges during the year.

The Group continues to operate in very challenging business environment amid the current financial turmoil, tightening global credit and declining real demand in the world economy. While commodity and energy costs have softened recently, the Group anticipates the threat of a looming global recession will exert pressure on its sales and earnings prospect in FY2009.

The Group has implemented various measures to stay lean and cash flow positive in order to ride on the expected tough times ahead. Such measures include implementing a performance based remuneration policy with monthly variable component in staff costs as well as scrutinizing all capital expenditure programs.

Nevertheless, the Group would continue to explore other business opportunities which can enhance long term shareholder value. These include geographical expansion, mergers and acquisitions, divestment and partnering with long term strategic investor(s) who can add depth and breadth to the Group's existing business portfolio.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim FY2008	Interim FY2008	Final FY 2008
Dividend Type	Cash	Cash	Cash
Dividend Rate	1.0 cent per ordinary share one-tier tax exempt	1.0 cent per ordinary share one-tier tax exempt	0.1 cent per ordinary share one-tier tax exempt
Date Paid/Payable	8 May 2008	7 Nov 2008	19 May 2009

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

19 May 2009

(d) Books closure date

Registrable transfers received by the Company up to 5.00 p.m. on 7 May 2009 will be registered before entitlements to the dividend are determined. Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 8 May 2009 for preparation of dividend warrants.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Operating Segments

For management purposes, the Group is organized into operating segments based on their product and service which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

Segment Information

For management purposes, the Group is organized into controlling business units ("CBU") based on their products and services which are further aggregated into four reportable segments as follows:

1) The *Office Automation* ("OA") segment manufactures and distributes polymeric components, polymeric die-cutting services and precision turned parts for the office automation end products including printers, copiers, electronic devices, computers, note books and peripheral accessories.

2) The *Lifestyle Products* ("LP") segment manufactures and distributes compound rubber and precision molded rubber parts and components for the consumer and life style products including household electrical appliances, consumer electronic devices, vibration control components and peripheral accessories.

3) The *Industrial Application* ("IA") segment manufactures and distributes metallic products and aluminium plates, rods and sheets for various customers in the semiconductor, military, medical instruments, precision engineering, aviation and transport, and food and beverage industries.

4) The *Corporate* ("IH") segment is involved in Group level corporate services, treasury functions and investments. It derives its income substantially from inter-company transactions.

Management monitors the operating results of its CBU separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements. Group financing cost (interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. Transfer pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Financial Information by Operating Segments

(S'000)	OA		LP		IA		IH		Total	
	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007	FY 2008	FY 2007
Revenue:										
External customers	12,145	11,269	18,056	19,218	15,926	19,915	-	-	46,127	50,402
Inter-segment	538	556	14	66	13	1,227	-	-	565	1,849
Total Revenue	12,683	11,825	18,070	19,284	15,939	21,142	-	-	46,692	52,251
Interest Income	22	1	35	12	32	2	(30)	34	59	49
Depreciation and amortisation	427	416	1,035	695	112	177	158	12	1,732	1,300
Other Non Cash Expenses	603	-	468	62	562	-	-	-	1,633	62
Segment Profit or Loss	1,842	2,091	785	2,446	(876)	(41)	(437)	(33)	1,314	4,463
Segment Assets	10,667	10,370	12,726	14,340	6,336	16,842	8,917	7,623	38,646	49,175
Capital Expenditure	692	567	1,127	3,653	191	412	15	485	2,025	5,117
Segment Liabilities	1,344	1,606	2,327	3,830	4,955	4,482	459	561	9,085	10,479

Reconciliations of Reportable Segment Profit or Loss, Assets and Liabilities

Profit or Loss ($'000)	**FY 2008**	**FY 2007**
Total Reportable Segment Profits	1,314	4,463
Finance Cost	(533)	(483)
Profit Before Tax from Continuing Operations	781	3,980

Assets ($'000)	**FY 2008**	**FY 2007**
Total Assets for Reportable Segments	38,646	49,175
Inter-segment Assets	(5,927)	(4,972)
Total Assets	32,719	44,203

Liabilities ($'000)	FY 2008	FY 2007
Total Liabilities for Reportable Segments	9,085	10,479
Income Tax Payable	436	745
Loans & Borrowings	3,169	12,113
Deferred Tax Liabilities	393	341
Inter-segment Liabilities	(5,300)	(4,007)
Total Liabilities	7,783	19,671

Geographical Information

The Group's main operations are located in Singapore, Malaysia, Indonesia and China. Revenue from external customers are attributed to the Group's countries of domicile and all foreign countries in total from which the Group derived revenues. Non-current assets are attributed to countries based on the Group's country of domicile and all foreign countries in total in which the entity holds assets.

The Group's reportable segment are based on differences in products and services, no additional disclosure of revenue information about products and services are required.

	Revenues		Non-Current Assets	
(In $'000)	**FY 2008**	**FY 2007**	**FY 2008**	**FY 2007**
Singapore	30,051	36,501	1,657	2,219
Malaysia	4,822	5,854	4,653	5,512
Indonesia	912	822	625	1,376
China	10,342	7,173	2,305	1,247
Total	**46,127**	**50,350**	**9,240**	**10,354**

Revenues from top two customers of the Group represent approximately $4,985,000 (FY 2007: $5,624,000) and $3,650,000 (FY 2007: $4,138,000) of the Group's total revenue respectively.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Refer to paragraph 8 - Review of the performance of the Group, found on pages 7 to 10 of this announcement.

15. A breakdown of sales

(In $'000)	**Group FY 2008**	**Group FY 2007**	**% increase/(Decrease)**
Sales reported for first half year	24,448	22,412	9.1%
Operating profit after tax before deducting minority interest reported for first half year	(528)	1,872	-128.2%
Sales reported for second half year	21,679	27,938	-22.4%
Operating profit/loss after tax before deducting minority interest reported for second half year	934	1,315	-29.0%

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest full year	Previous full year
(In $ '000)	31 December 2008	31 December 2007
Total annual dividend – ordinary	2,580	NIL

17. Summary of interest person transactions for the financial period ended 31 December 2008.

Name of Interest Person	Aggregate value of all interest person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Nil	Nil	Nil

BY ORDER OF THE BOARD

Wa Kok Liang, Leslie
Chief Executive Officer
28 February 2009