



HLN TECHNOLOGIES LIMITED
16 Kallang Place #01-16/18
Kallang Basin Industrial Estate
Website: www.hlnotech.com
(Registration No. 200402180C)

NEWS RELEASE

HLN Maintains Profitability In FY08 Amid The Financial Crisis

- Strong financial position with S\$8.7 million cash
- Swift and decisive measures in FY08 to strengthen capabilities

Singapore, February 28, 2009 – Mainboard listed HLN Technologies Limited (“HLN” or the “Group”), a manufacturer of a diverse range of customised precision metallic, elastomeric, and polymeric components, announced its results for the year ended 31 December 2008 (“FY08”) today.

The Group registered total revenue of S\$46.1 million in FY08 from S\$50.4 million in FY07, mainly due to the disposal of its metal service business in Singapore – a significant revenue contributor in FY07.

Gross profit declined by 14.5% to S\$12.0 million from S\$14.0 million year-on-year mainly due to the high and relatively fixed production costs amid lower revenues. Gross profit margin in FY08 stood at 25.9%.

On a strategic front, HLN divested its metal service centre business in Singapore to focus on its existing profitable core businesses. Internally, HLN has also implemented a dynamic performance based remuneration policy with monthly variable component in staff costs as well as scrutinising all capital expenditure programmes.

These swift and decisive measures have allowed the Group to return to profitability of S\$0.5 million over the second half of FY08 from a net loss of S\$0.4 million in 1H08, and to position itself to weather the economic uncertainties ahead.

Cash and cash equivalents increased by S\$1.9 million to S\$8.7 million as at 31 December 2008. The Group has also paid off total bank borrowings of S\$8.8 million during the year even though it has raised only S\$2.9 million from share placement in 2H08, due to improved cash flows from operating activities.

Mr Leslie Wa, Executive Director and Group Chief Executive Officer, commented, “The current financial meltdown has affected many companies and HLN is of no exception. To remain competitive in an increasingly challenging business environment, the Group took decisive action to implement a series of restructuring and cost savings measures quickly. Our cost savings initiatives have reaped great benefits within just half a year as we have successfully turned around our losses and is profitable for the financial year ended 2008. This is clear evidence that we are on the right track and will continue with similar efforts to stay lean and maintain our positive cash flow to ride out these tough times.”



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In line with the Group's belief in bringing returns to shareholders through both good and bad times, the Group has declared a final exempt (one-tier) dividend of S\$0.001 per ordinary share for the financial year ended 31 December 2008, payable on 19 May 2009. HLN has rewarded its loyal shareholders with S\$2.6 million interim dividends paid during the year, bringing total dividend payout to approximately 34% of Group retained earnings.

Despite the financial turmoil, the Group will continue to explore other business opportunities that can enhance long-term shareholder value. These include opportunities for geographical expansion and merger and acquisitions, divestments and long-term partnerships with strategic investor(s) who will be able to bring valuable contributions to HLN's current business portfolio.

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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.

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.

For further information, please contact:

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