

HLN TECHNOLOGIES LIMITED

Registration No. 200402180C

Use of IPO and Share Placement Proceeds

The Board of Directors of HLN Technologies Limited (the 'Company') refers to the placement of 21,000,000 ordinary shares in the capital of the Company which was completed on 8 September 2008 and wishes to update the use of the placement proceeds as at 28 February 2009.

Amount of placement proceeds raised

	<u>S\$'000</u>
Amount raised	3,129
Less: Placement expenses	<u>(189)</u>
Net placement proceeds	<u>2,940</u>

The actual placement expenses were S\$189,000 compared to the estimated S\$199,000 in the OIS dated 27 August 2008. Hence, approximately S\$10,000 is transferred to working capital purpose of the Group and net placement proceeds increased from S\$2,930,000 to S\$2,940,000.

Use of placement proceeds as at 28 February 2009 is as follows:-

S/N	Intended Use	Amount allocated (S\$'000)	Amount utilized (S\$'000)	Balance amount (S\$'000)
1	To expand the Group's polymeric facility in Suzhou	1,200	850	350
2	To repay loans to financial institutions ⁽¹⁾	1,015	967	48
3	As working capital for the Group	725	425	300
	Total	2,940	2,242	698

⁽¹⁾ The loans to financial institutions have been fully repaid in accordance with the placement, therefore the balance of S\$48,000 will be transferred to the Group's working capital

The Company will continue to provide regular updates on the use of the balance proceeds.

By order of the Board

Wa Kok Liang
Chief Executive Officer
28 February 2009