

HLN TECHNOLOGIES LIMITED

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

PROPOSED PLACEMENT OF UP TO 24,600,000 NEW ORDINARY SHARES IN THE CAPITAL OF HLN TECHNOLOGIES LIMITED. AT A PLACEMENT PRICE OF S\$0.2610 PER SHARE

The Board of Directors of HLN Technologies Limited. (the "Company") wishes to announce that the Company has on 1 October 2010 entered into a placement agreement (the "Placement Agreement") with UOB Kay Hian Private Limited as placement agent (the "Placement Agent"). Pursuant to the Placement Agreement, the Company has agreed to issue up to 24,600,000 new ordinary shares (the "Placement Shares") in the capital of the Company at a placement price of S\$0.2610 (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 the Placement Price for each Placement Share on a best endeavours basis. A placement commission of 5% 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 Placement will be made pursuant to Sections 274 and 275 of the Securities and Futures Act, Chapter 289 of Singapore.

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 30 April 2010 which authorises the Directors of the Company pursuant to Rule 806 of the SGX-ST Listing Manual, to allot and issue new shares not exceeding 20% of the Company's issued share capital 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 19.9% of the Company's existing issued and paid up share capital of 123,460,920 ordinary shares (excluding 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\$0.2610 for each Placement Share represents a discount of approximately 19.9% of the weighted average price for trades done on the Company's shares on the SGX-ST for the full market day on 28 September 2010 (being the last full market day prior to the signing of the Placement Agreement) and up to the time of the trading halt of its shares on 29 September 2010.

When completed, the Placement will increase the issued and paid up share capital of the Company to 148,060,920 ordinary shares (excluding treasury shares) and the Placement Shares will represent approximately 16.6% of the Company's enlarged share capital after completion of the Placement.

The net assets value per share and the earnings per share of the Company and its subsidiaries (the "Group") as at 30 June 2010, based on the unaudited financial statements of the Company for the half year ended 30 June 2010 published on the SGXNET on 13 August 2010 and its issued and paid up share capital as at 30 June 2010, were 19.69 cents and 0.39 cent respectively. The net assets value per share and the earnings per share of the Group, after adjusting for the issue of the Placement Shares would be 20.53 cents and 0.33 cent respectively. The adjusted earnings per share of the Group was computed assuming that the Placement was completed at the beginning of the current financial year and does not take into account the effects of the use of proceeds from the Placement on the earnings of the Group.

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\$0.34 million will

be approximately S\$6.08 million. The entire net proceeds will be utilised to fund the Company's future merger and acquisition, and investment activities.

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.

The investors are not persons who are within the categories of persons 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

Cheong Weixiong
Group Chief Executive Officer
1 October 2010