



## HLN TECHNOLOGIES LIMITED

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

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### SHAREHOLDERS' AGREEMENT TO SUBSCRIBE FOR SHARES IN ACE EMPIRE CAPITAL SDN BHD

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Pursuant to Rule 704(17)(c) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Board of Directors (the "**Board**") of HLN Technologies Limited (the "**Company**") wishes to announce that the Company has entered into a shareholders' agreement ("**Shareholders' Agreement**") with Kingsland Development Sdn Bhd, Eastbay Development Sdn Bhd, Poh Seng Choon, Ace Empire Development Sdn Bhd and Ace Empire Capital Sdn Bhd ("**Ace Capital**") today.

#### Overview of Investment

Under the terms of the Shareholders' Agreement, the Company will, *inter alia*, subscribe for 150,000 shares in Ace Capital at an aggregate subscription price of RM\$150,000 or RM\$1.00 per share in cash ("**Subscription**"), which will, upon completion of the Subscription, comprise 30% of the entire issued and paid-up capital of Ace Capital. The remaining 70% will be or were also subscribed by the other shareholders of Ace Capital at the same subscription price. Pursuant to the Subscription, Ace Capital will become an associated company of the Company. The Company will also be entitled to a corresponding share of the profits from the development of the Project (as defined below) in proportion with its 30% shareholding in Ace Capital.

In addition, all the shareholders of Ace Capital have agreed to provide shareholder loans to Ace Capital in accordance with their respective shareholding proportions for the acquisition of 2 plots of land in Batu Pahat, Malaysia and working capital needs. In connection with the above, the Company will provide a shareholder loan of RM\$2,400,000 in cash to Ace Capital ("**Shareholder Loan**") upon completion of the Subscription (the Subscription and the Shareholder Loan collectively, the "**Investment**").

As all of the relative figures in relation to the Investment computed on the bases set out in Rule 1006 of the Listing Manual amount to less than 5%, the Investment falls under the category of "Non-Discloseable Transactions" under Rule 1008 of the Listing Manual.

The aggregate consideration for the Investment is RM\$2,550,000 which was arrived at on a willing buyer-willing seller basis, taking into consideration, among others, the subscription price paid or payable by the other shareholders of Ace Capital, the provision of the Shareholder Loan in accordance with the respective shareholding proportions of the other shareholders of Ace Capital and the opportunity to acquire a strategic stake in Ace Capital. The aggregate consideration for the Investment is payable in cash on completion of the Shareholders' Agreement and will be funded from the Company's internal cash resources.

Prior to the Investment, the issued and paid-up share capital of Ace Capital was RM\$50,000 divided into 50,000 ordinary shares. Upon completion of the Investment, the assets of Ace Capital will comprise of RM\$500,000 in share capital and RM\$8,000,000 in shareholders' loan.



## **Background Information**

Ace Capital, a company incorporated in Malaysia, is proposing to develop 2 plots of land with an estimated aggregate size of 70,000sqf in Batu Pahat, Malaysia into a mixed development of 21 storeys (comprising of retail and residential units) (the "**Project**"). Subject to the receipt of all necessary licences and approvals from the relevant governmental and regulatory authorities, the construction of the Project is expected to commence later this year. The Company will be in charge of the marketing for the Project and will be paid the balance of 3% of the sales proceeds less the commission paid to any agents engaged. Ace Empire Development Sdn Bhd will be in charge of developing the Project and the Company will participate in providing inputs for the development of the Project.

## **Rationale**

The Investment into Ace Capital is in line with the HLN Group's corporate strategy to continually explore opportunities that will broaden and diversify its business portfolio from its existing manufacturing business. This is in line with the Group's strategy of geographical expansion as announced on 10 August 2012.

## **Financial Impact on the Group**

The Investment will be funded from the Company's internal resources and is not expected to have any material impact on the Company's net tangible assets per share or earnings per share for the financial year ending 31 December 2013.

## **Interest of Directors and Substantial Shareholders**

None of the directors or substantial shareholders of the Company (other than in his capacity as a director of the Company) has any interest, direct or indirect, in the Company's Investment in Ace Capital.

## **Documents Available for Inspection**

A copy of the Shareholders' Agreement is available for inspection during normal business hours at the registered office of the Company at 74A Tras Street, Singapore 079013, for a period of three months commencing from the date of this announcement.

By Order of the Board

Cheong Weixiong  
Group Chief Executive Officer  
29 January 2013