



HLN TECHNOLOGIES LIMITED
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HLN delivers record interim profit; positions itself for continuing strong performance growth

- ***Net profit jumped to S\$2.2 million while revenue improved 142.7% to S\$22.4 million***
- ***Company well positioned for continuing strong performance***
- ***Plans to apply for upgrading to SGX Main Board by FY07***

Singapore, 14 August 2007 – HLN Technologies Limited (“HLN” or “The Group”), recorded a 142.7% increase in revenue to \$22.4 million (91% of FY06’s revenue of S\$24.5 million) on strong performances from all its three business units, the bulk of which came from the Metallic Business Unit for the six months ended 30 June 2007 (HY07).

Gross profit climbed 65.0% to \$6.3 million for HY07. Gross margins decreased due to the rapid growth in the metallic business, which commands a relatively lower margin compared to the polymeric and elastomeric businesses. However, with solid growth in all business units (polymeric, elastomeric and metallic), net profit attributable to shareholders jumped 45.8% to \$2.2 million (76.5% of FY06’s net profit of \$2.8 million). This translates into higher earnings per share of 2.15 cents versus 1.52 cents previously.

FINANCIAL HIGHLIGHTS

(S\$’millions)	6 months ended 30 June 2007	6 months ended 30 June 2006	Change (%)
Revenue	22.4	9.2	142.7
Gross Profit	6.3	3.8	66.0
Profit before income tax	2.3	1.9	17.2
Profit after income tax	1.9	1.5	24.6
Net Profit attributable to shareholders	2.2	1.5	45.8
Earnings Per Share (cents)	2.15	1.52	41.4

“We are pleased to deliver a robust set of results for our shareholders. The macro picture for our business looks extremely rosy as we experienced numerous enquires from new and existing customers in various sectors. The Group is increasing its production capacity to meet these requirements.”

Mr Leslie Wa, Chief Executive Officer of HLN

OPERATIONS REVIEW – METALLIC, ELASTOMERIC AND POLYMERIC

The metal service centre business, which comes under the Group’s Metallic business unit, has debuted strongly in HY07, buoyed by recent contracts in the defense industry. In April this year, HLN announced that they had won a S\$4 million contract to process and supply doors for a defence related vehicle. The special-grade metal required and the ballistics tests needed for this product ensures that there is a high barrier to entry for this business.

As a result, with HLN firmly entrenched in this business, the management expects more contracts to follow from this customer.

In addition, HLN Metal Centre Pte Ltd, its metallic subsidiary, has recently announced it has received the authorized distributorship from Alcoa Europe for aluminum-based material to regional markets. The accolade signifies the ethos of HLN’s commitment to customers’ quality standards.

HLN’s Elastomeric business unit, which focuses on consumer electronics, has also performed well. This year, their elastomeric team achieved a major breakthrough when they secured a US\$5.28m award for supplying rubber parts for a MP4 smart-phone which has launched in USA. HLN was able to secure the contract above others due to their proprietary rubber compound recipe, which enables the rubber parts to have metallic properties.

HLN has made a lot of headway in the office automation industry over this half year. HLN’s Polymeric unit is currently one of the top suppliers for printer parts for one of the world’s largest printer manufacturers. For several specific parts, HLN manufactures more than 85% of the manufacturer’s global demand.

These three business units provide a one-stop solutions provider to its customers and ensure HLN’s ability to keep customers who require expertise in the three different materials. Whilst competitors might have abilities in one of the business units, HLN is the only Singapore-listed company that can offer customers expertise in all three materials.

This is in line with HLN's vision of being a global one-stop solutions provider for integrated mechanical components supported by its vertically integrated manufacturing operations located in various strategic locations.

THE FUTURE LOOKS BRIGHT

In May 2007, the Group placed out 9.8 million ordinary shares of HLN Technologies Limited to several institutional investors. The entry of these institutional investors is a vote of confidence for the management's capabilities and the Group's prospects. Bulk of the S\$5.2million net proceeds went towards funding the expansion of the MSC's business.

Subsequently, the Group announced the acquisition of an additional 20% in its subsidiary, HLN Metal Centre Pte Ltd ("HMC") from existing shareholders of HMC in consideration for shares of HLN. Currently, HMC has established processing facilities in Singapore and Shenzhen, PRC and look forward to expanding its reach into the China market.

For its elastomeric division, the Group is expanding with a 38,535 square feet facility in Johor, Malaysia, which is in proximity to its current plant established in Tampoi Industrial Estate last year. The plant is expected to be fully operational in 4Q 2007.

The Group's polymeric division has delivered encouraging results with strong sales growth in HY07 and looks set to expand its polymeric die-cutting operations into PRC due to higher sales to existing customers, new products and new customers.

With these positive factors in place, the management has plans to upgrade to the Main Board this year.

"Reflecting on our growth in the past few years, there has been no other times, when our business prospects have been brighter than the current. We are expanding fast. We are enlarging our regional capabilities. We have strengthened our financial fundamentals, which gave us confidence in the Group's near term business outlook."

Mr Leslie Wa, Chief Executive Officer of HLN

The initial public offering of the shares of HLN Technologies Limited was sponsored by Westcomb Capital Pte Ltd ("The Manager"). The manager assumes no responsibilities for the contents in this press release.

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About HLN Technologies Limited

Listed on 25 November 2005, HLN Technologies Limited ("HLN Tech") is involved in the manufacture and sale of a wide range of customized precision elastomeric and polymeric components as well as metallic precision machining components, which are used in a variety of industries principally in office automation, consumer electronics and automotive industries. HLN Tech has in-house material formulation and compounding facilities where it blends the mixture of elastomers and other ingredients to make rubber compound, a raw material used in the production of its precision elastomeric and polymeric components. Beside the manufacture and sale of customized precision elastomeric and polymeric components, HLN Tech also specializes in providing precision polymeric die-cutting services according to customers' design specification and requirements.

Its production facilities are located in Singapore; Johor, Malaysia; Batam, Indonesia, Shenzhen and Suzhou, PRC and supported by sales offices in Singapore, Batam, Indonesia, Shenzhen and Suzhou, PRC and Italy. Its customers include multinational corporations with presence in South East Asia, Japan, USA and the PRC.

For more information, please refer to the company's website www.hlnotech.com

**Issued for and on behalf of HLN Technologies Limited
By Financial PR Pte Ltd**

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