

**Use of IPO and Share Placement Proceeds**

The Board of Directors of HLN Technologies Limited (the 'Company') refers to its Prospectus dated 15 November 2005 and its announcement on 26 August 2008 and wishes to update the use of IPO proceeds as at 31 October 2008.

Use of IPO proceeds is as follows:-

| S/N | Intended Use        | Amount allocated (S\$'000) | Amount utilized (S\$'000) | Balance amount (S\$'000) |
|-----|---------------------|----------------------------|---------------------------|--------------------------|
| 1   | To expand in Suzhou | 1,300                      | 1,300                     | 0                        |
|     | <b>Total</b>        | 1,300                      | 1,300                     | 0                        |

With the above, the Company has fully utilized its IPO proceeds.

**Use of Share Placement proceeds**

In addition, the Board of Directors of 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 31 October 2008.

**Amount of placement proceeds raised**

|                          |                     |
|--------------------------|---------------------|
|                          | <u>S\$'000</u>      |
| Amount raised            | 3,129               |
| Less: Placement expenses | <u>(189)</u>        |
| Net placement proceeds   | <u><u>2,940</u></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 31 October 2008 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           | 1,015                      | 967                       | 48                       |
| 3   | As working capital for the Group                   | 725                        | 125                       | 600                      |
|     | <b>Total</b>                                       | 2,940                      | 1,942                     | 998                      |

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  
25 November 2008