

HLN TECHNOLOGIES LIMITED
(Incorporated in Singapore)
(Company Registration Number 200402180C)

PROPOSED ACQUISITION AND INCREASE OF INTEREST HELD IN AN EXISTING SUBSIDIARY (THE “PROPOSED ACQUISITION”)

1. Introduction

The Board of Directors of HLN Technologies Limited (the “Company”) wishes to announce that the Company, through its wholly-owned subsidiary, HLN Micron Pte. Ltd. (“HLN Micron”) has on 8th April 2010 executed a share sale agreement (the “Share Sale Agreement”) to acquire 17.65% interest (the “Sale Shares”) from Tay Pooi Hwa (the “Vendor”) in the share capital of HLN Metal Centre Pte. Ltd. (“HLN Metal”). Upon the completion of the Proposed Acquisition, HLN Micron will increase its interest in HLN Metal from 81.35% to 99.0%.

2. Principal Business of HLN Metal

HLN Metal is a company incorporated in Singapore on 6 September 2006. Its principal business is customised material machining and cutting of metal products and components.

3. Consideration

The entire purchase consideration for the Proposed Acquisition (the “Consideration”) will be settled in cash which shall be payable on completion of the sale and purchase of the Sale Shares.

4. Conditions Precedent

The completion of the Proposed Acquisition is conditional upon the fulfilment of, *inter alia*, the following conditions precedent:

- (a) all consents, approvals and authorisations of any third parties (including existing shareholders of HLN Metal waiving their pre-emption rights (if any)), government or regulatory authorities which are necessary or desirable in connection with the transfer of the Sale Shares from the Vendor to HLN Micron and the ownership by HLN Micron of Sale Shares having been obtained, and if subject to conditions, on such conditions acceptable to the HLN Micron and/or such person(s) as HLN Micron may direct, prior to the completion date;
- (b) all representations, warranties and undertakings of the Vendor and HLN Micron under this Share Sale Agreement being complied with, and being true, accurate and correct in all respects as at the completion date, as if repeated at Completion and at all times between the date hereof and completion date;
- (c) each of the Vendor and HLN Micron having performed all of the covenants and agreements required to be performed or caused to be performed by it under this Share Sale Agreement on or before the completion date;
- (d) there has been no change in the shareholding or capital structure of HLN Metal occurring on or before the completion date;
- (e) there being no material adverse change (as mutually determined by the Vendor and HLN Micron) in the prospects, operations, assets, business, profits or financial condition of HLN Metal occurring on or before the completion date.

5. Other Key Terms

The Share Sale Agreement set out, *inter alia*, the following key commercial terms of the Proposed Acquisition:

- (a) The Vendor agrees and undertakes to procure his siblings, Ms Tay Mun Hwa and Mr Teh Art Wah, to provide a Deed of Undertaking of non-competition on similar terms as set out in the Share Sale Agreement in favour of HLN Micron, which shall be delivered to HLN Micron on the completion date.
- (b) HLN Micron agrees and undertakes to procure the written discharge and release given by all bankers and third parties in respect of any guarantees and indemnity provided by the Vendor and Ms Tay Mun Hwa to secure any debts or amounts owing by HLN Metal as may be subsisting at Completion within one (1) month after the completion date.

6. Rationale for the Proposed Acquisition

The rationale for the Proposed Acquisition is as follows:

- (a) to increase the Company's participation in the expansion of metal service centre business through acquiring and owning a higher shareholding interest. Prior to the Proposed Acquisition, the Company owned only 81.35% of HLN Metal; and
- (b) to consolidate the shareholding structure of the Company's subsidiaries so as to facilitate expedient and effective business decision-making.

7. Financing

The Consideration for the Proposed Acquisition will be settled fully in cash.

8. Financial Effects of the Proposed Acquisition

The table illustrates the financial effects of the Proposed Acquisition on (i) the net assets value per share of the Company and (ii) the earnings per share of the Company based on the audited financial statements of the Group for the financial year ended 31 December 2009:

	Before the Proposed Acquisition (cents)	After the Proposed Acquisition (cents)
Effects of the Proposed Acquisition on the net assets value per share assuming that the Proposed Acquisition has been completed on 31 December 2009	19.33	19.34
Effects of the Proposed Acquisition on the earnings per share assuming that the Proposed Acquisition has been completed on 1 January 2009	0.29	0.22

9. Relative Figures computed based on Rule 1006 of the Listing Manual

1006 (a)	Net Asset Value Test	Not applicable as this transaction is an acquisition and not a disposal of assets.
1006 (b)	Profits Test	- 7.23%
1006 (c)	Consideration Test	1.03%
1006 (d)	Equity Securities Test	Not applicable.

As the relative figures under Rule 1006 of the Listing Manual as computed above does not exceed 20%, the Proposed Acquisition does not constitute a major transaction as defined in Chapter 10 of the Listing Manual. Accordingly, the Proposed Acquisition will not be subject to the approval of the Shareholders.

10. Interest of Directors and Controlling Shareholders

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition. None of the Directors or substantial shareholders of the Company is related to the Vendor.

11. Documents for Inspection

A copy of the Share Sale Agreement is available for inspection at the Company's registered office at 16 Kallang Place #01-16/18 Kallang Basin Industrial Estate Singapore 339156 for three months from the date of this Announcement.

BY ORDER OF THE BOARD
HLN TECHNOLOGIES LIMITED
Cheong Weixiong, Jeff
Group Chief Executive Officer / Executive Director
8th April 2010