
HLN TECHNOLOGIES MAKES ITS FIRST FORAY INTO THE PRC PROPERTY MARKET

- Group proposing a S\$12.7m acquisition which will give it an effective stake of 15.16% in PRC-incorporated Tianjin Swan Lake Real Estate Development Co., Ltd
- Proposed acquisition pegged at a significant discount to an independent valuation of the commercial property development by DTZ
- Shareholders' interest protected by vendor's profit guarantee and buyback undertaking
- Proposed acquisition will provide an additional source of future earnings

Singapore, 20 January 2011 – Mainboard-listed **HLN Technologies Ltd** (“**HLN**” and together with its subsidiaries, the “**Group**”), a manufacturer of customised precision metallic, elastomeric and polymeric components for diverse industries, is taking its first step to diversify and broaden the Group's earnings base through a proposed investment in Tianjin Swan Lake Real Estate Development Co., Ltd (天津天鹅湖房地产开发有限公司) (“**Tianjin Swan Lake**”), a top-end property developer in Wuqing district (武清区), Tianjin, the People's Republic of China (“**PRC**”).

Pursuant to its announcement on 20 December 2010, HLN will be taking a 15.16% stake in Tianjin Swan Lake for a total consideration of RMB64.0 million (S\$12.7 million) (“**Proposed Acquisition**”). The consideration for the Proposed Acquisition is to be satisfied by cash of RMB58.5 million (S\$11.6 million) and the issue of 2.2 million HLN treasury shares priced at **S\$0.50** each, which is at a premium of 14.3% to the Group's volume weighted average share price of S\$0.4375 on 19 January 2011.

The Proposed Acquisition is based on the valuation of Tianjin Swan Lake's commercial property project in Wuqing district – Jing Jin Business Centre (“**JJBC**”). The **JJBC** twin-tower project is a Grade 5A office building with a gross floor area (GFA) of approximately 74,488 square metres (“sq m”). This project is 100%-owned by Tianjin Swan Lake, and is fully-financed by the developer's internal resources without using external loans.

Located only 25 kilometres (km) from Tianjin city centre and 70 km from Beijing, the Wuqing district has significant development potential due to its strategic position and established transport infrastructure links to the cities of Beijing and Tianjin.

Attractive Independent Valuation of RMB645 million for JJBC

The Proposed Acquisition values **JJBC** at RMB420 million (S\$84 million), which is a significant discount to the valuation of RMB645 million (S\$129 million) conducted independently by DTZ Land and Real Estate Valuation (Shenzhen) Co., Ltd. Tianjin Subsidiary Company, an international property consultancy.

JJBC will consist of two office blocks – a 12-storey South Tower and a 16-storey North Tower, as well as 367 parking lots.

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Tianjin Swan Lake has already obtained the sales permit for the South Tower which was completed in November 2010. The estimated saleable floor area of the South Tower is around 24,420 sq m. Currently, the selling price of ground floor space is approximately RMB20,000 per sq m¹. To-date, Tianjin Swan Lake has garnered positive responses from several major PRC banks to become anchor tenants for the South Tower.

When the Proposed Acquisition is completed, sales of the commercial spaces in the South Tower are expected to start contributing positively to HLN's earnings in the current financial year, subject to the completion of the handover of sold units to buyers.

Construction of the North Tower of **JJBC** is scheduled to start in the first quarter of 2011 with completion expected within eight months. This tower will have total saleable floor area of approximately 28,983 sq m. The entire development also comprises underground carpark spaces with total GFA of around 21,085 sq m.

Profit Guarantee and Buyback Guarantee from the Vendor

HLN has negotiated with the vendor to provide a guarantee that the net operating profit after tax ("**NPAT**") margin of Tianjin Swan Lake will be **at least 30%** for the financial years ending 31 December 2011 and 31 December 2012 respectively.

In the event Tianjin Swan Lake's NPAT margin is below 30% in these two years, HLN will be compensated with an amount equivalent to 15.16% of the shortfall. If the NPAT margin falls below 23% in any of these two years, HLN has the right to exercise a put option that requires the vendor to **BUYBACK** HLN's stake in Tianjin Swan Lake at a price equal to the aggregate of all payments made by HLN in relation to the Proposed Acquisition.

Said **Mr Jeff Cheong, CEO of HLN**, "Based on the independent valuation and our estimated average selling price, we believe the Proposed Acquisition offers a good opportunity for us to enhance long-term shareholder value. Nonetheless, we have structured the deal to minimise risks to the Group and ensure the interests of our shareholders are protected.

As the first Grade 5A office building in the Wuqing Development Zone, coupled with its geographical advantage, **JJBC** is well-positioned to cater to the rising demand for premium quality office space in the area. Moreover, travelling time to Beijing is only around 20 minutes as the Beijing-Tianjin high-speed railway runs through the Wuqing station. In fact, the Wuqing Development Zone has already attracted investments from many local and overseas enterprises spanning various industries.

With its experience and expertise, we believe Tianjin Swan Lake is primed to tap into the exciting growth potential of Wuqing's property market."

¹ **Selling prices of the commercial spaces will vary according to floor level**

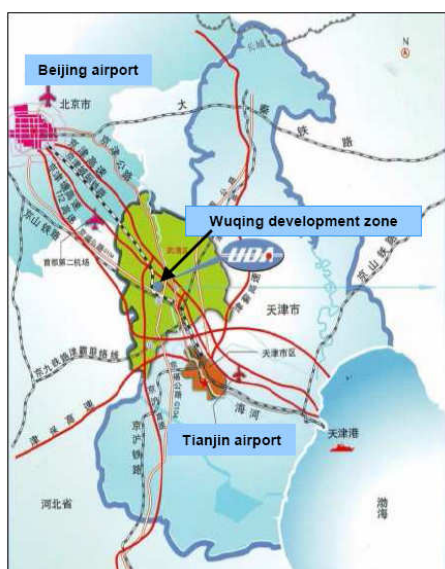
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This news release is to be read in conjunction with the Group's announcement posted on the SGX website on 20 January 2011.

Jing Jin Business Centre (京津商务中心)



Location of JJBC – Wuqing Development Zone



About HLN Technologies Limited

HLN Technologies Limited ("HLN") was incorporated in Singapore on 26 February 2004 and subsequently listed on 25 November 2005. HLN was upgraded to the SGX-ST Main Board on 22 January 2008.

HLN is involved in the manufacture and sale of a wide range of customised precision metallic, elastomeric and polymeric components, which are used in a variety of industries principally in the office automation, consumer electronics and automotive industries.

To be a one-stop solutions provider of mechanical components, HLN Tech has developed strong production capabilities including in-house material formulation and compounding to produce key raw materials, precision molding of elastomeric components, polymeric die-cutting, as well as customised machining and slitting of metallic material.

The Group is continually exploring opportunities to strengthen its existing business portfolio to enhance shareholder value over the long term.

For further information on HLN Technologies Limited, please visit the Group's website at www.hlnotech.com

华龙科技初涉中国房地产市场

- **集团提出 1270 万新元的收购提议，收购后将拥有中国天津天鹅湖房地产开发有限公司 15.16%的股权**
- **与戴德梁行做出的商业地产开发独立评估相比，收购提议享有巨大的折扣**
- **卖方作出收益及回购保证，保护了股东的利益**
- **收购提议将为未来收益提供其它来源**

新加坡，2011 年 1 月 20 日：主板上市公司**华龙科技有限公司**（以下简称“**华龙**”，华龙及其子公司，以下简称“**集团**”）为多种工业定制精密金属、弹性材料及高分子组件。该公司正着手通过对天津天鹅湖房地产开发有限公司（以下简称“**天津天鹅湖**”）的投资提议扩大集团收益。天津天鹅湖是一家高端房地产开发商，位于中华人民共和国（以下简称“**中国**”）天津武清区。

依据 2010 年 12 月 20 日作出的公告，华龙将出资 6400 万人民币（1270 万新元）在天津天鹅湖持有 15.16%的股权（以下简称“收购提议”）。收购提议资金包括现金 5850 万人民币（1160 万新元）并发行 221 万每股价格 **0.50 新元**的华龙财政股，为 2011 年 1 月 19 日集团成交量加权平均价 **0.4375 新元**溢价的 14.3%。

收购提议是根据天津天鹅湖在武清区京津商务中心（以下简称“**京津商务中心**”）的商业地产项目评定的。**京津商务中心**双子塔项目是 5A 级办公建筑，面积约为 74,488 平方米。天津天鹅湖拥有该项目的全部产权，并且由该开发商内部独立投资，无使用外部贷款。

武清区距天津市中心 25 公里，距北京仅 70 公里。凭借其优越的战略位置和已建好的连接北京和天津的交通设施，该区具有巨大的发展潜力。

京津商务中心的独立评估为人民币 6 亿 4 千 5 百万，极具吸引力

收购提议对**京津商务中心**的估价为人民币 4 亿 2 千万（新币 8 千 4 百万），对于国际土地及房地产评估咨询（深圳）公司天津分公司的戴德梁行作出的独立估价人民币 6 亿 4 千 5 百万（新币 1 亿 2 千 9 百万）有显著的折扣。

京津商务中心将由两座办公楼组成 – 南塔 12 层，北塔 16 层，设有 367 个停车位。

天津天鹅湖已获得南塔的销售许可证。该楼盘已于 2010 年 11 月建成。预计可销售楼盘面积大约为 24,420 平方米。目前，底层销售价格大约为每平方米 20,000¹ 元人民币。到目前为止，天津天鹅湖已得到中国主要银行的积极回应，希望成为南塔的主力租户。

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如果收购提议得以实现，在已销售单元移交给业主后，南塔商业区域的销售有望对华龙本财政年度的收益作出积极贡献。

京津商务中心北塔计划于 2011 年第一季度开工建设，预计 8 个月完工。北塔可销售建筑面积约为 28,983 平方米。整个发展蓝图加上地下停车场的面积将有 21,085 平方米。

卖方作出的收益及回购保证

华龙已与卖方协商，要求其保证在截至 2011 年 12 月 31 日以及 2012 年 12 月 31 日的个别财政年度，天津天鹅湖税后净营运利润率（以下简称“NPAT”）**不低于 30%**。

如果天津天鹅湖 NPAT 利润率在这 2 年内的任何一年少于 30%，华龙将获得差额 15.16% 的补偿。如果这 2 年任一年 NPAT 利润少于 23%，华龙有权行使卖出选择权，要求卖方按照华龙对收购提议所付款项总额相当的价格**回购**华龙在天津天鹅湖所持有的股份。

华龙总裁 Jeff Cheong 先生指出：“根据独立评估和我们预计的平均售价，相信收购提议是一个很好的机会，可以增加长期股东价值。尽管如此，我们也对交易作出了安排，使其对集团的风险降到最小，并且确保股东的利益得到保护。

作为武清开发区首家 5A 级办公楼，以及其优越的地理位置，**京津商务中心**具备了充足的条件，可以满足该区域日益增长的高级办公楼市场需求。此外，京津高速贯穿武清站，该区域到北京仅需 20 分钟。实际上，武清开发区已经吸引了横跨多个行业的本地及国外企业的投资。

凭借其经验及专业水平，我们相信天津天鹅湖具备了足够的条件，能够充分利用武清房地产市场巨大的发展潜力。”

本篇新闻稿应配合新加坡交易所网站 2011 年 1 月 20 日列出的集团公告释读。

¹ 各楼层商业空间销售价格不同。

京津商务中心

艺术构想图



京津商务中心南塔



京津商务中心位置 - 武清开发区



华龙科技有限公司简介

华龙科技有限公司（“华龙科技”）成立于新加坡 2004 年 2 月 26 日，于 2005 年 11 月 25 日以后上市。并在 2008 年 1 月 22 日升格进入新加坡证券交易所主板。公司参与其制造和精密的定制各种金属，橡胶和聚合物组成部分。在多种行业中，主要用于办公自动化，消费电子和汽车行业销售。

作为金属组件的一站式解决方案供应商，华龙科技具有强大的生产能力，包括自行材料配制及合成，用于生产关键原材料、弹性材料组件精密造型、聚合模切、并为客户定制加工和金属材料分切。

集团不断探索机遇，强化现有的业务组合，增加股东的长期价值。

要了解华龙科技的更多信息，请访问集团网站www.hlntech.com。

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