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**HLN DOUBLES NET PROFIT IN FY2010**

- Rebound in bottom line driven by higher Group revenue and gross profit margin
- Entering property development business in the PRC to diversify from the existing manufacturing business and to build alternative source of earnings
- Group expects to recognize a gain of around \$6.75 million upon completion of the acquisition of Tianjin Swan Lake
- Group maintains sound financial health with net cash position at the end of FY2010

**Singapore, 25 February 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, today reported that its net profit for the financial year ended 31 December 2010 (“FY2010”) doubled to \$1.0 million from \$0.5 million in FY2009.

The growth in FY2010 net profit was achieved on the back of a 3.6% increase in revenue to \$30.1 million, and higher gross profit which rose at a faster pace of 9.1% to \$10.4 million.

Amid the recovery in global economic conditions, HLN’s three business units – elastomeric, polymeric and metallic – generated higher sales in FY2010 compared to the year before. Geographically, the Group also saw a broad-based recovery in sales for its operations in Singapore, Malaysia, Indonesia and China during FY2010. In April 2010, the Group increased its stake in HLN Metal Centre Pte Ltd (“HMC”) to capitalise on the improving business environment, particularly in China.

The Group’s gross profit margin expanded to 34.4% in FY2010 from 32.7% previously, thanks to better sales margin of its elastomeric business unit and aluminium business. Despite higher marketing, distribution and administrative costs, total expenses in FY2010 were reduced due to lower finance costs and other charges.

As a result, profit attributable to owners of the Company increased 189.9% to \$1.0 million in FY2010, from \$0.4 million previously. This increase was also partly driven by the consolidation of higher profits from HMC following the increase of the Group’s equity interest in HMC from 81.35% to 99.0%.

Earlier this year in January, the Group entered into a conditional sale and purchase agreement (“Proposed Acquisition”) to effectively acquire a 15.16% 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”).

Tianjin Swan Lake is developing a twin tower Grade 5A office building – Jing Jin Business Centre (“JJBC”) – which has an expected gross floor area of about 74,888 square metres. JJBC is located in Wuqing District which is centrally situated between Beijing and Tianjin cities.

In compliance with FRS103, HLN will have to recognise a gain of \$6.75 million ("Share of Profit of Associate") upon completion of the Proposed Acquisition. This gain represents the excess of the fair value of the Group's 15.16% stake in Tianjin Swan Lake based on an independent valuation of JJBC, over the purchase consideration of \$12.7 million. However, the Share of Profit of Associate would be adjusted against the profit attributable to the Group when Tianjin Swan Lake records sales from the JJBC project and reports its financial results.

Said **Mr Jeff Cheong, CEO of HLN**, "The Proposed Acquisition is the first step of our strategy to diversify the Group's business and broaden our earnings base to enhance long-term shareholder value. We believe that the Proposed Acquisition will also be a viable avenue for the Group to participate in the PRC's economic development through the projects undertaken by Tianjin Swan Lake.

While the Group is able to leverage its competitive strengths to ride on the economic recovery particularly in Asia where our operations are located, we remain mindful of the cyclical nature and highly competitive landscape of our existing manufacturing business, as well as the vulnerability of the business environment to economic and political shocks. As such, we will continue to focus on initiatives that are aimed at ensuring our manufacturing business remains profitable."

With cash of \$12.1 million as at 31 December 2010, the Group is in sound financial health with strong net cash position. The Group intends to continue exploring other business opportunities including geographical expansion, mergers and acquisitions, as well as strategic partnerships that can add depth and breadth to HLN's existing business portfolio.

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**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 for integrated 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](http://www.hlnotech.com)