

Independent Auditors' Report

to the Members of HLN Technologies Limited (Registration No: 200402180C)

Opinion

In our opinion, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the company as at 31 December 2011 and of the results, changes in equity and cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Emphasis of Matter

We draw attention to Note 17 to the financial statements which describes the following matters:

- a) During the current reporting year, the group recognised a profit compensation amount of \$1.9 million in relation to the investment in an associate as a credit item in profit or loss, for the reasons more fully disclosed in Note 17. There is also no equity accounting of the associate's results in the group's financial statements for the current reporting year.
- b) Notwithstanding the presence of certain indicators of impairment, tests for impairment were not performed by management nor was provision for impairment in the group's investment in associate made in respect of the current reporting year for the reasons more fully disclosed in Note 17. The recoverability of the investment in associate assumes that in the event the company were to exercise the put option in accordance to the conditions stated in the said sales and purchase agreement, the vendor has the ability to repay the amount and if not, General Nice Resources (HK) Limited has the ability to meet its obligations under the deed of guarantee. The outcome of the above assumption is uncertain and there is no assurance that it will be successful. If this assumption is inappropriate, material adjustments may have to be made to write down the carrying value of the investment in associate.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



RSM Chio Lim LLP
Public Accountants and
Certified Public Accountants
Singapore

5 April 2012

Partner-in-charge of audit: Lee Mong Sheong
Effective from year ended 31 December 2010