

HLN TECHNOLOGIES LIMITED

(Incorporated in Singapore on 26 February 2004)

(Company Registration Number 200402180C)

PROPOSED DISPOSAL OF THE COMPANY'S ELASTOMERIC BUSINESS

The Board of Directors (the "**Board**") of HLN Technologies Limited (the "**Company**") refers to the announcements of the Company dated 23 July 2012, 21 August 2012, 23 October 2012, 12 November 2012, 16 November 2012, 3 December 2012, 13 December 2012 and 14 December 2012, the circular to shareholders of the Company ("**Shareholders**") dated 12 November 2012 (the "**Circular**") and the corrigendum to the Circular dated 19 November 2012 in relation to the proposed disposal by the Company of its entire shareholding interests in HLN Rubber Products Pte. Ltd. ("**HLN Rubber**") (the "**Proposed Disposal**"). Unless otherwise specified, capitalised words in this Announcement have the same meaning ascribed to them in the Circular.

(a) Reasons for non-completion of the Proposed Disposal

As of the long stop date of 7 December 2012 provided in the Agreement, the Purchaser has failed to proceed with the completion of the Proposed Disposal as required of him under the terms of the Agreement.

(b) The financial impact of the non-completion of the Proposed Disposal on the Company

The Company has incurred fees and expenses paid or payable to the independent financial adviser, the financial adviser and the legal adviser appointed by the Company for the purposes of the Proposed Disposal.

The Company is consulting its professional advisers regarding its next course of action, including the forfeiture of the Deposit of \$450,000 due to the Purchaser's failure to proceed with completion.

As the Proposed Disposal has not been completed, the Company will not receive the balance consideration amount of S\$7,297,641.56 from the disposal. Accordingly, the Company's cash resources will not be increased as originally contemplated and this may have an impact on the Company's plans to re-organise its existing business and pursue viable business opportunities as described in the Circular. The Company may also explore the possibility of undertaking further fundraising activities.

(c) Any possible course(s) of action to protect the interest of the Shareholders

Apart from the abovementioned forfeiture of the Deposit, the Company is consulting its professional advisers regarding the next course of action.

The Company will provide the Shareholders with further updates on any material developments.

By Order of the Board

Cheong Weixiong
Group Chief Executive Officer
18 December 2012