

HLI Limited

ACN 009 085 974

Announcement

“HLI targets first strategic acquisition to facilitate its beauty and related health services strategy”

27 November 2009

Perth, Australia – HLI Limited (HLI) announced today a strategic and platform acquisition that will allow it to progress its beauty and broader health strategy as mentioned in previous announcements. HLI has agreed to buy an early stage Sydney based services and products company, The Beauty Spa Company Pty Ltd (TBSC), which is in the process of rolling out a number of products and services in the beauty and spa market sector. TBSC’s core strategy is to roll out a number of franchised and managed concepts under the brands of “*The Beauty Spa*” for hotels, “*The Luxe Spa*” for middle to upper consumers generally located in shopping centers and districts, and “*The Health Spa*” which covers the broader beauty and health concepts. This acquisition also provides HLI with an online beauty products sales channel under The Luxe Shop brand, which is to be launched in Q1 2010.

The Managing Director of HLI, Mr. Knee stated that the acquisition of TBSC is a very strategic move by HLI as it provides the company with a clear product and services strategy and plan, proven management and relationships with numerous well-known product brands in the health sector. Mr. Knee also stated that this will be part of HLI’s entry strategy for this sector and believe that through this acquisition numerous other business and investment opportunities will arise.

Key Terms of the Transaction

HLI is to acquire 100% of the shares of TBSC and related entities for a total consideration of AUD3,300,000, to be paid in the form of 27,500,000 new ordinary shares in HLI to be issued at a price of AUD0.12 per share and 27,500,000 options priced at AUD0.20 valid for a period of 3-years from the date of issue. To complete the transaction, HLI will need to undergo a capital reorganization of its shares which will be part of the shareholder approval process referred to below. The shares to be issued to complete the transaction, will be post reorganization of HLI’s capital structure. The acquisition will be subject to completion of final due diligence and shareholder approval at an Extraordinary General Meeting, the date of which has yet to be set. These conditions need to be satisfied by 26 February 2010 unless HLI and the vendor of the shares agree to extend the date for completion

Following completion of the transaction, it is proposed a rights issue will be undertaken to provide expansion and operating capital. Application will then be made for the re-quotations of HLI on ASX. This may see a change of company name to a more related brand name that suits its business strategy going forward.

Mr. Knee stated that he believes this will be a key step in recreating shareholder value and building the company going forward.

About HLI

HLI is currently restructuring and positioning itself to implement a broader beauty and health related strategy in the growth markets of Australia, Asia and China, and is looking to position itself with leading brands and services to achieve this.

About TBSC

The Beauty Spa Company Pty Ltd (TBSC) is an early stage business that has proven products, services and relationships in the broader beauty and health sector, and is looking to expand aggressively over the next 3 to 5 years in Australia and possibly Asia.
www.thebeautyspacompany.com

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