

**BAN LEONG TECHNOLOGIES LIMITED**
**Half Year Financial Statement and Dividend Announcement For The Period Ending 30 September 2016**
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR FINANCIAL RESULTS**

1(a) **An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

**BAN LEONG TECHNOLOGIES LIMITED  
CONSOLIDATED INCOME STATEMENT**

	Group		
	01.04.2016 to 30.09.2016 S\$	01.04.2015 to 30.09.2015 S\$	Increase/ (Decrease)
<b>Revenue</b>	73,063,288	69,222,090	5.55%
Cost of sales	(66,013,010)	(61,803,060)	6.81%
<b>Gross profit</b>	<b>7,050,278</b>	<b>7,419,030</b>	<b>(4.97%)</b>
	9.65%	10.72%	
Other operating income	47,379	31,111	52.29%
Selling and distribution expenses	(3,276,532)	(3,386,843)	(3.26%)
General and administrative expenses	(2,537,042)	(2,286,486)	10.96%
<b>Profit from operations before foreign exchange</b>	<b>1,284,083</b>	<b>1,776,812</b>	<b>(27.73%)</b>
Foreign exchange gain/(loss)	8,651	(1,232,582)	(100.70%)
<b>Profit from operations</b>	<b>1,292,734</b>	<b>544,230</b>	<b>137.53%</b>
Financial expenses (Note A)	(85,830)	(102,628)	(16.37%)
Financial income	2,547	635	301.06%
<b>Profit before taxation</b>	<b>1,209,451</b>	<b>442,237</b>	<b>173.49%</b>
Taxation	(276,040)	(310,062)	(10.97%)
<b>Profit after taxation</b>	<b>933,411</b>	<b>132,175</b>	<b>606.19%</b>
<b>Attributable to:</b>			
Owners of the Company	842,911	36,178	2229.92%
Non controlling interests	90,500	95,997	(5.73%)
	<b>933,411</b>	<b>132,175</b>	<b>606.19%</b>
<b>Other comprehensive income :</b>			
Foreign currency translation	(125,656)	(340,962)	(63.15%)
	<b>(125,656)</b>	<b>(340,962)</b>	<b>(63.15%)</b>
<b>Other comprehensive income for the period, net of tax</b>			
<b>Total comprehensive income for the period</b>	<b>807,755</b>	<b>(208,787)</b>	<b>(486.88%)</b>
Total comprehensive income attributable to :			
Owners of the Company	757,995	(258,608)	(393.11%)
Non controlling interests	49,760	49,821	(0.12%)
	<b>807,755</b>	<b>(208,787)</b>	<b>(486.88%)</b>

Note 1- **Profit before income tax is stated after (charging) /crediting the following:**

	Group		
	01.04.2016 to 30.09.2016 S\$	01.04.2015 to 30.09.2015 S\$	Increase/ (Decrease)
Allowance for doubtful trade receivables	(48,000)	(74,336)	(35.43%)
Depreciation of property, plant and equipment	(119,813)	(155,469)	(22.93%)
Write back of inventory obsolescence	318,648	403,991	(21.12%)

Note A

	Group		
	01.04.2016 to 30.09.2016 S\$	01.04.2015 to 30.09.2015 S\$	Increase/ (Decrease)
Financial expenses			
Trade bill interest	23,065	16,593	39.00%
Loan interest	57,698	80,530	(28.35%)
Finance lease interest	5,067	5,505	(7.95%)
	<b>85,830</b>	<b>102,628</b>	<b>(16.37%)</b>

n.m. = not meaningful

1(b)(i) **A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial period**

**BAN LEONG TECHNOLOGIES LIMITED  
BALANCE SHEETS**

	Group		Company	
	30.09.2016	31.03.2016	30.09.2016	31.03.2016
	S\$	S\$	S\$	S\$
<b>Non-current assets</b>				
Property, plant and equipment	574,797	599,229	381,204	378,768
Investment in subsidiaries	-	-	119,183	119,182
Deferred tax assets	180,730	188,882	-	-
	755,527	788,111	500,387	497,950
<b>Current assets</b>				
Inventories	24,990,904	22,815,343	12,996,402	12,524,921
Trade receivables	20,264,462	21,697,689	20,660,666	20,557,829
Other receivables and deposits	1,089,385	624,712	2,266,749	1,887,198
Prepayments	103,639	153,296	60,666	67,445
Cash and bank balances	10,394,672	11,617,645	8,609,978	9,855,875
	56,843,062	56,908,685	44,594,461	44,893,268
<b>Current Liabilities</b>				
Trade payables	(20,507,963)	(18,874,344)	(17,108,495)	(16,050,139)
Bills payable to banks (unsecured)	(6,677,970)	(8,694,155)	(5,934,890)	(7,590,847)
Other payables and accruals	(5,193,045)	(4,419,862)	(3,516,791)	(3,132,213)
Hire-purchase liabilities	(110,133)	(133,207)	(104,811)	(127,280)
Provision for taxation	(903,755)	(822,181)	(861,915)	(641,315)
	(33,392,866)	(32,943,749)	(27,526,902)	(27,541,794)
<b>Net current assets</b>	23,450,196	23,964,936	17,067,559	17,351,474
<b>Non-current liabilities</b>				
Hire-purchase liabilities	(91,273)	(126,692)	(91,273)	(124,133)
Deferred tax liabilities	(16,342)	(16,342)	(16,342)	(16,342)
<b>Net assets</b>	24,098,108	24,610,013	17,460,331	17,708,949
<b>Equity attributable to owners of the Company</b>				
Share capital	11,173,106	11,173,106	11,173,106	11,173,106
Returned shares	(104,822)	(104,822)	(104,822)	(104,822)
Treasury shares	(248,034)	(88,904)	(248,034)	(88,904)
Other reserve	65,685	65,685	-	-
Retained earnings	13,288,358	13,605,977	6,640,081	6,729,569
Foreign currency translation reserve	(1,090,482)	(1,005,566)	-	-
	23,083,811	23,645,476	17,460,331	17,708,949
Non controlling interests	1,014,297	964,537	-	-
<b>Total equity</b>	24,098,108	24,610,013	17,460,331	17,708,949

1(b)(ii) **Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

30.09.2016		31.03.2016	
Secured	Unsecured	Secured	Unsecured
110,133	6,677,970	133,207	8,694,155

**Amount repayable after one year**

30.09.2016		31.03.2016	
Secured	Unsecured	Secured	Unsecured
91,273	-	126,692	-

**Details of any collateral**

Finance lease is secured by the fixed assets acquired under the lease arrangement.

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period**

**BAN LEONG TECHNOLOGIES LIMITED  
CASH FLOW STATEMENTS**

	Group	
	01.04.2016 to 30.09.2016	01.04.2015 to 30.09.2015
	S\$	S\$
<b>Cash flows from operating activities</b>		
Profit before taxation	1,209,451	442,237
Adjustments for:		
Depreciation of property, plant and equipment	119,813	155,469
Allowance for doubtful trade receivables	48,000	74,336
Write back of inventory obsolescence	(318,648)	(403,991)
Interest expense	85,830	102,628
Interest income	(2,547)	(635)
Translation difference	(133,397)	(167,479)
<b>Operating profit before working capital changes</b>	1,008,502	202,565
(Increase)/decrease in		
Inventories	(1,856,913)	1,627,167
Trade receivables	1,385,227	(492,410)
Other receivables and deposits	(464,673)	(249,131)
Prepayments	49,657	(58,418)
Increase/(decrease) in :		
Trade payables	1,633,619	(2,150,735)
Bills payable to banks (unsecured)	(2,016,185)	(757,856)
Other payables and accruals	773,183	77,769
<b>Cash generated from operations</b>	512,417	(1,801,049)
Interest expense paid	(85,830)	(102,628)
Interest income received	2,547	635
Income tax paid	(186,313)	(309,401)
<b>Net cash generated from operating activities</b>	242,821	(2,212,443)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(93,686)	(56,028)
<b>Net cash used in investing activities</b>	(93,686)	(56,028)
<b>Cash flow from financing activities</b>		
Repayment of hire purchase liabilities	(58,492)	45,936
Purchase of treasury shares	(159,131)	(4,574)
Dividend paid	(1,160,530)	(1,160,760)
<b>Net cash used in financing activities</b>	(1,378,153)	(1,119,398)
<b>Net decrease in cash and cash equivalents</b>	(1,229,018)	(3,387,869)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	6,045	(150,813)
<b>Cash and cash equivalents at the beginning of the period</b>	11,617,645	11,685,304
<b>Cash and cash equivalents at the end of the period</b>	10,394,672	8,146,622

1 (d)(i)

A statement (for the issuer and group) showing either (i) all changes in the equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

## STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								Non controlling interests	Total equity
	Share capital	Returned shares	Treasury shares	Retained earnings	Foreign currency translation reserves	Other Reserve	Total equity attributable to owners of the parent			
<b>2016/17 Group</b>										
Opening balance at 1 April 2016	11,173,106	(104,822)	(88,904)	13,605,977	(1,005,566)	65,685	23,645,476	964,537	24,610,013	
Profit for the period	-	-	-	842,911	-	-	842,911	90,500	933,411	
Other comprehensive income for the period	-	-	-	-	(84,916)	-	(84,916)	(40,740)	(125,656)	
Total comprehensive income for the period	-	-	-	842,911	(84,916)	-	757,995	49,760	807,755	
Purchase of treasury shares	-	-	(159,130)	-	-	-	(159,130)	-	(159,130)	
Dividends	-	-	-	(1,160,530)	-	-	(1,160,530)	-	(1,160,530)	
Balance as at 30 September 2016	11,173,106	(104,822)	(248,034)	13,288,358	(1,090,482)	65,685	23,083,811	1,014,297	24,098,108	

	Attributable to owners of the Company								Non controlling interests	Total equity
	Share capital	Returned shares	Treasury shares	Retained earnings	Foreign currency translation reserves	Other Reserve	Total equity attributable to owners of the parent			
<b>2015/16 Group</b>										
Opening balance at 1 April 2015	11,173,106	(104,822)	(84,329)	12,709,033	(734,544)	65,685	23,024,129	805,745	23,829,874	
Profit for the period	-	-	-	36,178	-	-	36,178	95,997	132,175	
Other comprehensive income for the period	-	-	-	-	(294,786)	-	(294,786)	(46,176)	(340,962)	
Total comprehensive income for the period	-	-	-	36,178	(294,786)	-	(258,608)	49,821	(208,787)	
Purchase of treasury shares	-	-	(4,575)	-	-	-	(4,575)	-	(4,575)	
Dividends	-	-	-	(1,160,760)	-	-	(1,160,760)	-	(1,160,760)	
Balance as at 30 September 2015	11,173,106	(104,822)	(88,904)	11,584,451	(1,029,330)	65,685	21,600,186	855,566	22,455,752	

	Attributable to owners of the Company					Total equity
	Share capital	Returned shares	Treasury shares	Retained earnings		
<b>2016/17 Company</b>						
Opening balance as at 1 April 2016	11,173,106	(104,822)	(88,904)	6,729,569	17,708,949	
Profit for the period	-	-	-	1,071,042	1,071,042	
Total comprehensive income for the period	-	-	-	1,071,042	1,071,042	
Purchase of treasury shares	-	-	(159,130)	-	(159,130)	
Dividends	-	-	-	(1,160,530)	(1,160,530)	
Balance as at 30 September 2016	11,173,106	(104,822)	(248,034)	6,640,081	17,460,331	

	Attributable to owners of the Company					Total equity
	Share capital	Returned shares	Treasury shares	Retained earnings		
<b>2015/16 Company</b>						
Opening balance as at 1 April 2015	11,173,106	(104,822)	(84,329)	5,088,702	16,072,657	
Profit for the period	-	-	-	1,669,867	1,669,867	
Total comprehensive income for the period	-	-	-	1,669,867	1,669,867	
Purchase of treasury shares	-	-	(4,575)	-	(4,575)	
Dividends	-	-	-	(1,160,760)	(1,160,760)	
Balance as at 30 September 2015	11,173,106	(104,822)	(88,904)	5,597,809	16,577,189	

1 (d)(ii) Detail of any changes in the company's share capital arising from rights issues, bonus issues, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition of for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Treasury shares	HY2015/16		HY2015/16	
	No. of share	S\$	No. of share	S\$
Balance as at 1 April	447,000	88,904	424,000	84,329
Purchased during the period	771,000	159,130	23,000	4,575
Balance as at 30 September	1,218,000	248,034	447,000	88,904

1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30.09.2016	30.09.2015
Total no. of issued shares (excluding treasury shares and returned shares)	115,282,000	116,053,000

1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial year report on

Not applicable as there were no sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the financial year.

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared to the most recent audited financial statements for the financial year ended 31 March 2016.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all applicable new and revised FRS that become effective during the new financial year and has no significant impact to the Group.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per ordinary share (cents)	Group	
	30.09.2016	30.09.2015
Based on weighted average number of ordinary shares in issue	0.73	0.03
Based on a fully diluted basis	0.73	0.03

The earnings per share for the period ended 30 September 2016 was calculated based on profit attributable to owners of the Company divided by 115,282,000 shares, excluding 1,218,000 treasury shares and 681,818 returned shares . (HY2015/16 : 116,053,000 shares, excluding 447,000 treasury shares and 681,818 returned shares).

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	30.09.2016	31.03.2016	30.09.2016	31.03.2016
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital as at the end of the year reported on	20.02	20.37	15.15	15.26

Net asset value per ordinary share for period ended 30 September 2016 was calculated based on net assets of the Group and Company after deducting non controlling interests divided by 115,282,000 shares, excluding 1,218,000 treasury shares and 681,818 returned shares. (FY2015/16 : 116,053,000 shares, excluding 447,000 treasury shares and 681,818 returned shares).

**A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Turnover, Earnings & Cost

Revenue increased by \$3.9mil or 5.6% from \$69.2mil in HY2015/16 to \$73.1mil in HY2016/17 mainly from the South East Asia market. The multimedia segment registered the highest improvement as the Group increased its market share in Singapore. Revenue contribution from Australia decreased as the market sentiment remained weak. South East Asia markets accounted for about 97.1% of Group revenue while Australia contributed to the balance.

Gross profits decreased by \$0.3mil or 5.0% from \$7.4mil in HY2015/16 to \$7.1mil in HY2016/17. Gross margin decreased from 10.7% in HY2015/16 to 9.7% in HY2015/16 due to higher cost of purchase from appreciation of USD against SGD as compared to the previous financial year.

Other operating income increased by \$16.3k or 52.3% from \$31.1k in HY2015/16 to \$47.4k in HY2016/17. The Group recorded a higher Special Employment Credit and Temporary Employment Credit in this financial period.

Selling and distribution expenses decreased by \$0.1mil or 3.3% from \$3.4mil in HY2015/16 to \$3.3mil in HY2016/17 as the Group reduced spending in marketing and distribution costs. A lower allowance for doubtful debts was made for HY2016/17 as compared to previous financial year.

General and administrative expenses increased by \$0.2mil or 11.0% from \$2.3mil in HY2015/16 to \$2.5mil in HY2016/17. The increased was attributed to higher staff related expenses incurred in this financial period. Depreciation of property, plant and equipment reduced by \$35.7k or 22.9% to \$119.8k in HY2016/17 as some property, plant and equipment were fully depreciated as of FY2016/17.

In HY2015/16, the Group recorded an exchange loss of \$1.2mil from appreciation of USD against most currencies in the South East Asia region. The USD has since stabilised and the Group recorded a slight foreign exchange gain in HY2016/17.

Finance expenses decreased to \$85.8k or 16.4% and this accounted for 1.5% (HY2015/16:1.8%) of total operating costs. These were mainly incurred to support regional operations.

Assets & Liabilities, Cash flow

Non current assets decreased by \$32.6k or 4.1% from \$788.1k in FY2015/16 to \$755.5k in HY16/17 mainly from depreciation of property, plant and equipment.

The Group saw trade receivables decreased by \$1.4mil or 6.6% from \$21.7mil in FY2015/16 to \$20.3mil in HY2016/17. The trade receivables turnover in days increased to about 53 days (FY2015/16:51 days).

Specific allowance has been made for doubtful debts after due consideration by the management and Board.

The trade payables increased by \$1.6mil or 8.7% from \$18.9mil in FY2015/16 to \$20.5mil in HY2016/17 with turnover days increased to 55days in HY2016/17 (FY2015/16:53 days).

Inventory increased by \$2.2mil or 9.5% from \$22.8mil in FY2015/16 to \$25.0mil in HY2016/17. Inventory turnover in days reduced to 66 days (FY2015/16: 67 days). Specific allowance has been made for slow moving items and management deems it as adequate.

The Group has utilised credit facilities from banks such as bills payable to support regional growth and finance the purchase of inventory.

**Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No forecasts have been provided previously.

**A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The uncertainties in the markets that we operate in continue to pose challenges. While there are continuous new products being introduced in these markets, and these products are welcomed by our customers, there are still challenges ahead. We will continue to explore opportunities in China and other new markets, and will also explore other collaboration opportunities that can be beneficial to shareholders.

At the same time, we will continue to be prudent in our cash flow management, and ensure that our inventories and receivables are well managed.

11 **If a decision regarding dividend has been made:-**  
**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No interim dividend is recommended.

**(b)(i) Current financial period**

No interim dividend is recommended.

**(b)(ii) Corresponding Period of the Immediately Preceding Financial Year**

No interim dividend is recommended.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. If the dividend is not taxable in the hands of shareholders, this must be stated)**

Not applicable

**(d) Date payable**

Not applicable

**(e) Books closure date**

Not applicable

12 **If no dividend has been declared/recommendeded, a statement to that effect**

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**(This is not applicable to Q1, Q2, Q3 or half year results)**

13 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable.

14 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable.

15 **A breakdown of sales**

Not applicable.

16 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable.

17 **Interested Person Transactions**

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	SS	SS
Sales of goods to BEIJING LAVA TECHNOLOGY DEVELOP CO., LTD	-	376,756

**ON BEHALF OF THE BOARD**

**RONALD TENG WOO BOON**  
**MANAGING DIRECTOR**

Date: 11 November 2016

**BAN LEONG TECHNOLOGIES LIMITED**

Company Registration No:199303898C

**STATEMENT PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the Group and the Company for the period ending 30 September 2016, to be false or misleading in any material aspect.

**ON BEHALF OF THE BOARD OF DIRECTORS**

Teng Woo Boon  
Managing Director

Neo Gim Kiong  
Non Executive Director

Singapore  
Date: 11 November 2016