

BAN LEONG TECHNOLOGIES LIMITED
Half Year Financial Statement and Dividend Announcement For The Period Ending 30 September 2015
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL 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		
	01.04.2015 to 30.09.2015 S\$	01.04.2014 to 30.09.2014 S\$	Increase/ (Decrease)
Revenue	69,222,090	67,456,811	2.62%
Cost of sales	(61,803,060)	(60,081,988)	2.86%
Gross profit	7,419,030	7,374,823	0.60%
	10.72%	10.93%	
Other operating income	31,111	150,349	(79.31%)
Selling and distribution expenses	(3,386,843)	(3,680,264)	(7.97%)
General and administrative expenses	(3,519,068)	(2,354,552)	49.46%
Profit from operations	544,230	1,490,356	(63.48%)
Financial expenses (Note A)	(102,628)	(83,395)	23.06%
Financial income	635	2,725	(76.69%)
Operating profit before taxation	442,237	1,409,686	(68.63%)
Taxation	(310,062)	(345,488)	(10.25%)
Profit after taxation	132,175	1,064,198	(87.58%)
Attributable to:			
Owners of the Company	36,178	1,041,050	(96.52%)
Non controlling interests	95,997	23,148	314.71%
	132,175	1,064,198	(87.58%)
Other comprehensive income :			
Foreign currency translation	(340,962)	73,986	(560.85%)
Other comprehensive income for the period, net of tax	(340,962)	73,986	(560.85%)
Total comprehensive income for the period	(208,787)	1,138,184	(118.34%)
Total comprehensive income attributable to :			
Owners of the Company	(258,608)	1,155,573	(122.38%)
Non controlling interests	49,821	(17,389)	(386.51%)
	(208,787)	1,138,184	(118.34%)

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

	Group		
	01.04.2015 to 30.09.2015 S\$	01.04.2014 to 30.09.2014 S\$	Increase/ (Decrease)
Allowance for doubtful trade receivables	(74,336)	(152,495)	(51.25%)
Amortisation of intangibles	-	(43,044)	(100.00%)
Depreciation of property, plant and equipment	(155,469)	(144,577)	7.53%
Foreign exchange (loss)/gain, net	(1,232,582)	111,082	(1209.61%)
Gain on disposal of property, plant and equipment	-	5,142	(100.00%)
Write back of allowance for inventory obsolescence	403,991	418,917	(3.56%)

Note A

	Group		
	01.04.2015 to 30.09.2015 S\$	01.04.2014 to 30.09.2014 S\$	Increase/ (Decrease)
Financial expenses			
Trade bill interest	16,593	18,329	(9.47%)
Loan interest	80,530	60,769	32.52%
Finance lease interest	5,505	4,297	28.12%
	102,628	83,395	23.06%

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

BAN LEONG TECHNOLOGIES LIMITED
BALANCE SHEETS

	Group		Company	
	30.09.2015	31.03.2015	30.09.2015	31.03.2015
	S\$	S\$	S\$	S\$
Non-current assets				
Property, plant and equipment	605,467	727,033	350,484	407,145
Investment in subsidiaries	-	-	283,892	283,891
Investment in unquoted equity shares	-	-	-	-
Investment in joint venture	-	-	-	-
Amount owed by subsidiary	-	-	2,939,000	2,571,500
Deferred tax assets	122,923	141,246	-	-
Intangible assets	354,111	354,657	-	546
	1,082,501	1,222,936	3,573,376	3,263,082
Current assets				
Inventories	23,410,714	24,633,890	13,251,450	14,869,895
Trade receivables	18,733,664	18,315,590	16,697,733	15,884,196
Other receivables and deposits	1,282,278	1,033,147	2,040,185	525,945
Prepayments	210,543	152,125	96,450	92,079
Cash and bank balances	8,146,622	11,685,304	6,184,651	9,334,546
	51,783,821	55,820,056	38,270,469	40,706,661
Current Liabilities				
Trade payables	(16,162,363)	(18,313,098)	(12,885,361)	(15,088,670)
Bills payable to banks (unsecured)	(9,427,670)	(10,185,526)	(8,788,373)	(9,215,175)
Other payables and accruals	(3,851,698)	(3,773,929)	(2,711,121)	(2,731,809)
Hire-purchase liabilities	(98,222)	(69,041)	(91,848)	(58,591)
Provision for taxation	(746,114)	(763,778)	(674,897)	(708,470)
	(30,286,067)	(33,105,372)	(25,151,600)	(27,802,715)
Net current assets	21,497,754	22,714,684	13,118,869	12,903,946
Non-current liabilities				
Hire-purchase liabilities	(108,845)	(92,089)	(103,628)	(82,944)
Deferred tax liabilities	(15,657)	(15,657)	(11,427)	(11,427)
Net assets	22,455,753	23,829,874	16,577,190	16,072,657
Equity attributable to owners of the Company				
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	(88,903)	(84,329)	(88,903)	(84,329)
Other reserve	65,685	65,685	-	-
Retained earnings	11,584,451	12,709,033	5,597,809	5,088,702
Foreign currency translation reserve	(1,029,330)	(734,544)	-	-
	21,600,187	23,024,129	16,577,190	16,072,657
Non controlling interests	855,566	805,745	-	-
Total equity	22,455,753	23,829,874	16,577,190	16,072,657

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

Amount repayable in one year or less, or on demand

30.09.2015		31.03.2015	
Secured	Unsecured	Secured	Unsecured
98,222	9,427,670	69,041	10,185,526

Amount repayable after one year

30.09.2015		31.03.2015	
Secured	Unsecured	Secured	Unsecured
108,845	-	92,089	-

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 year**

BAN LEONG TECHNOLOGIES LIMITED
CASH FLOW STATEMENTS

	Group	
	01.04.2015 to 30.09.2015 S\$	01.04.2014 to 30.09.2014 S\$
Cash flows from operating activities		
Profit before taxation	442,237	1,409,686
Adjustments for:		
Depreciation of property, plant and equipment	155,469	144,577
Amortisation of intangibles	-	43,044
Gain on disposal of property, plant and equipment	-	(5,142)
Allowance for doubtful trade receivables	74,336	152,495
Write back of allowance for inventory obsolescence	(403,991)	(418,917)
Interest expense	102,628	83,395
Interest income	(635)	(2,725)
Translation difference	(167,479)	82,776
Operating profit before working capital changes	202,565	1,489,189
Decrease/(increase) in		
Inventories	1,627,167	(1,219,529)
Trade receivables	(492,410)	1,806,677
Other receivables and deposits	(249,131)	89,872
Prepayments	(58,418)	119,778
(Decrease)/increase in		
Trade payables	(2,150,735)	1,705,975
Bills payable to banks (unsecured)	(757,856)	(1,896,518)
Other payables and accruals	77,769	352,895
Cash (used in)/generated from operations	(1,801,049)	2,448,339
Interest expense paid	(102,628)	(83,395)
Interest income received	635	2,725
Income tax paid	(309,401)	(328,696)
Net cash (used in)/generated from operating activities	(2,212,443)	2,038,973
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	5,142
Purchase of unquoted equity shares ⁽¹⁾	-	(14,615)
Purchase of property, plant and equipment	(56,028)	(193,923)
Net cash used in investing activities	(56,028)	(203,396)
Cash flow from financing activities		
Repayment of hire purchase liabilities	45,936	(33,052)
Purchase of treasury shares	(4,574)	(16,017)
Dividend paid	(1,160,760)	(1,161,250)
Net cash used in financing activities	(1,119,398)	(1,210,319)
Net (decrease)/increase in cash and cash equivalents	(3,387,869)	625,258
Effect of exchange rate changes on cash and cash equivalents	(150,813)	(8,994)
Cash and cash equivalents at the beginning of the period	11,685,304	11,677,997
Cash and cash equivalents at the end of the period	8,146,622	12,294,261

⁽¹⁾ The Group announced its subscription of equity interest in Avantouch Systems Pte Ltd in August 2012.

In June 2014, the Group subscribed for additional 3,205 ordinary shares in Avantouch System Pte Ltd. In aggregate, the Group is holding 273,476 ordinary shares, representing approximately 2.37% equity interest in the capital of Avantouch Systems Pte Ltd through its wholly owned subsidiary, AV Labs International Pte Ltd.

The wholly owned subsidiary, AV Labs International Pte Ltd, fully impaired the investment in Avantouch System Pte Ltd in financial year ended 31 March 2015.

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							Total equity attributable to owners of the parent	Non controlling interests	Total equity
	Share capital	Returned shares	Treasury shares	Retained earnings	Foreign currency translation reserves	Other Reserve				
2015/16 Group										
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	-	-	(4,574)	-	-	-	(4,574)	-	(4,574)	
Dividends	-	-	-	(1,160,760)	-	-	(1,160,760)	-	(1,160,760)	
Balance as at 30 September 2015	11,173,106	(104,822)	(88,903)	11,584,451	(1,029,330)	65,685	21,600,187	855,566	22,455,753	

	Attributable to owners of the Company							Total equity attributable to owners of the parent	Non controlling interests	Total equity
	Share capital	Returned shares	Treasury shares	Retained earnings	Foreign currency translation reserves	Other Reserve				
2014/15 Group										
Opening balance at 1 April 2014	11,173,106	(104,822)	(68,312)	13,080,993	(727,109)	65,685	23,419,541	670,800	24,090,341	
Profit for the period	-	-	-	1,041,050	-	-	1,041,050	23,148	1,064,198	
Other comprehensive income for the period	-	-	-	-	114,523	-	114,523	(40,537)	73,986	
Total comprehensive income for the period	-	-	-	1,041,050	114,523	-	1,155,573	(17,389)	1,138,184	
Dividends	-	-	-	(1,161,250)	-	-	(1,161,250)	-	(1,161,250)	
Purchase of treasury shares	-	-	(16,017)	-	-	-	(16,017)	-	(16,017)	
Balance as at 30 September 2014	11,173,106	(104,822)	(84,329)	12,960,793	(612,586)	65,685	23,397,847	653,411	24,051,258	

	Share capital	Returned shares	Treasury shares	Retained earnings	Total equity
2015/16 Company					
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	-	-	(4,574)	-	(4,574)
Dividends	-	-	-	(1,160,760)	(1,160,760)
Balance as at 30 September 2015	11,173,106	(104,822)	(88,903)	5,597,809	16,577,190

	Share capital	Returned shares	Treasury shares	Retained earnings	Total equity
2014/15 Company					
Opening balance as at 1 April 2014	11,173,106	(104,822)	(68,312)	12,742,215	23,742,187
Profit for the period	-	-	-	1,716,289	1,716,289
Total comprehensive income for the period	-	-	-	1,716,289	1,716,289
Purchase of treasury shares	-	-	(16,017)	-	(16,017)
Dividends	-	-	-	(1,161,250)	(1,161,250)
Balance as at 30 September 2014	11,173,106	(104,822)	(84,329)	13,297,254	24,281,209

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		HY2014/15	
	No. of share	S\$	No. of share	S\$
Balance as at 1 April	424,000	84,329	354,000	68,312
Purchased during the period	23,000	4,574	70,000	16,017
Balance as at 30 September	447,000	88,903	424,000	84,329

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.

	30.09.2015	30.09.2014
Total no. of issued shares (excluding treasury shares and returned shares)	116,053,000	116,076,000

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 period.

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 2015.

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	
	30.09.2015	30.09.2014
Based on weighted average number of ordinary shares in issue	0.03	0.90
Based on a fully diluted basis	0.03	0.90

The earnings per share for the period ending 30 September 2015 was calculated based on profit attributable to owners of the Company divided by 116,053,000 shares, excluding 447,000 treasury shares and 681,818 returned shares . (HY2014/15 : 116,076,000 shares, excluding 424,000 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	
	30.09.2015	31.03.2015	30.09.2015	31.03.2015
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital as at the end of the year reported on	18.61	19.84	14.28	13.85

Net asset value per ordinary share for period ending 30 September 2015 was calculated based on net assets of the Group and Company after deducting non controlling interests divided by 116,053,000 shares, excluding 447,000 treasury shares and 681,818 returned shares. (FY2014/15 : 116,076,000 shares, excluding 424,000 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

Excluding exchange difference, the Group recorded an improvement in profit from operations of \$0.4mil or 28.8% from \$1.4mil in HY2014/15 to \$1.8mil in HY2015/16. Profit from operations decreased \$1.0mil or 63.5% from \$1.5mil in HY2014/15 to \$0.5mil in HY2015/16 due to the strengthening of USD.

Revenue increased by \$1.7mil or 2.6% from \$67.5mil in HY2014/15 to \$69.2mil in HY2015/16 from higher revenue contributions from South East Asia market. The accessories segment registered the highest improvement as the Group secured new distribution rights to a new brands in Thailand. Revenue contribution from Australia decreased as the market sentiment remained weak. South East Asia markets accounted for about 96.0% of Group revenue while Australia contributed to the balance.

Gross profits remained relatively stable at \$7.4mil for both periods. Gross margin dropped marginally from 10.9% in HY2014/15 to 10.7% in HY2015/16.

Other operating income decreased by \$119.2k or 79.3% from \$150.3k in HY2014/15 to \$31.1k in HY2015/16 due to the cessation of royalty fee received from a sub distributor as agreement expired in October 2014.

Selling and distribution expenses decreased by about \$0.3mil or 8.0% from \$3.7mil in HY2014/15 to \$3.4mil in HY2015/16 mainly from lower provision of doubtful debts and reduced spending in distribution and marketing expenses.

General and administrative expenses increased by \$1.1mil or 49.5% from \$2.4mil in HY2014/15 to \$3.5mil in HY2015/16 mainly contributed by exchange loss of \$1.2mil from appreciation of USD. If the exchange difference is excluded, general administrative expenses will be \$2.3mil in HY2015/16 as compared to \$2.5mil in HY2014/15 from reduced staff related and office expenses. Amortisation and depreciation expenses reduced by \$32.2k or 17.1% in aggregate as the Group has deferred the assessment of amortisation to the end of the financial year.

Finance expenses increased about \$19.2k or 23.0% and this accounted for 1.5% (HY2014/15: 1.4%) of total operating costs. These were mainly incurred to support regional operations.

Assets & Liabilities, Cash flow

Non current assets decreased by \$0.1mil or 11.5% from \$1.2mil in FY14/15 to \$1.1mil in HY15/16 mainly from depreciation of property, plant and equipment.

The Group saw trade receivables increased by \$0.4mil or 2.3% from \$18.3mil in FY2014/15 to \$18.7mil in HY2015/16 and trade receivables turnover in days decreased to about 49days (FY2014/15: 50 days).

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

The trade payables decreased \$2.2mil or 11.7% to \$16.2mil with turnover days increased to 51 days in HY2015/16 (FY2014/15: 48 days).

Inventory decreased by \$1.2mil or 5.0% from \$24.6mil in FY2014/15 to \$23.4mil in HY2015/16. Inventory turnover in days increased to 71 days (FY2014/15: 68 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.

The Group recorded a negative cash generated from operations of \$1.8mil as a higher amount was paid out to trade creditors during the period.

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 IT industry continues to face challenges ahead, especially in this region where the economy is not expected to be bullish. The strengthening of the USD vs the currencies of the markets that we operate in will also present another challenge that the Group need to manage and overcome.

The Group will continue to explore opportunities for the China market, where despite a slowing economy, still present a growth opportunity as the younger generation is perceived to be more open to the IT gadgets with the presence and expansion of the social media space.

Management have been and will continue to look for potential collaboration/merger and/or acquisition/disposal opportunities for our Australian subsidiary to overcome the losses that have impacted the Group in the past few years.

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 or 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

The Company did not obtain a shareholder's mandate for interested person transactions

ON BEHALF OF THE BOARD

**RONALD TENG WOO BOON
MANAGING DIRECTOR**

Date: 13 November 2015

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 2015, 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: 13 November 2015