



BAN LEONG TECHNOLOGIES LIMITED

(Company Registration No. 199303898C)
(Incorporated in the Republic of Singapore)

RESPONSE TO FURTHER QUERIES FROM THE EXCHANGE ON THE ANNOUNCEMENT REGARDING THE PROPOSED DISPOSAL OF AUDION INNOVISION PTY. LTD.

Capitalised terms which are not defined in this announcement have the same meaning as ascribed to them in the Company's announcement dated 14 November 2016 and 22 November 2016 ("Announcements").

The Board of Directors (the "**Board**") of Ban Leong Technologies Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the Announcements regarding the Proposed Disposal. The Company has received the following further queries from the Exchange regarding the Announcements ("**SGX Queries**") and sets out its responses as follows:

SGX Query 1

Please provide the basis for the final Purchase Price (ie. the relevant accounts reference date).

The Company's response to SGX Query 1

The basis for the final Purchase Price is:

- (i) The intangible assets of Audion fixed at the value of AUD150,000;
- (ii) The value of the fixed assets of Audion as at 11 November 2016; and
- (iii) 95% of the value of the accounts receivable of Audion as at 11 November 2016.

The Company and the Purchaser have mutually agreed to use the management accounts of Audion as at 11 November 2016 to determine the final Purchase Price in order to expedite the Completion process.

SGX Query 2

Please clarify the basis for the Inventory Price.

The Company's response to SGX Query 2

The basis for calculating the Inventory Price is a 5% discount on the book value of the total inventory stated in Audion's management accounts as at 11 November 2016. The 5% discount is a negotiated figure between the Company and the Purchaser on a willing-buyer willing-seller basis.

SGX Query 3

Please provide a further break-down of the use of net proceeds to settle the debts of Audion owed to the Group.

The Company's response to SGX Query 3

The Company wishes to clarify that the net proceeds of the Proposed Disposal, after deducting transaction expenses of S\$100,000, is approximately S\$3,400,000, which will be used to settle debts owed by Audion to the Company in the following manner:

- (i) S\$1.2 million will be used to repay trade and other payables; and
- (ii) The balance S\$2.2 million will be used to repay existing bank borrowings.

In addition, the Company wishes to inform that further to the application submitted to the Exchange on 18 November 2016, the Exchange no objection to the view that:

- (a) The Proposed Disposal is a discloseable transaction under Part VI, Chapter 10 of the Listing Manual; and
- (b) The Company is not required to seek shareholders' approval for the Proposed Disposal under Rule 1014(2) of the Listing Manual.

The Company will update shareholders when Completion has occurred.

By Order of the Board

Ronald Teng Woo Boon
Managing Director

2 December 2016