Technologia

The Frontier of Today's Technology

EMPOWERING A BETTER FUTURE

CONTENTS

CORPORATE PROFILE

Ban Leong is a brand name in the technology products distribution industry for more than 20 years. From a traditional IT products distributor, Ban Leong Technologies Ltd. has successfully transformed into a new-generation technology-driven specialist distributor under the leadership of our Managing Director Ronald Teng who spearheaded the transformation since it was incorporated in 1993.

Leveraging on our 20 year brand history, we re-positioned and strengthened our brand as a name synonymous with innovative, fashionable and user-focused tech-savvy products through regular marketing activities.

Ban Leong Technologies Ltd has been listed on the SGX Main Board since 23 June 2005 and distributes a diverse range of IT accessories, multimedia and data storage products. Multimedia products primarily consist of audio and visual IT products such as large format display monitors, LCD monitors, speakers, graphic cards, 3D Glasses and earphones. IT accessories include PC, Gaming, Mobile and Apple related accessories such as mice, keyboards, networking, Smart Watches, Fitness bands and iPhone/iPad accessories. Data storage products refer to those that are used in the storage of data such as HDD cases, Blu-Ray and portable DVD-RW.

We also constantly focus on identifying innovative IT products to enhance and expand our range of products. Over the years, we gathered the brands of AVLABS and eGear under our wings and developed them as our in-house brands, focusing on specific range of products.

AVLABS' core focus is on the research of markets and trends and subsequent sourcing of innovative, high quality audio/visual consumer products for the Asia Pacific region. AVLABS strive to be a market leader in the PC, Mac peripherals and consumer electronics market segments. Through the use of leading edge packaging design and manufacturing methods, we aim to achieve excellence in product value perception and brand recognition.

eGear has evolved over the years to focus in traveler portable accessories such as Bluetooth speakers and cables.

Till date, we have more than 40 authorized distributorships for over 178 types of products under 55 brand names. This allows endless bundling possibilities of different products to cater to our customers' varied needs.

BAN LEONG **ANNUAL REPORT** 2016

CORPORATE PROFILE

With an experienced management team and over 30 years of combined experience in the IT industry, we are able to identify and establish strong relationships with our vendors who have a track record of developing innovative products.

We distribute our products through three channels, namely, e-commerce, and in particular, e-retailers and the Ban Leong e-store; resellers such as retailers and chain stores and directly to corporate resellers and system integrators. To complement our distribution services, we provide after sales support services and offer out-of-box replacement warranty to our customers.

We have our own service centre with in-house technicians to handle all hardware and technical problems as well as onsite repairing for certain products. By going the extra mile to serve our customers, we have established our name as a "reliable and trustworthy" partner.

Today, we are based in Singapore and have regional offices in Malaysia, Thailand and Australia.

CORPORATE PROFILE

PRODUCT SEGMENTS

DATA STORAGE

Products that are used in the storage of data such as HDD cases, Blue Ray and portable DVD-RW.

IT ACCESSORIES

PC, Laptop, Gaming, Mobile and Apple-related accessories such as mice, keyboards, networking, Smartwatch, fitness bands and iPhone/iPad accessories.

MULTIMEDIA

Audio and visual IT Products such as speakers, LCD monitors, graphic cards, 3D glasses and earphones.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Ronald Teng Woo Boon	–	Managing Director
Loh Yih	–	Lead Independent Director
Tan Eng Bock	–	Independent Director
Neo Gim Kiong	–	Independent Director
Lo Yew Seng	–	Non-Executive Director

COMPANY SECRETARIES

Pan Mi Keay
Lee Wei Hsiung

REGISTERED OFFICE AND BUSINESS ADDRESS

150 Ubi Avenue 4, #04-01,
Singapore 408825

REGISTRAR AND SHARE TRANSFER

M & C Services Private Limited
112 Robinson Road, #05-01,
Singapore 068902

AUDITORS AND REPORTING ACCOUNTANTS

Ernst & Young LLP
One Raffles Quay, North Tower, Level 18
Singapore 048583

PARTNER-IN-CHARGE

Shekaran Krishnan
Appointed since financial year ended
31 March 2016

PRINCIPAL BANKERS

Citibank N.A.
8 Marina View #17-01
Asia Square Tower 1
Singapore 018960

DBS Bank Limited
12 Marina Boulevard, Level 45
DBS Asia Central @
Marina Bay Financial Centre Tower 3
Singapore 018982

Oversea-Chinese Banking Corporation Limited
63 Chulia Street #02-00
OCBC Centre East
Singapore 049514

United Overseas Bank Limited
80 Raffles Place #12-00
UOB Plaza
Singapore 048624


LISTENING
INTENTLY
TO THE NEEDS OF OUR CUSTOMERS TO CONTINUALLY EXPAND ON OUR PRODUCT LINES AND FORGE NEW ALLIANCES TO ACHIEVE BIGGER GROWTH POTENTIAL.
Plantronics BackBeat GO 3
Experience music like never before with BackBeat GO 3 – designed for stunning audio quality, revealing the rich texture and micro-detail you've been missing. Its comfort-fit eartips stay put even when you don't, so you can keep the music going, wherever your day takes you.

CORPORATE STRUCTURE

BAN LEONG TECHNOLOGIES LIMITED

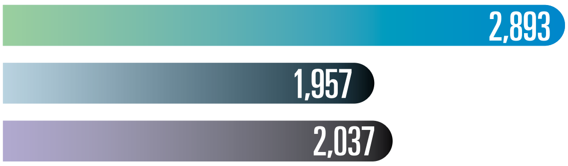
- 100% Digital Hub Pte Ltd
- 100% Ban Leong Technologies Sdn Bhd
- 60% Ban Leong Chin Inter Co., Ltd
- 100% Ban Leong Technologies Australia Pty Ltd
  - 100% Audion Innovision Pty Ltd
- 100% AV Labs International Pte Ltd
- 100% BLC (China) Limited

FINANCIAL HIGHLIGHTS

REVENUE
(in Thousands)

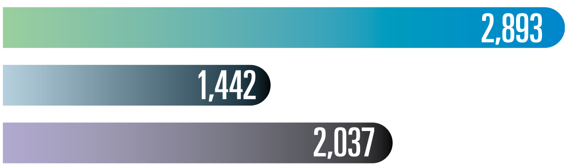
EARNINGS PER SHARE
(in Cents)

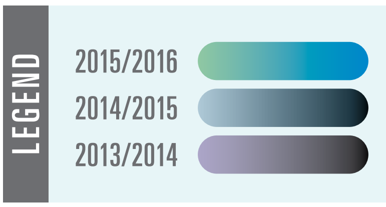
OPERATING PROFIT BEFORE TAXATION
(in Thousands)



TOTAL ASSETS
(in Thousands)

PROFIT BEFORE TAXATION
(in Thousands)





Result of Operation in Thousands	2015/2016	2014/2015	2013/2014
Revenue	**143,629**	136,404	128,274
Operating Profit Before Taxation	**2,893**	1,957	2,037
Profit Before Taxation	**2,893**	1,442	2,037
Profit for the Year	**2,285**	874	1,479
Earnings Per Share (Cents)	**1.77**	0.68	1.21
Net Assets	**24,610**	23,830	24,090
Total Assets	**57,697**	57,043	55,057

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present the financial report to the shareholders that we have achieved profitability despite challenging conditions in the economies that we operate in, and despite losses incurred in our Australian subsidiary. Our attempt to dispose of the subsidiary was not successful as the deal was terminated. Management will continue to put in efforts to try to turn around the operations, and will proactively manage our operating costs as well as managing the inventory levels in Australia

The purchase of Ban Leong shares by Mr Wang Wei, was completed in this financial year. As he has established businesses in PR China, where his business interests are also in the distribution of IT products in PR China, the Group will be exploring potential collaboration opportunities, especially in negotiating for better terms with suppliers and principals.

The cautious approach in our dealings in the South East Asia markets have paid off, and through the determination of the team, we are able to generate a higher revenue for most of these markets.

The IT distribution industry has gone through many changes and some consolidation has already taken place. We remained resilient and through the years of building up the business, we envisaged that there will be more opportunities to sign up more brands and products in the near future. We also target to explore newer markets, including PR China, where online sales are prevalent and the IT gadgets sales continue to record higher revenue.

We hope to leverage on the extended network of our business partners, shareholders and our staff in expanding our distribution strength over the next few years, and also explore new opportunities in the growing markets.

Dividends

This will be our 11th consecutive year of paying dividends to our shareholders whom have been most supportive. The Board has recommended a dividend payout of 1.0 cent per share, which is similar to our last year's dividend payout. This would make a cumulative payout of 13.2 cents since 2005. This dividend payout would represent a yield of approximately 5% at S$0.20 per share.

Corporate Social Responsibility

The Meals on Wheels program continues through the year as we work closely with Touch community services. In August 2015, we joined the Frost the Trail 2015 Corporate Challenge Charity Run as one of their Platinum donors. Ban Leong also participated in the Willing Hearts program where we helped out at their soup kitchen. We prepared food ingredients, packed food and delivered them to the under privileged elderly. In March 2016, we volunteered at All Saints Home located at Hougang, engaging and interacting with the residents. We sang and played games with the elderly. Ban Leong endeavors to continue these activities as part of our ongoing corporate social responsibility.

Appreciation

On behalf of the Board, I would like to thank all our shareholders, whether substantial or minority, for their support in our company, and I believe one of the ways to reward shareholders is a consistent dividend payout. I would also like to take this opportunity to thank our principals/suppliers, our loyal customers, our supportive bankers, the professional partners and our business associates. Last but not least, thank you to the dedicated Ban Leong Team, whom have made sacrifices and put in the extra efforts in this challenging financial year. Thank You!

Ronald Teng
Chairman and Managing Director

> WE REMAINED RESILIENT AND THROUGH THE YEARS OF BUILDING UP THE BUSINESS, WE ENVISAGED THAT THERE WILL BE MORE OPPORTUNITIES TO SIGN UP MORE BRANDS AND PRODUCTS IN THE NEAR FUTURE.

CORPORATE SOCIAL RESPONSIBILITY

FROST THE TRAIL CORPORATE CHALLENGE CHARITY RUN 2015

'Frost the Trail" is an annual charity run organised by Frost and Sullivan. Ban Leong Technologies Limited supported the Frost The Trail 2015 Corporate Challenge Charity Run as a Platinum sponsor on 22nd August 2015, held at the MacRitchie Reservoir Park.

Ban Leong staff ran on the winding trails of MacRitchie in the cool morning air amidst lush greenery and participated in two categories – the 5 km team race as well as the 10 km individual race. After the race, everyone was welcomed with a breakfast carnival and in some fun alongside the prize distribution ceremony.

Ban Leong continues to contribute to worthy causes while we maintain our efforts in improving the quality of life for the underprivileged. Through these initiatives, we promote active and healthy lifestyle while fostering team spirit amongst our staff.

MEALS ON WHEELS

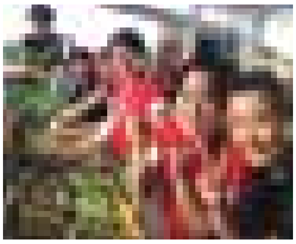
In 2015, Ban Leong continued our collaboration with Touch Home Care (THC) on the Meals On Wheels program. Every month, Ban Leong volunteers to collect food packs from THC's office and deliver the food packages to the doorstep of the frail elderly. We joined the program in 2014 and endeavours to continue our involvement.

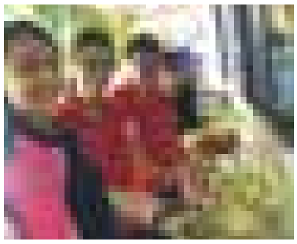
WILLING HEARTS CHARITY EVENT

On 5th December 2015, Ban Leong helped out at the soup kitchen of Willing Hearts.

We prepared the ingredients, packed the cooked food and distributed it to under privileged elderlies residing at various locations in Singapore.

The experience was a rewarding one especially when we see the happy faces of the elderlies as they collected the packed meals.





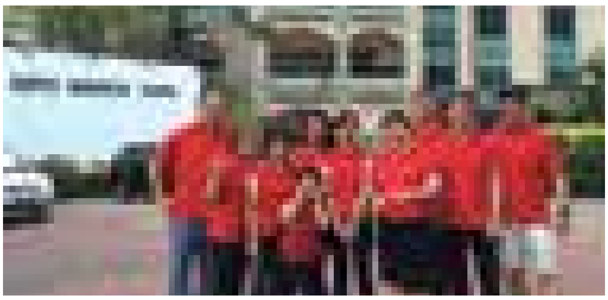
ALL SAINTS HOME

Our staff volunteered at the All Saints Home-Hougang on 19 March 2016. Together with regular volunteers, we sang, played games and interacted with the residents.

Despite the immobility of some of the residents who were on wheelchairs, they participated in the programmes enthusiastically.

A birthday cake was also prepared and we ended the day celebrating the birthdays of those born in March!

It was a fulfilling and memorable accentuated by the joy expressed by the elderlies.

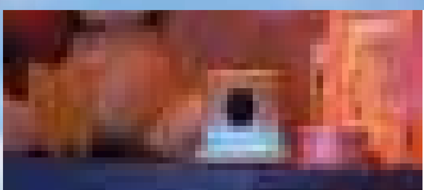


LOOKING BEYOND

TO CONSOLIDATE OUR RESOURCES AND ASSETS WITH STRATEGIC PRUDENCE AND SMART INVESTMENT MOVES TO MAXIMISE SHAREHOLDERS' VALUE IN THE LONG TERM.

Withings Home

The Withings Home is an elegant HD camera with environmental sensors to stay connected to your loved ones while making your home a healthier, safer place. It provides instant access to your home from anywhere with HD video, 2-way audio, 135° wide angle, clear night vision, zoom ePTZ x4, and nightlight.



Because every moment is unique, Home enables you to receive motion, noise, and people detection alerts in your interactive diary. Home will bring smart protection, cloud video recording and painless home automation. Withings Home helps you to build a healthier environment with advanced environmental sensing of air quality.

BOARD OF DIRECTORS

RONALD TENG WOO BOON

Managing Director

Ronald Teng Woo Boon is our Managing Director and was appointed as a Director of our Company on 18 June 1993. He is the founder of our Group and plays an important role in managing the overall business operations and profitability of our Group. His responsibilities include formulating and executing our Group's business strategies and policies as well as charting the growth of our Group. He also spearheads the sales and marketing function of our Group. In 2004, he received the Rotary ASMA Top Entrepreneur Of Year 2004 award presented by the Association of Small and Medium Enterprises (Singapore). He graduated from the National University of Singapore in 1993 with a Bachelor of Science degree in Computer and Information Science.

LOH YIH

Lead Independent Director

Loh Yih is an Independent Director of our Company. He was appointed as a Director of our Company on 12 May 2005. On 30 September 2013, Mr Loh Yih was appointed as the executive chairman of Acesian Partners Limited, listed in Singapore. Mr Loh is currently an independent director of International Press Softcom Limited, listed in Singapore and Weichai Power Co. Ltd, listed in Hong Kong and Shenzhen. He has been the managing partner of MGF Capital Group since 19 July 2006. From January 2005 to July 2006, he was the managing director of Netplus Communications Pte Ltd, an internet service provider. Between 2001 and 2004, he was managing his personal private equity investment. From 1998 to 2000, he was managing an independent institutional marketing team in OSK Securities Berhad in Malaysia. Between 1995 to 1998, he headed the equities department of West Merchant Bank. Prior to that, he was a senior manager of the capital market department at Standard Chartered Merchant Bank where he managed equities trading and emerging market bonds investment. He graduated from the National University of Singapore in 1988 with a Bachelor of Accountancy (Honours). He is also a chartered financial analyst.

NEO GIM KIONG

Independent Director

Neo Gim Kiong was re-designated as our Independent Director on 15 June 2015. He was in charge of our listing on SGX-Mainboard and assisted the group in our strategic planning and business expansion plans. Mr Neo is the chief executive officer of Sen Yue Holdings Ltd, a company listed on SGX-Catalist formerly known as PNE Micron Holdings Ltd, where he is responsible for its strategic growth. He is also the founding director of Dollar Tree Inc Pte Ltd, a business advisory firm incorporated in Singapore in 2004. Prior to 2004, he was with the banking sector overseeing a portfolio of corporate clientele from 1994-2001. He joined Jackspeed Corporation Limited in 2001, and as executive director, spearheaded the listing of the group in 2003 on SGX-ST Mainboard. He left Jackspeed Corporation Ltd in 2004 and rejoined and appointed as Group Chief Executive Officer in 2009, where he successfully turnaround the business operations of the group from losses into profitability in 2011. Mr Neo holds directorships in Astaka Holdings Ltd and International Press Softcom Limited, both listed on the SGX-Catalist. In addition, he is a Board member of both P.R.China Guangdong Province Overseas Exchange Association and Ningxia Autonomous Region Overseas Exchange Association. He holds a Bachelor of Science Degree in Mathematics with Honours from the National University of Singapore.

TAN ENG BOCK

Independent Director

Tan Eng Bock has been a member of the Board since 12 May 2005. He also serves on the board of several private companies. Since 1970, Mr Tan has been instrumental in the growth of sports in Singapore. Some of his appointments in the sporting arena include committee member of Singapore National Olympic Council, chairman of Delta Sports Complex Advisory Committee and was deputy president of the Singapore Swimming Association. He was also the chairman of River Valley Constituency Sports Club. He was a member of the Technical Water Polo Committee of the World Swimming Body FINA as well as the vice chairman of the Asian Amateur Swimming Federation. From 1956 to 1991, Mr Tan's career saw him spent close to four decades in the Singapore Police Force where he held various appointments including Commander Detachments, Director Logistics, Director of Public Affairs and Director of Criminal Investigations Department (CID). He retired from the Singapore Police Force as an Assistant Police Commissioner. For his many contributions to the nation, Mr Tan was awarded The Public Service Star (BBM) in 1986.

LO YEW SENG

Non Executive Director

Lo Yew Seng was appointed as the Non-Executive Director of the Company on 12 May 2015. He is also the independent director of Jackspeed Corporation Ltd, a company listed on the SGX mainboard from July 2010. Mr Lo is the founder and director of Capella Capital Pte Ltd and Capella Management Pte Ltd, providing venture fund and financial advisory services since 2006. His position encompasses the strategic responsibility of managing the investments of the company as well as sourcing for further opportunities. Prior to founding the Capella group, Mr Lo was employed by a Swedish listed multi-national company, AXIS Communications in 1996. He was then appointed the Asia Pacific sales and marketing director where he stayed on for 9 years. He has concurrently held the company's Chief Representative position in the China subsidiary located in Shanghai and the director position of the subsidiary/branch in Korea and Taiwan. Mr Lo has a Bachelor's Degree in Arts and Social Sciences from National University of Singapore (NUS), majoring in Economics. He has also attended the General Management Program at NUS Business School.

KEY MANAGEMENT

JENNY TEO SU CHING

Head of Operations

Jenny Teo Su Ching is the Head of Operations of the Group. She has been primarily responsible for the administration, day-to-day operations of the accounts and human resource functions of our Group since 1993. Prior to that, she was a personal assistant to the managing director of Dan & Jon Interior Design Pte Ltd and Ban Leong Bros Pte Ltd. She graduated with a Diploma in Commerce (Business Administration) from the Kaplan Higher Education Institute.

TAN YOU HONG

Deputy Managing Director

Tan You Hong is our Deputy Managing Director of the Group, who supervises the overall operations of Singapore and Malaysia. Prior to that, he was the Sales Director of the Group. Before joining the Group, he was the country sales manager of Intranet (S) Pte Ltd where he was responsible for overseeing the company's operations. He graduated from the National University of Singapore in 1993 with a Bachelor of Science degree in Computer and Information Science.

KHOO SOO FANG

Group Financial Controller

Khoo Soo Fang is the Financial Controller of our Group, responsible for overseeing and supervising the Finance Department as well as monitoring the performance of our subsidiaries. Prior to joining the Group in 2007, she was the Financial Controller of Jackspeed Corporation Limited, a SGX-ST listed company, from 2001 to 2006. Khoo Soo Fang obtained a Bachelor of Accountancy degree from the Nanyang Technological University and is also a member of the Institute of Singapore Chartered Accountants.

PRODUCTS
FEATURE

APPLE ACCESSORIES

Belkin Valet™ Charge Dock for Apple Watch + iPhone

As CES 2016 Best of Innovation Awards Winner, the Valet™ Charge Dock for Apple Watch + iPhone is the first dock to include an integrated charger for the Apple Watch and Lightning connector for iPhone. With both connectors hardwired into the dock, inductive charging begins with a single cable only.

www.belkin.com

HOTWAY PROBOX 5PORT USB CHARGER with QUICK CHARGE 2.0

HA2-50U5Q supports Qualcomm Quick Charge™ 2.0 technology. If your device supports QC2.0 charging, HA2-50U5Q could shorten your charging waiting time. HA2-50U5Q has three ports that support fast charge for your Apple iPad Air, iPhone6 plus. HA2-50U5Q offers efficient charging and intelligent charging technology that allows most of the mobile device to charge fast and fully.

www.probox.com.tw

Moshi Helio Lite Backpack

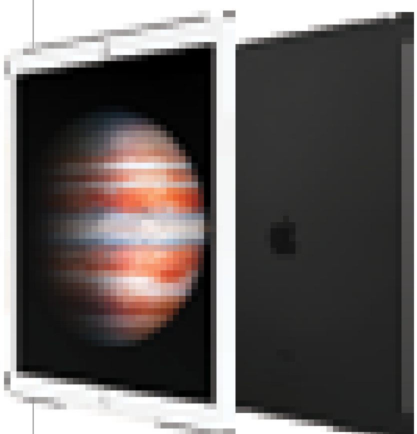
Made with premium water-resistant fabric and vegan-leather trim, Helios is a lightweight designer backpack featuring a spacious interior large enough to fit up to a 13" laptop with room to spare for books, folders or a water bottle. Keep accessories such as pens, chargers, smartphones and cables neatly organized in the bag's numerous pockets. On the back, there's a zippered Napoleon compartment to keep valuables such as a wallet or passport close to your body and easy to access. Helios also features a water-resistant coating to safeguard your valuables from unpredictable weather. Whether you're on a short stroll around town or on a road trip, Helios keeps everything neat and tidy wherever you go

www.moshi.com

The OZAKI O!coat Wardrobe, the ultra thin & lightweight snap-on case for iPad Pro

The OZAKI O!coat Wardrobe offers full-back & 4-sided protection & keeps all ports & controls fully accessible. The easy snap, ultra thin (1.2 mm), lightweight (99 gram) translucent design ensures maximum scratch protection, while keeping the Apple logo visible & your iPad Pro looking original. Using Apple's official Smart Keyboard or Smart Cover? The O!coat Wardrobe is fully compatible with both!

www.ozakiverse.com



Logitech CREATE Backlit KB Folio for iPad Pro

Logi CREATE is a Protective Case and Backlit Keyboard in one snug, lightweight package. CREATE connects to iPad Pro via Apple Smart Connector, so it does not require Bluetooth® pairing or charging. CREATE brings typing on iPad to the new level. Its full-size backlit keys make typing a pleasure. And a special row of iOS shortcuts puts the power of apps at your fingertips. CREATE custom-sculpted curves protect your iPad Pro on the inside while leaving ports easily accessible. On the outside, tightly woven premium fabric resists bumps, scratches, and spills. Two viewing angles and always-on power help you create, explore, and do more.

www.logitech.com

J5Create Type-C Multi-Adapter HDMI & Gigabit Ethernet & USB

The j5create USB Type-C Multi-Adapter jca374 provides extra connectivity from your computer with 5Gb/s faster transfer speed. These pocket-sized Multi-adapters allow you to add an additional USB computer peripheral, HDMI Monitor or Gigabit LAN through you USB port.

www.j5create.com.

AUDIO & VIDEO

BeoPlay A1 Bluetooth

B&O PLAY A1 – a new, ultra portable Bluetooth speaker with microphone, dust and splash resistant, up to 24 hours of play time from a single battery charge, Bang & Olufsen Signature Sound and premium materials including anodised aluminium and leather.

www.beoplay.com

Edifier Luna E E235

Bridging the world of design thinking and engineering with the latest in technology, Edifier introduces the Luna E e235 THX-certified active speaker system to the world of multimedia, movies and gaming. At a staggering 176 watts of output sound, this system comes in signature Edifier red from the Luna range as well as classic black.

www.edifier-international.com

IK Multimedia iRig Acoustic

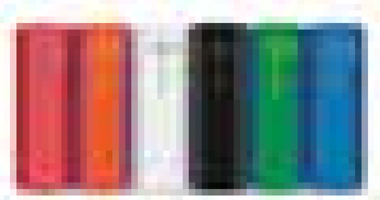
iRig Acoustic is another IK Multimedia industry first – it's an innovative, patent-pending, acoustic guitar microphone pickup that installs in seconds that you use to perform live and record with on an iPhone, iPad, and Mac. iRig Acoustic provides professional high-quality sound, simple installation and freedom to play and record everywhere.

www.ikmultimedia.com

Logitech UE BOOM 2

UE BOOM 2 is the 360-degree wireless speaker that blasts loud, insanely great sound with deep, powerful bass in every direction-everywhere you go. It's waterproof*, shockproof and crafted from the sexiest and most uninhibited premium materials in the known universe. Throw it on your bike, clip it to your bag or just grab it and go – get it wet, get it muddy, and party onward into the unknown. Control the party like never before with exclusive tap controls that let you play, pause and skip tracks with a tap or two. Use the UE BOOM app to access even more cool features and to wirelessly update your speaker and make it even more awesome than ever.

www.ultimateears.com



Plantronics Voyager® 5200

From the bustling city streets to the corner café, enjoy clear conversations anywhere with the Plantronics Voyager 5200 Bluetooth® headset. Our exclusive WindSmart® technology and cutting edge noise cancelling block out distractions like wind, chatter, and traffic for crisp, uninterrupted calls, while its rigorously tested ergonomic design ensures all-day comfort.

www.plantronics.com

Re-Fuel Action Camera Stabilizer Kit

The Action Camera Stabilizer is what you need to get the best quality without any compromise. Mount your GoPro or other action camera and use the padded handgrip to get a stable picture. It's tough enough to take some punishment but won't weigh you down. With a 3-piece counter weight set and adjustable counterbalance weight & bracket, you'll get a more stable shot no matter what your adventure throws at you. This kit comes with everything you need to perfectly balance your camera, shot after shot.

www.re-fuel.com

GAMING

ASUS MAXIMUS VIII EXTREME/ASSEMBLY

Based on the new Intel® Z170 Express chipset and LGA 1151 socket for the latest 6th-generation Intel processors, Maximus VIII Extreme/Assembly continues ROG's world-record-breaking heritage to deliver the best gaming performance with multiple ROG-exclusive innovations.

www.asus.com

PowerColor Devil R9 390X 8GB GDDR5

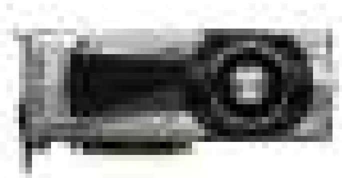
The AMD Radeon R9 390X is a high-end video card built for exceptional 4K gaming and VR experience. Based on the latest generation of AMD GCN architecture, this card features 2816 Stream Processors and 8GB 512-bit GDDR5 memory, delivering new levels of performance and capability craved by serious gamers. A rich array of AMD GPU technologies is included, offering more than one way to elevate your gaming experience, like AMD FreeSync Technology for smooth, tear-free gaming, Frame Rate Target Control (FRTC) for less power consumption by limiting the target frame rate, and Virtual Super Resolution (VSR) that delivers brilliant 4K experience, even on a 1080p display.

www.powercolor.com

NVIDIA GEFORCE GTX 1080

NVIDIA's new flagship GeForce GTX 1080 is the most advanced gaming graphics card ever created. Discover unprecedented performance, power efficiency, and gaming experiences – driven by the new NVIDIA Pascal™ architecture. This is the ultimate gaming platform. The new GeForce GTX 1080 is meticulously crafted to offer superior heat dissipation using vapor chamber cooling technology and premium materials, so it runs as cool as it looks.

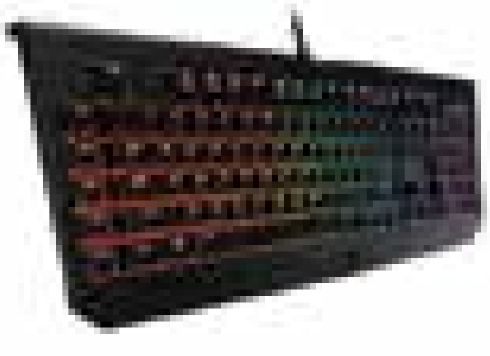
www.geforce.com



Razer Blackwidow X Chroma

The Razer BlackWidow Chroma features individually programmable backlit keys with 16.8 million color options, all easily set through Razer Synapse. Bearing the distinct Razer BlackWidow design, the Razer BlackWidow Ultimate Chroma gives you the unbridled freedom to truly express yourself, not just with an impressive spectrum of colors but with personalized lighting controls as well.

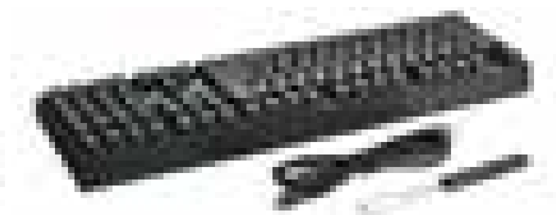
www.razerzone.com



Cooler Master MasterKeys Pro L / S

Get the best of both worlds with the MasterKeys Pro L and Pro S: the brightest LEDs and the best tactile feeling that gamers have come to love. We completely redesigned the interior to fit both Cherry MX switches and big, fat, RGB LEDs.

www.gaming.coolermaster.com



ASUS STRIX 7.1

Strix 7.1 is a superior true 7.1 surround gaming headset engineered with 10 powerful discrete neodymium-magnet drivers, full-size hexagonal ear cushions (130mm across at the widest point) and stylish static and breathing lighting effects. It is accompanied by a driver-free USB audio station that features loads of audio controls and sound effects. Strix 7.1 provides an unrivaled audio experience with punchy and immersive sound. Every gunshot and footstep is reproduced with accurate positioning and stunning clarity, bringing the battlefield to life.

www.asus.com

CONSUMER IT

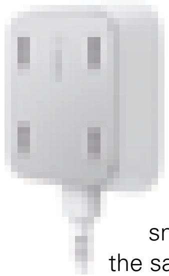
J5create Monitor Stand with 3-port USB 3.0 HUB

The latest J5create trendy designed monitor stand is made with durable aluminum that is nicely suited with a piece of clear tempered glass. It is built with a 3-port USB3.0 hub with 2-port battery charging with a maximum capacity of 55lbs. It simply connects your workstation and organize your work desk.

www.j5create.com

Belkin Family RockStar™ 4-Port USB Charger

This is a charger that is great at sharing. The multi-talented Family RockStar™ provides an enormous 5.4 Amp total charging power across four USB ports. That's enough power to charge two tablets and two smartphones, all at the same time.



www.belkin.com

Belkin USB-C 4-Port Mini Hub

Connect your new USB-C laptop, to multiple USB devices with this comprehensive port expansion hub. Two USB-C ports connect new devices, while two USB-A ports allow easy connection for existing devices, such as a hard drive, mouse, keyboard or printer. Small and compact, with a tethered USB-C cable, the hub is an ultimately portable and comprehensive peripherals solution.

www.belkin.com

Logitech M238 Wireless Mouse

Party Collection Wireless Mouse is a fun and functional mash-up of all your favorite things. Choose from quirky designs that reflect your energy and style. Lasts up to 12 months on a single battery. Responds up to 33 ft. (10m) with a nano receiver. Rips through web pages and docs with comfortable scrolling.

www.logitech.com

Samsung 31.5" Curved monitor SE590C

A natural fit for your eyes with an industry-leading curvature of 3000R, delivering a wider field of view that's easy on the eyes for a more comfortable viewing experience. The SE590C was created with 5-Watt, 2-channel dual stereo speakers built right into the curve. Thanks to Samsung's proprietary Dual Sound Engine and acoustic mechanical engineering technology, the speakers deliver original sound that is richer than speakers with a single engine.

www.samsung.com

Cooler Master Maker 5

The MasterCase Maker 5 advances beyond the concept of a standard build by offering the option to completely swap and readjust the case's form and functionality with multiple interior and exterior outlooks, ample space and customized accessories.

www.coolermaster.com

ASUS E3 Pro Gamer

Pro Gaming V5 is engineered with ASUS-exclusive SupremeFX audio ›chnology for in-game nd that's alive with realism. The purity and stability of the remarkable 115dB signal-to-noise ratio (SNR) is assured, with a shielded design, electromagnetic-interference (EMI) cover and voltage-protected 5V power supply.

www.asus.com

INTERNET OF THINGS

ASUS Vivowatch

VivoWatch, the first ASUS wearable designed with a focus on fitness and wellness. With built-in heart-rate monitoring, sleep tracking, and the easy-to-understand Happiness Index that shows overall well-being, ASUS VivoWatch is a constant companion that helps wearers lead healthier, happier lives.

www.asus.com

Fitbit Alta

Motivation is your best accessory with Fitbit Alta – a customizable fitness tracker designed to fit your personal style. Stay motivated by tracking all-day activity like steps, distance, calories burned and active minutes, and get credit for your workouts with SmartTrack automatic exercise recognition. At night, track your sleep and set a silent alarm to wake better and get your best rest. No matter where you're headed, the easy-to-read OLED screen keeps your goals in focus with stats, time, and call or text notifications on display.

www.fitbit.com

Razer Nabu Watch

The Razer Nabu Watch is the ultimate expression of a wrist-worn wearable that is for gamers. By gamers. It brings together Razer's expertise in design and wearables, to FORGE a full-featured digital Watch with smart functions. With complete mastery of your time, you can truly live smarter.

www.razerzone.com

Jawbone UP2 Rope

Being healthy is like looking good from the inside out. And that's how we designed the UP2™ tracker. Inside, world-class technology keeps track of activities, sleep patterns, food logging and more. Outside, UP2 takes style to a whole new level. New colors and a newly designed, lightweight band put UP2 out front when it comes to style. You can call it a tracker. We call it UP2.

www.jawbone.com

Withings Activité Pop

Activité Pop is a radiant watch combining time and activity tracking. Activité Pop is made of fun-to-wear materials and comes in 3 colors: sleek Shark Grey, elegant Sand and bright Azure. Activité Pop tracks your activity level and keeps you in the know with a clear analog feedback. Activité Pop automatically detects the kind of activity you are doing. It recognizes walking, running swimming and sleeping. At night, the Activité Pop analyzes your sleep patterns, and in the morning, if you have set an alarm, it wakes you up with a gentle vibration. Activité Pop automatically syncs your data using Bluetooth Low Energy, allowing you to visualize your trends and to receive real-time coaching on your device with the free Health Mate app.

www.withings.com

THINKING BIG

IMPROVING THE RIGHT MIX OF PRODUCT TRENDS AND OUT-OF-THE-BOX CUSTOMER RELATIONSHIPS TO FURTHER DRIVE BAN LEONG CORE COMPETENCIES.

Samsung SMART Signage Platform

Structured for complex applications, the Samsung SMART Signage Platform (SSP) connects you with our partner ecosystem to help you build a custom-tailored solution. Streamline deployment and manage content remotely across multiple displays and locations through this open and integrated player side media platform.

COMMERCIAL IT

Dell XPS 12 Laptop

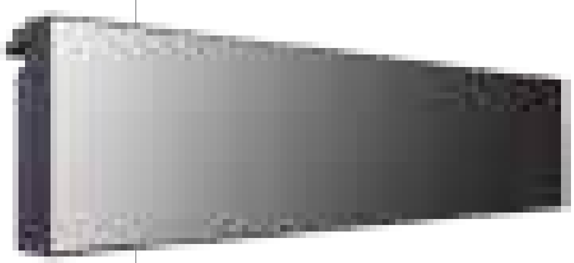
The innovative design of the XPS 12, which connects via magnets, so it's free of mechanical parts and is easy to detach with only one hand. Simply lift out the tablet for mobility, or place it back in the cradle for productivity. It also comes with user's choice of keyboard options with sleek magnetic folio covers designed for their machine.

www.dell.com

LG Ultra Stretch Signage 86BH5C

Ultra Stretch 86BH5C is a new signage format with a 58:9 widescreen that can display dynamic content depending on the user's installation environment. (E.g. airports, subways, banks, art galleries, or retail stores)This product is also a work of structural art in itself that can be seen as digital decor.

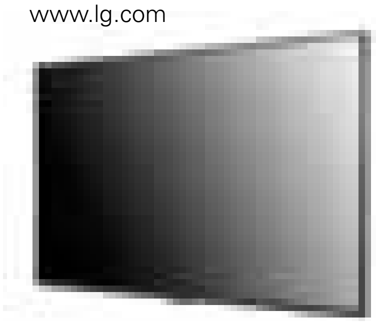
www.lg.com



LG Muliple Screen Split Ultra HD Signage 75UH5C

The new Ultra HD large display, 75UH5C supports displaying Ultra HD content as well as a divided content layout to show up to 4 split images on one screen. Its benefit enables you to create various formats of content to deliver commercial message effectively. Also, it is enhanced in content management. With LG SuperSign EZ providing basic content templates, you can create and edit content simply and quickly on your mobile device or signage display.

www.lg.com



Samsung Mirror Display

Real Mirror-like Interactive Display with Vivid Content Playing. Samsung's mirror displays feature higher transmittance (90 percent) and reflectance (55 percent) than similar competitor products offer, providing customers a more realistic and complete product view. By embedding the mirrors into its displays, Samsung reduces the extra work common in comparable technologies that require users to implement both components separately.

www.samsung.com

Quardro M6000 24 GB

The NVIDIA M6000 24GB is the world's most powerful workstation graphics card, giving you the extreme performance and on-board memory to take on your biggest visualization challenges.

Logitech Group

Logitech GROUP – the easy-to-use video conferencing solution for mid-to large size groups – is so amazingly affordable that any meeting place can be a video collaboration space. Optimised for groups of up to 20 people, experience outstanding video conferencing with crystal-clear audio and HD video of such quality that everyone in the room can be seen and heard.

www.logitech.com

COMMERCIAL IT

Dell UltraSharp 27 InfinityEdge Monitor | U2717D

The Dell UltraSharp 27 InfinityEdge Monitor | U2717D takes your view to the edge with 43% less black borders than Dell's previous 27" monitor. The World's first InfinityEdge Monitor has the world's thinnest borders on all sides of the screen, creating an almost seamless multi-monitor view. The multiple customization options allow you to adjust your monitor to best fit the way you work.

www.dell.com

Samsung Outdoor Signage

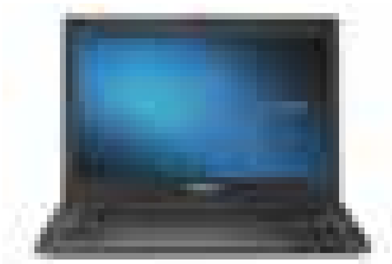
All-Inclusive Outdoor Signage Solution for Brillant Business Messaging. Bring outdoor messaging to life with Samsung Outdoor Signage. Captivate audiences with superior messaging clarity in a slim, highly viewable and sophisticated design, even in demanding conditions. Experience easy operation and maintenance with a streamlined signage solution for centralized content management.

www.samsung.com

ASUSPRO: B8430U

With its professional and features-rich capabilities, reliability and durability assurance proven by the demanding MIL-STD 810G military standard, the ASUSPRO B8430U is the must have notebook for every business professional in demanding working environments, large enterprises IT, government or organisational data management centres.

www.asus.com



Samsung 4-in-1 Colour Multifunction C480FW Printer

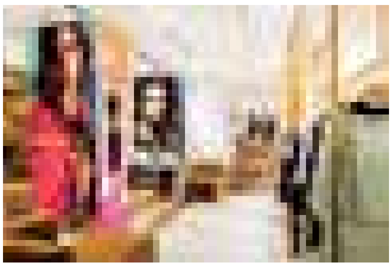
The 4-in-1 Colour Multifunction Printer for Professionals. The C480FW Printer offers flexibility and lets users streamline their workflow and work with less barriers. Samsung's NFC-enabled printers connect wirelessly with mobile devices for fast, integrated and convenient printing on the go. Users can effortlessly and securely print pictures, documents, e-mails and web content by simply tapping their smartphones on the printer. Users can also easily print images and documents directly from a USB memory stick with the intuitive menu and navigation keys.

www.samsung.com

Samsung Videowall Display UH55F-E

The World's Thinest Bezel for Delivering Near-Seamless Immersive Viewing Experience. Introducing the world's thinnest videowall display with bezel-to-bezel width of 1.4 mm and the first UHD videowall to implement up to 5x5 wall configurations with daisy-chain links, without additional devices. The UH55F-E videowall delivers a clear image under ambient light with non-glare panels and realizes near-perfect quality and optimum uniformity across all displays with advanced factory tuning and calibration.

www.samsung.com



Plantronics Voyager Focus UC

With seamless connectivity on the move or to your PC or smartphone and up to 45m of wireless range, enjoy mobility without sacrificing audio quality. With advanced noise cancellation, sophisticated mute controls, and immersive stereo, the focus is always on great audio, not background noise. It's freedom, with no loss of fidelity.

www.plantronics.com

BRANDS LISTINGS

ASUS IN SEARCH OF INCREDIBLE

belkin

BlueAnt AUDIO UNLEASHED

B&O PLAY

COOLER MASTER Make It Yours.

DELL The power to do more

EATON Powering Business Worldwide

EDIFIER

eGear

ELECOM

fitbit

iWALK

JAWBONE

j5create

LEADTEK

LG

logitech

moshi purveyor of electronics fashion

NVIDIA

OZAKI

plantronics

PowerColor

PROBOX

re-fuel by DIGIPOWER

ROCCAT SET THE RULES

SAMSUNG

SCOTT

stm protecting your digital cargo

Targus

ue ultimate ears

FINANCIAL CONTENTS

REPORT OF CORPORATE GOVERNANCE

The Board of Directors (the "**Board**") of Ban Leong Technologies Limited (the "**Company**") and its subsidiaries (the "**Group**") are committed to ensuring and maintaining high standards of corporate governance within the Group. The Company understands that good corporate governance is an integral element of a sound corporation and enables us to be more transparent and forward-looking. In addition, sound corporate governance is an effective safeguard against fraud and dubious financial engineering to protect our shareholders' interests. This also helps the Company to create long-term value and returns for our shareholders.

This report describes the corporate governance framework and practices of the Company with specific reference to the principles of the Code of Corporate Governance 2012 (the "**Code**") that were in place throughout the financial year ended 31 March 2016 ("**FY2016**"). The Board confirms that the Company has adhered to the principles and guidelines as set out in the Code. Where there are deviations from the Code, appropriate explanations are provided.

BOARD MATTERS

Principle 1: The Board's Conduct of its affairs

Besides carrying out its statutory responsibilities, the Board meets regularly to oversee the business affairs, corporate affairs and the overall performance of the Group and works with the management ("**Management**") to take objective decisions in the interest of the Group. Board members are expected to act in good faith and exercise independent judgment in the best interests of the Group. The Management also plays a pivotal role in providing Board members with complete, adequate and timely information to assist the Board in the fulfilment of its responsibilities.

The Board recognises that its principal duties include:

- Providing entrepreneurial leadership, setting the strategic directions and the long-term goals of the Group and ensuring that adequate resources are available to meet these objectives;
- Reviewing and approving, *inter alia*, the approval for the release of the half-year and full year results announcements, approval of the annual report and financial statements, material acquisitions and disposals of assets, interested person transactions, corporate strategies, annual budgets and investment proposals of the Group;
- Reviewing and evaluating the adequacy and integrity of the Group's internal controls, compliance, risk management and financial report systems;
- Reviewing and monitoring management performance towards achieving organisational goals;
- Overseeing succession planning for management;
- Setting corporate values and standards for the Group to ensure that the obligations to shareholders and other stakeholders are understood and met;
- Ensuring accurate and timely reporting in communication with shareholders; and
- Considering sustainability issues including environmental and social factors in the Group's strategic formulation.

The Group has adopted internal guidelines setting forth matters that require Board's approval. Matters specifically reserved for the approval by the Board are those relating to the strategy and business plan/budget of the Group, material acquisitions and disposal of assets, capital related matters including corporate or financial restructuring, investment or expenditure exceeding certain threshold limits, share issuances, interim dividend and other returns to shareholders and interested person transactions.

The Management is responsible for day-to-day operations/administration of the Group and they are accountable to the Board. Clear directions have been given out to the Management that such reserved matters must be approved by the Board.

REPORT OF CORPORATE GOVERNANCE

The Board has established and delegated specific authority to the committees of the Board, namely the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**") to assist the Board in carrying out and discharging its duties and responsibilities efficiently and effectively. These Board Committees are made up of Non-Executive Directors and each chaired by Independent Director. Each Board Committee has its own specific Terms of Reference setting out the scope of its duties and responsibilities, rules and regulations, and procedures governing the manner in which it is to operate and how decisions are to be taken.

All the Board Committees are actively engaged and NC plays an important role in ensuring good corporate governance in the Company and within the Group.

The Board meets regularly on a half-yearly basis with two (2) scheduled meetings held within each financial year to approve, among others, announcements of the Group's half-year and full year financial results. Additional meetings are also convened to discuss and deliberate on urgent substantive matters or issues. The Board may also have informal discussions on matters requiring urgent attention which would then be formally approved by circular resolutions in writing. The Company's Constitution provides for the Board to convene meetings via telephone conferencing and electronic means in the event when Directors were unable to attend meetings in person.

While the Board considers Directors' attendance at Board meetings as important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms, including periodical reviews and the provision of guidance and advice on various matters relating to the Group. The number of meetings of Board and Board Committees held during FY2016 and the attendance of each Director at those meetings are set out as follows:

	Board of Directors		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meeting		No. of meeting		No. of meeting		No. of meeting	
Name of Directors	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ronald Teng Woo Boon	4	4	–	–	–	–	–	–
Neo Gim Kiong	4	3	–	–	1	1	1	1
Loh Yih	4	4	3	3	1	1	1	1
Tan Eng Bock	4	3	3	2	1	1	1	1
Lo Yew Seng	4	3	3	2	–	–	–	–
Chng Hock Huat *(resigned w.e.f. 27 July 2015)*	4	2	3	1	–	–	–	–

The Board ensures that incoming new Directors are given comprehensive and tailored induction on joining the Board including onsite visits, if necessary, to get familiarised with the business of the Group and corporate governance practices upon their appointment and to facilitate the effectiveness in discharging their duties. Newly appointed Directors will be provided a formal letter setting out their duties and obligations. They will be given briefings by the Management on the business activities of the Group and its strategic directions as well as its corporate governance practices. The Company is also responsible for arranging and funding the training of Directors. During the year, the Board had received appropriate training to discharge their duties. All Directors are encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group through the extension of opportunities for participation in the relevant training courses, seminars and workshops as relevant and/or applicable.

REPORT OF CORPORATE GOVERNANCE

Principle 2: Board Composition and Guidance

As at the date of this report, the Board comprises five (5) Directors, four (4) of whom are Non-Executive Directors, of which three (3) are independent. The current members of the Board and their membership on the Board Committees of the Company are as follows: –

Name of Directors	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee
Ronald Teng Woo Boon	Managing Director	–	–	–
Loh Yih	Lead Independent Director	Chairman	Member	Chairman
Neo Gim Kiong	Independent Non-Executive Director	–	Member	Member
Tan Eng Bock	Independent Non-Executive Director	Member	Chairman	Member
Lo Yew Seng	Non-Executive Director	Member	–	–

The Directors bring with them a broad range of business and financial experience, skills and expertise in finance, industry, business, management and general corporate matters. The profiles of the Directors are set out on pages 12 to 13 of this Annual Report.

As Independent and Non-Executive Directors make up more than one-third of the Board, there is a strong independent element on the Board and no individual or groups of individuals are able to dominate the Board's decision-making process. The Independent and Non-Executive Directors have the necessary experience to assist the Board in decision making and to provide a check and balance to the Board as they are not involved in the day-to-day operations of the Company.

The Board's size and composition are reviewed annually by the NC to ensure that the Board has the appropriate mix of expertise and experience as well as appropriate balance of independent directors. The NC is of the view that the current Board comprises persons whose diverse skills, experience and attributes provide for an effective Board. The Board members also collectively possess the necessary core competencies for the effective functioning of the Board and an informed decision making process. During FY2016, the NC conducted its annual review of the Directors' independence and was satisfied the Company has complied with the guidelines of the Code, including at least one-third of the Board is made up of Independent Directors.

As the Chairman of the Board is not an Independent Director, the NC will also review the composition of Independent Directors on the Board and was satisfied that the Independent Directors make up at least half of the Board provide the Board with independent and objective judgment on the corporate affairs of the Group.

Each of the Independent Directors has confirmed that he does not have any relationship with the Company or its related corporations, its 10% shareholders or its officers including confirming not having any relationships and circumstances provided in Guideline 2.3 of the Code, that could interfere, or be reasonably perceived to interfere, with the exercise of independent judgment in carrying out the functions as an Independent Director with a view to the best interests of the Group.

The independence of each Independent Director is assessed at least annually by the NC. Particular scrutiny is applied in assessing the continued independence of Directors having served beyond nine (9) years from the date of his first appointment, with attention to ensuring their allegiance remains clearly aligned with the shareholders' interest.

In respect of each of the three Independent Directors, namely Mr Loh Yih, Mr Neo Gim Kiong and Mr Tan Eng Bock, having served more than 9 years, the Board has considered specifically their length of service and their continued independence. The Board has determined that the Directors concerned remained independent of character and judgement and there were no relationships or circumstances which were likely to affect, or could appear to affect, the Directors' judgement. The independence of character and judgement of each of the Directors concerned was not in any way affected or impaired by the length of service. The Board has also conducted a review of the performance of each of the three Independent Directors and considers that each of these Directors brings invaluable expertise, experience and knowledge to the Board and that they continue to contribute positively to the Board and Board Committee deliberations. Therefore, the Board is satisfied as to the performance and continued independence of judgement of each of these Directors.

REPORT OF CORPORATE GOVERNANCE

The Board does not consider it to be in the interests of the Company or shareholders to require all Directors who have served more than 9 years or longer to retire and favours ensuring continuity and stability.

During the year, the Non-Executive Directors constructively challenged and helped develop the Group's proposals on business strategies. Management's progress in implementing such agreed business strategies were monitored by the Non-Executive Directors.

The Independent and Non-Executive Directors communicated without the presence of Management as and when the need arose. The Company also benefited from the Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board Committees' meetings.

Principle 3: Chairman and Chief Executive Officer

The Code advocates that there should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Group's business and no one individual should represent a considerable concentration of power.

Mr Ronald Teng Woo Boon ("**Mr Teng**") is the Chairman of the Board and Managing Director ("**MD**") of the Company. He assumes responsibility for the smooth functioning of the Board and ensures timely flow of information between Management and the Board; sets the agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues; promotes a culture of openness and debate at the Board; and promotes high standards of corporate governance. In addition, he also assumes responsibility for running the day-to-day business of the Group; ensures implementation of policies and strategy across the Group as set by the Board; manages the management team; and leads the development of the Group's future strategy including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing businesses. Mr Teng communicates with the Board regularly to update the corporate issues and developments.

Taking into account the current corporate structure, size, nature and scope of the Group's operation, the Board is of the view that it is presently not necessary to separate the roles of the Chairman and MD, and there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence. For good corporate governance, Mr Loh Yih has been appointed as the Lead Independent Director of the Company for the shareholders in situations where there are concerns or issues which communication with the Executive Chairman and MD and/or Financial Controller has failed to resolve or where such communication is inappropriate. Mr Loh Yih will also take the lead in ensuring compliance with the Code.

BOARD MEMBERSHIP

Principle 4: Formal and Transparent Process for the Appointment and Re-appointment of Directors to the Board

The NC consists of three (3) Directors, all of whom, including the NC Chairman, being Independent Directors. They are:

Mr Tan Eng Bock, Chairman	(Independent and Non-Executive)
Mr Loh Yih	(Lead Independent and Non-Executive)
Mr Neo Gim Kiong	(Independent and Non-Executive)

The NC will meet at least once a year. The NC carries out its duties in accordance with a set of terms of reference which includes, mainly, the following: –

- reviewing and recommending to the Board on all Board appointments, including the nomination or re-nomination of the Directors having regard to the Directors' contribution and performance;
- developing a process for selection, appointment and re-appointment of Directors (including alternate directors, if applicable) to the Board;
- reviewing orientation programs for new Directors and training and professional development programs for the continuing training of the Directors;

REPORT OF CORPORATE GOVERNANCE

- determining on an annual basis whether or not a Director is independent bearing in mind the salient factors set out in the Code;
- deciding whether or not a Director is able to and has been adequately carrying out his duties as a director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards;
- assessing the effectiveness of the Board as a whole and Board Committees as well as the contribution of each individual Director to the effectiveness of the Board;
- reviewing the size and composition of the Board with the objective of achieving a balanced Board in terms of the mix of experience and expertise and make recommendations to the Board with regard to any changes; and
- reviewing and approving any new employment of related persons and the proposed terms of their employment.

During FY2016, the NC held one (1) scheduled meeting attended by all the members.

The NC has in place a formal process for the selection of new Directors and re-appointment of Directors to increase transparency of the nominating process in identifying and evaluating nominees or candidates for appointment or re-appointment. In selecting potential new Directors, the NC will seek to identify the competencies and expertise required to enable the Board to fulfill its responsibilities. The NC will evaluate the suitability of the nominee or candidate based on his qualifications, business and related experience, commitment, ability to contribute to the Board process and such other qualities and attributes that may be required by the Board, before making its recommendation to the Board. In recommending a candidate for re-appointment to the Board, the NC considers, amongst other things, his contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Company's or Group's business and affairs) and his independence. The Board is to ensure that the selected candidate is aware of the expectations and the level of commitment required. Directors are encouraged to attend relevant training programmes conducted by the Singapore Institute of Directors, Singapore Securities Exchange Trading Limited ("**SGX-ST**"), and other business and financial institutions and consultants.

To address the competing time commitments that are faced when Directors serve on multiple boards, the NC has reviewed and made recommendation to the Board accordingly on the maximum number of listed company board appointments which any Director may hold. Based on the recommendation, the Board has determined and set the maximum number of public listed company board appointments at not more than five (5) other public listed companies. Currently, none of the Directors holds more than five (5) directorships in other listed companies.

The NC also reviews the independence of the Directors as mentioned under Guideline 2.3 of the Code. The NC has affirmed that Mr Loh Yih, Mr Tan Eng Bock and Mr Neo Gim Kiong are independent and free from any relationship outlined in the Code. Each of the Independent Directors has also confirmed his independence.

Pursuant to Articles 107 and 108 of the Company's Constitution, at least one-third of the Directors shall retire from office at least once every 3 years at the Annual General Meeting ("**AGM**"). In addition, the Directors, by the recommendation of NC, shall have the power to appoint any person to be the Director either to fill a casual vacancy or as an additional Director. In this respect, the NC has recommended and the Board has agreed for the following Directors to retire and seek re-election/ re-appointment at the forthcoming AGM:

Re-appointment of Director:

(i) Mr Tan Eng Bock

Re-election of Directors pursuant to Articles 107 and 108 of the Company's Constitution:

(i) Mr Loh Yih; and

(ii) Mr Lo Yew Seng

In making the recommendations, the NC considers the overall contribution and performance of the Directors. Mr Tan Eng Bock and Mr Loh Yih, being the NC Chairman and member respectively, had abstained from deliberation in respect of their own nomination and assessment.

The Company does not have any alternate Director as the Board does not encourage the appointment of alternate Director unless it is in exceptional case.

REPORT OF CORPORATE GOVERNANCE

Key information of each member of the Board is set out below:

Name of Directors	Date of First Appointment	Date of Last Re-election	Present Directorships and Chairmanships in Other Listed Companies	Directorships and Chairmanships in Other Listed Companies over the preceding three years
Ronald Teng Woo Boon	18 June 1993	24 July 2015	–	–
Neo Gim Kiong	1 July 2004	24 July 2015	Astaka Holdings Limited International Press Softcom Limited Sen Yue Holdings Limited (formerly known as PNE Micron Holdings Ltd)	–
Loh Yih	12 May 2005	25 July 2014	International Press Softcom Limited Acesian Partners Limited Weichai Power Co., Ltd	LinAir Technologies Limited
Tan Eng Bock	12 May 2005	24 July 2015	Ho Bee Land Limited	–
Lo Yew Seng	12 May 2015	24 July 2015	Jackspeed Corporation Limited	–

BOARD PERFORMANCE

Principle 5: Assessment of the Effectiveness of the Board

The NC had adopted processes for the evaluation of the Board's performance and effectiveness as a whole, based on performance criteria set by the Board. The selected performance criteria will not change from year to year unless they are deemed necessary and the NC is able to justify the changes. The objective of the annual evaluation is to identify areas for improvement and to implement appropriate action.

The NC has in place a framework for annual Board and Board Committees performance evaluations to assess the effectiveness of the Board and its Board Committees and to facilitate discussion to enable the Board to discharge its duties more effectively. The annual Board and Board Committees performance evaluations will be carried out by means of a questionnaire relating to the size and composition of the Board, information flow to the Board, Board procedures and accountability, matters concerning MD/Key Management Personnel and standards of conduct of Board members being completed by each individual Director. Completed questionnaires will be collated by the Company Secretary and the findings analysed and discussed with the Board and Board Committees. Recommendations to further enhance the effectiveness of the Board and Board Committees will be implemented, as appropriate.

ACCESS TO INFORMATION

Principle 6: Board Members should be provided with Complete, Adequate and Timely Information

To enable the Board to fulfill its responsibilities, it obtains information it deems adequate, complete and in a timely manner from the Management so as to make informed decisions. A system of communication between the Management, the Board and its Committees has been established and improved over time.

The Board, its Committees and every director have separate and independent access to the Management and are free to request additional information as needed to make informed decisions.

In addition to the annual budget and business plans submitted to the Board for approval, the Board was provided with half-yearly management report which contains key performance indicators informing the Directors of the Group's performance, position and prospects. The Management also kept the Board apprised of material variances between the actual results, corresponding period of last year and the budget, with appropriate explanation on such variances. Further, additional information is circulated to the Board on a regular basis as and when there is material development in the Group's business operations.

REPORT OF CORPORATE GOVERNANCE

The role of the Company Secretary is, *inter alia*, advising the Board on all governance matters and ensuring that all Board procedures are followed.

Under the direction of the Chairman, the Company Secretary ensures good information flow to and within the Board and its Committees and between the Management and Non-Executive Directors. Directors have separate and independent access to the Company Secretary through e-mail, telephone and face-to-face meetings. During FY2016, the Company Secretary attended all meetings of the Board and its Board Committees and the minutes of such meetings were promptly circulated to all Board and Board Committees as appropriate.

The appointment and removal of the Company Secretary are subject to the approval of the Board. The incumbent Company Secretaries were appointed on 1 May 2011.

In the furtherance of their duties, the Independent Directors may seek independent professional advice, where appropriate, with such expense borne by the Company.

REMUNERATION MATTERS

Matters concerning remuneration of the Board, senior executives and other employees who are related to the controlling shareholders and/or the Directors (if any) are handled by the RC whose primary function is to develop formal and transparent policies on remuneration matters in the Company. The RC also reviews and ensures that the Company's remuneration system is appropriate to attract, retain and motivate the required talents to run the Company successfully.

Matters which are required to be disclosed in the annual remuneration report have been sufficiently disclosed in this Report under Principles 7, 8 and 9; and in the Financial Statements of the Company and of the Group.

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

The RC comprises the following three (3) Directors, all of whom including the RC Chairman, are Non-Executive being independent:

Loh Yih, Chairman	(Lead Independent and Non-Executive)
Tan Eng Bock	(Independent and Non-Executive)
Neo Gim Kiong	(Independent and Non-Executive)

The RC will meet at least once a year. The RC carries out its duties in accordance with a set of terms of reference which includes, mainly, the following:

- reviewing and recommending to the Board, in consultation with the Executive Chairman and MD, for endorsement, a framework of remuneration policies to determine the specific remuneration packages and terms of employment for each Director and key management personnel, including employees related to the Directors and controlling shareholders, and the implementation of appropriate performance-related elements to be incorporated in the remuneration framework;

- reviewing and recommending the remuneration of the Non-Executive Directors, taking into account factors such as their effort, time spent and their responsibilities;

- reviewing and administering the award of shares to Directors and employees under the employee performance share plan adopted by the Company;

- reviewing and determining the contents of any service contracts for any Directors or key management personnel; and

- carrying out other duties as may be agreed by the RC and the Board, subject always to any regulations or restrictions that may be imposed upon the RC by the Board of Directors from time to time.

REPORT OF CORPORATE GOVERNANCE

The RC is responsible for ensuring a formal and transparent procedure is in place for fixing the remuneration packages of individual Directors, key management personnel and related employees. All aspects of remuneration, including but not limited to, directors' fees, salaries, allowances, bonuses, awards to be granted under the performance share plan as well as other benefits-in-kind are reviewed by the RC. The recommendations of the RC are submitted for endorsement by the Board. Such frameworks are reviewed periodically to ensure that the Directors and key management personnel are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. The RC also considers and recommends the MD's remuneration package including fixed salary, guaranteed bonus plus an annual incentive bonus calculated based on the consolidated net profit before tax and extraordinary items.

The RC also ensures that the Independent Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised. Each member of the RC abstains from voting on any resolutions in respect of his own remuneration package. Directors' fees are further subject to the approval of shareholders at the AGM.

The remuneration of related employees is reviewed annually by the RC to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related employees will also be subject to the review and approval of the RC. In the event that a member of the RC is related to the employee under review, he will abstain from participating in the review. The RC also takes into account of the current market circumstances and the need to attract and retain experienced/outstanding Directors and key management personnel.

Where necessary, the RC will consult external professionals on remuneration matters of Directors and key management personnel. For FY2016, the Company did not engage any external remuneration consultants to advise on remuneration matters.

The MD has entered into a service agreement with the Company with a validity period of three (3) years and subject to renewal after expiry of every three (3) years. The review of the service contract of the MD come under the purview of the RC to ensure fairness and reasonable terms of service is tied with his performance. The service agreement with the MD has been renewed in FY2015.

Having reviewed and considered the salary components of the Executive Director and the key management personnel which is considered reasonable and commensurate with their respective job scope and level of responsibilities, the RC is of the view that there is no requirement to use contractual provisions to allow the Company to reclaim incentive components of the remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss.

Remuneration Policy of Executive Director and Other Key Management Personnel

The Company advocates a performance-based remuneration system that is flexible and responsive to the market, the Company's and the individual key management personnel's performance.

The total remuneration mix comprises three key components, that is: –

(a) annual fixed cash;

(b) annual performance incentive; and

(c) long-term incentive.

The annual fixed cash component comprises the annual fixed salary plus other fixed allowances. The annual performance incentive is tied with the performances of the Company and the individual key management personnel. The long-term incentive is in the form of award of fully-paid shares under the Ban Leong Performance Share Plan. To remain competitive and relevant, the Company aims to benchmark its annual fixed salary at market median with variables being strictly performance driven.

REPORT OF CORPORATE GOVERNANCE

Principle 9: Disclosure on Remuneration

Details on the remuneration of Directors and key management personnel for the year under review are presented below. During FY2016, there was no termination, retirement and post-employment benefits granted to any Director and key management personnel. A summary of each Non-Executive Directors' and Executive Director's remuneration paid or payable by the Company for FY2016 is set out below:

Name of Directors	Breakdown of Remuneration in Percentage (%)					Total Remuneration in Compensation Bands
	Fees[1] (%)	Salary[2] (%)	Performance bonus (%)	Other benefits (%)	Total (%)	
Ronald Teng Woo Boon	–	73	27	–	100	S$250,001 – S$500,000
Loh Yih	100	–	–	–	100	< S$250,000
Tan Eng Bock	100	–	–	–	100	< S$250,000
Neo Gim Kiong	100	–	–	–	100	< S$250,000
Lo Yew Seng *(appointed w.e.f. 12 May 2015)*	100	–	–	–	100	< S$250,000
Chng Hock Huat *(resigned w.e.f. 27 July 2015)*	100	–	–	–	100	< S$250,000

Notes:
1 The directors' fees are subject to the approval of the shareholders at the AGM.
2 The salary amount shown is inclusive of allowances and CPF.

Remuneration of Key Management Personnel (Other than the Company's Executive Director)

The table below sets out the remuneration received by key management personnel that the Company considers senior enough and appropriate for disclosure purpose. The ranges of gross remuneration received by the top four (4) key management personnel in the Company and its subsidiaries, but do not include any associated companies, are presented as follows:

Name of Top 4 Key Management Personnel	Position	Breakdown of Remuneration in Percentage (%)				Total Remuneration in Compensation Bands
		Salary[1] (%)	Variable Bonus (%)	Other benefits (%)	Total (%)	
Tan You Hong	Deputy Managing Director	67	28	5	100	$250,000 – $500,000
Jenny Teo Su Ching[2]	Head of Operations	80	18	2	100	< $250,000
Philip Yeo Siong Chan *(resigned w.e.f. 1 December 2015)*	General Manager (Digital Hub Pte. Ltd.)	74	17	9	100	< $250,000
Khoo Soo Fang	Financial Controller	75	22	3	100	< $250,000

Notes:
1 The salary amount shown is inclusive of CPF.
2 Jenny Teo Su Ching is the spouse of the MD, Mr Teng.

Save for Mr Tan You Hong, the remuneration of each of the above key management personnel did not exceed S$250,000. In aggregate, the total remuneration (including CPF contribution thereon and bonus) paid to the top 4 key management personnel in financial year ended 31 March 2016 is approximately S$715,416.

To maintain confidentiality on the remuneration policies of the Company, the Board is of the view that it is in the best interests of the Company to keep the disclosure of remuneration of each individual Director and key management personnel in salary bands.

Pursuant to guideline 9.4 of the Code, the details of the remuneration (which comprises salaries, bonuses and benefits-in-kind only) of employee who are immediate family members of a director or the MD, and whose remuneration exceeded S$50,000 during the year is disclosed below. During FY2016, the following immediate family member of the Executive Chairman and the MD, is the employee of the Company: –

Name	Family relationship	Designation	Total Remuneration in Compensation Bands
Teo Wee Chong	Brother-in-law	Senior Manager, warehouse operation	Band B

Band A: Compensation from S$50,001 to S$100,000 per annum
Band B: Compensation from S$100,001 to S$150,000 per annum

Save as disclosed above, the Group does not have any other full-time employee who is an immediate family member of a Director or CEO of the Company, and whose remuneration exceeded S$50,000.00 for FY2016.

In determining the remuneration of the Executive Director and the key management personnel, the RC reviewed their respective KPIs achievements and assessed their performance for the financial year under review.

Details of Ban Leong Performance Share Plan

The Ban Leong Performance Share Plan ("**PSP**") which was approved by the shareholders of the Company at the Extraordinary General Meeting of the Company held on 23 July 2009 was designed to reward persons who are in the employment of the Group and also the Non-Executive Directors (including Independent Directors) who are not employed by the Group but who nevertheless work closely with the Group and/or are in the position to contribute their experience, knowledge and expertise to the development and success of the Group ("**Participants**").

The PSP is designed to reward Participants by the issue and/or transfer of fully-paid shares free of consideration ("**Shares**"), according to the extent to which they complete certain time-based service conditions or achieve their performance targets over set performance periods.

The aggregate number of new shares over which the Awards Committee may grant awards on any date, when added to the number of new shares issued and issuable in respect of all Shares granted under the PSP and any other existing share schemes implemented or to be implemented by the Company shall not exceed 15% of the issued share capital of the Company on the day preceding that date.

With regard to Controlling Shareholders and their Associates, the aggregate number of new Shares which may be granted to all Controlling Shareholders and their Associates will not exceed 25% of all the new Shares available under the PSP, and that the number of new Shares issued and issuable to each of the Controlling Shareholders and their Associates shall not exceed 10% of all the new Shares available under the PSP. The PSP is to be administered by the Awards Committee which shall be the RC.

No award has been granted under the PSP since the approval was granted.

ACCOUNTABILITY AND AUDIT

The Board recognises the importance of providing accurate and relevant information on a timely basis. In this respect, the AC reviews all financial statements and recommends them to the Board for approval. In addition, the AC ensures that the Company maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets as well as to manage potential risks.

REPORT OF CORPORATE GOVERNANCE

Principle 10: Accountability

Principle 11: Risk Management and Internal Controls

In discharging its responsibility of providing accurate relevant information on a timely basis to shareholders in compliance with statutory and regulatory requirements, the Board strives to ensure the timely release of the Group's financial results and that the results provide a balanced and understandable assessment of the Group's performance, position and prospects.

The Board takes steps to ensure compliance with legislative and regulatory requirements, including requirements under the Listing Manual, where appropriate. The Independent Directors in consultation with Management will request for Management's consideration for the establishment of written policies for any particular matter that is deemed to be essential to form part of management control.

On a half-yearly basis, the Management will report to the AC ensuring the financial processes and controls are in place, highlighting material financial risks and impacts and providing updates on status of significant financial issues of the Group, if any.

In accordance with the SGX-ST's requirements, the Board issued negative assurance statements in its half-yearly financial results announcement, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

The Board is responsible for the governance of risk. It should ensure that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Management is responsible to the Board for the design, implementation and monitoring of the Group's risk management and internal control systems and to provide the Board with a basis to determine the Group's level of risk tolerance and risk policies. The Board acknowledges that it is responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems including financial, operational, compliance and information technology controls. The Board also recognises its responsibilities in ensuring a sound system of internal controls to safeguard shareholders' investments and the Group's assets.

The Group had set up its own internal audit team to conduct a full review of its internal control and accounting system (the "**Internal Audit Team**"). It reviews, identifies and analyses the risks incurred by the Group in its activities and examines if there are any material non-compliance and internal control weaknesses as well as monitoring the implementation. The AC will oversee and monitor implementation of any improvements thereto.

The risk management system performed by the Internal Audit Team has also been integrated throughout the Group and has become an essential part of its business planning and monitoring process. On an annual basis, the AC reviews and reports to the Board the Group's risk profile, evaluates results and counter-measures to mitigate or transfer identified potential risks so as to assure itself and the Board that the process is operating effectively as planned. The risk management policy of the Group consists of the framework of formal, systematic and comprehensive guidelines and rules to identify and manage significant risks that might affect the Group's achievement of its business objectives. A Risk Management Framework has been in place to assist the Board, the Management and staff in identifying, reviewing and monitoring potential risks. Comprehensive guidelines and rules are set to identify and manage significant risks that may affect the Group's achievement of its business objectives, outputs, projects or operating processes. The Group recognises risk management as a collective effort beginning with the individual subsidiaries and business units, followed by the operating segments and ultimately the management and the Board, working as a team. The process identifies relevant potential risks across the Group's operations with the aim to bring them to within acceptable cost and tolerance parameters.

The Management regularly reviews and updates the Board on the Group's business and operational activities in respect of the key risk control areas including financial, operational, compliance and information technology controls and continues to apply appropriate measures to control and mitigate these risks. All significant matters are highlighted to the Board and the AC for further discussion. The Board and the AC also work with the Internal Audit Team, external auditors and Management on their recommendations to institute and execute relevant controls with a view to managing such risks.

REPORT OF CORPORATE GOVERNANCE

The Board notes that no cost effective system of internal controls could provide absolute assurance against the occurrence of material errors, losses, fraud or other irregularities. In view of the above and based on the internal controls established and maintained by the Group, work performed by the Internal Audit Team, external auditors, and reviews performed by the Management, various board committees and the Board so far, the AC and the Board are of the opinion that the Group's risk management and internal control systems, addressing the financial, operational, compliance and information technology risks, put in place during the financial year were adequate and effective. This is in turn supported by the assurance from the MD and the Financial Controller (including back-to-back assurance from Management) that (a) the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances are in accordance with the relevant accounting standards; and (b) an effective risk management and internal control systems have been put in place.

Furthermore, the Board believes its responsibility of overseeing the Group's risk management framework and policies are well supported. The Board will look into the need for establishment of a separate board risk committee at the relevant time.

Principle 12: Audit Committee

The Board recognises the importance of providing accurate and relevant information on a timely basis. To ensure that the corporate governance is effectively practiced, the Board has established self-regulatory and monitoring mechanisms, including the establishment of the AC to ensure that the Company maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets as well as to manage potential risks. The AC consists of two (2) Independent Directors and one (1) Non-Executive Director, the majority of whom, including the AC Chairman, are independent:

Loh Yih, Chairman	(Lead Independent and Non-Executive)
Tan Eng Bock	(Independent and Non-Executive)
Lo Yew Seng	(Non-Executive)

Mr Loh Yih, Mr Tan Eng Bock and Mr Lo Yew Seng, do not have any existing business or professional relationship with the Group, Directors or substantial shareholders of the Company. None of the AC members are related to other Directors or substantial shareholders of the Company.

The Board has ensured that all the AC members, having the necessary accounting and/or related financial management expertise, are appropriately qualified to discharge their responsibilities.

The AC meets on a half-yearly basis and plays a key role in assisting the Board to review significant financial reporting issues and judgments to ensure the quality and integrity of the accounting reports, the audit procedures, internal controls, financial statements and any announcements relating to the Group's financial performance.

The members of the AC carry out their duties in accordance with a set of terms of reference which includes, mainly, the following:

- assisting the Board in discharging its responsibilities on financial reporting matters;
- reviewing, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and Management's response, and results of our audits compiled by our Internal Audit Team and external auditors;
- reviewing the periodic consolidated financial statements and results announcements before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Listing Rules of SGX-ST and any other statutory and regulatory requirements;

REPORT OF CORPORATE GOVERNANCE

- reviewing the effectiveness and adequacy of the internal control procedures addressing financial, operational, compliance and information technology risks, and ensure co-ordination between the Internal Audit Team and external auditors together with the Management, reviewing the assistance given by the Management to the auditors, and discuss problems and concern, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);

- reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;

- reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

- making recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

- reviewing significant financial reporting issues and judgments with the Financial Controller and the external auditors so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before their submission to the Board;

- reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Group's material internal controls with the Financial Controller and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the Internal Audit Team;

- reviewing and approving transactions falling within the scope of Chapter 9 and Chapter 10 of the Listing Manual (if any);

- reviewing any potential conflicts of interest;

- reviewing the suitability of the Financial Controller and the adequacy of the finance team on an on-going basis;

- reviewing and approving all hedging policies and instruments (if any) to be implemented by the Group;

- undertaking such other reviews and projects as may be requested by the Board and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC;

- reviewing the financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;

- reviewing and establishing procedures for receipt, retention and treatment of complaints received by the Group, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group;

- reviewing the Group's compliance with such functions and duties as may be required by statute or the Listing Rules of the SGX-ST, and by such amendments made thereto from time to time;

- reviewing arrangements by which the staff may, in confidence, raise concerns about improprieties in matters of financial reporting or other matters, and to ensure that those arrangements are in place for independent investigations of such matters and for appropriate follow-up; and

- undertaking generally such other functions and duties as may be required by law or the Listing Rules of the SGX-ST, and by such amendments made thereto from time to time.

REPORT OF CORPORATE GOVERNANCE

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the AC shall abstain from voting on any resolutions in respect of matters in which he is interested.

The AC has oversight of the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the external auditors. The AC has explicit authority to investigate any matters relating to the Group's accounting, auditing, internal controls and/or financial practices brought to its attention, full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC had reviewed transactions falling within the scope of the terms of reference of AC in respect of the interested person transaction and the Listing Manual of the SGX-ST.

The AC had reviewed and discussed with the external auditors as well as the Management for both the half-year and annual financial statements before submission to the Board for its approval.

The external auditors have unrestricted access to the AC. The AC met with the external auditors, without the presence of the Management, and reviewed the overall scope of the external audit and the assistance given by the Management to the auditors.

The AC had reviewed and discussed with the external auditors for any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response.

The AC also reviewed the independence and objectivity of the external auditors and have reviewed the scope and value of non-audit services provided to the Group by the external auditors, Messrs Ernst & Young LLP. The aggregate amount of audit fees paid or payable to the external auditors for FY2016 is S$126,000. There is no non-audit fee paid to the external auditors during FY2016. The AC was satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC has recommended to the Board the nomination of Messrs Ernst & Young LLP for re-appointment as auditors of the Company at the forthcoming AGM. Both AC and the Board have reviewed the appointment of different auditors for its subsidiaries and/or significant associated companies and satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company. Accordingly, the Company has complied with Rules 712 and 716 of the Listing Rules of the SGX-ST.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to, and has had the full co-operation of the Management. It also has full discretion to invite any Director or any member of the Management to attend its meetings or be provided with reasonable resources to enable it to discharge its functions properly.

To keep abreast of the changes in accounting standards and issues which have a direct impact on the financial statements, the AC will seek advice from the external auditors when there is AC meeting held.

Whistle Blowing Policy

To encourage proper work ethics and eradicate any internal improprieties, unethical acts, malpractices, fraudulent acts, corruption and/or criminal activities in the Group. The Company has implemented a Whistle Blowing Policy. The Policy stipulates the mechanism by which concerns about plausible improprieties in matters of financial reporting, etc, may be raised. A dedicated secured e-mail address allows whistle blowers to contact the AC directly. The Whistle Blowing Policy, its procedures and contact details of the AC have been made available to all employees.

The Company's Whistle Blowing Policy allows not just employees but also external parties to raise concerns and offer reassurance that they will be protected from reprisals or victimisation for whistle blowing in good faith.

REPORT OF CORPORATE GOVERNANCE

The AC addresses issues/concerns raised and arranges for investigation and/or follow-up of appropriate action. The AC reports to the Board any issues/concerns received by it at the ensuing Board meeting. Should the AC receive reports relating to serious offences, and/or criminal activities in the Group, they and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant governmental authorities for further investigation/action.

Principle 13: Internal Audit

The AC's responsibilities over the Group's internal controls and risk management are complemented by the work of the Internal Audit Team. The Group had established its own internal audit team that is independent of the activities it audits and its primary line of reporting is to the Chairman of the AC. Administratively, the Internal Audit Team report to the MD. The Internal Audit Team carries out its functions under the direction of the AC, and reports its findings and make recommendations to the AC.

The AC ensures that the Management provides good support to the Internal Audit Team and provides adequate access to documents, records, properties and personnel when requested in order for the Internal Audit Team to carry out its function accordingly. The Internal Audit Team also has unrestricted access to the AC on internal audit matters. Any material non-compliance or failures in the internal audit function and recommendations for improvements are reported to the AC. The AC will review the adequacy and effectiveness of the internal audit function at least annually.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholders Rights and Responsibilities
Principle 15: Communication with Shareholders
Principle 16: Conduct of Shareholders' Meetings

The Group acknowledges the importance of regular communication with shareholders and investors through which shareholders can have an overview of the Group's performance and operation. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders are protected. Information is communicated to shareholders on a timely basis through the Company's annual report, circulars to shareholders (if any), half-yearly financial results and the various announcements.

The Board embraces openness and transparency in the conduct of the Group's affairs, whilst safeguarding its commercial interests. Material information on the Group has been released to the public through the Company's announcements via the SGXNET.

The Group strongly encourages shareholders' participation at the AGM which will be held in Singapore. Shareholders are able to proactively engage the Board and management on the Group's business activities, financial performance and other business related matters through dialogue sessions. The Group believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns.

The Company communicates with shareholders and the investing community through the timely release of announcements to the SGXST via SGXNET. Financial results of the Company and the Group were released within 45 days from the half year financial year ended and 60 days from the full year financial year ended during the year. In addition, the Annual Report 2016 is distributed to shareholders within the mandatory period before the AGM to be held on 25 July 2016.

The Company is committed to achieving sustainable income and growth to enhance total shareholder return. The Group aims to balance cash return to shareholders and investment for sustaining growth, while aiming for an efficient capital structure. The Company strives to provide consistent and sustainable ordinary dividend payments to its shareholders. The Board is recommending 1 Singapore cent per ordinary share for FY2016 as the tax exempt (one-tier) final dividend payable to the shareholders, subject to the approval of shareholders at the forthcoming AGM. In considering the form, frequency and amount of dividends that the Board may recommend or declare in respect of any particular year or period, the Board takes into account various factors including:

- the results of operations and cash flow;
- the expected financial performance and working capital needs;

- future prospects; and
- capital expenditures and other investment plans;

as well as general economic and business operations in regional basis and other factors deemed relevant by the Board and statutory restrictions on the payment of dividends.

The Group supports and encourages active shareholders' participation at general meetings. The Board believes that general meetings serve as an opportune forum for shareholders to meet the Board and key management personnel, and to interact with them. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all shareholders. The notices are also released via SGXNET and published in local newspapers, as well as posted on the Company's website.

The Company's Constitution allows all shareholders to appoint proxy(ies) to attend general meetings and vote on their behalf. Voting in absentia and by electronic mail may only be possible following careful study to ensure that the integrity of the information and authentication of the identity of shareholder via the internet is not compromised. Separate resolutions on each distinct issue are tabled at general meetings and explanatory notes are set out in the notices of general meetings where appropriate. All Directors including Chairman of the Board and the respective Chairman of the Board Committees, senior management and the external auditors are intended to be in attendance at forthcoming AGM to address any queries of the shareholders.

The Company Secretary prepares minutes of general meetings that include substantial and pertinent comments from shareholders relating to the agenda of the meetings and responses from Management and the Board, subsequently approved by the Board. Such minutes will be available to shareholders upon their written request.

The Board acknowledges voting by poll is integral in the enhancement of corporate governance and lead to greater transparency of the level of support for each resolution where shareholders are accorded rights proportionate to the shareholding and all votes counted. To enhance shareholders' participation, the Group puts all resolutions at general meetings to vote by manual poll and announces the results by showing the number of votes cast for and against each resolution and the respective percentage via SGXNET after the general meetings.

OTHER CORPORATE GOVERNANCE MATTERS

DEALING IN SECURITIES
(Rule 1207(19) of the Listing Manual of SGX-ST)

The Group has adopted internal codes in relation to dealings in the Company's securities pursuant to the SGX-ST's Best Practices Guide that is applicable to all its officers. All Directors and officers of the Group who have access to "price-sensitive" information are required to observe this Code. Under the code of conduct, the Directors and these officers of the Group are prohibited from dealing in the Company's securities during the period commencing on 1st April for the full year financial results, and 1st October for the half year financial result, and ending on the date of the announcement of the relevant results, or if they are in possession of unpublished material price-sensitive information of the Group. In addition, the Directors and employees are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

The Directors are required to notify the Company of any dealings in the Company's securities (during the open window period) within two (2) business days of the transactions.

The Board is satisfied with the Group's commitment in compliance with the Code and on the adequacy of internal controls within the Group.

The Board wishes to reaffirm that the officers do not deal in the Company's securities on short-term considerations pursuant to the SGX-ST's best practices on dealings in securities.

REPORT OF CORPORATE GOVERNANCE

RISK MANAGEMENT

The Company does not have a Risk Management Committee. However, the Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as the appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the Directors and AC.

INTERESTED PERSON TRANSACTIONS
(Rule 907 of the Listing Manual of SGX-ST)

As a listed company on the SGX-ST, the Company has taken the following steps to ensure compliance with the requirements of the Chapter 9 of the Listing Manual of SGX-ST in relation to the interested person transactions, including ensuring that interested person transactions are properly reviewed, approved, and conducted on an arm's length basis.

The AC reviewed the interested persons transactions ("**IPTs**") reported by the Management on a half-yearly basis, The IPTs are consistently reviewed by the Management and all findings were reported during the AC meetings.

The AC ensures that the IPTs are carried out on an arm's length basis and ensures that the relevant rules under Chapter 9 of the Listing Manual of SGX-ST are complied with. When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

The Company has obtained a shareholders mandate for interested person transactions on 12 February 2016. For FY2016, there was no transaction pursuant to the IPT mandate.

MATERIAL CONTRACTS
(Rule 1207(8) of the Listing Manual of SGX-ST)

Save for service agreement between the Company and Executive Director as disclosed in this report, there were no other material contracts of the Company and its subsidiaries involving the interests of the MD or any Director or controlling shareholder, either subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

CORPORATE DISCLOSURE

The Company believes that a high level of disclosure is essential to enhance the standard of corporate governance. Hence, the Company is committed to provide a high level of disclosure in all public announcements, press releases and annual reports.

DIRECTOR'S STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Ban Leong Technologies Limited (the "Company") and its subsidiaries (collectively the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2016.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the consolidated financial statements of the Group, and the balance sheets and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Ronald Teng Woo Boon	(Managing Director)
Loh Yih	(Independent Director)
Neo Gim Kiong	(Independent Director)
Tan Eng Bock	(Independent Director)
Lo Yew Seng	(Non Executive Director)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as described below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
	At the beginning of financial year or date of appointment	At the end of financial year	At the beginning of financial year or date of appointment	At the end of financial year
Ban Leong Technologies Limited				
Ordinary shares				
Ronald Teng Woo Boon[1]	40,366,000	26,066,000	3,208,000	3,208,000
Neo Gim Kiong	2,394,000	2,594,100	–	–
Loh Yih	500,000	4,500,000	–	–
Lo Yew Seng	2,966,000	2,966,000	–	–

[1] Relates to shares held by Ms Teo Su Ching, spouse of Mr Ronald Teng Woo Boon

There was no change in any of the above-mentioned interests between the end of the financial year and 21 April 2016.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

DIRECTOR'S STATEMENT

OPTIONS

No options were issued by the Company or its subsidiaries during the financial year. As at 31 March 2016, there are no options on the unissued shares of the Company or its subsidiaries which are outstanding.

AUDIT COMMITTEE

The Audit Committee comprises one non-executive and two independent directors, one of whom is also the Chairman of the Committee. The members of the Audit Committee at the date of this report are as follows:

Loh Yih (Chairman)
Lo Yew Seng
Tan Eng Bock

The financial statements, accounting policies and system of internal accounting controls are the responsibility of the Board of Directors acting through the Audit Committee. The Audit Committee met twice during the financial year to review the scope of work of the statutory auditors, and the results arising therefrom. The consolidated financial statements of the Group were reviewed by the Audit Committee prior to their submission to the directors of the Company for adoption.

The Audit Committee has reviewed all non-audit services provided by the external auditors of the Group and is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The Audit Committee has also conducted a review of interested person transactions.

Further details regarding the Audit Committee are disclosed in the Report on Corporate Governance.

AUDITORS

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the Board of Directors:

Ronald Teng Woo Boon
Director

Neo Gim Kiong
Director

Singapore
28 June 2016

INDEPENDENT AUDITOR'S REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Ban Leong Technologies Limited (the "Company") and its subsidiaries (collectively the "Group"), set out on pages 46 to 94 which comprise the balance sheets of the Group and the Company as at 31 March 2016, the statements of changes in equity of the Group and the Company, the consolidated statement of comprehensive income and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
28 June 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2016

		Group	
	Notes	2016 $	2015 $
Revenue	4	143,629,242	136,404,012
Cost of sales		(128,521,585)	(121,695,971)
Gross profit		15,107,657	14,708,041
Other operating income		305,724	382,687
Selling and distribution expense		(6,671,967)	(7,284,522)
General and administrative expense		(5,211,477)	(5,271,075)
Profit from operations before foreign exchange		3,529,937	2,535,131
Foreign exchange loss		(422,424)	(432,974)
Profit from operations	5	3,107,513	2,102,157
Finance expenses	7	(217,563)	(149,404)
Finance income	7	2,301	3,990
Operating profit before taxation		2,892,251	1,956,743
Impairment of investment in unquoted equity shares	13	–	(514,616)
Profit before taxation		2,892,251	1,442,127
Taxation	8	(607,127)	(568,044)
Profit for the financial year		2,285,124	874,083
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(339,650)	42,717
Other comprehensive income for the financial year, net of tax		(339,650)	42,717
Total comprehensive income for the financial year		1,945,474	916,800
Profit attributable to:			
Owners of the Company		2,057,704	789,290
Non-controlling interests		227,420	84,793
		2,285,124	874,083
Total comprehensive income attributable to:			
Owners of the Company		1,786,682	781,855
Non-controlling interests		158,792	134,945
		1,945,474	916,800
Earnings per share attributable to owners of the Company (cents per share)	9		
Basic		1.77	0.68
Diluted		1.77	0.68

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2016

	Notes	Group 2016 $	Group 2015 $	Company 2016 $	Company 2015 $
Non-current assets					
Property, plant and equipment	11	599,229	727,033	378,768	407,145
Investment in subsidiaries	12	–	–	119,182	283,891
Investment in unquoted equity shares	13	–	–	–	–
Investment in joint venture	14	–	–	–	–
Amount owed by a subsidiary	15	–	–	–	2,571,500
Deferred tax assets	16	188,882	141,246	–	–
Intangible assets	17	–	354,657	–	546
		788,111	1,222,936	497,950	3,263,082
Current assets					
Inventories	18	22,815,343	24,633,890	12,524,921	14,869,895
Prepayments		153,296	152,125	67,445	92,079
Trade receivables	19	21,697,689	18,315,590	20,557,829	15,884,196
Other receivables and deposits	20	624,712	1,033,147	1,887,198	525,945
Cash and cash equivalents	21	11,617,645	11,685,304	9,855,875	9,334,546
		56,908,685	55,820,056	44,893,268	40,706,661
Current liabilities					
Trade payables	22	18,874,344	18,313,098	16,050,139	15,088,670
Bills payable to banks (unsecured)	23	8,694,155	10,185,526	7,590,847	9,215,175
Other payables and accruals	24	4,419,862	3,773,929	3,132,213	2,731,809
Hire-purchase liabilities	25	133,207	69,041	127,280	58,591
Provision for taxation		822,181	763,778	641,315	708,470
		32,943,749	33,105,372	27,541,794	27,802,715
Net current assets		23,964,936	22,714,684	17,351,474	12,903,946
Non-current liabilities					
Hire-purchase liabilities	25	(126,692)	(92,089)	(124,133)	(82,944)
Deferred tax liabilities	16	(16,342)	(15,657)	(16,342)	(11,427)
Net assets		24,610,013	23,829,874	17,708,949	16,072,657
Equity attributable to owners of the Company					
Share capital	26(a)	11,173,106	11,173,106	11,173,106	11,173,106
Returned shares	26(b)	(104,822)	(104,822)	(104,822)	(104,822)
Treasury shares	26(b)	(88,904)	(84,329)	(88,904)	(84,329)
Retained earnings		13,605,977	12,709,033	6,729,569	5,088,702
Other reserve	27	65,685	65,685	–	–
Foreign currency translation reserve	27	(1,005,566)	(734,544)	–	–
		23,645,476	23,024,129	17,708,949	16,072,657
Non-controlling interests		964,537	805,745	–	–
Total equity		24,610,013	23,829,874	17,708,949	16,072,657

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2016

Group	Attributable to owners of the Company								
	Share capital $	Returned shares $	Treasury shares $	Retained earnings $	Other reserve $	Foreign currency translation reserve $	Equity attributable to owners of the Company $	Non-controlling interests $	Total equity $
Balance as at 1 April 2014	11,173,106	(104,822)	(68,312)	13,080,993	65,685	(727,109)	23,419,541	670,800	24,090,341
Profit for the financial year	–	–	–	789,290	–	–	789,290	84,793	874,083
Other comprehensive income for the financial year	–	–	–	–	–	(7,435)	(7,435)	50,152	42,717
Total comprehensive income for the financial year	–	–	–	789,290	–	(7,435)	781,855	134,945	916,800
Purchase of treasury shares	–	–	(16,017)	–	–	–	(16,017)	–	(16,017)
Dividends (Note 28(a))	–	–	–	(1,161,250)	–	–	(1,161,250)	–	(1,161,250)
Balance as at 31 March 2015 and 1 April 2015	11,173,106	(104,822)	(84,329)	12,709,033	65,685	(734,544)	23,024,129	805,745	23,829,874
Profit for the financial year	–	–	–	2,057,704	–	–	2,057,704	227,420	2,285,124
Other comprehensive income for the financial year	–	–	–	–	–	(271,022)	(271,022)	(68,628)	(339,650)
Total comprehensive income for the financial year	–	–	–	2,057,704	–	(271,022)	1,786,682	158,792	1,945,474
Purchase of treasury shares	–	–	(4,575)	–	–	–	(4,575)	–	(4,575)
Dividends (Note 28(a))	–	–	–	(1,160,760)	–	–	(1,160,760)	–	(1,160,760)
Balance as at 31 March 2016	11,173,106	(104,822)	(88,904)	13,605,977	65,685	(1,005,566)	23,645,476	964,537	24,610,013

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2016

	Share capital $	Returned shares $	Treasury shares $	Retained earnings $	Total equity $
Company					
Balance as at 1 April 2014	11,173,106	(104,822)	(68,312)	12,742,215	23,742,187
Loss for the financial year	–	–	–	(6,492,263)	(6,492,263)
Total comprehensive income for the financial year	–	–	–	(6,492,263)	(6,492,263)
Purchase of treasury shares	–	–	(16,017)	–	(16,017)
Dividends (Note 28(a))	–	–	–	(1,161,250)	(1,161,250)
Balance as at 31 March 2015 and 1 April 2015	11,173,106	(104,822)	(84,329)	5,088,702	16,072,657
Profit for the financial year	–	–	–	2,801,627	2,801,627
Total comprehensive income for the financial year	–	–	–	2,801,627	2,801,627
Purchase of treasury shares	–	–	(4,575)	–	(4,575)
Dividends (Note 28(a))	–	–	–	(1,160,760)	(1,160,760)
Balance as at 31 March 2016	11,173,106	(104,822)	(88,904)	6,729,569	17,708,949

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2016

	Notes	Group 2016 $	Group 2015 $
Cash flows from operating activities			
Profit before taxation		2,892,251	1,442,127
Adjustments for:			
Depreciation of property, plant and equipment	5	301,737	300,213
Amortisation of intangible assets	5	354,657	356,659
Impairment of investment in unquoted equity shares		–	514,616
Gain on disposal of property, plant and equipment	5	(1,000)	(5,081)
Allowance for doubtful trade receivables	5	77,449	204,984
Trade receivables written-off	5	3,179	16,447
(Write back)/ allowance for inventory obsolescence	5	(84,179)	76,183
Interest expense		217,563	149,404
Interest income		(2,301)	(3,990)
Currency alignment		(175,463)	62,352
Operating profit before working capital changes		3,583,893	3,113,914
(Increase)/decrease in:			
Inventories		1,902,726	(3,989,963)
Prepayments		(1,171)	174,191
Trade receivables		(3,462,727)	655,549
Other receivables and deposits		408,435	108,982
(Decrease)/increase in:			
Trade payables		561,246	4,338,916
Bills payable to banks (unsecured)		(1,491,371)	(2,355,374)
Other payables and accruals		645,933	224,707
Cash generated from operations		2,146,964	2,270,922
Interest paid		(217,563)	(149,404)
Interest received		2,301	3,990
Income tax paid		(595,675)	(516,961)
Net cash from operating activities		1,336,027	1,608,547
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		2,604	5,115
Investment in unquoted equity shares		–	(14,616)
Purchase of property, plant and equipment		(87,569)	(322,135)
Additions to intangible assets		–	(1,092)
Net cash used in investing activities		(84,965)	(332,728)
Cash flows from financing activities			
Repayment of hire-purchase liabilities		(9,232)	(68,888)
Purchase of treasury shares		(4,575)	(16,017)
Dividends paid to shareholders	28(a)	(1,160,760)	(1,161,250)
Net cash used in financing activities		(1,174,567)	(1,246,155)
Net increase in cash and cash equivalents		76,495	29,664
Effects of exchange rate changes on cash and cash equivalents		(144,154)	(22,357)
Cash and cash equivalents at the beginning of year		11,685,304	11,677,997
Cash and cash equivalents at the end of year	21	11,617,645	11,685,304

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

1. CORPORATE INFORMATION

Ban Leong Technologies Limited (the "Company") is a limited liability company which is domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 150 Ubi Avenue 4 #04-01, Singapore 408825.

The principal activities of the Company and its subsidiaries (the "Group") are the wholesale and distribution of computer peripherals, accessories and other multimedia products and disclosed in Note 12 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The consolidated financial statements of the Group, the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ($ or SGD).

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 114 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 16 and FRS 41 *Agriculture: Bearer Plants*	1 January 2016
Amendments to FRS 111 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
(b) Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
(c) Amendments to FRS 19 *Employee Benefits*	1 January 2016
(d) Amendments to FRS 34 *Interim Financial Reporting*	1 January 2016
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to FRS 7 *Disclosure Initiative*	1 January 2017
Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018
Amendments to FRS 110 & FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 *Standards issued but not yet effective (cont'd)*

Except for FRS 115 and FRS 109, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policies on adoption of FRS 115 and FRS 109 are described below:

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption is permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 Financial Instruments

In December 2014, the ASC issued the final version of FRS 109 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 39 Financial Instruments: Recognition and Measurement. FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirement in FRS109 is based on an expected credit loss model and replace the FRS39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

2.4 *Basis of consolidation and business combinations*

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company, except for BLC (China) Limited, which has accounting year ending 31 December. The consolidated financial statements incorporate the unaudited management accounts for BLC (China) Limited as at 31 March. This subsidiary does not contribute materially to the Group's results. A list of the Group subsidiaries is shown in Note 12. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations (cont'd)

Basis of consolidation (cont'd)

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
– De-recognises the carrying amount of any non-controlling interest;
– De-recognises the cumulative translation differences recorded in equity;
– Recognises the fair value of the consideration received;
– Recognises the fair value of any investment retained;
– Recognises any surplus or deficit in profit or loss;
– Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Foreign currency

The financial statements are presented in Singapore dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of reporting period are recognised in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.20. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computers	1 – 5 years
Office equipment	5 years
Furniture & fittings	5 years
Motor vehicles	5 years
Renovation	5 years
Warehouse equipment	1 year

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Property, plant and equipment (cont'd)

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further depreciation charge is made in respect of these assets.

2.8 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

2.9 Joint venture company

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method from the date on which it becomes a joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. The profit or loss reflects the share of results of the operations of the joint ventures. Distributions received from joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint ventures.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Intangible assets

(a) *Goodwill*

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

(b) *Other intangible assets*

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Non-contractual customer relationships

Non-contractual customer relationships were acquired in business combinations and are recognised at fair value at date of acquisition. Subsequent to recognition, the customer relationships is amortised on a straight line basis over its estimated useful lives.

Trademarks

Trademarks are initially recorded at cost. Subsequent to recognition, the trademarks are measured at cost less accumulated amortisation. Amortisation is computed on a straight-line basis over the estimated useful lives of the individual trademarks.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.12 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

(i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial instruments (cont'd)

(a) *Financial assets (cont'd)*

Subsequent measurement (cont'd)

(ii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of other financial liabilities, directly attributable transaction costs.

Subsequent measurement

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial instruments (cont'd)

(c) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.13 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Impairment of financial assets (cont'd)

(c) *Available-for-sale financial assets*

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand which are subjected to an insignificant risk of changes in value.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grant shall be recognised in profit or loss over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income is presented as a credit in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.19 Treasury shares

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as returned or treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of returned treasury shares.

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.21 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates, and sales taxes or duty.

(a) *Sale of goods*

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Interest income*

Interest income is recognised using the effective interest method.

2.22 Employee benefits

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Taxes

(a) *Current income tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable futures.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.24 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

The management has not made any significant judgements that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting date.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) *Allowance for inventory obsolescence*

Allowance for inventory obsolescence is estimated based on the best available facts and circumstances, including but not limited to the stocks' own physical conditions, their market selling prices and estimated costs to be incurred for their sales. The allowances are re-evaluated and adjusted as additional information received affects the amount estimated.

The carrying amount of the Group's inventories as of 31 March 2016 is disclosed in Note 18.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(ii) *Impairment of non-financial assets*

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of Group's property, plant and equipment as of 31 March 2016 is disclosed in Note 11.

(iii) *Impairment of loans and receivables*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at 31 March 2016 is disclosed in Note 30.

(iv) *Income taxes*

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. The Group establishes tax provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group companies' domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's and Company's provision for taxation at the end of the reporting period was $822,181 and $641,315 (2015: $763,778 and $708,470) respectively. The carrying amount of the Group's and Company's deferred tax assets and deferred tax liabilities at the end of the reporting period was $188,882 and $Nil (2015: $141,246 and $Nil) and $16,342 and $16,342 (2015: $15,657 and $11,427) respectively.

4. REVENUE

Revenue represents sale of goods net of goods and services tax and trade discounts and returns.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

5. PROFIT FROM OPERATIONS

The following items have been included in arriving at profit before taxation:

	Group	
	2016 $	2015 $
Audit fees		
– auditors of the Company	113,000	113,000
– other auditors	47,134	68,396
Depreciation of property, plant and equipment	301,737	300,213
Gain on disposal of property, plant and equipment	(1,000)	(5,081)
Amortisation of intangible assets	354,657	356,659
(Write-back of)/ allowance for inventory obsolescence, net	(84,179)	76,183
Allowance for doubtful trade receivables	77,449	204,984
Trade receivables written-off	3,179	16,447
Staff costs (Note 6)	7,964,379	8,072,988
Directors' remuneration		
– directors of the Company	365,315	331,136
– directors of subsidiaries	216,311	381,683
Directors' fees		
– directors of the Company	158,871	152,000
– directors of a subsidiary	6,116	3,376
Foreign exchange loss, net	422,424	432,974
Operating lease expenses	996,673	983,011

6. STAFF COSTS

	Group	
	2016 $	2015 $
Salaries and bonuses	6,120,820	6,226,184
Defined contribution plans	810,557	803,335
Commissions	832,771	848,842
Other staff costs	200,231	194,627
	7,964,379	8,072,988

7. FINANCE (EXPENSES)/ INCOME

	Group	
	2016 $	2015 $
Interest expense		
– bank borrowings	(206,403)	(140,524)
– hire-purchase	(11,160)	(8,880)
	(217,563)	(149,404)
Interest income		
– bank balances	2,301	3,990
	2,301	3,990

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

8. TAXATION

(a) Major components of taxation

The major components of taxation for the financial years ended 31 March 2016 and 2015 are:

	Group	
	2016	2015
	$	$
Current income tax:		
– current income taxation	651,358	725,969
– over provision in respect of previous years	(9,976)	(156,815)
	641,382	569,154
Deferred income tax (Note 16):		
– origination and reversal of temporary differences	(47,885)	(25,809)
– under/ (over) recognition of deferred tax in respect of previous years	934	(2,897)
	(46,951)	(28,706)
Withholding tax	12,696	27,596
Income tax expense recognised in profit or loss	607,127	568,044

(b) Relationship between taxation and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 March 2016 and 2015 is as follows:

	Group	
	2016	2015
	$	$
Accounting profit before taxation	2,892,251	1,442,127
Tax calculated at tax rate of 17%	491,683	245,162
Adjustments:		
Non-deductible expenses	140,640	101,395
Income not subject to taxation	(18,116)	(14,438)
Deferred tax assets not recognised	36,521	776,706
Effect of partial tax exemption and tax relief	(45,925)	(62,953)
Effect of different tax rates in other countries	(1,330)	(345,712)
Over provision in respect of previous years	(9,042)	(159,712)
Withholding tax	12,696	27,596
Income tax expense recognised in profit or loss	607,127	568,044

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

8. TAXATION (CONT'D)

(b) Relationship between taxation and accounting profit (cont'd)

The corporate income tax rates applicable to the overseas subsidiaries are as follows:

Country	Corporate tax rate 2016 %	Corporate tax rate 2015 %
Malaysia	24	25
Thailand	20	20
Australia	30	30
China	25	25

Unrecognised tax losses and unabsorbed capital allowances

At the end of the reporting period, the Group has tax losses of approximately $11,400,000 (2015: $11,285,000) from its Australian subsidiaries that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic and diluted earnings per share amounts are calculated by dividing net profit attributable to owners of the Company of $2,057,704 (2015: $789,290) by the weighted average number of ordinary shares outstanding during the financial year of 116,053,000 (2015: 116,076,000) shares.

There are no dilutive potential shares.

10. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties, who are not members of the Group, took place at terms agreed between the parties during the financial year:

	Group 2016 $	Group 2015 $
Purchase from non-controlling interest of a subsidiary	7,094	3,030
Service fee rendered to non-controlling interest of a subsidiary	135	834

10. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Compensation of key management personnel

	Group	
	2016 $	2015 $
Salaries and bonus	1,181,826	1,287,304
Defined contribution plan expenses	78,621	89,158
Other staff costs	36,594	29,214
Total compensation paid to key management personnel	1,297,041	1,405,676
Comprise amounts paid to:		
Directors of the Company	365,315	331,136
Other key management personnel	931,726	1,074,540
	1,297,041	1,405,676

The remuneration of key management personnel are determined by the Remuneration Committee having regard to the performance of individuals and market trends.

No share options have been granted to the Company's executive and non-executive directors as at 31 March 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

11. PROPERTY, PLANT AND EQUIPMENT

Group	Computers $	Office equipment $	Furniture and fittings $	Motor vehicles $	Renovation $	Warehouse equipment $	Total $
Cost							
At 1 April 2014	625,946	472,302	471,451	1,099,681	369,222	112,235	3,150,837
Additions	42,749	74,561	22,479	147,884	51,068	1,951	340,692
Disposals/written-off	–	–	(537)	–	–	–	(537)
Translation differences	(7,746)	1,474	(1,689)	(10,189)	1,082	7,443	(9,625)
At 31 March 2015 and 1 April 2015	660,949	548,337	491,704	1,237,376	421,372	121,629	3,481,367
Additions	46,691	25,701	3,650	117,135	934	1,458	195,569
Disposals/written-off	(35,541)	(3,304)	(11,073)	(35,424)	–	(1,245)	(86,587)
Translation differences	(11,212)	(11,390)	(9,687)	(25,826)	(6,518)	(8,832)	(73,465)
At 31 March 2016	660,887	559,344	474,594	1,293,261	415,788	113,010	3,516,884
Accumulated depreciation							
At 1 April 2014	557,873	386,624	369,388	811,228	313,558	33,864	2,472,535
Depreciation charge for the financial year	57,134	43,960	32,690	131,244	21,778	13,407	300,213
Disposals/written-off	–	–	(503)	–	–	–	(503)
Translation differences	(8,184)	1,340	(1,851)	(9,962)	(688)	1,434	(17,911)
At 31 March 2015 and 1 April 2015	606,823	431,924	399,724	932,510	334,648	48,705	2,754,334
Depreciation charge for the financial year	47,464	41,180	29,544	150,648	23,148	9,753	301,737
Disposals/written-off	(34,627)	(3,219)	(10,788)	(35,122)	–	(1,227)	(84,983)
Translation differences	(10,713)	(8,741)	(6,609)	(21,248)	(3,829)	(2,293)	(53,433)
At 31 March 2016	608,947	461,144	411,871	1,026,788	353,967	54,938	2,917,655
Net carrying amount							
At 31 March 2015	54,126	116,413	91,980	304,866	86,724	72,924	727,033
At 31 March 2016	51,940	98,200	62,723	266,473	61,821	58,072	599,229

As at 31 March 2016, the net carrying amount of motor vehicles of the Group held under hire-purchase agreements is $214,218 (2015: $155,557). During the financial year, the Group acquired motor vehicles with an aggregate cost of $108,000 (2015: $18,557) by means of hire-purchase.

Leased assets are pledged as security for the related hire-purchase liabilities.

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Computers $	Office equipment $	Furniture and fittings $	Motor vehicles $	Renovation $	Warehouse equipment $	Total $
Cost							
At 1 April 2014	346,086	306,462	321,856	691,664	289,318	24,360	1,979,746
Additions	21,883	62,594	15,485	117,733	46,523	994	265,212
At 31 March 2015 and 1 April 2015	367,969	369,056	337,341	809,397	335,841	25,354	2,244,958
Additions	44,811	10,336	–	114,231	–	687	170,065
At 31 March 2016	412,780	379,392	337,341	923,628	335,841	26,041	2,415,023
Accumulated depreciation							
At 1 April 2014	324,506	281,225	287,140	479,014	270,688	20,786	1,663,359
Charge for the financial year	27,924	20,609	11,362	98,304	11,863	4,392	174,454
At 31 March 2015 and 1 April 2015	352,430	301,834	298,502	577,318	282,551	25,178	1,837,813
Charge for the financial year	27,871	20,914	11,173	124,450	13,345	689	198,442
At 31 March 2016	380,301	322,748	309,675	701,768	295,896	25,867	2,036,255
Net carrying amount							
At 31 March 2015	15,539	67,222	38,839	232,079	53,290	176	407,145
At 31 March 2016	32,479	56,644	27,666	221,860	39,945	174	378,768

As at 31 March 2016, the net carrying amount of motor vehicles of the Company held under hire-purchase agreements amounted to $214,218 (2015: $102,766). During the financial year, the Company acquired motor vehicles with an aggregate cost of $108,000 (2015: $18,557) by means of hire-purchase.

Leased assets are pledged as security for the related hire-purchase liabilities.

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For the financial year ended 31 March 2016

12. INVESTMENT IN SUBSIDIARIES

	Company	
	2016	2015
	$	$
Unquoted equity shares, at cost	7,697,959	7,697,959
Less: Impairment loss	(7,578,777)	(7,414,068)
	119,182	283,891
Movement in impairment account:		
At 1 April	7,414,068	4,756,038
Charge for the financial year	164,709	2,658,030
At 31 March	7,578,777	7,414,068

During the financial year, the Company recorded an impairment loss against cost of investment in certain subsidiaries because their recoverable value was assessed to be lower than the cost of investment due to their operating losses.

Details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Proportion of ownership interest	
			2016	2015
			%	%
Held by the Company				
Digital Hub Pte. Ltd. ("DHPL")[1]	Singapore	Distribution of computer peripherals and accessories	100	100
Ban Leong Technologies Sdn Bhd ("BLTM")[2]	Malaysia	Distribution of computer peripherals and accessories	100	100
Ban Leong Chin Inter Co., Ltd ("BLCI")[3]	Thailand	Distribution of computer peripherals and accessories	60	60
Ban Leong Technologies Australia Pty Ltd ("BLTA")[4]	Australia	Investment holding	100	100
宇扬(上海)投资咨询有限公司 (BLC (China) Limited) ("BLC")[5]	China	Distribution of corporate gift cards	100	100
AV Labs International Pte Ltd ("AV Labs")[6]	Singapore	Marketing and distribution of computer and hardware	100	100
Held through a subsidiary				
Audion Innovision Pty Ltd ("Audion")[4]	Australia	Distribution of computer peripherals and accessories	100	100

1 Audited by Ernst & Young LLP, Singapore
2 Audited by Ernst & Young, Malaysia
3 Audited by Thiwan Auditing Office, Certified Accountant in Thailand
4 Audited by Metzke & Allen, Chartered Accountants in Australia
5 Unaudited management account is used for consolidation purposes as it is immaterial
6 Audited by Acc Assurance, Singapore

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

Interest in a subsidiary with material non-controlling interest ("NCI")

The Group has following subsidiary that have NCI that are material to the Group.

Name of subsidiary	Country of incorporation	Proportion of ownership interest held by NCI	Profit/ (Loss) allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period
2016				
Ban Leong Chin Inter Co., Ltd ("BLCI")	Thailand	40%	227,420	964,537
2015				
Ban Leong Chin Inter Co., Ltd ("BLCI")	Thailand	40%	84,793	805,745

Summarised financial information of Ban Leong Chin Inter Co. Ltd before intercompany eliminations of subsidiary with material non-controlling interests are as follows:

	2016 $	2015 $
Summarised statement of comprehensive income		
Revenue	16,672,225	10,378,261
Profit before taxation	751,408	270,695
Taxation	(182,858)	(58,712)
Profit for the financial year	568,550	211,983
Other comprehensive income	(171,570)	125,380
	396,980	337,363
Summarised balance sheets		
Current assets	5,801,022	5,389,791
Current liabilities	(3,529,081)	(3,557,838)
Net current assets	2,271,941	1,831,953
Non-current assets	139,399	182,406
Net assets	2,411,340	2,014,359

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

13. INVESTMENT IN UNQUOTED EQUITY SHARES

	Group	
	2016	2015
	$	$
Available-for-sale financial assets:		
Cost as at 1 April	514,616	500,000
Subscription of shares	–	14,616
Cost as at 31 March	514,616	514,616
Less: Impairment loss	(514,616)	(514,616)
Balance as at 31 March	–	–

In prior financial years, the Group subscribed for 273,476 ordinary shares, representing approximately 2.53% equity interest, in Avantouch Systems Pte Ltd through its wholly-owned subsidiary, AV Labs International Pte Ltd. The amount was fully impaired at the end of the previous reporting period because the recoverable value was assessed to be lower than the cost of investment.

14. INVESTMENT IN JOINT VENTURE

	Group and Company	
	2016	2015
	$	$
Unquoted equity shares, at cost	10,235	10,235
Less: Impairment loss	(10,235)	(10,235)
	–	–

The details of the jointly-controlled entity are as follows:

Name	Country of incorporation	Principal activities	Proportion of ownership interest	
			2016	2015
			%	%
Held by the Company				
eGear Inc Ltd ("eGear Inc")	Hong Kong	Marketing and distribution of electronic accessories	50	50

The summarised financial information of the joint venture has not been presented as it is immaterial and accordingly not equity accounted for in the Group's consolidated statement of comprehensive income.

15. AMOUNT OWED BY A SUBSIDIARY

	Company	
	2016	2015
	$	$
Amount owed by a subsidiary	–	10,312,500
Less: Impairment loss	–	(7,741,000)
	–	2,571,500

In prior financial years, $10,312,500 (approximately USD$7,500,000) was classified as non-current receivable as the amount forms part of the Group's net investment in the subsidiary and is not expected to be repaid in the next 12 months. This amount is unsecured and interest-free.

In current financial year, the Company has changed its intention with regards to the inter-company loan. With effect from 1 April 2015, the amount will be deemed as short-term and repayable on demand. Accordingly, the amount owed by a subsidiary has been reclassified as current trade and other receivables.

16. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax as at 31 March relates to the following:

	Consolidated balance sheet		Consolidated income statement	
	2016	2015	2016	2015
	$	$	$	$
Group				
Deferred tax assets				
– provisions	94,260	101,595	(7,335)	(9,769)
– unutilised tax losses	101,108	46,642	54,466	48,332
– other items	(6,486)	(6,991)	505	(660)
	188,882	141,246	47,636	37,903
Deferred tax liabilities				
– difference in depreciation for tax purposes	(16,342)	(15,657)	(685)	(9,197)
Deferred tax income			46,951	28,706

	Balance sheet	
	2016	2015
	$	$
Company		
Deferred tax liabilities		
– difference in depreciation for tax purposes	(16,342)	(11,427)

Unrecognised temporary differences relating to investment in subsidiaries

At the end of the reporting period, no deferred tax liability (2015: nil) has been recognised for taxes that would be payable on the undistributed earnings of overseas subsidiaries as the Group has determined that undistributed earnings of its overseas subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax has been recognised aggregate to $2,535,000 (2015: $1,933,000). The deferred tax liability is estimated to be $253,500 (2015: $193,300).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

17. INTANGIBLE ASSETS

	Group			
	Goodwill $	Non contractual customer relationships $	Trade marks $	Total $
Cost:				
At 1 April 2014	2,418,920	1,291,312	175,682	3,885,914
Additions	–	–	1,092	1,092
At 31 March 2015, 1 April 2015 and 31 April 2016	2,418,920	1,291,312	176,774	3,887,006
Accumulated amortisation and impairment:				
At 1 April 2014	2,418,920	581,088	175,682	3,175,690
Amortisation	–	356,113	546	356,659
At 31 March 2015 and 1 April 2015	2,418,920	937,201	176,228	3,532,349
Amortisation	–	354,111	546	354,657
At 31 March 2016	2,418,920	1,291,312	176,774	3,887,006
Net carrying amount:				
At 31 March 2015	–	354,111	546	354,657
At 31 March 2016	–	–	–	–

	Trademark $
Company	
Cost:	
At 1 April 2014	8,784
Additions	1,092
At 31 March 2015, 1 April 2015 and 31 March 2016	9,876
Accumulated amortisation and impairment:	
At 1 April 2014	8,784
Amortisation	546
At 31 March 2015 and 1 April 2015	9,330
Amortisation	546
At 31 March 2016	9,876
Net carrying amount:	
At 31 March 2015	546
At 31 March 2016	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

17. INTANGIBLE ASSETS (CONT'D)

Non-contractual customer relationships

Non-contractual customer relationships were acquired in a business combination. Customer relationships relate to value of customer base with reference to recurring business dealings. The useful life of customer relationships was estimated to be 2 years.

Trademarks

Trademarks were acquired in a business combination. The useful life of trademarks was estimated to be 5 years.

Amortisation expense

The amortisation of customer relationship and trademarks are included in the "General and Administrative Expense" in profit or loss.

18. INVENTORIES

	Group		Company	
	2016 $	2015 $	2016 $	2015 $
Balance sheet:				
Finished goods	22,815,343	24,633,890	12,524,921	14,869,895
Statement of comprehensive income:				
Inventories recognised as an expense in cost of sales	126,238,095	118,822,894		
Inclusive of the following charge/(credit):				
– Inventories written-down	558,792	651,251		
– Reversal of write-down of inventories	(642,971)	(575,068)		

The reversal of write-down of inventories was made when the related inventories were sold above their carrying amounts.

19. TRADE RECEIVABLES

	Group		Company	
	2016 $	2015 $	2016 $	2015 $
External parties	21,841,534	18,781,249	15,571,933	12,682,843
Subsidiary companies	–	–	12,807,426	3,588,882
Allowance for doubtful trade receivables	(143,845)	(465,659)	(7,821,530)	(387,529)
	21,697,689	18,315,590	20,557,829	15,884,196

Trade receivables are non-interest bearing and on 30 to 90 days' terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

Amounts due from subsidiaries are unsecured, non-interest bearing and are repayable on demand. They are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

19. TRADE RECEIVABLES (CONT'D)

Included in trade receivables of the Group and the Company are amounts denominated in foreign currencies as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
United States dollars	674,576	1,045,814	2,103,772	1,322,593
Malaysian Ringgit	2,202,875	2,749,544	–	–
Thai Baht	2,360,972	1,778,167	–	–
Australian dollars	1,058,492	1,090,316	–	–
	6,296,915	6,663,841	2,103,772	1,322,593

Receivables that are past due but not impaired

The Group and Company have trade receivables amounting to $8,984,209 and $4,289,791 (2015: $9,047,615 and $4,625,313) respectively that are past due at the end of reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of reporting period is as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade receivables past due but not impaired:				
Less than 30 days	6,571,221	6,175,648	3,608,407	3,358,468
30 – 60 days	1,173,005	1,590,948	166,634	648,927
61 – 90 days	500,951	737,919	165,381	418,195
91 – 120 days	598,639	378,530	259,143	81,728
More than 120 days	140,393	164,570	90,226	117,995
	8,984,209	9,047,615	4,289,791	4,625,313

Receivables that are impaired

The Group and Company's trade receivables that are individually impaired at the end of reporting period are as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
External parties – nominal amounts	143,845	465,659	76,045	387,529
Subsidiary companies	–	–	7,745,485	–
Allowance for impairment	(143,845)	(465,659)	(7,821,530)	(387,529)
	–	–	–	–

Trade receivables that are individually determined to be impaired at the end of reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

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For the financial year ended 31 March 2016

19. TRADE RECEIVABLES (CONT'D)

Receivables that are impaired (cont'd)

The movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2016 $	2015 $	2016 $	2015 $
Movement in allowance accounts:				
At 1 April	465,659	540,784	387,529	246,814
Charge for the financial year	77,449	204,984	72,956	190,817
Bad debts written off against allowance	(393,997)	(277,661)	(379,955)	(50,102)
Reclassification from non-current amount due from a subsidiary	–	–	7,741,000	–
Exchange differences	(5,266)	(2,448)	–	–
At 31 March	143,845	465,659	7,821,530	387,529

20. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2016 $	2015 $	2016 $	2015 $
Other receivables	516,010	924,054	233,684	308,522
Deposits	108,702	109,093	19,506	15,515
Subsidiary companies – non trade	–	–	1,634,008	201,908
	624,712	1,033,147	1,887,198	525,945

Other receivables include advances to suppliers and recovery account from suppliers.

Amounts due from subsidiaries are unsecured, non-interest bearing and are repayable on demand. They are to be settled in cash.

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016 $	2015 $	2016 $	2015 $
Cash and bank balances	11,617,645	11,685,304	9,855,875	9,334,546

Cash at bank earns interest at floating rates based on daily bank deposit rates.

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For the financial year ended 31 March 2016

21. CASH AND CASH EQUIVALENTS (CONT'D)

Included in cash and cash equivalents of the Group and the Company are amounts denominated in foreign currencies as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
United States dollars	1,881,086	1,359,837	1,759,045	1,335,416
Malaysian ringgit	316,669	542,950	–	–
Thai baht	1,050,042	436,841	–	–
Australian dollars	202,105	324,559	2,985	5,515
	3,449,902	2,664,187	1,762,030	1,340,931

22. TRADE PAYABLES

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Third parties	18,874,344	18,313,098	16,050,139	15,088,670

Trade payables are non-interest bearing and have an average term of 30 to 60 days'.

Included in trade payables of the Group and the Company are amounts denominated in foreign currencies as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
United States dollars	6,644,074	5,157,261	4,413,348	2,751,218
Malaysian ringgit	348,020	404,196	–	–
Thai baht	1,317	6,399	–	–
Australian dollars	224,980	181,312	–	–
	7,218,391	5,749,168	4,413,348	2,751,218

23. BILLS PAYABLE TO BANKS (UNSECURED)

Bills payable to banks have repayment terms of approximately 120 to 150 days'. Bills payable to banks bear interest at effective rates at 2.46% (2015: 1.84%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Other payables	3,029,858	2,090,313	1,931,014	1,252,935
Accrued operating expenses	1,390,004	1,683,616	1,201,199	1,478,874
	4,419,862	3,773,929	3,132,213	2,731,809

Other payables include marketing fund contribution from suppliers, to customers and freight charges.

25. HIRE-PURCHASE LIABILITIES

The Group and the Company have purchased motor vehicles under hire-purchase agreements. There are no restrictions placed upon the Group by entering into these agreements. These agreements have an average life of 3 to 5 years (2015: 3 to 5 years) with an option to purchase at the end of the hire-purchase term. The weighted average effective interest rate implicit in the hire-purchase agreements is about 3.6% to 5.4% (2015: 3.6% to 5.9%) per annum. The outstanding amount of hire-purchase obligations is secured by way of a legal mortgage on the underlying assets under hire-purchase agreements.

The future minimum payments under hire-purchase agreements to acquire motor vehicles are as follows:

	Group		Company	
	Total minimum payments	Present value of payments	Total minimum payments	Present value of payments
	$	$	$	$
2016				
Within one year	146,488	133,207	140,256	127,280
After one year but not later than five years	135,327	126,692	132,734	124,133
Total minimum hire-purchase payments	281,815	259,899	272,990	251,413
Less:				
Amounts representing finance charges	(21,916)	–	(21,577)	–
Present value of minimum hire-purchase payments	259,899	259,899	251,413	251,413
2015				
Within one year	77,838	69,041	66,624	58,591
After one year but not later than five years	103,619	92,089	94,108	82,944
Total minimum hire-purchase payments	181,457	161,130	160,732	141,535
Less:				
Amounts representing finance charges	(20,327)	–	(19,197)	–
Present value of minimum hire-purchase payments	161,130	161,130	141,535	141,535

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

26. SHARE CAPITAL AND RETURNED SHARES

(a) *Share capital*

	Group and Company			
	2016 No. of shares	2016 $	2015 No. of shares	2015 $
Issued and fully paid				
At 1 April and 31 March	117,181,818	11,173,106	117,181,818	11,173,106

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

(b) *Returned/Treasury shares*

	Group and Company			
	2016 No. of shares	2016 $	2015 No. of shares	2015 $
Returned shares	681,818	104,822	681,818	104,822
Treasury shares	447,000	88,904	424,000	84,329
	1,128,818	193,726	1,105,818	189,151

Returned shares relate to 681,818 ordinary shares of the Company that was transferred from Christine Anne McGregor and Innovision Technology Australia Pty Ltd to the Company as a result of the compensation for the shortfall in guaranteed profits in prior years.

The Company acquired 23,000 (2015: 70,000) ordinary shares of the Company through market purchases during the financial year. The total amount paid to acquire the shares was $4,575 (2015: $16,017).

27. FOREIGN CURRENCY TRANSLATION RESERVE AND OTHER RESERVE

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Other reserve

Other reserve represents non-distributable amounts set aside in compliance with local laws of certain overseas subsidiary companies.

28. DIVIDENDS

	Group and Company	
	2016	2015
	$	$
(a) *Declared and paid during the financial year:*		
Dividends on ordinary shares:		
Final one-tier tax exempt dividend 31 March 2015: 1.0 cent (31 March 2014: 1.0 cent) per share	1,160,760	1,161,250
(b) *Proposed but not recognised as a liability as at 31 March:*		
Final one-tier tax exempt dividend 31 March 2016: 1.0 cent (31 March 2015: 1.0 cent) per share	1,160,530	1,161,250

The directors of the Company recommend that a final one-tier tax exempt dividend of 1.0 cents per ordinary share amounting to $1,160,530 to be paid in respect of the financial year ended 31 March 2016. The proposed dividend, which is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company, has not been accrued as liability as at 31 March 2016.

29. OPERATING LEASE COMMITMENTS – AS LESSEE

The Group has entered into commercial leases for office and warehouse facilities as at 31 March 2016. These leases have remaining non-cancellable lease term of between 12 to 60 months with options for renewal. There are no restrictions placed upon the Group by entering into these leases. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum lease payments payable under non-cancellable operating leases are as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Lease payables due:				
Not later than one year	873,536	845,999	615,763	645,315
Later than one year but not later than five years	1,387,584	1,942,072	1,280,098	1,912,068
	2,261,120	2,788,071	1,895,861	2,557,383

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

30. FINANCIAL INSTRUMENTS

	Loans and receivables	Financial liabilities at amortised cost	Total
	$	$	$
Group			
2016			
Assets			
Trade receivables	21,697,689	–	21,697,689
Other receivables and deposits	624,712	–	624,712
Cash and cash equivalents	11,617,645	–	11,617,645
Total financial assets	33,940,046	–	33,940,046
Total non-financial assets			23,756,750
Total assets			57,696,796
Liabilities			
Trade payables	–	18,874,344	18,874,344
Bills payables to bank (unsecured)	–	8,694,155	8,694,155
Other payables and accruals	–	4,419,862	4,419,862
Hire-purchase liabilities	–	259,899	259,899
Total financial liabilities	–	32,248,260	32,248,260
Total non-financial liabilities			838,523
Total liabilities			33,086,783
2015			
Assets			
Trade receivables	18,315,590	–	18,315,590
Other receivables and deposits	1,033,147	–	1,033,147
Cash and cash equivalents	11,685,304	–	11,685,304
Total financial assets	31,034,041	–	31,034,041
Total non-financial assets			26,008,951
Total assets			57,042,992
Liabilities			
Trade payables	–	18,313,098	18,313,098
Bills payables to bank (unsecured)	–	10,185,526	10,185,526
Other payables and accruals	–	3,773,929	3,773,929
Hire-purchase liabilities	–	161,130	161,130
Total financial liabilities	–	32,433,683	32,433,683
Total non-financial liabilities			779,435
Total liabilities			33,213,118

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

30. FINANCIAL INSTRUMENTS (CONT'D)

	Loans and receivables $	Financial liabilities at amortised cost $	Total $
Company			
2016			
Assets			
Trade receivables	20,557,829	–	20,557,829
Other receivables and deposits	1,887,198	–	1,887,198
Cash and cash equivalents	9,855,875	–	9,855,875
Total financial assets	32,300,902	–	32,300,902
Total non-financial assets			13,090,316
Total assets			45,391,218
Liabilities			
Trade payables	–	16,050,139	16,050,139
Bills payables to bank (unsecured)	–	7,590,847	7,590,847
Other payables and accruals	–	3,132,213	3,132,213
Hire-purchase liabilities	–	251,413	251,413
Total financial liabilities	–	27,024,612	27,024,612
Total non-financial liabilities			657,657
Total liabilities			27,682,269
2015			
Assets			
Trade receivables	15,884,196	–	15,884,196
Other receivables and deposits	525,945	–	525,945
Amount owed by a subsidiary	2,571,500	–	2,571,500
Cash and cash equivalents	9,334,546	–	9,334,546
Total financial assets	28,316,187	–	28,316,187
Total non-financial assets			15,653,556
Total assets			43,969,743
Liabilities			
Trade payables	–	15,088,670	15,088,670
Bills payables to bank (unsecured)	–	9,215,175	9,215,175
Other payables and accruals	–	2,731,809	2,731,809
Hire-purchase liabilities	–	141,535	141,535
Total financial liabilities	–	27,177,189	27,177,189
Total non-financial liabilities			719,897
Total liabilities			27,897,086

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

30. FINANCIAL INSTRUMENTS (CONT'D)

(a) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Trade receivables (Note 19), other receivables and deposits (Note 20), cash and cash equivalents (Note 21), trade payables (Note 22), bills payable to banks (unsecured) (Note 23), other payables and accruals (Note 24) and hire-purchase liabilities (Note 25).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are repriced to market interest rates on or near the balance sheet date.

(b) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value***

Investment in unquoted equity shares carried at cost (Note 13)

Fair value information has not been disclosed for the Group's investment in unquoted equity shares that are carried at cost because fair value cannot be measured reliably. These equity shares represent ordinary shares in a computer systems integration company that is not quoted on any market and does not have any comparable industry peer that is listed. In prior year, the Group has impaired the investment in full.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, liquidity risk and credit risk. The board of directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivative financial instruments shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their bills payable. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2015: less than 6 months) from the end of the reporting period.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 15 (2015: 15) basis points lower/higher with all other variables held constant, the Group's profit net of taxation would have been $9,764 (2015: $9,260) higher/lower, arising mainly as a result of lower/higher interest expense on bills payable.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) *Foreign currency risk*

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily Singapore Dollar ("SGD"), Malaysian Ringgit ("MYR"), Thai Baht ("THB") and Australian Dollar ("AUD"). The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD"). Approximately 35% (2015: 37%) of the Group's sales are denominated in foreign currencies whilst almost 38% (2015: 39%) of costs are denominated in the respective functional currencies of the Group entities. The Group's trade receivable and trade payable balances at the end of reporting period have similar exposures.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are disclosed in Note 21.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia, Thailand, Australia and China. The Group's net investments in foreign subsidiary companies are not hedged as currency positions in these respective currencies are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, AUD, MYR and THB exchange rates (against SGD), with all other variables held constant.

		Group	
		Profit before tax	
		2016	2015
		$	$
USD	– strengthened by 3% (2015: 3%)	(122,652)	(82,548)
	– weakened by 3% (2015: 3%)	122,652	82,548
AUD	– strengthened by 3% (2015: 3%)	31,068	37,007
	– weakened by 3% (2015: 3%)	(31,068)	(37,007)
MYR	– strengthened by 3% (2015: 3%)	65,146	86,649
	– weakened by 3% (2015: 3%)	(65,146)	(86,649)
THB	– strengthened by 3% (2015: 3%)	102,291	66,258
	– weakened by 3% (2015: 3%)	(102,291)	(66,258)

(c) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with different banks.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Liquidity risk (cont'd)*

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end reporting period based on contractual undiscounted repayments obligations.

Group	2016				2015			
	1 year or less $	1 to 5 Years $	Over 5 years $	Total $	1 year or less $	1 to 5 years $	Over 5 years $	Total $
Financial assets								
Trade receivables	21,697,689	–	–	21,697,689	18,315,590	–	–	18,315,590
Other receivables and deposits	624,712	–	–	624,712	1,033,147	–	–	1,033,147
Cash and cash equivalents	11,617,645	–	–	11,617,645	11,685,304	–	–	11,685,304
Total undiscounted financial assets	33,940,046	–	–	33,940,046	31,034,041	–	–	31,034,041
Financial liabilities								
Trade payables	18,874,344	–	–	18,874,344	18,313,098	–	–	18,313,098
Bills payable to banks (unsecured)	8,714,423	–	–	8,714,423	10,201,936	–	–	10,201,936
Other payables and accruals	4,419,862	–	–	4,419,862	3,773,929	–	–	3,773,929
Hire-purchase liabilities	146,488	135,327	–	281,815	77,838	103,619	–	181,457
Total undiscounted financial liabilities	32,155,117	135,327	–	32,290,444	32,366,801	103,619	–	32,470,420
Total net undiscounted financial assets/ (liabilities)	1,784,929	(135,327)	–	1,649,602	(1,332,760)	(103,619)	–	(1,436,379)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Liquidity risk (cont'd)*

Company	2016				2015			
	1 year or less $	1 to 5 years $	Over 5 years $	Total $	1 year or less $	1 to 5 years $	Over 5 years $	Total $
Financial assets								
Amount owed by a subsidiary	–	–	–	–	–	2,571,500	–	2,571,500
Trade receivables	20,557,829	–	–	20,557,829	15,884,196	–	–	15,884,196
Other receivables and deposits	1,887,198	–	–	1,887,198	525,945	–	–	525,945
Cash and cash equivalents	9,855,875	–	–	9,855,875	9,334,546	–	–	9,334,546
Total undiscounted financial assets	32,300,902	–	–	32,300,902	25,744,687	2,571,500	–	28,316,187
Financial liabilities								
Trade payables	16,050,139	–	–	16,050,139	15,088,670	–	–	15,088,670
Bills payable to bank (unsecured)	7,611,115	–	–	7,611,115	9,231,585	–	–	9,231,585
Other payables and accruals	3,132,213	–	–	3,132,213	2,731,809	–	–	2,731,809
Hire-purchase liabilities	140,256	132,734	–	272,990	66,624	94,108	–	160,732
Total undiscounted financial liabilities	26,933,723	132,734	–	27,066,457	27,118,688	94,108	–	27,212,796
Total net undiscounted financial assets/ (liabilities)	5,367,179	(132,734)	–	5,234,445	(1,374,001)	2,477,392	–	1,103,391

As at 31 March 2016, the Company has $13,159,153 (2015: $16,534,825) of undrawn committed borrowing facilities in respect of which all conditions precedent have been met.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Liquidity risk (cont'd)*

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	1 year or less	2 to 5 years	Total
	$	$	$
As at 31 March 2016			
Company			
Financial guarantees	–	–	–
As at 31 March 2015			
Company			
Financial guarantees	15,692	–	15,692

(d) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company's exposure to credit risk arises primarily from trade receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the end of the reporting period, the Group and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period are as follows:

	2016		2015	
	$	%	$	%
Group				
By country:				
Singapore	15,515,426	72	12,296,999	67
Malaysia	2,258,125	10	2,749,544	15
Thailand	1,058,492	5	1,778,167	10
Australia	2,360,972	11	1,090,316	6
Others	504,674	2	400,564	2
	21,697,689	100	18,315,590	100

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) *Credit risk (cont'd)*

Credit risk concentration profile (cont'd)

At the end of the reporting period, approximately:

– 34% (2015: 27%) of the Group's trade receivables were due from 5 major customers who are retailers and superstore operators in the multimedia and IT accessories industry located in Singapore and Australia.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 19 (Trade receivables).

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2016 and 2015.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group aims to keep the gearing ratio at a minimal level. The Group includes within net debt, trade and other payables and accruals, bills payable, hire-purchase liabilities, less cash and cash equivalents. Capital includes equity attributable to owners of the Company.

	Group	
	2016 $	2015 $
Trade payables	18,874,344	18,313,098
Bills payable to banks (unsecured)	8,694,155	10,185,526
Other payables and accruals	4,419,862	3,773,929
Hire-purchase liabilities (Note 25)	259,899	161,130
Less:		
Cash and cash equivalents (Note 21)	(11,617,645)	(11,685,304)
Net debt	20,630,615	20,748,379
Equity attributable to owners of the Company, representing total capital	23,645,476	23,024,129
Capital and net debt	44,276,091	43,772,508
Gearing ratio	47%	47%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

33. CONTINGENT LIABILITIES

(a) The Company, as the holding company, has given undertaking to provide financial support to certain subsidiaries to enable them to meet their liabilities as and when they fall due.

(b) The Company has provided bankers' guarantees to its subsidiaries as securities for bank credit facilities of $Nil (2015: $15,692) utilised by the subsidiaries as at end of the financial year.

34. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and is organised into 3 main operating segments, namely:

(a) *Multimedia*

Audio and visual products, such as speakers, LCD monitors, graphic cards, MP3 players and sound cards

(b) *Data storage*

Products that are used in the storage of data such as tape storage, HDD cases, Blu-ray and DVD-Roms

(c) *IT accessories*

PC-related accessories such as mice, keyboards and networking products such as switches, routers and wireless cards

There are no sales between business segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Except for inventory, depreciation and amortisation, capital expenditure, other non-cash expenses and other assets and liabilities cannot be directly attributable to individual segments and it is impractical to arbitrarily allocate them to the segments.

Capital expenditure relates to additions to property, plant and equipment and intangible assets.

Other non-cash items relates to movement in allowances for impairment in trade receivables and inventories, trade receivables written off, fixed assets written off, as well as impairment of investment in unquoted equity shares.

34. SEGMENT INFORMATION (CONT'D)

	IT accessories		Multimedia		Data Storage		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$	$	$
Sales to external customers	61,792,171	60,881,352	80,533,847	73,751,308	1,303,224	1,771,352	143,629,242	136,404,012
Segment results	1,377,398	497,467	1,718,707	1,564,541	11,408	40,149	3,107,513	2,102,157
Financial expenses							(217,563)	(149,404)
Financial income							2,301	3,990
Operating profit before taxation							2,892,251	1,956,743
Impairment of investment in unquoted equity shares							–	(514,616)
Profit before taxation							2,892,251	1,442,127
Taxation							(607,127)	(568,044)
Profit after taxation							2,285,124	874,083
Assets and liabilities:								
Inventories	12,627,507	12,609,705	10,009,694	11,493,034	178,142	531,151	22,815,343	24,633,890
Unallocated assets							34,881,453	32,409,102
Total assets							57,696,796	57,042,992
Unallocated liabilities							33,086,783	33,213,118
Total liabilities							33,086,783	33,213,118
Other segment information								
Depreciation of property, plant and equipment							301,737	300,213
Amortisation of intangible assets							354,657	356,659
Capital expenditure							195,569	341,784
Other non-cash (income) expenses							(10,453)	812,230

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

34. SEGMENT INFORMATION (CONT'D)

Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2016 $	2015 $	2016 $	2015 $
Singapore	99,191,312	92,404,649	391,311	429,414
Malaysia	19,544,074	23,188,549	233,170	213,871
Thailand	16,701,396	10,414,019	139,399	182,406
Australia	5,356,565	6,099,037	24,231	397,245
Asia[1]	2,123,618	3,482,554	–	–
Others[2]	712,277	815,204	–	–
	143,629,242	136,404,012	788,111	1,222,936

[1] Asia includes the People's Republic of China, Vietnam, Taiwan, Korea, Mongolia, Pakistan, India, Bangladesh, Nepal and Asean member countries excluding Singapore, Malaysia and Thailand.

[2] Others include countries such as Africa, America, Saudi Arabia and United Arab Emirates.

Non-current assets information presented above consists of property, plant and equipment, intangible assets, investment in unquoted shares and deferred tax assets as presented in the consolidated balance sheet.

35. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2016 were authorised for issue in accordance with a resolution of the directors on 28 June 2016.

ANALYSIS OF SHAREHOLDINGS

As at 17 June 2016

Range of Shareholdings	Number of Shareholders	Percentage	No of Shares	Percentage
1 – 99	–	–	–	–
100 – 1,000	29	9.03	27,200	0.02
1,001 – 10,000	125	38.94	744,000	0.64
10,001 – 1,000,000	148	46.11	13,514,882	11.65
1,000,001 and above	19	5.92	101,766,918	87.69
TOTAL	**321**	**100.00**	**116,053,000**	**100.00**

Issued and fully paid up share capital	:	$11,173,105.96
Number of issued ordinary shares (excluding treasury shares and returned shares)	:	116,053,000
Voting per share	:	one vote per share
Number of treasury shares	:	447,000
Number of returned shares	:	681,818

MAJOR SHAREHOLDERS AS AT 17 JUNE 2016

No	Name of Shareholder	Number of Shares Held	Percentage
1	Teng Woo Boon	26,066,000	22.46
2	Wang Wei	25,800,000	22.23
3	Teng Kim Sui	6,902,000	5.95
4	Kim Seng Holdings Pte Ltd	4,999,000	4.31
5	Loh Yih	4,500,000	3.88
6	Chng Hock Huat	4,008,000	3.45
7	Cheung Miu Yin	3,800,000	3.27
8	OCBC Securities Private Ltd	3,295,000	2.84
9	Teo Su Ching	3,208,000	2.76
10	Lo Yew Seng	2,966,000	2.56
11	Teng Kin Chong	2,885,000	2.49
12	Hong Leong Finance Nominees Pte Ltd	2,850,000	2.46
13	Neo Gim Kiong	2,594,100	2.24
14	Yeo Siong Chan	1,523,000	1.31
15	Ang Chai Ling (Hong Cailing)	1,500,000	1.29
16	Wong Kahoe	1,083,000	0.93
17	UOB Kay Hian Pte Ltd	1,063,000	0.92
18	Ng Poh Kheng	1,035,000	0.89
19	Yu Lihong	1,008,000	0.87
20	Teo Chong Hock	633,000	0.54
		101,718,100	87.65

** The percentage of issued ordinary shares is calculated based on the number of issued ordinary excluding the treasury shares and returned shares

ANALYSIS OF SHAREHOLDINGS

As at 17 June 2016

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY'S SHARES

The Shareholdings of the Substantial Shareholders as shown in the Register of Substantial Shareholders' as at 17 June 2016 : –

Name of Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Wang Wei	28,281,000	24.36	–	–	28,281,000	24.36
Teng Woo Boon[(1)]	26,066,000	22.46	3,208,000	2.76	29,274,000	25.22
Teng Kim Sui	6,902,000	5.95	–	–	6,902,000	5.95

Notes:

[(1)] Teng Woo Boon is deemed to be interested through 3,208,000 shares held by his spouse, Teo Su Ching.

SHAREHOLDINGS HELD IN PUBLIC HANDS

The percentage of shareholdings held in the hand of public was approximately 32.88% as at 17 June 2016 and hence the Company has complied with Rule 723 of the SGX-ST Listing Manual.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ban Leong Technologies Limited (the "**Company**") will be held at 150 Ubi Avenue 4, #04-01, Singapore 408825 on Monday, 25 July 2016 at 10.00 a.m. to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 March 2016 together with the Independent Auditors' Report thereon. **(Resolution 1)**

2. To declare a tax exempt (one-tier) final dividend of 1 Singapore cent per ordinary share in respect of the financial year ended 31 March 2016. **(Resolution2)**

3. To approve the proposed Directors' fees of S$158,871 for the financial year ended 31 March 2016. (2015:S$152,000) **(Resolution 3)**

4. To re-appoint Mr Tan Eng Bock as Director of the Company. **(Resolution 4)**

5. To re-elect the following Directors of the Company who retired by rotation in accordance with Articles 107 and 108 of the Constitution of the Company and who being eligible, offer themselves for re-election:-

   (a) Mr Loh Yih **(Resolution 5)**

   (b) Mr Lo Yew Seng **(Resolution 6)**

6. To re-appoint Messrs Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**

SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

7. **General Authority To Allot And Issue Shares**

   That pursuant to Section 161 of the Companies Act, Chapter 50 and the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue ordinary shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem it; and

   (b) issue Shares in pursuance of any Instruments made or granted by the Directors while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution), provided that:

   (1) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 50% of the total number of issued Shares in the capital of the Company, excluding treasury shares, if any (as calculated in accordance with paragraph (2) below), and provided further that where shareholders of the Company ("**Shareholders**") are not given the opportunity to participate in the same on a pro-rata basis ("**non pro-rata basis**"), then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 20% of the total number of issued Shares in the capital of the Company, excluding treasury shares, if any (as calculated in accordance with paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETING

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (1) above, the total number of issued Shares, excluding treasury shares, shall be based on the total number of issued Shares of the Company, excluding treasury shares, at the time such authority was conferred, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from the exercising of share options or the vesting of share awards which are outstanding or subsisting at the time such authority was conferred; and

(c) any subsequent consolidation or subdivision of the Shares;

and, in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company for the time being; and

(4) (unless revoked or varied by the Company in a general meeting) the authority so conferred shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. **(Resolution 8)**

8. **Renewal of Mandate for Interested Person Transactions**

THAT:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Addendum to Annual Report dated 8 July 2016 (the "**Addendum**") with any party who fall within the classes of interested persons described in the Addendum, provided that such transactions are made on normal commercial terms and are not prejudicial to the interest of the Company or its minority shareholders, and in accordance with the review procedures for such interested person transactions as set out in the Addendum (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the date that the next Annual General Meeting of the Company is held or required by law to be held; and

(c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

(Resolution 9)

9. **Renewal of Share Buy Back Mandate**

THAT:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50, the authority conferred on the Directors to exercise all the powers of the Company to purchase or otherwise acquire issued Ordinary Shares in the capital of the Company not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the SGX-ST; and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider it, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy Back Mandate**"),

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held; or

(ii) the date on which the purchases or acquisitions of the Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated.

(c) in this Resolution:

"**Maximum Percentage**" means that number of issued Ordinary Shares representing 10% of the total number of the issued Ordinary Shares as at the date of the passing of this Resolution;

"**Maximum Price**", in relation to an Ordinary Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:-

(i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and

(ii) in the case of an Off-Market Purchase, 120% of Average Closing Price (as defined hereinafter), pursuant to an equal access scheme

"**Average Closing Price**" means the average of the closing market prices of a Share for the five consecutive Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the Listing Rules for any corporate action which occurs after the relevant five Market Days;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

NOTICE OF ANNUAL GENERAL MEETING

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution. **(Resolution 10)**

By Order of the Board

Pan Mi Keay
Company Secretary
8 July 2016
Singapore

EXPLANATORY NOTES:-

Proposed Ordinary Resolutions 4 to 6:-

Mr Tan Eng Bock was re-appointed as Director to hold office until the Company's 2016 AGM pursuant to the then Section 153(6) of the Companies Act (Cap. 50). The re-appointment of Mr Tan Eng Bock is proposed although he will not be subject to subsequent annual re-appointment under the repealed Section 153 of the Companies Act (Cap. 50) with effect from 3 January 2016. Mr Tan Eng Bock will remain as the Chairman of the Nominating Committee, Member of the Audit Committee and Remuneration Committee upon re-election as Director of the Company and will be considered independent for the purposes of Rule 704(8) of the Listing Manual.

Mr Loh Yih will remain as Lead Independent Director, the Chairman of the Audit Committee and Remuneration Committee as well as the Member of the Nominating Committee upon re-election as Director of the Company and will be considered independent for the purposes of Rule 704(8) of the Listing Manual. Mr Loh Yih holds 3.88% direct interest in the share capital of the Company.

Mr Lo Yew Seng will remain as Non Executive Director and Member of the Audit Committee, upon re-election as Director of the Company. Mr Lo Yew Seng holds 2.56% direct interest in the share capital of the Company.

Key information of Mr Tan Eng Bock, Mr Loh Yih and Mr Lo Yew Seng can be found in the Company's Annual Report 2016. There are no relationships (including immediate family relationships) between the aforesaid Directors and the other Directors, or the Company, or its 10% shareholders.

Proposed Ordinary Resolution 8: If passed, will empower the Directors of the Company from the date of the above meeting to issue shares in the Company up to an amount not exceeding in total 50% of the total number of issued shares in the capital of the Company with a sub-limit of 20% other than on a pro-rata basis to shareholders for the time being for such purposes as they consider would be in the interest of the Company. The authority will, unless previously revoked or varied at a general meeting, expire at the next AGM of the Company.

Proposed Ordinary Resolution 9: If passed, will empower the Directors of the Company to do all acts necessary to give effect to the IPT Mandate as described in the Addendum. The authority shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the date that the next Annual General Meeting of the Company is held or required by law to be held.

Proposed Ordinary Resolution 10: If passed, will empower the Directors of the Company from the date of the above meeting until the date of the next Annual General Meeting to purchase or acquire up to 10% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution. Details of the proposed Share Buy Back Mandate, including the sources of funds to be used for the purchase or acquisition, the amount of financing (if any) and the illustrative financial impact on the Company's financial position are set out in the Addendum to this Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

(1) A shareholder of the Company entitled to attend and vote at the AGM of the Company may appoint not more than two proxies to attend and vote in his/her stead. A shareholder of the Company which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a shareholder of the Company.

(2) Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the member.

(3) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 150 Ubi Avenue 4, #04-01, Singapore 408825 not later than 48 hours before the time appointed for the holding of the AGM.

(4) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

(5) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY FORM

IMPORTANT

1. For investors who have used their CPF monies to buy shares in the capital of Ban Leong Technologies Limited, this Annual Report 2016 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

BAN LEONG TECHNOLOGIES LIMITED

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

I/We________________________________(name)____________________(NRIC/Passport No.)

of____(address) being a member/ members* of Ban Leong Technologies Limited (the "Company"), hereby appoint: –

Name	**NRIC/Passport No.**	**Proportion of Shareholding(s)**	
		No. of Shares	**%**
Address			

and/or*

Name	**NRIC/Passport No.**	**Proportion of Shareholding(s)**	
		No. of Shares	**%**
Address			

as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the AGM of the Company to be held at 150 Ubi Avenue 4, #04-01, Singapore 408825 on Monday, 25 July 2016 at 10.00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated with an "X" in the spaces provided hereunder. If no specific directions as to voting are given, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion.

☐ Please tick here if more than two proxies will be appointed (Please refer to note 3). This is only applicable for intermediaries such as banks and capital markets services licence holders which provide custodial services.

All resolutions put to the vote at the AGM shall be decided by way of poll.

Resolution No.	**Ordinary Resolutions**	**No. of votes**	
		For**	**Against****
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended 31 March 2016 and the Directors' Statement and the Report of Auditors thereon.		
2.	Approval of tax exempt (one-tier) final dividend of 1 Singapore cent per ordinary share for the financial year ended 31 March 2016.		
3.	Approval of the payment of proposed Directors' fees of S$158,871 for the financial year ended 31 March 2016.		
4.	Re-appointment of Mr Tan Eng Bock as Director of the Company.		
5.	Re-election of Mr Loh Yih as Director of the Company.		
6.	Re-election of Mr Lo Yew Seng as Director of the Company.		
7.	Re-appointment of Messrs Ernst & Young LLP as auditors.		
8.	Authority to Directors to allot and issue shares.		
9.	Renewal of the Interested Person Transactions Mandate.		
10.	Renewal of the Share Buy Back Mandate.		

* Delete accordingly

** If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ________ day of ____________________, 2016

Total Number of Shares in:	**No. of Shares Held**
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Member(s)/Common Seal

IMPORTANT: Please read notes overleaf

Notes: –

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 131 of the Companies Act, Cap. 50), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members of the Company, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. A shareholder entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
3. Intermediaries such as banks and capital markets services licence holders which provide custodial services and are shareholders of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the shareholder. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
4. The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 150 Ubi Avenue 4, #04-01, Singapore 408825 not less than 48 hours before the time appointed for the AGM.
5. Where a shareholder appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy and, if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Cap. 50.
9. The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the AGM if he so wishes.
10. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 July 2016.

AFFIX
POSTAGE
STAMP

The Company Secretary
BAN LEONG TECHNOLOGIES LIMITED
150 Ubi Avenue 4, #04-01
Singapore 408825

Fold this flap for sealing

Ban Leong
Technologies Limited

150 Ubi Ave 4 #04-01 Singapore 408825
Tel: (65) 6512 9221 Fax: (65) 6741 9295
Email: sales@banleong.com.sg
www.banleong.com

www.banleong.com

Ban Leong on Facebook