

BAN LEONG TECHNOLOGIES LIMITED
Half Year Financial Statement Announcement For The Period Ended 30 September 2014
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR FINANCIAL RESULTS

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

**BAN LEONG TECHNOLOGIES LIMITED
CONSOLIDATED INCOME STATEMENT**

	Group		
	01.04.2014 to 30.09.2014 S\$	01.04.2013 to 30.09.2013 S\$	Increase/ (Decrease)
Revenue	67,456,811	61,361,624	9.93%
Cost of sales	(60,081,988)	(53,427,859)	12.45%
Gross profit	7,374,823	7,933,765	(7.05%)
	10.93%	12.93%	
Other operating income	150,349	160,108	(6.09%)
Selling and distribution expenses	(3,680,264)	(3,653,395)	0.74%
General and administrative expenses	(2,354,552)	(3,318,071)	(29.04%)
Profit from operations	1,490,356	1,122,407	32.78%
Financial expenses (Note A)	(83,395)	(136,489)	(38.90%)
Financial income	2,725	43,409	(93.72%)
Operating profit before taxation	1,409,686	1,029,327	36.95%
Income tax	(345,488)	(394,227)	(12.36%)
Profit after tax	1,064,198	635,100	67.56%
Attributable to:			
Owners of the Company	1,041,050	573,909	81.40%
Non controlling interests	23,148	61,191	(62.17%)
	1,064,198	635,100	67.56%
Other comprehensive income :			
Foreign currency translation	73,986	(179,578)	(141.20%)
Other comprehensive income for the period, net of tax	73,986	(179,578)	(141.20%)
Total comprehensive income for the period	1,138,184	455,522	149.86%
Total comprehensive income attributable to :			
Owners of the Company	1,155,573	424,257	172.38%
Non controlling interests	(17,389)	31,265	(155.62%)
	1,138,184	455,522	149.86%

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

	Group		
	01.04.2014 to 30.09.2014 S\$	01.04.2013 to 30.09.2013 S\$	Increase/ (Decrease)
Allowance for doubtful trade receivables	(152,495)	(31,855)	378.72%
Amortisation of intangibles	(43,044)	(43,044)	0.00%
Depreciation of property, plant and equipment	(144,577)	(125,603)	15.11%
Foreign exchange gain/(loss), net	111,082	(810,496)	(113.71%)
Gain on disposal of property, plant and equipment	5,142	-	n.m.
Write-back of allowance for inventory obsolescence	418,917	290,425	44.24%

Note A

	Group		
	01.04.2014 to 30.09.2014 S\$	01.04.2013 to 30.09.2013 S\$	Increase/ (Decrease)
Financial expenses			
Trade bill interest	18,329	31,425	(41.68%)
Loan interest	60,769	100,652	(39.62%)
Finance lease interest	4,297	4,412	(2.61%)
	83,395	136,489	(38.90%)

n.m. = not meaningful

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

BAN LEONG TECHNOLOGIES LIMITED
BALANCE SHEETS

	Group		Company	
	30.09.2014	31.03.2014	30.09.2014	31.03.2014
	S\$	S\$	S\$	S\$
Non-current assets				
Property, plant and equipment	747,309	678,302	368,166	316,387
Investment in subsidiaries	-	-	2,956,536	2,941,921
Investment in unquoted equity shares	514,615	500,000	-	-
Amount owed by subsidiary	-	-	9,547,500	9,457,500
Deferred tax assets	106,331	108,907	-	-
Goodwill and intangible assets	667,180	710,224	-	-
	2,035,435	1,997,433	12,872,202	12,715,808
Current assets				
Inventories	22,358,556	20,720,110	12,038,479	11,811,468
Trade receivables	17,233,398	19,192,570	15,327,604	16,902,424
Other receivables and deposits	1,052,257	1,142,129	417,049	745,787
Prepayments	206,538	326,316	120,308	119,094
Cash and bank balances	12,294,261	11,677,997	10,751,245	9,191,687
	53,145,010	53,059,122	38,654,685	38,770,460
Current Liabilities				
Trade payables	(15,680,157)	(13,974,182)	(13,047,707)	(12,397,287)
Bills payable to banks (unsecured)	(10,644,382)	(12,540,900)	(10,644,382)	(12,540,900)
Other payables and accruals	(3,902,117)	(3,549,222)	(2,752,916)	(2,033,821)
Hire-purchase liabilities	(71,968)	(65,338)	(58,629)	(58,652)
Provision for taxation	(698,205)	(683,989)	(627,516)	(569,525)
	(30,996,829)	(30,813,631)	(27,131,150)	(27,600,185)
Net current assets	22,148,181	22,245,491	11,523,535	11,170,275
Non-current liabilities				
Hire-purchase liabilities	(125,898)	(146,123)	(112,298)	(141,666)
Deferred tax liabilities	(6,460)	(6,460)	(2,230)	(2,230)
Net assets	24,051,258	24,090,341	24,281,209	23,742,187
Equity attributable to owners of the Company				
Share capital	11,173,106	11,173,106	11,173,106	11,173,106
Returned shares	(104,822)	(104,822)	(104,822)	(104,822)
Treasury shares	(84,329)	(68,312)	(84,329)	(68,312)
Other reserve	65,685	65,685	-	-
Retained earnings	12,960,793	13,080,993	13,297,254	12,742,215
Foreign currency translation reserve	(612,586)	(727,109)	-	-
	23,397,847	23,419,541	24,281,209	23,742,187
Non controlling interests	653,411	670,800	-	-
Total equity	24,051,258	24,090,341	24,281,209	23,742,187

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

Amount repayable in one year or less, or on demand

30.09.2014		31.03.2014	
Secured	Unsecured	Secured	Unsecured
71,968	10,644,382	65,338	12,540,900

Amount repayable after one year

30.09.2014		31.03.2014	
Secured	Unsecured	Secured	Unsecured
125,898	-	146,123	-

Details of any collateral

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

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

BAN LEONG TECHNOLOGIES LIMITED
CASH FLOW STATEMENTS

	Group	
	01.04.2014 to 30.09.2014 S\$	01.04.2013 to 30.09.2013 S\$
Cash flows from operating activities		
Profit before taxation	1,409,686	1,029,327
Adjustments for:		
Depreciation of property, plant and equipment	144,577	125,603
Amortisation of intangibles	43,044	43,044
Gain on disposal of property, plant and equipment	(5,142)	-
Allowance for doubtful trade receivables	152,495	31,855
Write-back of allowance for inventory obsolescence	(418,917)	(290,425)
Interest expense	83,395	136,489
Interest income	(2,725)	(43,409)
Translation difference	82,776	(91,363)
Operating profit before working capital changes	1,489,189	941,121
(Increase)/decrease in		
Inventories	(1,219,529)	1,196,457
Trade receivables	1,806,677	5,075,200
Other receivables and deposits	89,872	(241,848)
Prepayments	119,778	(73,275)
Increase/(decrease) in		
Trade payables	1,705,975	(3,376,788)
Bills payable to banks (unsecured)	(1,896,518)	36,247
Other payables and accruals	352,895	(918,981)
Cash generated from operations	2,448,339	2,638,133
Interest expense paid	(83,395)	(136,489)
Interest income received	2,725	43,409
Income tax paid	(328,696)	(452,638)
Net cash generated from operating activities	2,038,973	2,092,415
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	5,142	-
Purchase of unquoted equity shares ⁽¹⁾	(14,615)	-
Purchase of property, plant and equipment	(193,923)	(73,574)
Net cash generated used in investing activities	(203,396)	(73,574)
Cash flow from financing activities		
Repayment of hire purchase liabilities	(33,052)	(33,146)
Purchase of treasury shares	(16,017)	(48,617)
Dividend paid	(1,161,250)	(1,278,816)
Net cash generated used in financing activities	(1,210,319)	(1,360,579)
Net increase in cash and cash equivalents	625,258	658,262
Effect of exchange rate changes on cash and cash equivalents	(8,994)	(69,646)
Cash and cash equivalents at the beginning of the period	11,677,997	8,505,696
Cash and cash equivalents at the end of the period	12,294,261	9,094,312

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

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

1 (d)(i)

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

STATEMENT OF CHANGES IN EQUITY

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

	Attributable to owners of the Company								Non controlling interests	Total equity
	Share capital	Returned shares	Treasury shares	Retained earnings	Foreign currency translation reserves	Other Reserve	Total equity attributable to owners of the parent			
2013/14 Group										
Opening balance at 1 April 2013	11,173,106	(104,822)	-	12,958,985	(804,833)	65,685	23,288,121	642,111	23,930,232	
Profit for the period	-	-	-	573,909	-	-	573,909	61,191	635,100	
Other comprehensive income for the period	-	-	-	-	(149,652)	-	(149,652)	(29,926)	(179,578)	
Total comprehensive income for the period	-	-	-	573,909	(149,652)	-	424,257	31,265	455,522	
Dividends	-	-	-	(1,278,816)	-	-	(1,278,816)	-	(1,278,816)	
Purchase of treasury shares	-	-	(48,617)	-	-	-	(48,617)	-	(48,617)	
Balance as at 30 September 2013	11,173,106	(104,822)	(48,617)	12,254,078	(954,485)	65,685	22,384,945	673,376	23,058,321	

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

	Attributable to owners of the Company				
	Share capital	Returned shares	Treasury shares	Retained earnings	Total equity
2013/14 Company					
Opening balance as at 1 April 2013	11,173,106	(104,822)	-	13,276,578	24,344,862
Profit for the period	-	-	-	1,861,067	1,861,067
Total comprehensive income for the period	-	-	-	1,861,067	1,861,067
Dividends	-	-	-	(1,278,816)	(1,278,816)
Purchase of treasury shares	-	-	(48,617)	-	(48,617)
Balance as at 30 September 2013	11,173,106	(104,822)	(48,617)	13,858,829	24,878,496

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

Treasury shares	HY2014/15		HY2013/14	
	No. of share	S\$	No. of share	S\$
Balance as at 1 April	354,000	68,312	-	-
Purchased during the period	70,000	16,017	244,000	48,617
Balance as at 30 September	424,000	84,329	244,000	48,617

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

	30.09.2014	30.09.2013
Total no. of issued shares (excluding treasury shares and returned shares)	116,076,000	116,256,000

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

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

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared to the most recent audited financial statements for the financial year ended 31 March 2014.

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

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

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

	Group	
	30.09.2014	30.09.2013
Earnings per ordinary share (cents)		
Based on weighted average number of ordinary shares in issue	0.90	0.49
Based on a fully diluted basis	0.90	0.49

The earnings per share for the period ending 30 September 2014 was calculated based on profit attributable to owners of the Company divided by 116,076,000 shares, excluding 424,000 treasury shares and 681,818 returned shares . (HY2013/14 : 116,256,000 shares, excluding 244,000 treasury shares and 681,818 returned shares).

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

	Group		Company	
	30.09.2014	31.03.2014	30.09.2014	31.03.2014
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital as at the end of the year reported on	20.16	20.16	20.92	20.44

Net asset value per ordinary share for period ending 30 September 2014 was calculated based on net assets of the Group and Company after deducting non controlling interests divided by 116,076,000 shares, excluding 424,000 treasury shares and 681,818 returned shares. (FY2013/14 : 116,146,000 shares, excluding 354,000 treasury shares and 681,818 returned shares).

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

Turnover, Earnings & Cost

Revenue increased by \$6.1mil or 9.9% from \$61.4mil in HY2013/14 to \$67.5mil in HY2014/15 mainly a result of increased market share of the multimedia segment. South East Asia markets accounted for about 95.4% of Group revenue while Australia contributed the balance.

Though revenue increased, gross profits decreased by \$0.5mil or 7.0% from \$7.9mil in HY2013/14 to \$7.4mil in HY2014/15. Gross margin dropped from 12.9% in HY2013/14 to 10.9% in HY2014/15 due to lower GP from the multimedia segment.

Despite higher revenue, selling and distribution expenses remained relatively stable at about \$3.7mil for both periods.

General and administrative expenses decreased by almost \$0.9mil or 29.0% from \$3.3mil in HY2013/14 to \$2.4mil in HY2014/15 as the Group recorded a foreign exchange loss of \$0.8mil in HY2013/14 as compared to a foreign exchange gain of \$0.1mil in HY2014/15. If the exchange difference is excluded, general administrative expenses remained stable at about \$2.5mil for both periods.

Finance expenses decreased about \$53k or 38.9% and this accounted for 1.4% (HY2013/14: 2.0%) of total operating costs. These were mainly incurred to support regional operations.

Assets & Liabilities, Cash flow

The Group saw trade receivables decreased by almost \$2.0mil or 10.2% from \$19.2mil in FY2013/14 to \$17.2mil in HY2014/15 and trade receivables turnover in days decreased to 49 days (FY2013/14: 61 days).

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

The trade payables increased \$1.7mil or 12.2% from \$14.0mil in FY2013/14 to \$15.7mil in HY2014/15 with turnover days decreased to 45 days in HY2014/15 (FY2013/14 : 48 days).

Inventory increased by \$1.7mil or 7.9% from \$20.7mil in FY2013/14 to \$22.4mil in HY2014/15, with inventory turnover in days at about 66 days (FY2013/14: 68 days). Specific allowance has been made for slow moving items and management deems it as adequate.

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

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

No forecasts have been provided previously.

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

Our South East Asian markets continued to provide stability to the earnings of the Group. However, despite efforts made at the Australian subsidiary, the financial results were affected due to the weakening of AUD/USD towards the end of September. The Australian subsidiary continued to pose a challenge and management are evaluating alternatives to improve on the financial results in our Australian subsidiary.

The company will also be evaluating opportunities in other markets.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No interim dividend is recommended.

(b)(i) Current financial period

No interim dividend is recommended.

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

No interim dividend is recommended.

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

Not applicable

(d) Date payable

Not applicable

(e) Books closure date

Not applicable

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

Not applicable.

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

Not applicable.

15 A breakdown of sales

Not applicable.

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

Not applicable.

17 Interested Person Transactions

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

ON BEHALF OF THE BOARD

**RONALD TENG WOO BOON
MANAGING DIRECTOR**

Date: 12 November 2014

BAN LEONG TECHNOLOGIES LIMITED

Company Registration No:199303898C

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the Group and the Company for the period ended 30 September 2014, to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

Teng Woo Boon
Managing Director

Neo Gim Kiong
Non Executive Director

Singapore
Date: 12 November 2014