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| Media: | Dow Jones Newswires |
| Coverage : | International |
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SINGAPORE (Dow Jones)--Singapore-listed electronic-accessories distributor Ban Leong Technologies Ltd. (B26.SG) said Friday it would likely acquire a company as part of plans to enter the New Zealand market in the second half of the year.

It also expects full-year net profit to be higher than last year.

"The more likely option is to find a company to buy and establish synergies with," Ban Leong Director Neo Gim Kiong told Dow Jones Newswires in an interview.

The plan comes after Ban Leong earlier this month acquired the 75% of shares it didn't own in Australian electronic-products distributor Audion Innovision Group Australia Ltd. through a A\$3.8 million share-swap deal.

"New Zealand is close to Australia and the culture is similar. The beauty about New Zealand is that it's an ignored market. So the margins could be better even though revenue may not be so big. It will give us a more complete geographical coverage in this part of the world," Neo said.

"We'll probably do this in the second half of the year," Chief Executive Ronald Teng said.

Neo said the company expects higher net profit this year due to added revenue from its higher-margin software-sales business, new revenue from the Australian unit and possible lower tax payments by its Australian operations.

He didn't give a target net profit figure.

Neo added that Audion Innovision is likely to contribute some S\$1.05 million in net profit in the second half of the year.

Ban Leong had net profit of S\$3.7 million last year and revenue of S\$90.38 million.



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Teng said Ban Leong's current gross margin of 12% is likely to rise as it sells more antivirus software from Trend Micro Inc., but didn't give a target gross margin figure.

The company supplies products from companies like Samsung Electronics Co., Sony Corp., Altec Lansing, Netgear Inc., and Belkin to various retailers including Courts Singapore Ltd., Challenger, Best Denki Co. and Harvey Norman Holdings.

Teng said he plans to add at least five more product brands this year to his lineup up of around 60 brands, which includes six from Audion Innovision.

These new products are likely to be software programs or computer-gaming hardware.

Ban Leong also has operations in China, Hong Kong, Malaysia, Thailand and Vietnam. It has 180 staff including 20 from Australia.

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