



BAN LEONG TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199303898C)

RESPONSES TO SGX QUERIES ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

The Board of Directors (the "Board") of Ban Leong Technologies Limited (the "Company" and together with its subsidiaries, the "Group") set out its responses to the queries raised by the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 18 August 2023 in relation to the Company's Annual Report for the financial year ended 31 March 2023, as follows:-

SGX's Query 1:

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "Code"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.1 of the Code with regard to the disclosure of remuneration, and there were no explanation provided for in your FY2023 annual report on how it is consistent with the intent of Principle 8 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Company's Response 1:

For the purposes of consistency and transparency while preserving the confidentiality on the remuneration policy of the Company, the Board would like to provide hereunder the further remuneration details of the Directors and 2 key management personnel of the Company in a lower remuneration band of S\$100,000 instead of S\$250,000 which previously disclosed on pages 48 and 49 of the Company's Annual Report 2023.

Name of Directors	Breakdown of Remuneration in Percentage (%)				Total (%)	Total Remuneration in Compensation Bands
	Fee ¹ (%)	Salary ² (%)	Performance bonus (%)	Other benefits (%)		
Ronald Teng Woo Boon (Executive Chairman & Managing Director)	-	49	51	-	100	S\$600,000 - S\$700,000
Loh Yih (Independent Non-Executive Director)	100	-	-	-	100	< S\$100,000
Neo Gim Kiong (Independent Non-Executive Director)	100	-	-	-	100	< S\$100,000
Lo Yew Seng (Independent Non-Executive Director)	100	-	-	-	100	< S\$100,000

Notes:

The Directors' Fees are subject to the approval of the shareholders at the AGM.

The salary amount shown is inclusive of allowances and CPF.



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While the Company's practice in relation to the disclosure of Directors' remuneration in band varied from Provision 8.1 (a) of the Code which requires issuer to disclose the specific quantum of the remuneration of each director, as explained on page 48 of the Annual Report 2023:-

"Taking into consideration the highly competitive business environment and nature of the industry and in order to maintain confidentiality on the remuneration policies of the Company and sensitivity reasons, 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 instead of providing full disclosure which may adversely affect talent attraction and retention."

The Company is cognisant of the new Listing Rule 1207(10D), which was implemented with effect from 11 January 2023 and will disclose the exact amounts with breakdown of remuneration paid to each individual director and the CEO, on a named basis, by the Company and its subsidiaries in its annual report in respect of the financial year ending 31 December 2024 onwards.

The fees of the Independent Non-Executive Directors are to put forward to shareholders for approval on an annual basis at the Company's annual general meeting. In respect of FY2023, the directors' fees of S\$119,000 proposed to be payable to the Independent Non-Executive Directors had been approved by the shareholders at the annual general meeting held on 27 July 2023 which have been disclosed on page 49 of the Company's Annual Report 2023.

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

Name of Top 2 Key Management Personnel (excluding Managing Director)	Position	Breakdown of Remuneration in Percentage (%)				Total Remuneration in Band
		Salary ¹ (%)	Variable Bonus (%)	Other benefits (%)	Total (%)	
Tan You Hong	Deputy Managing Director	46	51	3	100	S\$400,000 – S\$500,000
Khoo Soo Fang	Financial Controller	66	31	3	100	S\$200,000 - S\$300,000

Note:

1. The salary amount shown is inclusive of CPF.

For FY2023, there are only two (2) key management personnel of the Group, excluding the Executive Chairman and the Managing Director. Full disclosure of the names and remuneration in bands of S\$100,000, with breakdowns in percentages between salary, bonus and other benefits of the key management personnel have been disclosed. In aggregate, the total remuneration (including CPF contribution thereon and bonus) paid to the top two (2) key management personnel in FY2023 is approximately S\$751,983. The above disclosures on remuneration of the key management personnel have been disclosed in compliance with Provision 8.1(b) of the Code.



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Notwithstanding the abovementioned deviation, the Company is of the view that such practice does not compromise its ability to be consistent with the intent of Principle 8 of the Code.

The Remuneration Committee (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. 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 annual general meeting.

Where necessary, the RC will consult external professionals on remuneration matters of Directors and key management personnel.

The procedures for developing and the remuneration policies and practices adopted by the Company in arriving at the remuneration packages of the Directors and key management personnel have been disclosed on pages 45 to 47 of the Annual Report 2023.

In light of the foregoing, the Company believes that the remuneration details disclosed in the Annual Report 2023 is consistent with the intent of Principle 8 of the Code and provides for sufficient transparency on the Company’s remuneration policies commensurate with the remuneration of the Directors and key management personnel while taking into consideration the sensitive nature of remuneration disclosure on a quantum basis, the competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group.



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SGX's Query 2:

Listing Rule 1207(19)(c) states that a listed issuer and its officers should not deal in the listed issuer's securities during the period commencing two weeks before the announcement of the company financial statements for each of the first three quarters of its financial year and one month before the announcement of the company's full year financial statements (if the issuer announces its quarterly financial statements, whether required by the Exchange or otherwise), or one month before the announcement of the company's half year and full year financial statements (if the issuer does not announce its quarterly financial statements) (the "Blackout Period").

While it is noted that the Company has adopted its own internal codes with regard to dealings in securities during the Blackout Period, please confirm whether the Company itself is subject to the restriction. It was further stated that on page 65 of the FY2023 annual report that "... Directors and these officers of the Group are prohibited from dealing in the Company's securities during the period commencing...". Please confirm the understanding that "these officers", solely refer to officers of the Group who have access to 'price-sensitive' information. Please also confirm if officers of the Group without access to 'price-sensitive' information are required to adhere to the dealing restrictions under the Blackout Period.

Company's Response 2:

The Group has adopted the internal codes in relation to dealings in the Company's securities in accordance with the SGX Listing Rule 1207(19)(c) which are required to be adhered by all the Directors, Senior Management, employees of the Group as well as the Company.

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 one (1) month prior to the announcement of the Group's half-yearly and full year results (the "Blackout Period"), or if they are in possession of unpublished material price-sensitive information of the Group. In addition, the Directors and employees are expected to always observe insider trading laws even when dealing in securities within the permitted trading period.

To facilitate compliance, reminders via electronic mails are issued to all the Directors, Senior Management as well as the staff of the Group, regardless whether they are in possession of unpublished material price-sensitive information of the Group prior to the applicable Blackout Period. The Directors are also required to notify the Company of any dealings in the Company's securities (outside the Blackout Period) within two (2) business days of the transactions.

In addition, based on the Company's share buyback rules and procedures, the Company will not undertake any purchase or acquisition of shares pursuant to the Share Buy Back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, the Company will not purchase or acquire any Shares through Market Purchases during the Blackout Period, i.e. the period commencing one (1) month prior to the announcement of the Group's half-yearly and full year results.



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By Order of the Board

Ronald Teng Woo Boon
Managing Director
23 August 2023