

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		
	01.04.2019 to 30.09.2019 S\$	01.04.2018 to 30.09.2018 S\$	Increase/ (Decrease)
Revenue	74,241,749	74,833,434	(0.8%)
Cost of sales	(67,171,872)	(67,465,963)	(0.4%)
Gross profit	7,069,877	7,367,471	(4.0%)
	9.52%	9.85%	
Other operating income	204,472	345,609	(40.8%)
Selling and distribution expenses	(3,274,962)	(3,401,724)	(3.7%)
General and administrative expenses	(2,971,103)	(2,585,747)	14.9%
Profit from operations before foreign exchange	1,028,284	1,725,609	(40.4%)
Foreign exchange gain/(loss)	244,430	(4,260)	(5837.7%)
Profit from operations	1,272,714	1,721,349	(26.1%)
Financial expenses (Note A)	(81,372)	(47,498)	71.3%
Financial income	12,019	4,402	173.0%
Operating profit before taxation	1,203,361	1,678,253	(28.3%)
Taxation	(233,976)	(235,979)	(0.8%)
Profit after taxation	969,385	1,442,274	(32.8%)
Attributable to:			
Owners of the Company	968,071	1,386,372	(30.2%)
Non controlling interests	1,314	55,902	(97.6%)
	969,385	1,442,274	(32.8%)
Other comprehensive income :			
Foreign currency translation	215,031	(117,360)	(283.2%)
Other comprehensive income for the period, net of tax	215,031	(117,360)	(283.2%)
Total comprehensive income for the period	1,184,416	1,324,914	(10.6%)
Total comprehensive income attributable to :			
Owners of the Company	1,070,366	1,264,032	(15.3%)
Non controlling interests	114,050	60,882	87.3%
	1,184,416	1,324,914	(10.6%)

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

	Group		
	01.04.2019 to 30.09.2019 S\$	01.04.2018 to 30.09.2018 S\$	Increase/ (Decrease)
Allowance for doubtful trade receivables	(54,000)	(54,000)	0.00%
Depreciation of property, plant and equipment	(628,375)	(170,098)	269.4%
Allowance for inventory obsolescence	(150,000)	(181,710)	(17.5%)

Note A

	Group		
	01.04.2019 to 30.09.2019 S\$	01.04.2018 to 30.09.2018 S\$	Increase/ (Decrease)
Financial expenses			
Trade bill interest	3,392	3,410	(0.5%)
Loan interest	30,205	38,396	(21.3%)
Finance lease interest	47,775	5,692	739.3%
	81,372	47,498	71.3%

n.m. = not meaningful

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

BAN LEONG TECHNOLOGIES LIMITED
STATEMENT OF FINANCIAL POSITION

	Group		Company	
	30.09.2019	31.03.2019	30.09.2019	31.03.2019
	S\$	S\$	S\$	S\$
Non-current assets				
Property, plant and equipment	1,301,263	911,890	1,122,191	757,599
Right of use assets*	3,262,115	-	2,724,992	-
Investment in subsidiaries	-	-	119,182	119,182
Investment in unquoted equity shares	-	-	-	-
Deferred tax assets	70,956	71,404	-	-
Other receivables	-	2,000,000	-	1,820,000
	4,634,334	2,983,294	3,966,365	2,696,781
Current assets				
Inventories	25,259,424	25,511,424	13,938,920	13,471,063
Trade receivables	17,988,634	21,442,603	17,259,619	19,990,420
Other receivables and deposits	3,814,060	2,879,629	3,395,816	2,000,462
Prepayments	103,486	88,396	58,751	48,488
Cash and cash equivalents	10,265,543	13,494,085	6,070,225	10,362,825
	57,431,147	63,416,137	40,723,331	45,873,258
Current Liabilities				
Trade payables	(16,440,650)	(23,338,529)	(14,908,691)	(18,735,612)
Bills payable to banks (unsecured)	(943,295)	(1,400,863)	(943,295)	(1,400,863)
Short-term loans	(3,000,000)	(2,500,000)	(3,000,000)	(2,500,000)
Other payables and accruals	(5,590,269)	(6,281,771)	(3,812,528)	(6,146,254)
Hire-purchase liabilities	(46,657)	(31,096)	(31,096)	(31,096)
Lease liability - current*	(806,868)	-	(626,896)	-
Income tax payable	(458,454)	(566,186)	(312,502)	(312,943)
	(27,286,193)	(34,118,445)	(23,635,008)	(29,126,768)
Net current assets	30,144,954	29,297,692	17,088,323	16,746,490
Non-current liabilities				
Hire-purchase liabilities	(157,040)	(172,407)	(157,040)	(172,407)
Lease liability - non current*	(2,465,074)	-	(2,101,617)	-
Deferred tax liabilities	(29,121)	(29,121)	(29,121)	(29,121)
Net assets	32,128,053	32,079,458	18,766,910	19,241,743
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	(570,703)	(570,703)	(570,703)	(570,703)
Other reserve	65,685	65,685	-	-
Retained earnings	19,258,327	19,426,077	8,269,329	8,744,162
Foreign currency translation reserve	234,708	132,413	-	-
	30,056,301	30,121,756	18,766,910	19,241,743
Non-controlling interests	2,071,752	1,957,702	-	-
Total equity	32,128,053	32,079,458	18,766,910	19,241,743

* The Group adopted SFRS(I) 16 Leases with effect from 1 April 2019 based on modified retrospective approach

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

Amount repayable in one year or less, or on demand

30.09.2019		31.03.2019	
Secured	Unsecured	Secured	Unsecured
46,657	3,943,295	31,096	3,900,863

Amount repayable after one year

30.09.2019		31.03.2019	
Secured	Unsecured	Secured	Unsecured
157,040	-	172,407	-

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	
	01.04.2019 to 30.09.2019	01.04.2018 to 30.09.2018
	S\$	S\$
Cash flows from operating activities		
Profit before taxation	1,203,361	1,678,253
Depreciation of property, plant and equipment	628,375	170,098
Gain on disposal of property, plant and equipment	(2,438)	-
Allowance for doubtful trade receivables	54,000	54,000
Write back for inventory obsolescence	150,000	181,710
Interest expense	81,372	47,498
Interest income	(12,019)	(4,402)
Translation difference	59,058	(96,120)
Operating cash flows before working capital changes	2,161,709	2,031,037
(Increase)/decrease in		
Inventories	102,000	(4,547,150)
Trade receivables	3,399,969	1,409,738
Other receivables and deposits	1,065,569	2,549
Prepayments	(15,090)	(3,976)
Increase/(decrease) in :		
Trade payables	(6,897,879)	(6,073,148)
Bills payable to banks (unsecured)	(457,568)	429,947
Other payables and accruals	(691,502)	380,004
Proceeds from short-term loans	500,000	1,800,000
Cash flows used in operations	(832,792)	(4,570,999)
Interest expense paid	(81,372)	(47,498)
Interest income received	12,019	4,402
Income tax paid	(341,261)	(263,409)
Net cash flows used in operating activities	(1,243,406)	(4,877,504)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	2,493	-
Purchase of property, plant and equipment	(546,043)	(197,515)
Net cash flows used in investing activities	(543,550)	(197,515)
Cash flow from financing activities		
Repayment of hire purchase liabilities	(16,292)	(33,272)
Repayment of lease liabilities	(439,312)	-
Purchase of treasury shares	-	(193,647)
Dividend paid	(1,135,821)	(1,433,501)
Net cash flows used in financing activities	(1,591,425)	(1,660,420)
Net decrease in cash and cash equivalents	(3,378,381)	(6,735,439)
Effect of exchange rate changes on cash and cash equivalents	149,839	(20,826)
Cash and cash equivalents at the beginning of the period	13,494,085	14,772,135
Cash and cash equivalents at the end of the period	10,265,543	8,015,870

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

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		
2019/20 Group									
Opening balance at 1 April 2019	11,173,106	(104,822)	(570,703)	19,426,077	132,413	65,685	30,121,756	1,957,702	32,079,458
Profit for the period	-	-	-	968,071	-	-	968,071	1,314	969,385
Other comprehensive income for the period	-	-	-	-	102,295	-	102,295	112,736	215,031
Total comprehensive income for the period	-	-	-	968,071	102,295	-	1,070,366	114,050	1,184,416
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	(1,135,821)	-	-	(1,135,821)	-	(1,135,821)
Balance as at 30 September 2019	11,173,106	(104,822)	(570,703)	19,258,327	234,708	65,685	30,056,301	2,071,752	32,128,053

	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		
2018/19 Group									
Opening balance at 1 April 2018	11,173,106	(104,822)	(259,824)	18,005,214	218,521	65,685	29,097,880	1,715,467	30,813,347
Profit for the period	-	-	-	1,386,372	-	-	1,386,372	55,902	1,442,274
Other comprehensive income for the period	-	-	-	-	(122,340)	-	(122,340)	4,980	(117,360)
Total comprehensive income for the period	-	-	-	1,386,372	(122,340)	-	1,264,032	60,882	1,324,914
Purchase of treasury shares	-	-	(193,647)	-	-	-	(193,647)	-	(193,647)
Dividends	-	-	-	(1,433,501)	-	-	(1,433,501)	-	(1,433,501)
Balance as at 30 September 2018	11,173,106	(104,822)	(453,471)	17,958,085	96,181	65,685	28,734,764	1,776,349	30,511,113

	Attributable to owners of the Company				
	Share capital	Returned shares	Treasury shares	Retained earnings	Total equity
2019/20 Company					
Opening balance as at 1 April 2019	11,173,106	(104,822)	(570,703)	8,744,162	19,241,743
Profit for the period	-	-	-	660,988	660,988
Total comprehensive income for the period	-	-	-	660,988	660,988
Purchase of treasury shares	-	-	-	-	-
Dividends	-	-	-	(1,135,821)	(1,135,821)
Balance as at 30 September 2019	11,173,106	(104,822)	(570,703)	8,269,329	18,766,910

	Attributable to owners of the Company				
	Share capital	Returned shares	Treasury shares	Retained earnings	Total equity
2018/19 Company					
Opening balance as at 1 April 2018	11,173,106	(104,822)	(259,824)	9,405,387	20,213,847
Profit for the period	-	-	-	399,934	399,934
Total comprehensive income for the period	-	-	-	399,934	399,934
Purchase of treasury shares	-	-	(193,647)	-	(193,647)
Dividends	-	-	-	(1,433,501)	(1,433,501)
Balance as at 30 September 2018	11,173,106	(104,822)	(453,471)	8,371,820	18,986,633

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 period. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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	HY2019/20		HY2018/19	
	No. of share	S\$	No. of share	S\$
Balance as at 1 April	2,577,000	570,703	1,278,000	259,824
Purchased during the period	-	-	805,500	193,647
Balance as at 30 September	2,577,000	570,703	2,083,500	453,471

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.

	30.09.2019	31.03.2019
Total no. of issued shares (excluding treasury shares and returned shares)	113,923,000	113,923,000

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 uyear 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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

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

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice. 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

Saved for the adoption of SFRS(I)16 Leases, 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 2019.

The Group adopted SFRS(I)16 Leases on 1 April 2019. At the date of initial application, the Group recognised the rights to use leased assets as right of use assets and their associated obligations as lease liabilities. The Group applied this standard using the modified retrospective approach. Therefore, the HY2018/19 comparative figures have not been restated from that which was previously announced in HY2018/19 announcement as the Group and the Company have applied the standard retrospectively with the cumulative effect recognised at the date of initial application.

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.

Please refer to item 4 above.

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

Earnings per ordinary share (cents)	30.09.2019	30.09.2018
Based on weighted average number of ordinary shares in issue	0.85	1.21
Based on a fully diluted basis	0.85	1.21

The earnings per share for the period ended 30 September 2019 was calculated based on profit attributable to owners of the Company divided by number of ordinary shares 113,923,000, excluding 2,577,000 treasury shares and 681,818 returned shares . (HY2018/19:114,416,500 shares, excluding 2,083,500 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	
	30.09.2019	31.03.2019	30.09.2019	31.03.2019
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital as at the end of the year reported on	26.38	26.44	16.47	16.89

Net asset value per ordinary share for the period ended 30 September 2019 was calculated based on net assets of the Group and Company after deducting non controlling interests divided by 113,923,000 shares, excluding 2,577,000 treasury shares and 681,818 returned shares. (FY2018/19:113,923,000 shares, excluding 2,577,000 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 include a discussion on the following:- (a) 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; and 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 decreased by \$0.6mil or 0.8% from \$74.8mil in HY2018/19 to \$74.2mil in HY2019/20 due to weaker market sentiment. While the Group saw revenue from Singapore improved by \$2.9mil or 5.1% from \$56.5 in HY2018/19 to \$59.4mil in HY2019/20, Malaysia and Thailand recorded a decline in revenue of about 22.1% and 14.8% respectively.

Gross profits decreased by about \$0.3mil or 4.0% from \$7.4mil in HY2018/19 to \$7.1mil in HY2019/20. With the adoption of SFRS(I)16 Leases, the Group reclassified about \$0.3mil of warehouse rental expense to general and administrative expenses. If this reclassification had not taken place, gross profit would decrease by \$0.6mil or 8.7%. The lower gross profit for HY2019/20 mainly came from lower revenue contribution from the accessories segment which usually generated relatively higher gross profit margins.

Other operating income decreased by \$141.1k or 40.8% from \$345.6k in HY2018/19 to \$204.5k in HY2019/20 as the Company received the Capability Development Grant for investing in a new accounting software last financial period.

The Group saw a decrease in selling and distribution expenses of about \$0.1mil or 3.7% to \$3.3mil in HY2019/20 as the Group spent less on staff related expenses.

General and administrative expenses increased by \$0.4mil or 14.9% from \$2.6mil in HY2018/19 to \$3.0mil in HY2019/20. With the adoption of SFRS(I)16 Leases, the Group amortised the right of use assets as depreciation and about \$0.3mil of the warehouse rental expense, previously recorded in the cost of goods sold, has been reclassified to general and administrative expenses.

A foreign exchange gain of \$0.2mil was recorded in HY2019/20. Almost 42% of the exchange gain came from Malaysia ringgit strengthening against the USD. The balance was derived from the revaluation of some USD cash balances and AUD denominated receivables.

Finance expenses increased by about \$33.9k or 71.3% and \$42.8k was attributed finance lease interests on the adoption of SFRS(I)16 Leases. If we exclude this component, the aggregate finance expenses would be \$38.6k for HY2019/20, which is 18.8% decreased as compared to HY2018/19. These were mainly incurred to support regional operations.

Assets & Liabilities, Cash flow

The non current assets increased by \$1.6mil or 55.3%, from \$3.0mil in FY2018/19 to \$4.6mil in HY2019/20. Right of use assets stood at \$3.3mil and about \$0.4m of the increase came from property, plant and equipment as the Group renovated its office in Singapore. The \$2.0mil convertible loan to Bluedge International Limited, previously recorded as other receivable, is redeemable on April 2020 and has been classified as other receivables under current assets in HY2019/20.

The Group saw trade receivables decreased by \$3.4mil or 16.1% from \$21.4mil in FY2018/19 to \$18.0mil in HY2019/20 and the trade receivables turnover in days decreased to 49 days (FY2018/19:50 days).

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

The trade payables decreased by \$6.9mil or 29.6% from \$23.3mil in FY2018/19 to \$16.4mil in HY2019/20 with turnover days decreased to 54 days (FY2018/19:60 days).

Inventory decreased by \$0.2mil or 1.0% from \$25.5mil in FY2018/19 to \$25.3mil in HY2018/19. Inventory turnover in days increased to 69 days (FY2018/19: 62 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 and short term loans to support regional growth and finance the purchase of inventory.

Cash from operations decreased to about \$0.8mil as the Group improved the collection from trade and other receivables for payment to trade, bills and other payables.

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.

The economic data announced by Singapore and regional economies showed the slowdown in trade. The trade situation globally has been volatile and in the near term, we do not expect any breakthroughs. Given the current situation, consumers' confidence have also been affected and this is also reflected in the spending in IT products.

The 2nd half of the financial year is expected to be challenging. The company will exercise financial prudence in our operations and manage our cashflow wisely.

- 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**
Yes. 0.5 Singapore cent per ordinary share was declared in HY2018/19.
- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of 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) **The date the dividend is payable**
Not applicable
- (e) **Books closure date The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined**
Not applicable

12 **If no dividend has been declared/recommended, a statement to that effect**
No dividend has been declared for HY2019/20 as the Board of Directors deems it appropriate to conserve funds for the Group's business activities and working capital requirement.

13 **Interested Person Transactions If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**
The Company has obtained a shareholders mandate for interested person transactions on 12 February 2016 but there were no interested person transactions for financial period ended 30 September 2019.

14 **Statement pursuant to Rule 705(5) of the Listing Manual**
The Directors confirm that We, Teng Woo Boon and Neo Gim Kiong, being the two Directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company 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 2019, to be false or misleading in any material aspect.

Teng Woo Boon
Managing Director

Neo Gim Kiong
Independent Director

15 **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**
The Company confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual of Singapore Exchange Securities Trading Limited.

ON BEHALF OF THE BOARD

RONALD TENG WOO BOON
MANAGING DIRECTOR
Date: 07 November 2019