

**BAN LEONG TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MARCH 2023**

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A. Condensed interim consolidated statement of profit and loss and other comprehensive income

	Group				
	6 months ended 31.03.2023 S\$	6 months ended 31.03.2022 S\$	12 months ended 31.03.2023 S\$	12 months ended 31.03.2022 S\$	Increase/ (Decrease)
Revenue	103,366,954	116,813,502	203,716,220	225,568,505	(9.7%)
Cost of sales	(93,099,989)	(103,459,581)	(184,232,332)	(201,101,008)	(8.4%)
Gross profit	10,266,965	13,353,921	19,483,888	24,467,497	(20.4%)
	9.9%	11.4%	9.6%	10.8%	
Other operating income	503,518	440,290	697,525	684,171	2.0%
Allowance for expected credit losses	(27,975)	(108,000)	(27,975)	(108,000)	
Selling and distribution expenses	(3,808,618)	(4,618,149)	(7,667,124)	(8,733,714)	(12.2%)
General and administrative expenses	(3,084,374)	(3,516,329)	(5,926,992)	(6,247,535)	(5.1%)
Profit from operations before foreign exchange	3,849,516	5,551,733	6,559,322	10,062,419	(34.8%)
Foreign exchange gain	462,430	669,287	832,500	1,304,337	(36.2%)
Profit from operations	4,311,946	6,221,020	7,391,822	11,366,756	(35.0%)
Financial expenses	(85,563)	(75,374)	(145,888)	(130,357)	11.9%
Financial income	2,408	3,154	5,173	5,926	(12.7%)
Operating profit before taxation	4,228,791	6,148,800	7,251,107	11,242,325	(35.5%)
Taxation	(563,446)	(792,642)	(1,182,490)	(1,836,099)	(35.6%)
Profit after taxation	3,665,345	5,356,158	6,068,617	9,406,226	(35.5%)
Attributable to:					
Owners of the Company	3,530,996	5,174,283	5,891,495	9,032,739	(34.8%)
Non controlling interests	134,349	181,875	177,122	373,487	(52.6%)
	3,665,345	5,356,158	6,068,617	9,406,226	(35.5%)
Other comprehensive income :					
Foreign currency translation	(47,112)	(38,683)	(615,893)	(334,107)	84.3%
Other comprehensive income for the period, net of tax	(47,112)	(38,683)	(615,893)	(334,107)	84.3%
Total comprehensive income for the period	3,618,233	5,317,475	5,452,724	9,072,119	(39.9%)
Total comprehensive income attributable to :					
Owners of the Company	3,428,263	5,126,239	5,352,874	8,810,389	(39.2%)
Non controlling interests	189,970	191,236	99,850	261,730	(61.9%)
	3,618,233	5,317,475	5,452,724	9,072,119	(39.9%)
Earnings per share for profit for the period attributable to the owners of the Company during the year:					
Basic (SGD in cent)	3.13	4.55	5.21	7.94	
Diluted (SGD in cent)	3.13	4.55	5.21	7.94	

B. Condensed interim statements of financial position

	Group		Company	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	S\$	S\$	S\$	S\$
Non-current assets				
Property, plant and equipment	469,111	781,891	275,084	537,991
Right of use assets	1,254,771	1,863,667	604,552	1,248,899
Investment in subsidiaries	-	-	639,938	639,938
Deferred tax assets	14,200	104,913	1,783	2,351
Non current other receivable	1,329,000	-	1,329,000	-
	3,067,082	2,750,471	2,850,357	2,429,179
Current assets				
Inventories	28,667,829	30,030,105	17,142,310	17,412,692
Trade receivables	24,831,494	25,710,018	19,660,877	17,397,062
Other receivables and deposits	4,461,617	952,409	4,413,659	1,059,213
Prepayments	73,807	123,821	57,522	92,158
Cash and cash equivalents	18,005,421	19,900,146	11,871,990	14,973,670
	76,040,168	76,716,499	53,146,358	50,934,795
Current Liabilities				
Trade payables	(23,191,593)	(20,950,438)	(17,827,328)	(14,579,334)
Bills payable to banks	(852,550)	(3,260,017)	(852,550)	(1,381,728)
Short-term loans	(800,000)	(400,000)	(800,000)	(400,000)
Other payables and accruals	(7,670,779)	(7,955,717)	(5,749,732)	(5,357,423)
Lease liability - current	(760,168)	(948,284)	(492,522)	(729,449)
Income tax payable	(800,498)	(1,390,657)	(755,913)	(1,125,234)
	(34,075,588)	(34,905,113)	(26,478,045)	(23,573,168)
Net current assets	41,964,580	41,811,386	26,668,313	27,361,627
Non-current liabilities				
Lease liability - non current	(429,360)	(911,013)	(46,203)	(538,725)
Deferred tax liabilities	-	-	-	-
	(429,360)	(911,013)	(46,203)	(538,725)
Net assets	44,602,302	43,650,844	29,472,467	29,252,081
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	(1,018,212)	(757,251)	(1,018,212)	(757,251)
Other reserve	65,685	65,685	-	-
Retained earnings	33,167,469	31,516,279	19,422,395	18,941,048
Foreign currency translation reserve	(544,526)	(5,905)	-	-
	42,738,700	41,887,092	29,472,467	29,252,081
Non-controlling interests	1,863,602	1,763,752	-	-
Total equity	44,602,302	43,650,844	29,472,467	29,252,081

C. Condensed interim statements 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			
2022/23 Group										
Opening balance at 1 April 2022	11,173,106	(104,822)	(757,251)	31,516,279	(5,905)	65,685	41,887,092	1,763,752	43,650,844	
Profit for the year	-	-	-	5,891,495	-	-	5,891,495	177,122	6,068,617	
Other comprehensive income for the year	-	-	-	-	(538,621)	-	(538,621)	(77,272)	(615,893)	
Total comprehensive income for the year	-	-	-	5,891,495	(538,621)	-	5,352,874	99,850	5,452,724	
Purchase of treasury shares	-	-	(260,961)	-	-	-	(260,961)	-	(260,961)	
Dividends	-	-	-	(4,240,305)	-	-	(4,240,305)	-	(4,240,305)	
Balance as at 31 March 2023	11,173,106	(104,822)	(1,018,212)	33,167,469	(544,526)	65,685	42,738,700	1,863,602	44,602,302	

	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			
2021/22 Group										
Opening balance at 1 April 2021	11,173,106	(104,822)	(586,632)	26,751,565	216,445	65,685	37,515,347	1,914,798	39,430,145	
Profit for the year	-	-	-	9,032,739	-	-	9,032,739	373,487	9,406,226	
Other comprehensive income for the year	-	-	-	-	(222,350)	-	(222,350)	(111,757)	(334,107)	
Total comprehensive income for the year	-	-	-	9,032,739	(222,350)	-	8,810,389	261,730	9,072,119	
Purchase of treasury shares	-	-	(170,619)	-	-	-	(170,619)	-	(170,619)	
Dividends	-	-	-	(4,268,025)	-	-	(4,268,025)	(412,776)	(4,680,801)	
Balance as at 31 March 2022	11,173,106	(104,822)	(757,251)	31,516,279	(5,905)	65,685	41,887,092	1,763,752	43,650,844	

	Share capital	Returned shares	Treasury shares	Retained earnings	Total equity
2022/23 Company					
Opening balance as at 1 April 2022	11,173,106	(104,822)	(757,251)	18,941,048	29,252,081
Profit for the year	-	-	-	4,721,652	4,721,652
Total comprehensive income for the year	-	-	-	4,721,652	4,721,652
Purchase of treasury shares	-	-	(260,961)	-	(260,961)
Dividends	-	-	-	(4,240,305)	(4,240,305)
Balance as at 31 March 2023	11,173,106	(104,822)	(1,018,212)	19,422,395	29,472,467

	Share capital	Returned shares	Treasury shares	Retained earnings	Total equity
2021/22 Company					
Opening balance as at 1 April 2021	11,173,106	(104,822)	(586,632)	15,901,205	26,382,857
Profit for the year	-	-	-	7,307,868	7,307,868
Total comprehensive income for the year	-	-	-	7,307,868	7,307,868
Purchase of treasury shares	-	-	(170,619)	-	(170,619)
Dividends	-	-	-	(4,268,025)	(4,268,025)
Balance as at 31 March 2022	11,173,106	(104,822)	(757,251)	18,941,048	29,252,081

D. Condensed interim consolidated statement of cash flows

	Group	
	12 months ended 31.03.2023 S\$	12 months ended 31.03.2022 S\$
Cash flows from operating activities		
Profit before taxation	7,251,107	11,242,325
Adjustments for:		
Depreciation of property, plant and equipment and right of use assets	1,382,057	1,423,349
Gain on disposal of property, plant and equipment	(17,153)	(17,296)
Allowance for expected credit losses	27,975	108,000
Allowance for inventory to net realisable value	123,187	328,475
Finance costs	145,888	130,357
Interest income	(5,173)	(5,926)
Lease modification	-	(4,781)
Currency alignment	(324,120)	(547,875)
Operating cash flows before working capital changes	8,583,768	12,656,628
(Increase)/decrease in		
Inventories	1,239,089	(5,603,776)
Trade receivables	850,549	(2,603,466)
Other receivables and deposits	(3,509,208)	(30,113)
Prepayments	50,014	33,343
Increase/(decrease) in :		
Trade payables	2,241,155	1,194,122
Other payables and accruals	(284,938)	(327,344)
Cash flows generated from operations	9,170,429	5,319,394
Interest paid	(145,888)	(130,357)
Interest received	5,173	5,926
Income tax paid	(1,681,936)	(1,649,619)
Net cash flows generated from operating activities	7,347,778	3,545,344
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	17,153	29,951
Purchase of property, plant and equipment	(117,683)	(345,333)
Investment in convertible note	(1,329,000)	-
Net cash flows used in investing activities	(1,429,530)	(315,382)
Cash flows from financing activities		
Bills payable to banks, net	(2,407,467)	1,889,533
Drawdown/(repayment) of short-term loans, net	400,000	(200,000)
Additions of right-of-use assets and lease liabilities	-	(40,238)
Repayment of principal portion of lease liabilities	(1,069,598)	(1,022,665)
Purchase of treasury shares	(260,961)	(170,619)
Dividends paid to shareholders	(4,240,305)	(4,268,025)
Net cash flows used in financing activities	(7,578,331)	(3,812,014)
Net change in cash and cash equivalents	(1,660,083)	(582,052)
Effect of exchange rate changes on cash and cash equivalents	(234,642)	(192,720)
Cash and cash equivalents at the beginning of the year	19,900,146	20,674,918
Cash and cash equivalents at the end of the year	18,005,421	19,900,146

E. Notes to the condensed interim consolidated financial statements
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 Ubi Biz-Hub, 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.

2 Basis of Preparation

The condensed interim financial statements for the six months ended 31 March 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of the new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars (SGD or S\$).

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgement and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.3 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 to net realisable value

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

The carrying amount of the Group's inventories as at 31 March 2023 is \$28,667,829 (31 March 2022: \$30,030,105).

(ii) Allowance for expected credit losses ("ECL")

The allowance for ECL is established on the basis of making debtor specific impairment loss provision, which is based on the assessment of the ability of individual debtors who are credit impaired, and for remaining trade receivable balances by determining the default rates to be applied against trade receivables after the specific impairment loss provision.

The assessment of the debtor's ability to pay are based on the age of the balances, payment history, status of negotiations with debtors and other external information available to management to assess the creditworthiness of the debtor. The default rates are based on the Group's historical credit loss experience, profiling customers by credit risk characteristics and are adjusted for forward-looking factors specific to the debtors and the economic environment.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amount of the Group's trade receivables as at 31 March 2023 is \$24,831,494 (31 March 2022: \$25,710,018).

(iii) 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 income tax payable at the end of the financial year was \$800,498 (31 March 2022: \$1,390,657). The carrying amount of the Group's deferred tax assets and deferred tax liabilities at the end of the financial year was \$14,200 (31 March 2022: \$104,913) and \$Nil (31 March 2022: \$Nil) respectively.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4 Segment and revenue information

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 ear phones, speakers, cameras and commercial and consumer displays.

(b) Data storage

Products that are used in the storage of data such as cloud drives, HDD enclosures, Blu-ray and portable DVD-RW.

(c) IT accessories

PC-related accessories such as computer systems, components, peripherals, printers, mobile products from wearables, accessories and powerpacks. New categories include smart home solutions and robotics

These operating segments are reported in a manner consistent with internal reporting provided to management who are responsible for allocating resources and assessing performance of the operating segments.

4.1 Business segments

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied, net of discounts, returns and applicable goods and services tax.

1 October 2022 to 31 March 2023

Revenue

Segment result

Financial expenses

Financial income

Profit before taxation

Taxation

Profit after taxation

Assets and liabilities:

Inventories

Unallocated assets

Total assets

Unallocated liabilities

Total liabilities

Depreciation of property, plant and equipment and

right of use assets

Other non-cash income, net

Capital expenditure

	Group			Total
	IT accessories	Multimedia	Data storage	
	S\$	S\$	S\$	S\$
Revenue	45,954,131	56,602,813	810,010	103,366,954
Segment result	2,091,465 4.6%	2,192,421 3.9%	28,060 3.5%	4,311,946 4.2%
Financial expenses				(85,563)
Financial income				2,408
Profit before taxation				4,228,791
Taxation				(563,446)
Profit after taxation				3,665,345
Assets and liabilities:				
Inventories	15,191,375	13,324,360	152,094	28,667,829
Unallocated assets				50,439,421
Total assets				79,107,250
Unallocated liabilities				34,504,948
Total liabilities				34,504,948
Depreciation of property, plant and equipment and right of use assets				657,904
Other non-cash income, net				(52,404)
Capital expenditure				63,667

1 October 2021 to 31 March 2022

Revenue

Segment result

Financial expenses

Financial income

Profit before taxation

Taxation

Profit after taxation

Assets and liabilities:

Inventories

Unallocated assets

Total assets

Unallocated liabilities

Total liabilities

Depreciation of property, plant and equipment and

right of use assets

Other non-cash expenses, net

Capital expenditure

	Group			Total
	IT accessories	Multimedia	Data storage	
	S\$	S\$	S\$	S\$
Revenue	52,950,384	62,728,584	1,134,534	116,813,502
Segment result	3,503,228 6.6%	2,667,585 4.3%	50,207 4.4%	6,221,020 5.3%
Financial expenses				(75,374)
Financial income				3,154
Profit before taxation				6,148,800
Taxation				(792,642)
Profit after taxation				5,356,158
Assets and liabilities:				
Inventories	15,756,905	14,116,326	156,874	30,030,105
Unallocated assets				49,436,865
Total assets				79,466,970
Unallocated liabilities				35,816,126
Total liabilities				35,816,126
Depreciation of property, plant and equipment and right of use assets				719,375
Other non-cash expenses, net				(170,054)
Capital expenditure				216,602

1 April 2022 to 31 March 2023

Revenue

Segment result

Financial expenses

Financial income

Profit before taxation

Taxation

Profit after taxation

Assets and liabilities:

Inventories

Unallocated assets

Total assets

Unallocated liabilities

Total liabilities

Depreciation of property, plant and equipment and right of use assets

Other non-cash expenses, net

Capital expenditure

	Group			Total
	IT accessories	Multimedia	Data storage	
	S\$	S\$	S\$	S\$
Revenue	88,954,495	112,844,103	1,917,622	203,716,220
Segment result	3,622,903 4.1%	3,703,465 3.3%	65,454 3.4%	7,391,822 3.6%
Financial expenses				(145,888)
Financial income				5,173
Profit before taxation				7,251,107
Taxation				(1,182,490)
Profit after taxation				6,068,617
Assets and liabilities:				
Inventories	15,191,375	13,324,360	152,094	28,667,829
Unallocated assets				50,439,421
Total assets				79,107,250
Unallocated liabilities				34,504,948
Total liabilities				34,504,948
Depreciation of property, plant and equipment and right of use assets				1,382,057
Other non-cash expenses, net				134,009
Capital expenditure				117,683

1 April 2021 to 31 March 2022

	Group			Total
	IT accessories	Multimedia	Data storage	
	S\$	S\$	S\$	S\$
Revenue	104,472,253	118,695,956	2,400,296	225,568,505
Segment result	6,569,111 6.3%	4,695,657 4.0%	101,988 4.2%	11,366,756 5.0%
Financial expenses				(130,357)
Financial income				5,926
Profit before taxation				11,242,325
Taxation				(1,836,099)
Profit after taxation				9,406,226
Assets and liabilities:				
Inventories	15,756,905	14,116,326	156,874	30,030,105
Unallocated assets				49,436,865
Total assets				79,466,970
Unallocated liabilities				35,816,126
Total liabilities				35,816,126
Depreciation of property, plant and equipment and right of use assets				1,423,349
Other non-cash expenses, net				414,398
Capital expenditure				345,333

4.2 Geographical segments

	Revenue			
	6 months ended 31.03.2023	6 months ended 31.03.2022	12 months ended 31.03.2023	12 months ended 31.03.2022
	S\$	S\$	S\$	S\$
Singapore	84,040,365	85,412,714	161,505,399	162,541,088
Malaysia	8,297,248	18,118,514	19,801,880	37,362,161
Thailand	6,560,546	8,057,417	12,860,880	15,807,285
Asia	4,251,704	5,208,136	9,201,415	9,563,046
Others	217,091	16,720	346,646	294,925
Total	103,366,954	116,813,502	203,716,220	225,568,505
Timing of transfer of goods or services				
At a point in time	103,366,954	116,813,502	203,716,220	225,568,505

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2023 and 31 March 2022.

	The Group		The Company	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	\$	\$	\$	\$
Financial Assets				
Trade receivables	24,831,494	25,655,790	19,660,877	17,397,062
Other receivables and deposits	4,056,583	843,910	3,562,247	990,274
Cash and cash equivalents	18,005,421	19,900,146	11,871,990	14,973,670
Financial assets at amortised cost	46,893,498	46,399,846	35,095,114	33,361,006
Financial Liabilities				
Trade payables	22,797,971	20,841,478	17,459,046	14,470,374
Bills payables to bank	852,550	3,260,017	852,550	1,381,728
Short-term loans	800,000	400,000	800,000	400,000
Other payables and accruals	7,230,742	7,837,061	4,869,375	5,281,051
Financial liabilities at amortised cost	31,681,263	32,338,556	23,980,971	21,533,153

6 Profit before taxation

6.1 Significant items

	The Group			
	6 months ended 31.03.2023	6 months ended 31.03.2022	12 months ended 31.03.2023	12 months ended 31.03.2022
	S\$	S\$	S\$	S\$
Depreciation of property, plant and equipment and right of use assets	657,904	719,375	1,382,057	1,423,349
Gain on disposal of property, plant and equipment	434	(17,296)	(17,153)	(17,296)
Allowance for expected credit losses	(26,025)	54,000	27,975	108,000
Allowance for inventory to net realisable value	(26,813)	(201,977)	123,187	328,475
Employee benefits expense	4,938,967	6,092,176	9,642,146	11,117,143
Foreign exchange gain, net	(462,430)	(669,287)	(832,500)	(1,304,337)
Operating lease expenses	192,745	114,325	348,562	226,524

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7 Taxation

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Current income tax expense	S\$ 563,446	S\$ 853,908	S\$ 1,182,490	S\$ 1,897,365
Deferred income tax expense relating to origination and reversal of temporary differences	-	(61,266)	-	(61,266)

8 Dividends

Dividend declared and paid during the financial year:

Ordinary dividends paid:

Interim one-tier tax exempt dividend 31 March 2023:0.75cent (31 March 2022:1.25cents) per share

Final one-tier tax exempt dividend 31 March 2022:3.0cents (31 March 2021:2.5cents) per share

The Group and the Company	
12 months ended	12 months ended
31.03.2023	31.03.2022
S\$ 846,249	S\$ 1,421,513
3,394,056	2,846,512

9 Net Asset Value

	Group		Company	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	37.91	36.94	26.14	25.79

Net asset value per ordinary share for year ended 31 March 2023 was calculated based on net assets of the Group and Company after deducting non controlling interests divided by 112,733,200 shares, excluding 3,766,800 treasury shares and 681,818 returned shares. (FY2021/22 : 113,404,300 shares, excluding 3,095,700 treasury shares and 681,818 returned shares).

10 Property, plant and equipment

During the financial year ended 31 March 2023, the Group acquired assets amounting to \$117,683 (FY2021/22: \$345,333) and disposed of assets amount to \$66,458 (FY2021/22: \$187,873).

11 Borrowings

Amount repayable within one year or on demand

Secured *

Unsecured

Amount repayable after one year

Secured *

Unsecured

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

The Group	
31.03.2023	31.03.2022
S\$	S\$
37,452	1,914,040
1,652,550	1,781,728
32,502	69,954
-	-

12 Share capital

Share capital	FY2022/23		FY2021/22	
	No. of shares	S\$	No. of shares	S\$
Issued and fully paid ordinary share	117,181,818	11,173,106	117,181,818	11,173,106

Treasury shares	FY2022/23		FY2021/22	
	No. of shares	S\$	No. of shares	S\$
Balance as at 1 April	3,095,700	757,251	2,639,500	586,632
Purchased during the year	671,100	260,961	456,200	170,619
Balance as at 31 March	3,766,800	1,018,212	3,095,700	757,251

13 Fair value of assets and liabilities

(a) Fair value hierarchy

The Group and Company categorised fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- (i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- (ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Lease liabilities, trade receivables, other receivables and deposits, cash and cash equivalents, trade payables, bills payable to banks (unsecured) and short-term loans, other payables and accruals.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature. Lease liabilities approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

F. OTHER INFORMATION

1 Review

The condensed consolidated statement of financial position of Ban Leong Technologies Limited and its subsidiaries as at 31 March 2023 and the related consolidated profit and loss and other comprehensive income, condensed statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2 Review of performance of the Group

Turnover, Earnings & Cost

Revenue decreased by \$21.9mil or 9.7% from \$225.6mil in FY2021/22 to \$203.7mil in FY2022/23, a reduction across all business segments. The accessories, multimedia and storage segments decreased by \$15.5mil or 14.9%, \$5.9mil or 4.9% and \$0.5mil or 20.1% respectively. As the Covid-19 restrictions are relaxed, travel borders are opening up and this resulted in lower consumer spending. Despite the lower revenue as compared to previous financial year, the group is larger than pre-pandemic.

Gross profits decreased by about \$5.0mil or 20.4% from \$24.5mil in FY2021/22 to \$19.5mil in FY2022/23 due to higher product costs as the average USD rates for this financial year were relatively higher than the previous financial year.

Other operating income remained relatively constant at about \$0.7mil for both financial years. While the government support has reduced during the financial year, the group reversed some unutilised trade credits accumulated over the years to other operating income.

The Group saw a decrease in selling and distribution expenses of almost \$1.1mil or 12.2% to \$7.7mil in FY2022/23 as the Group paid out less in staff related and distribution expenses.

General and administrative expenses decreased by \$0.4mil or 5.1% from \$6.3mil in FY2021/22 to \$5.9mil in FY2022/23 due to lower provision made for staff related expenses.

The Group recorded a lower foreign exchange gain of \$0.8mil in FY2022/23 as compared to \$1.3mil in FY2021/22 as a stronger US dollar reduced the exchange gain as payments were made to suppliers during the year.

Finance expenses increased by about \$15.5k or 11.9% for FY2022/23, representing about 1.1% of total operating expenses for FY2022/23 (FY2021/22: 0.9%).

Assets & Liabilities, Cash flow

The non-current assets increased by \$0.3mil or 11.5%, from \$2.8mil in FY2021/22 to \$3.1mil in FY2022/23. Property, plant and equipment and the right of use assets decreased by \$9.9mil or 34.8% to an aggregate amount of \$2.6mil in FY2021/22 to \$1.7mil in FY2022/23. However, this was offsetted by non current other receivable as the group invested in a convertible loan of \$1.3mil in FY2022/23.

The Group saw trade receivables decreasing by \$0.9mil or 3.4% from \$25.7mil in FY2021/22 to \$24.8mil in FY2022/23 and the trade receivables turnover in days increased to 45 days (FY2021/22:40 days).

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

The trade payables increased by \$2.2mil or 10.7% from \$21.0mil in FY2021/22 to \$23.2mil in FY2022/23 with turnover days increased to 44 days (FY2021/22:37 days).

Inventory decreased by \$1.3mil or 4.5% from \$30.0mil in FY2021/22 to \$28.7mil in FY2022/23. Inventory turnover days increased to 58 days (FY2021/22:50 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.

Positive cash from operations amounted to about \$9.2mil in FY2022/23 as the Group reduced its inventory, trade receivables and enjoyed a longer credit term from trade payables. Working capital gap increased to 59 days in FY2022/23 from (FY2021/22:53 days).

3 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.

4 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 ongoing disruptions in the chips and semiconductor industries would have an impact on the developments of IT products and may have an impact on the business outlook.

With the lifting of travel restrictions, and back to office work practices, the demand for IT products may be more stable as compared to the increased demand seen in the past few years.

There remain opportunities as we see various initiatives from suppliers and potential newly developed products with new ideas that leverage on the existing technologies.

The Group will remain focused on our core competencies and stay prudent in our management of our cashflow. We will explore collaboration opportunities with potential business partners

5 Dividend information**5a Current Financial Period Reported on**

Any dividend recommended for the current financial period reported on? **Yes**

Name of Dividend	Final
Dividend type	Final
Dividend per share	1.75cents
Tax rate	Tax exempt

The Directors are pleased to declare a tax exempt one-tier final cash dividend of 1.75cents per share (FY2021/22: 3cents per share) in respect of the full year ended 31 March 2023. The final dividend will be paid to the shareholders on 18 August 2023.

5b Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **Yes**

Name of Dividend	Final
Dividend type	Final
Dividend per share	3 cents
Tax rate	Tax exempt

5c Date Payable

18/08/2023

5d Books Closure Date

Date on which Registrable Transfer received by the company will be registered before entitlements to the dividend are determined: 10/08/2023, 5.00pm

6 Interested person transactions

Name of Interested Person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	FY2022/23	FY2021/22	FY2022/23	FY2021/22
	Apr 22 - Mar 23	Apr 21 - Mar 22	Apr 22 - Mar 23	Apr 21 - Mar 22
	S\$	S\$	S\$	S\$
Hongkong Lava Technology Limited	-	-	6,392,673	6,299,667

7 Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of SGX-ST.

8 Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

The Board of Directors confirm that there is no person occupying managerial position in the Company or any of its principal subsidiaries who is a relative of a director, executive officer or substantial shareholder of the Company during the financial year and up to the date of the announcement.

RONALD TENG WOO BOON
MANAGING DIRECTOR
 Date: 26 May 2023