

BAN LEONG TECHNOLOGIES LIMITED
Half Year Financial Statement and Dividend Announcement For The Period Ended 30 September 2018
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		
	01.04.2018 to 30.09.2018	01.04.2017 to 30.09.2017	Increase/ (Decrease)
	S\$	S\$	
Revenue	74,833,434	77,252,557	(3.1%)
Cost of sales	(67,465,963)	(69,961,265)	(3.6%)
Gross profit	7,367,471	7,291,292	1.0%
	9.85%	9.44%	
Other operating income	345,609	143,595	140.7%
Selling and distribution expenses	(3,401,724)	(3,107,627)	9.5%
General and administrative expenses	(2,585,747)	(2,366,106)	9.3%
Profit from operations before foreign exchange	1,725,609	1,961,154	(12.0%)
Foreign exchange gain/(loss)	(4,260)	517,838	(100.8%)
Profit from operations	1,721,349	2,478,992	(30.6%)
Financial expenses (Note A)	(47,498)	(60,922)	(22.0%)
Financial income	4,402	4,710	(6.5%)
Operating profit before taxation	1,678,253	2,422,780	(30.7%)
Taxation	(235,979)	(383,025)	(38.4%)
Profit after taxation	1,442,274	2,039,755	(29.3%)
Attributable to:			
Owners of the Company	1,386,372	1,850,834	(25.1%)
Non controlling interests	55,902	188,921	(70.4%)
	1,442,274	2,039,755	(29.3%)
Other comprehensive income :			
Foreign currency translation	(117,360)	66,157	(277.4%)
	(117,360)	66,157	(277.4%)
Other comprehensive income for the period, net of tax			
Total comprehensive income for the period	1,324,914	2,105,912	(37.1%)
Total comprehensive income attributable to :			
Owners of the Company	1,264,032	1,916,715	(34.1%)
Non controlling interests	60,882	189,197	(67.8%)
	1,324,914	2,105,912	(37.1%)

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

	Group		
	01.04.2018 to 30.09.2018	01.04.2017 to 30.09.2017	Increase/ (Decrease)
	S\$	S\$	
Allowance for doubtful trade receivables	(54,000)	(72,000)	(25.00%)
Depreciation of property, plant and equipment	(170,098)	(97,002)	75.4%
(Allowance)/write back for inventory obsolescence	(181,710)	(194,872)	(6.8%)

Note A

	Group		
	01.04.2018 to 30.09.2018	01.04.2017 to 30.09.2017	Increase/ (Decrease)
	S\$	S\$	
Financial expenses			
Trade bill interest	3,410	16,637	(79.5%)
Loan interest	38,396	39,765	(3.4%)
Finance lease interest	5,692	4,520	25.9%
	47,498	60,922	(22.0%)

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	
	30.09.2018	31.03.2018	30.09.2018	31.03.2018
	S\$	S\$	S\$	S\$
Non-current assets				
Property, plant and equipment	1,029,850	1,002,847	867,859	834,883
Investment in subsidiaries	-	-	119,182	119,182
Investment in unquoted equity shares	-	-	-	-
Deferred tax assets	69,230	71,225	-	-
Other receivables	2,000,000	2,000,000	1,820,000	1,820,000
	3,099,080	3,074,072	2,807,041	2,774,065
Current assets				
Inventories	27,321,968	22,956,528	16,198,955	13,211,496
Trade receivables	19,788,439	21,252,177	17,654,491	19,629,563
Other receivables and deposits	1,272,036	1,274,585	999,010	1,076,614
Prepayments	79,205	75,229	40,263	40,990
Cash and bank balances	8,015,870	14,772,135	4,597,763	11,230,880
	56,477,518	60,330,654	39,490,482	45,189,543
Current Liabilities				
Trade payables	(16,601,939)	(22,675,087)	(12,632,636)	(18,164,683)
Bills payable to banks (unsecured)	(2,328,563)	(1,898,616)	(2,328,563)	(1,898,616)
Short term loan	(3,600,000)	(1,800,000)	(3,600,000)	(1,800,000)
Other payables and accruals	(5,572,923)	(5,192,919)	(3,926,944)	(5,003,617)
Hire-purchase liabilities	(60,814)	(60,814)	(60,814)	(60,814)
Provision for taxation	(701,894)	(731,319)	(562,581)	(589,407)
	(28,866,133)	(32,358,755)	(23,111,538)	(27,517,137)
Net current assets	27,611,385	27,971,899	16,378,944	17,672,406
Non-current liabilities				
Hire-purchase liabilities	(170,231)	(203,503)	(170,231)	(203,503)
Deferred tax liabilities	(29,121)	(29,121)	(29,121)	(29,121)
Net assets	30,511,113	30,813,347	18,986,633	20,213,847
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	(453,471)	(259,824)	(453,471)	(259,824)
Other reserve	65,685	65,685	-	-
Retained earnings *	17,958,085	18,005,214	8,371,820	9,405,387
Foreign currency translation reserve *	96,181	218,521	-	-
	28,734,764	29,097,880	18,986,633	20,213,847
Non controlling interests	1,776,349	1,715,467	-	-
Total equity	30,511,113	30,813,347	18,986,633	20,213,847

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

Amount repayable in one year or less, or on demand

30.09.2018		31.03.2018	
Secured	Unsecured	Secured	Unsecured
60,814	5,928,563	60,814	3,698,616

Amount repayable after one year

30.09.2018		31.03.2018	
Secured	Unsecured	Secured	Unsecured
170,231	-	203,503	-

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	
	01.04.2018 to 30.09.2018	01.04.2017 to 30.09.2017
	S\$	S\$
Cash flows from operating activities		
Profit before taxation	1,678,253	2,422,780
Adjustments for:		
Depreciation of property, plant and equipment	170,098	97,002
Allowance for doubtful trade receivables	54,000	72,000
Write back for inventory obsolescence	181,710	194,872
Interest expense	47,498	60,922
Interest income	(4,402)	(4,710)
Translation difference	(96,120)	47,682
Operating profit before working capital changes	2,031,037	2,890,548
(Increase)/decrease in		
Inventories	(4,547,150)	(5,834,901)
Trade receivables	1,409,738	(1,869,279)
Other receivables and deposits	2,549	(2,053,615)
Prepayments	(3,976)	17,009
Increase/(decrease) in :		
Trade payables	(6,073,148)	(1,716,536)
Bills payable to banks (unsecured)	429,947	2,300,127
Other payables and accruals	380,004	1,405,124
Proceeds from Short Term Loan	1,800,000	1,600,000
Cash generated from operations	(4,570,999)	(3,261,523)
Interest expense paid	(47,498)	(60,922)
Interest income received	4,402	4,710
Income tax paid	(263,409)	(194,880)
Net cash generated from operating activities	(4,877,504)	(3,512,615)
Cash flows from investing activities		
Purchase of property, plant and equipment	(197,515)	(34,579)
Net cash used in investing activities	(197,515)	(34,579)
Cash flow from financing activities		
Repayment of hire purchase liabilities	(33,272)	(54,881)
Purchase of treasury shares	(193,647)	-
Dividend paid	(1,433,501)	(1,152,220)
Net cash used in financing activities	(1,660,420)	(1,207,101)
Net increase in cash and cash equivalents	(6,735,439)	(4,754,295)
Effect of exchange rate changes on cash and cash equivalents	(20,826)	17,229
Cash and cash equivalents at the beginning of the period	14,772,135	14,142,236
Cash and cash equivalents at the end of the period	8,015,870	9,405,170

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

2018/19 Group	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		
Opening balance at 1 April 2018 - restated	11,173,106	(104,822)	(259,824)	18,005,214	218,521	65,685	29,097,880	1,715,467	30,813,347
IFRS Convergence - SG-IFRS 1 exemption used to reclass cumulative foreign translation reserves to retained earnings	-	-	-	-	-	-	-	-	-
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

2017/18 Group	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		
Opening balance at 1 April 2017	11,173,106	(104,822)	(259,824)	15,366,518	(1,074,166)	65,685	25,166,497	1,256,140	26,422,637
IFRS Convergence - SG-IFRS 1 exemption used to reclass cumulative foreign translation reserves to retained earnings	-	-	-	(1,074,166)	1,074,166	-	-	-	-
Profit for the period	-	-	-	1,850,834	-	-	1,850,834	188,921	2,039,755
Other comprehensive income for the period	-	-	-	-	65,881	-	65,881	276	66,157
Total comprehensive income for the period	-	-	-	1,850,834	65,881	-	1,916,715	189,197	2,105,912
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	(1,152,220)	-	-	(1,152,220)	-	(1,152,220)
Balance as at 30 September 2017	11,173,106	(104,822)	(259,824)	14,990,966	65,881	65,685	25,930,992	1,445,337	27,376,329

* 2017/18 Group	Retained earnings *	Foreign currency translation reserves *
Opening balance at 1 April 2017	15,366,518	(1,074,166)
IFRS Convergence - SG-IFRS 1 exemption used to reclass cumulative foreign translation reserves to retained earnings	(1,074,166)	1,074,166
Profit for the year	5,441,192	-
Other comprehensive income for the year	-	218,521
Total comprehensive income for the year	5,441,192	218,521
Purchase of treasury shares	-	-
Dividends	(1,728,330)	-
Balance as at 31 March 2018 - restated	18,005,214	218,521

2018/19 Company	Share capital	Returned shares	Treasury shares	Retained earnings	Total equity
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

2017/18 Company	Share capital	Returned shares	Treasury shares	earnings	Total equity
Opening balance as at 1 April 2017	11,173,106	(104,822)	(259,824)	7,610,143	18,418,603
Profit for the period	-	-	-	1,089,434	1,089,434
Total comprehensive income for the period	-	-	-	1,089,434	1,089,434
Purchase of treasury shares	-	-	-	-	-
Dividends	-	-	-	(1,152,220)	(1,152,220)
Balance as at 30 September 2017	11,173,106	(104,822)	(259,824)	7,547,357	18,355,817

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	HY2018/19		HY2017/18	
	No. of share	S\$	No. of share	S\$
Balance as at 1 April	1,278,000	259,824	1,278,000	259,824
Purchased during the period	805,500	193,647	-	-
Balance as at 30 September	2,083,500	453,471	1,278,000	259,824

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.

	30.09.2018	30.09.2017
Total no. of issued shares (excluding treasury shares and returned shares)	114,416,500	115,222,000

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.

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

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)"), which is effective for Singapore-incorporated companies listed on the Singapore Exchange for annual reporting periods beginning on or after 1 January 2018. The Group has also adopted all applicable new and revised Financial Reporting Standards ("FRSs") which became effective for financial periods beginning on or after 1 January 2018. On transition to SFRS (I), the Group elected the option to deem cumulative translation differences for foreign operations to be zero on 1 April 2018, and accordingly, the gain or loss that will be recognised on a subsequent disposal of the foreign operations will exclude cumulative translation differences that arose before 1 April 2017. Accordingly, the Group has reclassified an amount of \$1,074,166 of foreign currency translation reserve to opening retained earnings as at 1 April 2017.

Other than the effects of the matter as described above, the adoption of the SFRS (I) and the new and revised FRS's have no material impact on the financial statements.

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

Earnings per ordinary share (cents)	Group	
	30.09.2018	30.09.2017
Based on weighted average number of ordinary shares in issue	1.21	1.60
Based on a fully diluted basis	1.21	1.60

The earnings per share for the period ended 30 September 2018 was calculated based on profit attributable to owners of the Company divided by number of ordinary shares 114,416,500, excluding 2,083,500 treasury shares and 681,818 returned shares. (HY2017/18:115,222,000 shares, excluding 1,278,000 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	
	30.09.2018	31.03.2018	30.09.2018	31.03.2018
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital as at the end of the year reported on	25.11	25.25	16.59	17.54

Net asset value per ordinary share for the period ended 30 September 2018 was calculated based on net assets of the Group and Company after deducting non controlling interests divided by 114,416,500 shares, excluding 2,083,500 treasury shares and 681,818 returned shares. (FY2017/18:115,222,000 shares, excluding 1,278,000 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 \$2.5mil or 3.1% from \$77.3mil in HY2017/18 to \$74.8mil in HY2018/19. The multimedia, storage segments decreased in revenue by \$4.4mil and \$1.5mil respectively and this is offsetted by an improvement in the accessories segment by about \$3.4mil. The decrease in multimedia segment was due to delay in some hotel projects and storage segment's decreased was caused by the cessation of a brand distributionship in Singapore.

Despite the lower revenue, gross profits increased by about \$0.1mil or 1.0% from \$7.3mil in HY2017/18 to \$7.4mil in HY2018/19. Gross margin increased marginally from 9.4% in HY2017/18 to 9.9% in HY2018/19 mainly from the accessories segment.

Other operating income increased by \$202.0k or 140.7% from \$143.6k in HY2017/18 to \$345.6k in HY2018/19 as the Company received the Capability Development Grant for investing in a new accounting software last year.

The Group saw an increase in selling and distribution expenses of about \$0.3mil or 9.5% to \$3.4mil in HY2018/19 as the Group spent more on staff related as well as delivery expenses.

General and administrative expenses also increased by \$0.2mil or 9.3% from \$2.4mil in HY2017/18 to \$2.6mil in HY2018/19 due to higher depreciation charges resulted from the new accounting software and the purchase of a new motor vehicle towards the end of the last financial year. A higher professional fee was also incurred during the period as the Company engaged a consultant to review the human resource policies and structure.

The foreign exchange gain recorded in HY2017/18 was a result of the depreciation of the USD against the SGD. The USD has appreciated against the currencies across the region since the beginning of HY2018/19 and the Group recorded a foreign exchange loss of about \$4.3k.

Finance expenses decreased by about \$13.4k or 22.0% and this accounted for 0.8% (HY2017/18:1.1%) of total operating costs. These were mainly incurred to support regional operations.

Assets & Liabilities, Cash flow

The increase in non current assets of about \$25.0k or 0.8% to \$3.1mil HY2018/19 was due to replacement of air conditioning compressors under the property, plant and equipment.

The Group saw trade receivables decreased by \$1.5mil or 6.9% from \$21.3mil in FY2017/18 to \$19.8mil in HY2018/19 and the trade receivables turnover in days increased to 50 days (FY2017/18:49 days).

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

The trade payables decreased by \$6.1mil or 26.8% from \$22.7mil in FY2017/18 to \$16.6mil in HY2018/19 with turnover days decreased to 53 days (FY2017/18:57 days).

Inventory increased by \$4.3mil or 19.0% from \$23.0mil in FY2017/18 to \$27.3mil in HY2018/19 as the Group increased its brand distributorships. Inventory turnover in days increased to 68days (FY2017/18: 53 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 \$4.6mil as the Group built up its inventory as more brand distributorships were secured during the financial period. These were financed by bank facilities such as bills payable and short term loans.

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 uncertainties in the trade situation globally has affected consumer sentiments. The IT retail market in Singapore is also affected due to the closure of a major retailer chain as well as the general market sentiments.

The Group has achieved profitability despite the tough market conditions with the prudent management of our inventory and cash flow, together with the right mix of our range of products.

While we expect some of our principals to launch new products, especially in the second half of the financial year, we will also continue to manage the inventory levels and our cash flow prudently. We will also continue to expand the corporate segment and explore new sales channels.

The Group will also continue to explore overseas opportunities.

11 If a decision regarding dividend has been made:-

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

Yes.

(b)(i) **Current financial period**

Name of dividend	Interim
Dividend type	Cash
Dividend amount per share (in cents)	0.5 Singapore cent per ordinary share

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

Yes.

(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)**

One-tier Tax Exempt

(d) **The date the dividend is payable**

11-Dec-18

(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**

Registrable transfers received by the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902, up to 5.00 p.m. on 29 November 2018 will be registered before entitlements to the Interim Dividend are determined and the Share Transfer Books and the Register of Members of the Company will be closed on 30 November 2018 for the purposes of determining shareholders' entitlement to the Interim Dividend.

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

Not applicable.

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. For financial period ended 30 September 2018, the Group entered into interested person transactions with the following:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year 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)
Acesian System Pte Ltd	326,942	-

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 2018, 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: 09 November 2018