

**BAN LEONG TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

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

	Group		Increase/ (Decrease)
	01.04.2021 to 30.09.2021 S\$	01.04.2020 to 30.09.2020 S\$	
Revenue	108,755,003	87,107,425	24.9%
Cost of sales	(97,641,427)	(79,217,650)	23.3%
Gross profit	11,113,576	7,889,775	40.9%
Other operating income	10.2% 243,881	9.1% 820,418	(70.3%)
Selling and distribution expenses	(4,115,565)	(3,246,231)	26.8%
General and administrative expenses	(2,731,206)	(2,763,872)	(1.2%)
Profit from operations before foreign exchange	4,510,686	2,700,090	67.1%
Foreign exchange gain	635,050	358,545	77.1%
Profit from operations	5,145,736	3,058,635	68.2%
Financial expenses	(54,983)	(45,462)	20.9%
Financial income	2,772	7,816	(64.5%)
Operating profit before taxation	5,093,525	3,020,989	68.6%
Taxation	(1,043,457)	(565,189)	84.6%
Profit after taxation	4,050,068	2,455,800	64.9%
Attributable to:			
Owners of the Company	3,858,456	2,339,954	64.9%
Non controlling interests	191,612	115,846	65.4%
	4,050,068	2,455,800	64.9%
Other comprehensive income :			
Foreign currency translation	(295,424)	243,450	(221.3%)
Other comprehensive income for the period, net of tax	(295,424)	243,450	(221.3%)
Total comprehensive income for the period	3,754,644	2,699,250	39.1%
Total comprehensive income attributable to :			
Owners of the Company	3,684,150	2,607,385	41.3%
Non controlling interests	70,494	91,865	(23.3%)
	3,754,644	2,699,250	39.1%
Earnings per share for profit for the period attributable to the owners of the Company during the year:			
Basic (SGD in cent)	3.39	2.05	
Diluted (SGD in cent)	3.39	2.05	

B. Condensed interim statements of financial position

	Group		Company	
	30.09.2021	31.03.2021	30.09.2021	31.03.2021
	S\$	S\$	S\$	S\$
Non-current assets				
Property, plant and equipment	803,784	890,252	686,690	755,628
Right of use assets	2,148,328	2,438,366	1,571,073	1,893,247
Investment in subsidiaries	-	-	591,410	591,410
Deferred tax assets	78,753	78,753	-	-
	3,030,865	3,407,371	2,849,173	3,240,285
Current assets				
Inventories	28,176,168	24,754,804	14,382,769	13,615,523
Trade receivables	25,070,342	23,214,552	17,028,873	16,280,162
Other receivables and deposits	1,259,721	922,296	1,161,823	781,495
Prepayments	166,435	157,164	113,283	127,650
Cash and cash equivalents	18,348,775	20,674,918	12,315,726	14,940,342
	73,021,441	69,723,734	45,002,474	45,745,172
Current Liabilities				
Trade payables	(22,319,740)	(19,756,316)	(11,758,966)	(11,785,535)
Bills payable to banks (unsecured)	(1,730,486)	(1,370,484)	-	(761,737)
Short-term loans	(800,000)	(600,000)	(800,000)	(600,000)
Other payables and accruals	(7,933,993)	(8,283,061)	(5,691,249)	(6,416,948)
Lease liability - current	(967,197)	(983,515)	(711,894)	(694,603)
Income tax payable	(1,158,495)	(1,142,912)	(1,038,936)	(1,040,497)
	(34,909,911)	(32,136,288)	(20,001,045)	(21,299,320)
Net current assets	38,111,530	37,587,446	25,001,429	24,445,852
Non-current liabilities				
Lease liability - non current	(1,234,446)	(1,529,566)	(906,805)	(1,268,174)
Deferred tax liabilities	(35,106)	(35,106)	(35,106)	(35,106)
	(1,269,552)	(1,564,672)	(941,911)	(1,303,280)
Net assets	39,872,843	39,430,145	26,908,691	26,382,857
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	(634,362)	(586,632)	(634,362)	(586,632)
Other reserve	65,685	65,685	-	-
Retained earnings	27,763,508	26,751,565	16,474,769	15,901,205
Foreign currency translation reserve	42,139	216,445	-	-
	38,305,254	37,515,347	26,908,691	26,382,857
Non-controlling interests	1,567,589	1,914,798	-	-
Total equity	39,872,843	39,430,145	26,908,691	26,382,857

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		
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 period	-	-	-	3,858,456	-	-	3,858,456	191,612	4,050,068
Other comprehensive income for the period	-	-	-	-	(174,306)	-	(174,306)	(121,118)	(295,424)
Total comprehensive income for the period	-	-	-	3,858,456	(174,306)	-	3,684,150	70,494	3,754,644
Purchase of treasury shares	-	-	(47,730)	-	-	-	(47,730)	-	(47,730)
Dividends	-	-	-	(2,846,513)	-	-	(2,846,513)	(417,703)	(3,264,216)
Balance as at 30 September 2021	11,173,106	(104,822)	(634,362)	27,763,508	42,139	65,685	38,305,254	1,567,589	39,872,843

	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		
2020/21 Group									
Opening balance at 1 April 2020	11,173,106	(104,822)	(570,703)	21,148,186	40,035	65,685	31,751,487	2,129,129	33,880,616
Profit for the period	-	-	-	2,339,954	-	-	2,339,954	115,846	2,455,800
Other comprehensive income for the period	-	-	-	-	267,431	-	267,431	(23,981)	243,450
Total comprehensive income for the period	-	-	-	2,339,954	267,431	-	2,607,385	91,865	2,699,250
Purchase of treasury shares	-	-	(15,929)	-	-	-	(15,929)	-	(15,929)
Dividends	-	-	-	(1,423,347)	-	-	(1,423,347)	-	(1,423,347)
Balance as at 30 September 2020	11,173,106	(104,822)	(586,632)	22,064,793	307,466	65,685	32,919,596	2,220,994	35,140,590

	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 period	-	-	-	3,420,077	3,420,077
Total comprehensive income for the period	-	-	-	3,420,077	3,420,077
Purchase of treasury shares	-	-	(47,730)	-	(47,730)
Dividends	-	-	-	(2,846,513)	(2,846,513)
Balance as at 30 September 2021	11,173,106	(104,822)	(634,362)	16,474,769	26,908,691

	Share capital	Returned shares	Treasury shares	Retained earnings	Total equity
2020/21 Company					
Opening balance as at 1 April 2020	11,173,106	(104,822)	(570,703)	9,865,016	20,362,597
Profit for the period	-	-	-	2,891,345	2,891,345
Total comprehensive income for the period	-	-	-	2,891,345	2,891,345
Purchase of treasury shares	-	-	(15,929)	-	(15,929)
Dividends	-	-	-	(1,423,347)	(1,423,347)
Balance as at 30 September 2020	11,173,106	(104,822)	(586,632)	11,333,014	21,814,666

D. Condensed interim consolidated statement of cash flows

	Group	
	01.04.2021 to 30.09.2021 S\$	01.04.2020 to 30.09.2020 S\$
Cash flows from operating activities		
Profit before taxation	5,093,525	3,020,989
Adjustments for:		
Depreciation of property, plant and equipment and right of use assets	703,974	681,205
Gain on disposal of property, plant and equipment	-	(359)
Allowance for expected credit losses	54,000	54,000
Allowance for inventory to net realisable value	530,452	126,484
Interest expense	54,983	45,462
Interest income	(2,772)	(7,816)
Translation difference	(457,710)	276,869
Operating cash flows before working capital changes	5,976,452	4,196,834
(Increase)/decrease in		
Inventories	(3,951,816)	(2,837,508)
Trade receivables	(1,909,790)	232,781
Other receivables and deposits	(337,425)	3,541,973
Prepayments	(9,271)	(14,959)
Increase/(decrease) in :		
Trade payables	2,563,424	(2,755,834)
Other payables and accruals	(349,068)	1,098,295
Cash flows generated from/(used in) operations	1,982,506	3,461,582
Interest expense paid	(54,983)	(45,462)
Interest income received	2,772	7,816
Income tax paid	(1,027,874)	(186,543)
Net cash flows from/(used in) operating activities	902,421	3,237,393
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	26,778
Purchase of property, plant and equipment	(128,731)	(58,587)
Net cash flows used in investing activities	(128,731)	(31,809)
Cash flows from financing activities		
Bills payable to banks (unsecured)	360,002	(773,652)
Proceeds from/(repayment of) short-term loans	200,000	(3,350,000)
Repayment of principal portion of lease liabilities	(516,173)	(491,057)
Purchase of treasury shares	(47,730)	(15,929)
Dividend paid	(2,846,513)	(1,423,347)
Net cash flows used in financing activities	(2,850,414)	(6,053,985)
Net decrease in cash and cash equivalents	(2,076,724)	(2,848,401)
Effect of exchange rate changes on cash and cash equivalents	(249,419)	(32,799)
Cash and cash equivalents at the beginning of the period	20,674,918	14,842,141
Cash and cash equivalents at the end of the period	18,348,775	11,960,941

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 30 September 2021 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 2021.

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 2021.

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 30 September 2021 is \$28,176,168 (31 March 2021: \$24,754,804).

(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 30 September 2021 is \$25,070,342 (31 March 2021: \$23,214,552).

(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 reporting period was \$1,158,495 (31 March 2021: \$1,142,912). The carrying amount of the Group's deferred tax assets and deferred tax liabilities at the end of the reporting period was \$78,753 (31 March 2021: \$78,753) and \$35,106 (31 March 2021: \$35,106) respectively.

3 Seasonal operations

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

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.

	Group			
	IT accessories	Multimedia	Data storage	Total
	S\$	S\$	S\$	S\$
2021/22				
Revenue	51,521,869	55,967,372	1,265,762	108,755,003
Segment result	3,065,883 6.0%	2,028,072 3.6%	51,781 4.1%	5,145,736 4.7%
Financial expenses				(54,983)
Financial income				2,772
Profit before taxation				5,093,525
Taxation				(1,043,457)
Profit after taxation				4,050,068
Assets and liabilities:				
Inventories	16,105,756	11,510,208	560,204	28,176,168
Unallocated assets				47,876,138
Total assets				76,052,306
Unallocated liabilities				36,179,463
Total liabilities				36,179,463
Depreciation of property, plant and equipment and right of use assets				703,974
Other non-cash expenses				584,452
Capital expenditure				128,731

	Group			
	IT accessories	Multimedia	Data storage	Total
	S\$	S\$	S\$	S\$
2020/21				
Revenue	39,690,393	46,961,123	455,909	87,107,425
Segment result	1,733,831 3.1%	1,304,351 2.2%	20,453 3.2%	3,058,635 3.5%
Financial expenses				(45,462)
Financial income				7,816
Profit before taxation				3,020,989
Taxation				(565,189)
Profit after taxation				2,455,800
Assets and liabilities:				
Inventories	14,370,620	10,001,312	382,872	24,754,804
Unallocated assets				48,376,301
Total assets				73,131,105
Unallocated liabilities				33,700,960
Total liabilities				33,700,960
Depreciation of property, plant and equipment and right of use assets				681,205
Other non-cash expenses				180,125
Capital expenditure				58,587

4.2 Geographical segments

	Revenue	
	30.09.2021	30.09.2020
	S\$	S\$
Singapore	77,128,373	62,034,950
Malaysia	19,243,647	12,208,371
Thailand	7,749,868	6,968,597
Asia	4,354,910	5,697,017
Others	278,205	198,490
Total	108,755,003	87,107,425

Timing of transfer of goods or services

At a point in time	108,755,003	87,107,425
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5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2021 and 31 March 2021.

	The Group		The Company	
	30.09.2021	31.03.2021	30.09.2021	31.03.2021
	\$	\$	\$	\$
Financial Assets				
Trade receivables	24,996,037	23,136,130	15,325,431	16,253,486
Other receivables and deposits	1,078,321	700,377	586,329	637,817
Cash and cash equivalents	18,348,775	20,674,918	12,315,726	14,940,342
Financial assets at amortised cost	44,423,133	44,511,425	28,227,486	31,831,645
Financial Liabilities				
Trade payables	22,127,001	19,721,317	11,549,760	11,785,535
Bills payables to bank (unsecured)	1,730,486	1,370,484	-	761,737
Short-term loans	800,000	600,000	800,000	600,000
Other payables and accruals	7,933,993	7,861,944	5,235,562	6,080,381
Lease liabilities	2,201,643	2,513,081	1,618,699	1,962,777
Financial liabilities at amortised cost	34,793,123	32,066,826	19,204,021	21,190,430

6 Profit before taxation

6.1 Significant items

	The Group	
	30.09.2021	30.09.2020
	S\$	S\$
Depreciation of property, plant and equipment and right of use assets	703,974	681,205
Gain on disposal of property, plant and equipment	-	(359)
Allowance for expected credit losses	54,000	54,000
Allowance for inventory to net realisable value	530,452	126,484
Employee benefits expense	5,024,967	4,180,061
Foreign exchange gain, net	(635,050)	(358,545)
Operating lease expenses	112,199	112,289

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 period 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	
	30.09.2021	30.09.2020
	S\$	S\$
Current income tax expense	1,043,457	565,189

8 Dividends

Interim dividend was recommended for HY2021/22 (HY2020/21:Nil).

	The Group	
	30.09.2021	30.09.2020
	S\$	S\$
Ordinary dividends paid:		
Interim exempt 2022 dividend of S\$0.0125 per share (2021: Nil)	1,421,513	-
Dividend per share (net of tax)	<u>S\$0.0125</u>	-

9 Net Asset Value

	Group		Company	
	30.09.2021	31.03.2021	30.09.2021	31.03.2021
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share	33.68	32.95	23.66	23.17

Net asset value per ordinary share for period ended 30 September 2021 was calculated based on net assets of the Group and Company after deducting non controlling interests divided by 113,721,000 shares, excluding 2,779,000 treasury shares and 681,818 returned shares. (FY2020/21 : 113,860,500 shares, excluding 2,639,500 treasury shares and 681,818 returned shares).

10 Property, plant and equipment

During the six months ended 30 September 2021, the Group acquired assets amounting to \$128,731 (HY2020/21: \$58,587) and disposed of assets amount to \$NIL (HY2020/21: \$44,652)

11 Borrowings

The Group	
30.09.2021	31.03.2021
S\$	S\$
Amount repayable within one year or on demand	
Secured *	1,765,415
Unsecured	800,000
Amount repayable after one year	
Secured *	88,038
Unsecured	-

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.

12 Share capital

Share capital	HY2021/22		HY2020/21	
	No. of share	S\$	No. of share	S\$
Issued and fully paid ordinary share	117,181,818	11,173,106	117,181,818	11,173,106

Treasury shares	HY2021/22		HY2020/21	
	No. of share	S\$	No. of share	S\$
Balance as at 1 April	2,639,500	586,632	2,577,000	570,703
Purchased during the period	139,500	47,730	62,500	15,929
Balance as at 30 September	2,779,000	634,362	2,639,500	586,632

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 30 September 2021 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 increased by \$21.7mil or 24.9% from \$87.1mil in HY2020/21 to \$108.8mil in HY2021/22 and this was an increase across all business segments. Main improvement mainly came from the accessories segment which increased by \$11.8mil or 29.8%. The multimedia segment and the storage segment improved by \$9.0mil or 19.2% and \$0.8mil or 177.6% respectively and these were mainly driven by strong demand for video collaboration tools required as consumers work from home and learn from home. Demand for gaming accessories also improved due to popularity of online video games amid the pandemic-led stay at home environment.

Gross profits increased by about \$3.2mil or 40.9% from \$7.9mil in HY2020/21 to \$11.1mil in HY2021/22 as consumers are willing to pay more for better quality products to enhance productivity and experience, both at work and at home.

Other operating income decreased by \$0.6mil or 70.3% from \$0.8mil in HY2020/21 to \$0.2mil HY2021/22 as the Company received less government support including Job Support Scheme, Capability Development Grant and Professional Conversion Programmes during this financial period.

The Group saw an increase in selling and distribution expenses of almost \$0.9mil or 26.8% to \$4.1mil in HY2021/22 as the Group spent more in staff related and distribution expenses.

General and administrative expenses remained relatively stable at about \$2.7mil for both financial periods.

An increase in foreign exchange gain of \$0.3mil was recorded in HY2021/22 and these came from revaluation of USD cash balances as USD strengthened against SGD during the financial period.

Finance expenses increased marginally by about \$9.5k or 20.9% in HY2021/22, representing about 0.8% of total operating expenses for both financial periods.

Assets & Liabilities, Cash flow

The non-current assets decreased by \$0.4mil or 11.0%, from \$3.4mil in FY2020/21 to \$3.0mil in HY2021/22 from depreciation of the property, plant and equipment and the right of use assets.

The Group saw trade receivables increased by \$1.9mil or 8.0% from \$23.2mil in FY2020/21 to \$25.1mil in HY2021/22 and the trade receivables turnover in days decreased to 41 days (FY2020/21:45 days).

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

The trade payables increased by \$2.5mil or 13.0% from \$19.8mil in FY2020/21 to \$22.3mil in HY2021/22 with turnover days decreased to 39 days (FY2020/21:42 days).

Inventory increased by \$3.4mil or 13.8% from \$24.8mil in FY2020/21 to \$28.2mil in HY2021/22. Inventory turnover days decreased to 50 days (FY2020/21:51 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 stood at almost \$2.0mil as the Group improved profitability, reduced inventory turnover days, collection from trade receivables.

3 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual

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 uncertainties caused by the pandemic has influenced the changes in the working environment and overall business activities. These changes have continued to drive demand for IT and consumer electronics products which have facilitated the growth in revenue and profits.

With more countries currently taking a different approach in dealing with the pandemic, there may be changes in consumer spending behaviour. As such, while we have generated positive growth, we will continue to adopt a prudent approach in maintaining a good cashflow to support our business activities.

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

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

Name of Dividend	Interim
Dividend type	Interim
Dividend per share	\$0.0125
Tax rate	Tax exempt

The Directors are pleased to declare a tax exempt one-tier interim cash dividend of S\$0.0125 per share (HY2020/21: Nil) in respect of the half year ended 30 September 2021. The interim dividend will be paid to the shareholders on 10/12/2021

5b Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

Name of Dividend	Interim
Dividend type	NA
Dividend per share	Nil
Tax rate	Tax exempt

5c Date Payable

10/12/2021

5d Books Closure Date

Date on which Registrable Transfer received by the company will be registered before entitlements to the dividend are determined: 29/11/2021, 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)	
	HY2021/22	HY2020/21	HY2021/22	HY2020/21
	Apr 21 - Sep 21	Apr 20 - Sep 20	Apr 21 - Sep 21	Apr 20 - Sep 20
	S\$	S\$	S\$	S\$
Hongkong Lava Technology Limited	-	-	3,035,448	4,150,727

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.

Confirmation by the Board

On behalf of the Board of Directors of the Company, I hereby confirm to the best of my knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 September 2021 to be false or misleading in any material aspects.

On behalf of the Board of Directors

RONALD TENG WOO BOON
MANAGING DIRECTOR
 Date: 08 November 2021