

**BAN LEONG TECHNOLOGIES LIMITED
AND SUBSIDIARY COMPANIES**

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

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

	Group		
	01.04.2022 to 30.09.2022 S\$	01.04.2021 to 30.09.2021 S\$	Increase/ (Decrease)
Revenue	100,349,266	108,755,003	(7.7%)
Cost of sales	(91,132,343)	(97,641,427)	(6.7%)
Gross profit	9,216,923	11,113,576	(17.1%)
	9.2%	10.2%	
Other operating income	194,007	243,881	(20.5%)
Selling and distribution expenses	(3,858,506)	(4,115,565)	(6.2%)
General and administrative expenses	(2,842,618)	(2,731,206)	4.1%
Profit from operations before foreign exchange	2,709,806	4,510,686	(39.9%)
Foreign exchange gain	370,070	635,050	(41.7%)
Profit from operations	3,079,876	5,145,736	(40.1%)
Financial expenses	(60,325)	(54,983)	9.7%
Financial income	2,765	2,772	(0.2%)
Operating profit before taxation	3,022,316	5,093,525	(40.7%)
Taxation	(619,044)	(1,043,457)	(40.7%)
Profit after taxation	2,403,272	4,050,068	(40.7%)
Attributable to:			
Owners of the Company	2,360,499	3,858,456	(38.8%)
Non controlling interests	42,773	191,612	(77.7%)
	2,403,272	4,050,068	(40.7%)
Other comprehensive income:			
Foreign currency translation	(568,781)	(295,424)	92.5%
Other comprehensive income for the period, net of tax	(568,781)	(295,424)	92.5%
Total comprehensive income for the period	1,834,491	3,754,644	(51.1%)
Total comprehensive income attributable to:			
Owners of the Company	1,924,611	3,684,150	(47.8%)
Non controlling interests	(90,120)	70,494	(227.8%)
	1,834,491	3,754,644	(51.1%)
Earnings per share for profit for the period attributable to the owners of the Company during the period:			
Basic (SGD in cent)	2.08	3.39	
Diluted (SGD in cent)	2.08	3.39	

B. Condensed interim statements of financial position

	Group		Company	
	30.09.2022	31.03.2022	30.09.2022	31.03.2022
	S\$	S\$	S\$	S\$
Non-current assets				
Property, plant and equipment	588,725	781,891	366,490	537,991
Right of use assets	1,734,257	1,863,667	926,725	1,248,899
Investment in subsidiaries	-	-	639,939	639,939
Deferred tax assets	101,534	104,913	2,351	2,351
	2,424,516	2,750,471	1,935,505	2,429,180
Current assets				
Inventories	37,525,706	30,030,105	22,434,360	17,412,692
Trade receivables	24,247,452	25,710,018	19,536,273	17,397,062
Other receivables and deposits	2,540,205	952,409	1,517,919	1,059,213
Prepayments	145,556	123,821	99,123	92,157
Cash and cash equivalents	9,562,616	19,900,146	5,935,789	14,973,670
	74,021,535	76,716,499	49,523,464	50,934,794
Current Liabilities				
Trade payables	(22,228,574)	(20,950,438)	(17,305,528)	(14,579,334)
Bills payable to banks	(2,888,207)	(3,260,017)	(861,737)	(1,381,728)
Short-term loans	(1,050,000)	(400,000)	(1,050,000)	(400,000)
Other payables and accruals	(5,598,352)	(7,955,717)	(2,775,292)	(5,357,423)
Lease liability - current	(1,047,044)	(948,284)	(747,364)	(729,448)
Income tax payable	(1,003,845)	(1,390,657)	(822,195)	(1,125,234)
	(33,816,022)	(34,905,113)	(23,562,116)	(23,573,167)
Net current assets	40,205,513	41,811,386	25,961,348	27,361,627
Non-current liabilities				
Lease liability - non current	(660,258)	(911,013)	(159,440)	(538,726)
	(660,258)	(911,013)	(159,440)	(538,726)
Net assets	41,969,771	43,650,844	27,737,413	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	(878,759)	(757,251)	(878,759)	(757,251)
Other reserve	65,685	65,685	-	-
Retained earnings	30,482,722	31,516,279	17,547,888	18,941,048
Foreign currency translation reserve	(441,793)	(5,905)	-	-
	40,296,139	41,887,092	27,737,413	29,252,081
Non-controlling interests	1,673,632	1,763,752	-	-
Total equity	41,969,771	43,650,844	27,737,413	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 period	-	-	-	2,360,499	-	-	2,360,499	42,773	2,403,272
Other comprehensive income for the period	-	-	-	-	(435,888)	-	(435,888)	(132,893)	(568,781)
Total comprehensive income for the period	-	-	-	2,360,499	(435,888)	-	1,924,611	(90,120)	1,834,491
Purchase of treasury shares	-	-	(121,508)	-	-	-	(121,508)	-	(121,508)
Dividends	-	-	-	(3,394,056)	-	-	(3,394,056)	-	(3,394,056)
Balance as at 30 September 2022	11,173,106	(104,822)	(878,759)	30,482,722	(441,793)	65,685	40,296,139	1,673,632	41,969,771

	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					Total equity
	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 period	-	-	-	2,000,896	2,000,896	
Total comprehensive income for the period	-	-	-	2,000,896	2,000,896	
Purchase of treasury shares	-	-	(121,508)	-	(121,508)	
Dividends	-	-	-	(3,394,056)	(3,394,056)	
Balance as at 30 September 2022	11,173,106	(104,822)	(878,759)	17,547,888	27,737,413	

	Attributable to owners of the Company					Total equity
	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	

D. Condensed interim consolidated statement of cash flows

	Group	
	01.04.2022 to 30.09.2022 S\$	01.04.2021 to 30.09.2021 S\$
Cash flows from operating activities		
Profit before taxation	3,022,316	5,093,525
Adjustments for:		
Depreciation of property, plant and equipment and right of use assets	724,153	703,974
Gain on disposal of property, plant and equipment	(17,587)	-
Allowance for expected credit losses	54,000	54,000
Allowance for inventory to net realisable value	150,000	530,452
Interest expense	60,325	54,983
Interest income	(2,765)	(2,772)
Translation difference	(415,129)	(457,710)
Operating cash flows before working capital changes	3,575,313	5,976,452
(Increase)/decrease in		
Inventories	(7,645,601)	(3,951,816)
Trade receivables	1,408,566	(1,909,790)
Other receivables and deposits	(1,587,796)	(337,425)
Prepayments	(21,735)	(9,271)
Increase/(decrease) in:		
Trade payables	1,278,136	2,563,424
Other payables and accruals	(2,357,365)	(349,068)
Cash flows generated from/(used in) operations	(5,350,482)	1,982,506
Interest expense paid	(60,325)	(54,983)
Interest income received	2,765	2,772
Income tax paid	(1,002,477)	(1,027,874)
Net cash flows from/(used in) operating activities	(6,410,519)	902,421
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	17,587	-
Purchase of property, plant and equipment	(54,016)	(128,731)
Net cash flows used in investing activities	(36,429)	(128,731)
Cash flows from financing activities		
Bills payable to banks	(371,810)	360,002
Proceeds from /(repayment of) short-term loans	650,000	200,000
Repayment of principal portion of lease liabilities	(510,410)	(516,173)
Purchase of treasury shares	(121,508)	(47,730)
Dividend paid	(3,394,056)	(2,846,513)
Net cash flows used in financing activities	(3,747,784)	(2,850,414)
Net decrease in cash and cash equivalents	(10,194,732)	(2,076,724)
Effect of exchange rate changes on cash and cash equivalents	(142,798)	(249,419)
Cash and cash equivalents at the beginning of the period	19,900,146	20,674,918
Cash and cash equivalents at the end of the period	9,562,616	18,348,775

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 2022 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 30 September 2022 is \$37,525,706 (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 30 September 2022 is \$24,247,452 (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 reporting period was \$1,003,845 (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 reporting period was \$101,534 (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 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			Total
	IT accessories	Multimedia	Data storage	
	S\$	S\$	S\$	S\$
2022/23				
Revenue	43,000,364	56,241,290	1,107,612	100,349,266
Segment result	1,531,438	1,511,044	37,394	3,079,876
	3.6%	2.7%	3.4%	3.1%
Financial expenses				(60,325)
Financial income				2,765
Profit before taxation				3,022,316
Taxation				(619,044)
Profit after taxation				2,403,272
Assets and liabilities:				
Inventories	20,890,507	16,456,821	178,378	37,525,706
Unallocated assets				38,920,345
Total assets				76,446,051
Unallocated liabilities				34,476,280
Total liabilities				34,476,280
Depreciation of property, plant and equipment and right of use assets				724,153
Other non-cash expenses				186,413
Capital expenditure				54,016

	Group			Total
	IT accessories	Multimedia	Data storage	
	S\$	S\$	S\$	S\$
2021/22				
Revenue	51,521,869	55,967,372	1,265,762	108,755,003
Segment result	3,065,883	2,028,072	51,781	5,145,736
	6.0%	3.6%	4.1%	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	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				703,974
Other non-cash expenses				584,452
Capital expenditure				128,731

4.2 Geographical segments

	Revenue	
	30.09.2022	30.09.2021
	S\$	S\$
Singapore	77,465,034	77,128,373
Malaysia	11,504,632	19,243,647
Thailand	6,300,334	7,749,868
Asia	4,949,711	4,354,910
Others	129,555	278,205
Total	100,349,266	108,755,003

Timing of transfer of goods or services

At a point in time	100,349,266	108,755,003
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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 2022 and 31 March 2022.

	The Group		The Company	
	30.09.2022 \$	31.03.2022 \$	30.09.2022 \$	31.03.2022 \$
Financial Assets				
Trade receivables	24,149,336	25,655,790	15,511,025	17,397,062
Other receivables and deposits	2,182,908	843,910	1,271,667	990,274
Cash and cash equivalents	9,562,616	19,900,146	5,935,789	14,973,670
Financial assets at amortised cost	35,894,860	46,399,846	22,718,481	33,361,006
Financial Liabilities				
Trade payables	22,056,926	20,841,478	16,679,479	14,470,373
Bills payables to bank	2,888,207	3,260,017	861,737	1,381,728
Short-term loans	1,050,000	400,000	1,050,000	400,000
Other payables and accruals	5,212,681	7,837,061	2,508,552	5,281,051
Financial liabilities at amortised cost	31,207,814	32,338,556	21,099,768	21,533,152

6 Profit before taxation

6.1 Significant items

	The Group	
	30.09.2022 S\$	30.09.2021 S\$
Depreciation of property, plant and equipment and right of use assets	724,153	703,974
Gain on disposal of property, plant and equipment	(17,587)	-
Allowance for expected credit losses	54,000	54,000
Allowance for inventory to net realisable value	150,000	530,452
Employee benefits expense	4,703,179	5,024,967
Foreign exchange gain, net	(370,070)	(635,050)
Operating lease expenses	155,817	112,199

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	
	30.09.2022 S\$	30.09.2021 S\$
Current income tax expense	619,044	1,043,457

8 Dividends

Interim dividend was recommended for HY2022/23 (HY2021/22:1.25cents).

	The Group	
	30.09.2022 S\$	30.09.2021 S\$
Ordinary dividends paid:		
Interim exempt 2023 dividend of 0.75cent per share (2022:1.25 cents per share)	848,514	1,421,513
Dividend per share (net of tax)	0.75 cent	1.25 cents

9 Net Asset Value

	Group		Company	
	30.09.2022	31.03.2022	30.09.2022	31.03.2022
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital	35.62	36.94	24.52	25.79

Net asset value per ordinary share for period ended 30 September 2022 was calculated based on net assets of the Group and Company after deducting non controlling interests divided by 113,135,200 shares, excluding 3,364,800 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 six months ended 30 September 2022, the Group acquired assets amounting to \$54,016 (HY2021/22:\$128,731) and disposed of assets amount to \$67,425 (HY2021/22:\$Nil)

11 Borrowings

Amount repayable within one year or on demand

Secured *

Unsecured

Amount repayable after one year

Secured *

Unsecured

	The Group	
	30.09.2022	31.03.2022
	\$	\$
Secured *	2,063,062	1,914,040
Unsecured	1,911,737	1,781,728
Secured *	51,446	69,954
Unsecured	-	-

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

12 Share capital

Share capital	HY2022/23		HY2021/22	
	No. of share	\$	No. of share	\$
Issued and fully paid ordinary share	117,181,818	11,173,106	117,181,818	11,173,106

Treasury shares	HY2022/23		HY2021/22	
	No. of share	\$	No. of share	\$
Balance as at 1 April	3,095,700	757,251	2,639,500	586,632
Purchased during the period	269,100	121,508	139,500	47,730
Balance as at 30 September	3,364,800	878,759	2,779,000	634,362

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 2022 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 \$8.4mil or 7.7% from \$108.8mil in HY2021/22 to \$100.4mil in HY2022/23 with decrease mainly contributed by the accessories segment reducing by \$8.5mil or 16.5%. The multimedia segment improved by \$0.3mil or 0.5% and the storage segment decreased by \$0.2mil or 12.5%. As the Covid-19 restrictions relaxed and travel borders opening up, consumers are spending less on electronic gadgets.

Gross profits decreased by about \$1.9mil or 17.1% from \$11.1mil in HY2021/22 to \$9.2mil in HY2022/23 as the appreciation of USD has increased the cost of purchase during the period and eroded margin by 1% from 10.2% in HY2021/22 to 9.2% in HY2022/23.

Other operating income decreased by \$49.9k or 20.5% from \$243.9k in HY2021/22 to \$194.0k in HY2022/23 as the Company received less government support including Job Support Scheme and Career Support Programs in this financial period.

The Group saw an decrease in selling and distribution expenses of almost \$0.3mil or 6.2% to \$3.9mil in HY2022/23 as the Group spent less in staff related expenses.

General and administrative expenses increased by 0.1mil or 4.1% from \$2.7mil in HY2021/22 to \$2.8mil in HY2022/23 as the Group spent more in recruitment expenses and recorded a higher depreciation from the right of use assets.

The Group recorded a lower foreign exchange gain of \$0.3mil in HY2022/23 as compared to \$0.6mil in HY2021/22 as a stronger US dollar reduced the exchange gain as payments were made to suppliers during the period.

Finance expenses recorded at \$60.3k in HY2022/23, representing about 0.9% of total operating expenses (HY2021/22:0.8%).

Assets & Liabilities, Cash flow

The non-current assets decreased by \$0.3mil or 11.9%, from \$2.8mil in FY2021/22 to \$2.4mil in HY2022/23 from depreciation of the property, plant and equipment and the right of use assets.

The Group saw trade receivables decreased by \$1.5mil or 5.7% from \$25.7mil in FY2021/22 to \$24.2mil in HY2022/23 and the trade receivables turnover in days increased to 46 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 \$1.2mil or 6.1% from \$21.0mil in FY2021/22 to \$22.2mil in HY2022/23 with turnover days increased to 43 days (FY2021/22:37 days).

Inventory increased by \$7.5mil or 25.0% from \$30.0mil in FY2021/22 to \$37.5mil in HY2022/23. Inventory turnover days increased to 68 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.

Cash flows from operations was \$2.0mil in HY2021/22 as compared to a negative of \$5.4mil in HY2022/23. This decrease in cash flow was mainly from inventory built up resulted by lower sales.

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 disruptions in the global supply chain which affected chips supplies and manufacturing activities may have an impact on the supply of goods.

These events can be disruptive to the business activities of the group. At the same time, the group will continue to engage the sales channels to promote the products currently in our inventory.

While there is still demand for IT gadgets and products, we will continue to manage our cashflow in a prudent manner and at the same time, explore opportunities in various markets. We will also explore opportunities with other IT companies.

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	0.75cent
Tax rate	Tax exempt

The Directors are pleased to declare a tax exempt one-tier interim cash dividend of 0.75cent per share (HY2021/22:1.25cents per share) in respect of the half year ended 30 September 2022. The interim dividend will be paid to the shareholders on 8/12/2022)

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	Interim
Dividend type	Interim
Dividend per share	1.25 cent
Tax rate	Tax exempt

5c Date Payable

08/12/2022

5d Books Closure Date

Date on which Registrable Transfer received by the company will be registered before entitlements to the dividend are determined:
29/11/2022, 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)	
	HY2022/23	HY2021/22	HY2022/23	HY2021/22
	Apr 22 - Sep 22	Apr 21 - Sep 21	Apr 22 - Sep 22	Apr 21 - Sep 21
	S\$	S\$	S\$	S\$
Hongkong Lava Technology Limited	-	-	3,077,580	3,035,448

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 2022 to be false or misleading in any material aspects.

On behalf of the Board of Directors

RONALD TENG WOO BOON
MANAGING DIRECTOR

Date: 11 November 2022