

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS, PROMOTERS AND OFFERORS OF BSL CORPORATION BERHAD (“BSL” OR “COMPANY”) AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING. THE DIRECTORS OF BSL HEREBY ACCEPT FULL RESPONSIBILITY FOR THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST HAVE BEEN PREPARED BASED ON ASSUMPTIONS MADE.

HWANG-DBS SECURITIES BERHAD, BEING THE ADVISER, MANAGING UNDERWRITER AND PLACEMENT AGENT, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC OFFERING AND IS SATISFIED THAT THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST (FOR WHICH THE DIRECTORS OF THE COMPANY ARE FULLY RESPONSIBLE), PREPARED FOR INCLUSION IN THIS PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

THE SECURITIES COMMISSION (“SC”) HAS APPROVED THE ISSUE, OFFER OR INVITATION IN RESPECT OF THE PUBLIC OFFERING AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC OFFERING.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

THE VALUATION APPROVED OR ACCEPTED BY THE SC SHALL ONLY BE UTILISED FOR THE PURPOSE OF THE CORPORATE PROPOSALS SUBMITTED TO AND APPROVED BY THE SC, AND SHALL NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE SUBJECT ASSETS FOR ANY OTHER PURPOSES.

BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF THE SECOND BOARD OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, COMPANY OR OF ITS SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THE PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM THE BURSA SECURITIES WEBSITE AT www.bursamalaysia.com.

THE CONTENTS OF THE ELECTRONIC PROSPECTUS (AS DEFINED HEREIN) AND THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC ARE THE SAME. INVESTORS MAY OBTAIN A COPY OF THE ELECTRONIC PROSPECTUS FROM THE WEBSITE OF MALAYAN BANKING BERHAD AT www.maybank2u.com.my.

THE INTERNET IS NOT A FULLY SECURED MEDIUM. THE INTERNET SHARE APPLICATION MAY BE SUBJECT TO RISKS IN DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. IF INVESTORS DOUBT THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, INVESTORS SHOULD IMMEDIATELY REQUEST FROM BSL, HWANG-DBS SECURITIES BERHAD OR THE ISSUING HOUSE, A PAPER/PRINTED COPY OF THE PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE PAPER/PRINTED COPY OF THIS PROSPECTUS, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS WHICH ARE IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC SHALL PREVAIL.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD PARTY INTERNET SITES (REFERRED TO AS "THIRD PARTY INTERNET SITES"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD PARTY INTERNET SITES, INVESTORS ACKNOWLEDGE AND AGREE THAT:

- (i) BSL DOES NOT ENDORSE AND IS NOT AFFILIATED IN ANY WAY TO THE THIRD PARTY INTERNET SITES. ACCORDINGLY, BSL IS NOT RESPONSIBLE FOR THE AVAILABILITY OF, OR THE CONTENT OR ANY DATA, FILE OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES. INVESTORS BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES;
- (ii) BSL IS NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, PARTICULARLY IN FULFILLING ANY OF THE TERMS OF ANY OF INVESTORS' AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. BSL IS ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE OR COST THAT INVESTORS MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD PARTY INTERNET SITES OR THE USE OR RELIANCE ON ANY DATA, FILE OR OTHER MATERIAL PROVIDED BY SUCH PARTIES; AND
- (iii) ANY DATA, FILE OR OTHER MATERIAL DOWNLOADED FROM THE THIRD PARTY INTERNET SITES IS DONE AT INVESTORS' OWN DISCRETION AND RISK. BSL IS NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO INVESTORS' COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, INVESTORS ARE ADVISED THAT:

- (i) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS ONLY LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENT OF THE ELECTRONIC PROSPECTUS ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT RESPONSIBLE FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION AND SUBSEQUENTLY COMMUNICATED OR DISSEMINATED IN ANY MANNER TO INVESTORS OR OTHER PARTIES.
- (ii) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED BECAUSE THE INTERNET IS NOT A FULLY SECURED MEDIUM.

Company No.	651118-K
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THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT LIABLE (WHETHER IN TORT OF CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COSTS, INVESTORS OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT WITH THE WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT ON INVESTORS' OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, AND/OR PROBLEMS OCCURRING DURING DATA TRANSMISSION WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON INVESTORS' PERSONAL COMPUTER.

BSL IS CLASSIFIED AS SYARIAH-APPROVED BY THE SYARIAH ADVISORY COUNCIL ("SAC") OF SC BASED ON THE LATEST AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2004 AND REMAINS VALID FROM THE DATE OF ISSUE OF THIS PROSPECTUS UNTIL THE NEXT SYARIAH COMPLIANCE REVIEW IS UNDERTAKEN BY THE SAC OF SC AND THE NEW STATUS IS RELEASED IN THE UPDATED LIST OF SYARIAH APPROVED SECURITIES EITHER ON THE LAST FRIDAY OF THE MONTH OF APRIL OR OCTOBER.

THE SYARIAH STATUS FOR BSL CANNOT BE USED FOR OTHER FUND-RAISING ACTIVITIES.

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INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the Company's entire enlarged issued and paid-up share capital on the Second Board of Bursa Securities is set out below:

Events	Tentative Date
Opening date of Application	30 September 2005
Closing date of Application	14 October 2005
Balloting of Application	18 October 2005
Despatch of Notices of Allotment	26 October 2005
Listing of and quotation for the Company's entire enlarged issued and paid-up share capital on the Second Board of Bursa Securities	27 October 2005

This timetable is tentative and is subject to changes which may be necessary to facilitate implementation procedures. The Directors, Offerors and Managing Underwriter may in their absolute discretion mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the application be extended, the dates for the balloting and despatch of notices of allotment of the Public Offering Shares as well as the listing of and quotation for the entire enlarged issued and paid-up share capital of BSL on the Second Board of Bursa Securities would be extended accordingly. BSL will notify the public via an advertisement in a widely circulated English and Bahasa Malaysia newspaper in the event there is an extension of time on the closing date of the application.

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following abbreviations shall have the following meanings:

“Acquisitions”	:	BSLI Acquisition, Unique Acquisition and Crestronics Acquisition, collectively
“Act”	:	Companies Act, 1965
“ADA”	:	Authorised Depository Agent
“ADA Code”	:	ADA (Broker) Code
“Application”	:	Application for the Public Offering Shares by way of Application Form, Electronic Share Application and Internet Share Application
“Application Form(s)”	:	Printed application form(s) for the application of Public Offering Shares
“ASEAN”	:	Association of South East Asian Nations
“ATM”	:	Automated Teller Machine
“Authorised Financial Institution”	:	The authorised financial institution participating in the Internet Share Application, with respect to payments for the Public Offering Shares
“Board”	:	The Board of Directors of BSL
“BSL”	:	BSL Corporation Berhad (<i>formerly known as Cabaran Satria Sdn Bhd</i>) (Company No. 651118-K)
“BSL Group” or “Group”	:	BSL and its subsidiaries
“BSL Share(s)” or “Share(s)”	:	Ordinary share(s) of RM0.50 each in BSL
“BSLI”	:	Ban Seng Lee Industries Sdn Bhd (Company No. 40335-P)
“BSLI Share(s)”	:	Ordinary share(s) of RM1.00 each in BSLI
“BSLI Acquisition”	:	Acquisition by BSL of 15,000,000 BSLI Shares representing the entire issued and paid-up share capital in BSLI for a purchase consideration of RM34,999,900 to be fully satisfied by the issuance of 69,999,800 new BSL Shares at an issue price of RM0.50 per Share
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W)
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Company No. 635998-W)
“Bursa Securities LR”	:	Bursa Securities Listing Requirements
“CDS”	:	Central Depository System
“Crestronics”	:	Crestronics (M) Sdn Bhd (Company No. 390939-T)
“Crestronics Acquisition”	:	Acquisition of 1,700,000 Crestronics Shares representing the entire issued and paid-up share capital in Crestronics for a purchase consideration of RM5,533,600, satisfied by cash consideration of RM4,980,600 and the issuance of 1,106,000 new Shares at an issue price of RM0.50 per Share

DEFINITIONS (Cont'd)

“Crestronics Share(s)”	:	Ordinary share(s) of RM1.00 each in Crestronics
“EBITDA”	:	Earnings before interest, taxation, depreciation and amortisation
“Electronic Prospectus”	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs or floppy disks
“Electronic Share Application”	:	Application for the Public Offering Shares through a Participating Financial Institution’s ATM
“EPS”	:	Earnings per share
“Esteem Role”	:	Esteem Role Sdn Bhd (Company No. 658838-H)
“FIC”	:	Foreign Investment Committee
“GDP”	:	Gross domestic product
“Hwang-DBS”	:	Hwang-DBS Securities Berhad (Company No. 14389-U)
“IC”	:	Integrated circuit
“IMR”	:	Independent Market Research Consultant report entitled Strategic Analysis of the Metal Stamping Industry in Malaysia dated December 2004
“Internet Participating Financial Institution”	:	Participating financial institution for Internet Share Application as listed in Section 15.6 of this Prospectus
“Internet Share Application”	:	Application for the Public Offering Shares through an online share application service provided by Internet Participating Financial Institution
“Independent Market Research Consultant”	:	Frost & Sullivan (Malaysia) Sdn Bhd (Company No. 522293-W)
“Issue/Offer Price”	:	The issue/offer price of RM0.68 per BSL Share for the Public Offering
“Kotamech”	:	Kotamech Engineering Sdn Bhd (Company No. 70824-P)
“Listing”	:	Admission to the Official List of the Second Board of Bursa Securities and the listing of and quotation for the entire enlarged issued and paid-up share capital of BSL of RM49,000,000 comprising 98,000,000 BSL Shares
“Malaysian Public”	:	Malaysian Citizens as well as companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
“MI”	:	Minority interest
“MIDFCCS”	:	MIDF Consultancy and Corporate Services Sendirian Berhad (Company No. 11324-H)
“MITI”	:	Ministry of International Trade and Industry
“MNC”	:	Multinational corporations
“NBV”	:	Net book value
“NTA”	:	Net tangible assets

DEFINITIONS (Cont'd)

“Offeror(s)”	: Ngiam Tong Kwan, Nyeam Tong Eng @ Ngiam Tong Yang, Teh Eng Hock, Teh Yoon Loy, Teh Eng Teck, Teh Eng Seng, Yukihiro Eguchi and Dato’ Hamzah Mohd Salleh, respectively
“Offer for Sale”	: Offer for sale by the Offerors of Offer Shares at the Offer Price, payable in full on application, to Bumiputera investors
“Offer Share(s)”	: 6,988,200 BSL Shares to be offered pursuant to the Offer for Sale, subject to the terms and conditions of this Prospectus
“Participating Financial Institution(s)”	: Participating financial institution(s) for Electronic Share Application as listed in Section 15.5 of this Prospectus
“PAT”	: Profit after tax
“PBT”	: Profit before tax
“PCB”	: Printed circuit board
“PE Multiple”	: Price-earnings multiple
“Proposals”	: Acquisitions, Rights Issue, Offer for Sale, Public Issue and Listing
“Public Issue”	: Public issue of Public Issue Shares at the Issue Price, payable in full on application, to the Malaysian Public, eligible directors, employees and business associates of the BSL Group, identified investors and Bumiputera investors
“Public Issue Share(s)”	: 20,373,500 new BSL Shares to be issued pursuant to the Public Issue, subject to the terms and conditions of this Prospectus
“Public Offering”	: Public offering, namely the Offer for Sale and Public Issue
“Public Offering Share(s)”	: Public Issue Share(s) and Offer Share(s), collectively
“QA”	: Quality assurance
“QC”	: Quality control
“Rights Issue”	: Rights issue of 3,696,500 new BSL Shares at an issue price of RM0.50 per Share on the basis of one (1) new BSL Share for every twenty (20) BSL Shares held after the Acquisitions
“RM”	: Ringgit Malaysia
“ROC”	: Registrar of Companies
“R&D”	: Research and development
“SAC”	: Syariah Advisory Council
“SC”	: Securities Commission
“SC Guidelines”	: SC’s Policies and Guidelines on Issue/Offer of Securities
“SMT”	: Surface mounting technology

DEFINITIONS (Cont'd)

- “Summary of IMR” : Summary of Independent Market Research Consultant Report dated 21 September 2005, prepared for inclusion in the Prospectus
- “Transfer” : Transfer of 49,980,000 BSL Shares by Ngiam Tong Kwan, Nyeam Tong Eng @ Ngiam Tong Yang, Teh Eng Hock, Teh Yoon Loy, Teh Eng Teck, Teh Eng Seng and Yukihiro Eguchi, collectively to Esteem Role
- “Unique” : Unique Forging & Components Sdn Bhd (Company No. 183423-W)
- “Unique Acquisition” : Acquisition of 400,000 Unique Shares representing the entire issued and paid-up share capital in Unique for a purchase consideration of RM3,922,546, satisfied by cash consideration of RM2,510,546 and the issuance of 2,824,000 new Shares at an issue price of RM0.50 per Share
- “Unique Share(s)” : Ordinary shares of RM1.00 each in Unique

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Designation	Address	Occupation	Nationality
Ngiam Tong Kwan	Executive Chairman	No. 21 Jalan S.J.7 Taman Selayang Jaya 68100 Batu Caves Selangor Darul Ehsan	Company Director	Malaysian
Ngiam Tee Wee	Chief Executive Officer	No. 21 Jalan S.J.7 Taman Selayang Jaya 68100 Batu Caves Selangor Darul Ehsan	Company Director	Malaysian
Ngiam Tee Yang	Executive Director	No. 76, Jalan Wangsa 1/1 Taman Wangsa Permai 52200 Kuala Lumpur	Company Director	Malaysian
Teh Yoon Loy	Executive Director	No. 21 Jalan S.J.22 Taman Selayang Jaya 68100 Batu Caves Selangor Darul Ehsan	Company Director	Malaysian
Yukihiro Eguchi	Executive Director	3-07-3 Saujana Villa Condominium Saujana Resort, Section U2 40150 Shah Alam Selangor Darul Ehsan	Company Director	Japanese
Dato' Hamzah Mohd Salleh	Non-Independent Non-Executive Director	No. 196, Jalan Ara Bukit Bandaraya 59100 Kuala Lumpur	Company Director	Malaysian
Gan Leng Swee	Independent Non- Executive Director	2-1-5 Pinggiran Kiara Jalan Dato' Suleiman 6 Taman Tun Dr. Ismail 60000 Kuala Lumpur	Company Director	Malaysian
Chong Ai Wan	Independent Non- Executive Director	No. 169, Jalan Desa Mesra Taman Desa 58100 Kuala Lumpur	Company Director	Malaysian
Dato' Kalsom Abdul Rahman	Independent Non- Executive Director	No. 5, Jalan SS21/3 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian

CORPORATE DIRECTORY (Cont'd)

AUDIT COMMITTEE

Name	Designation	Directorship
Gan Leng Swee	Chairman of Committee	Independent Non-Executive Director
Ngiam Tee Wee	Member of Committee	Chief Executive Officer
Chong Ai Wan	Member of Committee	Independent Non-Executive Director

COMPANY SECRETARIES

Ng Yen Hoong (LS 008016)
42A, Jalan PJU 3/18H
Damansara Indah Resort Homes
47410 Petaling Jaya
Selangor Darul Ehsan

Lim Poh Yen (MAICSA 7009745)
10, Jalan USJ 11/1E
Taman Seafield Jaya
47620 Petaling Jaya
Selangor Darul Ehsan

REGISTERED OFFICE

Level 14, Uptown 1
No. 1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Tel No.: 03-7725 2888

HEAD OFFICE

Lot 47687, Jalan Bukit Idaman 6
Taman Bukit Idaman
68100 Batu Caves
Selangor Darul Ehsan
Tel No.: 03-6138 7148
Facsimile: 03-6138 0727
Email: info@bslcorp.com.my
Website: www.bslcorp.com.my

**AUDITORS AND REPORTING
ACCOUNTANTS**

Deloitte KassimChan
Level 19, Uptown 1
Damansara Uptown
1, Jalan SS21/58
47400 Petaling Jaya
Selangor Darul Ehsan
Tel No.: 03-7723 6500, 7726 1833

CORPORATE DIRECTORY (Cont'd)

SOLICITORS FOR THE LISTING

Jeff Leong, Poon & Wong
A-11-3A, Level 11, Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel No.: 03-2166 3225

VALUERS

Henry Butcher Malaysia Sdn Bhd
25, Jalan Yap Ah Shak
Off Jalan Dang Wangi
50300 Kuala Lumpur
Tel No.: 03-2694 2212

PRINCIPAL BANKERS

Citibank Berhad
Level 45, Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur
Tel No.: 03-2383 2839

OCBC Bank (Malaysia) Berhad
89, 91 & 93 Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel No.: 03-7725 4457

**INDEPENDENT MARKET
RESEARCH CONSULTANT**

Frost & Sullivan (Malaysia) Sdn Bhd
Suite E-08-15, Block E
Plaza Mont' Kiara
2 Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur
Tel No.: 03-6204 5800

**ADVISER, MANAGING
UNDERWRITER AND PLACEMENT
AGENT**

Hwang-DBS Securities Berhad
Suite 23A-01, 23A Floor
Menara Keck Seng
203, Jalan Bukit Bintang
55100 Kuala Lumpur
Tel No.: 03-2143 7888

REGISTRAR

PFA Registration Services Sdn Bhd
Level 13, Uptown 1
No. 1 Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Tel No.: 03-7725 4888

CORPORATE DIRECTORY (Cont'd)

ISSUING HOUSE	MIDF Consultancy and Corporate Services Sendirian Berhad 12th Floor, Bangunan MIDF 195A Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-2161 3355
UNDERWRITERS	Hwang-DBS Securities Berhad Suite 23A-01, 23A Floor Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2143 7888 Mercury Securities Sdn Bhd Lot 6-05, Level 6 Tower Block, Menara Milenium 8, Jalan Damanlela, Bukit Damansara 50490 Kuala Lumpur Tel No : 03-2094 2828 Southern Investment Bank Berhad 16th Floor, Wisma Genting 28, Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-2059 4188
LISTING SOUGHT	Second Board of Bursa Securities
SYARIAH STATUS	Approved by the SAC of SC

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1. INFORMATION SUMMARY

This Information Summary is only a summary of the salient information about the BSL Group. Investors should read and understand the Prospectus in its entirety prior to deciding whether to invest in the shares of the Company.

1.1 HISTORY AND BUSINESS

BSL was incorporated in Malaysia as a private limited company under the Act on 29 April 2004 as Cabaran Satria Sdn Bhd and subsequently changed its name to BSL Corporation Sdn Bhd before being converted into a public limited company under its present name on 6 November 2004. The principal activity of BSL is investment holding and provision of management services to the Group.

BSL's subsidiaries are principally involved in precision metal stamping, forging and assembly of PCB, electronic and electrical components. The Group started operations in 1978 with BSLI and has since expanded its manufacturing activities as well as diversified into complementary business activities.

Details of the Company's subsidiaries are as follows:

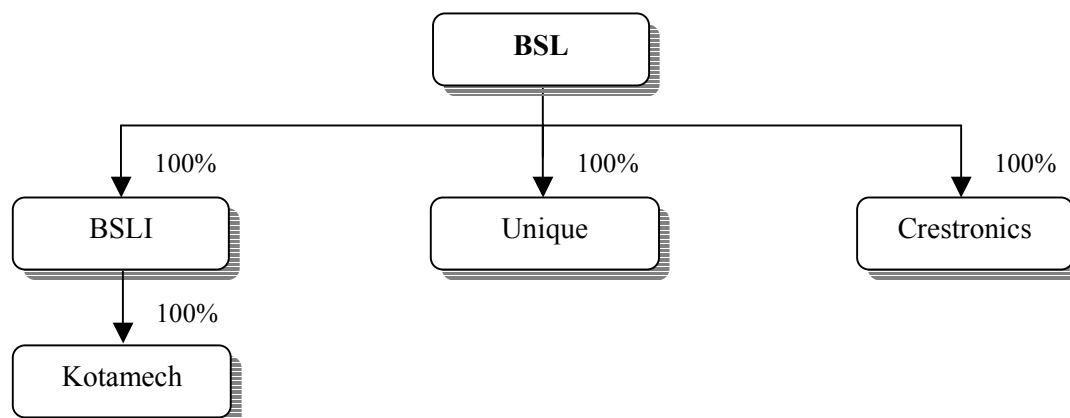
Subsidiaries	Date/country of incorporation	% of effective equity interest	Issued & paid-up capital RM	Principal activities
BSLI	30 June 1978/ Malaysia	100.00	15,000,000	Stamping and manufacturing of precision metal parts and fabrication of tools and dies
Unique	22 June 1989/ Malaysia	100.00	400,000	Fabrication and forging of base metal components
Crestronics	18 June 1996/ Malaysia	100.00	1,700,000	Printed circuit board assembly and assembly of all types of electronic and electrical components, devices and system
<i>Subsidiary of BSLI:</i>				
Kotamech	22 May 1981/ Malaysia	100.00	100,000	Repairing and servicing of metal mould and stamping die. The company has temporarily ceased operations during the financial year ended 31 August 2004.

Further information on the subsidiaries is set out in Section 4.5 of this Prospectus.

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1. INFORMATION SUMMARY (Cont'd)

The Group's corporate structure is depicted as follows:



1.2 SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS, KEY MANAGEMENT AND TECHNICAL PERSONNEL

The beneficial interests, direct and indirect, of the substantial shareholders, promoters, directors, key management and technical personnel in the Shares of the Company after the Public Offering illustrated below are based on the assumption that the Public Offering Shares allocated to eligible directors, employees and business associates of BSL and its subsidiaries are fully taken up by the respective parties.

	Designation	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
Substantial shareholders					
Esteem Role	-	49,980,000	51.00	-	-
Dato' Hamzah Mohd Salleh	Non-Independent Non-Executive Director	19,599,937	20.00	-	-
Ngiam Tong Kwan	Executive Chairman	406,315	0.41	49,980,000 ¹	51.00
Nyeam Tong Eng @ Ngiam Tong Yang	-	269,361	0.27	49,980,000 ¹	51.00
Teh Eng Hock	-	269,361	0.27	49,980,000 ¹	51.00
Promoters					
Esteem Role	-	49,980,000	51.00	-	-
Ngiam Tong Kwan	Executive Chairman	406,315	0.41	49,980,000 ¹	51.00
Teh Yoon Loy	Executive Director	36,347	0.04	-	-
Yukihiro Eguchi	Executive Director	58,445	0.06	-	-

1. INFORMATION SUMMARY (Cont'd)

	Designation	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
Directors					
Ngiam Tong Kwan	Executive Chairman	406,315	0.41	49,980,000 ¹	51.00
Ngiam Tee Wee	Chief Executive Officer	100,000	0.10	-	-
Ngiam Tee Yang	Executive Director	100,000	0.10	-	-
Teh Yoon Loy	Executive Director	36,347	0.04	-	-
Yukihiro Eguchi	Executive Director	58,445	0.06	-	-
Dato' Hamzah Mohd Salleh	Non-Independent Non-Executive Director	19,599,937	20.00	-	-
Gan Leng Swee	Independent Non-Executive Director	60,000	0.06	-	-
Chong Ai Wan	Independent Non-Executive Director	60,000	0.06	-	-
Dato' Kalsom Abdul Rahman	Independent Non-Executive Director	1,048,170	1.07	-	-
Key management and technical personnel					
Chay Jiun Yee	Group Accounts Manager	51,000	0.05	-	-
Koh Ah Mee	Human Resources Manager	55,000	0.06	-	-
Teh Pen Sim	Financial Controller - BSLI	60,000	0.06	-	-
Lee Weng Keat	Operations Manager - BSLI	55,000	0.06	-	-
Lee Soon Hook	R&D/Engineering Manager	60,000	0.06	-	-
Chan Choon Keuw	Production Manager - BSLI	60,000	0.06	-	-
Mohd Zaid Bin Abdullah	Factory Manager - Unique	53,000	0.05	-	-
Yap Wai Keong	Moulds and Dies Design Manager - Unique	53,000	0.05	-	-
Goh Thiam Hock	General Manager - Crestronics	52,000	0.05	-	-
Lim Lam Seng	Assembly Department Manager - Crestronics	53,000	0.05	-	-

1. INFORMATION SUMMARY *(Cont'd)*

	Designation	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
<i>Key management and technical personnel (Cont'd)</i>					
Loh Chee Cheong	Engineering Department Manager - Crestronics	55,000	0.06	-	-
Tang Chorng Jong	QC Manager - Crestronics	53,000	0.05	-	-

Note:

1. Deemed interest by virtue of his shareholding in Esteem Role of more than 15%.

Further information on the substantial shareholders, promoters, directors, key management and technical personnel are provided in Section 5 of this Prospectus.

1.3 R&D

Recognising the dynamic nature of the industry in which the BSL Group operates in as well as potential competition from existing and new competitors, the management of the Group has always emphasised R&D as one of the keys to creating and maintaining the Group's competitive advantages.

The Group is regularly developing new moulds and dies design as well as carry out R&D on ways to further improve existing moulds and dies design to enhance manufacturing processes in addition to improving the quality of products. The Group is also working towards reducing wastage of raw material. During the past three (3) financial years ended 31 August 2004, the Group has spent approximately RM974,000 on R&D.

Further information on the R&D activities of the BSL Group is set out in Section 4.4.9 of this Prospectus.

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1. INFORMATION SUMMARY *(Cont'd)*

1.4 FINANCIAL HIGHLIGHTS

1.4.1 Historical Financial Information

The following table is extracted from the Accountants' Report set out in Section 10 of this Prospectus and should be read in conjunction with the notes thereto.

The following summary of the proforma consolidated results of BSL for the past five (5) financial years ended 31 August 2000 to 2004 and the seven (7)-month financial period ended 31 March 2005, are provided for illustration purposes based on the audited financial statements of the subsidiaries of BSL, prepared on the assumption that the existing group structure of BSL had been in existence throughout the financial years and period under review:

	<-----Financial years ended 31 August----->					7-month financial period ended 31 March
	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000	2005 RM'000
Revenue	49,159	94,924	96,259	72,803	80,056	50,837
EBITDA	5,152	9,041	8,476	9,916	14,737	8,607
Depreciation	(2,513)	(3,049)	(3,444)	(3,500)	(3,984)	(2,300)
Amortisation of reserve on consolidation	-	5	4	4	4	4
Interest expense	(712)	(1,128)	(1,223)	(1,165)	(739)	(501)
PBT	1,927	4,869	3,813	5,255	10,018	5,810
Income tax expense	(1,078)	(768)	(1,920)	(1,100)	(1,130)	(1,556)
PAT	849	4,101	1,893	4,155	8,888	4,254
No. of ordinary shares in issue ('000) *	73,930	73,930	73,930	73,930	73,930	73,930
Gross EPS (sen)	2.61	6.59	5.16	7.11	13.55	7.86
Net EPS (sen)	1.15	5.55	2.56	5.62	12.02	5.75

Notes:

There were no exceptional or extraordinary items during the financial years and period under review.

* Based on the number of ordinary shares in issue after the Acquisitions

1. INFORMATION SUMMARY (Cont'd)

1.4.2 Proforma Consolidated Balance Sheets

The proforma consolidated balance sheets of BSL as at 31 March 2005, assuming that the Public Offering have been completed as at that date, together with the detailed assumptions underlying its preparation are set out in Section 9.9 of this Prospectus. The following table shows a summary of the proforma consolidated balance sheets of BSL made up to 31 March 2005:

	As at 31 March 2005 RM'000	Proforma I RM'000	Proforma II RM'000	Proforma III RM'000
Non Current Assets				
Property, plant and equipment	-	42,122	42,122	46,922
Other investment	-	13	13	13
	-	42,135	42,135	46,935
Current Assets				
Inventories	-	8,321	8,321	8,321
Trade receivables	-	14,590	14,590	14,590
Other receivables and prepaid expenses	-	2,237	2,237	2,237
Short term deposits with licensed banks	-	409	409	409
Cash and bank balances	*	5,809	7,657	7,910
	*	31,366	33,214	33,467
Current Liabilities				
Trade payables	-	7,488	7,488	7,488
Other payables and accruals	7	4,251	4,251	4,251
Hire purchase payables	-	1,611	1,611	1,611
Bank borrowings	-	6,646	6,646	5,046
Term loans	-	2,871	2,871	2,516
Tax liabilities	-	137	137	137
	7	23,004	23,004	21,049
Net Current Assets/(Liabilities)				
	(7)	8,362	10,210	12,418
	(7)	50,497	52,345	59,353
Financed by:				
Share capital	*	36,965	38,813	49,000
Share premium	-	-	-	1,767
Accumulated loss	(7)	(7)	(7)	(7)
Reserve on consolidation	-	2,596	2,596	2,596
Shareholders' equity	(7)	39,554	41,402	53,356
Hire purchase payables	-	1,909	1,909	1,909
Term loans	-	6,052	6,052	1,106
Deferred tax liabilities	-	2,982	2,982	2,982
	-	10,943	10,943	5,997
	(7)	50,497	52,345	59,353
NTA per Share (RM)	(34.55)	0.54	0.53	0.54

Note:

* Cash and bank balances and share capital of BSL as at 31 March 2005 stood at RM100

1. INFORMATION SUMMARY *(Cont'd)*

Proforma I: After Acquisitions
 Proforma II: After proforma I and Rights Issue
 Proforma III: After proforma II, Public Offering and utilisation of proceeds

1.4.3 Auditors' Qualification

The audited financial statements of the Company and its subsidiaries for the past five (5) financial years ended 31 August 2000 to 2004 and the seven (7)-month financial period ended 31 March 2005 have not been subjected to any auditors' qualifications.

1.4.4 Estimate and Forecast

Set out below is a summary of financial estimate and forecast for the financial years ended and ending 31 August 2005 and 2006, respectively. Investors should review the financial estimate and forecast taking into account the various assumptions underlying the estimate and forecast contained in Section 9.5 of this Prospectus.

1.4.4.1 Consolidated Profit Estimate and Forecast

Financial years ended/ending 31 August	Estimate	Forecast
	2005	2006
	RM'000	RM'000
Revenue	90,805	100,870
Consolidated PBT	11,345	12,617
Less: Taxation	(3,307)	(2,207)
Consolidated PAT	8,038	10,410
Less: Pre-acquisition profits	(4,665)	-
Consolidated PAT attributable to shareholders	3,373	10,410

Based on the weighted average issued and paid-up share capital of 24,643,333 BSL Shares and consolidated PAT after pre-acquisition profits:*

Financial year ended 31 August 2005	Estimate
Gross EPS (sen)	20.24
Net EPS (sen)	13.69
Gross PE Multiple based on the issue/offer price of RM0.68 per Share (times)	3.36
Net PE Multiple based on the issue/offer price of RM0.68 per Share (times)	4.97

Note:

* Assuming that the Acquisitions, Rights Issue and Public Issue were/to be completed at end of April 2005, mid September 2005 and end October 2005, respectively.

1. INFORMATION SUMMARY *(Cont'd)*

Based on the enlarged issued and paid-up share capital of 98,000,000 BSL Shares and consolidated PAT:

Financial year ending 31 August 2006	Forecast
Gross EPS (sen)	12.87
Net EPS (sen)	10.62
Gross PE Multiple based on the issue/offer price of RM0.68 per Share (times)	5.28
Net PE Multiple based on the issue/offer price of RM0.68 per Share (times)	6.40

Further information on the consolidated profit estimate and forecast of the BSL Group is set out in Section 9.5 of this Prospectus.

1.4.4.2 *Dividend Forecast*

The Company expects to declare a tax-exempt dividend of 3.74 sen per BSL Share for the financial year ending 31 August 2006. Details are as follows:

Financial year ending 31 August 2006	Forecast
Net dividend per Share (sen)	3.74
Net dividend yield based on the issue/offer price of RM0.68 per Share (%)	5.50
Net dividend cover based on 98,000,000 BSL Share in issue (times)	2.84

Further information on the dividend forecast of the BSL Group is set out in Section 9.7 of this Prospectus.

1.5 RISK FACTORS

There are a number of risk factors (which may not be exhaustive), both specific to the BSL Group and relating to the general business environment, which may impact the operating performance and financial position of the Group and affect the achievability of the forecast. Prospective investors should rely on their own evaluations and carefully consider the material risk factors together with other information contained in this Prospectus before subscribing to any Public Offering Shares. The material risk factors include, but are not limited to the following:

- (i) Business risks
- (ii) Political, economic and regulatory considerations
- (iii) Operational risks
- (iv) Competition
- (v) Absence of long-term contractual agreement with customers
- (vi) Sources and costs of raw materials
- (vii) Dependence on major customers and suppliers
- (viii) Foreign exchange fluctuations
- (ix) Dependence on key personnel
- (x) Dependence on labour
- (xi) Threat of substitutes
- (xii) Control by substantial shareholders

1. INFORMATION SUMMARY *(Cont'd)*

- (xiii) Borrowings
- (xiv) Insurance coverage
- (xv) System disruptions
- (xvi) Future investment activities and new products
- (xvii) No prior market for BSL Shares
- (xviii) Risks of expansion to foreign markets
- (xix) Risks associated with technological change
- (xx) Profit estimate and forecast
- (xxi) Forward looking statements
- (xxii) Failure/Delay in the listing exercise

Details of the risk factors are set out in Section 3 of this Prospectus.

1.6 PRINCIPAL STATISTICS RELATING TO THE PUBLIC OFFERING

1.6.1 Share Capital	RM
<i>Authorised:</i>	
500,000,000 BSL Shares	<u>250,000,000</u>
<i>Issued and fully paid-up:</i>	
77,626,500 BSL Shares	38,813,250
<i>To be issued pursuant to the Public Issue:</i>	
20,373,500 BSL Shares	<u>10,186,750</u>
	<u>49,000,000</u>
1.6.2 Issue/Offer Price per Public Offering Share	RM0.68
1.6.3 Proforma Consolidated NTA	
Proforma Consolidated NTA as at 31 March 2005 (after taking into account the Public Offering and estimated listing expenses of RM1.9 million) (RM'000)	53,356
Proforma Consolidated NTA per share (based on the enlarged share capital of 98,000,000 BSL Shares) (RM)	0.54
1.6.4 Classes of Shares and Ranking	

There is only one class of shares in BSL namely ordinary shares of RM0.50 each. The Public Issue Shares will rank pari passu in all respects with the existing issued and paid up ordinary shares in the Company including voting rights and dividends and/or distributions that may be declared subsequent to the date of allotment thereof.

Each shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held.

1. INFORMATION SUMMARY *(Cont'd)*

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the holders of shares in the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of the liquidation of the Company in accordance with the Articles of Association of the Company.

1.6.5 Syariah Status

BSL has voluntarily submitted an application to the SC for the Syariah compliance review to be carried out by the SAC of SC as part of the process to obtain its Syariah status at the Initial Public Offering stage.

The SAC of SC has classified BSL as Syariah-approved based on the latest audited financial statements for the financial period ended 31 August 2004 and the Syariah criteria adopted by the SAC of SC.

1.7 UTILISATION OF PROCEEDS

The gross proceeds of approximately RM15.7 million from the Rights Issue and Public Issue accruing to the Company are expected to be utilised in the following manner:

	RM'000	To be utilised by financial year ending 31 August
Capital expenditure	4,800	2007
Repayment of bank borrowings	6,900	2006
Working capital	2,102	2006
Estimated listing expenses*	<u>1,900</u>	2006
	<u>15,702</u>	

Note:

* Any unutilised amount of estimated listing expenses will be utilised as working capital.

Further information on the utilisation of proceeds is provided in Section 2.6 of this Prospectus.

1.8 WORKING CAPITAL, BORROWINGS, MATERIAL LITIGATION, CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

1.8.1 Working Capital

After taking into account the funds to be generated from its existing operations, the banking facilities available and the amount to be raised from the Rights Issue and Public Issue, the Directors of the Company are of the opinion that the Group will have adequate working capital for a period of twelve (12) months after the date of issuance of this Prospectus.

1. INFORMATION SUMMARY *(Cont'd)*

1.8.2 Borrowings

As at 2 September 2005, the total bank borrowings of the Group comprising term loans, overdraft and other banking facilities, all of which are domestic borrowings and are interest bearing, are as follows:

Types of borrowings	Payable within 12 months RM	Payable after 12 months RM	Total RM
Term loan	2,488,747	5,404,695	7,893,442
Bank overdraft	2,029,931	-	2,029,931
Bankers' acceptance	4,695,388	-	4,695,388
Hire purchase	1,865,155	1,841,358	3,706,513
	<u>11,079,221</u>	<u>7,246,053</u>	<u>18,325,274</u>

There has been no default on payments of either interest and/or principal sums in respect of any borrowings throughout the past financial year ended 31 August 2004 or the subsequent financial period thereof, immediately preceding the date of this Prospectus.

1.8.3 Material Litigation

As at 2 September 2005, neither BSL nor its subsidiaries are engaged in any material litigation, claims or arbitrations either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and the Directors of the Company have no knowledge of any proceedings pending or threatened against the Company and its subsidiaries or any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Company and its subsidiaries.

1.8.4 Capital Commitments

As at 2 September 2005, the Group had approved and contracted for capital commitments of RM583,000 for the purchase of machinery.

1.8.5 Contingent Liabilities

As at 2 September 2005, the Directors of BSL are not aware of any contingent liabilities, which, upon becoming enforceable, may have a material impact on the profit or net assets value of the Group.

Further information on working capital, borrowings, material litigation, capital commitments and contingent liabilities is provided in section 9.4 of this Prospectus.

2. PARTICULARS OF THE PUBLIC OFFERING

2.1 INTRODUCTION

This Prospectus is dated 30 September 2005.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the form of application, has also been lodged with the ROC who takes no responsibility for its contents.

The SC and Bursa Securities assume no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Admission to the Second Board of Bursa Securities is not to be taken as an indication of the merits of the Company and its subsidiaries or of its Shares.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed BSL Shares as a prescribed security. In consequence thereof, the Public Offering Shares will be deposited directly with Bursa Depository and any dealings in these BSL Shares will be carried out in accordance with the aforesaid Acts and the rules of the Bursa Depository.

Approval-in-principle has been obtained from Bursa Securities on 13 September 2005 for the admission of BSL to the Official List of Bursa Securities and the listing and quotation of the entire enlarged issued and paid-up share capital of BSL of RM49,000,000 comprising 98,000,000 BSL Shares on the Second Board of Bursa Securities. These BSL Shares will be admitted to the Official List of the Second Board of Bursa Securities and official quotation will commence upon receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all the successful applicants.

Pursuant to the Bursa Securities LR, at least 25% of the issued and paid-up share capital of the Company must be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon completion of the Public Offering and at the point of listing. In the event that the above requirement is not met pursuant to the Public Offering, the Company may not be allowed to proceed with its listing on the Second Board of the Bursa Securities. In the event thereof, monies paid in respect of all applications will be returned in full without interest.

In the case of an application by way of Application Form, the applicant must state his/her CDS account number in the space provided in the Application Form. Where an applicant does not presently have a CDS account, the applicant should open a CDS account at an ADA prior to making an application for the Public Offering Shares. In the case of an application by way of Electronic Share Application, only an applicant who has a CDS account can make an Electronic Share Application and the applicant shall furnish his/her CDS account number to the Participating Financial Institution by keying in his/her CDS account number if the instruction on the ATM screen at which he/she enters his/her Electronic Share Application requires him/her to do so. In the case of an application by way of Internet Share Application, only an application who has a CDS account and an existing account with access to the Internet financial services facilities with the Internet Participating Financial Institution can make an Internet Share Application. The applicant shall furnish his/her CDS account number to the Internet Participating Financial Institution by way of keying in his/her CDS account number into the online application form. A corporation or institution cannot apply for the Public Offering Shares by way of Electronic Share Application or Internet Share Application.

2. PARTICULARS OF THE PUBLIC OFFERING *(Cont'd)*

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Offering and if given or made, such information or representation must not be relied upon as having been authorised by BSL of Hwang-DBS. Neither the delivery of this Prospectus nor any sale made in connection with this Prospectus shall, in any circumstance, and at any time constitute a representation or create any implication that there has been no change in the affairs of the BSL Group since the date hereof.

The distribution of this Prospectus and the sale of the Public Offering Shares are subject to Malaysian law and the Company or Hwang-DBS takes no responsibility for the distribution of this Prospectus and/or sale of the Public Offering Shares outside Malaysia. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an offer to sell or invitation of an offer to buy any Public Offering Shares in any jurisdiction in which such offer is not authorised or lawful or to any person to whom it is unlawful to make such offer.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2.2 INDICATIVE TIMETABLE

Application will be accepted from 10.00 a.m. on 30 September 2005 and will close at 5.00 pm on 14 October 2005 or for such later date or dates as the Directors of BSL and the Managing Underwriter may in their absolute discretion mutually decide. Late applications will not be accepted. The indicative timing of events leading up to the listing of and quotation for the Company's entire enlarged issued and paid-up share capital on the Second Board of Bursa Securities is set out below:

Event	Tentative Date
Opening date of Application	30 September 2005
Closing date of Application	14 October 2005
Balloting of Application	18 October 2005
Despatch of Notices of Allotment	26 October 2005
Listing of and quotation for the Company's entire enlarged issued and paid-up share capital on the Second Board of Bursa Securities	27 October 2005

This timetable is tentative and is subject to changes which may be necessary to facilitate implementation procedures. The Directors, Offerors and Managing Underwriter may in their absolute discretion mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the application be extended, the dates for the balloting and despatch of notices of allotment of the Public Offering Shares as well as the listing of and quotation for the entire enlarged issued and paid-up share capital of BSL on the Second Board of Bursa Securities would be extended accordingly. BSL will notify the public via an advertisement in a widely circulated English and Bahasa Malaysia newspaper in the event there is an extension of time on the closing date of the application.

2. PARTICULARS OF THE PUBLIC OFFERING *(Cont'd)*

2.3 PURPOSES OF THE PUBLIC OFFERING

The purposes of the Public Offering are to:

- (i) enable the Company to gain access to the capital market to raise funds for future expansion and continued growth of the BSL Group;
- (ii) provide an opportunity for eligible directors, employees and business associates of the BSL Group and Malaysian Public to participate in the continuing growth of the Group by way of equity participation;
- (iii) enable BSL to meet the 25% public shareholding spread requirement pursuant to Bursa Securities LR;
- (iv) enable BSL to meet the National Development Policy/National Vision Policy requirement of 30% Bumiputera shareholding in BSL upon its listing on the Second Board of Bursa Securities; and
- (v) obtain listing of and quotation for the entire enlarged issued and paid-up share capital of BSL on the Second Board of Bursa Securities, which is expected to enhance the business, profile and future prospects of the Group.

2.4 DETAILS OF THE PUBLIC OFFERING

The Public Issue of 20,373,500 new BSL Shares is an invitation by the Company to the Malaysian Public, identified investors, Bumiputera investors approved by the MITI and eligible directors, employees and business associates of the BSL Group to apply for the Public Issue Shares at an issue price of RM0.68 per share, payable in full on application upon the terms and conditions of this Prospectus.

The Public Issue Shares will rank *pari passu* in all respects with the other existing BSL Shares including voting rights and dividends and all dividends that may be declared subsequent to the date of allotment of the Public Issue Shares.

The Offer for Sale of 6,988,200 BSL Shares is an invitation by the Company to Bumiputera investors approved by the MITI to apply for the Offer Shares at an offer price of RM0.68 per share, payable in full on application upon the terms and conditions of this Prospectus.

The Public Offering Shares are allocated in the following manner:

2.4.1 Public Issue Shares

The Public Issue Shares totalling 20,373,500 new BSL Shares shall be allocated to the following:

- (i) Malaysian Public

7,010,000 new BSL Shares representing 7.15% of the enlarged issued and paid-up share capital are reserved for the Malaysian Public, of which at least 30% is to be set aside strictly for Bumiputera investors.

2. PARTICULARS OF THE PUBLIC OFFERING *(Cont'd)*

(ii) Private Placement

6,470,000 new BSL Shares representing 6.60% of the enlarged issued and paid-up share capital will be placed with Malaysian institutional investors and/or individual investors by the placement agent.

(iii) Bumiputera Investors Approved by the MITI

2,893,500 new BSL Shares representing 2.95% of the enlarged issued and paid-up share capital are reserved for eligible Bumiputera investors approved by the MITI.

(iv) Eligible Directors, Employees and Business Associates

4,000,000 new BSL Shares representing 4.08% of the enlarged issued and paid-up share capital are reserved for application by eligible directors, employees and business associates of the BSL Group.

(a) Eligible directors and employees

The eligible directors and employees of the BSL Group are selected based on seniority in ranking in the Group, the length of service and contribution to the success of the Group.

Based on the abovementioned criteria, 3,563,000 new BSL Shares are reserved for application by 5 eligible directors and 477 employees of the Group.

Details of the entitlement of the eligible directors are as follows:

Name of Directors	No. of new BSL Shares entitled to subscribe
Ngiam Tee Wee	100,000
Ngiam Tee Yang	100,000
Gan Leng Swee	60,000
Chong Ai Wan	60,000
Dato' Kalsom Abdul Rahman	60,000

(b) Eligible business associates

In addition, the remaining 437,000 new BSL Shares will be allocated to 60 business associates of the BSL Group who have contributed to the success of the Group. The eligible business associates are selected based on the length of trade relationship and amount of purchases from suppliers for the seven (7)-month financial period ended 31 March 2005.

2. PARTICULARS OF THE PUBLIC OFFERING *(Cont'd)*

2.4.2 Offer Shares

The shareholders of BSL undertaking the Offer for Sale are as follows:

Shareholders	No. of Offer Shares	% of enlarged issued and paid- up share capital of BSL %
Ngiam Tong Kwan	1,807,900	1.85
Nyeam Tong Eng @ Ngiam Tong Yang	1,198,200	1.22
Teh Eng Hock	1,198,200	1.22
Teh Yoon Loy	161,500	0.17
Teh Eng Teck	40,300	0.04
Teh Eng Seng	40,300	0.04
Yukihiro Eguchi	91,800	0.09
Dato' Hamzah Mohd Salleh	2,450,000	2.50
	6,988,200	7.13

The Offer Shares totalling 6,988,200 Shares representing 7.13% of the enlarged issued and paid-up share capital are reserved for eligible Bumiputera investors approved by the MITI.

Public Issue Shares which have been reserved for eligible directors, employees and business associates of the BSL Group described in Section 2.4.1(iv) of this Prospectus and not subscribed for by them ("Unsubscribed Shares") will be made available to other eligible employees. In the event that the Unsubscribed Shares are not fully taken up under the subsequent offer, the Unsubscribed Shares will be made available for application by the Malaysian Public and/or the Malaysian investors described in Sections 2.4.1(i) and 2.4.1(ii) of this Prospectus.

All of the Public Offering Shares described in Sections 2.4.1(i) and 2.4.1(iv) of this Prospectus have been fully underwritten by the Underwriters. In the event of any under-subscription of Public Issue Shares reserved for Malaysian Public in Section 2.4.1(i) of this Prospectus and/or eligible directors, employees and business associates of the BSL Group in Section 2.4.1(iv) of this Prospectus, such Public Issue Shares not applied for will be made available for subscription by the Underwriters under the Underwriting Agreement dated 19 September 2005. Details on the brokerage, placement and underwriting expenses relating to the Public Issue are set forth in Section 2.7 of this Prospectus.

2. PARTICULARS OF THE PUBLIC OFFERING (Cont'd)

2.5 PRICING OF THE PUBLIC OFFERING SHARES

The Issue/Offer Price of RM0.68 per share was determined and agreed upon by the Company and Hwang-DBS as the Adviser and Managing Underwriter, after taking into consideration the following factors:

- (i) the Group's forecast net EPS of 10.62 sen for the financial year ending 31 August 2006, computed based on the enlarged issued and paid-up share capital of 98,000,000 Shares, and the forecast net PE Multiple of approximately 6.40 times;
- (ii) the Group's operating history and financial conditions as described in Sections 4 and 9 of this Prospectus;
- (iii) the industry review, future plans and strategies and outlook of the Group as described in Sections 4.6 and 4.9 of this Prospectus; and
- (iv) the proforma Group NTA per Share of RM0.54 as at 31 March 2005.

2.6 UTILISATION OF PROCEEDS

The gross proceeds of approximately RM15.7 million from the Rights Issue and Public Issue accruing to the Company will be utilised in the following manner:

	Notes	RM'000	To be utilised by financial year ending 31 August
Capital expenditure	1	4,800	2007
Repayment of bank borrowings	2	6,900	2006
Working capital		2,102	2006
Estimated listing expenses*	3	1,900	2006
		15,702	

Notes:

* Any unutilised amount of estimated listing expenses will be utilised as working capital.

1. The Group proposes to allocate RM4,800,000 for purchase of 110, 150 and 200 tonne stamping presses, silkscreen flat printing line and SMT line.
2. The Group intends to repay its bank borrowings for the purchase of new factory and machineries amounting to RM6,900,000. Assuming an interest rate of 6.50% per annum, the repayment of bank borrowings will result in interest savings of RM448,500.
3. Details of the estimated listing expenses are as follows:

	RM'000
Professional fees	732
Fees to authorities	110
Advertisement and printing	200
Underwriting commission, placement fee and brokerage	416
Issuing house	100
Miscellaneous	342
Total estimated listing expenses	1,900

2. PARTICULARS OF THE PUBLIC OFFERING (*Cont'd*)

2.7 BROKERAGE AND UNDERWRITING COMMISSION

Brokerage relating to the Public Issue will be paid by the Company and those relating to the Offer for Sale will be paid by the Offerors at the rate of 1.00% of the Issue/Offer Price of RM0.68 per Share in respect of successful applications bearing the stamp of Hwang-DBS, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or Issuing House.

The Underwriters as mentioned in the Corporate Directory have entered into an underwriting agreement on 19 September 2005 for the underwriting of 11,010,000 Public Issue Shares to be made available to the Malaysian Public and eligible directors, employees and business associates of the BSL Group. Underwriting commission is payable by the Company in respect of the Public Issue Shares at the rate of 2.00% of the Issue Price of RM0.68 per share.

2.8 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

An underwriting agreement was entered into between the Company, Hwang-DBS, Mercury Securities Sdn. Bhd. and Southern Investment Bank Berhad on 19 September 2005 (“Parties”) to underwrite 11,010,000 Public Issue Shares (“Underwritten Shares”). Some of the salient terms of the Underwriting Agreement are as follows:

- (i) Pursuant to Clause 2.3 of the Underwriting Agreement, the obligations of the Managing Underwriter and Underwriters under the Underwriting Agreement are conditional upon:
 - (a) there having been on or prior to the Closing Date (means the date adopted in the Prospectus as the last date for acceptance and receipt of application for the subscription of the Public Offering Shares or on any later date as the Company and the Managing Underwriter may mutually agree upon), neither any material adverse change nor any development reasonably likely to result in any material adverse change, in the condition (financial or otherwise) of the Company or its subsidiaries, which is material in the context of the Public Issue or the Offer for Sale from that set forth in the Prospectus, nor the occurrence of any event or the discovery of any fact which is inaccurate, untrue or incorrect to any extent which is or will be material in the reasonable opinion of the Managing Underwriter, which makes any of the representations and warranties contained in Clause 3 of the Underwriting Agreement untrue and incorrect in any material respect as though they had been given and made on such date with reference to the facts and circumstances then subsisting, nor the occurrence of any breach of the undertakings contained in Clause 3 of the Underwriting Agreement;
 - (b) the delivery to the Managing Underwriter prior to the date of the registration of the Prospectus a copy certified as a true copy by an authorised officer of the Company of all the resolutions of the Directors and the shareholders in general meeting approving the Underwriting Agreement, the Prospectus, the Public Issue and the Offer for Sale and authorising the execution of the Underwriting Agreement and the issuance of the Prospectus and a certificate, in the form or substantially in the form contained in the First Schedule of the Underwriting Agreement, dated the date of the Prospectus signed by duly authorised officers of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as is referred to in Clause 3 of the Underwriting Agreement;

2. PARTICULARS OF THE PUBLIC OFFERING (*Cont'd*)

- (c) the delivery to the Managing Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from the Directors of the Company as the Managing Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of the Company or its subsidiaries;
- (d) the Managing Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 12 of the Underwriting Agreement;
- (e) the Public Issue not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia (including Bursa Securities);
- (f) BSL having complied and that the Public Issue are in compliance with the policies, guidelines and requirements of the SC and all revisions, amendments and/or supplements thereto;
- (g) BSL registering the Prospectus with the SC and the lodgment of the same with the ROC within 2 months from the date of the Underwriting Agreement, or within such other date as the Parties (means BSL and the Underwriters and any one of them as the case may be and includes their respective successors in title and permitted assigns) may mutually agree;
- (h) an application being made to Bursa Securities within 3 Market Days (means any day between Monday and Friday, both days inclusive, which is not a public holiday and on which Bursa Securities is open for the trading of securities) from the date of issue of the Prospectus for admission to the official list of Bursa Securities; and
- (i) the Offer Shares under Recital B(i) of the Underwriting Agreement which is made available for application by Bumiputera investors approved by MITI is fully taken up on or prior to the Closing Date unless MITI consent otherwise.

If any of the conditions set out in Clause 2.3 of the Underwriting Agreement is not satisfied by the Closing Date, the Managing Underwriter and the Underwriters shall thereupon be entitled to terminate the Underwriting Agreement and in that event except for the liability of the Company for the payment of costs and expenses as provided in Clause 12 of the Underwriting Agreement incurred prior to the termination there shall be no further claims by the Managing Underwriter and the Underwriters against the Company and the Underwriting Agreement shall become null and void, and the Parties shall be released and discharged from their respective obligations hereunder PROVIDED THAT the Managing Underwriter and the Underwriters may at its discretion with respect to its own obligations waive compliance with any of the provisions of Clause 2.3 of the Underwriting Agreement and any condition so waived shall be deemed to have been satisfied without affecting the BSL's obligations pursuant to the other provisions under the Underwriting Agreement. In addition to this, neither the Company nor the Underwriters shall be under any obligation to enter into a new or fresh underwriting agreement.

- (ii) Pursuant to Clause 3.3 of the Underwriting Agreement, upon any material breach of the representations or warranties or any material failure to perform any of the agreements or undertakings or any change rendering any of the warranties, representations or agreements inaccurate in a material respect coming to the notice of the Managing Underwriter and the Underwriters prior to the Closing Date, the Managing Underwriter and the Underwriters shall be entitled (but not bound) without prejudice to any other right or remedy which it may have (including under Clause 3.3 of the Underwriting Agreement), by notice to BSL following

2. PARTICULARS OF THE PUBLIC OFFERING (*Cont'd*)

prior consultation with BSL to elect to treat such misrepresentation, breach, failure or change as releasing or discharging the Managing Underwriter and the Underwriters from its obligations hereunder PROVIDED THAT the Company shall remain liable for the payment of their respective costs and expenses referred to in Clause 12 of the Underwriting Agreement which are incurred prior to and in connection with such release and discharge AND PROVIDED THAT the exercise of the aforesaid rights pursuant to Clause 3.3 of the Underwriting Agreement, upon or following the occurrence of any such breach shall not prejudice or nullify any right or claims for damages (including the right to payment of costs and expenses referred to in Clause 12 of the Underwriting Agreement) or any other remedy which the Underwriters may have against BSL for or arising from any such breach.

- (iii) Pursuant to Clause 9.1 of the Underwriting Agreement, subject to prior consultation with the Company, the Managing Underwriter shall be entitled to terminate the Underwriting Agreement by notice in writing delivered to the Company at any time on or before the Closing Date if the success of the Public Issue or the distribution or sale (in the primary market) is, in the opinion of the Managing Underwriter and the Underwriters, materially jeopardised by:
- (a) any material breach by the Company of any of the representations, warranties or undertakings contained in Clause 3 of the Underwriting Agreement (which, if capable of remedy, is not remedied within 3 Market Days after notice of such breach shall have been given to the Company by the Underwriters);
 - (b) any material and adverse change in the condition or any development resulting in a material and adverse change in the financial position of the Company and/or its subsidiaries from that described in the Prospectus; or
 - (c) any material and adverse changes in the markets of the products produced by the BSL Group.

On delivery of such a notice, the Underwriting Agreement shall become null and void and each Party's rights and obligations hereunder shall cease and none of the Parties (except for the liability of the Company in respect of payments of costs and expenses referred to in Clause 12 of the Underwriting Agreement incurred prior to the termination) shall have any claim against each other. Thereafter the Managing Underwriter, the Underwriters and the Company shall confer with a view to deferring the Public Issue or entering into a new underwriting agreement PROVIDED THAT the Company or the Underwriters shall not be under any obligation to enter into such new agreement.

The obligations of the Underwriters herein shall lapse after the expiry of 3 months from the date of the Underwriting Agreement unless the Underwriters have consented to an extension of time beyond such period. In such event, BSL shall bear and pay all costs, charges and expenses incurred prior to the lapse of the Underwriting Agreement.

- (iv) Pursuant to Clause 10.1 of the Underwriting Agreement, it will be an event of force majeure if one of the following occurs:
- (a) any material change in any law, regulation, directive, policy or ruling in any jurisdiction which seriously affects or will seriously affect the business of the Company and/or its subsidiaries
 - (b) any change in national or international monetary, financial, political or economic conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or exchange control legislation or regulations or currency exchange rates or an occurrence as a result of an act or acts of God or in the event of national disorder, armed conflict or serious threat of the same, hostilities, embargo, detention, revolution, riot, looting or other labour

2. PARTICULARS OF THE PUBLIC OFFERING (Cont'd)

disputes, any unavailability of transportation or severe economic dislocation, earthquake, typhoon, outbreak of war, outbreak of disease or the declaration of a state of national emergency;

- (c) the Kuala Lumpur Composite Index falling below 700 points and remaining below 700 points for 3 consecutive Market Days;
- (d) the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities for 3 consecutive Market Days.
- (v) Pursuant to Clause 10.2 of the Underwriting Agreement, in the event of a force majeure pursuant to Clause 10.1 of the Underwriting Agreement, the Underwriters may, subject to prior consultation with the Company, at any time prior to or on the Closing Date terminate the Underwriting Agreement by giving notice to the Company in the manner set out in Clause 13 of the Underwriting Agreement or request for the Closing Date to be extended to such reasonable date as the Managing Underwriter may decide.

Upon delivery of the notice termination pursuant to Clause 10.2.1 of the Underwriting Agreement and in the manner as set out in Clause 13 of the Underwriting Agreement, the Underwriting Agreement will terminate and thereafter each Party's rights and obligations will cease and none of the Parties will have any claim against each other.

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3. RISK FACTORS

There are a number of risk factors, both specific to the BSL Group and relating to the general business environment, which may influence the operating performance and financial position of the Group and affect the achievability of the forecast.

Investors should carefully consider the following factors, which may not be exhaustive and could possibly have a significant impact on the future performance of the Group, in addition to other information contained elsewhere in this Prospectus, before applying for the Public Offering Shares.

3.1 BUSINESS RISKS

The BSL Group is not insulated from general business risks as well as certain risks inherent to the industry in which it operates. For example, the Group may be affected by a general downturn in the global, regional and Malaysian economy, entry of new players, constraints in labour supply and increase in labour costs, introduction of new technology, services and products, changes in law and tax legislations affecting the industry, changes in business and credit conditions as well as fluctuations in foreign exchange rates.

Any adverse development in the political situations and economic uncertainties in Malaysia and other countries which the BSL Group has business links, directly or indirectly, could materially and adversely affect the financial performance of the Group. These include risks of war, expropriation, nationalisation, unfavourable changes in government policy and regulations such as foreign exchange rates, methods of taxation and currency exchange controls.

Although the Group seeks to limit these business risks through, inter alia, prudent management policies, maintaining good business relationships with its customers, diversifying its pool of suppliers, expansion of its client base in both local and export markets, careful contractual terms, close project supervision and planning, and effective human resource management, no assurance can be given that any change in these factors will not have a material adverse effect on the Group's business.

3.2 POLITICAL, ECONOMIC AND REGULATORY CONSIDERATIONS

The business prospects of the Group and the industry in which it operates may depend to some degree on the development in the political situations, economic uncertainties and regulatory considerations in Malaysia and other countries in which the BSL Group has business links, directly or indirectly. Any adverse developments or uncertainties in the political, and/or international events, economic and regulatory conditions in Malaysia and other countries in which the BSL Group has business links, could materially and adversely affect the financial performance of the Group. These include risks of war, global economic downturn, expropriation, nationalisation, unfavourable change in government policy and regulations such as foreign exchange rates and methods of taxation and currency exchange controls. While the Group will continue to take effective measures such as prudent financial management and efficient operating procedures, there can be no assurance that any adverse movement in political, economic and regulatory factors will not have a material adverse effect on the Group's business and financial performance.

3.3 OPERATIONAL RISKS

The Group faces various operational risks, which could cripple its business operations. Such risks include fire outbreaks, shortage of water supply and disruption in electricity supply. Fire fighting systems such as sprinkler, fire hydrants, hose reels and fire extinguishers have been installed in the factories and the corporate office. Further, the fire fighting system installed in the factory is controlled by a fire control panel, which will alert the nearest fire station when the system is triggered. To mitigate the risk of shortage of water supply, the Group ensures that water tanks are installed to store sufficient water reserves in the event of water crisis. The Group has also taken necessary precautions such as

3. RISK FACTORS (*Cont'd*)

having a proper electrical and wiring system for all factories and conducting scheduled maintenance and checks to prevent disruption in electricity supply.

Although reasonable steps have been taken to mitigate the operational risks mentioned above, there can be no assurance that any occurrence of fire outbreaks, energy or water crisis would not have a material effect on the operations of the Group.

3.4 COMPETITION

The Group faces potential competition from existing competitors, who may wish to expand their businesses to emulate the same range of products and services, as well as from new players entering the same industry as the Group. Potential entrants to the market are faced with higher barriers to entry, as they are required to meet stringent requirements as well as quality standards set by customers.

As part of the Group's effort to maintain and subsequently increase its competitiveness in the market, the Group has expanded into a one-stop centre providing a wide range of services from the design and fabrication of moulds and dies to manufacturing and assembly of products for their customers. The Group has successfully established excellent working relationship with its customers, through innovative abilities and strong technical skills, which enable it to offer useful and best possible solutions to clients. To maintain the Group's competitive edge, it has taken various measures to ensure that customers are satisfied with the services provided. These measures include consistency in the quality of products, continuous development and improvement of products, innovative process re-engineering, increase in production efficiency and ensuring prompt delivery of goods.

Albeit the above, there can be no assurance that the Group will not be affected by the competitive strategies adopted by the other players within the same industry in which the Group operates, and that the Group will always be able to maintain or expand its existing market share in the future.

3.5 ABSENCE OF LONG-TERM CONTRACTUAL AGREEMENT WITH CUSTOMERS

The Group does not have any long-term contractual agreements with its customers, as contracts are secured on a project basis where the production of the particular parts will be allocated to the Group. Most of the MNC customers practise Just-In-Time (JIT) inventory management system whereby two (2) weeks to a month's production schedule would be given in advance to enable timely delivery of the required products. Despite having no formal long-term contractual agreements between the Group and its customers, 50% of its top ten (10) customers have been dealing with the Group for more than ten (10) years and have excellent working relationship with the Group.

It is also a common practice in the industry, whereby once the MNC has selected a supplier, they would be averse to switch and will continue with the supplier even when new models or products are introduced, despite the absence of long-term contractual agreements. Suppliers' services would be terminated in the event of continuous poor quality of products, inability to deliver products on a timely basis or non-competitive pricing.

To mitigate this uncertainty, the Group takes extra care to provide customers with quality products and services, meeting customers' stringent requirements, on time delivery of products according to schedule and high level of technology know how support, which would earn customers' recognition and confidence.

Despite endeavouring to provide the best services to its customers and meeting their requirements, there can be no assurance that the Group will be able to retain or increase its customer base or that it will be able to continue to acquire more projects from these customers.

3. RISK FACTORS (Cont'd)

3.6 SOURCES AND COSTS OF RAW MATERIALS

The raw materials used in the production of precision stamped metal components by the Group are various types of steel such as stainless steel, electro galvanised steel, galvanised iron steel, cold rolled steel and electrolytic tin plated steel. The steel comes in the form of coils and sheets of various sizes and thickness. The Group also uses peripheral parts and components, which mainly consist of supporting parts used for assembly and sub-assembly of semi-finished products. Some of the peripheral parts and components used include shafts, flap and cartridge spring, foam and studs. For the forging activities, the Group mainly uses brass and steel which comes in the form of rods of various sizes, while the main raw materials for the PCB assembly include electronic components such as PCB, IC, semi-conductor, fixed carbon film resistor and surge absorber. Some of the sub-materials used in PCB assembly are bobbin, copper wire, solder bar, yoke and plunger.

The Group purchases its raw materials from a pool of suppliers who have an established track record and are able to provide constant supply promptly at competitive prices. While the Group maintains a long-term relationship with its major suppliers, no assurance can be given that there will be continuous sufficient supply of raw materials, whereby any prolonged shortages may lead to the loss of business opportunities. The Group is also exposed to the risk of fluctuations in prices of raw materials, which is influenced by the demand and supply of the materials. However, the Group is confident that the good long-term relationship which they have established with the suppliers will enable the Group to obtain regular and adequate supply of raw materials at competitive prices with volume rebate and discounts. The Group is able to identify additional suppliers to procure supply of raw materials should the need arise.

Notwithstanding the abovementioned risks, there can be no assurance that the management is able to secure a constant supply of raw materials at a favourable price for the Group.

3.7 DEPENDENCE ON MAJOR CUSTOMERS AND SUPPLIERS

The Group's major customers mainly comprise MNC. For the seven (7)-month financial period ended 31 March 2005, the top five (5) customers of the Group contributed more than 60% to the total revenue of the Group. However, most of these customers have been trading with the Group for more than ten (10) years.

Some of the potential risks faced by the Group due to its reliance on a few key customers include the termination of business deals and discontinuation of certain product lines by customers, which would cause the Group to lose a significant part of its business and have an adverse effect on the financial performance of the Group.

The Group has maintained strong business relationships with their major customers because the Group has a good track record of meeting customers' stringent requirements and provision of continuous support, which enhances mutual benefit between the Group and customers.

The Group's top five (5) suppliers accounted for more than 45% of the total Group purchase for the seven (7)-month financial period ended 31 March 2005. Their MNC customers assign most of the major suppliers to the Group. The potential risk faced by the Group due to its dependence on certain major suppliers would include disruption in supply of raw material. To mitigate this risk, the Group is able to identify various suppliers who are able to supply raw materials within a short notice period in the event that the current suppliers are unable to provide the raw materials.

However, there can be no assurance that the loss of any one or more of the major customers and/or suppliers would not adversely impact the Group's operations and results.

3. RISK FACTORS (Cont'd)

3.8 FOREIGN EXCHANGE FLUCTUATIONS

For the seven (7)-month financial period ended 31 March 2005, approximately 5.45% of the Group's raw material was indirectly imported from Korea, Singapore, Japan and China through several local distributors. These distributors are identified by the Group's MNC customers to supply the raw material.

The Group is also exposed to foreign exchange fluctuation risks mainly through its exports to Singapore and Japan amounting to approximately 0.76% of the total sales for the seven (7)-month financial period ended 31 March 2005. Besides exporting their products, purchase of machineries by the Group from overseas would also be subject to fluctuations of foreign currency. These transactions are mainly denominated in United States Dollar and Singapore Dollar. To mitigate the risk of fluctuations in foreign currency, the Group exercises prudent financial management.

Nevertheless, there can be no assurance that the currency control will remain and that future fluctuations in the foreign currency exchange rates will not have a material adverse effect on the Group's financial results.

3.9 DEPENDENCE ON KEY PERSONNEL

The BSL Group believes that its continued success will depend, to a significant extent, upon the abilities and continued efforts of its existing Directors and senior management. The loss of any of the Group's Directors and key members of the senior management could adversely affect the Group's continued ability to manage its operations effectively and competitively.

The Board recognises the importance of the Group's ability to attract and retain its key personnel and have in place a human resource strategy, which includes a suitable remuneration package and a human resource training and development program for all supporting employees in all key functions of the Group's operation. The Group has made continuous efforts to strategically develop a dynamic and strong management team and groom the younger members of the senior management team in assisting senior key personnel to operate and manage the Group's activities. As such, the loss of any key personnel is therefore, not expected to cause any major disruption to the Group's operations. However, there can be no assurance that the above measures will always be successful in retaining key personnel or ensuring a smooth transition should changes occur.

3.10 DEPENDENCE ON LABOUR

Part of the Group's operations is labour intensive, with the usage of manual labour to operate the production lines. The labour on the factory floor represents the largest category of employees, accounting for more than 50% of the total employees of the Group. In addition to local workers, the Group also sources some of its labour requirements from foreign countries such as Indonesia, Myanmar, Nepal, India, China and Bangladesh. The Group strives to ensure that its workforce is motivated in order to maintain the staff turnover rate at a minimal level. Adverse changes in regulations for employment of foreign labour could have an unfavourable impact on the operations of the Group.

The risk of dependence on labour could be partly mitigated by the increase in usage of automated machineries and reduction of dependence on manual labour in the production processes. Nonetheless, there can be no assurance that the shortage of labour would not have an undesirable impact on the production of the Group.

3. RISK FACTORS (Cont'd)

3.11 THREAT OF SUBSTITUTES

Plastic moulded parts, fibreglass and other composite materials could substitute the use of forged and stamped metal components in some end products. Nonetheless, there are metal and steel components in several products that cannot be replaced by other materials due to various factors. One of the reasons being, steel components form a better holding part as compared to plastic components which would be easily loosen over time and continuous heating during usage. Besides that, steel or metal components may be more suitable, as compared to plastic components, due to its ability to withstand heat, for use in certain end products such as oven and hi-fi, which require the dispersion of heat during operation. Apart from the above, the Directors are of the opinion that with current production adaptability, the current profitability of the Group is sustainable. Nevertheless, there can be no assurance that the threat of substitutes would not be of any competition to the Group's products.

3.12 CONTROL BY SUBSTANTIAL SHAREHOLDERS

Pursuant to the Public Offering, the substantial shareholders of BSL, namely Esteem Role, Dato' Hamzah Mohd Salleh, Ngiam Tong Kwan, Nyeam Tong Eng @ Ngiam Tong Yang and Teh Eng Hock collectively hold approximately 72% of the Company's enlarged issued and paid-up share capital. Consequently, the aforesaid shareholders, if acting jointly, are likely to be able to influence the outcome of certain matters such as the election of directors and the approval of business ventures requiring the vote of the Company's shareholders, unless they are required to abstain from voting by law and/or by the relevant authorities.

The introduction of corporate governance that requires the formation of Audit Committee, may effectively help to promote transparency in all material transactions and the BSL Group's accountability, thereby representing the interest of the minority and general public at large. The above substantial shareholders would also be required to abstain from voting if there is any related-party transaction, which may pose as a conflict to the interest of the Company.

3.13 BORROWINGS

The BSL Group's total borrowings as at 2 September 2005 amounted to RM18.3 million, all of which are domestic borrowings and are interest-bearing. As such, adverse fluctuations in interest rates may have an unfavourable effect on the Group's profitability depending on the total outstanding loans as at the point in time.

The credit facilities of the Group may also be subject to periodic review by the banks or financiers and contain certain covenants, which may limit the Group's operating and financial flexibility. Any act or omission by the Group that breaches such covenants may give rise to rights by the banks or financiers to terminate the relevant credit facilities and/or enforce any security granted in relation to those credit facilities. These covenants are commonly contained in credit facility agreements in Malaysia. There can be no assurance that the aforesaid possible breaches will not have any adverse effect on the Group's operational and financial results. The Group has not in the past and is not presently in breach of any such covenants of any credit facility granted to the Group and will at all times take all reasonable efforts to observe such covenants.

3. RISK FACTORS (Cont'd)

3.14 INSURANCE COVERAGE

The Group is aware of the adverse consequences arising from inadequate insurance. In ensuring that such risks are minimised, the Group reviews and ensures adequate coverage for its assets and liabilities on a continuous basis. At present, the Group is insured against unforeseen events such as fire and lightning, malicious damage, theft and burglary. The Group has engaged an independent insurance broker to assess the adequacy the Group's insurance coverage, which on 21 September 2005, has confirmed that the Group's insurance coverage for equipment and machinery, buildings and fittings, public liability, all risks, employer's liabilities and fire consequential loss are adequate.

Although the Group has taken necessary steps to insure its assets and liabilities, and to mitigate the risk of fire hazards, there can be no assurance that the insurance coverage would be comprehensive and adequate for the replacement cost of the assets or any consequential loss arising from the damage or loss of the assets of the Group and liabilities of third parties.

3.15 SYSTEMS DISRUPTIONS

The Group did not experience any disruption in business arising from system disruption of its plant, which had a significant effect on its operations for twelve (12) months prior to the date of this Prospectus. Notwithstanding this, no assurance is given that a system disruption will not materially affect the Group's business. However, the Group do not foresee a disruption of its operation, which could significantly affect the Group's manufacturing output. To this end, the Group has a regular maintenance schedule for its machinery and equipment.

3.16 FUTURE INVESTMENT ACTIVITIES AND NEW PRODUCTS

The Group is planning to expand and increase its production capacity through the purchase of new plant and machinery. These expansions are carried out in view of the increase in demand for products from the Group's customers and the projected growth in the manufacturing sector in Malaysia. Besides these expansions, the Group is also looking into the expansion of its range of products. Through extensive R&D, new line of products is continuously being developed and manufactured.

To mitigate the risks for the abovementioned plans, the Group have taken due care in evaluating such new ventures, taking into consideration the expectations and needs of its customers. Nevertheless, there can be no assurance that the investment would yield positive returns to the Group and that their target market would accept the new line of products.

3.17 NO PRIOR MARKET FOR BSL SHARES

Prior to this Public Offering, there has been no public market for BSL Shares. There can be no assurance that an active market for BSL Shares will develop upon its listing on the Second Board of Bursa Securities or, if developed, that such market will be sustained. The Issue/Offer Price of RM0.68 per share has been determined after taking into consideration a number of factors, including but not limited to, the Group's financial and operating history and conditions, the prospects of the industry in which the Group operates, the management of the Group, the market prices for shares of companies involved in businesses similar to that of the Group and the prevailing market conditions prior to the issue of this Prospectus. The price at which the BSL Shares will trade on the Second Board of Bursa Securities after the Public Offering may be influenced by a number of factors, including the depth and liquidity of the market for the BSL Shares and investors' perception of the BSL Group. There can be no guarantee that the Issue/Offer Price will correspond to the price at which BSL Shares will trade on the Second Board of Bursa Securities upon or subsequent to its offering or an active market for BSL

3. RISK FACTORS (Cont'd)

Shares will develop and continue upon or subsequent to its offering. The price at which the BSL Shares will be traded may be higher or lower than the Issue/Offer Price.

3.18 RISKS OF EXPANSION TO FOREIGN MARKETS

The Group intends to venture into foreign market, as the Group believes there is a potential for growth in the export market. As such, the future growth of the Group and level of profitability are exposed to political and economic development of foreign countries, where some of the Group's customers and suppliers, direct or indirect are located. The future growth of foreign economies is also linked to changes in interest rates, inflation, taxation and other political, economic and social development. To mitigate this risk, the Group exercises prudent and careful planning before venturing into a foreign market. Nevertheless, there can be no assurance that the expansion would yield positive returns to the Group and that their targeted foreign market would accept the Group's products.

3.19 RISKS ASSOCIATED WITH TECHNOLOGICAL CHANGE

The risks associated with technological changes are obsolescence of current technology and the Group may not be successful in maintaining and enhancing its technological capabilities to anticipate or respond to technological changes in the manufacturing process. In recognition of this risk, the Group constantly endeavours to explore and/or develop other areas of technological improvement for enhancement of its existing technology. However, there can be no assurance that the Group's development efforts will be successful or that the emergence of new technologies, industry standards or customers' requirements will not have a material adverse effect on the Group's business.

3.20 PROFIT ESTIMATE AND FORECAST

This Prospectus contains the consolidated profit estimate and forecast of the BSL Group for the financial years ended and ending 31 August 2005 and 2006, respectively, prepared based on assumptions which the Board deem to be reasonable, but which nevertheless are subject to uncertainties and contingencies. Due to the inherent uncertainties underlying the consolidated profit estimate and forecast, and given that events and circumstances do not occur as expected, there can be no assurance that the consolidated profit estimate and forecast contained herein will be realised and actual results may be materially different from the estimate and forecast. Investors are deemed to have read and understood the assumptions and uncertainties underlying the consolidated profit estimate and forecast contained herein.

Investors are advised to read carefully the assumptions made for the consolidated profit estimate and forecast as set out in Section 9.5 of this Prospectus.

3.21 FORWARD LOOKING STATEMENTS

Certain statements in this Prospectus are based on historical data, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on estimates and assumptions made by the Board, and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements to differ materially from the future results, performances or achievements expressed or implied in such forward-looking statements. Although the BSL Group believes that the expectations reflected in such forward-looking statements

3. RISK FACTORS *(Cont'd)*

are reasonable at this point in time, there can be no assurance that such expectations will prove to have been correct.

3.22 FAILURE/DELAY IN THE LISTING EXERCISE

The Listing exercise is also exposed to the risk that it may fail or be delayed should the following events occur:

- (i) the Bumiputera investors approved by the MITI fail to subscribe to the portion of the Public/Offer Shares allocated to them;
- (ii) the Underwriters exercising their rights to terminate the underwriting agreement pursuant to the terms of the underwriting agreement thereby discharging themselves from their obligations; or
- (iii) the Company is unable to meet the public and Bumiputera investors requirements of 25% and 30%, respectively.

Although the Board and the Offerors will endeavour to ensure compliance by BSL of the listing requirements by the various authorities, no assurance can be given that the abovementioned factors will not cause a delay in or failure of the Listing exercise. In the event of failure of the Listing exercise, any proceeds received for the application of the BSL Shares shall be refunded to the applicants without interest at their own risk.