

BSL CORPORATION BERHAD
(Company No. 651118-K)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 AUGUST 2005
(The figures have not been audited)

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31-Aug-05 RM'000	PRECEDING YEAR QUARTER 31-Aug-04 RM'000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31-Aug-05 RM'000	PRECEDING YEAR TO DATE 31-Aug-04 RM'000
Revenue	20,208	N/A	85,997	N/A
Operating profit	3,881	N/A	12,787	N/A
Interest expense	(287)	N/A	(977)	N/A
Interest income	-	N/A	-	N/A
Profit before tax	3,594	N/A	11,810	N/A
Income tax expense	(1,263)	N/A	(3,307)	N/A
Net profit for the period / year	2,331	N/A	8,503	N/A
Less: Pre-acquisition profit	-	N/A	(5,099)	N/A
Net profit attributable to shareholders of the Company	2,331	N/A	3,404	N/A
Basic earnings per share based on number of shares in issue (sen)	3.15	-	4.60	-

Notes:

There were no comparative results presented as this is the first quarterly results announced by BSL Corporation Berhad ("BSL") in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2005
(The figures have not been audited)

	As at End of Current Quarter 31-Aug-05 RM'000	As at Preceding Financial Period End 31-Aug-04 RM'000
Non-current assets		
Property, plant and equipment	41,463	N/A
Other investments	8	N/A
	<u>41,471</u>	<u>N/A</u>
Current assets		
Inventories	9,598	N/A
Receivables	16,225	N/A
Cash and cash equivalents	6,782	N/A
	<u>32,605</u>	<u>N/A</u>
Current liabilities		
Payables	8,736	N/A
Short term borrowings	9,503	N/A
Tax liabilities	1,216	N/A
	<u>19,455</u>	<u>N/A</u>
Net current assets	13,150	N/A
	<u>54,621</u>	<u>N/A</u>
Financed by:		
Share capital	36,965	N/A
Reserves	6,838	N/A
Shareholders' funds	43,803	N/A
Non-current liabilities		
Long term borrowings	7,295	N/A
Deferred taxation liabilities	3,523	N/A
	<u>54,621</u>	<u>N/A</u>
Net Tangible Assets per share based on number of shares in issue (RM)	<u>0.59</u>	<u>N/A</u>

Notes :

There were no comparative results presented as this is the first quarterly results announced by BSL in compliance with the Listing Requirements of Bursa Securities.

BSL CORPORATION BERHAD
(Company No. 651118-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 AUGUST 2005
(The figures have not been audited)

	Share Capital RM'000	Non-distributable Reserves on Consolidation RM'000	Distributable Retained Profit RM'000	Total RM'000
Balance as at 1 June 2005	36,965	3,438	(4)	40,399
Net profit for the period	-	-	3,404	3,404
Balance as at 31 August 2005	<u>36,965</u>	<u>3,438</u>	<u>3,400</u>	<u>43,803</u>

Notes :

There were no comparative results presented as this is the first quarterly results announced by BSL in compliance with the Listing Requirements of Bursa Securities.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2005**

(The figures have not been audited)

	Cumulative Current Year 31-Aug-04 RM'000	Cumulative Preceding Year 31-Aug-04 RM'000
Cash flows from operating activities		
Profit before tax	11,810	N/A
Adjustments for:		
Non-cash items	1,466	N/A
Non-operating items	311	N/A
Pre-acquisition results	<u>(6,833)</u>	<u>N/A</u>
Operating profit before working capital changes	6,754	N/A
(Increase)/Decrease in working capital:		
Inventories	(824)	N/A
Receivables	2,327	N/A
Payables	<u>(2,727)</u>	<u>N/A</u>
Cash generated from operations	5,530	N/A
Tax paid	<u>(815)</u>	<u>N/A</u>
Net cash generated from operating activities	<u>4,715</u>	<u>N/A</u>
Cash flows from investing activities		
Net cash inflows from acquisitions of subsidiary companies**	4,467	N/A
Proceeds from disposal of property, plant and equipment	70	N/A
Purchase of property, plant and equipment	<u>(961)</u>	<u>N/A</u>
Net cash used in investing activities	<u>3,576</u>	<u>N/A</u>
Cash flows from financing activities		
Net decrease in bank borrowings	(2,879)	N/A
FD Pledge	(93)	N/A
Proceeds from issuance of shares	*	N/A
Interest paid	<u>(373)</u>	<u>N/A</u>
Net cash used in financing activities	<u>(3,345)</u>	<u>N/A</u>
Net increase in cash and cash equivalents	4,946	N/A
Cash and cash equivalents at beginning of financial period	<u>*</u>	<u>N/A</u>
Cash and cash equivalents at end of financial period	<u>4,946</u>	<u>N/A</u>
Cash and cash equivalents at end of period comprise:		
Cash and bank balances	6,361	N/A
Deposits in licensed banks	421	N/A
Bank overdrafts	<u>(1,743)</u>	<u>N/A</u>
	5,039	N/A
Less : Fixed deposit pledged to licensed bank	<u>(93)</u>	<u>N/A</u>
	<u>4,946</u>	<u>N/A</u>

BSL CORPORATION BERHAD

(Company No. 651118-K)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2005**

(The figures have not been audited)

Notes :

* Represents RM100

** Analysis of acquisition of subsidiary companies

The assets and liabilities acquired are as follows:-

	RM'000
Property, plant and equipment	41,971
Other investment	13
Inventories	8,774
Receivables	25,266
Cash and cash equivalents	6,522
Payables	(11,463)
Short term borrowings	(11,010)
Tax liabilities	(131)
Long term borrowings	(8,979)
Deferred tax liabilities	<u>(2,982)</u>
Net assets acquired	47,981
Cost of investment	(44,543)
Reserve on consolidation	<u>(3,438)</u>
	-
Add: Cash and cash equivalent acquired	6,522
Less: Bank overdraft included under short term borrowings	<u>(2,055)</u>
Net cash inflows	<u><u>4,467</u></u>

There were no comparative results presented as this is the first quarterly results announced by BSL in compliance with the Listing Requirements of Bursa Securities.

Notes on the quarterly report – 31 August 2005

PART A: EXPLANATORY NOTES AS PER MASB 26

A1. Basis of preparation

The interim financial statements of BSL Corporation Berhad (“BSL”) are unaudited and have been prepared in accordance with the requirements of MASB 26: Interim Financial Reporting and Paragraph 9.22 and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

A2. Qualification of Annual Financial Statements

There were no audit qualifications on the financial statements of the Company for the period 29 April 2004 (date of incorporation) to 31 August 2004.

A3. Seasonal and cyclical factors

The Group’s business operation was not materially affected by any major seasonal or cyclical factors.

A4. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows

There were no unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

A5. Material changes in estimates

There was no material changes in estimates of amounts reported in the current quarter under review.

A6. Issuances and repayment of debt and equity securities

There was no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review.

A7. Dividend Paid

There was no dividend declared or paid by the Company during the quarter under review.

A8. Segment information

The Group operates predominantly in the electrical & electronic industry and principally in Malaysia. The other segments are not significant and accordingly no geographical and industry segments of the Group’s operations are presented.

A9. Valuation of property, plant and equipment

Property, plant and equipment are stated at cost/valuation less accumulated depreciation and impairment losses, if any.

Notes on the quarterly report – 31 August 2005

Freehold and leasehold land and buildings which are stated at valuation are revalued at regular intervals of at least once in every three to five years by the directors based on valuation reports of independent professional valuers using the "open market value on existing use" basis with additional valuation in the intervening years where market conditions indicate that the carrying values of revalued assets differ materially from the market value. Freehold and leasehold land and buildings were last revalued in 2004.

A10. Material events subsequent to the end of the interim period

There were no material events subsequent to the current financial quarter ended 31 August 2005 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of the Company, the Company undertook an initial public offering which was approved by the Securities Commission on 28 March 2005, 16 May 2005 and 9 September 2005 as follows:

- (a) Rights issue of 3,696,500 new shares in BSL Corporation Berhad ("BSL") on the basis of one (1) rights issue for every twenty (20) existing BSL shares held which was completed on 15 September 2005.
- (b) Public issue of 20,373,500 new BSL shares at an issue price of RM0.68 per share payable in full on application comprising:
 - (i) 7,010,000 new BSL shares available for application by the Malaysian public;
 - (ii) 6,470,000 new BSL shares by way of private placement;
 - (iii) 2,893,500 new BSL shares to Bumiputera investors approved by Ministry of International Trade and Industry; and
 - (iv) 4,000,000 new BSL shares available for application by eligible directors, employees and business associates of BSL and its subsidiaries; and
- (c) Offer for sale of 6,988,200 BSL shares at an offer price of RM0.68 per share payable in full on application to Bumiputera investors approved by Ministry of International Trade and Industry.

The prospectus relating to the public issue and offer for sale was launched on 30 September 2005 and the listing of and quotation for the entire issued and paid-up share capital of the Company is presently in progress.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A12. Changes in contingent liabilities

As at the date of this announcement, there were no material contingent liabilities incurred by the Group which, upon becoming enforceable, may have a material impact on the financial position of the Group.

Notes on the quarterly report – 31 August 2005

A13. Capital commitments

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Purchase of plant and machinery	<u>583</u>	<u>-</u>

A14. Comparison with preceding quarter's results

The acquisitions of subsidiary companies pursuant to the Group's restructuring exercise in conjunction with its listing on the Second Board of Bursa Securities were completed on 28 April 2005. As the financial statements of the Group for the current quarter ended 31 August 2005 are drawn up for the first time, no preceding quarter's results are available for comparison.

Notes on the quarterly report – 31 August 2005

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of performance

The Group achieved revenue of RM86 million and profit after tax of RM8.5 million for the year ended 31 August 2005. After deducting pre-acquisition results of RM5.1 million, the net profit attributable to shareholders of the Company stood at RM3.4 million.

B2. Variation of results against preceding quarter

There is no comparison with the corresponding period's results because this is the first set of consolidated results of the Group submitted to Bursa Securities.

B3. Current year prospects

Barring any unforeseen circumstances, the Board expects the Group to continue to achieve satisfactory performance and is on target to meet its forecast as stated in the prospectus for the financial year 2006.

B4. Variance of actual and forecast profit

Variance between actual profit after tax and the forecasted profit after tax as disclosed in the Prospectus for the financial year ended 31 August 2005 is as follows:

	<u>Actual for 12</u> <u>months</u> <u>ended</u> <u>31.8.2005</u> <u>RM'000</u>	<u>Estimate as per</u> <u>Prospectus for</u> <u>FYE</u> <u>31.08.2005</u> <u>RM'000</u>	<u>Variance</u>	
			<u>RM'000</u>	<u>%</u>
Net profit after tax	8,502	8,038	464	5.8
Less : Pre-acquisition profits	(5,099)	(4,665)	(434)	(9.3)
Consolidated profit attributable to shareholders	3,403	3,373	30	0.9

The positive variance is mainly due to increase in gross profit margin net off against higher pre-acquisition profits of certain subsidiary companies.

Notes on the quarterly report – 31 August 2005

B5. Tax expense

	Current Quarter 31.8.2005 RM' 000	Current year ToDate 31.8.2005 RM' 000
Current tax expenses		
Current	816	2,091
Prior year	30	(228)
	<u>846</u>	<u>1,863</u>
Deferred tax expense		
Current	233	597
Prior year	184	847
	<u>417</u>	<u>1,444</u>
Total	<u>1,263</u>	<u>3,307</u>

B6. Unquoted investments and/or properties

The Group has not disposed off any investments in any unquoted investments and/or properties during the financial quarter under review.

B7. Quoted and marketable investments

Total investments in quoted shares as at 31 August 2005:

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted shares	<u>17</u>	<u>8</u>	<u>8</u>

B8. Status of corporate proposal announced

Save as disclosed in Note A10, there were no corporate proposals announced but not completed as at the date of this announcement.

Notes on the quarterly report – 31 August 2005

B9. Group borrowings

The Group's borrowings as at the end of the reporting quarter are as follows:

	Short Term (Secured) RM'000	Long Term (Secured) RM'000
Bank overdrafts	1,743	-
Trust receipts, bankers' acceptance and revolving credit	3,442	-
Term loans	2,489	5,417
Hire purchase	1,829	1,878
Total	<u>9,503</u>	<u>7,295</u>

B10. Off balance sheet financial instrument

There are no financial instruments with off balance sheet risk as at the date of this report.

B11. Changes in material litigation

Neither BSL nor any of its subsidiary companies are engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect the financial position of Company or any of its subsidiaries and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of Company or any of its subsidiaries.

B12. Dividends

There were no dividends declared or paid by the Company during the current financial quarter.

Notes on the quarterly report – 31 August 2005

B13. Basic earnings per share

The basic earnings per share for the current quarter and cumulative year to date are computed as follow:-

	Individual Current Year Quarter 31.8.05	Cumulative Current Year to Date 31.8.05
Profit for the period (RM'000)	<u>2,331</u>	<u>3,404</u>
Number of ordinary shares of RM0.50 each outstanding	<u>73,930</u>	<u>73,930</u>
Basic Earnings Per Share (sen)	<u>3.15</u>	<u>4.60</u>

B14. Authorisation for issue

The first quarterly report was authorized for issue by the Board of Directors in accordance with the resolution of the directors on 20 October 2005.

By order of the Board

Ngiam Tong Kwan
Executive Chairman
Petaling Jaya
20 October 2005