

**BSL CORPORATION BERHAD**  
(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE QUARTER ENDED 31 MAY 2007**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-May-07 RM'000	PRECEDING YEAR QUARTER 31-May-06 RM'000	CURRENT YEAR TO DATE 31-May-07 RM'000	PRECEDING YEAR TO DATE 31-May-06 RM'000
Revenue	25,005	23,801	73,047	62,134
Operating profit	1,384	4,706	4,301	8,680
Interest expense	(665)	(177)	(1,578)	(612)
Interest income	95	20	272	38
Profit before tax	814	4,549	2,995	8,106
Income tax expense	(66)	(1,088)	(903)	(1,772)
Profit for the year	748	3,461	2,092	6,334
Attributable to:				
Equity holders of the parent	646	3,417	1,858	6,290
Minority interest	102	44	234	44
	748	3,461	2,092	6,334
Basic Earnings Per Share based on the weighted average number of shares in issue (Sen)	0.66	3.49	1.90	6.79

Notes:

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements of BSL Corporation Berhad for the financial year ended 31 August 2006.

**BSL CORPORATION BERHAD**  
(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
**AS AT 31 MAY 2007**

	As at 31-May-07 RM'000	As at 31-Aug-06 RM'000 (restated)
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	37,671	35,792
Prepaid lease payments on leasehold land	6,604	6,658
Other investments	1,506	8
Goodwill on consolidation	3,962	3,962
<b>Total non current assets</b>	<u>49,743</u>	<u>46,420</u>
<b>Current assets</b>		
Inventories	15,787	13,933
Receivables	31,052	28,347
Cash and cash equivalents	18,084	10,270
<b>Total current assets</b>	<u>64,923</u>	<u>52,550</u>
<b>Total assets</b>	<u>114,666</u>	<u>98,970</u>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Share capital	49,000	49,000
Share premium	1,767	1,767
Reserves	14,881	16,698
<b>Equity attributable to equity holders of the parent</b>	<u>65,648</u>	<u>67,465</u>
Minority Interest	993	759
<b>Total equity</b>	<u>66,641</u>	<u>68,224</u>
<b>Non current liabilities</b>		
Long term borrowings	17,891	2,876
Deferred taxation liabilities	4,022	4,328
<b>Total non current liabilities</b>	<u>21,913</u>	<u>7,204</u>
<b>Current liabilities</b>		
Payables	11,121	13,347
Short term borrowings	13,593	9,865
Tax liabilities	1,398	330
<b>Total current liabilities</b>	<u>26,112</u>	<u>23,542</u>
<b>Total liabilities</b>	<u>48,025</u>	<u>30,746</u>
<b>Total equity and liabilities</b>	<u>114,666</u>	<u>98,970</u>
	-	-
Net Assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.67</u>	<u>0.69</u>

Notes :

The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements of BSL Corporation Berhad for the financial year ended 31 August 2006.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MAY 2007

	<i>Non-distributable</i>			<i>Distributable</i>		Minority Interest RM'000	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Reserves on Consolidation RM'000	Retained Profit RM'000	Attributable to Equity Holders of the Parent RM'000		
<b>Balance as at 1 September 2006</b>	49,000	1,767	3,438	13,260	67,465	759	68,224
Effects of adopting FRS 3	-	-	(3,438)	3,438	-	-	-
<b>Restated Balance</b>	49,000	1,767	-	16,698	67,465	759	68,224
Profit for the period	-	-	-	1,858	1,858	234	2,092
Dividend	-	-	-	(3,675)	(3,675)	-	(3,675)
<b>Balance as at 31 May 2007</b>	49,000	1,767	-	14,881	65,648	993	66,641

	<i>Non-distributable</i>			<i>Distributable</i>		Minority Interest RM'000	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Reserves on Consolidation RM'000	Retained Profit RM'000	Attributable to Equity Holders of the Parent RM'000		
<b>Balance as at 1 September 2005</b>	36,965	-	3,438	3,385	43,788	-	43,788
Issue of ordinary shares pursuant to the							
- right issues	1,848	-	-	-	1,848	-	1,848
- public issue	10,187	3,667	-	-	13,854	-	13,854
Listing expenses	-	(1,900)	-	-	(1,900)	-	(1,900)
Profit for the period	-	-	-	6,290	6,290	44.00	6,334
<b>Balance as at 31 May 2006</b>	49,000	1,767	3,438	9,675	63,880	44.00	63,924

Notes :

The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Statements of BSL Corporation Berhad for the financial year ended 31 August 2006.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2007

	31-May-07 RM'000	31-May-06 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	2,995	8,106
Adjustments for:		
Non-cash items	3,738	3,270
Non-operating items	1,319	487
Operating profit before working capital changes	8,052	11,863
(Increase)/Decrease in working capital:		
Inventories	(1,854)	(2,872)
Receivables	(487)	(3,267)
Payables	(2,226)	(624)
Cash generated from / (used in) operations	3,485	5,100
Tax paid	(2,358)	(2,060)
<b>Net cash generated from / (used in) operating activities</b>	<u>1,127</u>	<u>3,040</u>
<b>Cash flows from investing activities</b>		
Interest received	271	38
Proceeds from disposal of property, plant and equipment	32	94
Net Cash outflows from acquisitions of subsidiary companies	-	(4,494)
Investment in subordinated bond	(1,500)	-
Purchase of property, plant and equipment	(2,314)	(4,204)
<b>Net cash used in investing activities</b>	<u>(3,511)</u>	<u>(8,566)</u>
<b>Cash flows from financing activities</b>		
Net Increase / (decrease) in bank borrowings	278	(3,672)
FD Pledge	-	(50)
Proceeds from public issues	-	13,854
Proceeds from right issues	-	1,848
Dividend paid	(3,675)	-
Proceeds from collateralised loan obligations	15,000	-
Interest paid	(1,578)	(612)
Listing expenses	-	(1,816)
<b>Net cash generated from financing activities</b>	<u>10,025</u>	<u>9,552</u>
Net increase in cash and cash equivalents	7,641	4,026
Cash and cash equivalents at beginning of financial year	8,679	4,820
Cash and cash equivalents at end of financial year	<u><u>16,320</u></u>	<u><u>8,846</u></u>
<b>Cash and cash equivalents at end of year comprise:</b>		
Cash and bank balances	5,008	7,640
Deposits in licensed banks	13,076	3,012
Bank overdrafts	(1,588)	(1,663)
	16,496	8,989
Less : Fixed deposit pledged to licensed bank	(176)	(143)
	<u><u>16,320</u></u>	<u><u>8,846</u></u>

Notes :

The Unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements of BSL Corporation Berhad for the financial year ended 31 August 2006.

**Notes on the quarterly report – 31 May 2007**

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134**

**A1. Basis of preparation**

The interim financial statements of BSL Corporation Berhad (“BSL”) are unaudited and have been prepared in accordance with the requirements outlined in the Financial Reporting Standards, FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board (“MASB”) and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The interim financial statements should be read in conjunction with the audited financial statements of BSL for the year ended 31 August 2006.

The accounting policies and methods of computation adopted by BSL in these interim financial statements are consistent with those adopted in the financial statements for the year ended 31 August 2006 except for the adoption of new / revised Financial Reporting Standards and other interpretations (hereinafter referred to as “FRS”) that are applicable to the Group. The Group has also taken an early adoption of FRS 117: Leases which are effective for financial period commencing 1 October 2006.

FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 107	Cash Flow Statements
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after Balance Sheet Date
FRS 112	Income Taxes
FRS 116	Property, Plant and Equipment
FRS 117	Leases
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The effects of the changes in accounting policies resulting from the adoption of applicable new / revised FRS are discussed below:

(a) FRS 3 - Business Combinations & FRS 136 – Impairment of Assets

Goodwill acquired in a business combination is now stated at cost less any accumulated impairment losses and prohibits the amortisation of goodwill. Under FRS 136, periodic impairment reviews are required should there be any indications of impairment of goodwill.

The Group has also previously reflected its negative goodwill as reserve on consolidation. With the adoption of transitional provisions of FRS 3, the carrying amount of reserve on consolidation as at 1 September of RM3,438,276 was derecognised with a corresponding increase in retained earnings.

**Notes on the quarterly report – 31 May 2007**

(b) FRS 101 – Presentation of Financial Statements

In accordance with the adoption of FRS 101, minority interest at the balance sheet was presented in the consolidated balance sheet within equity, and as an allocation of total profit or loss for the period between the equity holders of the parent and minority interest in the consolidated income statement.

(c) FRS 117 – Leases

In prior years, the leasehold land was classified as property, plant and equipment and was stated at revalued amounts less accumulated depreciation and impairment losses. The adoption of FRS 117, has resulted in a retrospective change in the classification of leasehold land as prepaid lease payments on leasehold land and are amortised on a straight line basis over the lease term. As the leasehold land had been previously revalued, the Group retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments as allowed by FRS 117.67A.

The reclassification of leasehold land has been accounted for retrospectively in accordance with FRS 117 by restating the balance sheet presentation as at 31 August 2006.

**A1.1 Comparatives**

The effect to the comparative amounts of the Group on the adoption of the new FRS is as follows:

As at 31 August 2006	<b>Previously stated</b>	<b>Adjustment FRS 117</b>	<b>Restated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Property, plant and equipment	42,450	(6,658)	35,792
Prepaid lease payments on leasehold land	-	6,658	6,658

**A2. Qualification of annual financial statements**

There were no audit qualifications on the financial statements of the Company for the year ended 31 August 2006.

**A3. Seasonal and cyclical factors**

In the preceding year, second half profits were stronger than first half profits, mainly due to a better output mix in the second half, which in turn is in line with customers' product sales mix. We expect this trend to continue in 2007.

**Notes on the quarterly report – 31 May 2007**

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

**A7. Dividend paid**

During the quarter, the Company paid a final dividend amounts to RM3,675,000 for the year ended 31 August 2006 which was approved by the shareholders at the Annual General Meeting held on 23 February 2007.

**A8. Segment information**

Segmental information is presented in respect of the Group's business segment

	Investment holding	Precision stamping and tooling	Printed Circuit Board ("PCB") and module assembly	Fabrication and forging	Automotive components	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales	-	34,453	17,619	13,786	7,189	-	73,047
Inter-segment sales	-	21	-	7	-	(28)	-
Total revenue	-	34,474	17,619	13,793	7,189	(28)	73,047
<b>Results</b>							
Segment results	(561)	4,373	(1,731)	1,471	749	-	4,301
Profit from operations							4,301
Interest expense							(1,577)
Interest income							271
Profit before tax							2,995
Income tax expense							(903)
Profit for the year							2,092
Attributable to:							
Equity holders of the parent							1,858
Minority interest							234
							2,092



**Notes on the quarterly report – 31 May 2007**

**A9. Valuation of property, plant and equipment**

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

Freehold land and buildings which are stated at valuation are revalued at regular intervals of at least once in every three 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 land and buildings were last revalued in 2004.

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

Save as disclosed below, there were no material events subsequent to the current financial quarter ended 31 May 2007 up to the date of this report, which are likely to substantially affect the results of the operations of the Group.

On 25 June 2007, the Company via its wholly owned subsidiary, BSL (HK) Limited (“BSL HK”) had entered into a conditional joint venture agreement (“JV Agreement”) with Zhangjiagang City Yiyang Pipe Producing Co., Ltd (“Yiyang”) to set up a sino foreign joint venture company in the city of Hongze, Jiangsu Province, China for the production, manufacture and sale of seamless tubes and pipes (“JVCo”).

**A11. Changes in the composition of the Group**

Save as disclosed below, there were no changes in the composition of the Group during the current quarter under review.

**A12. Changes in contingent liabilities**

There were no changes in contingent liabilities and contingent assets of a material nature since the last balance sheet date until the date of this announcement, except for corporate guarantees amounting to RM10.00 million given by the Company to financial institutions for credit facilities granted to one of the subsidiary company.

**A13. Capital commitments**

	<b>Approved and contracted for RM'000</b>	<b>Approved but not contracted for RM'000</b>
Purchase of plant and machinery	2,261	-

**Notes on the quarterly report – 31 May 2007**

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

**B1. Review of performance**

For the nine (9) months period ended 31 May 2007, the Group achieved revenue of RM73.05 million and a profit before tax of RM2.99 million.

The Precision Stamping & Tooling Division contributed approximately 47.16% of the total revenue, amounting to RM34.45million; the Printed Circuit Board (“PCB”) and Module Assembly Division approximately 24.12% or RM17.62 million; the Fabrication and Forging Division approximately 18.88% or RM 13.79 million; and the Automotive Component Division approximately 9.84% or RM7.19 million.

**B2. Variation of results against preceding quarter**

Total group revenue increased by 4.58% to RM25.00 million, compared to the preceding quarter.

However, the Group recorded a lower profit before tax of RM0.81 million for the current quarter ended 31 May 2007 as compared RM1.18m in the preceding quarter.

Compared to the third quarter of the financial year August 31, 2006, Group revenue increased by 5.06% to RM25.00 million. However, profit before taxation fell by 82.10% to RM0.81 million, mainly due to higher interest charges and expenses arising from the collateralised loan obligations (“CLO”) that the Group participated in October 2006. The lower contribution from tooling sales and steel forging sales by our Precision Stamping & Tooling Division and Fabrication & Forging Division respectively contributed to the fall of the profit before taxation. The assembly sales by PCB Assembly division which used to contribute higher margin experienced a drop due to the lower than expected assembly jobs given by the clients.

**B3. Current year prospects**

The Company anticipates some improvement in the 4<sup>th</sup> quarter due to expected better performance from the PCB Assembly division. The other divisions are expected to perform satisfactorily.

**B4. Variance of actual and forecast profit**

The Group has not provided any profit forecast for the current financial year ending 31 August 2007.

**Notes on the quarterly report – 31 May 2007**

**B5. Tax expense**

	<b>Current Quarter 31.05.2007 RM' 000</b>	<b>Current year To date 31.05.2007 RM' 000</b>
Current tax expense	310	1,208
Current deferred tax expense	(229)	(290)
Overprovision of deferred in prior year	(15)	(15)
	66	903

The effective tax rate is higher than the statutory tax rate of 27% due mainly to certain expenses not allowed for tax purposes.

**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.

As part of the conditions of the fixed rate term loan of RM15.0 million under a Primary CLO programme arranged by Alliance Investment Bank Berhad (formerly known as Alliance Merchant Bank Berhad), the Company was required to and had subscribed to RM1.5 million of Asset-backed Subordinated Secured Variable Rate Bonds issued under the programme . The issuer under the CLO Programme is Idaman Capital Berhad. This has been classified as other investments.

**B7. Quoted and marketable investments**

Total investments in quoted shares as at 31 May 2007:

	<b>Cost RM'000</b>	<b>Book Value RM'000</b>	<b>Market Value RM'000</b>
Total quoted shares	17	6	6

**B8. Status of corporate proposal announced**

There were no corporate proposals announced but not completed as at the date of this announcement.

BSL has raised gross proceeds of RM15,702,230 from its listing exercise from the Public Issue based on the issue price of RM0.68 per share and Right Issues of RM0.50 per share. As at the date of this announcement, the said proceeds has been utilised in the following manner:

	<b>Total RM'000</b>	<b>Utilised RM'000</b>	<b>Unutilised RM'000</b>
Capital expenditure	4,800	3,605	1,195

**Notes on the quarterly report – 31 May 2007**

Repayment of bank borrowings	6,900	6,900	-
Working capital	2,102	2,102	-
Estimated listing expenses	1,900	1,900	-
	<u>15,702</u>	<u>14,507</u>	<u>1,195</u>

**B9. Group borrowings**

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

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short term</b>			
Bank overdrafts	1,588	-	1,588
Trust receipts, bankers' acceptance & revolving credit	8,306	-	8,306
Term loans	1,115	-	1,115
Hire purchase	2,584	-	2,584
	<u>13,593</u>	<u>-</u>	<u>13,593</u>
<b>Long term</b>			
Terms loans	1,921	15,000	16,921
Hire purchase	970	-	970
	<u>2,891</u>	<u>15,000</u>	<u>17,891</u>
	<u>16,484</u>	<u>15,000</u>	<u>31,484</u>

*All borrowings are denominated in Ringgit Malaysia*

**B10. Off balance sheet financial instrument**

There are no financial instruments with off balance sheet risk as at the end of the previous financial year to the date of this announcement.

**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.

**Notes on the quarterly report – 31 May 2007**

**B12. Dividends**

The Board of Directors does not propose any dividend for the period under review.

**B13. Basic earnings per share**

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

	<b>Individual Current Year Quarter 31.05.07</b>	<b>Preceding Year Quarter 31.05.06</b>	<b>Cumulative Current Year to Date 31.05.07</b>	<b>Preceding Year To date 31.05.06</b>
Net profit attributable to equity holders of the parent (RM'000)	646	3,417	1,858	6,290
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	98,000	98,000	98,000	92,573
Basic Earnings Per Share based on the weighted average number of shares in issue (Sen)	0.66	3.49	1.90	6.79

**B14. Authorisation for issue**

This quarterly report was authorized for issue by the Board of Directors in accordance with the resolution of the directors on 30 July 2007.

By order of the Board

Ngiam Tong Kwan  
Executive Chairman  
Petaling Jaya  
30 July 2007