

**BSL CORPORATION BERHAD**

(Company No. 651118-K)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Aug-07 RM'000	PRECEDING YEAR QUARTER 31-Aug-06 RM'000	CURRENT YEAR TO DATE 31-Aug-07 RM'000	PRECEDING YEAR TO DATE 31-Aug-06 RM'000
Revenue	<u>31,602</u>	<u>28,136</u>	<u>104,650</u>	<u>90,265</u>
Operating profit	1,775	5,021	6,076	13,665
Interest expense	(505)	(215)	(2,083)	(828)
Interest income	105	32	377	100
Profit before tax	<u>1,375</u>	<u>4,838</u>	<u>4,370</u>	<u>12,937</u>
Income tax expense	1,218	(1,098)	315	(2,907)
Profit for the year	<u>2,593</u>	<u>3,740</u>	<u>4,685</u>	<u>10,030</u>
Attributable to:				
Equity holders of the parent	2,427	3,625	4,285	9,875
Minority interest	166	115	400	155
	<u>2,593</u>	<u>3,740</u>	<u>4,685</u>	<u>10,030</u>
Basic Earnings Per Share based on the weighted average number of shares in issue (Sen)	<u>2.48</u>	<u>3.70</u>	<u>4.37</u>	<u>10.51</u>

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 AUGUST 2007

	As at 31-Aug-07 RM'000	As at 31-Aug-06 RM'000 (restated)
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	38,467	35,792
Prepaid lease payments on leasehold land	6,585	6,658
Investment in an associate company	10,339	-
Other investments	1,506	8
Goodwill on consolidation	3,962	3,962
<b>Total non current assets</b>	<u>60,859</u>	<u>46,420</u>
<b>Current assets</b>		
Inventories	15,588	13,933
Receivables	30,875	28,347
Cash and cash equivalents	9,817	10,270
<b>Total current assets</b>	<u>56,280</u>	<u>52,550</u>
<b>Total assets</b>	<u>117,139</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	17,492	16,698
<b>Equity attributable to equity holders of the parent</b>	<u>68,259</u>	<u>67,465</u>
Minority Interest	1,159	759
<b>Total equity</b>	<u>69,418</u>	<u>68,224</u>
<b>Non current liabilities</b>		
Long term borrowings	18,053	2,876
Deferred taxation liabilities	2,304	4,328
<b>Total non current liabilities</b>	<u>20,357</u>	<u>7,204</u>
<b>Current liabilities</b>		
Payables	12,977	13,347
Short term borrowings	14,134	9,865
Tax liabilities	253	330
<b>Total current liabilities</b>	<u>27,364</u>	<u>23,542</u>
<b>Total liabilities</b>	<u>47,721</u>	<u>30,746</u>
<b>Total equity and liabilities</b>	<u>117,139</u>	<u>98,970</u>
	-	-
Net Assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.70</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 AUGUST 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	Revaluation Reserve 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 year	-	-	-	-	4,285	4,285	400	4,685
Dividend	-	-	-	-	(3,675)	(3,675)	-	(3,675)
Revaluation of Land & Buildings	-	-	-	184	-	184	-	184
<b>Balance as at 31 AUGUST 2007</b>	49,000	1,767	-	184	17,308	68,259	1,159	69,418
	<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	Revaluation Reserve 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)
Acquisition of subsidiary	-	-	-	-	-	-	604	604
Profit for the year	-	-	-	-	9,875	9,875	155	10,030
<b>Balance as at 31 AUGUST 2006</b>	49,000	1,767	3,438	-	13,260	67,465	759	68,224

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.

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

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

	31-Aug-07 RM'000	31-Aug-06 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	4,370	12,937
Adjustments for:		
Non-cash items	5,268	4,647
Non-operating items	1,634	457
Operating profit before working capital changes	11,272	18,041
(Increase)/Decrease in working capital:		
Inventories	(1,655)	(4,268)
Receivables	(2,084)	(8,037)
Payables	(372)	1,782
Cash generated from / (used in) operations	7,161	7,518
Tax paid	(2,229)	(3,077)
<b>Net cash from operating activities</b>	<u>4,932</u>	<u>4,441</u>
<b>Cash flows from investing activities</b>		
Interest received	377	100
Proceeds from disposal of property, plant and equipment	112	278
Net Cash outflows from acquisitions of subsidiary companies	-	(4,494)
Investment in associate company	(10,339)	-
Investment in subordinated bond	(1,500)	-
Purchase of property, plant and equipment	(3,274)	(4,441)
<b>Net cash used in investing activities</b>	<u>(14,624)</u>	<u>(8,557)</u>
<b>Cash flows from financing activities</b>		
Net Increase / (decrease) in bank borrowings	1,411	(4,917)
FD Pledge	(350)	(83)
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	(2,083)	(827)
Listing expenses	-	(1,900)
<b>Net cash from financing activities</b>	<u>10,303</u>	<u>7,975</u>
Net increase in cash and cash equivalents	611	3,859
Cash and cash equivalents at beginning of financial year	8,679	4,820
Cash and cash equivalents at end of financial year	<u>9,290</u>	<u>8,679</u>
<b>Cash and cash equivalents at end of year comprise:</b>		
Cash and bank balances	7,877	7,197
Deposits in licensed banks	1,940	3,073
Bank overdrafts	-	(1,415)
	9,817	8,855
Less : Fixed deposit pledged to licensed bank	(527)	(176)
	<u>9,290</u>	<u>8,679</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 August 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 August 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	Previously stated	Adjustment FRS 117	Restated
	RM'000	RM'000	RM'000
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 2008.

**Notes on the quarterly report – 31 August 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**

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

**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	-	49,509	26,005	18,524	10,612	-	104,650
Inter-segment sales	-	22	-	7	-	(29)	-
Total revenue	-	49,531	26,005	18,531	10,612	(29)	104,650
<b>Results</b>							
Segment results	(427)	4,744	(1,115)	1,729	1,145	-	6,076
Profit from operations							6,076
Interest expense							(2,083)
Interest income							377
Profit before tax							4,370
Income tax expense							315
Profit for the year							4,685
Attributable to:							
Equity holders of the parent							4,285
Minority interest							400
							4,685



**Notes on the quarterly report – 31 August 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 2007.

**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 August 2007 up to the date of this report, which are likely to substantially affect the results of the operations of the Group.

**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.

On 10 August 2007, under the joint venture agreement entered into by the Company’s wholly owned subsidiary, BSL (HK) Limited (“BSL HK”) with Zhangjiagang City Yiyang Pipe Producing Co., Ltd, Hongze Yiyang Steel Tubes Co., Ltd (“Hongze Yiyang”) has been incorporated as an associated company with 50% shareholding via BSL HK.

The principal activities of Hongze Yiyang is trading and manufacturing of seamless steel tubes & pipes.

**A12. Changes in contingent liabilities**

There were no changes on contingent liabilities and contingent assets of a material nature since the last balance sheet date until the date of this announcement, except for:

- (i) Corporate guarantees amounting to RM1.16 million given by the Company to financial institutions for credit facilities granted to the subsidiary companies.
- (ii) Corporate guarantees amounting to RM1.50 million given by the Company to one of the supplier for supplies of goods/services 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	983	-

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

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

**B1. Review of performance**

For the twelve (12) months period ended 31 August 2007, the Group achieved revenue of RM104.65 million and a profit before tax of RM4.37 million.

The Precision Stamping & Tooling Division contributed approximately 47.33% of the total revenue, amounting to RM49.53million; the Printed Circuit Board (“PCB”) and Module Assembly Division approximately 24.84% or RM26.00 million; the Fabrication and Forging Division approximately 17.70% or RM 18.53 million; and the Automotive Component Division approximately 10.13% or RM10.61 million.

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

Total group revenue increased by 26.38% to RM31.60 million, compared to the preceding quarter.

The Group recorded a higher profit before tax of RM1.37 million for the current quarter ended 31 August 2007 as compared RM0.81 million in the preceding quarter. The increase is mainly due to the improvement of results in the PCB assembly division.

Compared to the fourth quarter of the financial year August 31, 2006, Group revenue increased by 12.32% to RM31.60 million. However, profit before taxation fell by 71.58% to RM1.37 million. This was mainly due to the increase of customers mix with lower margin in the metal stamping and PCB assembly divisions. Tooling sales in the metal stamping division has also experienced a drop in margin due to the higher competitiveness of metal stamping business. Higher interest charges and expenses arising from the collateralised loan obligations (“CLO”) that the Group participated in October 2006 had also contributed to the drop in profit before tax.

Compared to last financial year 2006, Group revenue increase by 15.94% to RM104.65 million. However, profit before taxation fell by 66.23% to RM4.37 million. The factors that contributed this among others were the lower production volume by some of the major customers and intense competition that affecting the margin.

**B3. Current year prospects**

The Group anticipates improvement in coming year due to expected increase in new customers and product ranges.

**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 August 2007**

**B5. Tax expense**

	<b>Current Quarter 31.08.2007 RM' 000</b>	<b>Current year To date 31.08.2007 RM' 000</b>
Current tax expense	501	1,709
Current deferred tax expense	12	(278)
Overprovision of deferred in prior year	(1,731)	(1,746)
	<u>(1,218)</u>	<u>(315)</u>

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 August 2007:

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

**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	3,957	843

**Notes on the quarterly report – 31 August 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>14,859</u>	<u>843</u>

The timeframe for the utilization of the gross proceeds raise from its listing exercise from the Public Issue has been extended from 31 August 2007 to 31 August 2008.

**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	-	-	-
Trust receipts, bankers' acceptance & revolving credit	10,325	-	10,325
Term loans	953	-	953
Hire purchase	2,856	-	2,856
	<u>14,134</u>	<u>-</u>	<u>14,134</u>
<b>Long term</b>			
Terms loans	1,707	15,000	16,707
Hire purchase	1,346	-	1,346
	<u>3,053</u>	<u>15,000</u>	<u>18,053</u>
	<u>17,187</u>	<u>15,000</u>	<u>32,187</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

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

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**

The Directors have proposed a first and final dividend of 2.74% less tax for the financial year ended 31 August 2007 which is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.

**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</b>		<b>Cumulative</b>	
	<b>Current</b>	<b>Preceding</b>	<b>Current</b>	<b>Preceding</b>
	<b>Year</b>	<b>Year</b>	<b>Year to</b>	<b>Year To</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>Date</b>	<b>date</b>
	<b>31.08.07</b>	<b>31.08.06</b>	<b>31.08.07</b>	<b>31.08.06</b>
Net profit attributable to equity holders of the parent (RM'000)	2,427	3,625	4,285	9,875
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	98,000	98,000	98,000	93,941
Basic Earnings Per Share based on the weighted average number of shares in issue (Sen)	2.48	3.70	4.37	10.51

**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 27 October 2007.

By order of the Board

Ngiam Tong Kwan  
Executive Chairman  
Petaling Jaya  
27 October 2007