

BSL CORPORATION BERHAD
(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 31 AUGUST 2008**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Aug-08 RM'000	PRECEDING YEAR QUARTER 31-Aug-07 RM'000	CURRENT YEAR TO DATE 31-Aug-08 RM'000	PRECEDING YEAR TO DATE 31-Aug-07 RM'000
Revenue	41,318	31,602	139,649	104,649
Operating profit	3,185	1,732	10,695	6,033
Interest expense	(591)	(505)	(2,189)	(2,083)
Interest income	20	146	160	418
Share of result of associate	(153)	-	(468)	-
Profit before tax	2,461	1,373	8,198	4,368
Income tax expense	(630)	1,230	(2,664)	327
Profit for the year	1,831	2,603	5,534	4,695
Attributable to:				
Equity holders of the parent	1,604	2,437	4,879	4,295
Minority interest	227	166	655	400
	1,831	2,603	5,534	4,695
Basic Earnings Per Share based on the weighted average number of shares in issue (Sen)	1.64	2.49	4.98	4.38

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 2007.

BSL CORPORATION BERHAD
(Company No. 651118-K)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 AUGUST 2008

	As at 31-Aug-08 RM'000	As at 31-Aug-07 RM'000
ASSETS		
Non current assets		
Property, plant and equipment	44,478	38,467
Prepaid lease payments on leasehold land	6,513	6,585
Investment in an associate company	9,871	10,339
Quoted investment	2	6
Other investment	750	1,500
Goodwill on consolidation	3,541	3,962
Total non current assets	<u>65,155</u>	<u>60,859</u>
Current assets		
Inventories	19,795	15,588
Receivables	31,141	30,723
Cash and cash equivalents	12,981	9,817
Total current assets	<u>63,917</u>	<u>56,128</u>
Total assets	<u>129,072</u>	<u>116,987</u>
Equity and liabilities		
Capital and reserves		
Share capital	49,000	49,000
Share premium	1,767	1,767
Reserves	21,389	17,503
Equity attributable to equity holders of the parent	<u>72,156</u>	<u>68,270</u>
Minority Interest	2,219	1,159
Total equity	<u>74,375</u>	<u>69,429</u>
Non current liabilities		
Long term borrowings	19,922	19,190
Deferred taxation liabilities	3,498	2,304
Total non current liabilities	<u>23,420</u>	<u>21,494</u>
Current liabilities		
Payables	17,297	12,965
Short term borrowings	13,598	13,003
Tax liabilities	382	96
Total current liabilities	<u>31,277</u>	<u>26,064</u>
Total liabilities	<u>54,697</u>	<u>47,558</u>
Total equity and liabilities	<u>129,072</u>	<u>116,987</u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.74</u>	<u>0.70</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 2007.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2008

	<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		
Balance as at 1 September 2007	49,000	1,767	-	185	17,318	1,159	69,429
Profit for the period	-	-	-	-	4,879	655	5,534
Dividend	-	-	-	-	(993)	-	(993)
Minority interest share of profit guarantee	-	-	-	-	-	405	405
Balance as at 31 August 2008	49,000	1,767	-	185	21,204	2,219	74,375

	<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		
Balance as at 1 September 2006	49,000	1,767	3,438	-	13,260	759	68,224
Effects of adopting FRS 3	-	-	(3,438)	-	3,438	-	-
Restated Balance	49,000	1,767	-	-	16,698	759	68,224
Profit for the period	-	-	-	-	4,295	400	4,695
Dividend	-	-	-	-	(3,675)	-	(3,675)
Revaluation of Land & Buildings	-	-	-	185	-	-	185
Balance as at 31 August 2007	49,000	1,767	-	185	17,318	1,159	69,429

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 2007.

BSL CORPORATION BERHAD
(Company No. 651118-K)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2008

	31-Aug-08 RM'000	31-Aug-07 RM'000
Cash flows from operating activities		
Profit for the year	5,534	4,695
Adjustments for:		
Non-cash items	7,832	4,948
Non-operating items	<u>4,236</u>	<u>1,666</u>
Operating profit before working capital changes	17,602	11,309
(Increase)/Decrease in working capital:		
Inventories	(4,207)	(1,655)
Receivables	(660)	1,830
Payables	<u>4,332</u>	<u>(4,366)</u>
Cash generated from operations	17,067	7,118
Tax refund /(paid)	<u>(1,004)</u>	<u>(2,226)</u>
Net cash from operating activities	<u>16,063</u>	<u>4,892</u>
Cash flows from investing activities		
Interest received	38	418
Proceeds from disposal of property, plant and equipment	369	110
Investment in associate company	-	(10,339)
Investment in subordinated bond	-	(1,500)
Purchase of property, plant and equipment	<u>(5,993)</u>	<u>(3,177)</u>
Net cash used in investing activities	<u>(5,586)</u>	<u>(14,488)</u>
Cash flows from financing activities		
Net (decrease)/increase in bank borrowings	(4,131)	1,316
FD Pledge	(137)	(350)
Dividend paid	(993)	(3,675)
Proceeds from collateralised loan obligations	-	15,000
Interest paid	<u>(2,189)</u>	<u>(2,083)</u>
Net cash (decrease) / from financing activities	<u>(7,450)</u>	<u>10,208</u>
Net increase / (decrease) in cash and cash equivalents	3,027	612
Cash and cash equivalents at beginning of financial year	<u>9,291</u>	<u>8,679</u>
Cash and cash equivalents at end of financial year	<u>12,318</u>	<u>9,291</u>
Cash and cash equivalents at end of year comprise:		
Cash and bank balances	7,651	7,877
Deposits in licensed banks	5,330	1,940
Bank overdrafts	<u>-</u>	<u>-</u>
	12,981	9,817
Less : Fixed deposit pledged to licensed bank	<u>(663)</u>	<u>(526)</u>
	<u>12,318</u>	<u>9,291</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 2007.

Notes on the quarterly report – 31 August 2008

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 2007.

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 2007 except for the adoption of the following new FRSs that are applicable to the Company:-

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 124	Related Party Disclosures
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the new FRSs did not have any financial effects on the results of the Group for the current and prior financial year.

A2. Qualification of annual financial statements

There were no audit qualifications on the financial statements of the Company for the year ended 31 August 2007.

A3. Seasonal and cyclical factors

In the preceding year, second half profits were stronger than first half profits, mainly due to customers’ launching new product models for year end festive period. This trend will be less significant as new customers in other industries start to contribute towards the Group revenue.

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.

Notes on the quarterly report – 31 August 2008

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	-	59,372	38,280	17,166	24,831	-	139,649
Inter-segment sales	4,268	161	-	-	-	(4,429)	-
Total revenue	4,268	59,533	38,280	17,166	24,831	(4,429)	139,649
Results							
Segment results	3,522	3,849	4,599	862	2,131	(4,268)	10,695
Profit from operations							10,695
Interest expense							(2,189)
Interest income							160
Share of results of associate							(468)
Profit before tax							8,198
Income tax expense							(2,664)
Profit for the year							5,534
Attributable to:							
Equity holders of the parent							4,879
Minority interest							655
							5,534

Notes on the quarterly report – 31 August 2008

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 2008 up to the date of this report, which are likely to substantially affect the results of the operations of the Group.

On 9 September 2008, The Company through its wholly owned subsidiary, BSL (HK) Limited, have disposed 25% of the issued and paid-up share capital of Hongze Yiyang Steel Pipe Co., Ltd to Zhangjiagang City Yiyang Pipe Producing Co., Ltd for a cash consideration of USD1,800,000.00

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

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

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Purchase of plant and machinery	2,472	-

Notes on the quarterly report – 31 August 2008

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

B1. Review of performance

For the year ended 31 August 2008, the Group achieved revenue of RM139.65 million and a profit before tax of RM8.20 million.

The Precision Stamping & Tooling Division contributed approximately 42.50% of the total revenue, amounting to RM59.37million; the Printed Circuit Board (“PCB”) and Module Assembly Division approximately 27.43% or RM38.28 million; the Fabrication and Forging Division approximately 12.29% or RM17.17 million; and the Automotive Component Division approximately 17.78% or RM24.83 million.

B2. Variation of results against preceding quarter

Total group revenue increased by 25.13% to RM41.32 million, compared to the preceding quarter.

The Group recorded a higher profit before tax of RM2.46 million for the current quarter ended 31 August 2008 as compared RM1.55 million in the preceding quarter. The increased was mainly due to the improvement of the results in Precision Stamping and Fabrication and Forging division.

Compared to the fourth quarter of the financial year August 31, 2007, Group revenue increased by 30.75% to RM41.32 million. Profit before taxation increased by 79.24% to RM2.46 million. This was mainly due to the better performance from PCB Assembly and Precision Stamping Division. The improved performance of the PCB Assembly and Precision Stamping Division was due to 42.71% & 25.87% increase in sales and improved efficiency of their respective operations.

Compared to last financial year 2007, Group revenue increased by 33.45% to RM139.65 million. The profit before tax increased by 87.68% to RM8.20 million. This was mainly due to the significant improved performance by the PCB Assembly division which was recorded a profit this year compared to a loss in last year.

B3. Current year prospects

The Group anticipates the coming year to be more challenging due to the uncertainty in the global economic situation.

B4. Variance of actual and forecast profit

The Group has not provided any profit forecast for the current financial year ended 31 August 2008.

Notes on the quarterly report – 31 August 2008

B5. Tax expense

	Current Quarter 31.08.2008 RM' 000	Current year To date 31.08.2008 RM' 000
Current tax expense	565	1,521
Current deferred tax expense	(113)	908
Under provision of deferred in prior year	178	235
	630	2,664

The effective tax rate is higher than the statutory tax rate of 26% mainly due to certain expenses are not allowable for tax deduction 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.

B7. Quoted and marketable investments

Total investments in quoted shares as at 31 August 2008:

	Cost RM'000	Book Value RM'000	Market Value RM'000
Total quoted shares	17	2	2

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:

	Total RM'000	Utilised RM'000	Unutilised RM'000
Capital expenditure	4,800	4,118	682
Repayment of bank borrowings	6,900	6,900	-
Working capital	2,102	2,102	-
Estimated listing expenses	1,900	1,900	-
	15,702	15,020	682

Notes on the quarterly report – 31 August 2008

The timeframe for the utilisation of the gross proceeds raise from its listing exercise from the Public Issue has been extended from 31 August 2008 to 31 August 2009.

B9. Group borrowings

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

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term			
Bank overdrafts	-	-	-
Trust receipts, bankers' acceptance & revolving credit	9,556	-	9,556
Term loans	699	-	699
Hire purchase	3,343	-	3,343
	<hr/>	<hr/>	<hr/>
	13,598	-	13,598
Long term			
Terms loans	970	15,000	15,970
Hire purchase	3,952	-	3,952
	<hr/>	<hr/>	<hr/>
	4,922	15,000	19,922
	<hr/>	<hr/>	<hr/>
	18,520	15,000	33,520

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 August 2008

B12. Dividends

The Directors have proposed a first and final dividend of 1.33sen, less tax, per share for the financial year ended 31 August 2008 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:-

	Individual Current Year Quarter 31.08.08	Preceding Year Quarter 31.08.07	Cumulative Current Year to Date 31.08.08	Preceding Year To date 31.08.07
Net profit attributable to equity holders of the parent (RM'000)	1,604	2,437	4,879	4,295
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	98,000	98,000	98,000	98,000
Basic Earnings Per Share based on the weighted average number of shares in issue (sen)	1.64	2.49	4.98	4.38

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 28 October 2008.

By order of the Board

Ngiam Tong Kwan
Executive Chairman
Petaling Jaya
28 October 2008