

BSL CORPORATION BERHAD
(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 28 FEBRUARY 2010**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|---|---|---|
| | CURRENT YEAR QUARTER 28-Feb-10 RM'000 | PRECEDING YEAR QUARTER 28-Feb-09 RM'000 | CURRENT YEAR TO DATE 28-Feb-10 RM'000 | PRECEDING YEAR TO DATE 28-Feb-09 RM'000 |
| Revenue | 37,536 | 23,883 | 79,728 | 60,056 |
| Operating profit | 3,461 | (681) | 6,003 | 675 |
| Interest expense | (471) | (517) | (877) | (1,035) |
| Interest income | 46 | 33 | 46 | 46 |
| Share of result of associate | (124) | (265) | (335) | (487) |
| Profit/(Loss) before tax | 2,912 | (1,430) | 4,837 | (801) |
| Income tax expense | (186) | (189) | (998) | (514) |
| Profit/(Loss) for the year | 2,726 | (1,619) | 3,839 | (1,315) |
| Attributable to: | | | | |
| Equity holders of the parent | 2,612 | (1,623) | 3,660 | (1,386) |
| Minority interest | 114 | 4 | 179 | 71 |
| | 2,726 | (1,619) | 3,839 | (1,315) |
| Basic Earnings/(Loss) Per Share based on the weighted average number of shares in issue (Sen) | 2.67 | (1.66) | 3.73 | (1.41) |

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 2009.

BSL CORPORATION BERHAD
(Company No. 651118-K)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 28 FEBRUARY 2010

| | As at 28-Feb-10 RM'000 | As at 31-Aug-09 RM'000 |
|---|------------------------------|------------------------------|
| ASSETS | | |
| Non current assets | | |
| Property, plant and equipment | 55,380 | 46,973 |
| Prepaid lease payments on leasehold land | 2,803 | 6,402 |
| Investment in an associate company | 3,313 | 3,648 |
| Other investments | 2 | 2 |
| Goodwill on consolidation | 3,166 | 3,541 |
| Total non current assets | <u>64,664</u> | <u>60,566</u> |
| Current assets | | |
| Inventories | 12,912 | 14,780 |
| Receivables | 42,489 | 33,018 |
| Cash and bank balances | 16,318 | 17,513 |
| Total current assets | <u>71,719</u> | <u>65,311</u> |
| Total assets | <u><u>136,383</u></u> | <u><u>125,877</u></u> |
| Equity and liabilities | | |
| Capital and reserves | | |
| Share capital | 49,000 | 49,000 |
| Share premium | 1,767 | 1,767 |
| Treasury shares | (2) | (2) |
| Reserves | 22,190 | 18,530 |
| Equity attributable to equity holders of the parent | <u>72,955</u> | <u>69,295</u> |
| Minority Interest | 1,775 | 1,596 |
| Total equity | <u>74,730</u> | <u>70,891</u> |
| Non current liabilities | | |
| Long term borrowings | 29,218 | 18,117 |
| Deferred taxation liabilities | 1,015 | 2,302 |
| Total non current liabilities | <u>30,233</u> | <u>20,419</u> |
| Current liabilities | | |
| Payables | 19,829 | 23,160 |
| Short term borrowings | 11,148 | 10,459 |
| Tax liabilities | 443 | 948 |
| Total current liabilities | <u>31,420</u> | <u>34,567</u> |
| Total liabilities | <u>61,653</u> | <u>54,986</u> |
| Total equity and liabilities | <u><u>136,383</u></u> | <u><u>125,877</u></u> |
| Net Assets per share attributable to ordinary equity holders of the parent (RM) | <u>0.74</u> | <u>0.71</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 2009.

BSL CORPORATION BERHAD
(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 FEBRUARY 2010**

| | <i>Non-distributable</i> | | | | <i>Distributable</i> | | | Minority Interest RM'000 | Total RM'000 |
|--------------------------------|--------------------------|-------------------------|-------------------------------|--|---------------------------|---------------------------|--|-----------------------------|-----------------|
| | Share Capital RM'000 | Share Premium RM'000 | Revaluation Reserve RM'000 | Foreign currency translation reserve RM'000 | Treasury Shares RM'000 | Retained Profit RM'000 | Attributable to Equity Holders of the Parent RM'000 | | |
| Balance as at 1 September 2009 | 49,000 | 1,767 | 185 | (140) | (2) | 18,485 | 69,295 | 1,596 | 70,891 |
| Profit for the period | - | - | - | - | - | 3,660 | 3,660 | 179 | 3,839 |
| Balance as at 28 February 2010 | 49,000 | 1,767 | 185 | (140) | (2) | 22,145 | 72,955 | 1,775 | 74,730 |

| | <i>Non-distributable</i> | | | | <i>Distributable</i> | | | Minority Interest RM'000 | Total RM'000 |
|----------------------------------|--------------------------|-------------------------|-------------------------------|--|---------------------------|---------------------------|--|-----------------------------|-----------------|
| | Share Capital RM'000 | Share Premium RM'000 | Revaluation Reserve RM'000 | Foreign currency translation reserve RM'000 | Treasury Shares RM'000 | Retained Profit RM'000 | Attributable to Equity Holders of the Parent RM'000 | | |
| Balance as at 1 September 2008 | 49,000 | 1,767 | 185 | (1) | - | 21,157 | 72,108 | 2,171 | 74,279 |
| Profit for the period | - | - | - | - | - | (1,386) | (1,386) | 71 | (1,315) |
| Currency translation differences | - | - | - | 14 | - | - | 14 | - | 14 |
| Balance as at 28 February 2009 | 49,000 | 1,767 | 185 | 13 | - | 19,771 | 70,736 | 2,242 | 72,978 |

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 2009.

BSL CORPORATION BERHAD
(Company No. 651118-K)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 28 FEBRUARY 2010

| | 28-Feb-10 RM'000 | 28-Feb-09 RM'000 |
|---|----------------------|----------------------|
| Cash flows from operating activities | | |
| Profit for the year | 2,726 | (1,619) |
| Adjustments for: | | |
| Non-cash items | 5,338 | 4,451 |
| Non-operating items | <u>(1,616)</u> | <u>681</u> |
| Operating profit before working capital changes | 6,448 | 3,513 |
| (Increase)/Decrease in working capital: | | |
| Inventories | 1,869 | 1,869 |
| Receivables | (10,422) | 13,385 |
| Payables | <u>(3,331)</u> | <u>(4,812)</u> |
| Cash generated from operations | (5,436) | 13,955 |
| Income tax (paid) / refund | <u>(1,839)</u> | <u>345</u> |
| Net cash from / (used in) operating activities | <u>(7,275)</u> | <u>14,300</u> |
| Cash flows from investing activities | | |
| Interest received | 46 | 46 |
| Proceeds from disposal of property, plant and equipment | 13,897 | 307 |
| Proceeds from partial disposal of associated company | - | 5,657 |
| Purchase of property, plant and equipment | <u>(17,725)</u> | <u>(2,883)</u> |
| Net cash from / (used in) investing activities | <u>(3,782)</u> | <u>3,127</u> |
| Cash flows from/(used in) financing activities | | |
| Net increase / (decrease) in bank borrowings | 9,784 | (8,263) |
| Interest paid | <u>(877)</u> | <u>(1,035)</u> |
| Net cash from financing activities | <u>8,907</u> | <u>(9,298)</u> |
| Net decrease in cash and cash equivalents | (2,150) | 8,129 |
| Cash and cash equivalents at beginning of financial year | <u>16,196</u> | <u>12,317</u> |
| Cash and cash equivalents at end of financial year | <u><u>14,046</u></u> | <u><u>20,446</u></u> |
| Cash and cash equivalents at end of year comprise: | | |
| Cash and bank balances | 11,113 | 15,866 |
| Deposits in licensed banks | 5,205 | 7,127 |
| Bank overdrafts | <u>(1,558)</u> | <u>(1,883)</u> |
| | 14,760 | 21,110 |
| Less : Fixed deposit pledged to licensed bank | <u>(714)</u> | <u>(664)</u> |
| | <u><u>14,046</u></u> | <u><u>20,446</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 2009.

Notes on the quarterly report – 28 February 2010

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 2009.

The accounting policies adopted by BSL in these interim financial statements are consistent with those adopted in the financial statements for the year ended 31 August 2009.

A2. Qualification of annual financial statements

There were no audit qualifications on the financial statements of the Company for the year ended 31 August 2009.

A3. Seasonal and cyclical factors

The Group’s business operation results were 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 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.

BSL CORPORATION BERHAD
(Company No: 651118-K)

Notes on the quarterly report – 28 February 2010

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 | - | 51,833 | 15,824 | 6,207 | 5,864 | - | 79,728 |
| Inter-segment sales | - | 1 | - | - | - | (1) | - |
| Total revenue | - | 51,834 | 15,824 | 6,207 | 5,864 | (1) | 79,728 |
| Results | | | | | | | |
| Segment results | 116 | 6,713 | (1,320) | 54 | 440 | - | 6,003 |
| Profit from operations | | | | | | | 6,003 |
| Interest expense | | | | | | | (877) |
| Interest income | | | | | | | 46 |
| Share of results of associate | | | | | | | (335) |
| Profit before tax | | | | | | | 4,837 |
| Income tax expense | | | | | | | (998) |
| Profit for the year | | | | | | | 3,839 |
| Attributable to: | | | | | | | |
| Equity holders of the parent | | | | | | | 3,660 |
| Minority interest | | | | | | | 179 |
| | | | | | | | 3,839 |

Notes on the quarterly report – 28 February 2010

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 28 February 2010 up to the date of this report, which are likely to substantially affect the results of the operations of the Group.

On 16 April 2010, the Company made early settlement of RM8.0 million, being part of the fixed rate term loan facility of up to RM15.0 million arranged by Alliance Investment Bank Berhad and issued by Idaman Capital Berhad pursuant to Primary Collateralised Loan Obligations.

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 RM14.67 million given by the Company to financial institutions for credit facilities granted to the subsidiary companies.

A13. Capital commitments

| | Approved and contracted for RM'000 | Approved but not contracted for RM'000 |
|---|---|---|
| Purchase of property, plant and machinery | - | - |

Notes on the quarterly report – 28 February 2010

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

B1. Review of performance

For the quarter ended 28 February 2010, the Group achieved revenue of RM79.73 million and a profit before tax of RM4,84 million.

The Precision Stamping & Tooling Division contributed 65.00% of the total revenue, amounting to RM51.83 million; the Printed Circuit Board (“PCB”) and Module Assembly Division 19.85% or RM15.83 million; the Fabrication & Forging Division 7.79% or RM6.21 million; and the Automotive Component Division 7.36% or RM5.86 million.

B2. Variation of results against preceding quarter

Total group revenue was at RM37.54 million, a reduction of 11.04% compared to the preceding quarter. However, the Group recorded a profit before tax of RM2.91 million for the current quarter ended 28 February 2010 as compared to a profit before tax of RM1.93 million in the preceding quarter. The results were due to better sales in Fabrication & Forging divisions and Automotive Components division, and also partly due to the gain on disposal of two pieces of industrial land and building.

Compared to the second quarter of the financial year ended 31 August 2009, Group revenue increased by 57.16% to RM37.54 million. Improvement in revenue was due mainly to increase in sales of the Precision Stamping & Tooling division.

B3. Current year prospects

The Group anticipates the coming months will continue to be challenging due to the uncertainty in the global economic situation. The Group will continue in its effort to reduce costs and improve productivity in facing these challenges.

B4. Variance of actual and forecast profit

The Group had not provided any profit forecast for the current financial year ending 31 August 2010.

B5. Tax expense

| | Current Quarter 28.02.2010 RM' 000 | Current year To date 28.02.2010 RM' 000 |
|--|---|--|
| Current tax expense | 186 | 998 |
| Current deferred tax expense | - | - |
| Underprovision of deferred tax in prior year | - | - |
| | <u>186</u> | <u>998</u> |

BSL CORPORATION BERHAD
(Company No: 651118-K)

Notes on the quarterly report – 28 February 2010

The effective tax rate is lower than the statutory tax rate of 25% mainly due to certain income are non-taxable.

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 28 February 2010:

| | Cost RM'000 | Book Value RM'000 | Market Value RM'000 |
|---------------------|------------------------|------------------------------|--------------------------------|
| Total quoted shares | 17 | 1.7 | 0.5 |

B8. Status of corporate proposal announced

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

B9. Group borrowings

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

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|--|---------------------------|-----------------------------|-------------------------|
| Short term | | | |
| Bank overdrafts | 1,558 | - | 1,558 |
| Trust receipts, bankers' acceptance & revolving credit | 5,688 | - | 5,688 |
| Term loans | 2,017 | - | 2,017 |
| Hire purchase | 1,885 | - | 1,885 |
| | 11,148 | - | 11,148 |
| Long term | | | |
| Terms loans | 9,139 | 15,000 | 24,139 |
| Hire purchase | 5,079 | - | 5,079 |
| | 14,218 | 15,000 | 29,218 |
| | 25,366 | 15,000 | 40,366 |

All borrowings are denominated in Ringgit Malaysia

BSL CORPORATION BERHAD
(Company No: 651118-K)

Notes on the quarterly report – 28 February 2010

B10. Off balance sheet financial instrument

There are no financial instruments with off balance sheet risk as at the end of the 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.

B12. Dividends

The Board of Directors did 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 follows:-

| | Individual | | Cumulative | |
|---|-------------------|------------------|-------------------|------------------|
| | Current | Preceding | Current | Preceding |
| | Year | Year | Year to | Year to |
| | Quarter | Quarter | Date | date |
| | 28.02.10 | 28.02.09 | 28.02.10 | 28.02.09 |
| Profit/(Loss) attributable to equity holders of the parent (RM'000) | 2,612 | (1,623) | 3,660 | (1,386) |
| Weighted average number of ordinary shares of RM0.50 each in issue ('000) | 98,000 | 98,000 | 98,000 | 98,000 |
| Basic Earnings/(Loss) Per Share based on the weighted average number of shares in issue (sen) | 2.67 | (1.66) | 3.73 | (1.41) |

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 29 April 2010.

By order of the Board

Ngiam Tong Kwan
Executive Chairman
Selangor
29 April 2010