

BSL CORPORATION BERHAD
(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 28 FEBRUARY 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 28-Feb-13 RM'000	PRECEDING YEAR QUARTER 29-Feb-12 RM'000	CURRENT YEAR TO DATE 28-Feb-13 RM'000	PRECEDING YEAR TO DATE 29-Feb-12 RM'000
Continuing Operations				
Revenue	26,587	34,438	58,926	82,517
Cost of sales	(25,876)	(31,602)	(55,594)	(73,811)
Gross profit	<u>711</u>	<u>2,836</u>	<u>3,332</u>	<u>8,706</u>
Other Income	22	93	65	120
Other expenses	(1,519)	(1,779)	(3,249)	(3,628)
Results from operating activities	<u>(786)</u>	<u>1,150</u>	<u>148</u>	<u>5,198</u>
Interest expense	(404)	(356)	(766)	(687)
Interest income	112	13	162	19
Share of result of associate	(228)	(313)	(343)	(513)
Profit/ (Loss) before tax	<u>(1,306)</u>	<u>494</u>	<u>(799)</u>	<u>4,017</u>
Income tax expense	59	(271)	8	(736)
Profit/(Loss) for the year from continuing operations	<u>(1,247)</u>	<u>223</u>	<u>(791)</u>	<u>3,281</u>
Discontinued operations				
Profit for the year from discontinued operations	-	5	-	27
Profit / (Loss) for the year	<u>(1,247)</u>	<u>228</u>	<u>(791)</u>	<u>3,308</u>
Other comprehensive income:				
Exchange differences on translation of foreign operations	(240)	(1)	(352)	(55)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(1,487)</u>	<u>227</u>	<u>(1,143)</u>	<u>3,253</u>
Profit attributable to :				
Equity holders of the company	(1,295)	226	(853)	3,295
Non-controlling interest	48	2	62	13
	<u>(1,247)</u>	<u>228</u>	<u>(791)</u>	<u>3,308</u>
Total comprehensive income attributable to :				
Equity holders of the company	(1,535)	225	(1,205)	3,240
Non-controlling interest	48	2	62	13
	<u>(1,487)</u>	<u>227</u>	<u>(1,143)</u>	<u>3,253</u>
Basic Earnings/(Loss) Per Share based on the weighted average				
number of shares in issue (Sen)				
Continuing Operations	(1.34)	0.23	(0.88)	3.35
Discontinuing Operations	-	0.00	-	0.01
	<u>(1.34)</u>	<u>0.23</u>	<u>(0.88)</u>	<u>3.36</u>

Notes:

The Unaudited Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Annual Financial Statements of BSL Corporation Berhad for the financial year ended 31 August 2012.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 28 FEBRUARY 2013

	Note	As at 28-Feb-13 RM'000	As at 31-Aug-12 RM'000 (Restated)
ASSETS			
Non current assets			
Property, plant and equipment		67,343	65,398
Investment in an associate company		2,794	2,849
Total non current assets		<u>70,137</u>	<u>68,247</u>
Current assets			
Inventories		11,429	12,084
Trade receivables		15,998	19,858
Other receivables		1,147	3,849
Cash and bank balances		32,863	31,165
Total current assets		<u>61,437</u>	<u>66,956</u>
Total assets		<u><u>131,574</u></u>	<u><u>135,203</u></u>
Equity and liabilities			
Capital and reserves			
Share capital		49,000	49,000
Share premium		1,767	1,767
Treasury shares		(372)	(367)
Reserves		34,319	35,308
Equity attributable to equity holders of the parent		<u>84,714</u>	<u>85,708</u>
Non-controlling interest		4,783	4,720
Total equity		<u>89,497</u>	<u>90,428</u>
Non current liabilities			
Long term borrowings		17,666	17,135
Deferred taxation liabilities		2,000	1,874
Total non current liabilities		<u>19,666</u>	<u>19,009</u>
Current liabilities			
Trade payables		10,520	14,504
Other payables		3,219	2,450
Short term borrowings		8,672	8,812
Tax liabilities		-	-
Total current liabilities		<u>22,411</u>	<u>25,766</u>
Total liabilities		<u>42,077</u>	<u>44,775</u>
Total equity and liabilities		<u><u>131,574</u></u>	<u><u>135,203</u></u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)		<u>0.86</u>	<u>0.87</u>

Notes :

The Unaudited Condensed Consolidated Statements Of Financial Position should be read in conjunction with the Annual Financial Statements of BSL Corporation Berhad for the financial year ended 31 August 2012.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 FEBRUARY 2013

	<i>Non-distributable</i>					<i>Distributable</i>				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	Non-controlling Interest RM'000		
Balance as at 1 September 2012 (restated)	49,000	1,767	-	326	(367)	34,857	85,583	4,721	90,304	
Share of profit guarantee by non-controlling interest Treasury shares	-	-	-	-	-	-	-	-	-	
Revalue of freehold land & building	-	-	-	-	(5)	-	(5)	-	(5)	
Profit for the period	-	-	-	-	-	(853)	(853)	62	(791)	
Other comprehensive income for the period	-	-	-	(11)	-	-	(11)	-	(11)	
Total comprehensive income for the period	-	-	-	(11)	-	(853)	(864)	62	(802)	
Balance as at 28 February 2013	49,000	1,767	-	315	(372)	34,004	84,714	4,783	89,497	

	<i>Non-distributable</i>					<i>Distributable</i>				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	Non-controlling Interest RM'000		
Balance as at 1 September 2011	49,000	1,767	-	531	(367)	33,154	84,085	4,683	88,768	
Share of profit guarantee by non-controlling interest Treasury shares	-	-	-	-	-	-	-	-	-	
Profit for the period	-	-	-	-	-	3,295	3,295	13	3,308	
Currency translation difference	-	-	-	55	-	-	55	-	55	
Total comprehensive income for the period	-	-	-	55	-	3,295	3,350	13	3,363	
Balance as at 29 February 2012	49,000	1,767	-	586	(367)	36,449	87,435	4,696	92,131	

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 2012.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 28 FEBRUARY 2013

	28-Feb-13 RM'000	29-Feb-12 RM'000
Cash flows from operating activities		
Profit for the year	(791)	3,308
Adjustments for:		
Non-cash items	4,539	4,921
Non-operating items	760	1,135
	<u>4,508</u>	<u>9,364</u>
Operating profit before working capital changes		
(Increase)/Decrease in working capital:		
Inventories	655	1,661
Receivables	5,565	7,097
Payables	(3,216)	(8,155)
	<u>7,512</u>	<u>9,967</u>
Cash generated from operations		
Income tax (paid) / refund	(210)	(245)
	<u>7,302</u>	<u>9,722</u>
Net cash from / (used in) operating activities		
Cash flows from investing activities		
Interest received	162	115
Purchase of property, plant and equipment	(5,154)	(1,785)
	<u>(4,992)</u>	<u>(1,670)</u>
Net cash from / (used in) investing activities		
Cash flows from/(used in) financing activities		
Net increase / (decrease) in bank borrowings	(1,217)	(2,998)
Interest paid	(766)	(687)
Purchase of treasury share	(5)	-
	<u>(1,988)</u>	<u>(3,685)</u>
Net cash from financing activities		
Net increase / (decrease) in cash and cash equivalents	322	4,367
Cash and cash equivalents at beginning of financial year	<u>29,045</u>	<u>26,594</u>
Cash and cash equivalents at end of financial year	<u><u>29,367</u></u>	<u><u>30,961</u></u>
Cash and cash equivalents at end of year comprise:		
Cash and bank balances	14,300	14,612
Deposits in licensed banks	18,563	18,844
Bank overdrafts	(2,892)	(1,742)
	<u>29,971</u>	<u>31,714</u>
Less : Fixed deposit pledged to licensed bank	(604)	(753)
	<u><u>29,367</u></u>	<u><u>30,961</u></u>

Notes :

The Unaudited Condensed Consolidated Statement Of Cash Flow should be read in conjunction with the Annual Financial Statements of BSL Corporation Berhad for the financial year ended 31 August 2012.

Notes on the quarterly report – 28 February 2013

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 2012.

For the periods up to and including the financial year ended 31 August 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”). This report is the Group’s first MFRS compliant condensed consolidated interim financial statements and hence MFRS 1: First-Time Adoption of Malaysia Financial Reporting Standards (“MFRS 1”) has been applied. The date of transition to the MFRS frameworks is 1 January 2012. At the beginning of current reporting period or 1 September 2012, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The change of the transition from FRS to MFRS is described in Note A2.

The condensed consolidated interim financial statements should also be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 August 2012. These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the change in the financial position and performance of the Group since the last financial year ended 31 August 2012.

The supplementary information set out in Note B11, which is not part of the financial statements, is disclosed in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profit or Losses in the context of Disclosure Pursuant to Bursa Securities’ Listing Requirements.

A2. Change in accounting policies

The audited financial statements of the Group for the financial year ended 31 August 2012 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 August 2012 except as discussed below:

Property, plant and equipment

Under FRS, the Group has previously adopted revaluation model for its land and buildings and are revalue at regular intervals of at least once in every five years. Accordingly the Group had recorded freehold land and certain building at revalued amount.

Upon adoption to MFRS, the Group has elected to measure its land and buildings using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to regard the fair value of freehold land and buildings, properties as at 1 September 2011 as its deemed cost as at 1 September 2011.

Notes on the quarterly report – 28 February 2013

Accordingly revaluation surplus recorded in prior years amounting to RM4.085 million and related deferred tax liability amounting to RM125,000.00 will reverse and adjust against retained earnings as of 31 August 2012.

A total of RM4.085 million and deferred tax liabilities amounting to RM125,000.00 were adjusted against retained earnings as the Company chose the value of the freehold land and buildings, properties as at 1 September 2011 as its deemed cost.

The reconciliation of equity for comparative periods and of equity at the date of transition reported under FRS to those reported in previous periods and at the date of transition under MFRS are provided below:

Reconciliations of plant property equipment, equity and deferred tax liabilities

	FRS as at 31 August 2012 RM'000	Adjustment RM'000	MFRS as at 31 August 2012 RM'000	FRS as at 1 September 2011 RM'000	Adjustment RM'000	MFRS as at 1 September 2011 RM'000
Plant property and equipment	69,483	(4,085)	65,398	61,484	-	61,484
Distributable reserve retain earnings	34,982	-	34,982	33,153	-	33,153
Revaluation reserve	4,085	(4,085)	-	-	-	-
Translation reserve	326	-	326	531	-	531
Reserve	34,982	-	35,308	33,684	-	33,684
Deferred tax liabilities	1,999	(125)	1,874	1,893	-	1,893

A3. Qualification of annual financial statements

There were no audit qualifications on the financial statements of the Company for the year ended 31 August 2012.

A4. Seasonal and cyclical factors

The Group's business operation results were not materially affected by any major seasonal or cyclical factors.

A5. 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.

Notes on the quarterly report – 28 February 2013

A6. Material changes in estimates

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

A7. 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.

A8. Dividend paid

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

Notes on the quarterly report – 28 February 2013

A9. Segment information

Segmental information from continuing operations 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	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales	-	38,696	15,364	4,866	-	-	58,926
Inter-segment sales	-	-	-	105	-	(105)	-
Total revenue	-	38,696	15,364	4,971	-	(105)	58,926
Results							
Segment results	(199)	779	(493)	72	(11)		148
Profit from operations							148
Interest expense							(766)
Interest income							162
Share of results of associate							(343)
Profit before tax							(799)
Income tax expense							8
Profit for the year							(791)
Attributable to:							
Equity holders of the parent							(853)
Minority interest							62
							(791)

Notes on the quarterly report – 28 February 2013

A10. 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 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 land and buildings were last revalued in 2012.

A11. Material events subsequent to the end of the interim period

Save as disclosed below, there were no material events subsequent to the current financial year ended 31 August 2012 up to the date of this report, which are likely to substantially affect the results of the operations of the Group.

A12. Changes in the composition of the Group

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

A13. 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: Corporate guarantees amounting to RM25.39 million given by the Company to financial institutions for credit facilities granted to the subsidiary companies.

A14. Capital commitments

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Purchase of property, plant and machinery	1,738	-

Notes on the quarterly report – 28 February 2013

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

B1. Review of performance

For the quarter ended 28 February 2013, the Group achieved revenue of RM26.59 million and a loss after tax of RM1.25 million, compared to a profit after tax of RM0.22 million for the corresponding quarter last year.

The performance of each operating segment is as follows:

Precision stamping & tooling segment

This segment recorded a revenue of RM18.3 million and a profit of RM0.02million for the financial period ended 28 February 2013 as compared to a revenue of RM24.4 million and a profit of RM1.08million for the corresponding period last year.

The decline in revenue was mainly due to slowdown in orders particularly for components for LCD TV and panel for TV.

Printed circuit board (“PCB”) & module assembly segment

This segment recorded a revenue of RM5.68 million and a loss of RM1.11 million for the financial period ended 28 February 2013 as compared to a revenue of RM7.69 million and a loss of RM0.33 million for the corresponding period last year.

The decline in revenue was mainly due to drop in orders from Audio Assembly, blue ray player and TFT LCD Panels for small size devices.

Fabrication & forging segment

This segment recorded a revenue of RM2.72 million and a profit of RM0.07 million for the financial period ended 28 February 2013 as compared to a revenue of RM2.30 million and a loss of RM0.09 million for the corresponding period last year.

The improved revenue was mainly due to increase in orders from brass forging parts in air conditioner.

B2. Variation of results against preceding quarter

Total Group revenue was at RM26.59 million, a decrease of 17.8% compared to the preceding quarter. The Group recorded a loss before tax of RM1.3 million for the current quarter ended 28 February 2013 as compared to a profit before tax of RM0.51 million in the preceding quarter.

The reduction in revenue was mainly due to generally lower orders from client involved in manufacturing of electronic goods.

The increase in labour cost due to implementation of minimum wage policy effective January 2013 contributed significantly to the loss.

Notes on the quarterly report – 28 February 2013

B3. Current year prospects

The Board foresees the current year's prospect to be challenging due to the uncertain global economics environment. Nevertheless, the Group will continue in its effort to reduce costs and to improve productivity.

B4. Variance of actual and forecast profit

The Group had not provided any profit forecast for the current financial year ended 31 August 2013.

B5. Profit/(Loss) for the period

Profit/(loss) for the period is arrived at after charging/(crediting):-	Current Quarter 28.02.2013 RM'000	Current year To date 28.02.2013 RM'000
Depreciation of property, plant & equipment	1,747	3,517
Finance cost	404	766
Loss/(Gain) on disposal of property, plant & equipment	(63)	(63)
Net foreign exchange loss/(gain)	1	21
Interest income	(112)	(162)

B6. Tax expense

	Current Quarter 28.02.2013 RM' 000	Current year To date 28.02.2013 RM' 000
Current tax expense	(2)	(47)
Current deferred tax expense	(118)	(126)
Overprovision of deferred tax in prior year	179	181
	59	8

The effective tax rate was lower than the statutory tax rate of 25% mainly because certain expenses were non-deductible.

B7. 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.

B8. Quoted and marketable investments

There was no purchase or disposal of quoted securities during the current quarter.

B9. Status of corporate proposal announced

Notes on the quarterly report – 28 February 2013

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

B10. 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	2,892	-	2,892
Trust receipts, bankers' acceptance & revolving credit	2,417	-	2,417
Term loans	1,658	-	1,658
Hire purchase	1,705	-	1,705
	8,672	-	8,672
Long term			
Terms loans	17,382	-	17,382
Hire purchase	284	-	284
	17,666	-	17,666
	26,338	-	26,338

All borrowings are denominated in Ringgit Malaysia

B11. Realised and unrealised profit/(loss) disclosure

	As at 28 February 2013 RM'000
Total retained profit of BSL and its subsidiaries	
-Realised	36,662
-Unrealised	(2,000)
	34,662
Total retained profit from associated company	
-Realised	(343)
-Unrealised	-
	(343)

Notes on the quarterly report – 28 February 2013

Total group retained profits as per consolidated accounts

34,319

B12. 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.

B13. Changes in material litigation

Neither BSL nor any of its subsidiaries are engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the 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 the Company or any of its subsidiaries.

B14. Dividends

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

B15. 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
	28.02.13	29.02.12	28.02.13	29.02.12
Profit/(Loss) attributable to equity holders of the parent from continuing operation (RM'000)	(1,295)	223	(853)	3,281
Profit/(Loss) attributable to equity holders of the parent from discontinued operation (RM'000)	-	3	-	14
Profit/(Loss) attributable to equity holders of the parent (RM'000)	(1,295)	226	(853)	3,295
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	96,936	98,000	96,936	98,000
Basic Earnings/(Loss) Per Share based on the weighted average number of shares in issue (sen) for:				

Notes on the quarterly report – 28 February 2013

Profit from continuing operations	(1.34)	0.23	(0.88)	3.35
Profit/(Loss) from discontinued operations	-	0.00	-	0.01
Total (sen)	(1.34)	0.23	(0.88)	3.36

B16. Authorisation for issue

This quarterly report was authorized for issue by the Board of Directors in accordance with the resolution of the directors on 26 April 2013.

By order of the Board

Ngiam Tong Kwan
Executive Chairman
Selangor
26 April 2013