

BSL CORPORATION BERHAD
(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 AUGUST 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Aug-14 RM'000	PRECEDING YEAR QUARTER 31-Aug-13 RM'000	CURRENT YEAR TO DATE 31-Aug-14 RM'000	PRECEDING YEAR TO DATE 31-Aug-13 RM'000
Continuing Operations				
Revenue	25,033	25,303	94,883	112,210
Cost of sales	(25,149)	(24,102)	(95,989)	(106,509)
Gross profit/(loss)	(116)	1,201	(1,106)	5,701
Other Income	(275)	849	898	1,361
Other expenses	(4,400)	(3,296)	(9,093)	(8,712)
Results from operating activities	(4,791)	(1,246)	(9,301)	(1,650)
Interest expense	(755)	(794)	(1,362)	(1,225)
Interest income	122	210	385	458
Share of result of associate	(900)	(825)	(131)	(1,704)
Profit/ (Loss) before tax	(6,324)	(2,655)	(10,409)	(4,121)
Income tax expense	926	(270)	667	(250)
Profit/(Loss) for the year from continuing operations	(5,398)	(2,925)	(9,742)	(4,371)
Discontinued operations				
Profit for the year from discontinued operations	-	-	-	-
Profit / (Loss) for the year	(5,398)	(2,925)	(9,742)	(4,371)
Other comprehensive income:				
Exchange differences on translation of foreign operations	(174)	-	(188)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(5,572)	(2,925)	(9,930)	(4,371)
Profit/(Loss) attributable to :				
Equity holders of the company	(5,418)	(2,908)	(9,802)	(4,463)
Non-controlling interest	20	(17)	60	92
	(5,398)	(2,925)	(9,742)	(4,371)
Total comprehensive income attributable to :				
Equity holders of the company	(5,592)	(2,908)	(9,990)	(4,463)
Non-controlling interest	20	(17)	60	92
	(5,572)	(2,925)	(9,930)	(4,371)
Basic Earnings/(Loss) Per Share based on the weighted average				
number of shares in issue (Sen)				
Continuing Operations	(5.60)	(3.00)	(10.13)	(4.60)
Discontinuing Operations	-	-	-	-
	(5.60)	(3.00)	(10.13)	(4.60)

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 2013.

BSL CORPORATION BERHAD
(Company No. 651118-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 AUGUST 2014

	Note	As at 31-Aug-14 RM'000	As at 31-Aug-13 RM'000
ASSETS			
Non current assets			
Property, plant and equipment		63,111	68,410
Investment in an associate company		<u>3,371</u>	<u>1,145</u>
Total non current assets		<u>66,482</u>	<u>69,555</u>
Current assets			
Inventories		9,485	9,877
Trade receivables		14,925	17,177
Other receivables		1,084	2,023
Cash and bank balances		<u>20,972</u>	<u>28,751</u>
Total current assets		<u>46,466</u>	<u>57,828</u>
Total assets		<u>112,948</u>	<u>127,383</u>
Equity and liabilities			
Capital and reserves			
Share capital		49,000	49,000
Share premium		1,767	1,767
Treasury shares		(405)	(387)
Reserves		<u>21,076</u>	<u>30,691</u>
Equity attributable to equity holders of the parent		71,438	81,071
Non-controlling interest		4,968	4,907
Total equity		<u>76,406</u>	<u>85,978</u>
Non current liabilities			
Long term borrowings		15,587	17,896
Deferred taxation liabilities		<u>1,117</u>	<u>1,970</u>
Total non current liabilities		<u>16,704</u>	<u>19,866</u>
Current liabilities			
Trade payables		9,454	9,812
Other payables		3,241	3,687
Short term borrowings		7,116	7,985
Tax liabilities		27	55
Total current liabilities		<u>19,838</u>	<u>21,539</u>
Total liabilities		<u>36,542</u>	<u>41,405</u>
Total equity and liabilities		<u>112,948</u>	<u>127,383</u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)		<u>0.74</u>	<u>0.84</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 2013.

BSL CORPORATION BERHAD
(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2014**

	<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 2013	49,000	1,767	-	114	(387)	30,577	81,071	4,908	85,979	
Currency translation Reversal of prior year revaluation	-	-	-	187	-	-	187	-	187	
Share of profit guarantee by non-controlling interest Treasury shares	-	-	-	-	-	-	-	-	-	
Revalue of freehold land & building Profit for the period	-	-	-	-	(18)	-	(18)	-	(18)	
Other comprehensive income for the period	-	-	-	-	-	(9,802)	(9,802)	60	(9,742)	
Total comprehensive income for the period	-	-	-	-	-	(9,802)	(9,802)	60	(9,742)	
Balance as at 31 August 2014	<u>49,000</u>	<u>1,767</u>	<u>-</u>	<u>301</u>	<u>(405)</u>	<u>20,775</u>	<u>71,438</u>	<u>4,968</u>	<u>76,406</u>	
Balance as at 1 September 2012 (restated)	49,000	1,767	-	327	(367)	34,857	85,584	4,720	90,304	
Share of profit guarantee by non-controlling interest Treasury shares	-	-	-	-	-	-	-	-	-	
Revalue of freehold land & building Profit for the period	-	-	-	-	(20)	-	(20)	-	(20)	
Other comprehensive income for the period	-	-	-	(213)	-	(4,280)	(4,280)	187	(4,093)	
Total comprehensive income for the period	-	-	-	(213)	-	(4,280)	(4,493)	187	(4,306)	
Balance as at 31 August 2013	<u>49,000</u>	<u>1,767</u>	<u>-</u>	<u>114</u>	<u>(387)</u>	<u>30,577</u>	<u>81,071</u>	<u>4,907</u>	<u>85,978</u>	

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 2013.

BSL CORPORATION BERHAD
(Company No. 651118-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2014

	31-Aug-14 RM'000	31-Aug-13 RM'000
Cash flows from operating activities		
Profit for the year	(9,742)	(4,371)
Adjustments for:		
Non-cash items	9,445	447
Non-operating items	<u>3,533</u>	<u>2,151</u>
Operating profit before working capital changes	3,236	(1,773)
(Increase)/Decrease in working capital:		
Inventories	391	2,207
Receivables	1,056	4,321
Payables	<u>(804)</u>	<u>(3,214)</u>
Cash generated from operations	3,879	1,541
Income tax (paid) / refund	<u>(822)</u>	<u>(735)</u>
Net cash from / (used in) operating activities	<u>3,057</u>	<u>806</u>
Cash flows from investing activities		
Interest received	223	458
Proceeds from disposal of property, plant and equipment	474	-
Investment in Associated	(3,500)	-
Purchase of property, plant and equipment	<u>(2,590)</u>	<u>(1,549)</u>
Net cash from / (used in) investing activities	<u>(5,393)</u>	<u>(1,091)</u>
Cash flows from/(used in) financing activities		
Net increase / (decrease) in bank borrowings	(4,693)	(1,955)
Interest paid	(1,362)	(1,225)
Purchase of treasury share	<u>(19)</u>	<u>(20)</u>
Net cash from financing activities	<u>(6,074)</u>	<u>(3,200)</u>
Net increase / (decrease) in cash and cash equivalents	(8,410)	(3,485)
Cash and cash equivalents at beginning of financial year	<u>25,560</u>	<u>29,045</u>
Cash and cash equivalents at end of financial year	<u>17,150</u>	<u>25,560</u>
		-
Cash and cash equivalents at end of year comprise:		
Cash and bank balances	8,871	11,385
Deposits in licensed banks	12,100	17,366
Bank overdrafts	<u>(3,217)</u>	<u>(2,587)</u>
	17,754	26,164
Less : Fixed deposit pledged to licensed bank	<u>(604)</u>	<u>(604)</u>
	<u>17,150</u>	<u>25,560</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 2013.

Notes on the quarterly report – 31 August 2014

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 of the Malaysian Financial Reporting Standard (MFRS) 134 - Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2013.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 August 2013 except for the new Malaysian Financial Reporting Standards (“MFRS”), Amendments to MFRSs and IC Interpretation which the Group adopted to the extent of the applicability from its financial year beginning from 1 September 2013.

The adoption of the followings new MFRSs, Amendments to MFRSs and IC Interpretation that came into effect on 1 April 2013 will have no material impact on the financial statements of the Group:

	<u>Effective for annual periods</u>
<u>MFRSs, Amendments to MFRSs and IC Interpretation</u>	<u>Beginning on or after</u>
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of interests in Others Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income	1 July 2012

At the date of authorization of the interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

	<u>Effective for annual periods</u>
<u>MFRSs, Amendments to MFRSs and IC Interpretation</u>	<u>Beginning on or after</u>
Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9 Financial Instruments (IFRS9)	1 January 2015

Notes on the quarterly report – 31 August 2014

A2. Qualification of annual financial statements

There were no audit qualifications on the financial statements of the Company for the year ended 31 August 2013.

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 were 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.

Notes on the quarterly report – 31 August 2014

A8. 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	-	69,177	17,338	8,240	128	-	94,883
Inter-segment sales	-	-	71	188	-	(259)	-
Total revenue	-	69,177	17,409	8,428	128	(259)	94,883
Results							
Segment results	(1,992)	(1,445)	(5,098)	(743)	(23)		(9,301)
Loss from operations							(9,301)
Interest expense							(1,362)
Interest income							385
Share of results of associate							(131)
Loss before tax							(10,409)
Income tax expense							667
Loss for the year							(9,742)
Attributable to:							
Equity holders of the parent							(9,802)
Minority interest							60
							(9,742)

Notes on the quarterly report – 31 August 2014

A9. Material events subsequent to the end of the interim period

Save as disclosed below, there were no material events subsequent to the current quarter ended 31 August 2014 up to the date of this report, which are likely to substantially affect the results of the operations of the Group.

A10. Changes in the composition of the Group

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

A11. 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.

A12. Capital commitments

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Investment in Associate & purchase of plant and machinery	1,144	-

Notes on the quarterly report – 31 August 2014

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

B1. Review of performance

For the quarter ended 31 August 2014, the Group achieved a revenue of RM25.03 million and a loss after tax of RM7.49 million, compared to a loss after tax of RM2.93 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 RM18.66 million and a loss of RM1.15 million for the quarter ended 31 August 2014 as compared to a revenue of RM18.32 million and a loss of RM0.33million for the corresponding period last year.

The result was due to provision for slow moving stock and higher mix of lower margin sales.

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

This segment recorded a revenue of RM4.18 million and a loss of RM2.41 million for the quarter ended 31 August 2014 as compared to a revenue of RM4.82 million and a loss of RM1.95 million for the corresponding period last year.

The decline in revenue was mainly due to drop in orders from audio assembly and consumer electronics and impairment of plant and machinery.

Fabrication & forging segment

This segment recorded a revenue of RM2.25 million and a loss of RM0.49 million for the quarter ended 31 August 2014 as compared to a revenue of RM2.21 million and a profit of RM0.11 million for the corresponding period last year.

The increase in losses was mainly due to impairment of plant & machinery and provision for slow moving stock.

B2. Variation of results against preceding quarter

Total Group revenue was at RM25.03 million, an increase of 2.49% compared to the preceding quarter. The Group recorded a loss before tax of RM6.32 million for the current quarter ended 31 August 2014 as compared to a loss before tax of RM1.13 million in the preceding quarter.

The increase in loss was mainly due to impairment of plant & machinery and provision for slow moving stock.

B3. Current year prospects

The Board foresees the current year’s prospect to be challenging due to the uncertain global economics environment.

Notes on the quarterly report – 31 August 2014

The group will further its effort in promoting the EMS (Electronic Manufacturing Services) business model and to bring in new clients from other sectors. Furthermore we will consolidate and centralize our operation in Rawang to further reduce our operating cost.

B4. Variance of actual and forecast profit

The Group had not provided any profit forecast for the current financial year ended 31 August 2014.

B5. Profit/(Loss) for the period

Profit/(loss) for the period is arrived at after charging/(crediting):-	Current Quarter 31.08.2014 RM'000	Current year To date 31.08.2014 RM'000
Depreciation of property, plant & equipment	1,612	6,536
Finance cost	755	1,362
Loss/(Gain) on disposal of property, plant & equipment	(16)	419
Net foreign exchange loss/(gain)	225	239
Interest income	(122)	(385)
Bad debts written off	-	-

B6. Tax expense

	Current Quarter 31.08.2014 RM' 000	Current year To date 31.08.2014 RM' 000
Current tax expense	(124)	153
Current deferred tax expense	(802)	(820)
Overprovision of deferred tax in prior year	-	-
	(926)	(667)

The effective tax rate was lower than the statutory tax rate of 25% mainly because certain over provision of deferred tax expenses.

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.

Notes on the quarterly report – 31 August 2014

B9. Status of corporate proposal announced

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	Unsecured	Total
	RM'000	RM'000	RM'000
Short term			
Bank overdrafts	3,217	-	3,217
Trust receipts, bankers' acceptance & revolving credit	812	-	812
Term loans	2,517	-	2,517
Hire purchase	570	-	570
	<hr/> 7,116	<hr/> -	<hr/> 7,116
Long term			
Terms loans	15,098	-	15,098
Hire purchase	489	-	489
	<hr/> 15,587	<hr/> -	<hr/> 15,587
	<hr/> <hr/> 22,703	<hr/> <hr/> -	<hr/> <hr/> 22,703

All borrowings are denominated in Ringgit Malaysia

B11. Realised and unrealised profit/(loss) disclosure

	As at
	31 August 2014
	RM'000
Total retained profit of BSL and its subsidiaries	
-Realised	26,944
-Unrealised	(5,737)
	<hr/> 21,207
Total retained profit/(loss) from associated company	
-Realised	(131)
-Unrealised	-
	<hr/> (131)
Total group retained profits as per consolidated accounts	<hr/> <hr/> 21,076

BSL CORPORATION BERHAD
(Company No: 651118-K)

Notes on the quarterly report – 31 August 2014

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
	31.08.14	31.08.13	31.08.14	31.08.13
Profit/(Loss) attributable to equity holders of the parent from continuing operation (RM'000)	(5,418)	(2,908)	(9,802)	(4,463)
Profit/(Loss) attributable to equity holders of the parent from discontinued operation (RM'000)	-	-	-	-
Profit/(Loss) attributable to equity holders of the parent (RM'000)	(5,418)	(2,908)	(9,802)	(4,463)
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	96,791	96,936	96,791	96,936
Basic Earnings/(Loss) Per Share based on the weighted average number of shares in issue (sen) for:				
Profit from continuing operations	(5.60)	(3.00)	(10.13)	(4.60)
Profit/(Loss) from discontinued operations	-	-	-	-
Total (sen)	(5.60)	(3.00)	(10.13)	(4.60)

Notes on the quarterly report – 31 August 2014

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 28 October 2014.

By order of the Board

Ngiam Tong Kwan
Executive Chairman
Selangor
28 October 2014