

BSL CORPORATION BERHAD
(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 AUG 2015**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Aug-15 RM'000	PRECEDING YEAR QUARTER 31-Aug-14 RM'000	CURRENT YEAR TO DATE 31-Aug-15 RM'000	PRECEDING YEAR TO DATE 31-Aug-14 RM'000
Continuing Operations				
Revenue	24,882	25,033	98,076	94,883
Cost of sales	(23,139)	(25,149)	(95,116)	(95,989)
Gross profit/(loss)	1,743	(116)	2,960	(1,106)
Other Income	3,973	(275)	5,350	898
Other expenses	(4,643)	(4,400)	(9,642)	(9,093)
Results from operating activities	1,073	(4,791)	(1,332)	(9,301)
Interest expense	(303)	(755)	(1,254)	(1,362)
Interest income	99	122	283	385
Share of result of joint venture	(46)	(900)	(346)	(131)
Profit/ (Loss) before tax	823	(6,324)	(2,649)	(10,409)
Income tax expense	(735)	926	(852)	667
Profit / (Loss) for the year	88	(5,398)	(3,501)	(9,742)
Other comprehensive income:				
Exchange differences on translation of foreign operations	(592)	(174)	(1,398)	(188)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(504)	(5,572)	(4,899)	(9,930)
Profit/(Loss) attributable to :				
Equity holders of the company	77	(5,418)	(3,541)	(9,802)
Non-controlling interest	11	20	40	60
	88	(5,398)	(3,501)	(9,742)
Total comprehensive income attributable to :				
Equity holders of the company	(515)	(5,592)	(4,939)	(9,990)
Non-controlling interest	11	20	40	60
	(504)	(5,572)	(4,899)	(9,930)
Basic Earnings/(Loss) Per Share based on the weighted average				
number of shares in issue (Sen)	0.08	(5.60)	(3.66)	(10.13)

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 2014.

BSL CORPORATION BERHAD
(Company No. 651118-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 AUG 2015

	Note	As at 31-Aug-15 RM'000	As at 31-Aug-14 RM'000
ASSETS			
Non current assets			
Property, plant and equipment		48,194	63,148
Investment in joint venture		4,217	3,384
Total non current assets		<u>52,411</u>	<u>66,532</u>
Current assets			
Non-current assets held for sales		9,561	-
Inventories		9,432	9,485
Trade receivables		17,345	14,925
Other receivables		4,470	1,120
Cash and bank balances		18,039	20,972
Total current assets		<u>58,847</u>	<u>46,502</u>
Total assets		<u>111,258</u>	<u>113,034</u>
Equity and liabilities			
Capital and reserves			
Share capital		49,000	49,000
Share premium		1,767	1,767
Treasury shares		(420)	(405)
Reserves		16,075	21,014
Equity attributable to equity holders of the parent		<u>66,422</u>	<u>71,376</u>
Non-controlling interest		5,152	4,968
Total equity		<u>71,574</u>	<u>76,344</u>
Non current liabilities			
Long term borrowings		12,969	1,658
Deferred taxation liabilities		1,443	1,092
Total non current liabilities		<u>14,412</u>	<u>2,750</u>
Current liabilities			
Trade payables		14,703	9,658
Other payables		3,710	3,286
Short term borrowings		6,507	20,929
Liability associated with non-current assets classified as held for sale		271	-
Tax liabilities		81	67
Total current liabilities		<u>25,272</u>	<u>33,940</u>
Total liabilities		<u>39,684</u>	<u>36,690</u>
Total equity and liabilities		<u>111,258</u>	<u>113,034</u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)		<u>0.69</u>	<u>0.74</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 2014.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUG 2015

	Non-distributable			Distributable			Total RM'000	
	Share Capital RM'000	Share Premium 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 2014	49,000	1,767	301	(405)	20,713	71,376	4,968	76,344
Issuance of ordinary shares of subsidiary Treasury shares	-	-	-	-	-	-	144	144
Loss for the period	-	-	-	(15)	-	(15)	-	(15)
Other comprehensive loss for the period	-	-	(1,398)	-	(3,541)	(3,541)	40	(3,501)
Total comprehensive loss for the period	-	-	(1,398)	-	(3,541)	(4,939)	40	(4,899)
Balance as at 31 AUGUST 2015	49,000	1,767	(1,097)	(420)	17,172	66,422	5,152	71,574

	Non-distributable			Distributable			Total RM'000	
	Share Capital RM'000	Share Premium 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
Treasury shares Loss for the period	-	-	-	(18)	-	(18)	-	(18)
Other comprehensive loss for the period	-	-	187	-	(9,802)	(9,802)	60	(9,742)
Total comprehensive loss for the period	-	-	187	-	(9,802)	187	60	187
Balance as at 31 AUGUST 2014	49,000	1,767	301	(405)	20,775	71,438	4,968	76,406

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 2014.

BSL CORPORATION BERHAD
(Company No. 651118-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2015

	31-Aug-15 RM'000	31-Aug-14 RM'000
Cash flows from operating activities		
Profit for the year	(3,501)	(9,742)
Adjustments for:		
Non-cash items	8,644	9,445
Non-operating items	1,658	3,533
Operating profit before working capital changes	6,801	3,236
Decrease/(Increase) in working capital:		
Inventories	144	391
Receivables	(5,036)	1,056
Payables	5,054	(804)
Cash generated from operations	6,963	3,879
Income tax paid	(569)	(822)
Net cash from operating activities	6,394	3,057
Cash flows used in investing activities		
Interest received	283	223
Proceeds from disposal of property, plant and equipment	275	474
Investment in indirect subsidiary	144	(3,500)
Purchase of property, plant and equipment	(1,537)	(2,590)
Net cash used in investing activities	(835)	(5,393)
Cash flows used in financing activities		
Net decrease in bank borrowings	(4,320)	(4,693)
Interest paid	(1,189)	(1,362)
Purchase of treasury share	-	(19)
Net cash used in financing activities	(5,509)	(6,074)
Net increase / (decrease) in cash and cash equivalents	50	(8,410)
Cash and cash equivalents at beginning of financial year	17,456	25,560
Cash and cash equivalents at end of financial year	<u>17,506</u>	<u>17,150</u>
Cash and cash equivalents at end of year comprise:		
Cash and bank balances	6,947	8,871
Deposits in licensed banks	11,093	12,100
Bank overdrafts	-	(3,217)
	18,040	17,754
Less : Fixed deposit pledged to licensed bank	(534)	(604)
	<u>17,506</u>	<u>17,150</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 2014.

Notes on the quarterly report – 31 AUGUST 2015

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of preparation

The interim financial report is unaudited and has 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 2014.

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 2014 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 2014.

The adoption of the followings new MFRSs, Amendments to MFRSs and IC Interpretation that came into effect on 1 April 2014 will have no material impact on the financial statements of the Group:

<u>MFRSs, Amendments to MFRSs and IC Interpretation</u>	<u>Effective for annual periods beginning on or after</u>
Amendment to MFRSs (Annual Improvements to MFRSs 2010-2012 Cycle)	1 July 2014
Amendment to MFRSs (Annual Improvements to MFRSs 2011-2013 Cycle)	1 July 2014
Employee Benefits (IAS 19 as amended by IASB in November 2013)	1 July 2014

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>MFRSs, Amendments to MFRSs and IC Interpretation</u>	<u>Effective for annual periods beginning on or after</u>
MFRS 9 Financial Instruments (IFRS 9)	To be announced by MASB

A2. Qualification of annual financial statements

There were no audit qualifications on the financial statements of the Company for the year ended 31 August 2014.

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.

Notes on the quarterly report – 31 AUGUST 2015

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.

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	-	75,364	14,686	7,841	193	-	98,084
Inter-segment sales	-	-	42	118	-	(160)	-
Total revenue	-	75,364	14,728	7,959	193	(160)	98,076
Results							
Segment results	2,539	1,821	(5,091)	(343)	(160)	(98)	(1,332)
Loss from operations							(1,332)
Interest expense							(1,254)
Interest income							283
Share of results of joint venture							(346)
Loss before tax							(2,649)
Income tax expense							(852)
Loss for the year							(3,501)

Notes on the quarterly report – 31 AUGUST 2015

Attributable to:

Equity holders of the parent	(3,541)
Minority interest	40
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	(3,501)
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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 2015 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 of a material nature since the last balance sheet date until the date of this announcement, except for: Corporate guarantees amounting to RM23.51 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 Subsidiary, Associate & purchase of plant and equipment	2,181	-
	<hr/>	<hr/>

Notes on the quarterly report – 31 AUGUST 2015

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

B1. Review of performance

For the quarter ended 31 August 2015, the Group achieved a revenue of RM24.88 million and a profit after tax of RM0.09 million, compared to a loss after tax of RM5.40 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 RM19.56 million and a profit of RM0.64 million for the quarter ended 31 August 2015 as compared to a revenue of RM18.66 million and a loss of RM1.15 million for the corresponding period last year.

The improvement of result was due to increase in sales from European clients and LCD TV clients.

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

This segment recorded a revenue of RM3.55 million and a loss of RM2.61 million for the quarter ended 31 August 2015 as compared to a revenue of RM4.18 million and a loss of RM2.40 million for the corresponding period last year.

Significant improvements to our operations has helped reduced losses however the management decided to impair RM2.2 million on PPE making total losses at RM2.6 million.

Fabrication & forging segment

This segment recorded a revenue of RM1.77 million and a profit of RM0.18 million for the quarter ended 31 August 2015 as compared to a revenue of RM2.25 million and a loss of RM0.49 million for the corresponding period last year.

The improvement in the results was due to improved productivity and efficiency.

B2. Variation of results against preceding quarter

Total Group revenue was at RM24.88 million, an decrease of 3.46% compared to the preceding quarter. The Group recorded a profit after tax of RM0.09 million for the current quarter ended 31 August 2015 as compared to a profit after tax of RM0.002 million in the preceding quarter.

Despite a significant impairment on Property, Plant & Equipment the final result was offset by unrealised foreign exchange gain.

B3. Current year prospects

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

The Group will further its effort in promoting the EMS (Electronic Manufacturing Services) business model and to bring in new clients.

Notes on the quarterly report – 31 AUGUST 2015

B4. Variance of actual and forecast profit

The Group had not provided any profit forecast for the current financial year ended 31 August 2015.

B5. Profit/(Loss) for the period

Profit/(loss) for the period is arrived at after charging/(crediting):-	Current Quarter 31.08.2015 RM'000	Current year To date 31.08.2015 RM'000
Depreciation of property, plant & equipment	1,449	5,808
Finance cost	303	1,254
Gain on disposal of property, plant and equipment	(10)	(146)
Net foreign exchange loss/(gain)	382	(424)
Interest income	(99)	(283)
Impairment of property, plant and equipment	2,200	2,200

B6. Tax expense

	Current Quarter 31.08.2015 RM' 000	Current year To date 31.08.2015 RM' 000
Current tax expense	286	169
Current deferred tax expense	179	413
Underprovision of deferred tax in prior year	270	270
	<hr/> 735 <hr/>	<hr/> 852 <hr/>

The effective tax rate was higher than the statutory tax rate of 25% mainly because interest income subject to 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.

B9. Status of corporate proposal announced

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

Notes on the quarterly report – 31 AUGUST 2015

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	2,822	-	2,822
Trust receipts, bankers' acceptance & revolving credit	270	-	270
Term loans	2,660	-	2,660
Hire purchase	755	-	755
	<hr/> 6,507	-	<hr/> 6,507
Long term			
Terms loans	12,255	-	12,255
Hire purchase	714	-	714
	<hr/> 12,969	-	<hr/> 12,969
	<hr/> <hr/> 19,476	-	<hr/> <hr/> 19,476

All borrowings are denominated in Ringgit Malaysia

B11. Realised and unrealised profit/(loss) disclosure

	As at 31 August 2015 RM'000
Total retained profit of BSL and its subsidiaries	
-Realised	13,838
-Unrealised	2,583
	<hr/> 16,421
Total retained profit/(loss) from joint venture company	
-Realised	(346)
-Unrealised	-
	<hr/> (346)
Total group retained profits as per consolidated accounts	<hr/> <hr/> 16,075

Notes on the quarterly report – 31 AUGUST 2015

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
	31.08.15	31.08.14	31.08.15	31.08.14
Profit/(Loss) attributable to equity holders of the parent (RM'000)	77	(5,418)	(3,541)	(9,802)
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	96,791	96,865	96,791	96,865
Basic Earnings/(Loss) Per Share based on the weighted average number of shares in issue (sen) for:				
Profit from continuing operations	0.08	(5.60)	(3.66)	(10.13)
Profit/(Loss) from discontinued operations	-		-	-
Total (sen)	0.08	(5.60)	(3.66)	(10.13)

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 27 October 2015.

By order of the Board

Ngiam Tong Kwan
Executive Chairman
Selangor
27 October 2015