

BSL CORPORATION BERHAD
(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 29 FEBRUARY 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 29-Feb-16 RM'000	PRECEDING YEAR QUARTER 28-Feb-15 RM'000	CURRENT YEAR TO DATE 29-Feb-16 RM'000	PRECEDING YEAR TO DATE 28-Feb-15 RM'000
Continuing Operations				
Revenue	24,842	23,479	51,070	47,422
Cost of sales	(23,775)	(23,274)	(48,192)	(47,730)
Gross profit/(loss)	<u>1,067</u>	<u>205</u>	<u>2,878</u>	<u>(308)</u>
Other Income	187	390	655	401
Other expenses	(2,098)	(1,655)	(3,862)	(2,995)
Results from operating activities	<u>(844)</u>	<u>(1,060)</u>	<u>(329)</u>	<u>(2,902)</u>
Interest expense	(248)	(317)	(538)	(647)
Interest income	65	71	128	137
Share of result of joint venture	(24)	(70)	(49)	(192)
Profit/ (Loss) before tax	<u>(1,051)</u>	<u>(1,376)</u>	<u>(788)</u>	<u>(3,604)</u>
Income tax expense	(402)	(29)	(492)	(43)
Profit / (Loss) for the year	<u>(1,453)</u>	<u>(1,405)</u>	<u>(1,280)</u>	<u>(3,647)</u>
Other comprehensive income:				
Exchange differences on translation of foreign operations	(132)	35	21	(30)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(1,585)</u>	<u>(1,370)</u>	<u>(1,259)</u>	<u>(3,677)</u>
Profit/(Loss) attributable to :				
Equity holders of the company	(1,438)	(1,421)	(1,280)	(3,677)
Non-controlling interest	(15)	16	(70)	30
	<u>(1,453)</u>	<u>(1,405)</u>	<u>(1,350)</u>	<u>(3,647)</u>
Total comprehensive income attributable to :				
Equity holders of the company	(1,570)	(1,386)	(1,259)	(3,707)
Non-controlling interest	(15)	16	(70)	30
	<u>(1,585)</u>	<u>(1,370)</u>	<u>(1,329)</u>	<u>(3,677)</u>
Basic Earnings/(Loss) Per Share based on the weighted average				
number of shares in issue (Sen)	<u>(1.49)</u>	<u>(1.47)</u>	<u>(1.32)</u>	<u>(3.80)</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 2015.

BSL CORPORATION BERHAD
(Company No. 651118-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 29 FEBRUARY 2016

	Note	As at 29-Feb-16 RM'000	As at 31-Aug-15 RM'000
ASSETS			
Non current assets			
Property, plant and equipment		45,421	48,194
Investment in joint venture		3,634	4,217
Total non current assets		<u>49,055</u>	<u>52,411</u>
Current assets			
Non-current assets held for sales		-	9,561
Inventories		10,618	9,432
Trade receivables		21,587	17,345
Other receivables		5,144	4,470
Cash and bank balances		21,303	18,039
Total current assets		<u>58,652</u>	<u>58,847</u>
Total assets		<u>107,707</u>	<u>111,258</u>
Equity and liabilities			
Capital and reserves			
Share capital		49,000	49,000
Share premium		1,767	1,767
Treasury shares		(422)	(420)
Reserves		13,668	16,048
Equity attributable to equity holders of the parent		<u>64,013</u>	<u>66,395</u>
Non-controlling interest		5,082	5,152
Total equity		<u>69,095</u>	<u>71,547</u>
Non current liabilities			
Long term borrowings		12,145	12,969
Deferred taxation liabilities		1,695	1,443
Total non current liabilities		<u>13,840</u>	<u>14,412</u>
Current liabilities			
Trade payables		15,832	14,703
Other payables		4,017	3,737
Short term borrowings		4,273	6,507
Liability associated with non-current assets classified as held for sale		-	271
Tax liabilities		650	81
Total current liabilities		<u>24,772</u>	<u>25,299</u>
Total liabilities		<u>38,612</u>	<u>39,711</u>
Total equity and liabilities		<u>107,707</u>	<u>111,258</u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)		<u>0.66</u>	<u>0.69</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 2015.

BSL CORPORATION BERHAD
(Company No. 651118-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 29 FEBRUARY 2016

	29-Feb-16 RM'000	28-Feb-15 RM'000
Cash flows from operating activities		
Profit for the year	(1,280)	(3,647)
Adjustments for:		
Non-cash items	4,041	3,111
Non-operating items	2,369	2,075
Operating profit before working capital changes	5,130	1,539
Decrease/(Increase) in working capital:		
Inventories	(1,185)	898
Receivables	(6,467)	(3,211)
Payables	1,410	320
Cash generated from operations	(1,112)	(454)
Income tax paid	(206)	(645)
Net cash from operating activities	(1,318)	(1,099)
Cash flows used in investing activities		
Interest received	128	137
Proceeds from disposal of property, plant and equipment	9,356	1,081
Investment in indirect subsidiary	-	-
Purchase of property, plant and equipment	(457)	(902)
Net cash used in investing activities	9,027	316
Cash flows used in financing activities		
Net decrease in bank borrowings	(2,161)	(1,501)
Interest paid	(538)	(647)
Purchase of treasury share	(1)	(3)
Net cash used in financing activities	(2,700)	(2,151)
Net increase / (decrease) in cash and cash equivalents	5,009	(2,934)
Cash and cash equivalents at beginning of financial year	14,463	17,456
Cash and cash equivalents at end of financial year	<u>19,472</u>	<u>14,522</u>
Cash and cash equivalents at end of year comprise:		
Cash and bank balances	9,689	6,008
Deposits in licensed banks	11,614	12,293
Bank overdrafts	(1,077)	(3,025)
	20,226	15,276
Less : Fixed deposit pledged to licensed bank	(754)	(754)
	<u>19,472</u>	<u>14,522</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 2015.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 29 FEBRUARY 2016

	<i>Non-distributable</i>				<i>Distributable</i>			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 2015	49,000	1,767	(1,097)	(420)	17,145	66,395	5,152	71,547
Issuance of ordinary shares of subsidiary Treasury shares	-	-	-	-	-	-	-	-
Loss for the period	-	-	(1,100)	(2)	(1,280)	(2,380)	(70)	(2,450)
Other comprehensive loss for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(1,100)	-	(1,280)	(2,380)	(70)	(2,450)
Balance as at 29 February 2016	49,000	1,767	(2,197)	(422)	15,865	64,013	5,082	69,095

	<i>Non-distributable</i>				<i>Distributable</i>			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
Treasury shares	-	-	-	(3)	-	(3)	-	(3)
Issuance of ordinary shares of subsidiary	-	-	-	-	-	-	-	-
Profit / (Loss) for the period	-	-	-	-	(3,677)	(3,677)	30	(3,647)
Other comprehensive income/ (loss) for the period	-	-	25	-	-	25	-	25
Total comprehensive loss for the period	-	-	25	-	(3,677)	(3,652)	30	(3,622)
Balance as at 28 February 2015	49,000	1,767	326	(408)	17,036	67,721	4,998	72,719

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 2015.

Notes on the quarterly report – 29 February 2016

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 2015.

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 2015 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 2015. The adoption of the MFRSs and Amendments do not have significant impact on the financial statements of the Group.

A2. Qualification of annual financial statements

There were no audit qualifications on the financial statements of the Company for the year ended 31 August 2015.

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 – 29 February 2016

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	-	43,094	4,772	3,179	25	-	51,070
Inter-segment sales	-	35	-	-	1	(36)	-
Total revenue	-	43,129	4,772	3,179	26	(36)	51,070
Results							
Segment results	(286)	1,084	(756)	(140)	(231)	-	(329)
Profit from operations							(329)
Interest expense							(538)
Interest income							128
Share of results of joint venture							(49)
Loss before tax							(788)
Income tax expense							(492)
Loss for the year							(1,280)
Attributable to:							
Equity holders of the parent							(1,210)
Minority interest							(70)
							(1,280)

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 29 February 2016 up to the date of this report, which are likely to substantially affect the results of the operations of the Group.

Notes on the quarterly report – 29 February 2016

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 RM19.47 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	1,599	-

Notes on the quarterly report – 29 February 2016

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

B1. Review of performance

For the quarter ended 29 February 2016, the Group achieved a revenue of RM24.84 million and a loss after tax of RM1.45 million, compared to a loss after tax of RM1.40 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 RM21.66 million and a profit of RM0.35 million for the quarter ended 29 February 2016 as compared to a revenue of RM17.95 million and a profit of RM0.40 million for the corresponding period last year.

Although revenue improved, lower profit was recorded due to product mix.

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

This segment recorded a revenue of RM1.60 million and a loss of RM0.89 million for the quarter ended 29 February 2016 as compared to a revenue of RM3.48 million and a loss of RM1.46 million for the corresponding period last year.

The decline in revenue was mainly due to drop in order from customers.

Fabrication & forging segment

This segment recorded a revenue of RM1.57 million and a profit of RM0.26 million for the quarter ended 29 February 2016 as compared to a revenue of RM2.10 million and a loss of RM0.26 million for the corresponding period last year.

The decline in revenue was mainly due to drop in orders from brass forging parts.

B2. Variation of results against preceding quarter

Total Group revenue was at RM24.84 million, an increase of 5.8% compared to the preceding quarter. The Group recorded a loss after tax of RM1.45 million for the current quarter ended 29 February 2016 as compared to a profit after tax of RM0.22 million in the preceding quarter.

The loss of the group was mainly due to decline in revenue from Printed Circuit Board Assembly and Fabrication & Forging segment.

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.

We are in the midst of finalizing an EMS order with one of our clients.

Notes on the quarterly report – 29 February 2016

B4. Variance of actual and forecast profit

The Group had not provided any profit forecast for the current financial year ended 31 August 2016.

B5. Profit/(Loss) for the period

Profit/(loss) for the period is arrived at after charging/(crediting):-	Current Quarter 29.02.2016 RM'000	Current year To date 29.02.2016 RM'000
Depreciation of property, plant & equipment	1,178	2,371
Finance cost	248	538
Gain on disposal of property, plant and equipment	(50)	(116)
Net foreign exchange loss/(gain)	(70)	(196)
Interest income	(65)	(129)

B6. Tax expense

	Current Quarter 29.02.2016 RM' 000	Current year To date 29.02.2016 RM' 000
Current tax expense	402	492
Current deferred tax expense	-	-
Underprovision of deferred tax in prior year	-	-
	402	492

The effective tax rate was higher than the statutory tax rate of 25% mainly due to payment of Real Property Gain Tax for disposal of one of the factory.

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 – 29 February 2016

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	1,078	-	1,078
Trust receipts, bankers' acceptance & revolving credit	-	-	-
Term loans	2,660	-	2,660
Hire purchase	535	-	535
	<hr/> 4,273	<hr/> -	<hr/> 4,273
Long term			
Terms loans	10,966	-	10,966
Hire purchase	1,179	-	1,179
	<hr/> 12,145	<hr/> -	<hr/> 12,145
	<hr/> 16,418	<hr/> -	<hr/> 16,418

All borrowings are denominated in Ringgit Malaysia

B11. Realised and unrealised profit/(loss) disclosure

	As at 29 February 2016 RM'000
Total retained profit of BSL and its subsidiaries	
-Realised	15,412
-Unrealised	1,695
	<hr/> 13,717
Total retained profit/(loss) from joint venture company	
-Realised	(49)
-Unrealised	-
	<hr/> (49)
Total group retained profits as per consolidated accounts	<hr/> 13,668 <hr/>

Notes on the quarterly report – 29 February 2016

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
	29.02.16	28.02.15	29.02.16	28.02.15
Profit/(Loss) attributable to equity holders of the parent (RM'000)	(1,438)	(1,421)	(1,280)	(3,678)
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	96,719	96,791	96,719	96,791
Basic Earnings/(Loss) Per Share based on the weighted average number of shares in issue (sen) for:				
Profit from continuing operations	(1.49)	(1.47)	(1.32)	(3.80)
Profit/(Loss) from discontinued operations	-	-	-	-
Total (sen)	(1.49)	(1.47)	(1.32)	(3.80)

Notes on the quarterly report – 29 February 2016

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 April 2016.

By order of the Board

Ngiam Tong Kwan
Executive Chairman
Selangor
27 April 2016