

BSL CORPORATION BERHAD

(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 AUGUST 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Aug-16 RM'000	PRECEDING YEAR QUARTER 31-Aug-15 RM'000	CURRENT YEAR TO DATE 31-Aug-16 RM'000	PRECEDING YEAR TO DATE 31-Aug-15 RM'000
Continuing Operations				
Revenue	26,155	24,882	108,262	98,076
Cost of sales	(26,601)	(23,139)	(103,525)	(95,116)
Gross profit/(loss)	(446)	1,743	4,737	2,960
Other income	9,373	3,973	10,674	5,350
Other expenses	(3,481)	(4,643)	(9,395)	(9,669)
Results from operating activities	5,446	1,073	6,016	(1,359)
Interest expense	(205)	(303)	(1,000)	(1,254)
Interest income	89	99	288	283
Share of result of joint venture	(61)	(46)	(121)	(346)
Profit/ (Loss) before tax	5,269	823	5,183	(2,676)
Income tax expense	23	(735)	(585)	(852)
Profit /(Loss) for the period/year	5,292	88	4,598	(3,528)
Other comprehensive (loss)/income:				
Share of other comprehensive loss in JV	(74)	-	(74)	-
Exchange differences on translation of foreign operations	118	(592)	225	(1,398)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD/YEAR	5,336	(504)	4,749	(4,926)
Profit/(Loss) attributable to :				
Equity holders of the company	5,343	77	4,762	(3,568)
Non-controlling interest	(51)	11	(164)	40
	5,292	88	4,598	(3,528)
Total comprehensive income attributable to :				
Equity holders of the company	5,461	(515)	4,913	(4,966)
Non-controlling interest	(51)	11	(164)	40
	5,410	(504)	4,749	(4,926)
Basic Earnings/(Loss) Per Share based on the weighted average number of shares in issue (Sen)				
	5.52	0.08	4.92	(3.69)

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 31 AUGUST 2016

	Note	As at 31-Aug-16 RM'000	As at 31-Aug-15 RM'000 (Restated)
ASSETS			
Non current assets			
Property, plant and equipment		51,327	52,404
Investment in joint venture		4,805	4,217
Total non current assets		<u>56,132</u>	<u>56,621</u>
Current assets			
Non-current assets held for sales		-	5,351
Inventories		12,054	9,432
Trade receivables		19,452	17,345
Other receivables		5,838	4,470
Other investments		3,382	-
Cash and bank balances		14,904	18,039
Total current assets		<u>55,630</u>	<u>54,637</u>
Total assets		<u>111,762</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		24,008	16,048
Equity attributable to equity holders of the parent		<u>74,353</u>	<u>66,395</u>
Non-controlling interest		429	5,152
Total equity		<u>74,782</u>	<u>71,547</u>
Non current liabilities			
Long term borrowings		11,222	12,969
Deferred taxation liabilities		1,568	1,714
Total non current liabilities		<u>12,790</u>	<u>14,683</u>
Current liabilities			
Trade payables		16,465	14,703
Other payables		3,426	3,737
Short term borrowings		4,277	6,507
Tax liabilities		22	81
Total current liabilities		<u>24,190</u>	<u>25,028</u>
Total liabilities		<u>36,980</u>	<u>39,711</u>
Total equity and liabilities		<u>111,762</u>	<u>111,258</u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)		<u>0.77</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 31 AUGUST 2016

	31-Aug-16 RM'000	31-Aug-15 RM'000
Cash flows from operating activities		
Profit/(Loss) for the year	4,598	(3,528)
Adjustments for:		
Non-cash items	3,288	4,890
Non-operating items	<u>(3,068)</u>	<u>2,170</u>
Operating profit before working capital changes	4,818	3,532
(Increase)/Decrease in working capital:		
Inventories	(2,634)	41
Receivables	(5,539)	(5,018)
Payables	<u>1,697</u>	<u>5,080</u>
Cash (used in)/generated from operations	(1,658)	3,635
Income tax paid	<u>(169)</u>	<u>(569)</u>
Net cash (used in)/generated from operating activities	<u>(1,827)</u>	<u>3,066</u>
Cash flows from investing activities		
Interest received	288	283
Proceeds from disposal of property, plant and equipment	9,921	275
Cash paid for further acquisition of subsidiary company	(2,000)	-
Net cashflow received from acquisition	(1)	-
Investment in joint venture	(1,000)	-
Investment in subsidiary	490	144
Purchase of property, plant and equipment	<u>(3,833)</u>	<u>(1,537)</u>
Net cash generated from/(used in) investing activities	<u>3,865</u>	<u>(835)</u>
Cash flows from financing activities		
Net decrease in bank borrowings	(4,138)	(4,426)
Interest paid	(980)	(1,189)
Purchase of treasury share	<u>(2)</u>	<u>-</u>
Net cash used in financing activities	<u>(5,120)</u>	<u>(5,615)</u>
Net decrease in cash and cash equivalents	(3,082)	(3,384)
Effect of changes in foreign currency translation reserves	(212)	330
Cash and cash equivalents at beginning of financial year	<u>17,400</u>	<u>20,454</u>
Cash and cash equivalents at end of financial year	<u>14,106</u>	<u>17,400</u>
Cash and cash equivalents at end of year comprise:		
Cash and bank balances	9,068	6,947
Deposits in licensed banks	<u>5,837</u>	<u>11,092</u>
	14,905	18,039
Less : Fixed deposit pledged to licensed bank	<u>(799)</u>	<u>(639)</u>
	<u>14,106</u>	<u>17,400</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 31 AUGUST 2016

	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 2015	49,000	1,767	(1,097)	(420)	17,145	66,395	5,152	71,547
Equity adjustment	-	-	-	-	3,047	3,047	(5,047)	(2,000)
Acquisition of shares	-	-	-	-	-	-	(2)	(2)
Issuance of ordinary shares of subsidiary	-	-	-	-	-	-	490	490
Treasury shares	-	-	-	(2)	-	(2)	-	(2)
Profit/(Loss) for the year	-	-	151	-	4,762	4,762	(164)	4,598
Other comprehensive income for the year	-	-	-	-	-	151	-	151
Total comprehensive income/(loss) for the year	-	-	151	-	4,762	4,913	(164)	4,749
Balance as at 31 August 2016	<u>49,000</u>	<u>1,767</u>	<u>(946)</u>	<u>(422)</u>	<u>24,954</u>	<u>74,353</u>	<u>429</u>	<u>74,782</u>

	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
Treasury shares	-	-	-	(15)	-	(15)	-	(15)
Issuance of ordinary shares of subsidiary	-	-	-	-	-	-	144	144
(Loss)/Profit for the year	-	-	(1,398)	-	(3,568)	(3,568)	40	(3,528)
Other comprehensive loss for the year	-	-	(1,398)	-	-	(1,398)	-	(1,398)
Total comprehensive (loss)/income for the year	-	-	(1,398)	-	(3,568)	(4,966)	40	(4,926)
Balance as at 31 August 2015	<u>49,000</u>	<u>1,767</u>	<u>(1,097)</u>	<u>(420)</u>	<u>17,145</u>	<u>66,395</u>	<u>5,152</u>	<u>71,547</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 2015.

Notes on the quarterly report – 31 August 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 – 31 August 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	-	96,888	11,025	-	349	-	108,262
Inter-segment sales	9,700	33	610	-	24	(10,367)	-
Total revenue	9,700	96,921	11,635	-	373	(10,367)	108,262
Results							
Segment results	2,989	982	2,649	(90)	(652)	138	6,016
Profit from operations							6,016
Interest expense							(1,000)
Interest income							288
Share of results of joint venture							(121)
Profit before tax							5,183
Income tax expense							(585)
Profit for the year							4,598
Attributable to:							
Equity holders of the parent							4,762
Minority interest							(164)
							4,598

Notes on the quarterly report – 31 August 2016

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 2016 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 RM15.49 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	373	-

Notes on the quarterly report – 31 August 2016

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

B1. Review of performance

For the quarter ended 31 August 2016, the Group achieved a revenue of RM26.16 million and profit after tax of RM5.29 million, compared to a revenue of RM24.88 million and profit after tax of RM0.09 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 RM21.51 million and a loss of RM1.68 million for the quarter ended 31 August 2016 as compared to a revenue of RM19.56 million and a profit of RM0.63 million for the corresponding period last year.

The loss was due to additional expenses for new product development, setting up costs for the production of new TV Back Chassis, increase of minimum wage from RM900 to RM1,000 and provision of doubtful debts.

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

This segment recorded a revenue of RM3.97 million and a profit of RM3.33 million for the quarter ended 31 August 2016 as compared to a revenue of RM3.55 million and a loss of RM2.61 million for the corresponding period last year.

The operational loss of this segment has reduced significantly due to internal improvement, the profit was due to non-operational income from the conversion of the provision of doubtful debts in previous year to shares for the total of RM3.3 million.

Fabrication & forging segment

This segment recorded a revenue of RM1.24 million and a profit of RM0.04 million for the quarter ended 31 August 2016 as compared to a revenue of RM1.77 million and a loss of RM0.18 million for the corresponding period last year.

The decline in revenue was mainly due to drop in orders from an air-conditioner manufacturer.

B2. Variation of results against preceding quarter

Total Group revenue was at RM26.15 million, a decrease of 15.7% compared to the preceding quarter. The Group recorded profit after tax of RM5.29 million for the current quarter ended 31 August 2016 as compared to a profit after tax of RM0.001 million in the preceding quarter.

The improvement of the results were mainly due to reversal of provision of doubtful debts no longer required and gain on derecognition of receivables.

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 2016

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

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 for the period

Profit for the period is arrived at after charging/(crediting):-	Current Quarter 31.08.2016 RM'000	Current year to date 31.08.2016 RM'000
Depreciation of property, plant & equipment	1,158	4,712
Finance cost	611	1,000
Loss/(Gain) on disposal of property, plant and equipment	374	(4,476)
Gain on derecognition of receivables	-	(2,241)
Net foreign exchange loss	261	687
Interest income	(74)	(288)

B6. Income tax expense

	Current Quarter 31.08.2016 RM' 000	Current year To date 31.08.2016 RM' 000
Income tax	(94)	423
Deferred tax	(238)	(147)
Real property gain tax	309	309
	23	585

The effective tax rate was lower than the statutory tax rate of 24% mainly due to certain Company having a tax assets.

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 additional of quoted shares outside Malaysia by way of payment from the customer. No 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.

BSL CORPORATION BERHAD
(Company No: 651118-K)

Notes on the quarterly report – 31 August 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	130	-	130
Trust receipts, bankers' acceptance & revolving credit	218	-	218
Term loans	2,586	-	2,586
Hire purchase	1,343	-	1,343
	<u>4,277</u>	<u>-</u>	<u>4,277</u>
Long term			
Terms loans	9,749	-	9,749
Hire purchase	1,473	-	1,473
	<u>11,222</u>	<u>-</u>	<u>11,222</u>
	<u>15,499</u>	<u>-</u>	<u>15,499</u>

All borrowings are denominated in Ringgit Malaysia

B11. Realised and unrealised profit/(loss) disclosure

	As at 31 August 2016 RM'000
Total retained profit of BSL and its subsidiaries	
-Realised	52,129
-Unrealised	(5,531)
	<u>46,598</u>
Total retained profit/(loss) from joint venture company	
-Realised	(657)
-Unrealised	-
	<u>(657)</u>
Less: Consolidation adjustments	<u>(21,933)</u>

Total group retained profits as per consolidated accounts	
-Realised	24,931
-Unrealised	(923)
	24,008
	24,008

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
	31.08.16	31.08.15	31.08.16	31.08.15
Profit/(Loss) attributable to equity holders of the parent (RM'000)	5,343	77	4,762	(3,568)
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	96,720	96,791	96,720	96,791
Basic Earnings/(Loss) Per Share based on the weighted average number of shares in issue (sen) for:				
Profit from continuing operations	5.52	0.08	4.92	(3.69)
Profit/(Loss) from discontinued operations	-	-	-	-
Total (sen)	5.52	0.08	4.92	(3.69)

Notes on the quarterly report – 31 August 2016

B16. Restatement

In prior year, the Group has reclassified the property, plant and equipment to non-current asset held for sale. The statement of financial position as at 31 August 2015 were restated as follows:

- Property, plant and equipment increased by RM4,201,261
- Non-current asset held for sale decreased by RM4,201,261
- Deferred tax liabilities increased by RM271,068
- Liability associated with non-current asset held for sale decreased by RM271,068

B17. Authorisation for issue

This quarterly report was authorised for issue by the Board of Directors in accordance with the resolution of the directors on 27 October 2016.

By order of the Board

Ngiam Tong Kwan
Executive Chairman
Selangor
27 October 2016