

BSL CORPORATION BERHAD

(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 NOVEMBER 2017**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|---|---|---|
| | CURRENT YEAR QUARTER 30-Nov-16 RM'000 | PRECEDING YEAR QUARTER 30-Nov-15 RM'000 | CURRENT YEAR TO DATE 30-Nov-16 RM'000 | PRECEDING YEAR TO DATE 30-Nov-15 RM'000 |
| Continuing Operations | | | | |
| Revenue | 29,594 | 26,228 | 29,594 | 26,228 |
| Cost of sales | (26,791) | (24,416) | (26,791) | (24,416) |
| Gross profit/(loss) | <u>2,803</u> | <u>1,812</u> | <u>2,803</u> | <u>1,812</u> |
| Other income | 261 | 518 | 261 | 518 |
| Other expenses | (1,989) | (1,767) | (1,989) | (1,767) |
| Results from operating activities | <u>1,075</u> | <u>563</u> | <u>1,075</u> | <u>563</u> |
| Interest expense | (220) | (290) | (220) | (290) |
| Interest income | 88 | 63 | 88 | 63 |
| Share of result of joint venture | (20) | (25) | (20) | (25) |
| Profit/ (Loss) before tax | <u>923</u> | <u>311</u> | <u>923</u> | <u>311</u> |
| Income tax expense | (165) | (90) | (165) | (90) |
| Profit /(Loss) for the period/year | <u>758</u> | <u>221</u> | <u>758</u> | <u>221</u> |
| Other comprehensive (loss)/income: | | | | |
| Exchange differences on translation of foreign operations | (184) | 153 | (184) | 153 |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD/YEAR | <u>574</u> | <u>374</u> | <u>574</u> | <u>374</u> |
| Profit/(Loss) attributable to : | | | | |
| Equity holders of the company | 517 | 277 | 517 | 277 |
| Non-controlling interest | 241 | (56) | 241 | (56) |
| | <u>758</u> | <u>221</u> | <u>758</u> | <u>221</u> |
| Total comprehensive income attributable to : | | | | |
| Equity holders of the company | 333 | 430 | 333 | 430 |
| Non-controlling interest | 241 | (56) | 241 | (56) |
| | <u>574</u> | <u>374</u> | <u>574</u> | <u>374</u> |
| Basic Earnings/(Loss) Per Share based on the weighted average number of shares in issue (Sen) | | | | |
| | <u>0.53</u> | <u>0.29</u> | <u>0.53</u> | <u>0.29</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 2016.

BSL CORPORATION BERHAD
(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 30 NOVEMBER 2016**

| | Note | As at 30-Nov-16 RM'000 | As at 31-Aug-16 RM'000 |
|---|------|------------------------------|------------------------------|
| ASSETS | | | |
| Non current assets | | | |
| Property, plant and equipment | | 50,059 | 51,327 |
| Investment in joint venture | | 4,236 | 4,805 |
| Total non current assets | | <u>54,295</u> | <u>56,132</u> |
| Current assets | | | |
| Inventories | | 11,933 | 12,053 |
| Trade receivables | | 20,164 | 19,386 |
| Other receivables | | 12,693 | 5,904 |
| Other investments | | 3,382 | 3,382 |
| Cash and bank balances | | 12,374 | 14,904 |
| Total current assets | | <u>60,546</u> | <u>55,629</u> |
| Total assets | | <u>114,841</u> | <u>111,761</u> |
| Equity and liabilities | | | |
| Capital and reserves | | | |
| Share capital | | 49,000 | 49,000 |
| Share premium | | 1,767 | 1,767 |
| Treasury shares | | (425) | (422) |
| Reserves | | 24,540 | 24,007 |
| Equity attributable to equity holders of the parent | | <u>74,882</u> | <u>74,352</u> |
| Non-controlling interest | | 670 | 429 |
| Total equity | | <u>75,552</u> | <u>74,781</u> |
| Non current liabilities | | | |
| Long term borrowings | | 10,534 | 11,222 |
| Deferred taxation liabilities | | 1,583 | 1,568 |
| Total non current liabilities | | <u>12,117</u> | <u>12,790</u> |
| Current liabilities | | | |
| Trade payables | | 18,016 | 16,250 |
| Other payables | | 1,993 | 3,641 |
| Short term borrowings | | 6,627 | 4,277 |
| Tax liabilities | | 536 | 22 |
| Total current liabilities | | <u>27,172</u> | <u>24,190</u> |
| Total liabilities | | <u>39,289</u> | <u>36,980</u> |
| Total equity and liabilities | | <u>114,841</u> | <u>111,761</u> |
| Net Assets per share attributable to ordinary equity holders of the parent (RM) | | <u>0.77</u> | <u>0.77</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 2016.

BSL CORPORATION BERHAD
(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 NOVEMBER 2016**

| | 30-Nov-16 RM'000 | 30-Nov-15 RM'000 |
|---|---------------------|---------------------|
| Cash flows from operating activities | | |
| Profit/(Loss) for the year | 758 | 221 |
| Adjustments for: | | |
| Non-cash items | 1,698 | 2,612 |
| Non-operating items | <u>1,094</u> | <u>2,126</u> |
| Operating profit before working capital changes | 3,550 | 4,959 |
| (Increase)/Decrease in working capital: | | |
| Inventories | 120 | 469 |
| Receivables | (881) | (3,901) |
| Payables | <u>117</u> | <u>935</u> |
| Cash (used in)/generated from operations | 2,906 | 2,462 |
| Income tax paid | <u>(757)</u> | <u>(377)</u> |
| Net cash (used in)/generated from operating activities | <u>2,149</u> | <u>2,085</u> |
| Cash flows from investing activities | | |
| Interest received | 88 | 64 |
| Proceeds from disposal of property, plant and equipment | 118 | 66 |
| Purchase of property, plant and equipment | <u>(5,845)</u> | <u>(421)</u> |
| Net cash generated from/(used in) investing activities | <u>(5,639)</u> | <u>(291)</u> |
| Cash flows from financing activities | | |
| Net decrease in bank borrowings | (729) | (1,249) |
| Interest paid | (220) | (290) |
| Purchase of treasury share | <u>(3)</u> | <u>(2)</u> |
| Net cash used in financing activities | <u>(952)</u> | <u>(1,541)</u> |
| Net decrease in cash and cash equivalents | (4,442) | 253 |
| Cash and cash equivalents at beginning of financial year | <u>13,757</u> | <u>14,463</u> |
| Cash and cash equivalents at end of financial year | <u>9,315</u> | <u>14,716</u> |
| Cash and cash equivalents at end of year comprise: | | |
| Cash and bank balances | 7,509 | 6,704 |
| Deposits in licensed banks | 4,864 | 11,128 |
| Bank overdrafts | <u>(2,259)</u> | <u>(2,582)</u> |
| | 10,114 | 15,250 |
| Less : Fixed deposit pledged to licensed bank | <u>(799)</u> | <u>(534)</u> |
| | <u>9,315</u> | <u>14,716</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 2016.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 NOVEMBER 2016

| | Non-distributable | | | | Distributable | | | Attributable to Equity Holders of the Parent RM'000 | Non-controlling Interest RM'000 | 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 | | | | | |
| Balance as at 1 September 2016 | 49,000 | 1,767 | (946) | (422) | 24,953 | 74,352 | 429 | 74,781 | | |
| Treasury shares | - | - | - | (3) | - | (3) | - | (3) | | |
| Profit/(Loss) for the year | - | - | 16 | - | 517 | 517 | 241 | 758 | | |
| Other comprehensive income for the year | - | - | 16 | - | - | 16 | - | 16 | | |
| Total comprehensive income/(loss) for the year | - | - | 16 | - | 517 | 533 | 241 | 774 | | |
| Balance as at 30 November 2016 | 49,000 | 1,767 | (930) | (425) | 25,470 | 74,882 | 670 | 75,552 | | |
| Balance as at 1 September 2015 | 49,000 | 1,767 | (1,097) | (420) | 17,145 | 66,395 | 5,152 | 71,547 | | |
| Treasury shares | - | - | - | (2) | - | (2) | - | (2) | | |
| Issuance of ordinary shares of subsidiary (Loss)/Profit for the year | - | - | (54) | - | 277 | 223 | (56) | 167 | | |
| Other comprehensive loss for the year | - | - | - | - | - | - | - | - | | |
| Total comprehensive (loss)/income for the year | - | - | (54) | - | 277 | 223 | (56) | 167 | | |
| Balance as at 30 November 2015 | 49,000 | 1,767 | (1,151) | (422) | 17,422 | 66,616 | 5,096 | 71,712 | | |

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 2016.

Notes on the quarterly report – 30 November 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 2016.

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 2016 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 2016.

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 – 30 November 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 | - | 22,667 | 2,971 | 791 | 3,165 | - | 29,594 |
| Inter-segment sales | - | - | - | - | (4,752) | (4,752) | - |
| Total revenue | - | 22,667 | 2,971 | 791 | 7,917 | (4,752) | 29,594 |
| Results | | | | | | | |
| Segment results | (63) | 770 | (253) | 36 | 585 | | 1,075 |
| Profit from operations | | | | | | | 1,075 |
| Interest expense | | | | | | | (220) |
| Interest income | | | | | | | 88 |
| Share of results of joint venture | | | | | | | (20) |
| Profit before tax | | | | | | | 923 |
| Income tax expense | | | | | | | (165) |
| Profit for the year | | | | | | | 758 |
| Attributable to: | | | | | | | |
| Equity holders of the parent | | | | | | | 517 |
| Minority interest | | | | | | | 241 |
| | | | | | | | 758 |

Notes on the quarterly report – 30 November 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 30 November 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 | 2,455 | - |

Notes on the quarterly report – 30 November 2016

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

B1. Review of performance

For the quarter ended 30 November 2016, the Group achieved a revenue of RM29.59 million and profit after tax of RM0.76 million, compared to a revenue of RM26.23 million and 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 RM22.67 million and a profit of RM0.77 million for the quarter ended 30 November 2016 as compared to a revenue of RM21.48 million and a profit of RM0.35 million for the corresponding period last year.

The profit was due to increased order from new TV back chassis, rice cooker and microwave oven.

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

This segment recorded a revenue of RM2.97 million and a loss of RM0.25 million for the quarter ended 30 November 2016 as compared to a revenue of RM3.17 million and a profit of RM0.21 million for the corresponding period last year.

The operational loss of this segment was due to drop in orders.

Fabrication & forging segment

This segment recorded a revenue of RM0.79 million and a profit of RM0.03 million for the quarter ended 30 November 2016 as compared to a revenue of RM1.59 million and a loss of RM0.005 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 RM22.67 million, a increase of 5.4% compared to the preceding quarter. The Group recorded profit after tax of RM0.76 million for the current quarter ended 30 November 2016 as compared to a profit after tax of RM5.29 million in the preceding quarter.

The decline of the results was mainly due to reversal of provision of doubtful debts which was no longer required in the preceding quarter.

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, renewable energy business and to bring in new clients.

Notes on the quarterly report – 30 November 2016

B4. Variance of actual and forecast profit

The Group had not provided any profit forecast for the current financial year ended 31 August 2017.

B5. Profit for the period

| Profit for the period is arrived at after charging/(crediting):- | Current Quarter 30.11.2016 RM'000 | Current year to date 30.11.2016 RM'000 |
|---|--|---|
| Depreciation of property, plant & equipment | 1,174 | 1,174 |
| Finance cost | 220 | 220 |
| Loss/(Gain) on disposal of property, plant and equipment | (118) | (118) |
| Net foreign exchange loss | 184 | 184 |
| Interest income | (88) | (88) |

B6. Income tax expense

| | Current Quarter 30.11.2016 RM' 000 | Current year To date 30.11.2016 RM' 000 |
|--------------|---|--|
| Income tax | 150 | 150 |
| Deferred tax | 15 | 15 |
| | 165 | 165 |

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.

Notes on the quarterly report – 30 November 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 | 2,259 | - | 2,259 |
| Trust receipts, bankers' acceptance & revolving credit | 492 | - | 492 |
| Term loans | 2,587 | - | 2,587 |
| Hire purchase | 1,289 | - | 1,289 |
| | <hr/> 6,627 | <hr/> - | <hr/> 6,627 |
| Long term | | | |
| Terms loans | 9,103 | - | 9,103 |
| Hire purchase | 1,431 | - | 1,431 |
| | <hr/> 10,534 | <hr/> - | <hr/> 10,534 |
| | <hr/> 17,161 | <hr/> - | <hr/> 17,161 |

All borrowings are denominated in Ringgit Malaysia

B11. Realised and unrealised profit/(loss) disclosure

| | As at 30 November 2016 RM'000 |
|--|--|
| Total retained profit of BSL and its subsidiaries | |
| -Realised | 26,143 |
| -Unrealised | (1,583) |
| | <hr/> 24,560 |
| Total group retained profits as per consolidated accounts | |
| -Realised | (20) |
| -Unrealised | - |
| | <hr/> 24,540 <hr/> <hr/> |

Notes on the quarterly report – 30 November 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 Current Year Quarter 30.11.16 | Preceding Year Quarter 30.11.15 | Cumulative Current Year to Date 30.11.16 | Preceding Year to Date 30.11.15 |
|--|---|--|---|--|
| Profit/(Loss) attributable to equity holders of the parent (RM'000) | 517 | 277 | 517 | 277 |
| Weighted average number of ordinary shares of RM0.50 each in issue ('000) | 96,716 | 96,791 | 96,716 | 96,791 |
| Basic Earnings/(Loss) Per Share based on the weighted average number of shares in issue (sen) for: | | | | |
| Profit from continuing operations | 0.53 | 0.29 | 0.53 | 0.29 |
| Profit/(Loss) from discontinued operations | - | - | - | - |
| Total (sen) | 0.53 | 0.29 | 0.53 | 0.29 |

Notes on the quarterly report – 30 November 2016

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 20 January 2017.

By order of the Board

Ngiam Tong Kwan
Executive Chairman
Selangor
20 January 2017