

BSL CORPORATION BERHAD
(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Aug-17 RM'000	PRECEDING YEAR QUARTER 31-Aug-16 RM'000	CURRENT YEAR TO DATE 31-Aug-17 RM'000	PRECEDING YEAR TO DATE 31-Aug-16 RM'000
Continuing Operations				
Revenue	45,329	26,155	149,624	108,262
Cost of sales	(42,967)	(26,601)	(137,597)	(103,525)
Gross profit/(loss)	<u>2,362</u>	<u>(446)</u>	<u>12,027</u>	<u>4,737</u>
Other income	662	9,373	2,018	10,674
Other expenses	(320)	(3,481)	(6,048)	(9,395)
Results from operating activities	<u>2,704</u>	<u>5,446</u>	<u>7,997</u>	<u>6,016</u>
Interest expense	(197)	(205)	(847)	(1,000)
Interest income	21	89	65	288
Share of result of joint venture	(61)	(61)	(134)	(121)
Profit/ (Loss) before tax	<u>2,467</u>	<u>5,269</u>	<u>7,081</u>	<u>5,183</u>
Income tax expense	(1,829)	23	(2,817)	(585)
Profit /(Loss) for the period/year	<u>638</u>	<u>5,292</u>	<u>4,264</u>	<u>4,598</u>
Other comprehensive (loss)/income:				
Share of other comprehensive loss in JV	-	(74)	-	(74)
Fair value loss on other investment	(161)	-	(161)	-
Exchange differences on translation of	(664)	118	(247)	225
TOTAL COMPREHENSIVE INCOME	<u>(26)</u>	<u>5,336</u>	<u>3,856</u>	<u>4,749</u>
Profit/(Loss) attributable to :				
Equity holders of the company	891	5,343	3,059	4,762
Non-controlling interest	(253)	(51)	1,205	(164)
	<u>638</u>	<u>5,292</u>	<u>4,264</u>	<u>4,598</u>
Total comprehensive income attributable to :				
Equity holders of the company	227	5,461	2,652	4,913
Non-controlling interest	(253)	(51)	1,205	(164)
	<u>(26)</u>	<u>5,410</u>	<u>3,856</u>	<u>4,749</u>
Basic Earnings/(Loss) Per Share based on the weighted average				
number of shares in issue (Sen)	<u>0.92</u>	<u>5.52</u>	<u>3.17</u>	<u>4.92</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 31 AUGUST 2017

	Note	As at 31-Aug-17 RM'000	As at 31-Aug-16 RM'000
ASSETS			
Non current assets			
Property, plant and equipment		55,110	51,327
Investment in joint venture		4,920	4,805
Other investments		3,604	-
Goodwill on consolidation		11	-
Total non current assets		<u>63,644</u>	<u>56,132</u>
Current assets			
Inventories		11,920	12,053
Trade receivables		36,174	19,386
Amount due from contract customers		3,325	-
Other receivables		3,075	5,904
Other investments		-	3,382
Cash and bank balances		13,941	14,904
Total current assets		<u>68,435</u>	<u>55,629</u>
Total assets		<u>132,079</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		(456)	(422)
Reserves		26,659	24,007
Equity attributable to equity holders of the parent		<u>76,970</u>	<u>74,352</u>
Non-controlling interest		1,629	429
Total equity		<u>78,599</u>	<u>74,781</u>
Non current liabilities			
Long term borrowings		12,332	11,222
Deferred taxation liabilities		2,429	1,568
Total non current liabilities		<u>14,761</u>	<u>12,790</u>
Current liabilities			
Trade payables		28,032	16,250
Other payables		5,002	3,641
Short term borrowings		5,050	4,277
Tax liabilities		634	22
Total current liabilities		<u>38,718</u>	<u>24,190</u>
Total liabilities		<u>53,479</u>	<u>36,980</u>
Total equity and liabilities		<u>132,079</u>	<u>111,761</u>
		0	-
Net Assets per share attributable to ordinary equity holders of the parent (RM)		<u>0.80</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 31 AUGUST 2017**

	31-Aug-17 RM'000	31-Aug-16 RM'000
Cash flows from operating activities		
Profit/(Loss) for the year	4,264	4,598
Adjustments for:		
Non-cash items	4,767	4,750
Non-operating items	<u>2,663</u>	<u>(4,527)</u>
Operating profit before working capital changes	11,694	4,821
(Increase)/Decrease in working capital:		
Inventories	(184)	(2,634)
Receivables	(16,876)	(5,539)
Payables	<u>12,681</u>	<u>1,697</u>
Cash (used in)/generated from operations	7,315	(1,655)
Income tax paid	<u>(1,458)</u>	<u>(169)</u>
Net cash (used in)/generated from operating activities	<u>5,857</u>	<u>(1,824)</u>
Cash flows from investing activities		
Interest received	65	291
Proceeds from disposal of property, plant and equipment	2,399	9,921
Purchase of property, plant and equipment	<u>(10,342)</u>	<u>(3,922)</u>
Net cash generated from/(used in) investing activities	<u>(7,878)</u>	<u>6,290</u>
Cash flows from financing activities		
Net decrease in bank borrowings	779	(6,561)
Interest paid	(799)	(986)
Purchase of treasury share	<u>(34)</u>	<u>(2)</u>
Net cash used in financing activities	<u>(54)</u>	<u>(7,549)</u>
Net Increase/(decrease) in cash and cash equivalents	(2,075)	(3,083)
Effect of changes in foreign currency translation reserves	481	(213)
Cash and cash equivalents at beginning of financial year	<u>14,105</u>	<u>17,401</u>
Cash and cash equivalents at end of financial year	<u>12,511</u>	<u>14,105</u>
Cash and cash equivalents at end of year comprise:		
Cash and bank balances	12,511	9,068
Deposits in licensed banks	1,430	5,836
Bank overdrafts	<u>-</u>	<u>-</u>
	13,941	14,904
Less : Fixed deposit pledged to licensed bank	<u>(1,430)</u>	<u>(799)</u>
	<u>12,511</u>	<u>14,105</u>
	0	-

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 YEAR ENDED 31 AUGUST 2017

	Non-distributable					Distributable			Total RM'000
	Share Capital RM'000	Share Premium RM'000	Fair Value 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 2016	49,000	1,767	-	(946)	(422)	24,953	74,352	429	74,781
Treasury shares	-	-	-	-	(34)	-	(34)	-	(34)
Acquisition of new subsidiary Profit/(Loss) for the year	-	-	-	-	-	-	-	-	(4)
Other comprehensive income/(Loss) for the year	-	-	(161)	(247)	-	3,059	3,059	1,205	4,264
Total comprehensive income/(loss) for the year	-	-	(161)	(247)	-	3,059	2,651	1,205	(408)
Balance as at 31 August 2017	49,000	1,767	(161)	(1,193)	(456)	28,012	76,969	1,630	78,599

	Non-distributable					Distributable			Total RM'000
	Share Capital RM'000	Share Premium 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	1,767	(1,097)	(420)	17,145	68,162	5,152	73,314
Treasury shares	-	-	-	-	(2)	-	(2)	-	(2)
Increase in share capital	-	-	-	-	-	-	-	490	490
Acquisition of a subsidiary	-	-	-	-	(2)	-	-	(2)	(2)
Repurchase of shares	-	-	-	-	-	-	-	-	-
Acquisition of equity interest from NCI (Loss)/Profit for the year	-	-	-	-	-	3,047	3,047	(5,047)	(2,000)
Other comprehensive income for the year	-	-	-	151	-	4,762	4,762	(164)	4,598
Total comprehensive (loss)/income for the year	-	-	-	151	-	4,762	4,913	(164)	151
Balance as at 31 August 2016	49,000	1,767	1,767	(946)	(422)	24,954	76,118	429	76,547

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 – 31 August 2017

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of preparation

The unaudited interim financial report 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.

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(Company No: 651118-K)

Notes on the quarterly report – 31 August 2017

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	Renewable energy	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales	-	121,299	13,727	3,244	10,919	724	-	149,913
Inter-segment sales	-	-	440	-	9,503	-	(9,943)	-
Total revenue	-	121,299	14,167	3,244	20,422	724	(9,943)	149,913
Results								
Segment results	447	6,862	(168)	207	3,594	44	(2,989)	7,997
Profit from operations								7,997
Interest expense								(847)
Interest income								65
Share of results of joint venture								(134)
Profit before tax								7,081
Income tax expense								(2,817)
Profit for the year								4,264
Attributable to:								
Equity holders of the parent								3,059
Minority interest								1,205
								4,264

Notes on the quarterly report – 31 August 2017

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 2017 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 RM17.38 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	172	-

Notes on the quarterly report – 31 August 2017

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

B1. Review of performance

For the quarter ended 31 August 2017, the Group achieved a revenue of RM45.33 million and profit after tax of RM0.64 million, compared to a revenue of RM26.15 million and profit after tax of RM5.29 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 RM36.48 million and a profit of RM2.68 million for the quarter ended 31 August 2017 as compared to a revenue of RM21.51 million and a loss of RM1.67 million for the corresponding period last year.

The profit was due to increased order of new model TV back chassis and agricultural components.

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

This segment recorded a revenue of RM4.46 million and a profit of RM592,000.00 for the quarter ended 31 August 2017 as compared to a revenue of RM3.97 million and a profit of RM3.33 million for the corresponding period last year.

The higher profit for the corresponding period last year was mainly 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. Exclude the above non-operational income in corresponding period last year, we record a better result in current quarter due to increase in revenue.

Fabrication & forging segment

This segment recorded a revenue of RM967,000.00 and a profit of RM50,000.00 for the quarter ended 31 August 2017 as compared to a revenue of RM1.24 million and a profit of RM34,000.00 for the corresponding period last year.

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

Renewable Energy

This segment recorded a revenue of RM6.74 million and a loss of RM1.26 million for the quarter ended 31 August 2017. As to date, we have supplied and constructed 2.1MW solar photovoltaic system of which 1MW is under the group and the rest for third parties.

B2. Variation of results against preceding quarter

Total Group revenue was at RM45.33 million, an increase of 16.4% compared to the preceding quarter. The Group recorded profit after tax of RM0.64 million for the current quarter ended 31 August 2017 as compared to a profit after tax of RM1.91 million in the preceding quarter.

The performance from precision stamping & tooling segment was improved as well as improved result from PCBA segment, However overall drop in group profit was mainly due to the under provision of construction cost from renewable energy segment.

Notes on the quarterly report – 31 August 2017

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.

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 31.08.2017 RM'000	Current year to date 31.08.2017 RM'000
Depreciation of property, plant & equipment	1,349	4,767
Finance cost	197	847
Loss/(Gain) on disposal of property, plant and equipment	(30)	(148)
Net foreign exchange (Gain)/loss	(255)	(672)
Interest income	(21)	(65)

B6. Income tax expense

	Current Quarter 31.08.2017 RM' 000	Current year To date 31.08.2017 RM' 000
Income tax	983	1,956
Deferred tax	846	861
	1,829	2,817

The effective tax rate was higher than the statutory tax rate of 24% mainly due to under provision of last year income tax.

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.

Notes on the quarterly report – 31 August 2017

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.

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	788	-	788
Trust receipts, bankers' acceptance & revolving credit	-	-	-
Term loans	3,051	-	3,051
Hire purchase	1,211	-	1,211
	<hr/> 5,050	-	<hr/> 5,050
Long term			
Terms loans	11,699	-	11,699
Hire purchase	633	-	633
	<hr/> 12,332	-	<hr/> 12,332
	<hr/> 17,382	-	<hr/> 17,382

All borrowings are denominated in Ringgit Malaysia

B11. Realised and unrealised profit/(loss) disclosure

	As at 31 Aug 2017 RM'000
Total retained profit of BSL and its subsidiaries	
-Realised	27,851
-Unrealised	(837)
	<hr/> 27,014
Total group retained profits as per consolidated accounts	
-Realised	
-Unrealised	(355)
	<hr/> 26,659

Notes on the quarterly report – 31 August 2017

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
	31.08.17	31.08.16	31.08.17	31.08.16
Profit/(Loss) attributable to equity holders of the parent (RM'000)	638	5,292	4,264	4,598
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	96,640	96,791	96,640	96,791
Basic Earnings/(Loss) Per Share based on the weighted average number of shares in issue (sen) for:				
Profit from continuing operations	0.92	5.52	3.17	4.92
Profit/(Loss) from discontinued operations	-	-	-	-
Total (sen)	0.92	5.52	3.17	4.92

Notes on the quarterly report – 31 August 2017

B16. Authorisation for issue

This quarterly report was authorised for issue by the Board of Directors in accordance with the resolution of the directors on 26 October 2017.

By order of the Board

Ngiam Tong Kwan
Executive Chairman
Selangor
26 October 2017