

**BSL CORPORATION BERHAD**  
(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 28 FEBRUARY 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 28-Feb-18 RM'000	PRECEDING YEAR QUARTER 28-Feb-17 RM'000	CURRENT YEAR TO DATE 28-Feb-18 RM'000	PRECEDING YEAR TO DATE 28-Feb-17 RM'000
<b>Continuing Operations</b>				
Revenue	39,787	35,745	80,566	65,339
Cost of sales	(36,931)	(32,138)	(75,032)	(58,929)
<b>Gross profit/(loss)</b>	<u>2,855</u>	<u>3,607</u>	<u>5,534</u>	<u>6,410</u>
Other income	91	662	145	923
Other expenses	(2,450)	(1,647)	(4,875)	(3,636)
<b>Results from operating activities</b>	<u>496</u>	<u>2,622</u>	<u>804</u>	<u>3,697</u>
Interest expense	(230)	(208)	(455)	(427)
Interest income	34	125	43	213
Share of result of joint venture	(12)	(22)	(16)	(42)
<b>Profit/ (Loss) before tax</b>	<u>288</u>	<u>2,517</u>	<u>375</u>	<u>3,441</u>
Income tax expense	(647)	(608)	(966)	(773)
<b>Profit/(Loss) for the period/year</b>	<u>(360)</u>	<u>1,909</u>	<u>(591)</u>	<u>2,668</u>
<b>Other comprehensive (loss)/income:</b>				
Exchange differences on translation of foreign operations	238	384	473	568
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD/YEAR</b>	<u>(122)</u>	<u>2,293</u>	<u>(118)</u>	<u>3,236</u>
Profit/(Loss) attributable to :				
Equity holders of the company	(165)	1,092	(203)	1,150
Non-controlling interest	(195)	817	(388)	1,518
	<u>(360)</u>	<u>1,909</u>	<u>(591)</u>	<u>2,668</u>
Total comprehensive income attributable to :				
Equity holders of the company	72	1,476	270	1,718
Non-controlling interest	(195)	817	(388)	1,518
	<u>(122)</u>	<u>2,293</u>	<u>(118)</u>	<u>3,236</u>
<b>Basic Earnings/(Loss) Per Share based on the weighted average</b>				
number of shares in issue (Sen)	<u>(0.17)</u>	<u>1.13</u>	<u>(0.17)</u>	<u>1.19</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 2017.

**BSL CORPORATION BERHAD**  
**(Company No. 651118-K)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF 28 FEBRUARY 2018**

	Note	As at 28-Feb-18 RM'000	As at 31-Aug-17 RM'000
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment		55,298	55,110
Investment in joint venture and associate		4,433	4,920
Other investments		3,232	3,604
<b>Total non current assets</b>		<u>62,962</u>	<u>63,633</u>
<b>Current assets</b>			
Inventories		12,690	11,927
Trade receivables		37,650	38,905
Other receivables		4,444	3,075
Cash and bank balances		9,754	13,941
<b>Total current assets</b>		<u>64,537</u>	<u>67,849</u>
<b>Total assets</b>		<u>127,500</u>	<u>131,482</u>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital		49,000	49,000
Share premium		1,767	1,767
Treasury shares		(459)	(456)
Reserves		27,072	26,802
<b>Equity attributable to equity holders of the parent</b>		<u>77,380</u>	<u>77,113</u>
Non-controlling interest		501	889
<b>Total equity</b>		<u>77,881</u>	<u>78,003</u>
<b>Non current liabilities</b>			
Long term borrowings		11,468	12,332
Deferred taxation liabilities		2,609	2,429
<b>Total non current liabilities</b>		<u>14,077</u>	<u>14,761</u>
<b>Current liabilities</b>			
Trade payables		24,335	28,032
Other payables		5,214	5,002
Short term borrowings		5,175	5,050
Tax liabilities		818	634
<b>Total current liabilities</b>		<u>35,543</u>	<u>38,717</u>
<b>Total liabilities</b>		<u>49,620</u>	<u>53,479</u>
<b>Total equity and liabilities</b>		<u>127,500</u>	<u>131,482</u>
		0	-
Net Assets per share attributable to ordinary equity holders of the parent (RM)		<u>0.80</u>	<u>0.80</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 2017.

**BSL CORPORATION BERHAD**  
**(Company No. 651118-K)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 28 FEBRUARY 2018**

	28-Feb-18 RM'000	28-Feb-17 RM'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	375	2,668
Adjustments for:		
Non-cash items	2,313	2,819
Non-operating items	1,468	1,370
Operating profit before working capital changes	<u>4,156</u>	<u>6,857</u>
 (Increase)/Decrease in working capital:		
Inventories	(792)	1,235
Receivables	(810)	(8,387)
Payables	<u>(3,157)</u>	<u>(2,202)</u>
Cash (used in)/generated from operations	(604)	(2,497)
Income tax paid	<u>(618)</u>	<u>(621)</u>
<b>Net cash (used in)/generated from operating activities</b>	<u>(1,222)</u>	<u>(3,118)</u>
 <b>Cash flows from investing activities</b>		
Interest received	43	213
Proceeds from disposal of property, plant and equipment	78	118
Purchase of property, plant and equipment	<u>(1,044)</u>	<u>(4,944)</u>
<b>Net cash generated from/(used in) investing activities</b>	<u>(923)</u>	<u>(4,613)</u>
 <b>Cash flows from financing activities</b>		
Net decrease in bank borrowings	(2,088)	(2,234)
Interest paid	(455)	(427)
Purchase of treasury share	<u>(3)</u>	<u>(3)</u>
<b>Net cash used in financing activities</b>	<u>(2,547)</u>	<u>(2,664)</u>
Net decrease in cash and cash equivalents	(4,692)	(10,395)
Effect of changes in foreign currency translation reserves	960	-
Cash and cash equivalents at beginning of financial year	<u>11,723</u>	<u>13,757</u>
Cash and cash equivalents at end of financial year	<u><u>7,991</u></u>	<u><u>3,362</u></u>
 <b>Cash and cash equivalents at end of quarter comprise:</b>		
Cash and bank balances	6,448	5,115
Deposits in licensed banks	3,306	960
Bank overdrafts	<u>(679)</u>	<u>(1,914)</u>
	9,075	4,161
Less : Fixed deposit pledged to licensed bank	<u>(1,083)</u>	<u>(799)</u>
	<u><u>7,991</u></u>	<u><u>3,362</u></u>
	<u>0</u>	<u>-</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 2017.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 28 FEBRUARY 2018

	<i>Non-distributable</i>				<i>Distributable</i>			Total RM'000	
	Share Capital RM'000	Share Premium RM'000	Foreign currency translation reserve RM'000	Fair value 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
<b>Balance as at 1 September 2017</b>	49,000	1,767	(1,192)	(161)	(456)	28,155	77,113	889	78,002
Treasury shares	-	-	-	-	(3)	-	(3)	-	(3)
Profit/(Loss) for the year	-	-	-	-	-	(203)	(203)	(388)	(591)
Other comprehensive income for the year	-	-	473	-	-	-	473	-	473
<b>Total comprehensive income/(loss) for the year</b>	-	-	473	-	-	(203)	270	(388)	(118)
<b>Balance as at 28 February 2018</b>	49,000	1,767	(719)	(161)	(459)	27,952	77,380	501	77,881

	<i>Non-distributable</i>				<i>Distributable</i>			Total RM'000	
	Share Capital RM'000	Share Premium RM'000	Foreign currency translation reserve RM'000	Fair value 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
<b>Balance as at 1 September 2016</b>	49,000	1,767	(946)	-	(422)	24,953	74,352	429	74,781
Treasury shares	-	-	-	-	(3)	-	(3)	-	(3)
(Loss)/Profit for the year	-	-	-	-	-	1,150	1,150	1,518	2,668
Other comprehensive loss for the year	-	-	(1)	-	-	-	(1)	-	(1)
<b>Total comprehensive (loss)/income for the year</b>	-	-	(1)	-	-	1,150	1,149	1,518	2,667
<b>Balance as at 28 February 2017</b>	49,000	1,767	(947)	-	(425)	26,103	75,498	1,947	77,445

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 2017.

**Notes on the interim financial statements**  
**for the second quarter ended 28 February 2018**

**PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2018**

**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 2017.

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 2017.

**A2. Qualification of annual financial statements**

There were no audit qualifications on the financial statements of the Company for the year ended 31 August 2017.

**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 interim financial statements  
for the second quarter ended 28 February 2018**

**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	Renewable Energy	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales		71,799	7,372	663	732		80,566
Inter-segment sales	-	-	-	93	-	(93)	-
<b>Total revenue</b>	<b>-</b>	<b>71,799</b>	<b>7,372</b>	<b>756</b>	<b>732</b>	<b>(93)</b>	<b>80,566</b>
<b>Results</b>							
Segment results	(995)	3,562	(867)	(368)	92	(620)	804
Profit from operations							804
Interest expense							(455)
Interest income							43
Share of results of joint venture							(16)
Profit before tax							375
Income tax expense							(966)
Profit / (Loss) for the year							(591)
Attributable to:							
Equity holders of the parent							(203)
Minority interest							(388)
							(591)

**A9. Valuation of property, plant and equipment**

There were no valuation of property, plant and equipment that were carried out during the quarter under review.

**A10. Material events subsequent to the end of the interim period**

Reference is made to BSL's recent announcement in Bursa Malaysia dated 17<sup>th</sup> April 2018 with the title "Bills of demand from the Royal Malaysian Customs Selangor". Crestronics (M) Sdn. Bhd. ("CMSB"), a wholly owned subsidiary of BSL had on 13<sup>th</sup> April 2018 received a letter dated 10<sup>th</sup> April 2018 from the Ministry of Finance ("MOF") that CMSB's appeal of remission of import duty has been rejected. Based on preliminary discussions with CMSB's tax solicitors, BSL is of the view that there are reasonable grounds to review the MOF's decision by way of judicial review proceedings. BSL will continue to take all necessary steps to protect the interest of BSL and its subsidiaries ("Group"). At this juncture, BSL is unable to determine precisely the financial impact to the Group for the financial year ended 31 August 2018. Save as disclosed above, there were no

**Notes on the interim financial statements**  
**for the second quarter ended 28 February 2018**

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.

**A11. Changes in the composition of the Group**

During the quarter under review, BSL Eco Energy Sdn. Bhd., a 51% owned subsidiary invested into 35% of the share capital of BSL Bersepadu Sdn. Bhd.. Accordingly, BSL Bersepadu Sdn. Bhd. became an associate of the Group. There is no material impact to the Group's earnings or net assets for the current quarter from this investment. Other than this addition, there is no other significant change in composition of the Group.

**A12. Changes in contingent liabilities**

There were no significant changes on contingent liabilities of a material nature since the last balance sheet date until the date of this announcement. As at quarter ended 28 February 2018, outstanding corporate guarantees amounting to RM16.64 million were given by the Company to financial institutions for credit facilities granted to the subsidiary companies.

**A13. Capital commitments**

	<b>Approved and contracted for RM'000</b>	<b>Approved but not contracted for RM'000</b>
Purchase of plant and equipment	170	-

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

**B1. Review of performance**

For the quarter ended 28 February 2018, the Group achieved a revenue of RM39.79 million and loss after tax of RM0.36 million, compared to a revenue of RM35.75 million and profit after tax of RM1.91 million for the corresponding quarter last year. Despite the loss after tax, the Group's operational performance has improved compared to the corresponding period last year. Losses in the current period were attributable to the unrealized foreign exchange losses on overseas investment and oversea intercompany balances. Without the impact of the unrealized foreign exchange losses, the Group would have recorded a profit after tax of RM0.15million for the current quarter and RM0.72million for the year to date FY2018. For the corresponding quarter last year, a couple of Engineering, Procurement, Construction and Commissioning (EPCC) projects contributed to profit but there was no contribution in the current quarter.

The performance of each operating segment is as follows:

Precision stamping & tooling segment

**Notes on the interim financial statements**  
**for the second quarter ended 28 February 2018**

This segment recorded a revenue of RM36.07 million and a profit of RM1.40 million for the quarter ended 28 February 2018 as compared to a revenue of RM27.99 million and a profit of RM0.96 million for the corresponding period last year.

The profit was due to increased orders of TV back chassis and agricultural components.

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

This segment recorded a revenue of RM2.71 million and a loss of RM0.89 million for the quarter ended 28 February 2018 as compared to a revenue of RM2.55 million and a loss of RM0.81 million for the corresponding period last year.

Despite the increase in revenue and being profitable from normal operations, there is a loss after tax for this segment mainly attributed by the unrealized foreign exchange losses for its overseas investment. Furthermore, this segment also incurred higher operating cost through the absorption of foreign workers levy as required under the new local regulations.

Renewable Energy

This segment recorded a revenue of RM0.27 million and a loss of RM0.44 million for the quarter ended 28 February 2018 as compared to a revenue of RM5.86 million and a profit of RM1.81 million. The loss for the quarter is due to lower revenue. Major Engineering, Procurement, Construction and Commissioning (“EPCC”) engagements were completed in the last financial year.

**B2. Variation of results against preceding quarter**

Total Group revenue was at RM39.79 million, an increase of 11.3% compared to the preceding quarter revenue of RM35.75 million. The Group recorded loss after tax of RM0.36 million for the current quarter ended 28 February 2018 as compared to a profit after tax of RM1.91 million in the preceding quarter.

Overall revenue for the Group has increased as compared to the preceding quarter mainly due to stronger demands in the precision stamping & tooling and PCBA segment. Both these segments had posted improved operational results as compared to the preceding quarter last year. Despite the increase in revenue, the overall reduction in Group’s profits were mainly due to lower revenue in solar energy segment and the unrealized foreign exchange losses on overseas investment and oversea intercompany balances.

**B3. Current year prospects**

The Board foresees the current year’s prospect to be challenging due to the uncertain global economics environment which includes the fluctuation of Ringgit / USD foreign exchange rate and the expected rising of local operating cost.

The Group will continue its effort in promoting the EMS (Electronic Manufacturing Services) business, solar energy business, property development business and to widen its customer base. The Group will continue to explore on the solar EPCC despite facing stiff competition in the market.

**B4. Variance of actual and forecast profit**

The Group had not provided any profit forecast.



**BSL CORPORATION BERHAD**  
**(Company No: 651118-K)**

**Notes on the interim financial statements**  
**for the second quarter ended 28 February 2018**

**B5. Profit / (Loss) for the period**

Profit / (Loss) for the period is arrived at after charging/(crediting):-	<b>Current Quarter 28.02.2018 RM'000</b>	<b>Current year to date 28.02.2018 RM'000</b>
Depreciation of property, plant & equipment	1,149	2,313
Finance cost	230	455
Loss/(Gain) on disposal of property, plant and equipment	(28)	(77)
Net foreign exchange (Gain)/loss	663	1,344
Interest income	(34)	(43)

**B6. Income tax expense**

	<b>Current Quarter 28.02.2018 RM' 000</b>	<b>Current year To date 28.02.2018 RM' 000</b>
Income tax	557	786
Deferred tax	90	180
	647	966

The effective tax rate was higher than the statutory tax rate of 24% mainly due to the overall loss position of the Group.

**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 and marketable investments during the quarter under review.

**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**

**BSL CORPORATION BERHAD**  
**(Company No: 651118-K)**

**Notes on the interim financial statements**  
**for the second quarter ended 28 February 2018**

The Group's borrowings as at the end of the reporting quarter were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short term</b>			
Bank overdrafts	679	-	679
Term loans	3,285	-	3,285
Hire purchase	1,211	-	1,211
	5,175	-	5,175
<b>Long term</b>			
Terms loans	10,122	-	10,122
Hire purchase	1,346	-	1,346
	11,468	-	11,468
	16,643	-	16,643

*All borrowings are denominated in Ringgit Malaysia*

**B11. Realised and unrealised profit/(loss) disclosure**

	As at 28 Feb 2018 RM'000
Total retained profit of BSL and its subsidiaries	
-Realised	53,170
-Unrealised	(6,864)
	46,306
Less: Consolidation entries	(18,354)
Total Group retained earnings as per consolidated accounts	27,952

**B12. Off balance sheet financial instrument**

There are no financial instruments with off balance sheet risk as at the end of the previous financial year ended 31 August 2017 up to the date of this announcement.

**Notes on the interim financial statements**  
**for the second quarter ended 28 February 2018**

**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:-

	<b>Individual</b>		<b>Cumulative</b>	
	<b>Current</b>	<b>Preceding</b>	<b>Current</b>	<b>Preceding</b>
	<b>Year</b>	<b>Year</b>	<b>Year to</b>	<b>Year to</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>Date</b>	<b>Date</b>
	<b>28.02.18</b>	<b>28.02.17</b>	<b>28.02.18</b>	<b>28.02.17</b>
Profit/(Loss) attributable to equity holders of the parent (RM'000)	(165)	1,092	(203)	1,150
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	96,636	96,716	96,636	96,716
Basic Earnings/(Loss) Per Share based on the weighted average number of shares in issue (sen) for:				
Profit from continuing operations	(0.17)	1.13	(0.17)	1.19
Profit/(Loss) from discontinued operations	-	-	-	-
Total (sen)	(0.17)	1.13	(0.17)	1.19

**BSL CORPORATION BERHAD**  
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**Notes on the interim financial statements**  
**for the second quarter ended 28 February 2018**

**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 19 April 2018.

By order of the Board

Ngiam Tong Kwan  
Executive Chairman  
Selangor  
19 April 2018