

**BSL CORPORATION BERHAD**

(Company No. 651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 NOVEMBER 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Nov-18 RM'000	PRECEDING YEAR QUARTER 30-Nov-17 RM'000	CURRENT YEAR TO DATE 30-Nov-18 RM'000	PRECEDING YEAR TO DATE 30-Nov-17 RM'000
<b>Continuing Operations</b>				
Revenue	41,212	39,880	41,212	39,880
Cost of sales	(36,883)	(36,684)	(36,883)	(36,684)
<b>Gross profit/(loss)</b>	<b>4,329</b>	<b>3,197</b>	<b>4,329</b>	<b>3,197</b>
GP Margin:	11%	8%	11%	8%
Other income	1,200	961	1,200	961
Other expenses	(3,129)	(3,841)	(3,129)	(3,841)
<b>Results from operating activities</b>	<b>2,401</b>	<b>316</b>	<b>2,401</b>	<b>316</b>
Interest expense	(134)	(225)	(134)	(225)
Share of result of joint venture	-	(4)	-	(4)
<b>Profit/ (Loss) before tax</b>	<b>2,267</b>	<b>87</b>	<b>2,267</b>	<b>87</b>
Income tax expense	(427)	(319)	(427)	(319)
<b>Profit/(Loss) for the period/year</b>	<b>1,840</b>	<b>(231)</b>	<b>1,840</b>	<b>(231)</b>
<b>Other comprehensive (loss)/income:</b>				
Exchange differences on translation of foreign operations	(253)	236	(253)	236
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b>	<b>1,587</b>	<b>4</b>	<b>1,587</b>	<b>4</b>
Profit/(Loss) attributable to :				
Equity holders of the company	1,558	(38)	1,558	(38)
Non-controlling interest	282	(193)	282	(193)
	<u>1,840</u>	<u>(231)</u>	<u>1,840</u>	<u>(231)</u>
Total comprehensive income attributable to :				
Equity holders of the company	1,305	198	1,305	198
Non-controlling interest	282	(193)	282	(193)
	<u>1,587</u>	<u>4</u>	<u>1,587</u>	<u>4</u>
<b>Basic Earnings/(Loss) Per Share based on the weighted average number of shares in issue (Sen)</b>				
	<u>1.61</u>	<u>(0.04)</u>	<u>1.61</u>	<u>(0.04)</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 2018.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF 30 NOVEMBER 2018**

	Note	As at 30-Nov-18 RM'000	As at 31-Aug-18 RM'000
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment		91,777	92,360
Investment in joint venture and associate		-	-
Trade receivables		1,696	1,861
Other investments		3,239	3,163
<b>Total non current assets</b>		<u>96,712</u>	<u>97,384</u>
<b>Current assets</b>			
Inventories		13,247	12,736
Trade receivables		31,412	34,500
Amount due from customers on contract		4,624	-
Other receivables		5,246	4,633
Current tax assets		208	130
Cash and bank balances		9,478	11,867
<b>Total current assets</b>		<u>64,214</u>	<u>63,866</u>
<b>Total assets</b>		<u>160,926</u>	<u>161,249</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)	(459)
Reserves		61,391	60,086
<b>Equity attributable to equity holders of the parent</b>		<u>111,699</u>	<u>110,394</u>
Non-controlling interest		(202)	(483)
<b>Total equity</b>		<u>111,497</u>	<u>109,911</u>
<b>Non current liabilities</b>			
Long term borrowings		8,228	9,207
Deferred taxation liabilities		5,052	5,031
<b>Total non current liabilities</b>		<u>13,280</u>	<u>14,238</u>
<b>Current liabilities</b>			
Trade payables		25,638	24,828
Other payables and provision		5,213	6,057
Amount owing to customers on contract		-	556
Short term borrowings		5,196	5,354
Tax liabilities		103	306
<b>Total current liabilities</b>		<u>36,149</u>	<u>37,101</u>
<b>Total liabilities</b>		<u>49,429</u>	<u>51,338</u>
<b>Total equity and liabilities</b>		<u>160,926</u>	<u>161,249</u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)		<u>1.16</u>	<u>1.14</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 2018.

**BSL CORPORATION BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 NOVEMBER 2018**

	30-Nov-18 RM'000	30-Nov-17 RM'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	2,267	87
Adjustments for:		
Non-cash items	1,077	1,164
Non-operating items	(149)	1,075
Operating profit before working capital changes	3,195	2,327
(Increase)/Decrease in working capital:		
Inventories	(511)	(211)
Receivables	(2,347)	(1,451)
Payables	(36)	(880)
Cash (used in)/generated from operations	302	(215)
Income tax paid	(686)	(302)
<b>Net cash (used in)/generated from operating activities</b>	<b>(385)</b>	<b>(516)</b>
<b>Cash flows from investing activities</b>		
Interest received	8	8
Proceeds from disposal of property, plant and equipment	5	50
Purchase of property, plant and equipment	(494)	(249)
Others		
<b>Net cash generated from/(used in) investing activities</b>	<b>(481)</b>	<b>(190)</b>
<b>Cash flows from financing activities</b>		
Net decrease in bank borrowings	(1,139)	(896)
Interest paid	(134)	(225)
Purchase of treasury share	-	(3)
<b>Net cash used in financing activities</b>	<b>(1,273)</b>	<b>(1,124)</b>
Net decrease in cash and cash equivalents	(2,139)	(1,831)
Effect of changes in foreign currency translation reserves	(253)	234
Cash and cash equivalents at beginning of financial year	9,887	11,723
Cash and cash equivalents at end of financial year	7,497	10,126
<b>Cash and cash equivalents at end of quarter comprise:</b>		
Cash and bank balances	7,135	12,511
Deposits in licensed banks	2,344	1,430
Bank overdrafts	(875)	(788)
	8,603	13,153
Less : Fixed deposit pledged to licensed bank	(1,107)	(1,430)
	7,497	11,723

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 2018.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 NOVEMBER 2018

	Non-distributable					Distributable			Total RM'000	
	Share Capital RM'000	Share Premium RM'000	Foreign currency translation reserve RM'000	Revaluation reserves 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
Balance as at 1 September 2018	49,000	1,767	(1,045)	34,252	(161)	(459)	27,039	110,394	(483)	109,911
Realisation of revaluation reserves	-	-	-	(66)	-	-	66	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) for the year	-	-	(253)	-	-	-	1,538	1,538	282	1,840
Other comprehensive income for the year	-	-	-	-	-	-	-	(253)	-	(253)
Total comprehensive income/(loss) for the year	-	-	(253)	-	-	-	1,538	1,305	282	1,587
Balance as at 30 November 2018	49,000	1,767	(1,297)	34,186	(161)	(459)	28,663	111,699	(201)	111,498

	Non-distributable					Distributable			Total RM'000	
	Share Capital RM'000	Share Premium RM'000	Foreign currency translation reserve RM'000	Revaluation reserves 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
Balance as at 1 September 2017	49,000	1,767	(1,192)	-	(161)	(456)	28,155	77,113	889	78,002
Treasury shares	-	-	-	-	-	(3)	-	(3)	-	(3)
Acquisition of subsidiary	-	-	-	-	-	-	(38)	(38)	(193)	(231)
(Loss)/Profit for the year	-	-	236	-	-	-	-	236	-	236
Other comprehensive loss for the year	-	-	-	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the year	-	-	236	-	-	-	(38)	198	(193)	5
Balance as at 30 November 2017	49,000	1,767	(956)	-	(161)	(459)	28,117	77,308	696	78,004

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 2018.

**PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 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 2018.

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 2018.

**A2. Qualification of annual financial statements**

There were no audit qualifications on the financial statements of the Company for the year ended 31 August 2018.

**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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**Notes on the interim financial statements**  
**For the first quarter ended 30 November 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		35,118	3,628	2,467	0	-	41,213
Inter-segment sales	-	-	2		-	(2)	0
<b>Total revenue</b>	<b>-</b>	<b>35,118</b>	<b>3,630</b>	<b>2,467</b>	<b>0</b>	<b>(2)</b>	<b>41,212</b>
<b>Results</b>							
Segment results	28	1,477	84	779	8	16	2,392
Profit from operations							2,392
Interest expense							(134)
Interest income							8
Share of results of joint venture							-
Profit before tax							2,267
Income tax expense							(427)
Profit for the year							1,840
Attributable to:							
Equity holders of the parent							1,558
Minority interest							282
							1,840

Included in the segment results for the period is an unrealized foreign exchange gains for the Investment holding segment of RM0.19mil and RM0.08mil for the PCB segment totaling to RM0.27mil.

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

There were no revaluation 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 and 5<sup>th</sup> July 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

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import duty has been rejected. CMSB through its appointed lawyer has filed in a judicial review on 5<sup>th</sup> July 2018. The High Court has granted leave for the application filed in. The High Court had also granted an interim stay of enforcement of the bills of demand until the disposal of *inter-partes* hearing. At a case management held on 28 January 2019, the High Court has granted an extension of time for CMSB to file its affidavit in reply by 21 February 2019. A case management has been fixed on 15 March 2019 and the hearing on 29 March 2019. At this juncture, BSL is unable to determine precisely the financial impact to the Group for the financial year ended 31 August 2019. Save as disclosed above, there were no material events subsequent to the current quarter ended 30 November 2018 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**

There were no changes in the composition of the Group during the quarter under review.

**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 30 November 2018, outstanding corporate guarantees amounting to RM15.70 million were given by the Company to financial institutions for credit facilities granted to the subsidiary companies and undertaking provided by the Company to a subsidiary company.

**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	235	-

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**Notes on the interim financial statements**  
**For the first quarter ended 30 November 2018**

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

**B1. Review of performance**

Summary of the Group's financial review for the current 1<sup>st</sup> quarter and year to date:

<u>Group</u> <u>RM'000</u>	<u>1st Quarter ended / Year to date</u>		<u>Variance</u>	
	<u>30-Nov-18</u>	<u>30-Nov-17</u>		
Revenue	41,212	39,880	1,332	3%
Operating profit	2,392	304	2,088	687%
Profit/(Loss) before tax	2,267	87	2,180	2500%
Profit/(Loss) after tax	1,840	(231)	2,071	-895%
Profit/(Loss) attributable to owners	1,558	(38)	1,596	-4179%

The Group registered a higher revenue for the quarter at RM41.212mil as compared to RM39.880mil in the prior quarter. Operating profits have increased due to higher margins and recognition of profit from ongoing EPCC engagement. In addition, the Group incurred unrealized foreign exchange gains of approximately RM0.27mil as compared to an unrealized foreign exchange losses of RM0.81mil in the prior quarter.

**Precision stamping & tooling segment**

<u>Precision stamping and tooling</u> <u>RM'000</u>	<u>1st Quarter ended / Year to date</u>		<u>Variance</u>	
	<u>30-Nov-18</u>	<u>30-Nov-17</u>		
Revenue	35,118	34,827	291	1%
Operating profit	1,477	1,380	97	7%

Revenue from this segment increased slightly for the quarter. The agricultural component segment continues the uptrend with a higher sales by 41% as compared to prior quarter. This is largely contributed by the increased orders in the automated egg elevator machine under the EMS segment to this customer. However, the TV back chassis segment recorded a 42% decrease in sales due to lower demand for this particular TV size. Operating profits have also improved due to slightly higher margins and improved production efficiency.



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

<u>PCB Assembly</u> <u>RM'000</u>	1st Quarter ended / Year to date		Variance	
	30-Nov-18	30-Nov-17		
Revenue	3,630	4,661	(1,031)	-22%
Operating profit / (loss)	84	(67)	151	-226%

On a quarter to quarter basis, revenue had decreased but operating profits have improved. In prior quarter, this segment incurred an unrealized foreign exchange losses of RM338k as compared to an unrealized foreign exchange gains of RM76k. The current quarter's operating profits were also impacted by the absorption of foreign worker's levy amounting to RM56k as compared to nil in prior quarter. This segment also incurred higher miscellaneous costs such as office maintenance and worker's insurance.

**Renewable energy**

<u>Renewable energy segment</u> <u>RM'000</u>	1st Quarter ended / Year to date		Variance	
	30-Nov-18	30-Nov-17		
Revenue	2,467	483	1,983	410%
Operating profit/(loss)	779	(169)	948	-561%

The revenue and operating profit for the current 1<sup>st</sup> Quarter showed an increase as compared to prior comparative period due to the recognition of profits from an ongoing Engineering, Procurement, Construction and Commissioning (“EPCC”) engagement during the quarter. There were no major EPCC profit recognized in prior quarter.

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

<u>Group</u> <u>RM'000</u>	Quarter ended		Variance	
	30-Nov-18	31-Aug-18		
Revenue	41,212	41,620	(407)	-1%
Operating profit/(loss)	2,392	(394)	2,787	-707%
Profit/(Loss) before tax	2,267	(2,227)	4,494	-202%
Profit/(Loss) after tax	1,840	(1,289)	3,129	-243%
Profit/(Loss) attributable to owners	1,558	(584)	2,142	-367%

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The Group's revenue decreased by 1% from the immediate preceding quarter. However, the Group is in a profit position as compared to the loss position in prior quarter as there were adjustments relating to impairment in JV investment and recognition of interest cost from MFRS139 requirements in the previous quarter.

**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. In addition, the increase in minimum wage which was already effective in January 2019 will have negative impact on profitability in future results. In view of that, the Company is always seeking new technology, machineries and to implement further automation to be more efficient in its processes and optimize the labour headcount. The Group is also experiencing the impact of shifting demands towards OLED TV which results in the lower sales of back chassis and metal components for our current LED TV segment customers. However, sales from our agricultural component have shown positive increase and the sales of the automated egg elevator under the EMS segment continue to gain traction.

We also expect the ongoing trade war between the US and China to be favorable to the Group and are exploring all the available opportunities presently.

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

The Group had not provided any profit forecast.

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

Profit / (Loss) for the period is arrived at after charging/(crediting):-	Current Quarter 30.11.2018 RM'000	Current year to date 30.11.2018 RM'000
Depreciation of property, plant & equipment	1,077	1,077
Finance cost	134	134
Loss/(Gain) on disposal of property, plant and equipment	(5)	(5)
Net foreign exchange (Gain)/loss	(265)	(265)
Interest income	(8)	(8)

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**B6. Income tax expense**

	<b>Current Quarter 30.11.2018 RM'000</b>	<b>Current year To date 30.11.2018 RM'000</b>
Income tax	406	406
Deferred tax	21	21
	<hr/>	<hr/>
	427	427

The effective tax rate is lower than the statutory tax rate of 24% mainly due to the availability of deferred tax assets for certain subsidiary 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.

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**For the first quarter ended 30 November 2018**

**B10. Group borrowings**

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

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Short term</b>			
Bank overdrafts	875	-	875
Term loans	3,309	-	3,309
Hire purchase	1,011	-	1,011
	<hr/>	<hr/>	<hr/>
	5,195	-	5,195
<b>Long term</b>			
Terms loans	7,636	-	7,636
Hire purchase	592	-	592
	<hr/>	<hr/>	<hr/>
	8,228	-	8,228
	<hr/>	<hr/>	<hr/>
	13,423	-	13,423

*All borrowings are denominated in Ringgit Malaysia.*

**B11. 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 2018 up to the date of this announcement.

**B12. Changes in material litigation**

Save as disclosed in Note A10 above, 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.

**B13. Dividends**

The Board of Directors did not propose any dividend for the period under review.

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**B14. 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>30.11.18</b>	<b>30.11.17</b>	<b>30.11.18</b>	<b>30.11.17</b>
Profit/(Loss) attributable to equity holders of the parent (RM'000)	1,558	(38)	1,558	(38)
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	96,636	96,636	96,636	96,636
Basic Earnings/(Loss) Per Share based on the weighted average number of shares in issue (sen) for:				
Profit from continuing operations	1.61	(0.04)	1.61	(0.04)
Profit/(Loss) from discontinued operations	-	-	-	-
Total (sen)	1.61	(0.04)	1.61	(0.04)

**B15. Authorisation for issue**

This quarterly report was authorised for issue by the Board of Directors in accordance with the resolution of the directors on 28 January 2019.

By order of the Board

Ngiam Tong Kwan  
Executive Chairman  
Selangor  
28 January 2019