

BSL CORPORATION BERHAD

Company Number: 200401012615 (651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MAY 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-May-20 RM'000	PRECEDING YEAR QUARTER 31-May-19 RM'000	CURRENT YEAR TO DATE 31-May-20 RM'000	PRECEDING YEAR TO DATE 31-May-19 RM'000
Continuing Operations				
Revenue	20,017	45,348	93,985	121,837
Cost of sales	(20,636)	(41,304)	(89,769)	(111,232)
Gross profit/(loss)	(619)	4,044	4,216	10,606
Other income	522	1,310	1,913	3,081
Other expenses	(2,382)	(2,860)	(8,021)	(9,312)
Results from operating activities	(2,478)	2,494	(1,892)	4,374
Interest expense	(111)	(156)	(448)	(525)
(Loss)/Profit before tax	(2,590)	2,338	(2,339)	3,849
Income tax expense	178	(612)	(21)	(1,337)
(Loss)/Profit for the period/year	(2,412)	1,726	(2,360)	2,385
Other comprehensive losses:				
Exchange differences on translation of foreign operations	(0)	(350)	(1)	(232)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD/YEAR	(2,412)	1,377	(2,361)	2,153
(Loss)/Profit attributable to :				
Equity holders of the company	(2,305)	1,670	(2,063)	2,296
Non-controlling interest	(107)	56	(298)	89
	(2,412)	1,726	(2,360)	2,385
Total comprehensive (loss)/profit attributable to :				
Equity holders of the company	(2,305)	1,321	(2,064)	2,064
Non-controlling interest	(107)	56	(298)	89
	(2,412)	1,377	(2,361)	2,153
Basic (Loss)/Earnings Per Share based on the weighted average				
number of shares in issue (Sen)	(2.39)	1.73	(2.13)	2.38

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 2019.

BSL CORPORATION BERHAD

Company Number: 200401012615 (651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 MAY 2020**

	Note	As at 31-May-20 RM'000	As at 31-Aug-19 RM'000
ASSETS			
Non current assets			
Property, plant and equipment		90,040	92,178
Right to use assets		1,042	-
Trade receivables		-	1,062
Total non current assets		<u>91,082</u>	<u>93,240</u>
Current assets			
Inventories		15,587	12,916
Trade receivables		16,936	32,916
Other receivables		4,202	3,472
Contract assets		99	1,071
Current tax assets		1,144	212
Cash and bank balances		17,059	10,984
Total current assets		<u>55,027</u>	<u>61,571</u>
Total assets		<u>146,108</u>	<u>154,811</u>
Equity and liabilities			
Capital and reserves			
Share capital		50,767	50,767
Treasury shares		(459)	(459)
Reserves		56,298	58,362
Equity attributable to equity holders of the parent		<u>106,606</u>	<u>108,670</u>
Non-controlling interest		(648)	(350)
Total equity		<u>105,959</u>	<u>108,320</u>
Non current liabilities			
Long term borrowings		6,359	8,136
Lease liabilities		965	-
Deferred taxation liabilities		5,892	5,876
Total non current liabilities		<u>13,216</u>	<u>14,012</u>
Current liabilities			
Trade payables		20,415	22,854
Other payables		2,368	3,594
Contract liabilities		476	1,768
Short term borrowings		3,596	4,208
Lease liabilities		80	-
Tax liabilities		-	56
Total current liabilities		<u>26,934</u>	<u>32,480</u>
Total liabilities		<u>40,149</u>	<u>46,491</u>
Total equity and liabilities		<u>146,108</u>	<u>154,811</u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)		<u>1.10</u>	<u>1.12</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 2019.

BSL CORPORATION BERHAD

Company Number: 200401012615 (651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MAY 2020**

	<i>Non-distributable</i>					<i>Distributable</i>		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	Revaluation reserves RM'000	Fair value reserve RM'000	Treasury Shares RM'000	Retained Profit RM'000			
Balance as at 1 September 2019	50,767	-	(1,129)	34,049	(3,154)	(459)	28,596	108,670	(350)	108,320
Realisation of revaluation reserves	-	-	-	(150)	-	-	150	-	-	-
(Loss)/Profit for the year	-	-	-	-	-	-	(2,063)	(2,063)	(298)	(2,360)
Other comprehensive (loss)/ income for the year	-	-	(1)	-	-	-	-	(1)	-	(1)
Total comprehensive (loss)/income for the year	-	-	(1)	-	-	-	(2,063)	(2,064)	(298)	(2,361)
Balance as at 31 May 2020	<u>50,767</u>	<u>-</u>	<u>(1,130)</u>	<u>33,899</u>	<u>(3,154)</u>	<u>(459)</u>	<u>26,684</u>	<u>106,606</u>	<u>(648)</u>	<u>105,959</u>

	<i>Non-distributable</i>					<i>Distributable</i>		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	Revaluation of properties RM'000	Fair value reserve RM'000	Treasury Shares RM'000	Retained Profit RM'000			
Balance as at 1 September 2018	49,000	1,767	(1,045)	34,252	(161)	(459)	27,039	110,393	(483)	109,911
Transfer to share capital upon implementation of Companies Act 2016	1,767	(1,767)	-	-	-	-	-	-	-	(10)
Winding up of subsidiary	-	-	-	(198)	-	-	198	-	-	-
Realisation of revaluation reserves	-	-	-	-	-	-	2,423	2,423	89	2,512
Profit/(Loss) for the year	-	-	(232)	-	-	-	-	(232)	-	(232)
Other comprehensive income/(loss) for the year	-	-	(232)	(198)	-	-	2,423	2,191	89	2,280
Total comprehensive (loss)/income for the year	-	-	(232)	(198)	-	-	2,423	2,191	89	2,280
Balance as at 31 May 2019	<u>50,767</u>	<u>-</u>	<u>(1,277)</u>	<u>34,054</u>	<u>(161)</u>	<u>(459)</u>	<u>29,660</u>	<u>112,584</u>	<u>(404)</u>	<u>112,181</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 2019.

BSL CORPORATION BERHAD
Company Number: 200401012615 (651118-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MAY 2020

	31-May-20 RM'000	31-May-19 RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	(2,339)	3,849
Adjustments for:		
Non-cash items	2,975	3,059
Non-operating items	587	298
Operating profit before working capital changes	<u>1,223</u>	<u>7,206</u>
 (Increase)/Decrease in working capital:		
Inventories	(2,670)	(2,438)
Receivables	17,262	2,472
Payables	(4,957)	(1,309)
Cash generated/(used in) from operations	<u>10,858</u>	<u>5,931</u>
Income tax paid	(1,007)	(1,805)
Net cash generated from operating activities	<u><u>9,851</u></u>	<u><u>4,127</u></u>
Cash flows from investing activities		
Interest received	-	48
Proceeds from disposal of property, plant and equipment	120	39
Purchase of property, plant and equipment	(1,077)	(897)
Net cash used in investing activities	<u>(957)</u>	<u>(809)</u>
Cash flows from financing activities		
Net decrease in bank borrowings	(2,132)	(3,455)
Interest paid	(412)	(525)
Interest received	(28)	-
Net cash used in financing activities	<u>(2,572)</u>	<u>(3,375)</u>
Net increase/(decrease) in cash and cash equivalents	6,321	(57)
Effect of changes in foreign currency translation reserves	(1)	(232)
Cash and cash equivalents at beginning of financial year	<u>10,156</u>	<u>9,887</u>
Cash and cash equivalents at end of financial year	<u><u>16,476</u></u>	<u><u>9,599</u></u>
Cash and cash equivalents at end of quarter comprise:		
Cash and bank balances	10,494	10,598
Deposits in licensed banks	6,565	537
Bank overdrafts	(32)	(999)
	<u>17,026</u>	<u>10,135</u>
Less : Fixed deposit pledged to licensed bank	(550)	(537)
	<u><u>16,476</u></u>	<u><u>9,599</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 2019.

Notes on the interim financial statements
For the third quarter ended 31 May 2020

PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MAY 2020

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 2019.

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 2019 except for the adoption of the following new MFRS:

(i) MFRS 16 *Leases*

The Group implemented MFRS16 *Leases* on 1 September 2019 based on the modified retrospective approach where comparative numbers are not required to be restated. Adoption of MFRS16 *Leases* resulted in the recognition of the following items for the period ended 31 May 2020:

Item	RM'000
Right to use assets	1,042
Lease liabilities	1,044
Depreciation expense	101
Finance cost	36

A2. Qualification of annual financial statements

There were no audit qualifications on the financial statements for the year ended 31 August 2019.

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.

Notes on the interim financial statements
For the third quarter ended 31 May 2020

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.

A8. Segment information

Segmental information from continuing operations is presented in respect of the Group's business segments for the 9 months ended 31 May 2020:

	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	-	82,150	8,001	3,835	-	-	93,985
Inter-segment sales / Dividend	-	-	-	-	-	0	0
Total revenue	-	82,150	8,001	3,835	-	0	93,985
Results							
Segment results	(394)	(946)	(647)	(9)	36	(13,156)	(1,920)
Loss from operations							(1,920)
Interest expense							(448)
Interest income							28
Share of results of joint venture							-
Loss before tax							(2,339)
Income tax expense							(21)
Loss for the year							(2,360)
Attributable to:							
Equity holders of the parent							(2,063)
Minority interest							(298)
							(2,360)

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.

Notes on the interim financial statements
For the third quarter ended 31 May 2020

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

Reference is made to BSL's latest announcement in Bursa Malaysia dated 16 June 2020 and all other previous announcements under the same title "Bills of demand from the Royal Malaysian Customs Selangor".

The Shah Alam High Court had on 6 January 2020 dismissed CMSB's judicial review application against the Minister of Finance and Director-General of Customs, Royal Malaysian Customs Department on the decision to reject CMSB's appeal of remission of import duty and sales tax amounting to a total of RM11,131,511.26.

At a hearing in the Shah Alam High Court on 16 June 2020, the Court had granted a stay of proceedings until the disposal of the appeal.

CMSB had filed in the notice of appeal to the Court of Appeal on 13 January 2020. CMSB had requested for an extension of time for the filing of the records of appeal due to the Movement Control Order and a hearing has been set on 4 September 2020 for the extension of time request.

At this juncture, BSL is unable to determine precisely the financial impact to the Group for the financial year ended 31 August 2020. Save as disclosed above, there were no material events subsequent to the current quarter ended 31 May 2020 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

As at quarter ended 31 May 2020, outstanding corporate guarantees amounting to RM9.95 million were given by the Company to financial institutions for credit facilities granted to the subsidiary companies.

A13. Capital commitments

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Purchase of plant and equipment	-	-

Notes on the interim financial statements
For the third quarter ended 31 May 2020

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

B1. Review of performance

Summary of the Group's financial performance for the current 3rd quarter and year to date as well as by the respective divisions are summarized below together with an overall analysis.

<u>Group</u> <u>RM'000</u>	3rd Quarter ended		Variance	
	31-May-20	31-May-19		
Revenue	20,017	45,348	(25,331)	-56%
Operating (loss)/profit before interest	(2,497)	2,486	(4,983)	-200%
(Loss)/Profit before tax	(2,590)	2,338	(4,928)	-211%
(Loss)/Profit after tax	(2,412)	1,726	(4,138)	-240%
(Loss)/Profit attributable to owners	(2,305)	1,670	(3,975)	-238%

<u>Group</u> <u>RM'000</u>	Year to date		Variance	
	31-May-20	31-May-19		
Revenue	93,985	121,837	(27,852)	-23%
Operating (loss)/profit before interest	(1,920)	4,326	(6,245)	-144%
(Loss)/Profit before tax	(2,339)	3,849	(6,188)	-161%
(Loss)/Profit after tax	(2,360)	2,512	(4,872)	-194%
(Loss)/Profit attributable to owners	(2,063)	2,423	(4,485)	-185%

Precision stamping & tooling segment

<u>Precision stamping and tooling</u> <u>RM'000</u>	3rd Quarter ended		Variance	
	31-May-20	31-May-19		
Revenue	17,757	37,358	(19,601)	-52%
Operating (loss)/profit before interest	(1,548)	1,750	(3,298)	-188%

<u>Precision stamping and tooling</u> <u>RM'000</u>	Year to date		Variance	
	31-May-20	31-May-19		
Revenue	82,150	104,343	(22,193)	-21%
Operating (loss)/profit before interest	(946)	4,163	(5,109)	-123%

Notes on the interim financial statements
For the third quarter ended 31 May 2020

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

<u>PCB Assembly</u> <u>RM'000</u>	3rd Quarter ended		Variance	
	31-May-20	31-May-19		
Revenue	1,765	3,468	(1,703)	-49%
Operating (loss)/profit before interest	(749)	121	(870)	-717%

<u>PCB Assembly</u> <u>RM'000</u>	Year to date		Variance	
	31-May-20	31-May-19		
Revenue	8,001	10,261	(2,261)	-22%
Operating loss before interest	(647)	(515)	(132)	26%

Renewable energy

<u>Renewable energy segment</u> <u>RM'000</u>	3rd Quarter ended		Variance	
	31-May-20	31-May-19		
Revenue	495	4,522	(4,026)	-89%
Operating (loss)/profit before interest	(101)	354	(454)	-128%

<u>Renewable energy segment</u> <u>RM'000</u>	Year to date		Variance	
	31-May-20	31-May-19		
Revenue	3,835	7,235	(3,400)	-47%
Operating (loss)/profit before interest	(9)	875	(884)	-101%

Overall analysis

The revenue and operating results showed a significant decline as compared to the preceding year and quarter across all segments of the Group. The Movement Control Order due to the COVID-19 pandemic resulted in shorter business operation period during the quarter under review and affected the financial performance for the quarter. Revenue for the Group in Quarter 3 declined by 56% and recognized a loss after tax of RM2.412 million as compared to a profit after tax of RM1.726 million in the preceding quarter.

On a yearly basis, revenue was lower by 23% while recognizing a loss after tax of RM2.36 million as compared to profit after tax of RM2.512 million in the preceding year.

Notes on the interim financial statements
For the third quarter ended 31 May 2020

B2. Variation of results against the immediate preceding quarter

<u>Group</u> <u>RM'000</u>	<u>Quarter ended</u>		<u>Variance</u>	
	<u>31-May-20</u>	<u>29-Feb-20</u>		
Revenue	20,017	38,252	(18,235)	-48%
Operating (loss)/profit before interest	(2,497)	854	(3,351)	-392%
(Loss)/Profit before tax	(2,590)	703	(3,293)	-468%
(Loss)/Profit after tax	(2,412)	510	(2,922)	-573%
(Loss)/Profit attributable to owners	(2,305)	540	(2,845)	-527%

While the Group was in a recovery period in Quarter 2 ended 29 February 2020, the Movement Control Order which took place during Q3 adversely impacted the financial results of Quarter 3 ended 31 May 2020.

B3. Current year prospects

The Board foresees the current year's prospect to be challenging mainly due to the effect of the COVID-19 pandemic and the overall economy is still on the recovery phase. The Movement Control Order which was in effect since 18 March 2020 had resulted in a shorter operational period and operations only recommenced on a staggered basis towards late April with the necessary government approval. This shorter operations period had impacted the Group's financial results for the 3rd quarter ended 31 May 2020 as explained above. Accordingly, the management team had re-strategized the sales and marketing effort as well as introduced cost cutting measures to soften the impact of COVID-19 on the business. The Board takes note of the current challenging times and is confident that the Group will be able to overcome it.

B4. Variance of actual and forecast profit

The Group had not provided any profit forecast.

B5. (Loss) / Profit for the period

(Loss) / Profit for the period is arrived at after charging/(crediting):-	Current Quarter 31.05.2020 RM'000	Current year to date 31.05.2020 RM'000
Depreciation of property, plant & equipment	994	2,975
Finance cost	111	448
Loss/(Gain) on disposal of property, plant and equipment	(108)	(120)
Net foreign exchange (Gain)/loss	24	24
Interest income	19	27

Notes on the interim financial statements
For the third quarter ended 31 May 2020

B6. Income tax expense

	Current Quarter 31.05.2020 RM'000	Current year To date 31.05.2020 RM'000
Income tax	(182)	19
Deferred tax	4	2
	<hr/> (178) <hr/>	<hr/> 21 <hr/>

The effective tax rate is lower than the statutory tax rate of 24% mainly due to the certain subsidiary companies in a net loss position.

B7. Unquoted investments and/or properties

The Group has not disposed 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.

Notes on the interim financial statements
For the third quarter ended 31 May 2020

B10. Group borrowings

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

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term			
Bank overdrafts	32	-	32
Term loans	1,889	-	1,889
Hire purchase	1,674	-	1,674
	<hr/>	<hr/>	<hr/>
	3,595	-	3,595
Long term			
Terms loans	4,932	-	4,932
Hire purchase	1,427	-	1,427
	<hr/>	<hr/>	<hr/>
	6,359	-	6,359
	<hr/>	<hr/>	<hr/>
	9,954	-	9,954

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 2019 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.

Notes on the interim financial statements
For the third quarter ended 31 May 2020

B14. 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
	31.05.20	31.05.19	31.05.20	31.05.19
(Loss)/Profit attributable to equity holders of the parent (RM'000)	(2,305)	1,670	(2,063)	2,423
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:				
(Loss)/Profit from continuing operations	(2.39)	1.73	(2.13)	2.51
Profit/(Loss) from discontinued operations	-	-	-	-
Total (sen)	(2.39)	1.73	(2.13)	2.51

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 22 July 2020.

By order of the Board

Ngiam Tong Kwan
 Executive Chairman
 Selangor
 22 July 2020