

**BSL CORPORATION BERHAD**

Company No. 200401012615 (651118-K)

Website : www.bsllcorp.com.my

Email : info@bsli.com.my

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 NOVEMBER 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Nov-20 RM'000	PRECEDING YEAR QUARTER 30-Nov-19 RM'000	CURRENT YEAR TO DATE 30-Nov-20 RM'000	PRECEDING YEAR TO DATE 30-Nov-19 RM'000
Continuing Operations				
Revenue	43,006	35,716	43,006	35,716
Cost of sales	<u>(39,247)</u>	<u>(33,778)</u>	<u>(39,247)</u>	<u>(33,778)</u>
Gross profit	3,759	1,938	3,759	1,938
Other income	1,086	616	1,086	616
Other expenses	<u>(2,561)</u>	<u>(2,830)</u>	<u>(2,561)</u>	<u>(2,830)</u>
Results from operating activities	2,284	(276)	2,284	(276)
Interest expense	(109)	(176)	(109)	(176)
Profit before tax	<u>2,175</u>	<u>(453)</u>	<u>2,175</u>	<u>(453)</u>
Income tax expense	(425)	(5)	(425)	(5)
Profit/(Loss) for the period/year	<u>1,750</u>	<u>(458)</u>	<u>1,750</u>	<u>(458)</u>
Other comprehensive income:				
Exchange differences on translation of foreign operations	2	-	2	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD/YEAR	<u>1,752</u>	<u>(458)</u>	<u>1,752</u>	<u>(458)</u>
Profit/(Loss) attributable to :				
Equity holders of the company	1,856	(297)	1,856	(297)
Non-controlling interest	<u>(106)</u>	<u>(160)</u>	<u>(106)</u>	<u>(160)</u>
	<u>1,750</u>	<u>(458)</u>	<u>1,750</u>	<u>(458)</u>
Total comprehensive profit/(loss) attributable to :				
Equity holders of the company	1,858	(297)	1,858	(297)
Non-controlling interest	<u>(106)</u>	<u>(160)</u>	<u>(106)</u>	<u>(160)</u>
	<u>1,752</u>	<u>(458)</u>	<u>1,752</u>	<u>(458)</u>
Basic Earnings/(Loss) Per Share based on the weighted average				
number of shares in issue (Sen)	<u>1.92</u>	<u>(0.31)</u>	<u>1.92</u>	<u>(0.31)</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 2020.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 30 NOVEMBER 2020**

	As at 30-Nov-20 RM'000	As at 31-Aug-20 RM'000
ASSETS		
Non current assets		
Property, plant and equipment	89,467	90,332
Right to use assets	970	1,001
Trade receivables	-	-
Total non current assets	<u>90,437</u>	<u>91,333</u>
Current assets		
Inventories	14,092	15,131
Trade receivables	25,404	27,349
Other receivables	3,662	2,421
Contract assets	58	54
Current tax assets	268	479
Cash and bank balances	20,421	15,821
Total current assets	<u>63,905</u>	<u>61,255</u>
Total assets	<u>154,342</u>	<u>152,588</u>
Equity and liabilities		
Capital and reserves		
Share capital	50,767	50,767
Treasury shares	(459)	(459)
Reserves	59,252	57,394
Equity attributable to equity holders of the parent	<u>109,560</u>	<u>107,702</u>
Non-controlling interest	(209)	(103)
Total equity	<u>109,351</u>	<u>107,599</u>
Non current liabilities		
Long term borrowings	5,698	6,109
Lease liabilities	943	955
Deferred taxation liabilities	7,379	7,359
Total non current liabilities	<u>14,020</u>	<u>14,423</u>
Current liabilities		
Trade payables	23,846	23,809
Other payables	3,913	3,099
Contract liabilities	235	132
Short term borrowings	2,916	3,437
Lease liabilities	50	69
Tax liabilities	11	20
Total current liabilities	<u>30,971</u>	<u>30,566</u>
Total liabilities	<u>44,991</u>	<u>44,989</u>
Total equity and liabilities	<u>154,342</u>	<u>152,588</u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.13</u>	<u>1.11</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 2020.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 NOVEMBER 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	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 2020	50,767	(1,130)	32,310	(3,152)	(459)	29,366	107,702	(103)	107,599
Realisation of revaluation reserves	-	-	(50)	-	-	50	-	-	-
Profit for the year	-	-	-	-	-	1,856	1,856	(106)	1,750
Other comprehensive income for the year	-	2	-	-	-	-	2	-	2
Total comprehensive income/(loss) for the year	-	2	-	-	-	1,856	1,858	(106)	1,752
Balance as at 30 November 2020	50,767	(1,128)	32,260	(3,152)	(459)	31,271	109,560	(209)	109,351

	<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	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 2019	50,767	(1,129)	34,049	(3,154)	(459)	28,596	108,670	(350)	108,320
Realisation of revaluation reserves	-	-	(50)	-	-	50	-	-	-
Profit for the year	-	-	-	-	-	(297)	(297)	(160)	(458)
Other comprehensive loss for the year	-	0	-	-	-	-	0	-	0
Total comprehensive (loss)/income for the year	-	0	-	-	-	(297)	(297)	(160)	(458)
Balance as at 30 November 2019	50,767	(1,129)	33,999	(3,154)	(459)	28,349	108,373	(510)	107,862

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 2020.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 NOVEMBER 2020**

	30-Nov-20 RM'000	30-Nov-19 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	2,175	(453)
Adjustments for:		
Non-cash items	1,017	987
Non-operating items	100	162
Operating profit before working capital changes	<u>3,292</u>	<u>696</u>
Decrease/(Increase) in working capital:		
Inventories	1,040	478
Receivables	715	1,603
Payables	955	(2,430)
Cash generated from operations	<u>6,002</u>	<u>347</u>
Income tax paid	<u>(204)</u>	<u>(580)</u>
Net cash generated/(used) from operating activities	<u>5,798</u>	<u>(234)</u>
Cash flows from investing activities		
Interest received	14	-
Proceeds from disposal of property, plant and equipment	12	6
Purchase of property, plant and equipment	<u>(141)</u>	<u>(189)</u>
Net cash used in investing activities	<u>(115)</u>	<u>(183)</u>
Cash flows from financing activities		
Net decrease in bank borrowings	(932)	(1,258)
Interest paid	(94)	(161)
Payment of lease liabilities	(45)	-
Net cash used in financing activities	<u>(1,071)</u>	<u>(1,419)</u>
Net increase in cash and cash equivalents	4,613	(1,835)
Effect of changes in foreign currency translation reserves	2	-
Cash and cash equivalents at beginning of financial year	<u>15,250</u>	<u>10,156</u>
Cash and cash equivalents at end of financial year	<u>19,865</u>	<u>8,321</u>
Cash and cash equivalents at end of quarter comprise:		
Cash and bank balances	16,072	8,491
Deposits in licensed banks	4,349	538
Bank overdrafts	-	(171)
	<u>20,421</u>	<u>8,859</u>
Less : Fixed deposit pledged to licensed bank	<u>(556)</u>	<u>(538)</u>
	<u>19,865</u>	<u>8,321</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 2020.

Notes on the interim financial statements
For the first quarter ended 30 November 2020

PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 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 2020.

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 2020.

A2. Qualification of annual financial statements

There were no audit qualifications on the financial statements for the year ended 31 August 2020.

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 first quarter ended 30 November 2020

A8. Segment information

Segmental information from continuing operations is presented in respect of the Group's business segments for the first quarter ended 30 November 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	-	37,850	4,641	515	-	-	43,007
Inter-segment sales / Dividend	-	-	-	-	-	-	-
Total revenue	-	37,850	4,641	515	-	-	43,007
Results							
Segment results	(150)	1,679	875	(116)	(24)	4	2,267
Profit from operations							2,267
Interest expense							(109)
Interest income							15
Profit before tax							2,175
Income tax expense							(425)
Profit for the year							1,750
Attributable to:							
Equity holders of the parent							1,856
Minority interest							(106)
							1,750

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 latest announcement in Bursa Malaysia dated 18 December 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. Subsequently, CMSB proceeded to file a notice of appeal on 13 January 2020 to the Court of Appeal.

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.

Notes on the interim financial statements
For the first quarter ended 30 November 2020

At a case management on 14 October 2020, the Court of Appeal instructed for both parties to file their written submissions within the stipulated time and fixed the hearing date on 17 August 2021.

CMSB had on 18 December 2020 filed an Originating Summons (“OS”) against Panasonic Manufacturing Malaysia Berhad (“PMMA”) in the High Court of Malaya, Kuala Lumpur. The OS is for an amount of RM9,431,694.60 being import duties and sales tax that arose from the economic transaction between CMSB and PMMA for the period of December 2011 to July 2014. CMSB had filed the OS for declaratory relief concerning PMMA’s liability to pay import duties and sales tax to CMSB in the event CMSB’s appeal against the levy of import duty and sales tax at the Court of Appeal fails and also to preserve its cause of action against PMMA prior to the expiry.

At this juncture, BSL is unable to determine precisely the financial impact to the Group for the financial year ended 31 August 2021. Save as disclosed above, there were no material events subsequent to the first quarter ended 30 November 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 30 November 2021, outstanding corporate guarantees amounting to RM8.61 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	282	-

Notes on the interim financial statements
For the first quarter ended 30 November 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 first 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>	1st Quarter / Year to date ended		Variance	
	30-Nov-20	30-Nov-19		
Revenue	43,007	35,716	7,291	20%
Operating profit before interest	2,267	(277)	2,544	918%
Profit before tax	2,175	(453)	2,627	581%
Profit/(Loss) after tax	1,749	(458)	2,207	482%
Profit/(Loss) attributable to owners	1,856	(297)	2,153	724%

Precision stamping & tooling segment

<u>Precision stamping and tooling</u> <u>RM'000</u>	1st Quarter / Year to date ended		Variance	
	30-Nov-20	30-Nov-19		
Revenue	37,850	32,116	5,734	18%
Operating profit/(loss) before interest	1,679	(208)	1,887	908%

Printed circuit board ("PCB") & module assembly segment

<u>PCB Assembly</u> <u>RM'000</u>	1st Quarter / Year to date ended		Variance	
	30-Nov-20	30-Nov-19		
Revenue	4,641	3,173	1,468	46%
Operating profit before interest	875	135	740	549%

Notes on the interim financial statements
For the first quarter ended 30 November 2020

Renewable energy

<u>Renewable energy segment</u> <u>RM'000</u>	1st Quarter / Year to date ended		Variance	
	30-Nov-20	30-Nov-19		
Revenue	515	427	88	21%
Operating loss before interest	(116)	(109)	(7)	-6%

Overall analysis

The Group posted a significantly better results for the Q12021 ended 30 November 2020 as compared to Q12020 ended 30 November 2019 where revenue were recorded at RM43.0mil as compared to RM35.7mil while profit after tax is at RM1.7mil as compared to a loss of RM0.5mil. This is contributed by the higher revenue from the precision metal stamping and the PCB assembly divisions.

For the precision metal stamping division, volume from the major customers were higher for Q12021 including from the TV and agricultural component segment, thus revenue and operating profits improved significantly as compared to Q12020.

For the PCB and module assembly division, the effect of higher selling price as well as continuous tight cost control contributed to higher margin and operating profits in Q12021.

The renewable energy segment recorded higher revenue but operating loss increased slightly as compared to Q12020 due to higher margin EPCC project recognized in Q12020.

B2. Variation of results against the immediate preceding quarter

<u>Group</u> <u>RM'000</u>	Quarter ended		Variance	
	30-Nov-20	31-Aug-20		
Revenue	43,007	43,152	(145)	0%
Operating profit before interest	2,267	3,175	(908)	29%
Profit before tax	2,175	3,758	(1,583)	42%
Profit after tax	1,749	2,978	(1,229)	41%
Profit attributable to owners	1,856	2,433	(577)	24%

While revenue for both quarters were roughly the same, the profit for Q12020 ended 30 November 2020 were lower as compared to Q42020 ended 31 August 2020. This is mainly due to the completion of major EPCCs under the renewable energy segment in Q42020 which contributed to higher profits as well as the recognition of interest income from financial asset at amortized cost of RM0.67mil.

Notes on the interim financial statements
For the first quarter ended 30 November 2020

B3. Current year prospects

While the Group posted an encouraging result for Q12021, it remains cautiously conservative on the prospect for the remainder of the financial year ended 31 August 2021 due to the economic uncertainties. The Movements Control Order which was re-imposed on 13 January 2021 as well as the higher level of infection of COVID-19 in the community could also affect the financial performance of the Group. The Group continues to implement and practice strict standard operating procedures for its staffs and also third parties to curb the spread of the COVID-19 pandemic.

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. Profit for the period / year

	Current Quarter 30.11.2020 RM'000	Current Year to date 30.11.2020 RM'000
Profit for the period / year is arrived at after charging/(crediting):		
Depreciation of property, plant & equipment	1,017	1,017
Finance cost	109	109
Gain on disposal of property, plant and equipment	(12)	(12)
Net foreign exchange loss	21	41
Interest income	(15)	(15)

B6. Income tax expense

	Current Quarter 30.11.2020 RM'000	Current Year to date 30.11.2020 RM'000
Income tax expense	406	406
Deferred tax expense	19	19
	<u>425</u>	<u>425</u>

The effective tax rate for the Group is lower than the statutory tax rate due to the unutilized tax losses and unabsorbed capital allowances of a subsidiary of the Group.

Notes on the interim financial statements
For the first quarter ended 30 November 2020

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.

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			
Term loans	1,835	-	1,835
Hire purchase	1,080	-	1,080
	<hr/>	<hr/>	<hr/>
	2,915	-	2,915
Long term			
Terms loans	4,292	-	4,292
Hire purchase	1,405	-	1,405
	<hr/>	<hr/>	<hr/>
	5,697	-	5,697
	<hr/>	<hr/>	<hr/>
	8,612	-	8,612

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 2020 up to the date of this announcement.

Notes on the interim financial statements
For the first quarter ended 30 November 2020

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.

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
	30.11.20	30.11.19	30.11.20	30.11.20
Profit/ (Loss) attributable to equity holders of the parent (RM'000)	1,856	(297)	1,856	(297)
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/(Loss) from continuing operations	1.92	(0.31)	1.92	(0.31)
Profit/(Loss) from discontinued operations	-	-	-	-
Total (sen)	1.92	(0.31)	1.92	(0.31)

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 26 January 2021.

By order of the Board

Ngiam Tong Kwan
Executive Chairman
Selangor
26 January 2021