

**BSL CORPORATION BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 28 FEBRUARY 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 28-Feb-21 RM'000	PRECEDING YEAR QUARTER 29-Feb-20 RM'000	CURRENT YEAR TO DATE 28-Feb-21 RM'000	PRECEDING YEAR TO DATE 29-Feb-20 RM'000
Continuing Operations				
Revenue	41,875	38,252	84,881	73,968
Cost of sales	(37,734)	(35,355)	(76,981)	(69,133)
Gross profit	4,141	2,897	7,900	4,835
Other income	1,431	775	2,517	1,391
Other expenses	(3,015)	(2,810)	(5,576)	(5,639)
Results from operating activities	2,557	863	4,841	587
Interest expense	(117)	(160)	(226)	(336)
Profit before tax	2,440	703	4,615	250
Income tax expense	(613)	(193)	(1,038)	(199)
Profit for the period/year	1,827	510	3,577	52
Other comprehensive income:				
Exchange differences on translation of foreign operations	11	(1)	13	(1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	1,838	509	3,590	51
Profit/(Loss) attributable to :				
Equity holders of the company	1,674	540	3,530	242
Non-controlling interest	153	(30)	47	(191)
	1,827	510	3,577	52
Total comprehensive profit/(loss) attributable to :				
Equity holders of the company	1,685	539	3,543	242
Non-controlling interest	154	(30)	47	(191)
	1,838	509	3,590	51
Basic Earnings Per Share based on the weighted average				
number of shares in issue (Sen)	1.73	0.56	3.65	0.25

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 28 FEBRUARY 2021**

	As at 28-Feb-21 RM'000	As at 31-Aug-20 RM'000
ASSETS		
Non current assets		
Property, plant and equipment	89,243	90,332
Right to use assets	1,090	1,001
Total non current assets	<u>90,333</u>	<u>91,333</u>
Current assets		
Inventories	15,948	15,131
Trade receivables	27,002	27,349
Other receivables	3,560	2,421
Contract assets	796	54
Current tax assets	-	479
Cash and bank balances	18,757	15,821
Total current assets	<u>66,062</u>	<u>61,255</u>
Total assets	<u>156,395</u>	<u>152,588</u>
Equity and liabilities		
Capital and reserves		
Share capital	50,767	50,767
Treasury shares	(459)	(459)
Reserves	60,927	57,394
Equity attributable to equity holders of the parent	111,235	107,702
Non-controlling interest	(56)	(103)
Total equity	<u>111,178</u>	<u>107,599</u>
Non current liabilities		
Long term borrowings	4,613	6,109
Lease liabilities	935	955
Deferred taxation liabilities	7,402	7,359
Total non current liabilities	<u>12,951</u>	<u>14,423</u>
Current liabilities		
Trade payables	22,938	23,809
Other payables	5,459	3,099
Contract liabilities	126	132
Short term borrowings	3,471	3,437
Lease liabilities	188	69
Tax liabilities	81	20
Total current liabilities	<u>32,266</u>	<u>30,566</u>
Total liabilities	<u>45,217</u>	<u>44,989</u>
Total equity and liabilities	<u>156,395</u>	<u>152,588</u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.15</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 28 FEBRUARY 2021**

	<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	-	-	(100)	-	-	100	-	-	-
Profit for the year	-	-	-	-	-	3,530	3,530	47	3,576
Other comprehensive income for the year	-	12	-	-	-	-	12	-	12
Total comprehensive income for the year	-	12	-	-	-	3,530	3,543	47	3,590
Balance as at 28 February 2021	50,767	(1,118)	32,210	(3,152)	(459)	32,995	111,245	(56)	111,188

	<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	-	-	(100)	-	-	100	-	-	-
Profit for the year	-	-	-	-	-	242	242	(191)	52
Other comprehensive loss for the year	-	(1)	-	-	-	-	(1)	-	(1)
Total comprehensive (loss)/income for the year	-	(1)	-	-	-	242	242	(191)	51
Balance as at 29 February 2020	50,767	(1,130)	33,949	(3,154)	(459)	28,939	108,912	(541)	108,371

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 28 FEBRUARY 2021**

	28-Feb-21	29-Feb-20
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	4,615	250
Adjustments for:		
Non-cash items	2,017	1,981
Non-operating items	5	307
Operating profit before working capital changes	<u>6,637</u>	<u>2,539</u>
Decrease/(Increase) in working capital:		
Inventories	(816)	229
Receivables	(1,530)	1,167
Payables	1,494	(3,275)
Cash generated from operations	<u>5,783</u>	<u>661</u>
Income tax paid	<u>(456)</u>	<u>(666)</u>
Net cash generated/(used) from operating activities	<u><u>5,327</u></u>	<u><u>(6)</u></u>
Cash flows from investing activities		
Interest received	26	-
Proceeds from disposal of property, plant and equipment	185	12
Purchase of property, plant and equipment	<u>(857)</u>	<u>(819)</u>
Net cash used in investing activities	<u>(647)</u>	<u>(807)</u>
Cash flows from financing activities		
Net decrease in bank borrowings	(1,461)	(1,746)
Interest paid	(224)	(306)
Payment of lease liabilities	(61)	8
	<u>-</u>	<u>-</u>
Net cash used in financing activities	<u>(1,746)</u>	<u>(2,044)</u>
Net increase in cash and cash equivalents	2,935	(2,857)
Effect of changes in foreign currency translation reserves	12	(1)
Cash and cash equivalents at 1 September 2020 / 2019	<u>15,250</u>	<u>10,156</u>
Cash and cash equivalents at 28 February 2021 / 2020	<u><u>18,198</u></u>	<u><u>7,298</u></u>
Cash and cash equivalents at end of quarter comprise:		
Cash and bank balances	14,196	7,345
Deposits in licensed banks	4,560	546
Bank overdrafts	-	(47)
	<u>18,757</u>	<u>7,844</u>
Less : Fixed deposit pledged to licensed bank	<u>(559)</u>	<u>(546)</u>
	<u><u>18,198</u></u>	<u><u>7,298</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 2020.

Notes on the interim financial statements
For the second quarter ended 28 February 2021

PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 28 FEBRUARY 2021

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 second quarter ended 28 February 2021

A8. Segment information

Segmental information from continuing operations is presented in respect of the Group's business segments for the year to date ended 28 February 2021:

	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	-	73,585	8,256	3,040	-	-	84,881
Inter-segment sales / Dividend	-	-	-	-	-	-	-
Total revenue	-	73,585	8,256	3,040	-	-	84,881
Results							
Segment results	(308)	4,117	752	293	(51)	7	4,810
Profit from operations							4,810
Interest expense							(226)
Interest income							30
Profit before tax							4,615
Income tax expense							(1,038)
Profit for the year							3,576
Attributable to:							
Equity holders of the parent							3,530
Minority interest							47
							3,576

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 29 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 second quarter ended 28 February 2021

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. PMMA had then filed in an application to strike off the OS raised by CMSB and the High Court has set the hearing date for this application on 3 May 2021.

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 second quarter ended 28 February 2021 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 28 February 2021, outstanding corporate guarantees amounting to RM8.08 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	846	-

Notes on the interim financial statements
For the second quarter ended 28 February 2021

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

B1. Review of performance

Summary of the Group's financial performance for the second 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>	2nd Quarter		Variance	
	28-Feb-21	29-Feb-20		
Revenue	41,875	38,252	3,623	9%
Operating profit before interest	2,543	854	1,689	197%
Profit before tax	2,440	703	1,737	247%
Profit after tax	1,827	510	1,317	258%
Profit attributable to owners	1,674	540	1,134	210%

<u>Group</u> <u>RM'000</u>	Year to date		Variance	
	28-Feb-21	29-Feb-20		
Revenue	84,881	73,968	10,913	15%
Operating profit before interest	4,810	577	4,233	733%
Profit before tax	4,615	250	4,365	1743%
Profit after tax	3,576	52	3,525	6822%
Profit attributable to owners	3,530	242	3,287	1357%

Precision stamping & tooling segment

<u>Precision stamping and tooling</u> <u>RM'000</u>	2nd Quarter		Variance	
	28-Feb-21	29-Feb-20		
Revenue	35,735	32,277	3,458	11%
Operating profit before interest	2,438	810	1,627	201%

<u>Precision stamping and tooling</u> <u>RM'000</u>	Year to date		Variance	
	28-Feb-21	29-Feb-20		
Revenue	73,585	64,393	9,192	14%
Operating profit before interest	4,117	602	3,515	584%

Notes on the interim financial statements
For the second quarter ended 28 February 2021

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

<u>PCB Assembly</u> <u>RM'000</u>	2nd Quarter		Variance	
	28-Feb-21	29-Feb-20		
Revenue	3,614	3,062	552	18%
Operating loss before interest	(123)	(33)	(90)	-272%

<u>PCB Assembly</u> <u>RM'000</u>	Year to date		Variance	
	28-Feb-21	29-Feb-20		
Revenue	8,256	6,235	2,020	32%
Operating profit before interest	752	102	650	639%

Renewable energy

<u>Renewable energy segment</u> <u>RM'000</u>	2nd Quarter		Variance	
	28-Feb-21	29-Feb-20		
Revenue	2,525	2,913	(388)	-13%
Operating profit before interest	409	201	208	104%

<u>Renewable energy segment</u> <u>RM'000</u>	Year to date		Variance	
	28-Feb-21	29-Feb-20		
Revenue	3,040	3,340	(300)	-9%
Operating profit before interest	293	92	201	220%

Overall analysis

The Group posted a significantly better results for both Q2FY2021 and 1HFY2021 as compared to Q2FY2020 and 1HFY2021. For Q2FY2021, total revenue was at RM41.88mil which is 9% higher than Q2FY2020 while profit after tax is at RM1.83mil as compared to RM0.51mil in Q2FY2020.

Meanwhile, the revenue for 1H FY2021 is at RM84.88mil, higher by 15% as compared to 1HFY2020 while profit after tax is RM3.58mil as compared to RM0.05mil in 1HFY2020.

Notes on the interim financial statements
For the second quarter ended 28 February 2021

The encouraging financial results for both Q2FY2021 and 1HFY2021 were due to higher revenue from the precision metal stamping segment as well as improved contributions from the renewable energy segment.

For the precision metal stamping division, volume from the major customers were higher for Q2FY2021 and 1HFY2021 including from the TV and agricultural component segment. In addition, tooling sales were also higher which further contributed to the higher operating profits.

For the PCB and module assembly division, despite the higher revenue in Q2FY2021 against Q2FY2020, the operating losses were higher due to higher manpower costs incurred in preparation for new projects. For 1HFY2021, the operating results were much better than 1HFY2020 due to higher sales and encouraging results carried from Q1FY2021.

The renewable energy segment recorded higher operating profits despite lower revenue due to the ongoing EPCC engagements with higher margins.

B2. Variation of results against the immediate preceding quarter

<u>Group</u> <u>RM'000</u>	<u>Quarter ended</u>		<u>Variance</u>	
	<u>28-Feb-21</u>	<u>30-Nov-20</u>		
Revenue	41,875	43,007	(1,133)	-3%
Operating profit before interest	2,543	2,267	276	12%
Profit before tax	2,440	2,175	266	12%
Profit after tax	1,827	1,750	77	4%
Profit attributable to owners	1,674	1,856	(181)	-10%

Despite the slight reduction in revenue in Q2FY2021 against Q1FY2021, profit after tax has improved mainly due to higher tooling sales as well as contributions from the ongoing EPCC projects under the renewable energy segment.

B3. Current year prospects

While the Group continues to post encouraging results for Q2FY2021, it remains cautiously optimistic on the prospect for the remainder of the financial year ended 31 August 2021 from the forecasts from customers as well as new businesses gained from the trade war impact. Nevertheless, the Group will continue incurring some start-up costs for these new businesses.

Notes on the interim financial statements
For the second quarter ended 28 February 2021

B4. Variance of actual and forecast profit

The Group had not provided any profit forecast.

B5. Profit for the period / year

	Current Quarter 28.02.2021 RM'000	Current Year to date 28.02.2021 RM'000
Profit for the period / year is arrived at after charging/(crediting):		
Depreciation of property, plant & equipment	1,000	2,017
Finance cost	117	226
Gain on disposal of property, plant and equipment	(173)	(185)
Net foreign exchange loss	2	23
Interest income	(15)	(30)

B6. Income tax expense

	Current Quarter 28.02.2021 RM'000	Current Year to date 28.02.2021 RM'000
Income tax expense	590	996
Deferred tax expense	23	42
	613	1,038

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.

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.

Notes on the interim financial statements
For the second quarter ended 28 February 2021

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	1,413	-	1,413
Bank borrowings	223		223
	<hr/>	<hr/>	<hr/>
	3,471	-	3,471
Long term			
Terms loans	3,819	-	3,819
Hire purchase	794	-	794
	<hr/>	<hr/>	<hr/>
	4,613	-	4,613
	<hr/>	<hr/>	<hr/>
	8,084	-	8,084

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.

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 second quarter ended 28 February 2021

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
	28.02.21	29.02.20	28.02.21	29.02.20
Profit attributable to equity holders of the parent (RM'000)	1,674	510	3,530	242
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	96,636	96,636	96,636	96,636
Basic Earnings Per Share based on the weighted average number of shares in issue (sen) for:				
Profit from continuing operations	1.73	0.56	3.65	0.25
Profit from discontinued operations	-	-	-	-
Total (sen)	1.73	0.56	3.65	0.25

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 April 2021.

By order of the Board

Ngiam Tong Kwan
 Executive Chairman
 Selangor
 22 April 2021