

**BSL CORPORATION BERHAD**

Company No. 200401012615 (651118-K)

Website : www.bslcorp.com.myEmail : info@bsli.com.my**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 NOVEMBER 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Nov-21 RM'000	PRECEDING YEAR QUARTER 30-Nov-20 RM'000	CURRENT YEAR TO DATE 30-Nov-21 RM'000	PRECEDING YEAR TO DATE 30-Nov-20 RM'000
Continuing Operations				
Revenue	55,385	43,006	55,385	43,006
Cost of sales	(51,028)	(39,247)	(51,028)	(39,247)
Gross profit	4,357	3,759	4,357	3,759
Other income	3,378	1,086	3,378	1,086
Other expenses	(2,905)	(2,561)	(2,905)	(2,561)
Results from operating activities	4,830	2,284	4,830	2,284
Interest expense	(106)	(109)	(106)	(109)
Share of result of associate	-	-	-	-
Profit before tax	4,724	2,175	4,724	2,175
Income tax expense	(809)	(425)	(809)	(425)
Profit for the period/year	3,915	1,750	3,915	1,750
Other comprehensive income:				
Revaluation gain on property, plant and equipment	-	-	-	-
Exchange differences on translation of foreign operations	(1)	2	(1)	2
Deferred tax liabilities on revaluation reserves	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	3,914	1,752	3,914	1,752
Profit/(Loss) attributable to :				
Equity holders of the company	3,917	1,856	3,917	1,856
Non-controlling interest	(2)	(106)	(2)	(106)
	3,915	1,750	3,915	1,750
Total comprehensive profit/(loss) attributable to :				
Equity holders of the company	3,916	1,858	3,916	1,858
Non-controlling interest	(2)	(106)	(2)	(106)
	3,914	1,752	3,914	1,752
Earnings per share attributable to equity holders of the parent:				
Basic, for gain for the period (sen)	2.03	0.96	2.03	0.96
Diluted, for gain for the period (sen)	1.35	0.96	1.35	0.96

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 2021.

**BSL CORPORATION BERHAD**

Company No. 200401012615 (651118-K)

Website : www.bslcorp.com.myEmail : info@bsli.com.my**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 30 NOVEMBER 2021**

	As at 30-Nov-21 RM'000	As at 31-Aug-21 RM'000
ASSETS		
Non current assets		
Property, plant and equipment	90,670	91,165
Right to use assets	1,003	1,080
Other investments	5,799	5,799
Total non current assets	<u>97,472</u>	<u>98,044</u>
Current assets		
Inventories	20,184	22,608
Trade receivables	32,152	24,231
Other receivables	4,798	7,014
Contract assets	1	524
Current tax assets	518	740
Cash and bank balances	25,900	18,086
Total current assets	<u>83,553</u>	<u>73,203</u>
Total assets	<u>181,025</u>	<u>171,247</u>
Equity and liabilities		
Capital and reserves		
Share capital	51,116	50,767
Treasury shares	(459)	(459)
Reserves	70,417	69,713
Equity attributable to equity holders of the parent	<u>121,074</u>	<u>120,021</u>
Non-controlling interest	(839)	(461)
Total equity	<u>120,235</u>	<u>119,560</u>
Non current liabilities		
Long term borrowings	4,890	3,923
Lease liabilities	950	964
Deferred taxation liabilities	7,262	6,987
Total non current liabilities	<u>13,102</u>	<u>11,874</u>
Current liabilities		
Trade payables	37,122	27,926
Other payables	5,639	6,730
Contract liabilities	1	206
Short term borrowings	4,828	4,788
Lease liabilities	96	161
Tax liabilities	-	-
Total current liabilities	<u>47,686</u>	<u>39,811</u>
Total liabilities	<u>60,788</u>	<u>51,685</u>
Total equity and liabilities	<u>181,023</u>	<u>171,245</u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.62</u>	<u>1.24</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 2021.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 NOVEMBER 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 reserve RM'000	Fair value reserve RM'000	Warrant reserve RM'000	Treasury Shares RM'000	Retained Profit RM'000			
Balance as at 1 September 2021	50,767	(1,128)	35,166	(3,152)	-	(459)	38,826	120,021	(461)	119,558
Realisation of revaluation reserve	-	-	(3,373)	-	-	-	40	(3,333)	-	(3,333)
Profit / (loss) for the year	-	-	-	-	-	-	3,917	3,917	(378)	3,539
Other comprehensive income for the year	-	2	-	-	-	-	-	2	-	2
Total comprehensive income/(loss) for the year	-	2	-	-	-	-	3,917	3,919	(378)	3,542
Warrant exercised	349	-	-	-	117	-	-	466	-	466
Balance as at 30 November 2021	51,116	(1,126)	31,793	(3,152)	117	(459)	42,785	121,073	(839)	120,234

	<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	Warrant 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 / (loss) for the year	-	-	-	-	-	-	1,856	1,856	(106)	1,750
Other comprehensive loss for the year	-	2	-	-	-	-	-	2	-	2
Total comprehensive (loss)/income 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

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 2021.

Notes on the interim financial statements
For the first quarter ended 30 November 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 NOVEMBER 2021

	30-Nov-21	30-Nov-20
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	4,724	2,175
Adjustments for:		
Non-cash items	1,017	1,017
Non-operating items	(3,790)	100
Operating profit before working capital changes	<u>1,951</u>	<u>3,292</u>
Decrease/(Increase) in working capital:		
Inventories	2,424	1,040
Receivables	(5,181)	715
Payables	7,900	955
Cash generated from operations	<u>7,094</u>	<u>6,002</u>
Income tax paid	(566)	(204)
Net cash generated from operating activities	<u>6,528</u>	<u>5,798</u>
Cash flows from investing activities		
Interest received	45	14
Proceeds from disposal of property, plant and equipment	-	12
Purchase of property, plant and equipment	(485)	(141)
Proceed from disposal of subsidiary	400	-
Net cash used in investing activities	<u>(40)</u>	<u>(115)</u>
Cash flows from financing activities		
Net increase in bank borrowings	1,007	(932)
Issuance of share capital	349	-
Interest paid	(106)	(94)
Payment of lease liabilities	(41)	(45)
Proceeds from conversion of warrants	117	-
Net cash used in financing activities	<u>1,325</u>	<u>(1,071)</u>
Net increase in cash and cash equivalents	7,812	4,612
Effect of changes in foreign currency translation reserves	(1)	2
Cash and cash equivalents at beginning of financial year	<u>17,522</u>	<u>15,250</u>
Cash and cash equivalents at end of financial year	<u><u>25,333</u></u>	<u><u>19,864</u></u>
Cash and cash equivalents at end of quarter comprise:		
Cash and bank balances	17,019	16,072
Deposits in licensed banks	8,881	4,349
Bank overdrafts	-	-
	<u>25,900</u>	<u>20,421</u>
Less : Fixed deposit pledged to licensed bank	(567)	(556)
	<u><u>25,333</u></u>	<u><u>19,864</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 2021.

Notes on the interim financial statements
For the first quarter ended 30 November 2021

PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 NOVEMBER 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 2021.

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 2021.

A2. Qualification of annual financial statements

There were no audit qualifications on the financial statements for the year ended 31 August 2021.

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 2021

A8. Segment information

Segmental information from continuing operations is presented in respect of the Group's business segments for the quarter ended 30 November 2021:

	Investment Holding	Metal	PCB	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales	0	49,807	5,345	234		55,386
Inter-segment sales / Dividend	0	0	637	0	-637	0
Total revenue	0	49,807	5,982	234	-637	55,386
Results						
Segment results	-590	5,080	120	45	130	4,785
Profit from operations						4,785
Interest expense						(106)
Interest income						45
Share of profit of associate						-
Profit before tax						4,724
Income tax expense						(809)
Profit for the year						3,915
Attributable to:						
Equity holders of the parent						3,917
Minority interest						(2)
						3,915

A9. Valuation of property, plant and equipment

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

A10. Debt and Equity Securities

In the first quarter of 2022, the Company issued an additional 698,000 new ordinary shares of RM0.50 each pursuant to the conversion of warrants.

Save for the above, there were no other issuance, cancellations, or repayments of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares, repurchase and resale of treasury shares for the current financial quarter under review.

Notes on the interim financial statements
For the first quarter ended 30 November 2021

A11. Material events subsequent to the end of the interim period

Reference is made to BSL's latest announcement in Bursa Malaysia dated 12 August 2021 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 BSL Electronics & Technologies Sdn Bhd's judicial review application against the Minister of Finance and Director-General of Customs, Royal Malaysian Customs Department on the decision to reject BSLET's appeal of remission of import duty and sales tax amounting to a total of RM11,131,511.26. Subsequently, BSLET 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.

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. However, in regards to the appeal, Panasonic Manufacturing Malaysia Berhad ("PMMA") had submitted a notice of motion ("Motion") to intervene the appeal process of BSLET at the Court of Appeal. At a case management on 11 August 2021, the Court of Appeal instructed that the appeal hearing initially scheduled on 17 August 2021 to be vacated and the hearing for the Motion to intervene is fixed on 1 November 2021. Subsequently, the Court of Appeal allowed PMMA to intervene BSLET's appeal proceedings at the Court of Appeal and BSLET had filed an application for leave to appeal to the Federal Court against the Court of Appeal's decision to allow PMMA's application to intervene in the Court of Appeal proceedings on 30 November 2021.

Based on the available facts and information as of the date of this report, the solicitor is of the opinion that BSLET has arguable grounds and basis to contend that there is no legal and factual basis for the Minister of Finance to reject BSLET's remission application. Consequently, no further provision has been provided. In the event that the appeal is not successful, BSLET is liable for the remaining balance of the claim of RM10,900,000.

A12. Changes in the composition of the Group

During the quarter under review, the Group has disposed its 51% shareholding in BSL Eco Energy Sdn. Bhd.

A13. Changes in contingent liabilities

As at quarter ended 30 November 2021, outstanding corporate guarantees amounting to approximately RM9.72 million were given by the Company to financial institutions for credit facilities granted to the subsidiary companies.

Notes on the interim financial statements
For the first quarter ended 30 November 2021

A14. Capital commitments

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Purchase of plant and equipment	2,569	-

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> RM'000	1st Quarter / Year to date ended		Variance	
	30-Nov-21	30-Nov-20		
Revenue	55,385	43,006	12,379	29%
Operating profit before interest	4,830	2,284	2,546	111%
Profit before tax	4,724	2,175	2,550	117%
Profit after tax	3,915	1,750	2,166	124%
Profit attributable to owners	3,917	1,856	2,061	111%

Metal division

<u>Metal stamping & tooling</u> RM'000	1st Quarter / Year to date ended		Variance	
	30-Nov-21	30-Nov-20		
Revenue	49,807	37,850	11,958	32%
Operating profit before interest	5,080	1,679	3,400	202%

Notes on the interim financial statements
For the first quarter ended 30 November 2021

Printed circuit board (“PCB”)

<u>PCB</u> <u>RM'000</u>	1st Quarter / Year to date ended		Variance	
	30-Nov-21	30-Nov-20		
Revenue	5,345	4,641	704	15%
Operating profit before interest	120	875	-754	-86%

Overall analysis

The Group posted higher revenue and profit after tax of RM55.4 million and RM3.9 million respectively as compared to prior year quarter of RM43.0 million and RM1.8 million due to the higher volume of sales in the precision metal stamping division. In the precision metal stamping division, both parts and tooling sales were higher which contributed to the improved operating profit. This division also recognized a reversal of provision for doubtful debts of RM1.8 million during the quarter under review.

For the printed circuit board division, it recorded a revenue of RM5.3 million as compared to prior quarter of RM4.6 million. Despite the higher revenue, it recorded a lower operating profit of RM0.1 million as compared to an operating profit of RM0.9 million in the prior quarter. This mainly due to change in sales mix.

B2. Variation of results against the immediate preceding quarter

<u>Group</u> <u>RM'000</u>	Quarter ended		Variance	
	30-Nov-21	31-Aug-21		
Revenue	55,385	43,635	11,749	27%
Operating profit before interest	4,830	1,501	3,329	222%
Profit before tax	4,724	1,405	3,319	236%
Profit after tax	3,915	940	2,974	316%
Profit attributable to owners	3,917	1,051	2,866	273%

The Group recognized higher revenue and profit after tax as compared to the immediate preceding quarter largely due to the higher revenue from the Metal Division and due to the extend of PCB Division.

Notes on the interim financial statements
For the first quarter ended 30 November 2021

B3. Current year prospects

The Group posted a strong first quarter despite the current headwinds brought about by the pandemic. Whilst demand from our traditional segments continue to be robust, the domestic and international economies are still in flux as various economies find a new level given the ever-changing dynamics due to the pandemic couple with the potential of rising interest rates and supply chain disruptions.

Management is currently executing the revitalization strategy and has started to pivot by adding a new segment - semiconductor ATE market. We have also refocused the Group to its core expertise via the disposal of our renewable energy division - BSL Eco Sdn Bhd. Barring any other unexpected shocks from the pandemic and global markets we are cautiously optimistic that the Group is well position and agile enough to take advantage of the changing market conditions.

B4. Variance of actual and forecast profit

The Group had not provided any profit forecast.

B5. Profit for the period / year

	Current Quarter 30.11.2021 RM'000	Current Year to date 30.11.2021 RM'000
Profit for the period / year is arrived at after charging/(crediting):		
Depreciation of property, plant & equipment	941	941
Finance cost	106	106
Gain on disposal of property, plant and equipment	(343)	(343)
Net foreign exchange loss	40	40
Interest income	(45)	(45)

B6. Income tax expense

	Current Quarter 30.11.2021 RM'000	Current Year to date 30.11.2021 RM'000
Income tax expense	788	788
Deferred tax expense	21	21
	<hr/> 809	<hr/> 809

The effective tax rate for the Group is lower than the statutory tax rate due to the reversal of doubtful debts.

Notes on the interim financial statements
For the first quarter ended 30 November 2021

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 developments

- (1) The Company had on 3 September 2021 entered into a Memorandum of Understanding (“MOU”) with Jerry Tan Gim Moh and Tan Hoon Bee for the negotiation to purchase shares of SD Unify Pte Ltd (“SDU”) for a consideration sum to be negotiated and agreed by all parties. SDU is principally involved in the business of sourcing, manufacturing and repair of semiconductor equipment.

On 10 November 2021, the Company had entered into a Share Sale Agreement (“SSA”) with Jerry Tan Gim Moh and Tan Hoon Bee, for the acquisition of 51,000 ordinary shares in SDU, representing 51% of the total issued and paid-up ordinary shares of SDU, for a total consideration of SGD1,785,000 (approximately RM5,499,764).

The management has appointed Moore Advisory Sdn Bhd to carry out the Financial Due Diligence on SDU to review the Statement of Financial Position and Statement of Comprehensive Income as well as to assist the management in the preparation of Purchase Price Allocation (“PPA”) for the Proposed Acquisition. The management has also appointed Yuen Law LL Advocate & Solicitors to conduct the Legal Due Diligence on SDU to review the corporate documents, material contracts, litigation search and assets and property review.

- (2) The Group had on 1 October 2021 received approval from Bursa Securities on the following proposals:
- i. Proposed share split involving a sub-division of every 1 existing ordinary share in BSLCORP into 2 shares;
 - ii. Proposed private placement of up to 58,800,000 new shares, representing up to 30% of the total number of issued shares to independent third party investor(s);
 - iii. Proposed bonus issue of up to 127,400,000 free warrants in BSLCORP on the basis of 1 warrant for every 2 shares;
 - iv. Proposed establishment of an employees’ share option scheme involving up to 15% of the total number of issued shares.

The shareholders of BSLCORP had on an Extraordinary General Meeting held on 22 October 2021 approved the above proposals.

Subsequently, on 27 October 2021, the exercise price of the Warrants was fixed at RM0.50 per Warrant (“Exercise Price”).

Notes on the interim financial statements
For the first quarter ended 30 November 2021

The Share Split was completed following the listing and quotation of 196,000,000 Subdivided Shares (including 2,728,226 treasury shares) on 9 November 2021 followed by the listing and quotation of 96,635,887 Bonus Warrants on 17 November 2021.

The Effective Date for the implementation of the ESOS was announced on 23 November 2021.

- (3) On 12 November 2021, the Company entered into a Share Sale Agreement with Matahari Kencana Sdn Bhd for disposal of the Company's 51% equity interest held BSL Eco Energy Sdn Bhd ("BSLECO") comprising 510,000 ordinary share in BSLECO for a cash consideration of RM400,000 and consequently, BSLECO ceased to be a subsidiary company of the Company.
- (4) On 16 November 2021, the Company announced that Ban Seng Lee Industries Sdn. Bhd. ("BSLI") had on 16 November 2021 accepted a Letter of Award ("LOA") from SDU to nominate BSLI as the manufacturer to fabricate and supply the semiconductor components, sub-assembly modules, and any other business related to SDU's principle activities with total value of USD3.5 million by phases in accordance to purchase order issued by SDU.

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	1,658	-	1,658
Bank borrowings	2,011	-	2,011
Hire purchase	1,160	-	1,160
	4,828	-	4,828
Long term			
Terms loans	4,195	-	4,195
Hire purchase	694	-	694
	4,890	-	4,890
	9,718	-	9,718

All borrowings are denominated in Ringgit Malaysia.

Notes on the interim financial statements
For the first quarter ended 30 November 2021

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 2021 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.

B14. Earnings per share

(a) Basic EPS

	Individual Current Year Quarter 30.11.21	Preceding Year Quarter 30.11.20	Cumulative Current Year to Date 30.11.21	Preceding Year to Date 30.11.20
Profit attributable to equity holders of the parent (RM'000)	3,917	1,856	3,917	1,856
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	193272	193272	193272	193272
Basic Earnings Per Share (sen)	2.03	0.96	2.03	0.96

(b) Diluted EPS

	Individual Current Year Quarter 30.11.21	Preceding Year Quarter 30.11.20	Cumulative Current Year to Date 30.11.21	Preceding Year to Date 30.11.20
Profit attributable to equity holders of the parent (RM'000)	3,917	1,856	3,917	1,856
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	289908	193272	289908	193272
Diluted Earnings Per Share (sen)	1.35	0.96	1.35	0.96

Notes on the interim financial statements
For the first quarter ended 30 November 2021

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 2022.