



BSL CORPORATION BERHAD

Company No. 200401012615 (651118-K)

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BSL CORPORATION BERHAD

Company Number: 200401012615 (651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MAY 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-May-22 RM'mil	PRECEDING YEAR QUARTER 31-May-21 RM'mil	CURRENT YEAR TO DATE 31-May-22 RM'mil	PRECEDING YEAR TO DATE 31-May-21 RM'mil
Continuing Operations				
Revenue	39.2	43.6	133.7	128.5
Cost of sales	(35.3)	(40.4)	(124.0)	(117.4)
Gross profit	3.9	3.2	9.7	11.1
Other income	1.0	1.5	5.5	4.0
Other expenses	(2.7)	(3.2)	(8.2)	(8.8)
Results from operating activities	2.2	1.5	7.0	6.3
Loss on disposal of subsidiary	-	-	(0.9)	-
Interest expense	(0.2)	(0.1)	(0.4)	(0.3)
Interest income	-	-	-	-
Share of result of associate	-	-	-	-
Profit before tax	2.0	1.4	5.7	6.0
Income tax expense	(0.4)	(0.5)	(1.2)	(1.5)
Profit for the year from continuing operations	1.6	0.9	4.5	4.5
Discontinued operations	-	-	-	-
Profit for the year from discontinued operations	-	-	-	-
Profit for the period/year	1.6	0.9	4.5	4.5
Other comprehensive income:				
Revaluation gain on property, plant and equipment	-	3.8	-	3.8
Exchange differences on translation of foreign operations	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	1.6	4.7	4.5	8.3
Profit/(Loss) attributable to :				
Equity holders of the company	1.6	1.0	4.5	4.6
Non-controlling interest	-	(0.1)	-	(0.1)
	1.6	0.9	4.5	4.5
Total comprehensive profit/(loss) attributable to :				
Equity holders of the company	1.6	4.8	4.5	8.4
Non-controlling interest	-	(0.1)	-	(0.1)
	1.6	4.7	4.5	8.3
Earnings per share attributable to equity holders of the parent:				
Basic, for gain for the period (sen)	0.58	0.47	1.88	2.33
Diluted, for gain for the period (sen)	0.58	0.47	1.88	2.33

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 Number: 200401012615 (651118-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 MAY 2022**

	As at 31-May-22 RM'mil	As at 31-Aug-21 RM'mil
ASSETS		
Non current assets		
Property, plant and equipment	91.6	91.2
Right to use assets	2.0	1.1
Other investments	5.8	5.8
Total non current assets	<u>99.4</u>	<u>98.1</u>
Current assets		
Inventories	20.5	22.6
Trade receivables	24.7	24.2
Other receivables	6.1	7.0
Contract assets	-	0.5
Current tax assets	0.9	0.7
Cash and bank balances	41.4	18.1
Total current assets	<u>93.6</u>	<u>73.1</u>
Total assets	<u>193.0</u>	<u>171.2</u>
Equity and liabilities		
Capital and reserves		
Share capital	75.6	50.8
Treasury shares	(0.5)	(0.5)
Reserves	74.2	69.7
Equity attributable to equity holders of the parent	<u>149.3</u>	<u>120.0</u>
Non-controlling interest	(0.1)	(0.4)
Total equity	<u>149.2</u>	<u>119.6</u>
Non current liabilities		
Long term borrowings	3.6	3.9
Lease liabilities	1.7	0.9
Deferred taxation liabilities	4.8	7.0
Total non current liabilities	<u>10.1</u>	<u>11.8</u>
Current liabilities		
Trade payables	20.3	27.9
Other payables	4.9	6.7
Contract liabilities	-	0.2
Short term borrowings	8.0	4.8
Lease liabilities	0.5	0.2
Total current liabilities	<u>33.7</u>	<u>39.8</u>
Total liabilities	<u>43.8</u>	<u>51.6</u>
Total equity and liabilities	<u>193.0</u>	<u>171.2</u>
Net Assets per share attributable to ordinary equity holders of the company (RM)	<u>0.54</u>	<u>0.62</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.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MAY 2022**

	<i>Non-distributable</i>				<i>Distributable</i>		Attributable to Equity Holders of the Parent RM'Mil	Non-controlling Interest RM'Mil	Total RM'Mil
	Share capital RM'Mil	Foreign currency translation reserve RM'Mil	Revaluation reserve RM'Mil	Fair value reserve RM'Mil	Treasury shares RM'Mil	Retained profit RM'Mil			
Balance as at 1 September 2021	50.8	(1.1)	35.1	(3.1)	(0.5)	38.8	120.0	(0.4)	119.6
Realisation of revaluation reserve	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	4.5	4.5	-	4.5
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	4.5	4.5	-	4.5
Disposal of non-wholly owned subsidiaries	-	-	-	-	-	-	-	0.3	0.3
Warrant exercised @ RM0.50	12.0	-	-	-	-	-	12.0	-	12.0
Private placement	12.7	-	-	-	-	-	12.7	-	12.7
ESOS	0.1	-	-	-	-	-	0.1	-	0.1
Balance as at 31 May 2022	75.6	(1.1)	35.1	(3.1)	(0.5)	43.3	149.3	(0.1)	149.2

	<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'Mil	Foreign currency translation reserve RM'Mil	Revaluation reserves RM'Mil	Fair value reserve RM'Mil	Treasury shares RM'000	Retained profit RM'000			
Balance as at 1 September 2020	50.8	(1.1)	32.3	(3.2)	(0.5)	29.4	107.7	(0.1)	107.6
Realisation of revaluation reserves	-	-	(0.2)	-	-	0.2	-	-	-
Profit for the year	-	-	-	-	-	4.6	4.6	(0.1)	4.5
Other comprehensive income for the year	-	-	3.8	-	-	-	3.8	-	3.8
Total comprehensive income for the year	-	-	3.8	-	-	4.6	8.4	(0.1)	8.3
Balance as at 31 May 2021	50.8	(1.1)	35.9	(3.2)	(0.5)	34.2	116.1	(0.2)	115.9

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.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 MAY 2022

	31-May-22	31-May-21
	RM'mil	RM'mil
Cash flows from operating activities		
Profit before tax	5.7	6.0
Adjustments for:		
Non-cash items	3.2	3.0
Non-operating items	(5.2)	0.1
Operating profit before working capital changes	<u>3.7</u>	<u>9.1</u>
Decrease/(Increase) in working capital:		
Inventories	2.1	(2.9)
Receivables	0.9	(5.4)
Payables	(9.4)	3.1
Cash (used in) / generated from operations	<u>(2.7)</u>	<u>3.9</u>
Income tax paid	(0.8)	(0.6)
Net cash (used in) / generated from operating activities	<u>(3.5)</u>	<u>3.3</u>
Cash flows from investing activities		
Interest received	0.2	-
Proceeds from disposal of property, plant and equipment	0.4	0.2
Purchase of property, plant and equipment	(1.2)	(1.6)
Net cash used in investing activities	<u>(0.6)</u>	<u>(1.4)</u>
Cash flows from financing activities		
Net increase (decrease) in bank borrowings	2.9	(2.2)
Interest paid	(0.4)	(0.3)
Payment of lease liabilities	0.1	(0.1)
Proceeds from conversion of warrants	24.8	-
Net cash (used in) / from financing activities	<u>27.4</u>	<u>(2.6)</u>
Net increase in cash and cash equivalents	23.3	(0.7)
Effect of changes in foreign currency translation reserves	-	-
Cash and cash equivalents at beginning of financial period	<u>17.5</u>	<u>15.3</u>
Cash and cash equivalents at end of financial period	<u>40.8</u>	<u>14.6</u>
Cash and cash equivalents at end of quarter comprise:		
Cash and bank balances	8.8	11.2
Deposits in licensed banks	32.6	4.0
	<u>41.4</u>	<u>15.2</u>
Less : Fixed deposit pledged to licensed bank	(0.6)	(0.6)
	<u>40.8</u>	<u>14.6</u>

Notes :

The Unaudited Condensed Consolidated Statements Of Cash Flows 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 31 May 2022

PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 28 FEBRUARY 2022

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. 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 31 May 2022

A8. Segment information

Segmental information from continuing operations is presented in respect of the Group's business segments for the year to date ended 31 May 2022:

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 31-May-22	Preceding Year Corresponding Quarter 31-May-21	Current year to Date 31-May-22	Preceding Year Corresponding Period 31-May-21
	RM'mil	RM'mil	RM'mil	RM'mil
<u>Revenue</u>				
Metal	36.3	38.4	121.2	112.0
PCB Assembly	2.6	3.8	11.9	12.1
Others	0.3	1.4	0.7	4.4
Total revenue including inter-segment sales	39.2	43.6	133.8	128.5
Eliminations of inter-segment sales	0.0	0.0	(0.1)	0.0
Total Revenue	39.2	43.6	133.7	128.5
<u>Segment result</u>				
Metal	1.8	1.8	6.6	5.9
PCB Assembly	0.2	(0.1)	0.6	0.7
Others	(0.2)	(0.1)	0.1	0.1
Investment Holding	(0.2)	(0.1)	(1.2)	(0.4)
Eliminations	0.0	0.0	(0.3)	0.0
(Loss) / Profit before interest and tax	1.6	1.5	5.8	6.3
Finance Cost	(0.2)	(0.1)	(0.5)	(0.3)
Interest Income	0.6	0.0	0.4	0.0
Taxation	(0.4)	(0.5)	(1.2)	(1.5)
(Loss) / Profit After Tax	1.6	0.9	4.5	4.5

A9. Valuation of property, plant and equipment

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

A10. Issuance of Debt & Equity Securities

The movements in the issued share capital of the Company during the current period are as follows:

	<u>Period Ended 31 May 2022</u>	
	<u>Number of Shares</u>	<u>Share Capital RM' mil</u>
Ordinary Shares		
As at 01 Sept 2021	196,000,000	50.8
Conversion of warrants	24,052,798	12.0
ESOS	622,000	0.1
Private Placement	57,981,500	12.7
	278,656,298	75.6

Notes on the interim financial statements
For the first quarter ended 31 May 2022

During the period, new ordinary shares were issued arising from the following:

- a) 20,000 from conversion of warrants;
- b) 622,000 from the subscription of Employee Share Option Scheme by eligible employees of the Group; and
- c) 57,981,500 from the private placement undertaken by the Company.

a) Conversion of Warrants

During the quarter a total of 20,000 new ordinary shares of RM0.50 each have been issued pursuant to the conversion of warrant.

b) Employee Share Option Scheme (ESOS)

The Company carried out an ESOS exercise during the quarter. A total of 622,000 shares were issued to eligible employees at an issue price of RM 0.1686, in accordance with the By-Laws of the ESOS.

c) Private Placement

The Company carried out a private placement of new shares in March. A total of 57,981,500 new shares (representing 30% of the outstanding issued shares prior to private placement). Proceeds from the private placement amounted to RM12.7 million.

Except 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.

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

On 30 November 2021, BSL Electronics & Technologies Sdn Bhd (“BSLET”) (formerly known as Crestronics (M) Sdn. Bhd.) was informed of the Court of Appeal’s decision to allow Panasonic Manufacturing Malaysia Berhad (“PMMA”) to intervene BSLET’s appeal proceedings at the Court of Appeal. The solicitors on behalf of the Company has 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.

After hearing the parties’ oral submissions at a hearing on 24 May 2022 at the Federal Court, the Federal Court allowed PMMA to intervene.

On 22 June 2022, the Court of Appeal had allowed BSLET to withdraw the motion for stay of proceedings pending disposal of leave to the Federal Court as BSLET’s application of leave to the Federal Court has been disposed of.

Notes on the interim financial statements
For the first quarter ended 31 May 2022

A12. Changes in the composition of the Group

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

A13. Changes in contingent liabilities

As at quarter ended 31 May 2022, 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.

A14. Capital commitments

	Approved and contracted for RM'mil	Approved but not contracted for RM'mil
Purchase of plant and equipment	1.5	-

Notes on the interim financial statements
For the first quarter ended 31 May 2022

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

B1. Performance review Sub part results for the current quarter

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

	Individual Quarter			Cumulative Period		
	31-May-22 RM'mil	31-May-21 RM'mil	Changes (%)	31-May-22 RM'mil	31-May-21 RM'mil	Changes (%)
Revenue	39.2	43.6	-10.1	133.7	128.5	4.0
Profit before interest and tax (PBIT)	2.2	1.5	46.7	7.0	6.4	9.4
Profit before tax (PBT)	2.0	1.4	42.9	5.7	6.0	-5.0
Profit after tax (PAT)	1.6	0.9	77.8	4.5	4.5	0.0
Profit attributable to ordinary equity holders of the parent	1.6	1.0	60.0	4.5	4.6	-2.2

Overall analysis

The Group posted lower revenue in third quarter but an increase in profit after tax of RM39.2 million and RM1.6 million respectively as compared to prior quarter of RM43.6 million and of RM1.0 million. Group revenue declined 10%, while revenue from Metal and PCB Assembly (PCBA) divisions declined 5.5% and 31.6% respectively. The larger percentage decline by PCBA is due to the small base effect.

Operating profit, for the quarter, for Metal was flat whilst PCBA managed to record a profit of RM 0.2 million. Results from the grouped was helped by interest income earned amounting to RM 0.4 million.

Group revenue for the year to date under review increased 4% largely due to the 8.2% increase in contribution from Metal division. This result is mirrored in operating profit of growth of 11.9%. Revenue and operating profit growth from PCBA was flat.

Overall sales have been affected by slower order intake arising from component shortage on our customer's side in the electrical and electronics sector. The knock-on effect is slower top line growth as our customers delay their orders. This has been partially offset by continued demand from our agricultural and industrial sectors. The Group has taken this opportunity to restructure our manufacturing operations and also to revamp our product and customer mix.

Notes on the interim financial statements
For the first quarter ended 31 May 2022

B2. Variation of results against the immediate preceding quarter

	Current quarter 31-May-22 RM'mil	Preceding quarter 28-Feb-22 RM'mil	Changes (%)
Revenue	39.2	38.3	2.3
Profit / (Loss) before interest and tax (PBIT/LBIT)	2.2	-0.1	-
Profit / (Loss) before (PBT/LBT)	2.0	-0.2	-
Profit / (Loss) after tax (PAT/LAT)	1.6	-0.2	-
Profit / (Loss) attributable to ordinary equity holders of the parent	1.6	-0.2	-

The Group revenue improved marginally from the previous quarter due to continued demand in the agriculture and industrial sectors. This has helped offset the effects from slower demand in the electrical and electronics sectors. In addition, we have also managed to increase order intake from some of our existing customers due to our engagement efforts.

Profit before and after tax improved compared to the preceding quarter as our efforts in increasing our manufacturing efficiency has started to bear fruits.

B3. Current year prospects

The outlook continues to remain clouded arising from inflationary pressures, supply chain delays, labor shortage, elevated oil prices and weakening ringgit. Our agricultural and industrial segments have been robust up to the current period. The electrical and electronics segments are starting to show some recovery as supply tightness eases slowly.

The completion of our acquisition of SD Unify is expected to be a bright spot, however full year contribution will only be felt in the next financial year. Overall, we remain cautious going into the second half of the year as the clouds are likely to remain.

Amidst this backdrop, the Group is continuing to focus on improving the manufacturing operations; and concurrently reviewing our customer and product mix.

B4. Variance of actual and forecast profit

The Group had not provided any profit forecast.

Notes on the interim financial statements
For the first quarter ended 31 May 2022

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

	Current Quarter 31.05.2022 RM'mil	Current Year to date 31.05.2022 RM'mil
(Loss)/Profit for the period / year is arrived at after charging/(crediting):		
Depreciation of property, plant & equipment	1.3	3.2
Finance cost	0.2	0.4
Gain on disposal of property, plant and equipment	(0.0)	(0.4)
Net foreign exchange loss	0.0	0.0
Interest income	(0.3)	(0.2)

B6. Income tax expense

	Current Quarter 31.05.2022 RM'mil	Current Year to date 31.05.2022 RM'mil
Income tax expense	0.4	1.2
Deferred tax expense	0.0	0.0
	<u>0.4</u>	<u>1.2</u>

The effective tax rate for the Group is lower than the statutory tax rate due to the reversal of doubtful debts which is not taxable.

B7. Unquoted investments and/or properties

The Group has not acquired or 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 first quarter ended 31 May 2022

B9. Status of corporate developments

- (i) The Company entered in an agreement to purchase 51% SD Unify Pte Ltd (SDU), on 10 November 2021, for a total consideration of SGD1.785 million (approximately RM5.7 million). SDU is principally involved in the business of sourcing, manufacturing and repair of semiconductor equipment. After various delays caused by covid related closures and travel restrictions, the legal and financial due diligence has been completed satisfactorily. As such, the Company completed the acquisition of SDU on 28 June 2022. SDU has subsequently been renamed BSL Unify Pte Ltd.
- (ii) On 28 June 2022, the Company announced its proposal to issue a renounceable rights issue of up to 2,354,494,986 new Company's shares together with up to 981,039,577 free detachable warrants on the basis of 12 Rights Shares together with 5 free Warrants B for every 2 existing shares held by the entitled shareholders on an entitlement date.

The application on the above has been approved by Bursa Securities on 15 July 2022.

B10. Utilization of proceeds

The proceeds of the Private Placement have been utilized as follows as at 22 July 2022:

Utilization of proceeds	Intended timeframe for utilization	Proposed utilization RM'mil	Actual utilization RM'mil	Balance unutilised RM'mil
(i) Manufacturing expansion	Within 24 months	10.6	0.5	10.1
(ii) Expenses for the corporate exercises	Immediate	2.1	0.6	1.5
Total		12.7	1.1	11.6

Notes on the interim financial statements
For the first quarter ended 31 May 2022

B11. Group borrowings

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

	Secured	Unsecured	Total
	RM'mil	RM'mil	RM'mil
Short term			
Term loans	1.6	-	1.6
Bank borrowings	5.2	-	5.2
Overdraft	0.5	-	0.5
Hire purchase	0.7	-	0.7
	<u>8.0</u>	<u>-</u>	<u>8.0</u>
Long term			
Term loans	3.2	-	3.2
Hire purchase	0.4	-	0.4
	<u>3.6</u>	<u>-</u>	<u>3.6</u>
	<u>11.6</u>	<u>-</u>	<u>11.6</u>

All borrowings are denominated in Ringgit Malaysia.

B12. Off balance sheet financial instrument

There are no financial instruments with off balance sheet risk since the end of the previous financial year ended 31 August 2021 up to the date of this announcement.

B13. Changes in material litigation

Save as disclosed in Note A11 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 subsidiary companies.

B14. Dividends

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

Notes on the interim financial statements
For the first quarter ended 31 May 2022

B15. Earnings per share

	Individual Current Year Quarter	Preceding Year Quarter	Cumulative Current Year To Date	Preceding Year to Date
	31.05.2022	31.05.21	31.05.2022	31.05.21
Profit attributable to equity holders of the parent (RM'mil)	1.6	0.9	4.5	4.5
Weighted average number of ordinary share in issue (RM'mil)	276.1	193.3	239.4	193.3
Basic Earning Per Share (sen)	0.58	0.47	1.88	2.33
Fully Diluted Per Share (sen)	0.58	0.47	1.88	2.33

B16. Authorisation for issue

This quarterly report was authorised for issue by the Board of Directors in accordance with the resolution of the directors on 2022.