

Unaudited Quarterly Results for the 1st Quarter Ended 31 March 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Mar-24 RM'000	PRECEDING YEAR QUARTER 31-Mar-23 RM'000	CURRENT YEAR TO DATE 31-Mar-24 RM'000	PRECEDING YEAR TO DATE 31-Mar-23 RM'000
Revenue	27,356	29,607	27,356	29,607
Cost of sales	(25,674)	(28,872)	(25,674)	(28,872)
Gross Profit/Loss	1,682	735	1,682	735
Gross Margin percentage	6.1%	2.5%	6.1%	2.5%
Other income	2,374	1,747	2,374	1,747
Administrative expenses	(2,596)	(2,267)	(2,596)	(2,267)
Other operating expenses	(1,443)	(8,205)	(1,443)	(8,205)
	17	(7,990)	17	(7,990)
Finance cost	(324)	(466)	(324)	(466)
Loss before tax	(307)	(8,456)	(307)	(8,456)
Tax expense	(42)	(105)	(42)	(105)
Loss for the financial period	(349)	(8,561)	(349)	(8,561)
Other Comprehensive Income:				
<i>Items that will be subsequently reclassified to profit or loss</i>				
Exchange differences on translation of foreign operations	91	-	91	-
Total Comprehensive Loss for the financial period	(258)	(8,561)	(258)	(8,561)
<u>Loss for the financial period attributable to :</u>				
Owners of the company	(624)	(8,612)	(624)	(8,612)
Non-controlling interest	275	51	275	51
	(349)	(8,561)	(349)	(8,561)
<u>Total comprehensive loss attributable to :</u>				
Owners of the company	(533)	(8,612)	(533)	(8,612)
Non-controlling interest	275	51	275	51
	(258)	(8,561)	(258)	(8,561)
Basic and diluted loss per share (sen)	(0.03)	(1.04)	(0.03)	(1.04)

Note:

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements of BSL Corporation Berhad for the financial year ended 31 December 2023.

Unaudited Quarterly Results for the 1st Quarter Ended 31 March 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2024

	As at 31-Mar-24 (Unaudited) RM'000	As at 31-Dec-23 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	83,785	84,623
Right-of-use assets	2,057	2,038
Intangible assets	6,618	6,618
Goodwill	2,925	2,925
Other investments	1,085	1,379
Total non-current assets	96,470	97,583
Current assets		
Inventories	10,443	9,158
Trade receivables	15,845	14,714
Other receivables	5,565	3,061
Current tax assets	4,498	4,380
Short-term deposits	124,621	121,838
Cash and bank balances	4,184	4,603
Total current assets	165,156	157,754
Total assets	261,626	255,337
Equity and liabilities		
Equity		
Share capital	156,248	156,248
Treasury shares	(459)	(459)
Reserves	40,230	40,763
Equity attributable to owners of the company	196,019	196,552
Non-controlling interests	2,734	2,459
Total equity	198,753	199,011
Non-current liabilities		
Term loans	1,716	2,624
Hire purchase liabilities	1,542	1,728
Lease liabilities	211	641
Deferred tax liabilities	3,529	3,389
Total non-current liabilities	6,998	8,382

Unaudited Quarterly Results for the 1st Quarter Ended 31 March 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2024 (continued)

	As at 31-Mar-24 (Unaudited) RM'000	As at 31-Dec-23 (Audited) RM'000
Current liabilities		
Trade payables	16,628	15,930
Other payables	2,398	2,427
Provision	11,136	11,332
Hire purchase liabilities	1,171	1,338
Lease liabilities	2,134	1,382
Bank borrowings	19,697	12,906
Term loans	2,259	1,926
Current tax liabilities	452	703
Total current liabilities	55,875	47,944
Total liabilities	62,873	56,326
Total equity and liabilities	261,626	255,337
Net assets per share (RM) attributable to owners of the company	0.10	0.10

Note:

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 December 2023.

BSL CORPORATION BERHAD (Registration No. 200401012615 (651118-K))

Unaudited Quarterly Results For The 1st Quarter Ended 31 March 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	<i>Non-distributable</i>					<i>Distributable</i>				
	Share Capital RM'000	Warrants Reserve RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interest RM'000	Total RM'000
At 1 January 2024	156,248	10,338	(100)	34,702	(17)	(459)	(4,160)	196,552	2,459	199,011
Profit/(Loss) for the period	-	-	-	-	-	-	(624)	(624)	275	(349)
Other comprehensive income for the period:										
Foreign currency translation differences	-	-	91	-	-	-	-	91	-	91
Total comprehensive income/(loss) for the period	-	-	91	-	-	-	(624)	(533)	275	(258)
At 31 March 2024	156,248	10,338	(9)	34,702	(17)	(459)	(4,784)	196,019	2,734	198,753

Note:

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 December 2023.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	Cumulative Current Year To Date 31-Mar-24 RM'000	Cumulative Preceding Year To Date 31-Mar-23 RM'000
<u>Cash flows from operating activities</u>		
Loss before tax	(307)	(8,456)
Adjustments for:		
Depreciation of property, plant and equipment	935	1,315
Depreciation of right-of-use assets	310	-
Gain on disposal of property, plant and equipment	5	(226)
Loss on disposal of other investment (quoted shares)	-	5,407
Fair value loss on other investment (quoted shares)	294	560
Interest expense	324	466
Interest Income	(883)	(360)
Operating profit/(loss) before working capital changes	678	(1,294)
Change in working capital:		
Inventories	(1,285)	(1,183)
Receivables	(3,635)	1,010
Payables	1,936	(1,561)
Cash used in operations	(2,306)	(3,028)
Income tax paid	-	(617)
Net cash used for operating activities	(2,306)	(3,645)
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(27)	(3,499)
Proceeds from disposal of property, plant and equipment	-	226
Proceed from disposal of other investment (quoted shares)	-	5,786
Interest received	877	598
Net cash generated from investing activities	850	3,111
<u>Cash flows from financing activities</u>		
Repayment of hire purchase liabilities	(353)	(329)
Repayment of term loans	(634)	(3,511)
Drawdown of bank borrowings	13,987	2,946
Repayment of bank borrowings	(7,194)	-
Issuance of new shares	-	90,985
Payment of lease liabilities	(8)	-
Interest paid	(206)	(227)
Net cash generated from financing activities	5,592	89,864

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (cont.)

	Cumulative Current Year To Date 31-Mar-24 RM'000	Cumulative Preceding Year To Date 31-Mar-23 RM'000
Net increase in cash and cash equivalents	4,136	89,329
Effect of exchange rates changes	255	-
Cash and cash equivalents at beginning of financial period	124,414	30,607
Cash and cash equivalents at end of financial period *	128,805	119,936
* Cash and cash equivalents at end of quarter comprise:		
Cash and bank balances	4,184	4,277
Short-term deposits	124,621	115,659
	128,805	119,936

Note:

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 December 2023.

PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial period ended 31 December 2023 and the accompanying explanatory notes. The explanatory notes attached to the interim financial statements provides an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial period ended 31 December 2023.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the financial period ended 31 December 2023. The adoption of the new/amended MFRS and its amendments does not give rise to any adjustment to the opening balances of retained profit of prior period and current period or changes in comparatives.

A2. Qualification of Annual Financial Statements

There were no audit qualifications on the financial statements for the financial period ended 31 December 2023.

A3. Seasonal and Cyclical Factors

The Group’s business operation results were not materially affected by any major seasonal or cyclical factors.

A4. Nature and Amounts of Unusual Items

There were no unusual 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.

A7. Issuance of Debt & Equity Securities

There were no 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. The total number of treasury shares held was 2,728,226 ordinary shares as at 31 March 2024.

The total shares issued at the end of current financial period was 1,932,812,532, after taking into account treasury shares held.

A8. Segmental Reporting

Segmental information from continuing operations is presented in respect of the Group's business segments for the year to date ended 31 March 2024 as below:

1st^h quarter and Cumulative quarter ended 31 March 2024

	Investment Holding	Precision Stamping and Tooling	PCB assembly	Others	Eliminattions	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales	-	26,317	1,039	-	-	27,356
Inter-segment sales	-	178	172	-	(350)	-
	-	26,495	1,211	-	(350)	27,356
Segment results	(474)	156	(437)	(40)	(71)	(866)
Loss from operations						(866)
Finance cost						(324)
Finance income						883
Loss before tax						(307)
Tax expense						(42)
Loss for the financial period						(349)
<u>Attributable to:</u>						
Owners of the Company						(624)
Minority interest						275
						(349)

A8. Segmental Reporting (continue.)

Assets and liabilities as at 31 March 2024

	Investment Holding RM'000	Precision Stamping and Tooling RM'000	PCB assembly RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Segment assets	169,273	160,050	3,999	6,211	(77,907)	261,626
Segment liabilities	13,359	56,830	16,115	630	(24,061)	62,873

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. Material events subsequent to the end of the interim period

Judicial Review Against Bills of Demand issued by Royal Malaysian Customs Selangor

On 19 December 2014, BSL Electronics & Technologies Sdn. Bhd. [formerly known as Crestronics (M) Sdn. Bhd. (“BSLET”) (a wholly-owned subsidiary of the Company)] had received bills of demand from the Royal Malaysian Customs Selangor, being the relevant authority, demanding payment of sales tax and import duties amounting to RM11.1 million for the period from December 2011 to July 2014 of which BSLET disputed. The Directors have obtained advice from a consultant, and based on the advice received, the Directors are of the view that BSLET should only be liable for up to RM0.2 million.

On 30 December 2014, BSLET appealed to the relevant authority. Subsequently, on 15 September 2015, the authority rejected the appeal with no specific reason mentioned.

On 5 November 2015, BSLET appealed to the relevant authority again. However, on 28 June 2017, BSLET received a letter from the relevant authority that the appeal against bills of demand has been rejected and further appeal will not be considered. Thereafter, the Directors engaged another consultant to look into this matter to appeal to Minister of Finance.

On 30 January 2018, BSLET submitted remission application to the Ministry of Finance. Subsequently, on 10 April 2018, the Ministry of Finance rejected the application with no specific reason mentioned.

On 5 July 2018, BSLET, through its appointed solicitor filed in an application for judicial review to the High Court.

On 6 January 2020, the High Court dismissed BSLET's judicial review application, BSLET proceeded to file a notice of appeal on 14 January 2020 ("Appeal") to the Court of Appeal in relation to the High Court's decision to dismiss BSLET's judicial review application. The High Court had on 17 February 2020 granted BSLET a stay of execution in respect of the bills of demand until the disposal of the Appeal at the Court of Appeal.

Panasonic Manufacturing Malaysia Berhad ("PMMA") had submitted a notice of motion ("Motion") for, amongst others, PMMA to be granted leave to intervene to be heard in the Appeal filed by BSLET and the hearing and determination of the Appeal be stayed pending disposal of the Motion.

PMMA claimed, amongst others, that:-

- (a) The subject matter of the Appeal which essentially concerns the dispute on the sales tax and import duties imposed by the Director General of Customs on BSLET in respect of the transactions arising from the sale and purchase agreement between BSLET and PMMA, is similar to the subject matter of the BSLET's originating summons filed against PMMA. (as set out in Section A10 (ii) below);
- (b) As PMMA has a direct interest in the subject matter of the Appeal, the presence of PMMA in the Appeal is necessary and crucial to ensure that all matters in dispute are heard and adjudicated fairly, effectually and completely; and
- (c) One of the main grounds in BSLET's judicial review application was that the PMMA has represented to BSLET that the PMMA has a Licensed Manufacturing Warehouse ("LMW") status, which should and can only be properly answered by PMMA.

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.

On 1 November 2021, the Court of Appeal had allowed PMMA's Motion to intervene BSLET's Appeal proceedings at the Court of Appeal. On 30 November 2021, BSLET had filed an application for leave to appeal to the Federal Court against the Court of Appeal's decision on 1 November 2021 to allow PMMA's application to intervene.

On 24 May 2022, the Federal Court had allowed PMMA to intervene. On 29 June 2022, the Court of Appeal fixed the hearing date of the appeal on 10 May 2023.

On 10 May 2023, the Court of Appeal had fixed 12 October 2023 for the hearing of BSLET's appeal in relation to the challenge against the bills of demand dated 19 December 2014 raised by the Royal Malaysian Customs Department for import duties and sales tax.

On 12 October 2023, the Court of Appeal had adjourned the hearing for a further one month and the new date has yet to be fixed as the case management is still in the process.

The solicitor of BSLET opines that BSLET has an arguable case to contend that there is no legal or factual basis for the 1st respondent (Ministry of Finance) to disallow BSLET's claim

for remission of import duties and sales tax and for the 2nd respondent (Royal Malaysian Customs Department) to raise the disputed bills of demand.

A11. Changes in the composition of the Group

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

A12. Changes in contingent liabilities

For the quarter ended 31 March 2024, corporate guarantees amounting to RM24.9 million were given by the Company to financial institutions for credit facilities granted to subsidiary companies.

A13. Capital commitments

There were no capital commitments of the Group in respect of property, plant and equipment as at 31 March 2024.

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

B1. Current and Cumulative Quarter's Performance Review

	Current/ Cumulative Quarter 31-Mar-24 RM'000	Current/ Cumulative Quarter 31-Mar-23 RM'000	Difference %
Revenue	27,356	29,607	-8%
Gross Profit	1,682	735	129%
Loss Before Tax	(307)	(8,456)	96%
Loss After Tax	(349)	(8,561)	96%
Loss Attributable to Owners of the Company	(624)	(8,561)	93%

The Group registered revenue of RM27.4 million in the current quarter ended 31 Mar 2024 ("Q1'24"), lower by RM2.2 million or 8% compared with RM29.6 million recorded same period last year ("Q1'23") mainly attributed to softer demand. The Group's revenue was principally derived from the electrical and electronic segment, contributing approximately 41% of the total revenue.

The Group however recorded lower pre-tax loss of RM0.3 million in the current quarter compared with RM8.5 million last year due to absence of loss on disposal and provision for impairments of investments in quoted shares totalling RM4.9 million recorded in the same period last year.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter 31-Mar-24 RM'000	Immediate Preceding Quarter 31-Dec-23 RM'000	Difference %
Revenue	27,356	27,286	0.3%
Gross Loss	1,682	1,729	-2.7%
Loss Before Tax	(307)	(10,853)	97.2%
Loss After Tax	(349)	(10,636)	96.7%
Loss Attributable to Owners of the Company	(624)	(10,549)	94.1%

The Group's revenue of RM27.4 million for the current quarter increased slightly by RM0.1 million or 0.3% from the revenue recorded in the immediate preceding quarter of RM27.3 million.

The Group's pre-tax loss of RM0.3 million however reduced substantially from a pre-tax loss of RM10.9 million in the preceding quarter whereby included in the preceding quarter results were provision for impairment losses for its investments and receivables, and professional fees totalling RM9.2 million.

B3. Commentary on Prospects

The Group is mindful of the challenges ahead with the global economic uncertainty, market competition, technological & supply chain disruption compounded by continued rising prices of material and operating costs.

The Group remains cautious on the business prospects and has taken the opportunity to strategize and refocus operations to its core competency in Metal and PCB Assembly.

The Group continues to increase the depth and breadth of the customer base, and continue adopting prudent financial management focusing towards optimizing the manufacturing cost structure, enhance operational efficiency and effective cost management.

B4. Variance of Actual and Forecast Profit

The Group has not provided any profit forecast.

B5. Loss before Tax

Loss before tax is arrived after charging/(crediting):

	Current Quarter 31-Mar-24 RM'000	Cumulative Quarter 31-Mar-24 RM'000
Depreciation of property, plant & equipment	935	935
Depreciation of right-of-use assets	310	310
Loss on disposal of property, plant and equipment	5	5
Net loss / (gain) on foreign exchange	48	48
Loss on fair value change of investment quoted shares	294	294
Interest expense	324	324
Interest income	(883)	(883)

B6. Tax Expense

	Current Quarter 31-Mar-24 RM'000	Cumulative Quarter 31-Mar-24 RM'000
Income tax expense	(42)	(42)
Deferred tax expense/(reversal)	-	-
Total tax expense	<u>(42)</u>	<u>(42)</u>

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

During the quarter the following quoted and marketable investments were acquired/(sold).

- (a) There is no sale/purchase of investments in quoted securities by the Group for the current financial quarter.
- (b) The details of investments in quoted securities by the Group as at the end of the current financial quarter and financial year-to-date under review are set out as follows:

	Current Quarter 31-Mar-24 RM'000	Cumulative Quarter 31-Mar-24 RM'000
Total investment at market value bought forward	1,379	1,379
Total net purchase/(sale) of investments in quoted securities	-	-
Loss on disposal of quoted securities	-	-
Fair value loss on investment in quoted securities recognised in profit or loss	(294)	(294)
Total investment at market value carried forward	<u>1,085</u>	<u>1,085</u>

B9. Status of Corporate Developments

There is no corporate development currently on-going.

B10. Utilization of Proceeds

(i) Private Placement

Following is the status utilization of the proceeds Private Placement exercise which was completed on 28 March 2022:

Purpose of Utilization	Timeframe for Utilization	Approved Utilization RM'000	Actual Utilization RM'000	Balance Unutilised RM'000
Manufacturing Expansion	Within 48 months (Included 24 months extended period)	10,598	6,709	3,889
Expenses for Corporate Exercises	Immediate	2,111	643	1,468
Total		12,709	7,352	5,357

(ii) Rights Issue

Following is the status utilization of the proceeds from the Rights Issue exercise which was completed on 15 March 2023:

Purpose of Utilisation	Timeline for Utilization	Approved Utilisation RM'000	Actual Utilization RM'000	Balance Unutilized RM'000
Manufacturing Expansion	Within 24 months	26,000	638	25,362
Upgrading of Existing Facilities and Technologies		17,500	7,840	9,660
Funding for Raw Materials		14,500	4,871	9,629
Repayment of Borrowings		3,000	3,000	-
Working Capital		29,129	11,803	17,326
Expenses For the Rights Issue with Warrants	Immediate	850	753	97
Total		90,979	28,905	62,074

B11. Group Borrowings

The Group's total borrowings as at 31 March 2024 stood at RM28.7 million, representing a gearing ratio of 0.14 to shareholders equity.

	As at 31 March 2024		
	Long Term	Short term	Total borrowings
	RM'000	RM'000	RM'000
<u>Secured borrowings</u>			
Overdraft		2,412	2,412
Bankers' acceptance		17,285	17,285
Term loans	1,716	2,259	3,975
Hire purchase loans	1,542	1,171	2,714
Sub-Total	3,258	23,127	26,386
<u>Un-Secured borrowings</u>			
Lease liabilities	211	2,134	2,345
Sub-Total	211	2,134	2,345
Total	3,469	25,261	28,731

	As at 31 December 2023		
	Long Term	Short term	Total borrowings
	RM'000	RM'000	RM'000
<u>Secured borrowings</u>			
Overdraft	-	1,452	1,452
Bankers' acceptance	-	11,454	11,454
Term loans	2,624	1,926	4,550
Hire purchase loans	1,728	1,338	3,066
Sub-Total	4,352	16,170	20,522
<u>Un-Secured borrowings</u>			
Lease liabilities	517	2,437	2,954
Sub-Total	517	2,437	2,954
Total	4,869	18,607	23,476

B12. Off-Balance Sheet Financial Instrument

There are no financial instruments with off-balance sheet risk since the end of the last audited financial period ended 31 March 2024 up to the date of this announcement.

B13. 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 subsidiary companies.

B14. Dividend Payable

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

B15. Loss per share

The loss per share for the quarter and cumulative year to date are computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31-Mar-24 RM'000	Preceding Year Quarter 31-Mar-23 RM'000	Current Period To Date 31-Mar-24 RM'000	Preceding Year to Date 31-Mar-23 RM'000
Loss attributable to owners of the Company	(624)	(8,614)	(624)	(8,614)
Weighted average number of ordinary share in issue ('mil)	1,933	827	1,933	827
Basic Loss Per Share (sen)	(0.03)	(1.04)	(0.03)	(1.04)
Diluted Loss Per Share (sen)	(0.03)	(1.04)	(0.03)	(1.04)

The diluted loss per share has been calculated based on the adjusted consolidated loss for the financial period attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares.

B16. Authorisation for Issue

This quarterly report has been authorised for issue by the Board of Directors.