

THIS INDEPENDENT ADVICE CIRCULAR ("IAC") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ THIS IAC IN CONJUNCTION WITH THE OFFER DOCUMENT DATED 14 JULY 2021 ISSUED BY M&A SECURITIES SDN BHD ON BEHALF OF THE JOINT OFFERORS (AS DEFINED HEREIN) WHICH HAS BEEN SENT TO YOU.

If you are in any doubt about the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately. If you have sold or transferred all your Offer Shares (as defined herein), you should at once hand this IAC to the purchaser or stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee of such Offer Shares.

Pursuant to Rule 11 of the Rules on Take-overs, Mergers and Compulsory Acquisitions ("**Rules**"), the Securities Commission Malaysia ("**SC**") has notified that it has no further comments to the contents of this IAC. However, such notification shall not be taken to suggest that the SC agrees with our recommendations or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.



BSL CORPORATION BERHAD

(Registration No.: 200401012615 (651118-K))

(Incorporated in Malaysia)

INDEPENDENT ADVICE CIRCULAR TO THE HOLDERS

IN RELATION TO THE UNCONDITIONAL MANDATORY TAKE-OVER OFFER

BY

DATO' SRI DR. PANG CHOW HUAT

AND

HO JIEN SHIUNG

(COLLECTIVELY REFERRED TO AS THE "JOINT OFFERORS")

THROUGH

M & A SECURITIES SDN BHD

(Registration No.: 197301001503 (15017-H))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

TO ACQUIRE

**ALL THE REMAINING ORDINARY SHARES IN BSL CORPORATION BERHAD
(EXCLUDING TREASURY SHARES) NOT ALREADY OWNED BY THE JOINT OFFERORS ("OFFER
SHARES") FOR A CASH OFFER PRICE OF RM1.15 PER OFFER SHARE ("OFFER PRICE")
("OFFER")**

Independent Adviser



MainStreet Advisers Sdn Bhd

(Registration No.: 200701032292 (790320-P))

This Independent Advice Circular is dated 26 July 2021

DEFINITIONS

Except where the context otherwise requires or where otherwise defined herein, words and expressions defined in the Rules (as defined hereunder) shall have the same meaning when used herein and the following definitions shall apply throughout this IAC:

Accepting Holder(s)	: Holder(s) who accepts the Offer in accordance with the terms and conditions set out in the Offer Document
Acquisitions	: Acquisitions of an aggregate of 49,980,000 BSLCORP Shares from Esteem Role Sdn Bhd, representing approximately 51.72% of the equity interest in BSLCORP (after excluding 1,364,113 treasury shares) by the Joint Offerors via direct business transactions at RM1.15 per BSLCORP Share on 23 June 2021
Act	: Companies Act, 2016, as amended from time to time and any re-enactment thereof
Board	: The Board of Directors of BSLCORP
BSLCORP or Offeree or Company	: BSL Corporation Berhad (Registration No.: 200401012615 (651118-K))
BSLCORP Group or Group	: BSLCORP and its subsidiary, associated and joint-venture companies, collectively
BSLCORP Share(s) or Share(s)	: Ordinary share(s) in BSLCORP
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
Closing Date	: (i) First Closing Date; or (ii) in the event the Offer is revised or extended in accordance with the Rules and the terms and conditions of the Offer Document, such other revised or extended closing date as the Joint Offerors may decide and as may be announced by M&A Securities on behalf of the Joint Offerors, no later than two (2) days before the Closing Date. Notice of such extension will be revision or extension will be posted to the Holders accordingly.
CMSA	: Capital Markets and Services Act, 2007 including any amendments from time to time
Dato' Sri Dr. Pang	: Dato' Sri Dr. Pang Chow Huat, one (1) of the Joint Offerors for the Offer
Directors	: Directors of BSLCORP
Dissenting Holder(s)	: Holder(s) who has not accepted the Offer and/or has failed or refused to transfer the Offer Shares to the Joint Offerors in accordance with the terms and conditions of the Offer Document

DEFINITIONS (Cont'd)

Distribution	: Any dividend or distribution of any nature declared, made or paid by BSLCORP to the Holders
First Closing Date	: 5.00 p.m. (Malaysian time) on 4 August 2021, being the date falling 21 days from the posting date of the Offer Document
Form of Acceptance and Transfer	: Form of acceptance and transfer for the Offer Shares, enclosed with the Offer Document
FPE	: Financial period ended
FYE	: Financial year ended
Holder	: Each holder (including any custodian, nominee and trustee) of the Offer Shares
IAC	: Independent Advice Circular, dated 26 July 2021 in relation to the Offer
IAL	: Independent advice letter from the Independent Adviser to the Holders dated 26 July 2021 (as contained in Part B of this IAC)
Interested Directors	: Collectively, (i) Ngiam Tong Kwan (<i>deemed interested by virtue of being a shareholder and a director of Esteem Role Sdn Bhd</i>), (ii) Ngiam Tee Wee and (iii) Ngiam Tee Yang (<i>both are deemed interested as they are shareholders of Esteem Role Sdn Bhd</i>)
Joint Offerors	: Dato' Sri Dr. Pang and Ho Jien Shiung, collectively
KLPRO	: Bursa Malaysia Industrial Production Index
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 19 July 2021, being the latest practicable date before the posting date of this IAC
LTD	: 22 June 2021, being the last trading day before the date of the Notice
MainStreet or Independent Adviser	: MainStreet Advisers Sdn Bhd (Registration No.: 200701032292 (790320-P))
M&A Securities	: M&A Securities Sdn Bhd (Registration No.: 197301001503 (15017-H))
Market Day	: Any day on which Bursa Securities is open for trading in securities
MFRS	: Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board
Non-Interested Directors	: Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, To' Puan Rozana Bte Tan Sri Redzuan and Ng Wai Pin, collectively

DEFINITIONS (Cont'd)

Notice	: The notice of the Offer dated 23 June 2021, which was served on the Board by M&A Securities on behalf of the Joint Offerors
Offer	: Unconditional mandatory take-over offer by the Joint Offerors, through M&A Securities, to acquire the Offer Shares at the Offer Price in accordance with the terms and conditions as set out in the Offer Document
Offer Document	: The offer document dated 14 July 2021 which sets out details, terms and conditions of the Offer, together with the enclosed Form of Acceptance and Transfer
Offer Document LPD	: 8 July 2021, being the latest practicable date of the Offer Document
Offer Period	: The period commencing from 23 June 2021, being the date of service of the Notice, and expiring on the earlier of either: (i) the Closing Date; or (ii) the date on which the Offer lapses or is withdrawn with the SC's written consent
Offer Price	: Cash consideration for the Offer Shares, being RM1.15 per Offer Share
Offer Share(s)	: All the remaining 46,655,887 BSLCORP Shares (excluding treasury shares) not already owned by the Joint Offerors, representing 48.28% of the total issued shares of BSLCORP (after excluding 1,364,113 treasury shares) as at the LPD
Official List	: A list specifying all securities which are listed on Bursa Securities
Public Spread Requirement	: The requirement pursuant to Paragraph 8.02(1) of the Listing Requirements which stipulates that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders to ensure its continued listing on the Main Market of Bursa Securities
RM and sen	: Ringgit Malaysia and Sen, respectively, the lawful currency of Malaysia
RNAV	: Realisable Net Asset Value
Rules	: Rules on Take-overs, Mergers and Compulsory Acquisition issued by the SC
SC	: Securities Commission Malaysia
Valid Acceptance	: The acceptance of the Offer by a Holder in accordance with the terms and conditions of the Offer Document, which is deemed by the Joint Offerors to be valid and complete in all respects
Valuer	: Rahim & Co International Sdn Bhd (Registration No.: 201501001265 (1126597-X))

DEFINITIONS (Cont'd)

VWAP : Volume weighted average market price

Interpretation

In this IAC, words referring to the singular shall, where applicable, include the plural and vice versa, and words referring to the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include a company or a corporation.

When a period specified in the Rules, as appearing in this IAC, ends on a day which is not a Market Day, the period is extended until the next Market Day.

All references to “you” or “Holder” in this IAC are to the holder of Offer Shares, being the person to whom the Offer is being made.

All references to “we”, “us” or “our” in this IAC are to the Independent Adviser.

Any discrepancies in the tables included in this IAC between the amounts listed, actual figures and the total thereof are due to rounding.

Any reference to a time of day in this IAC shall be a reference to Malaysian time unless otherwise stated.

Any reference in this IAC to any enactment is a reference to that enactment, for the time being as amended or re-enacted.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE OFFER. WE ADVISE HOLDERS TO READ BOTH PART A: LETTER FROM THE BOARD AND PART B: IAL FROM MAINSTREET (THE INDEPENDENT ADVISER) FOR THEIR VIEWS AND RECOMMENDATIONS IN RELATION TO THE OFFER. THIS IAC SHOULD ALSO BE READ TOGETHER WITH THE OFFER DOCUMENT

1. INTRODUCTION

On 23 June 2021, the Joint Offerors acquired an aggregate of 49,980,000 BSLCORP Shares from Esteem Role Sdn Bhd, representing approximately 51.72% equity interest in BSLCORP (after excluding 1,364,113 treasury shares) via direct business transactions, for a total cash consideration of RM57,477,000.00 (excluding brokerage and other incidental cost) at RM1.15 per BSLCORP Share.

Prior to the Acquisitions, the Joint Offerors did not hold any BSLCORP Shares.

Following the Acquisitions, the shareholdings of the Joint Offerors in BSLCORP increased from nil to 49,980,000 BSLCORP Shares (representing approximately 51.72% equity interest in BSLCORP (after excluding 1,364,113 treasury shares)). Accordingly, pursuant to Section 218(2) of the CMSA and Paragraph 4.01(a) of the Rules, the Joint Offerors are obliged to extend a mandatory take-over offer on the Offer Shares at the Offer Price.

On 23 June 2021, M&A Securities on behalf of the Joint Offerors, served the Notice on the Board in respect of the Joint Offerors' unconditional mandatory take-over offer to acquire all the Offer Shares at the Offer Price.

On the same day, the Offeree announced the receipt of the Notice and a copy of the Notice has been dispatched to the Holders on 29 June 2021.

On 23 June 2021, in accordance with Paragraph 3.06 of the Rules, the Offeree announced that the Board (save for the Interested Directors) will appoint MainStreet as the Independent Adviser to advise the Offeree's Non-Interested Directors and the Holders in respect of the fairness and reasonableness of the Offer. MainStreet was appointed on 24 June 2021.

Following thereto, MainStreet had, vide its letter dated 25 June 2021 declared its independence from conflict of interest or potential conflict of interest to act as the Independent Adviser in relation to the Offer. The SC had taken note of MainStreet's declaration of independence vide its letter dated 29 June 2021.

The Offer is unconditional as the Joint Offerors hold in aggregate more than 50% voting shares or voting rights of BSLCORP, upon the completion of the Acquisitions.

As at the LPD, there are no persons acting in concert with the Joint Offerors (in accordance with Section 216 of the CMSA) that hold shares in BSLCORP.

You should have by now received a copy of the Offer Document, which was despatched on 14 July 2021 and sets out the details, terms and conditions of the Offer as well as the procedures for acceptance and method of settlement of the Offer, together with the Form of Acceptance and Transfer.

EXECUTIVE SUMMARY (Cont'd)

Pursuant to Paragraph 11.04(2) of the Rules, the SC had, vide its letter dated 23 July 2021 notified that it has no further comments on this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendations contained herein or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.

THE PURPOSE OF THIS IAC IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE OFFER AND THE NON-INTERESTED DIRECTORS' VIEW ON THE OFFER TOGETHER WITH THE RECOMMENDATION OF MAINSTREET, SUBJECT TO THE SCOPE AND LIMITATIONS OF OUR ROLE AND EVALUATION SPECIFIED IN THIS IAC.

YOU ARE ADVISED TO READ BOTH THIS IAC AND THE OFFER DOCUMENT AND CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED HEREIN BEFORE TAKING ANY ACTION.

2. TERMS AND CONDITIONS OF THE OFFER

The terms and conditions of the Offer are as follows:

2.1 Consideration for the Offer

Holders who accept the Offer will be paid in cash RM1.15 per Offer Share, in accordance with the terms as set out in the Offer Document.

If BSLCORP declares, makes or pays any Distributions on or after the date of the Notice but before the Closing Date, and Holders are entitled to retain such Distribution, the Joint Offerors will reduce the Offer Price by an amount equivalent to the net Distribution per Offer Share that Holders are entitled to retain.

As at the LPD, BSLCORP has not declared any Distribution that is payable on or after the date of the Notice.

Holders may accept the Offer for all or part of their Offer Shares. The Joint Offerors will round down the cash consideration payable to an Accepting Holder down to the nearest whole sen. The Joint Offerors will not pay fractions of a sen, if any, to the Accepting Holders.

2.2 Condition for the Offer

The Offer is not conditional upon any minimum level of acceptance of the Offer Shares as the Joint Offerors already hold in aggregate more than 50% of the voting shares in BSLCORP following the Acquisitions.

2.3 Duration of the Offer

The Offer will remain open for acceptances until 5:00 p.m. (Malaysian time) on Wednesday, 4 August 2021, being the First Closing Date. Depending on the level of acceptances, the Joint Offerors may extend the Offer beyond the First Closing Date in accordance with the provisions of the Rules. Such extension to the date and time for acceptance of the Offer, if any, will be announced by M&A Securities, on behalf of the Joint Offerors, no later than two (2) days before the Closing Date. Notices of such extension will be posted to the Holders accordingly.

Please refer to Section 2 of Appendix I of the Offer Document for further details on the duration of the Offer.

2.4 Method of settlement

Except with the consent of the SC and save for the Joint Offerors' right to reduce the Offer Price as set out in Section 2.1 of the Offer Document, the settlement of the consideration to which an Accepting Holder is entitled under the Offer will be effected via:

- (i) remittance into the Accepting Holder's bank account, details of which have been registered with Bursa Depository for the purpose of cash dividend/distribution; or
- (ii) if the Holder has not registered such details with Bursa Depository prior to the complete and valid acceptances in accordance with the terms and conditions set out in the Offer Document, remittance in the form of cheque, banker's draft or cashier's order which will be posted by ordinary mail to the Accepting Holder (or their designated agent, as may be direct) at the Accepting Holder's registered Malaysian address last maintained with Bursa Depository, at their own risk,

within 10 days from the date of valid acceptance of the Offer.

Please refer to Appendix I of the Offer Document for other terms and conditions of the Offer and Appendix II of the Offer Document for the procedures for acceptance and method of settlement of the consideration for the Offer Shares.

3. DETAILS OF ACCEPTANCE

As at the Offer Document LPD, the Joint Offerors have not received any irrevocable undertaking from any Holder to accept or reject the Offer.

As at the LPD, there is no announcement made by M&A Securities, on behalf of the Joint Offerors of any acceptance of the Offer Shares.

4. EVALUATION OF THE OFFER

In arriving at our conclusion and recommendation in respect of the Offer, we have assessed the fairness and reasonableness of the Offer in accordance with Paragraphs 1 to 6 of Schedule 2: Part III of the Rules whereby:

- (i) in relation to a take-over, the term “fair and reasonable” should generally be analysed as two (2) distinct criteria i.e. whether the offer is “fair” and whether the offer is “reasonable”, rather than as a composite term.
- (ii) the Offer is considered “fair”, if the Offer Price (or value of consideration) is equal to or higher than the market price and is also equal to or higher than the value of the Offer Shares of the Offeree. However, if the Offer Price (or value of consideration) is equal to or higher than the market price, but is lower than the value of the Offer Shares of the Offeree, the Offer is considered as “not fair”.

Pursuant to Paragraph 4 of Schedule 2: Part III of the Rules, in considering whether a take-over offer is “reasonable”, the independent adviser should take into consideration matters other than the valuation of the securities that are subject of the take-over offer. Generally, a take-over offer would be considered “reasonable” if it is “fair”.

4.1 Assessment of the fairness of the Offer

The assessment of the fairness of the Offer is based on the following pertinent factors:

Consideration	
Valuation of BSLCORP Shares	<ul style="list-style-type: none">• The Group’s businesses mainly comprise:<ul style="list-style-type: none">(i) stamping and manufacturing of precision metal parts, fabrication of tools and dies and fabrication and forging of base metal components (“Precision Stamping and Tooling”);(ii) printed circuit board (“PCB”) assembly and assembly of all types of electronic and electrical components, devices and system (“PCB and Module Assembly”); and(iii) generation of renewable energy and Photovoltaic (PV) solar energy solution provider (“Renewable Energy”).• We are of the view that an asset-based approach using RNAV as the most appropriate valuation methodology to arrive at the fair value of BSLCORP Shares due to the following reasons:<ul style="list-style-type: none">(i) the Group’s fluctuating earnings historically with unpredictable future earnings coupled with the uncertain economic outlook arising from the COVID-19 pandemic. Accordingly, we have not adopted the earnings-based valuation method, including the discounted cash flow approach for the purpose of deriving valuation for the respective core business segments of the Group;

EXECUTIVE SUMMARY (Cont'd)

Consideration	
	<ul style="list-style-type: none"> (ii) no dividend has been declared by BSLCORP for the past 11 financial years up to the FYE 31 Aug 2020. Hence, we have also not adopted the dividend discount model to determine the fair value of BSLCORP Shares; (iii) the lands and buildings of the Group with an aggregate carrying value of RM70.75 million which represent 45.24% of the unaudited total assets of the Group of RM156.40 million as at 28 February 2021. The lands and buildings were recently revalued to reflect their current market value and the material valuation date was 31 May 2021; and (iv) apart from lands and buildings, other assets of the Group mainly comprise fairly liquid assets such as inventories, trade and non-trade receivables, contract assets as well as cash and bank balances, whose carrying amounts are reasonably expected to approximate their fair values. <ul style="list-style-type: none"> • Based on the RNAV valuation, the estimated value of the entire equity interest in BSLCORP based on RNAV is approximately RM103.11 million, which translates into RM1.05 per BSLCORP Share. The Offer Price represents a premium of RM0.10 or approximately 9.52% over the RNAV of RM1.05 per BSLCORP Share.
Historical share price analysis of BSLCORP Shares	<ul style="list-style-type: none"> • The Offer Price represents a premium of between RM0.06 (5.50%) and RM0.29 (33.72%) over the five (5)-day, one (1)-month, three (3)-month, six (6)-month, one (1)-year VWAPs of the BSLCORP Shares up to the LTD and the last transacted market price of BSLCORP Shares on the LTD. • The Offer Price is equal to the five (5)-day VWAP of the BSLCORP Shares up to the LPD and the last transacted market price of BSLCORP Shares on the LPD.
MainStreet's view	In view of the above, we are of the opinion that the Offer is <u>FAIR</u> .

Please refer to Section 6 of Part B of this IAC for further details.

4.2 Assessment of the reasonableness of the Offer

In assessing the reasonableness of the Offer, MainStreet has taken into consideration the following pertinent factors, which MainStreet considers to be relevant:

Consideration	
Historical liquidity analysis of BSLCORP Shares	<ul style="list-style-type: none">• BSLCORP Shares are relatively illiquid when compared against the KLPRO, as the average monthly trading liquidity of BSLCORP Shares of 18.43% (excluding outlier) is lower than the average monthly trading liquidity of the KLPRO of 33.64%. Although BSLCORP Shares will remain traded on Bursa Securities as it is the intention of the Joint Offerors to maintain the listing status of BSLCORP, Holders (especially those holding a significant number of the BSLCORP Shares) should note that they may have limited opportunities or may take significant time to realise their investments in BSLCORP by way of market transactions in the open market.
No other competing take-over offer	<ul style="list-style-type: none">• As at the LPD, save for the Offer from the Joint Offerors, the Board has not received any competing take-over offer for the Offer Shares or any other offer to acquire the assets and liabilities of BSLCORP.• In the absence of a competing offer, the Offer provides an exit opportunity to the Holders to realise their investments in BSLCORP at the Offer Price regardless of their holdings on an immediate basis.
MainStreet's view	In view of the above, we are of the opinion that the Offer is <u>REASONABLE</u> .

Please refer to Section 7 of Part B of this IAC for further details.

5. CONCLUSION AND RECOMMENDATION

5.1 By MainStreet

Based on the above and our evaluation as a whole, we are of the view that the Offer is **FAIR** and **REASONABLE**. Accordingly, we recommend that the Holders **ACCEPT** the Offer.

Holders who wish to exit their investments in BSLCORP can also consider selling the BSLCORP Shares in the open market if they are able to obtain a price higher than the Offer Price, net of transaction cost.

5.2 By the Non-Interested Directors

The Non-Interested Directors, after careful assessment of the terms and conditions of the Offer as contained in the Offer Document and the evaluation as contained in this IAC, have **CONCURRED** with our opinion that the Offer is **FAIR** and **REASONABLE**. Accordingly, the Non-Interested Directors recommend that the Holders **ACCEPT** the Offer.

6. IMPORTANT DATES AND EVENTS

The important dates pertaining to the Offer are as set out in the table below:

Events	Date
Notice of the Offer	23 June 2021
Date of despatch of the Offer Document	14 July 2021
Issuance of this IAC ⁽¹⁾	26 July 2021
First Closing Date ⁽²⁾	4 August 2021

Notes:

- (1) *As the last day for the issuance of the IAC falls on 24 July 2021, which is not a Market Day, the said period is extended until the next Market Day i.e. 26 July 2021 in accordance with Paragraph 2.02 of the Rules.*
- (2) *The Offer will remain open for acceptances until 5.00 p.m. (Malaysian time) on 4 August 2021, being the First Closing Date, unless revised or extended in accordance with the Rules. Any such revision or extension will be announced by M&A Securities on behalf of the Joint Offerors at least two (2) days before the Closing Date. Notice of such revision or extension will be posted to the Holders accordingly.*

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE INFORMATION CONTAINED IN THIS IAC, TOGETHER WITH THE OFFER DOCUMENT AND NOT RELY SOLELY ON THIS EXECUTIVE SUMMARY BEFORE FORMING AN OPINION ON THE OFFER AND MAKING A DECISION ON THE COURSE OF ACTION TO BE TAKEN.

PART A
LETTER FROM THE BOARD

BSL CORPORATION BERHAD
(Registration No.: 200401012615 (651118-K))
(Incorporated in Malaysia)

Registered Office:

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South, No. 8
Jalan Kerinchi
59200 Kuala Lumpur

26 July 2021

Board of Directors:

Ngiam Tong Kwan	<i>Executive Chairman</i>
Ngiam Tee Wee	<i>Chief Executive Officer/Executive Director</i>
Ngiam Tee Yang	<i>Deputy Chairman/Executive Director</i>
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	<i>Independent Non-Executive Director</i>
To' Puan Rozana Bte Tan Sri Redzuan	<i>Independent Non-Executive Director</i>
Ng Wai Pin	<i>Independent Non-Executive Director</i>

To: The Holders

Dear Sir/Madam,

**UNCONDITIONAL MANDATORY TAKE-OVER OFFER BY THE JOINT OFFERORS
THROUGH M&A SECURITIES TO ACQUIRE THE OFFER SHARES AT THE OFFER PRICE**

1. INTRODUCTION

Please refer to Section 1 of the Executive Summary of this IAC for the chronological events in relation to the Offer.

On 24 June 2021, in accordance with Paragraph 3.06 of the Rules, the Offeree announced that the Board (save for Interested Directors) had appointed MainStreet as the Independent Adviser to advise the Offeree's Non-Interested Directors and the Holders in respect of the fairness and reasonableness of the Offer.

On 14 July 2021, a copy of the Offer Document which sets out the details, the terms and conditions of the Offer as well as the procedures for acceptance and method of settlement of the Offer, together with the Form of Acceptance and Transfer had been posted to you.

As at the LPD, the direct and indirect interest of the Joint Offerors in BSLCORP are as follows:

	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	%
Dato' Sri Dr. Pang	32,438,000	33.57	-	-
Ho Jien Shiung	17,542,000	18.15	-	-

Note:

(1) Based on the existing share capital of 96,635,887 BSLCORP Shares at LPD (after excluding 1,364,113 treasury shares).

Pursuant to Paragraphs 11.04(2) of the Rules, the SC had vide its letter date 23 July 2021, given its notification that it has no further comments on the contents of the IAC and such notification shall not be taken to suggest that the SC agrees with the recommendation of the Board and the Independent Adviser or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the IAC.

THE PURPOSE OF THIS IAC IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE OFFER AND THE NON-INTERESTED DIRECTORS' VIEW ON THE OFFER TOGETHER WITH THE RECOMMENDATION OF MAINSTREET.

YOU ARE ADVISED TO CAREFULLY CONSIDER THE INFORMATION AND RECOMMENDATION CONTAINED IN THIS IAC, TOGETHER WITH THE OFFER DOCUMENT BEFORE DECIDING THE COURSE OF ACTION TO BE TAKEN. IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE IN RELATION TO THE OFFER, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. TERMS AND CONDITIONS OF THE OFFER

The terms and conditions of the Offer are set out in Section 2 of Part B of this IAC. Please refer to Appendix I of the Offer Document for the full terms and conditions of the Offer and Appendix II of the Offer Document for details on the procedures for accepting the Offer and method of settlement of the Offer respectively.

3. DETAILS OF ACCEPTANCE

As at the Offer Document LPD, the Joint Offerors have not received any irrevocable undertaking from any Holder to accept or reject the Offer.

As at the LPD, there is no announcement made by M&A Securities, on behalf of the Joint Offerors of any acceptance of the Offer Shares.

4. NON-INTERESTED DIRECTORS' COMMENTS

4.1 Rationale for the Offer

The Non-Interested Directors take cognisance and have considered the rationale for the Offer by the Joint Offerors as set out in Section 3 of the Offer Document.

The businesses of the BSLCORP Group are complementary to the Joint Offerors' personal investments in Sanichi Technology Berhad ("**Sanichi**") and PNE PCB Berhad ("**PNE PCB**"). The principal activities of Sanichi include amongst others, property development, property investment and design and fabrication of precision plastic injection moulds and tooling which are the tools that are used in precision metal stamping. On the other hand, PNE PCB is principally involved in the manufacturing and sale of printed circuit boards which lay the conductive track according to the design layout of the circuit boards. The printed circuit boards are then assembled by soldering electronic components onto the circuit boards, which is one of the principal activities of the BSLCORP Group. As such, the Acquisitions are considered to be complementary to the Joint Offerors' personal investments in Sanichi and PNE PCB. The Joint Offerors recognise the potential synergy of BSLCORP with the business propositions of Sanichi and PNE PCB as BSLCORP will enable them to provide wider range of solutions to meet the requirements of their clients in the future. Potential synergies can also be tapped in other areas such as leveraging on the customer and supplier base of the respective companies.

The Acquisitions would allow the Joint Offerors to acquire control of the businesses and operations of the BSLCORP Group. By gaining control in BSLCORP, the Joint Offerors would have the flexibility to implement various business strategies for the BSLCORP Group to realise its future growth potential.

The Offer is a mandatory obligation consequential to the Acquisitions pursuant to Section 218(2) of the CMSA and Paragraph 4.01(a) of the Rules as the aggregate shareholdings of the Joint Offerors in BSLCORP increased from nil to approximately 51.72% (after excluding 1,364,113 treasury shares) following the Acquisitions.

4.2 Joint Offerors' future plans for the BSLCORP Group and its employees

The Non-Interested Directors take note of the Joint Offerors' future plans for the BSLCORP Group and its employees as set out in Section 5 of the Offer Document, as follows:

(i) Continuation of BSLCORP's business

The Joint Offerors intend to continue the BSLCORP Group's existing businesses after the completion of the Offer. Nevertheless, the Joint Offerors may review the businesses and operations of the BSLCORP Group and effect such arrangements, rationalisation and reorganisation of the BSLCORP Group as they consider suitable for the BSLCORP Group to remain competitive in the industry for the future growth of its businesses.

(ii) Major changes to BSLCORP's business

The Joint Offerors have no knowledge of and have not entered into any negotiation, arrangement or understanding with any third party that will cause any significant change in the BSLCORP Group's businesses, assets and/or shareholding structure.

The Joint Offerors do not have any plan to introduce any major changes in the businesses of the BSLCORP Group, liquidate any of the companies within the BSLCORP Group, dispose of any major assets or undertake any redeployment of fixed assets of the BSLCORP Group.

(iii) Employees of BSLCORP

The Joint Offerors have no plans to dismiss or make redundant any of the BSLCORP Group's existing employees as a direct consequence of the Offer.

(iv) BSLCORP Board

The Joint Offerors may effect changes to the BSLCORP Board by nominating representatives as necessary in accordance with the Rules and all relevant guidelines.

Notwithstanding the above, the Joint Offerors retain the flexibility at any time to consider any option which is in the interests of the BSLCORP Group.

Premised on the rationale for the Offer and future plans for the Group and its employees as disclosed in Sections 3 and 5 of the Offer Document, the Non-Interested Directors believe that the business and management of BSLCORP are likely to continue to operate as usual in the foreseeable future.

4.3 Listing status of BSLCORP

The Non-Interested Directors note that **the Joint Offerors intend to maintain the listing status of BSLCORP on the Main Market of Bursa Securities**. In the event that BSLCORP does not comply with the Public Spread Requirement as a result of the Offer, the Joint Offerors (subject always that the Joint Offerors retain an equity interest of more than 50% in BSLCORP) will work together with BSLCORP to explore various options or proposals and make the relevant applications within three (3) months to Bursa Malaysia to help facilitate BSLCORP to comply with the Public Spread Requirement. However, the stipulated timeframe to address the Public Spread Requirement is subject to the approval of Bursa Securities. As at the date of the Offer Document LPD, no arrangements on the above have been made as such event has not yet arisen.

Please refer to Section 8.1 of Part B of this IAC for further details.

4.4 Compulsory acquisition and rights of Dissenting Holders

(i) Compulsory acquisition

The Non-Interested Directors note that **the Joint Offerors do not intend to invoke the provisions of Section 222(1) of the CMSA** to compulsorily acquire any outstanding Offer Shares for which valid acceptances have not been received on or prior to the Closing Date even if the conditions stipulated in Section 222(1) of the CMSA are fulfilled.

(ii) Rights of Dissenting Holders

The Non-Interested Directors note that subject to Section 224 of the CMSA, Section 223 of the CMSA provides that if the Joint Offerors receive valid acceptances from the Holders resulting in the Joint Offerors holding not less than nine-tenths (9/10) in the value of all the shares in BSLCORP or of that class in BSLCORP on or before the Closing Date, a Dissenting Holder may exercise his or its rights under Section 223(1) of the CMSA by serving a notice on the Joint Offerors to require the Joint Offerors to acquire his or its Offer Shares on the same terms as set out in the Offer Document or such other terms as may be agreed between the Joint Offerors and such Dissenting Holder.

Please refer to Section 8.2 of Part B of this IAC for further details.

5. INDEPENDENT ADVISER'S LETTER

Holders are advised to read and consider the views and recommendation of MainStreet, the independent adviser appointed to advise the Non-Interested Directors and Holders in relation to the Offer. The IAL is included in Part B of this IAC.

6. DISCLOSURE OF DIRECTORS' INTEREST AND INTENTION IN RELATION TO THE OFFER

As at the LPD, save as disclosed below, the other Directors do not have any interest (direct or indirect) in the BSLCORP Shares:

Name	<----- Direct ----->		<----- Indirect ----->	
	No. of BSLCORP Shares	% ⁽¹⁾	No. of BSLCORP Shares	% ⁽¹⁾
Ngiam Tong Kwan	500,000	0.52	117,000 ⁽²⁾	0.12
Ngiam Tee Wee	500,000	0.52	-	-
Ngiam Tee Yang	100,000	0.10	-	-
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	100,000	0.10	-	-
Ng Wai Pin	-	-	17,000 ⁽³⁾	0.02

Notes:

(1) Based on the existing share capital of 96,635,887 BSLCORP Shares at LPD (after excluding 1,364,113 treasury shares).

- (2) *Deemed interested by virtue of the shareholding held by his spouse (70,000 Shares) and child (47,000 Shares).*
- (3) *Deemed interested by virtue of the shareholding held by his spouse.*

The Interested Directors have duly abstained from all deliberations and making any recommendation in respect of the Offer.

In regard to the Directors' direct shareholdings, Ngiam Tong Kwan intends to **accept** the Offer in respect of his shareholdings. While the Non-Interested Directors concur with the recommendation of MainStreet as disclosed in Section 8 below, Ngiam Tee Wee, Ngiam Tee Yang and Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir have confirmed their respective intention to retain their respective remaining shareholdings in BSLCORP as they wish to participate in the growth of the BSLCORP Group under the direction of the Joint Offerors.

7. DIRECTORS' RESPONSIBILITY STATEMENT

This IAC has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy and completeness of the information contained in this IAC. The Board, after making all reasonable enquiries and to the best of their knowledge and belief, confirms the following:

- (i) no statement and/or information in this IAC is incomplete, false, misleading or inaccurate;
- (ii) there are no other facts and/or information, the omission of which would make any statement or information in this IAC incomplete, inaccurate, false or misleading;
- (iii) all material facts and/or information relevant to this IAC, including those required under the Rules, have been accurately and completely disclosed in this IAC; and
- (iv) opinions expressed by the Board (save for the Interested Directors) in this IAC have been arrived at after due and careful consideration.

The responsibility of the Board in respect of the information relating to the Joint Offerors as well as the Offer (as extracted from the Offer Document and publicly available information) is limited to ensuring that such information is accurately reproduced in this IAC.

With regard to the independent advice and expression of opinion by MainStreet in relation to the Offer as set out in Part B of this IAC, the Board's responsibility is limited to the accuracy of the information given to MainStreet in relation to the BSLCORP Group for MainStreet's evaluation of the Offer. The Board has confirmed that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts and/or information, the omission of which would make any information provided to MainStreet incomplete, inaccurate, false or misleading.

8. NON-INTERESTED DIRECTORS' RECOMMENDATION

The Interested Directors have duly abstained and will continue to abstain from deliberations and making any recommendation in respect of the Offer.

The Non-Interested Directors, after careful assessment of the terms and conditions of the Offer as contained in the Offer Document and the evaluation and recommendation as to the fairness and reasonableness of the Offer by MainStreet as contained in Part B of this IAC, have **CONCURRED** with the evaluation and recommendation of MainStreet that the Offer is **FAIR** and **REASONABLE**. Accordingly, the Non-Interested Directors recommend that the Holders **ACCEPT** the Offer. Nevertheless, Ngiam Tee Wee, Ngiam Tee Yang and Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir intend to maintain their respective direct shareholdings in BSLCORP as they wish to participate in the growth of the BSLCORP Group under the direction of the Joint Offerors.

HOLDERS ARE ADVISED TO CAREFULLY CONSIDER THE INFORMATION CONTAINED IN THE OFFER DOCUMENT AND THIS IAC BEFORE MAKING A DECISION ON THE COURSE OF ACTION TO BE TAKEN.

THE NON-INTERESTED DIRECTORS HAVE NOT TAKEN INTO CONSIDERATION ANY SPECIFIC INVESTMENT OBJECTIVES, FINANCIAL SITUATION, RISK PROFILE AND PARTICULAR NEEDS OF ANY INDIVIDUAL HOLDER OR ANY SPECIFIC GROUP OF HOLDERS.

THE NON-INTERESTED DIRECTORS RECOMMEND THAT ANY INDIVIDUAL HOLDERS OR ANY SPECIFIC GROUP OF HOLDERS WHO REQUIRE ADVICE IN RELATION TO THE OFFER IN THE CONTEXT OF THEIR INVESTMENT OBJECTIVES, FINANCIAL SITUATION, RISK PROFILE OR PARTICULAR NEEDS, SHOULD CONSULT THEIR RESPECTIVE STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

Yours faithfully,
For and on behalf of the Board of
BSL CORPORATION BERHAD

To' Puan Rozana Bte Tan Sri Redzuan
Independent Non-Executive Director

PART B

INDEPENDENT ADVICE LETTER FROM MAINSTREET

Registered Office:

Lot 805, Blok F
Pusat Perdagangan
Phileo Damansara 1
Jalan 16/11, Off Jalan
Damansara
46350 Petaling Jaya
Selangor, Malaysia

Place of Business:

25-7 Block B, Jaya One
72A Jalan Prof Diraja
Ungku Aziz
46200 Petaling Jaya
Selangor, Malaysia
Tel: (603) 7968 3398
Fax: (603) 7954 2299

26 July 2021

To: The Holders

Dear Sir/Madam,

BSL CORPORATION BERHAD (“BSLCORP” OR THE “COMPANY”)

**UNCONDITIONAL MANDATORY TAKE-OVER OFFER BY THE JOINT OFFERORS
THROUGH M&A SECURITIES TO ACQUIRE THE OFFER SHARES AT THE OFFER PRICE**

1. INTRODUCTION AND BACKGROUND OF THE OFFER

Please refer to Section 1 of the Executive Summary of this IAC for the chronological events in relation to the Offer.

Pursuant to Paragraph 11.04(2) of the Rules, the SC had, vide its letter dated 23 July 2021 notified that it has no further comments to the contents of this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendation of the Board (save for the Interested Director) and the Independent Adviser or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.

The purpose of this IAL is to provide our independent evaluation of the Offer together with our recommendation thereon, subject to the scope of our role and limitations specified herein.

HOLDERS ARE ADVISED TO READ AND FULLY UNDERSTAND BOTH THIS IAL AND THE OTHER SECTIONS OF THIS IAC AND THE OFFER DOCUMENT AND TO CONSIDER CAREFULLY THE RECOMMENDATION FOR THE OFFER AND IMPLICATIONS AS WELL AS OTHER RELEVANT INFORMATION CONTAINED HEREIN BEFORE DECIDING TO ACCEPT OR REJECT THE OFFER.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

THIS IAL IS SOLELY FOR THE USE OF THE HOLDERS FOR THE PURPOSE OF CONSIDERING THE OFFER AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTY OR FOR ANY OTHER PURPOSE.

2. TERMS AND CONDITIONS OF THE OFFER

2.1 Consideration for the Offer

Holders who accept the Offer will be paid in cash **RM1.15 per Offer Share**, in accordance with the terms and conditions as set out in the Offer Document.

If BSLCORP declares, makes or pays any Distributions on or after the date of the Notice but before the Closing Date, and Holders are entitled to retain such Distribution, the Joint Offerors will reduce the Offer Price by an amount equivalent to the net Distribution per Offer Share that Holders are entitled to retain.

As at the LPD, BSLCORP has not declared any Distribution that is payable on or after the date of the Notice.

Holders may accept the Offer for all or part of their Offer Shares. The Joint Offerors will round down the cash consideration payable to an Accepting Holder down to the nearest whole sen. The Joint Offerors will not pay fractions of a sen, if any, to the Accepting Holders.

2.2 Condition for the Offer

The Offer is **not conditional** upon any minimum level of acceptance of the Offer Shares as the Joint Offerors already hold in aggregate more than 50% of the voting shares in BSLCORP collectively, following the Acquisitions.

2.3 Duration of the Offer

The Offer will remain open for acceptances until **5:00 p.m. (Malaysian time) on Tuesday, 4 August 2021**, being the First Closing Date, unless revised or extended in accordance with the Rules. Depending on the level of acceptances, the Joint Offerors may extend the Offer beyond the First Closing Date in accordance with the provisions of the Rules. Such extension to the date and time for acceptance of the Offer, if any, will be announced by M&A Securities, on behalf of the Joint Offerors, no later than two (2) days before the Closing Date. Notices of such extension will be posted to the Holders accordingly.

Please refer to Section 2 of Appendix I of the Offer Document for further details on the duration of the Offer.

2.4 Method of settlement

The settlement for the Offer Shares will be effected via remittance in the form of cheque, banker's draft or cashier's order which will be despatched by ordinary mail to you (or your designated agents, as you may direct) at your registered Malaysian address last maintained with Bursa Depository, at your own risk. This is provided that the Joint Offerors deem such acceptances as complete and valid in all respects in accordance with the terms and conditions set out in the Offer Document.

The consideration will be posted to the Accepting Holders within **10 days from the date of acceptance of the Offer** by the Holders in accordance with the terms and conditions of the Offer, which is deemed to be valid and complete in all aspects by the Joint Offerors.

Please refer to Appendix I of the Offer Document for other terms and conditions of the Offer and Appendix II of the Offer Document for the procedures for acceptance and method of settlement of the consideration for the Offer Shares.

3. DETAILS OF ACCEPTANCE

As at the Offer Document LPD, the Joint Offerors have not received any irrevocable undertaking from any Holder to accept or reject the Offer.

As at the LPD, there was no announcement made by M&A Securities, on behalf of the Joint Offerors of any acceptance of the Offer Shares.

4. SCOPE AND LIMITATIONS OF OUR EVALUATION OF THE OFFER

In carrying out our evaluation, we have taken into consideration various pertinent factors, which we believe are of general importance to our assessment of the Offer and therefore would be of relevance and are pertinent in our assessment of the financial terms and condition of the Offer, and would be of general concern to you.

Our scope as the Independent Adviser is limited to providing our comments, opinion information and recommendation on the Offer based on the information, data and documents furnished to us or which are available to us and making reasonable enquiries in the circumstances.

In performing our evaluation, we have relied on and/or taken into consideration the following sources of information:

- (i) information contained in the Notice and Offer Document;
- (ii) audited consolidated financial statements of BSLCORP for the FYE 31 August 2018, 31 August 2019 and 31 August 2020 as well as the latest unaudited consolidated financial statements of BSLCORP for the six (6)-month FPE 28 February 2021;

- (iii) valuation reports on the property assets held by the BSLCORP Group;
- (iv) information furnished to us (both orally and in writing) as well as discussions with the Board and management of BSLCORP; and
- (v) other relevant publicly available information.

In assuming the aforesaid role and in line with the terms of our appointment, we have requested for the relevant verifications and made the necessary due enquiries on BSLCORP, its Board and management of BSLCORP. We have relied upon the information and/or documents as described above, and that all relevant facts and information necessary for our evaluation of the Offer and that such information is reasonable, reliable and accurate and there are no omissions of any material facts which would make any information incomplete, misleading or inaccurate.

After making all reasonable enquiries, we are satisfied with the disclosures from the Board and the management and have no reason to believe that any of the information is unreliable, incomplete, misleading and/or inaccurate.

In rendering our recommendation, we have not taken into consideration any specific investment objectives, financial situations, risk profiles, tax status or positions, investment horizons and particular needs or constraints or other particular circumstances of any individual Holder or any specific group of Holders. Any individual Holder or group of Holders who require specific advice in relation to the Offer should consult your respective stockbroker, bank manager, accountant, solicitor or other professional advisers immediately.

Our opinion as set out in this IAL is based on the prevailing market, economic, industry and other conditions (where applicable) and the information/documents made available to us as at the LPD.

We shall immediately disclose to the SC in writing and notify the Holders, by way of press notice and announcement, if, after the despatch of this IAC, as guided by Paragraph 11.07(1) of the Rules, we become aware that the information or document previously circulated or provided:

- (i) contains a material statement which is false or misleading;
- (ii) contains a statement from which there is a material omission; or
- (iii) does not contain a statement relating to a material development.

If circumstances require, a supplementary IAC will be sent to you in accordance with Paragraph 11.07(2) of the Rules.

5. OUR EVALUATION OF THE OFFER

In arriving at our conclusion and recommendation in respect of the Offer, we have assessed the fairness and reasonableness of the Offer in accordance with Paragraphs 1 to 6 under Schedule 2: Part III of the Rules, whereby:

- (i) in relation to a take-over, the term “fair and reasonable” should generally be analysed as two (2) distinct criteria i.e. whether the offer is “fair” and whether the offer is “reasonable”, rather than as a composite term.
- (ii) the Offer is considered “fair”, if the Offer Price (or value of consideration) is equal to or higher than the market price and is also equal to or higher than the value of the Offer Share of the Offeree. However, if the Offer Price (or value of consideration) is equal to or higher than the market price, but is lower than the value of the Offer Share of the Offeree, the Offer is considered as “not fair”.

Pursuant to Paragraph 4 of Schedule 2: Part III of the Rules, in considering whether a take-over offer is “reasonable”, the independent adviser should take into consideration matters other than the valuation of the securities that are subject of the take-over offer. Generally, a take-over offer would be considered “reasonable” if it is “fair”.

We have taken into consideration the following factors in our evaluation of the Offer:

	Fairness of the Offer	Details in this IAL
(i)	Valuation of BSLCORP Shares	Section 6.1
(ii)	Historical share price analysis of the BSLCORP Shares	Section 6.2

	Reasonableness of the Offer	Details in this IAL
(i)	Historical liquidity analysis of BSLCORP Shares	Section 7.1
(ii)	No other competing take-over offer	Section 7.2

6. FAIRNESS OF THE OFFER

6.1 Valuation of BSLCORP Shares

The BSLCORP Group is principally involved in the following business activities:

- (i) Investment holding;
- (ii) Precision Stamping and Tooling;
- (iii) PCB and Module Assembly; and
- (iv) Renewable Energy.

The contributions of each business segment to the Group's financial performance are set out in the table below:

Business segment	Revenue						Operating profit/(loss) before interest						Unaudited 6-month FPE 28 February 2021	
	Audited FYE 31 August						Audited FYE 31 August						Unaudited 6-month FPE 28 February 2021	
	2018			2019			2018			2019			2020	
	RM'000	%		RM'000	%		RM'000	%		RM'000	%		RM'000	%
Investment Holding	100	0.1		13,600	8.5		(6,651)	(5,320.8)		12,640	272.4	(566)	(308)	(6.4)
Precision Stamping and Tooling	140,545	88.5		138,566	86.8		7,177	5,741.6		5,251	113.1	1,706	4,117	85.6
PCB and Module Assembly	15,498	9.7		13,145	8.2		(1,253)	(1,002.4)		(735)	(15.8)	30	752	15.6
Renewable Energy	2,098	1.3		7,938	5.0		(490)	(392.0)		601	12.9	(21)	293	6.1
Others ⁽¹⁾	734 (192)	0.5 (0.1)		~ (13,602)	~ (8.5)		(5,605) 6,697	(4,484.0) 5,357.6		22 (13,138)	0.5 (283.1)	11 95	(51) 7	(1.1) 0.2
Eliminations	158,783	100.0		159,647	100.0		(125)	100.0		4,641	100.0	1,255	4,810	100.0

Notes:

(1) Others consist of companies within the BSLCORP Group that are currently dormant and semi-active.

~ Negligible

Financial Performance

Based on the table above, we note that the Group has experienced fluctuating earnings over the past three financial years. Precision Stamping and Tooling segment recorded a declining operating profit from FYE 31 August 2018 to FYE 31 August 2020. PCB and Module Assembly and Renewable Energy segments have either recorded losses or making minimal profit.

For the 6-month FPE 28 February 2021, all the three (3) key operating business have recorded encouraging financial results due to improvement of revenue and/or higher margins.

Valuation Method

In order to determine which is the most appropriate valuation methodology to value the BSLCORP Shares, we have had a discussion with the management of BSLCORP and the followings are our findings:

- (i) most of the contracts secured by the Group are short term in nature except for an electricity supply contract with Tenaga National Berhad (“**TNB**”). The contract with TNB however contributed less than one percent (1.0%) to the Group’s revenue for FYEs 31 August 2019 and 31 August 2020;
- (ii) the management is of the view the Group’s prospects for the 2nd half of FYE 31 August 2021 are expected to be challenging due to the implementation of the Full Movement Control Order and Enhanced Movement Control Order and as a result, the Group’s financial performance is subject to uncertainty in the near term;
- (iii) the BSLCORP Group has significant investments in land and buildings, which make up approximately 45.24% of the total assets of the Group as at 28 February 2021. Except for the piece of vacant leasehold land located in Gombak, Selangor, the Group’s principal freehold land and buildings located in Rawang, Selangor, are being used as the office, warehouse and factories for the Group’s day-to-day operation; and
- (iv) there has not been any dividend declared and/or paid by the Company for the past 11 financial years up to the FYE 31 August 2020.

In addition to the above, we have considered the composition of the total assets of BSLCORP based on the unaudited consolidated statement of financial position as at 28 February 2021 as follows:

	Note	Unaudited as at 28 February 2021	
		RM'000	%
Non-current assets			
Property, plant and equipment ("PPE")	(1)	89,243	57.06
Rights of use assets	(2)	1,090	0.70
Total non-current assets		90,333	57.76
Current assets			
Inventories	(3)	15,948	10.20
Trade receivables	(4)	27,002	17.26
Other receivables	(5)	3,560	2.28
Contract assets	(6)	796	0.51
Cash and bank balances	(7)	18,757	11.99
Total current assets		66,062	42.24
TOTAL ASSETS		156,395	100.00

Notes:

- (1) The PPE consists of the following:

Components	RM'000	% of total PPE	% of total assets
Freehold land	35,000	39.22	22.38
Leasehold land	3,790	4.25	2.42
Buildings	31,963	35.81	20.44
Plant and machinery	14,037	15.73	8.98
Office equipment, computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment	3,621	4.06	2.31
Motor vehicles	832	0.93	0.53
Total	89,243	100.00	57.06

The leasehold land is a piece of vacant land owned by Unique Forging & Components Sdn Bhd (a wholly-owned subsidiary of BSLCORP) which is located in Gombak, Selangor. As at the LPD, there is no planned usage for the land.

Buildings consist of office, factories, warehouse and ancillary buildings which build upon the freehold land located in Rawang, Selangor.

The carrying value of the components of the PPE above approximate their fair value except for the lands and buildings which have been revalued and the material valuation date is 31 May 2021, as detailed in table below.

- (2) Consist of rights of use of properties and lease liabilities of which the carrying amount approximates their fair values.
- (3) Consist of raw materials, work in progress and manufactured goods of which the carrying amount approximate their fair values.

- (4) *Consist of trade receivables with normal credit terms granted to customers of which the carrying amount approximate their fair values as receivables are short-term in nature.*
- (5) *The carrying amount of other receivables approximate their fair values as receivables are short-term in nature.*
- (6) *The carrying amount of contract assets, which consist of construction contracts, approximate their fair values due to their short-term nature.*
- (7) *The carrying amount of fixed deposits with licensed bank approximate their fair values as they are cash placed with the financial institutions.*

Based on the assessment above, we are of the view that an asset-based approach using RNAV is the most appropriate valuation methodology to arrive at the fair value of BSLCORP Shares due to the following reasons:

- (i) the Group's fluctuating earnings historically with unpredictable future earnings coupled with the uncertain economic outlook arising from the COVID-19 pandemic. Accordingly, we have not adopted the earnings-based valuation method, including the discounted cash flow approach for the purpose of deriving valuation for the respective core business segments of the Group;
- (ii) no dividend has been declared by BSLCORP for the past 11 financial years up to the FYE 31 Aug 2020. Hence, we have also not adopted the dividend discount model to determine the fair value of BSLCORP Shares;
- (iii) the lands and buildings of the Group with an aggregate carrying value of RM70.75 million which represent 45.24% of the unaudited total assets of the Group of RM156.40 million as at 28 February 2021. The lands and buildings were recently revalued to reflect their current market value and the material valuation date was 31 May 2021; and
- (iv) apart from the lands and buildings, other assets of the Group mainly comprise fairly liquid assets such as inventories, trade and non-trade receivables, contract assets as well as cash and bank balances, whose carrying amounts are reasonably expected to approximate their fair values.

The RNAV takes into consideration any surplus and/or deficit arising from the revaluation of the material assets of a company to reflect their market values, based on the assumption that the market values of the assets are realisable on a willing buyer-willing seller basis in the open market.

The RNAV analysis assumes, among other things, the existence of ready and committed buyer(s) for each asset at the fully revalued basis, and that the sale can be conducted efficiently without any time constraint and without regard to other relevant market factors that may affect the sale process. The market values would typically be appraised by expert valuers.

For the purpose of our assessment, the Valuer has been appointed to undertake property valuation on the lands and buildings owned by the BSLCORP Group to better reflect their current market value. The list of lands and buildings that have been revalued are as detailed below:

Location/Title	Registered owner	Description/ Existing use	Date of acquisition/ last revaluation	Tenure	Gross land area/Built-up area sq. m.	Valuer/ (material date of valuation)	Valuation methodology	Estimated market value RM'000	Unaudited NBV as at 28 February 2021 RM'000	Revaluation surplus RM'000	RPGT/ Transfer duty RM'000	Net revaluation surplus RM'000 (E) = (C) - (D)
Lot 4220, Persimpangan Jalan Batu Arang, Lebuhraya PLUS, 48000 Rawang, Selangor Darul Ehsan	Ban Seng Lee Industries Sdn Bhd	Land built upon with 2-storey office building annexed to single-storey detached factory and ancillary building	26 August 2009/ 31 August 2018	Freehold	19,551/ 11,941	Rahim & Co International Sdn Bhd/ (31 May 2021)	Cost approach	70,000	66,963	3,037	304	2,733
Lot 4212, Persimpangan Jalan Batu Arang, Lebuhraya PLUS, 48000 Rawang, Selangor Darul Ehsan	Ban Seng Lee Industries Sdn Bhd	Land built upon with 2-storey office building annexed to single-storey detached factory and ancillary building	20 September 2010/ 31 August 2018	Freehold	24,995/ 11,148							
HSD 62560, Lot No. PT1985 Mukim Bandar Kundang Daerah Gombak, Selangor Darul Ehsan	Unique Forging & Components Sdn Bhd	Vacant land	31 October 2012/ 31 August 2018	Leasehold	12,140		Comparison approach	3,900	3,790	110	11	99
TOTAL								73,900	70,753	3,147	315	2,832

Note:

- (1) The provision of 10% RPGT is made in accordance with the Real Property Gains Tax Act 1976, where 10% RPGT will be imposed on companies when they dispose of the property after holding it for more than five (5) years, based on the net gain from the transaction. A 10% RPGT is thus provided for these properties as BSLCORP has owned these properties for more than five (5) years.

The net book value of the revalued lands and buildings is RM70.75 million which consist all the lands and buildings owned by the BSLCORP Group as at 28 February 2021. It represents 79.28% of the total value of the Group's property, plant and equipment of RM89.24 million, or 45.24% of BSLCORP's total assets of RM156.40 million.

Based on the valuation conducted by the Valuer, we are of the view that the valuation method applied by the Valuer are reasonable and consistent with the generally applied valuation methodologies. We are satisfied with the bases and key assumptions adopted by the Valuer and are satisfied with the reasonableness of the opinion of the market value expressed by the Valuer on the subject properties.

Sales Tax and Import Duties Dispute

We note that on 19 December 2014, Crestronics (M) Sdn Bhd ("**CMSB**") (a wholly-owned subsidiary company of BSLCORP) received bills of demand from the Royal Malaysian Customs Selangor ("**Customs**") demanding payment of sales tax and import duties amounting to RM11.10 million for the period from December 2011 to July 2014 for which CMSB disputed. BSLCORP has only made a provision of RM0.20 million in the book and the balance of RM10.90 million is recognised as contingent liability.

CMSB had appealed to the relevant authorities several times in the past but were rejected with no specific reasons provided. On 5 July 2018, CMSB filed in an application for judicial review but was dismissed by the High Court on 6 January 2020. CMSB subsequently on 13 January 2020 filed a notice of appeal at the Court of Appeal. CMSB also applied for a stay of proceedings until the disposal of the appeal at the Court of Appeal and it was granted by the High Court on 16 June 2020.

As at LPD, this matter is at the Court of Appeal and the hearing date is set on 17 August 2021. Please refer to Section 11 of Attachment I of this IAC for further details on this matter.

The estimated RNAV of BSLCORP Group is as follow:

	RM'000
Unaudited net assets of BSLCORP as at 28 February 2021	111,178
Add: Net revaluation surplus	2,832
RNAV before the provision for additional sales tax and import duties	114,010
(Minus): Provision for additional sales tax and import duties	(10,900)
RNAV after the provision for additional sales tax and import duties	103,110
RNAV per BSLCORP Share ⁽¹⁾ (RM)	1.05
Premium of the Offer Price over RNAV (RM)	0.10
Premium of the Offer Price over RNAV (%)	9.52

Note:

(1) Computed based on the total issued share capital of 98,000,000 Shares.

As set out above, the estimated value of the entire equity interest in BSLCORP based on RNAV is approximately RM103.11 million, which translates into RM1.05 per BSLCORP Share. The Offer Price represents a **premium** of RM0.10 or approximately 9.52% over the RNAV of RM1.05 per BSLCORP Share.

With regard to the sales tax and import duties dispute, although the Board is of the view that CMSB should only be liable for up to RM0.20 million of sales tax and import duties as disclosed in Note 37(b) of the financial statements in BSLCORP's Annual Report 2020, we have made an adjustment for the remaining balance of RM10.90 million to arrive at the RNAV of BSLCORP as the claim has yet to be finalised and is subject to adjudication at the Court of Appeal. For information purpose only, the RNAV per BSLCORP Share would have been RM1.16 without taking into consideration the adjustment of provision for additional sales tax and import duties.

Our commentary

Notwithstanding the above, Holders are reminded that the market values of lands and buildings held by BSLCORP Group are subject to various risks, including but not limited to, the liquidity risk (i.e. the process of selling and buying property may take longer compared to trading of public listed equities) and valuation risk (i.e. the eventual transacted price may not necessarily reflect the market value of the properties ascribed by the Valuer).

Holders should take note that the RNAV represents the fair value of BSLCORP's net assets on the assumption that all its assets are able to be realised on a willing-buyer-willing-seller basis in the open market at the indicative fair market value together with the incidental costs related to these transactions. Holders should also note that there is no assurance that BSLCORP will be able to realise such assets at the RNAV computed either presently or in the near future.

6.2 Historical share price analysis of the BSLCORP Shares

6.2.1 Historical closing market prices of the BSLCORP Shares for the past one (1) year up to the LPD

The graph of historical closing market prices of the BSLCORP Shares for the past one (1) year up to the LPD is illustrated below:



(Source: Bloomberg)

From the graph above, we note that the BSLCORP Shares have been traded below the Offer Price for the past one (1) year up until 28 June 2021. Since then, BSLCORP Shares have been traded between RM1.14 and RM1.15 up until the LPD, save for 6 July 2021 (RM1.17) and 13 July 2021 (RM1.16).

Apart from the announcements made on the Bursa Securities for the past one (1) year up to the LPD below, to the best of our knowledge, there are no material news/development throughout period of analysis which may have led to the upward or downward movements of BSLCORP for the past one (1) year up to the LPD:

Annotation	Date	Significant event
(1)	7 January 2021	Bursa Securities had on 7 January 2021 issued an Unusual Market Activity query on the sharp rise in the price and volume of BSLCORP shares. After clarifying with BSLCORP's major shareholder, the Board was informed that BSLCORP's major shareholder was approached by a third party informally who showed an unsolicited interest in acquiring its shareholding in BSLCORP. The Board was also advised by BSLCORP's major shareholder that it was unsolicited and the discussion was only at the preliminary stage and it may or may not result in any firm offer from the said third party.
(2)	26 January 2021	The Board provided an update regarding the Unusual Market Activity above after seeking confirmation from BSLCORP's major shareholder. With regard to the unsolicited interest from the third party to acquire BSLCORP's major shareholder's shareholding in BSLCORP, the third party had decided not to pursue the discussion further.
(3)	3 May 2021	Announcement on the update of the Bills of Demand. Please refer to Section 11 of Attachment I of this IAC for further details on this matter.
(4)	23 June 2021	Serving of the Notice on the Board.

6.2.2 Premium/(Discount) of the Offer Price over the historical closing market prices/VWAPs of the BSLCORP Shares

The premium/(discount) represented by the Offer Price *vis-à-vis* the relevant VWAP of the BSLCORP Shares is as follows:

	Market price of BSLCORP Shares RM	Premium/(Discount) of the Offer Price over the prevailing market price	
		RM	%
Up to the LTD:			
Last transacted market price	1.09	0.06	5.50
Five (5)-day VWAP	1.09	0.06	5.50
One (1)-month VWAP	1.07	0.08	7.48
Three (3)-month VWAP	0.95	0.20	21.05
Six (6)-month VWAP	0.87	0.28	32.18
One (1)-year VWAP	0.86	0.29	33.72
Up to the LPD:			
Last transacted market price	1.15	-	-
Five (5)-day VWAP	1.15	-	-

(Source: Bloomberg)

Based on the table above, we note that the Offer Price represents:

- (i) a premium of RM0.06 (5.50%) over the last transacted market price of BSLCORP Shares on the LTD;
- (ii) equal to the last transacted market price of BSLCORP Shares on the LPD;
- (iii) a premium of between RM0.06 (5.50%) and RM0.29 (33.72%) over the five (5)-day, one (1)-month, three (3)-month, six (6)-month and one (1)-year VWAPs of the BSLCORP Shares up to the LTD; and
- (iv) equal to the five (5)-day VWAP of the BSLCORP Shares up to the LPD.

Our commentary

Based on the graph above, we note that BSLCORP Shares were traded below the Offer Price for the past one (1) year up until 28 June 2021. Since then, BSLCORP Shares have been traded between RM1.14 and RM1.15 up until the LPD, save for 6 July 2021 (RM1.17) and 13 July 2021 (RM1.16).

Holders should note that the past trading performance of the BSLCORP Shares should not in any way be relied upon as an indication of its future share price performance.

6.3 Our view on the fairness of the Offer

Based on our analysis as set out in Sections 6.1 and 6.2 in Part B of this IAC, we are of the view that the Offer is **FAIR** as the Offer Price represents:

- (i) a premium of RM0.10 or 9.52% to estimated RNAV per BSLCORP Share of RM1.05;
- (ii) a premium of between RM0.06 (5.50%) and RM0.29 (33.72%) over the five (5)-day, one (1)-month, three (3)-month, six (6)-month and one (1)-year VWAPs of the BSLCORP Shares up to the LTD;
- (iii) equal to the five (5)-day VWAP of the BSLCORP Shares up to the LPD and the last transacted market prices of BSLCORP Shares on the LPD; and
- (iv) a premium of RM0.06 (5.50%) over the last transacted market prices of BSLCORP Shares on the LTD.

You are advised to closely monitor the market prices of the BSLCORP Shares and evaluate the Offer Price before deciding whether to accept or reject the Offer prior to the Closing Date. You may consider disposing of your BSLCORP Shares in the open market in the event the market prices of BSLCORP Shares are higher than the Offer Price, after taking into consideration the associated transaction costs and assuming that there will not be any revision to the Offer Price.

7. REASONABLENESS OF THE OFFER

7.1 Historical liquidity analysis of BSLCORP Shares

We have analysed the liquidity and the monthly trading volume of BSLCORP Shares for the past 12 months up to May 2021 (being the last full trading month prior to the LTD), as set out below:

Month	BSLCORP Shares	
	Monthly trading volume ⁽¹⁾ '000	Monthly trading volume over free float ⁽²⁾ %
<u>2020</u>		
June	1,612	4.43
July	755	2.07
August	785	2.16
September	3,880	10.66
October	2,157	5.93
November	4,094	11.25
December	4,014	11.03

Month	BSLCORP Shares	
	Monthly trading volume ⁽¹⁾ '000	Monthly trading volume over free float ⁽²⁾ %
2021		
January	61,750*	169.71*
February	14,937	41.05
March	81,491*	223.96*
April	132,618*	364.48*
May	28,127	77.30
Simple average	28,018	77.00
Simple average excluding outliers⁽³⁾	6,707	18.43

(Source: Bloomberg)

Notes:

* Deemed outlier.

- (1) Monthly trading volume excludes BSLCORP Shares traded in the open market by the Directors, substantial shareholders of BSLCORP and persons connected to them as well as those purchased from the open market and retained as treasury shares by BSLCORP during the respective months, if any.
- (2) Free float is computed based on the total BSLCORP Shares held by the public shareholders that excludes the Directors and substantial shareholders of BSLCORP and persons connected to them as at the LTD.
- (3) Deemed as outliers as the trading volume of BSLCORP Shares for January, March and April 2021 which were significantly higher as compared to trading volumes of other months during the period under review.

It is noted that the average monthly trading liquidity of BSLCORP Shares (excluding outlier) was approximately 18.43%. In comparison, we derived the average trading liquidity turnover of the KLPRO based on the monthly trading volume of its shares and warrants traded on Bursa Securities, as follows:

Company /Index	Average monthly traded volume over free float ⁽¹⁾ %
BSLCORP	18.43 ⁽²⁾
KLPRO	33.64

Notes:

- (1) Calculated by dividing the average monthly volume traded by the free float.
- (2) Simple average of monthly trading over free float of BSLCORP Shares excluding outliers as disclosed in the table above.

Our commentary

We note that BSLCORP Shares are relatively **illiquid** when compared against the KLPRO, as the average monthly trading liquidity of BSLCORP Shares of 18.43% (excluding outlier) is lower than the average monthly trading liquidity of KLPRO of 33.64%. Although BSLCORP Shares will remain traded on Bursa Securities as it is the intention of the Joint Offerors to maintain the listing status of BSLCORP, Holders (especially those holding a significant number of the BSLCORP Shares) should note that they may have limited opportunities or may take significant time to realise their investments in BSLCORP by way of market transactions in the open market.

Further, the Joint Offerors may increase their respective shareholdings as a result of acceptances received pursuant to the Offer and/or via further acquisitions in the open market. This is expected to reduce the free float and hence the liquidity of the BSLCORP Shares and the Holders' ability to dispose of their Offer Shares in the open market may be further constrained.

We wish to highlight that the above evaluation is based on the historical trading volumes of BSLCORP Shares as well as the free float as at the respective periods and should not be relied upon as an indication of the future trading liquidity of BSLCORP Shares, which may be influenced by, amongst others, the performance and prospects of BSLCORP, prevailing economic conditions, economic outlook, stock market conditions, market sentiments and other general macroeconomic conditions as well as company specific factor.

7.2 No other competing take-over offer

As at the LPD, save for the Offer from the Joint Offerors, the Board has not received any competing take-over offer for the Offer Shares or any other offer to acquire the assets and liabilities of BSLCORP.

Our commentary

In the absence of a competing offer, the Offer provides an exit opportunity to the Holders to realise their investments in BSLCORP at the Offer Price regardless of their holdings on an immediate basis.

7.3 Our view on the reasonableness of the Offer

BSLCORP Shares are relatively illiquid when compared against the KLPRO, as the average monthly trading liquidity of BSLCORP Shares of 18.43% (excluding outlier) is lower than the average monthly trading liquidity of the KLPRO of 33.64%. Although BSLCORP Shares will remain traded on Bursa Securities as it is the intention of the Joint Offerors to maintain the listing status of BSLCORP, Holders (especially those holding a significant number of the BSLCORP Shares) may have limited opportunities or may take significant time to realise their investments in BSLCORP by way of market transactions in the open market.

Further, the Joint Offerors may increase their respective shareholdings as a result of acceptances received pursuant to the Offer and/or via further acquisitions in the open market. This is expected to reduce the free float and hence the liquidity of the BSLCORP Shares and the Holders' ability to dispose of their Offer Shares in the open market may be further constrained.

In the **absence of a competing offer**, the Offer provides an exit opportunity to the Holders to realise their investments in BSLCORP at the Offer Price regardless of their holdings on an immediate basis.

Premised on the above, we view the Offer as **REASONABLE**.

8. LISTING STATUS OF BSLCORP, COMPULSORY ACQUISITION AND RIGHTS OF DISSENTING HOLDERS

8.1 Listing status of BSLCORP

Pursuant to Paragraph 8.02(1) of the Listing Requirements, a listed issuer must ensure that it meets the Public Spread Requirement. Bursa Securities may accept a percentage lower than 25% of the total number of listed shares (excluding treasury shares) if it is satisfied that such lower percentage is sufficient for a liquid market of such shares.

A listed issuer which fails to maintain the Public Spread Requirement may request for an extension of time to rectify the situation in the manner as may be prescribed by Bursa Securities. Where no extension of time is granted by Bursa Securities to rectify the Public Spread Requirement, Bursa Securities may take or impose any type of action or penalty pursuant to Paragraph 16.19 of the Listing Requirements for a breach of Paragraph 8.02(1) of the Listing Requirements and may, at its discretion, suspend trading in the securities of the listed issuer pursuant to Paragraph 16.02(1) of the Listing Requirements. However, the non-compliance of the Public Spread Requirement would not automatically result in the delisting of BSLCORP from the Official List of Bursa Securities.

Paragraph 9.19(48) of the Listing Requirements stipulates that in relation to a take-over offer under the Rules, the listed issuer must make an immediate announcement upon 90% or more of its listed shares (excluding treasury shares) being held by a shareholder either individually or jointly with its associates. Upon such announcement, Bursa Securities will, in the case where the Joint Offerors intend to maintain the listed issuer's listing status, suspend trading of the listed issuer's securities upon the expiry of 30 Market Days from the date of the announcement. Bursa Securities will only uplift the suspension upon full compliance with the Public Spread Requirement or as Bursa Securities may determine.

As stated in Section 4.1 of the Offer Document, **it is the intention of the Joint Offerors to maintain the listing status of BSLCORP on the Main Market of Bursa Securities**. Accordingly, in the event that BSLCORP does not comply with the Public Spread Requirement as a result of the Offer, the Joint Offerors will explore with BSLCORP all possible options to rectify the public shareholding spread of BSLCORP within three (3) months from the Closing Date if allowed by Bursa Securities or such timeframe as allowed by Bursa Securities to enable BSLCORP to comply with the Public Spread Requirement.

Therefore, while the Joint Offerors will work together with BSLCORP to rectify any shortfall in the Public Spread Requirement, there is no assurance that the Public Spread Requirement can be rectified within the stipulated time frame. In the event that BSLCORP does not meet the Public Spread Requirement within the stipulated time frame, the Joint Offerors and/or BSLCORP may seek an extension of time from the relevant authorities. However, Bursa Securities reserves the absolute right to grant an extension or suspend the trading of BSLCORP Shares.

Our commentary

We note that it is the intention of the Joint Offerors to maintain the listing status of BSLCORP on the Main Market of Bursa Securities. As such, the BSLCORP Shares will remain traded on Bursa Securities and Holders will still be able to participate in the trading of the BSLCORP Shares even after the Offer.

Nevertheless, in the event BSLCORP does not comply with the Public Spread Requirement as a result of the Offer, Holders should note that while the Joint Offerors will work with BSLCORP to attempt to rectify any shortfall in the Public Spread Requirement, there can be no assurance that the Public Spread Requirement can be rectified within the stipulated time frame.

In the event that BSLCORP does not meet the Public Spread Requirement within the stipulated timeframe or any extension of time granted by Bursa Securities, there is a possibility that BSLCORP may be removed from the Official List. As stated in Section 7.1 above, BSLCORP Shares are relatively illiquid when compared against the KLPRO, the BSLCORP Shares may become even more illiquid if they are removed from the Official List and not be traded on Bursa Securities. In addition, there may not be an active or ready market for the unlisted securities of BSLCORP.

Even if the Public Spread Requirement is met upon completion of the Offer, there is no assurance that there will be an active and liquid market for the BSLCORP Shares thereafter. You are advised to closely monitor any press releases and/or announcements made in relation to the Offer in respect of the outcome of the Offer and whether or not BSLCORP is able to comply with the Public Spread Requirement.

8.2 Compulsory acquisition and rights of Dissenting Holders

As disclosed in Section 4.2 of the Offer Document, **the Joint Offerors do not intend to invoke the provisions of Section 222(1) of the CMSA** to compulsorily acquire any outstanding Offer Shares for which valid acceptances have not been received on or prior to the Closing Date even if the conditions stipulated in Section 222(1) of the CMSA are fulfilled.

Notwithstanding that, subject to Section 224 of the CMSA, Section 223 of the CMSA provides that if the Joint Offerors receive valid acceptances from the Holders resulting in the Joint Offerors holding not less than nine-tenths (9/10) in the value of all the shares in BSLCORP or of that class in BSLCORP on or before the Closing Date, a Dissenting Holder may exercise his or its rights under Section 223(1) of the CMSA by serving a notice on the Joint Offerors to require the Joint Offerors to acquire his or its Offer Shares on the same terms as set out in the Offer Document or such other terms as may be agreed between the Joint Offerors and such Dissenting Holder.

If a Dissenting Holder invokes the provisions of Section 223(1) of the CMSA, the Joint Offerors shall acquire such Offer Shares in accordance with the provisions of the CMSA, subject to Section 224 of the CMSA. In accordance with Section 224(3) of the CMSA, when a Dissenting Holder exercises his or its rights under Section 223(1) of the CMSA, the court may, on an application made by such Dissenting Holder or by the Joint Offerors, order that the terms on which the Joint Offerors shall acquire such Offer Shares as the court thinks fit.

Section 223(2) of the CMSA requires the Joint Offerors to give the Dissenting Holders a notice in the manner specified by the SC of the rights exercisable by the Dissenting Holders under Section 223(1) of the CMSA, within one (1) month of the time of the Joint Offerors having acquired not less than nine-tenths (9/10) in the value of all the shares in BSLCORP or of that class in BSLCORP.

A notice to the Dissenting Holders under Section 223(2) of the CMSA may specify the period for the exercise of the rights of the Dissenting Holders and in any event, such period shall not be less than three (3) months after the Closing Date.

Our commentary

We note that the Joint Offerors do not intend to invoke the provisions of Section 222(1) of the CMSA to compulsorily acquire any remaining Offer Shares from the Dissenting Holders for which acceptances have not been received on or prior to the Closing Date even if the conditions stipulated in Section 222(1) of the CMSA are fulfilled.

Notwithstanding the above, if the Dissenting Holders become entitled and wish to exercise their rights under Section 223 of the CMSA, the Dissenting Holders should consult their legal advisers immediately upon the announcement of such event being made by the Joint Offerors and BSLCORP. If the Dissenting Holders fail to exercise such rights within the stipulated period, they may continue to hold the BSLCORP Shares as the Joint Offerors do not intend to invoke Section 222(1) of the CMSA.

9. RATIONALE FOR THE OFFER

The businesses of the BSLCORP Group are complementary to the Joint Offerors' personal investments in Sanichi and PNE PCB. The principal activities of Sanichi include amongst others, property development, property investment and design and fabrication of precision plastic injection moulds and tooling which are the tools that are used in precision metal stamping. On the other hand, PNE PCB is principally involved in the manufacturing and sale of printed circuit boards which lay the conductive track according to the design layout of the circuit boards. The printed circuit boards are then assembled by soldering electronic components onto the circuit boards, which is one of the principal activities of the BSLCORP Group. As such, the Acquisitions are considered to be complementary to the Joint Offerors' personal investments in Sanichi and PNE PCB. The Joint Offerors recognise the potential synergy of BSLCORP with the business propositions of Sanichi and PNE PCB as BSLCORP will enable them to provide wider range of solutions to meet the requirements of their clients in the future. Potential synergies can also be tapped in other areas such as leveraging on the customer and supplier base of the respective companies.

The Acquisitions would also allow the Joint Offerors to acquire control of the businesses and operations of the BSLCORP Group. By gaining control in BSLCORP, the Joint Offerors will have the flexibility to implement various business strategies for the BSLCORP Group to realise its future growth potential.

Our commentary

We note that the businesses of the BSLCORP Group are complementary to the Joint Offerors' personal investments in Sanichi and PNE PCB. The Joint Offerors recognise the potential and business propositions of Sanichi, PNE PCB and BSLCORP by providing wider range of solutions to meet the requirements of clients in the future.

We also note that Dato' Sri Dr. Pang has more than 20 years of experience in precision engineering in the plastic mould industry. Ho Jien Shiung is an Executive Director and shareholder of PNE PCB whose principal activity is that of manufacturing and sale of printed circuit boards. We believe that BSLCORP may benefit from Dato' Sri Dr. Pang and Ho Jien Shiung's business experience and expertise in the manufacturing and printed circuit board industry given the potential synergy of these complementary businesses.

The Acquisitions would provide an opportunity for the Joint Offerors to acquire control in BSLCORP which will enable them to have greater flexibility in managing the business and operations of the BSLCORP Group. The making of the Offer is an obligation which the Joint Offerors would need to undertake under the Rules.

10. JOINT OFFERORS' FUTURE PLANS FOR THE BSLCORG GROUP AND ITS EMPLOYEES

We note from Section 5 of the Offer Document that the Joint Offerors have not entered into any negotiation or arrangement or understanding whatsoever with any third party with regard to any significant change in the BSLCORG Group's businesses and assets. The intentions of the Joint Offerors with respect to the BSLCORG Group as stated in the Offer Document are as follows:

(i) Continuation of BSLCORG's business

The Joint Offerors intend to continue the BSLCORG Group's existing businesses after the completion of the Offer. Nevertheless, the Joint Offerors may review the businesses and operations of the BSLCORG Group and effect such arrangements, rationalisation and reorganisation of the BSLCORG Group as they consider suitable for the BSLCORG Group to remain competitive in the industry for the future growth of its businesses.

(ii) Major changes to BSLCORG's business

The Joint Offerors have no knowledge of and have not entered into any negotiation, arrangement or understanding with any third party that will cause any significant change in the BSLCORG Group's businesses, assets and/or shareholding structure.

The Joint Offerors do not have any plan to introduce any major changes in the businesses of the BSLCORG Group, liquidate any of the companies within the BSLCORG Group, dispose of any major assets or undertake any redeployment of fixed assets of the BSLCORG Group.

(iii) Employees of BSLCORG

The Joint Offerors have no plans to dismiss or make redundant any of the BSLCORG Group's existing employees as a direct consequence of the Offer.

(iv) BSLCORG Board

The Joint Offerors may effect changes to the BSLCORG Board by nominating representatives as necessary in accordance with the Rules and all relevant guidelines.

Our commentary

We note that the Joint Offerors intend to continue with BSLCORG's existing business and operations and do not have any plan or intention to liquidate any companies within the BSLCORG Group. We further note that the Joint Offerors will review the existing business of the BSLCORG Group to ensure BSLCORG remains competitive, if deemed appropriate. The Joint Offerors have no plans to make redundant the employees of the BSLCORG Group as a direct consequence of the Offer. The Joint Offerors may effect changes to the BSLCORG Board by nominating representatives as necessary in accordance with all relevant guidelines. The Joint Offerors will also retain the flexibility at any time to consider any option which are in the interests of the BSLCORG Group.

Premised on the above, we are of the view that the businesses and management of BSLCORP are likely to continue to operate as usual in the foreseeable future.

11. FURTHER INFORMATION

Holders are advised to refer to the views and recommendation of the Non-Interested Directors as set out in Part A of this IAC as well as the attachments and other relevant information in the Offer Document for further details in relation to the Offer.

12. OUR CONCLUSION AND RECOMMENDATION

In arriving at the recommendation in respect of the Offer, we have assessed the fairness and reasonableness of the Offer in accordance with Paragraph 1 to Paragraph 6 under Schedule 2: Part III of the Rules, where the term “fair and reasonable” should generally be analysed as two distinct criteria rather than as a composite term.

We have assessed and evaluated the Offer as set out in Sections 6 and 7 of this IAL. In arriving at our opinion on the fairness of the Offer, we have taken into consideration the following pertinent factors:

(i)	Valuation of BSLCORP Shares	We are of the view that an asset-based approach using RNAV is the most appropriate valuation methodology to arrive at the fair value of BSLCORP Shares. Based on the RNAV valuation, the estimated value of the entire equity interest in BSLCORP based on RNAV is approximately RM103.11 million, which translates into RM1.05 per BSLCORP Share. The Offer Price represents a premium of RM0.10 or approximately 9.52% over the RNAV of RM1.05 per BSLCORP Share.
(ii)	Historical share price analysis of BSLCORP Shares	<p>The Offer Price represents a premium of between RM0.06 (5.50%) and RM0.29 (33.72%) over the five (5)-day, one (1)-month, three (3)-month, six (6)-month, one (1)-year VWAPs of the BSLCORP Shares up to the LTD and the last transacted market price of BSLCORP Shares on the LTD.</p> <p>The Offer Price is equal to the five (5)-day VWAP of the BSLCORP Shares up to the LPD and the last transacted market price of BSLCORP Shares on the LPD.</p>

In arriving at our opinion on the reasonableness of the Offer, we have taken into consideration the following pertinent factors:

(i)	Historical liquidity analysis of BSLCORP Shares	BSLCORP Shares are relatively illiquid when compared against the KLPRO , as the average monthly trading liquidity of BSLCORP Shares of 18.43% (excluding outlier) is lower than the average monthly trading liquidity of the KLPRO of 33.64%. Although BSLCORP Shares will remain traded on Bursa Securities as it is the intention of the Joint Offerors to maintain the listing status of BSLCORP, Holders (especially those holding a significant number of the BSLCORP Shares) should note that they may have limited opportunities or may take significant time to realise their investments in BSLCORP by way of market transactions in the open market.
(ii)	No other competing take-over offer	As at the LPD, save for the Offer from the Joint Offerors, the Board has not received any competing take-over offer for the Offer Shares or any other offer to acquire the assets and liabilities of BSLCORP. In the absence of a competing offer , the Offer provides an exit opportunity to the Holders to realise their investments in BSLCORP at the Offer Price regardless of their holdings on an immediate basis.

Based on the above and our evaluation as a whole, we are of the view that the Offer is **FAIR** and **REASONABLE**. Accordingly, we recommend that the Holders **ACCEPT** the Offer.

However, the decision to be made will depend entirely on the Holders' risk appetite and specific preference as well as their expectation of the future performance of BSLCORP under the control of the Joint Offerors. Holders should also be mindful that continuous fluctuation in the market price of BSLCORP Shares might happen prior to the Closing Date. Hence, Holders are advised to closely monitor the market prices and information/announcements in relation to the Offer before making a decision on the course of action to be taken in respect of the Offer.

Holders who wish to exit their investments in BSLCORP can consider selling the BSLCORP Shares in the open market if they are able to obtain a price higher than the Offer Price, net of transaction cost.

HOLDERS ARE ADVISED TO CAREFULLY CONSIDER THE INFORMATION AND RECOMMENDATION CONTAINED IN THIS IAC TOGETHER WITH THE OFFER DOCUMENT BEFORE MAKING A DECISION ON THE COURSE OF ACTION TO BE TAKEN.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE IN RELATION TO THE OFFER, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

Yours faithfully,
MAINSTREET ADVISERS SDN BHD

Dato' Siow Kim Lun
Adviser

Abd Ghafar bin Hamzah
Director

PART C
ATTACHMENTS

INFORMATION ON BSLCORP

1. HISTORY AND PRINCIPAL ACTIVITIES

BSLCORP was incorporated in Malaysia under the Act on 29 April 2004 as a private limited company and later converted to a public limited company on 6 November 2004. BSLCORP was listed on the Second Board of Bursa Securities on 15 November 2005 and subsequently transferred to the Main Market of Bursa Securities after the Main Board and the Second Board of Bursa Securities were streamlined on 3 August 2009.

The principal activity of BSLCORP is investment holding whilst the principal activities of its subsidiary, associated and joint venture companies are set out in Section 5 of this Attachment.

2. SHARE CAPITAL**2.1 Issued share capital**

The issued share capital of BSLCORP as at the LPD is as follows:

Share capital	No. of Shares (unit)	Amount (RM)
Issued (including 1,364,113 treasury shares)	98,000,000	50,767,230

2.2 Changes in the issued share capital

Since the end of the FYE 31 August 2020 up to the LPD, there have been no changes in BSLCORP's issued share capital.

2.3 Convertible securities

As at the LPD, BSLCORP does not have any convertible securities.

3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial shareholders of BSLCORP are as follows:

Name	<----- Direct ----->		<----- Indirect ----->	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Dato' Sri Dr. Pang	32,438,000	33.57	-	-
Ho Jien Shiung	17,542,000	18.15	-	-

Note:

(1) Based on the existing share capital of 96,635,887 BSLCORP Shares at LPD (after excluding 1,364,113 treasury shares).

INFORMATION ON BSLCORP (Cont'd)

4. DIRECTORS AND THEIR SHAREHOLDINGS

The particulars of the directors of BSLCORP and their respective shareholdings in BSLCORP as at the LPD are as follows:

Name	Nationality	Address	Designation	<----- Direct -----> No. of Shares	% ⁽¹⁾	<----- Indirect -----> No. of Shares	% ⁽¹⁾
Ngiam Tong Kwan	Malaysian	No.51, Jalan Desa Residen Levenue, Desa Park City 52200 Kuala Lumpur	Executive Chairman	500,000	0.52	117,000 ⁽²⁾	0.12
Ngiam Tee Wee	Malaysian	99, Jalan PJU 10/17 Sutera Damansara 47830 Petaling Jaya Selangor	Chief Executive Officer/ Executive Director	500,000	0.52	-	-
Ngiam Tee Yang	Malaysian	76, Jalan Wangsa 1/1 Taman Wangsa Pemail 52200 Kuala Lumpur	Deputy Chairman/ Executive Director	100,000	0.10	-	-
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	Malaysian	No.2A, Jalan 16/12A 46350, Petaling Jaya Selangor	Independent Non- Executive Director	100,000	0.10	-	-
To' Puan Rozana Bte Tan Sri Redzuan	Malaysian	12, Lorong Taman Pantai 2 Taman Bukit Pantai 59100 Kuala Lumpur	Independent Non- Executive Director	-	-	-	-
Ng Wai Pin	Malaysian	3-1-1 Sri Kia Peng Condominium Jalan Changkat Kia Peng 50450 Kuala Lumpur	Independent Non- Executive Director	-	-	17,000 ⁽³⁾	0.02

Notes:

- (1) Computed based on the existing share capital of 96,635,887 BSLCORP Shares at LPD (after excluding 1,364,113 treasury shares).
- (2) Deemed interested by virtue of the shareholding held by his spouse (70,000 Shares) and child (47,000 Shares).
- (3) Deemed interested by virtue of the shareholding held by his spouse.

INFORMATION ON BSLCORP (Cont'd)

5. SUBSIDIARY AND ASSOCIATED COMPANIES

The subsidiary, associated and joint venture companies of BSLCORP as at LPD are set out below:

Name of company	Country of incorporation	Principal activities	Effective equity interest %
Direct subsidiary companies			
Ban Seng Lee Industries Sdn Bhd	Malaysia	Stamping and manufacturing of precision metal parts, fabrication of tools and dies and fabrication and forging of base metal components	100.0
CMSB	Malaysia	Printed circuit board assembly and assembly of all types of electronic and electrical components, devices and system	100.0
Unique Forging & Components Sdn Bhd	Malaysia	Investment holding	100.0
BSL (HK) Limited	Hong Kong	Investment Holding	100.0
BSL Eco Energy Sdn Bhd	Malaysia	Photovoltaic (PV) solar energy solution provider	51.0
BSL Development Sdn Bhd	Malaysia	Dormant	51.0
Subsidiary company held through Unique Forging & Components Sdn Bhd			
Matahari Suria Sdn Bhd	Malaysia	Generation of renewable energy	100.0
Subsidiary company held through BSL Eco Energy Sdn Bhd			
Suria Solar Tech Sdn Bhd	Malaysia	Dormant	51.0
Associated company held through BSL (HK) Limited			
Hongze Yiyang Steel Tube Co.,Ltd	The People's Republic of China	Production, manufacturing, sales and distribution of seamless steel tubes and pipes	25.0
Associated company held through BSL Eco Energy Sdn Bhd			
BSL Bersepadu Sdn Bhd	Malaysia	Investment Holding	17.0
Joint venture company held through BSL (HK) Limited			
Petapak Holdings Ltd.	Hong Kong	Investment holding	22.5

INFORMATION ON BSLCORP (Cont'd)

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of the BSLCORP Group based on its audited consolidated financial statements for the FYEs 31 August 2018, 31 August 2019 and 31 August 2020 as well as the latest unaudited consolidated financial statements of BSLCORP for the six (6)-month FPE 28 February 2021 are as follows:

	<----- Audited -----> <----- FYE 31 August ----->			Unaudited 6-Month FPE 28 February 2021
	2018 RM'000	2019 RM'000	2020 RM'000	RM'000
Revenue	158,783	159,647	137,136	84,881
Profit/(loss) before tax	(2,122)	4,525	1,418	4,615
<u>PAT/(LAT) attributable to:</u>				
- Owners of the Company	(1,116)	1,354	370	3,530
- Non-controlling interest	(1,372)	143	247	47
	(2,488)	1,497	617	3,577
Weighted average number of BSLCORP Shares in issue (‘000)	96,638	96,636	96,636	96,636
Earnings/(Loss) per share (sen)	(1.15)	1.40	0.38	3.65
Gross dividend per share (sen)	-	-	-	-

There was no exceptional item in the audited consolidated financial statements of BSLCORP for the three (3) financial years up to FYE 31 August 2020 and the latest unaudited consolidated financial statements of BSLCORP for the six (6)-month FPE 28 February 2021.

FYE 31 August 2018

The Group recorded revenue of RM158.78 million in FYE 31 August 2018, an increase of RM12.53 million or 8.57% from the previous financial year. The growth in revenue was mainly contributed by the higher orders for agricultural and industrial product and television back chassis from its Precision Stamping and Tooling segment.

Despite the increase in revenue, the Group suffered a LAT of RM2.49 million as compared to a PAT of RM3.67 million in the previous financial year. This is mainly due to provision for impairment in goodwill amounting to RM4.69 million made during the financial year. The goodwill arose from the Group's investment in Petapak Holdings Ltd., whose operations is in the sales of metal collars for polyethylene terephthalate plastics aerosol. In addition, due to unfavourable exchange rates, the Group incurred unrealised foreign exchange losses amounting to RM1.00 million arising from its investment in overseas shares and intercompany owing.

INFORMATION ON BSLCORP (Cont'd)

FYE 31 August 2019

The Group recorded revenue of RM159.65 million in FYE 31 August 2019, an increase of RM0.86 million or 0.54% from the previous financial year. The growth in revenue was mainly contributed by the higher engineering, procurement, construction and commissioning projects from the Renewable Energy segment but this was offset slightly by the lower revenue in other segments.

The Group recorded a PAT of RM1.50 million as compared to a LAT of RM2.49 million in the previous financial year. The results were better than prior year as there were no recognition of impairment loss in goodwill recognised (FYE 31 August 2018: RM4.69 million) and only RM0.01 unrealised foreign exchange losses (FYE 31 August 2018: RM1.00 million) for FYE 31 August 2019.

FYE 31 August 2020

The Group recorded revenue of RM137.14 million in FYE 31 August 2020, a decrease of RM22.51 million or 14.10% from the previous financial year. The decrease in revenue was mainly due to lower sales to major customers as compared to prior year. In line with the lower revenue, the Group also recorded a lower PAT of RM0.62 million as compared to prior year of RM1.50 million.

The financial results above were mainly due to the lesser operational days arising from the implementation of the Movement Control Order, the drop in customer demands and also weaker consumer sentiments owing to the adverse economic climate.

6-Month FPE 28 February 2021

The Group recorded revenue of approximately RM84.88 million in the 6-month FPE 28 February 2021, representing an increase of RM10.91 million or 14.75% from the corresponding 6-month period of the preceding year. The increase in revenue was mainly attributed to higher revenue from the Precision Stamping and Tooling segment.

BSLCORP recorded a PAT of approximately RM3.58 million in the 6-month FPE 28 February 2021 compared to a PAT of RM0.05 million for the corresponding 6-month period of the preceding year. The increase in PAT was in tandem with the increase in revenue due to higher sales recorded from the Group's Precision Stamping and Tooling segment. The renewable energy segment recorded higher operating profits despite lower revenue due to the ongoing engineering, procurement, construction and commissioning engagements with higher margins.

INFORMATION ON BSLCORP (Cont'd)

7. STATEMENT OF ASSETS AND LIABILITIES

The statements of assets and liabilities of the BSLCORP Group based on the audited consolidated statements of financial position of BSLCORP as at 31 August 2018, 31 August 2019 and 31 August 2020 as well as the latest unaudited consolidated statements of financial position of BSLCORP as at 28 February 2021 are as follows:

	<----- Audited -----> <----- As at 31 August ----->			Unaudited As at 28 February 2021
	2018 RM'000	2019 RM'000	2020 RM'000	RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	92,360	92,178	90,332	89,243
Right-of-use assets	-	-	1,001	1,090
Other investments	3,163	-	-	-
Trade receivables	1,861	1,062	-	-
Total non-currents assets	97,384	93,240	91,333	90,333
Current assets				
Inventories	12,735	12,916	15,131	15,948
Trade receivables	34,421	32,916	27,349	27,002
Contract assets	316	1,071	54	796
Other receivables, deposits and prepayments	5,615	3,472	2,421	3,560
Amount owing by a corporate shareholder	25	-	-	-
Current tax assets	130	212	479	-
Cash and bank balances	11,866	10,984	15,821	18,757
Total current assets	65,109	61,571	61,255	66,062
TOTAL ASSETS	162,493	154,811	152,588	156,395
EQUITY AND LIABILITIES				
Share capital	49,000	50,767	50,767	50,767
Treasury shares	(459)	(459)	(459)	(459)
Reserves	61,853	58,362	57,394	60,927
Equity attributable to owners of the Company	110,394	108,670	107,702	111,235
Non-controlling interests	(483)	(350)	(103)	(56)
Total equity	109,911	108,320	107,599	111,178
Non-current liabilities				
Long term borrowings	9,207	8,135	6,109	4,613
Lease liabilities	-	-	955	935
Deferred tax liabilities	5,031	5,876	7,359	7,402
Total non-current liabilities	14,238	14,011	14,423	12,951

INFORMATION ON BSLCORP (Cont'd)

	<----- Audited -----> <----- As at 31 August ----->			Unaudited As at 28 February 2021
	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
Current liabilities				
Trade payables	24,828	22,854	23,809	22,938
Other payables and accruals	6,057	3,594	3,099	5,459
Contract liabilities	1,800	1,768	132	126
Short term borrowings	5,353	4,208	3,437	3,471
Lease liabilities	-	-	69	188
Current tax liabilities	306	56	20	81
Total current liabilities	38,344	32,480	30,566	32,266
Total liabilities	52,582	46,491	44,989	45,217
TOTAL EQUITY AND LIABILITIES	162,493	154,811	152,588	156,395

As at the LPD, there were no known significant material changes in the financial position of BSLCORP subsequent to the latest audited consolidated financial statements for the FYE 31 August 2020.

8. ACCOUNTING POLICIES

Based on the audited consolidated financial statements of BSLCORP for FYE 31 August 2018, 31 August 2019 and 31 August 2020, the financial statements have been prepared based on approved Malaysian accounting standards and there was no audit qualification for BSLCORP's financial statements for the respective years under review.

Save for the adoption of MFRS 16: Leases in the FYE 31 August 2020, there is no change in the accounting standards adopted by BSLCORP which would result in variation in the comparable figures for the audited consolidated financial statements of BSLCORP for the FYEs 31 August 2018 to 2020. For further information on the adoption of MFRS 16 and the impact of the said adoption, please refer to Note 2(a) in the Notes to the Financial Statements in BSLCORP's Annual Report 2020.

9. BORROWINGS

As at 31 May 2021, which is not more than three (3) months preceding the LPD, BSLCORP Group has total outstanding borrowings of approximately RM8.42 million, which are as follows:

	RM'000
Long term borrowings	
Loans and borrowings	4,046
Lease liabilities	927
	4,973

INFORMATION ON BSLCORP (Cont'd)

	RM'000
Short term borrowings	
Loans and borrowings	3,251
Lease liabilities	192
	3,443
Total	8,416

10. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**(i) Material commitments**

As at the LPD, the Board confirms that there are no material capital commitments incurred or known to be incurred by BSLCORP Group that have been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or business of the Group.

(ii) Contingent liabilities

Save as disclosed below, as at the LPD, there are no contingent liabilities which upon becoming due or enforceable may have material impact on the financial position or business of the Group:

- (a) outstanding corporate guarantees amounting to RM8.33 million were given by the Company to financial institution for credit facilities granted to the BSLCORP Group; and
- (b) on 19 December 2014, CMSB (a wholly-owned subsidiary company of BSLCORP) received bills of demand from the Customs demanding payment of sales tax and import duties amounting to RM11.10 million for the period from December 2011 to July 2014 of which CMSB disputed. the directors are of the view that CMSB should only be liable for up to RM0.20 million and a provision for this had been made. The remaining balance of the claim of RM10.90 million represents a contingent liability which is subject to appeal to the authority.

INFORMATION ON BSLCORP (Cont'd)

11. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, the Group is not engaged in any material litigation, claim and/or arbitration either as plaintiff or defendant, which may have a material effect on the financial position or business of the Group and 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 financial position or business of the Group:

On 19 December 2014, CMSB (a wholly-owned subsidiary company of BSLCORP) received bills of demand from the Customs demanding payment of sales tax and import duties amounting to RM11.10 million for the period from December 2011 to July 2014 of which CMSB disputed. The directors have been in discussion with the relevant authority and have provided all necessary documentation to support their view.

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

On 5 July 2018, CMSB, through its appointed solicitor filed in an application for judicial review to the High Court. During the leave of hearing for judicial review held on 19 September 2018, the High Court granted leave and an interim stay for the enforcement of the bills of demand until the disposal of the inter-parties stay hearing.

During the hearing on 21 May 2019, the High Court fixed the decision date to be held on 9 July 2019 but subsequently adjourned to 6 January 2020 after a few adjournments.

On 6 January 2020, the High Court dismissed CMSB's judicial review application. CMSB proceeded to file a notice of appeal on 13 January 2020 to the Court of Appeal in relation to the High Court's decision to dismiss CMSB's judicial review application. CMSB also filed for a stay application at the High Court on 24 January 2020.

On 16 June 2020, the High Court granted CMSB a stay of proceedings until the disposal of the appeal at the Court of Appeal.

Presently, this matter is at the Court of Appeal and the hearing date is set on 17 August 2021. Please refer to BSLCORP's Annual Report FYE 31 August 2020 Note 37(b) of the financial statements for the full chain of events pertaining to this matter.

Separately, 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 transactions between CMSB and PMMA for the period from December 2011 to July 2014 which led to the majority of the total claim of import duties and sales tax from the Customs on CMSB. PMMA has been a customer of CMSB since the year 2000 where CMSB is involved in the PCB assembly of PMMA's various home electrical products such as fans, vacuum cleaners and home showers.

INFORMATION ON BSLCORP (Cont'd)

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 duties 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 ("**PMMA's Application**") and the High Court has set the hearing date for this application on 3 May 2021. However, the hearing was converted into a case management and during the case management on 3 May 2021, the High Court had adjourned the hearing for the PMMA's Application to 30 September 2021.

12. MATERIAL CONTRACTS

The Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the past two (2) years before the commencement of the Offer Period and up to the LPD.

13. HISTORICAL MARKET PRICE OF BSLCORP SHARES

The monthly highest and lowest prices of BSLCORP Shares as traded on Bursa Securities for the past 12 months from July 2020 to June 2021 are set out below:

	High RM	Low RM
<u>2020</u>		
July	0.195	0.125
August	0.270	0.185
September	0.365	0.205
October	0.395	0.220
November	0.370	0.250
December	0.390	0.300
<u>2021</u>		
January	0.775	0.355
February	0.740	0.450
March	1.080	0.615
April	1.100	0.695
May	1.070	0.835
June	1.170	0.995
Last transacted market price on 22 June 2020 being the last full trading day prior to the date of the Notice		1.090
Last transacted market price on the LPD		1.150

FURTHER INFORMATION

1. CONSENTS

MainStreet, M&A Securities and the Valuer have given and have not subsequently withdrawn their written consent to the inclusion of their names and all references thereto in the form and context in which they appear in this IAC prior to the despatch of this IAC.

2. DISCLOSURE OF INTERESTS AND DEALINGS IN SHARES**2.1 By BSLCORP****(i) Disclosure of interest in the Joint Offerors**

Not applicable as the Joint Offerors are individuals.

(ii) Dealings in the securities of the Joint Offerors

Not applicable as the Joint Offerors are individuals.

(iii) Dealing in the securities of BSLCORP

BSLCORP has not dealt, directly or indirectly, in any of its own voting shares or convertible securities during the period commencing six (6)-months before the commencement of the Offer Period and ended on the LPD.

2.2 By the directors of BSLCORP**(i) Disclosure of interest in the Joint Offerors**

Not applicable as the Joint Offerors are individuals.

(ii) Dealings in the shares of the Joint Offerors

Not applicable as the Joint Offerors are individuals.

(iii) Disclosure of interest in BSLCORP

Save as disclosed below, as at the LPD, the Directors of BSLCORP do not have any interest, whether direct or indirect, in any voting shares of BSLCORP:

Name	<----- Direct ----->		<----- Indirect ----->	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Ngiam Tong Kwan	500,000	0.52	117,000 ⁽²⁾	0.12
Ngiam Tee Wee	500,000	0.52	-	-
Ngiam Tee Yang	100,000	0.10	-	-
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	100,000	0.10	-	-
Ng Wai Pin	-	-	17,000 ⁽³⁾	0.02

FURTHER INFORMATION (Cont'd)**Notes:**

- (1) Computed based on the existing share capital of 96,635,887 BSLCORP Shares at LPD (after excluding 1,364,113 treasury shares).
- (2) Deemed interested by virtue of the shareholding held by his spouse (70,000 Shares) and child (47,000 Shares).
- (3) Deemed interested by virtue of the shareholding held by his spouse.

(iv) Dealings in the shares of BSLCORP

Save as disclosed below, the Directors of BSLCORP have not dealt, directly or indirectly, in any voting shares and/or convertible securities of BSLCORP during the six (6)-month period prior to 23 June 2021, being the date of the Notice, up to the LPD:

Name	Date of transaction	Nature of transaction	% of Share acquired/ disposed ⁽¹⁾ %	No. of BSLCORP Shares transacted	Transacted price per BSLCORP Share RM	Total consideration RM
Ngiam Tong Kwan	23 June 2021	Direct disposal	2.13	2,056,315	1.15	2,364,762
	23 June 2021	Indirect disposal	51.72	49,980,000	1.15	57,477,000
	23 June 2021	Indirect disposal	4.02	3,880,670	1.15	4,462,771
Ngiam Tee Wee	23 June 2021	Direct disposal	1.85	1,785,100	1.15	2,052,865

Note:

- (1) Computed by dividing the number of Shares disposed of with the total number of Shares as at the respective transaction date (after excluding treasury shares).

2.3 By the persons with whom BSLCORP or any persons acting in concert with it has any arrangement

As at the LPD, there is no person with whom BSLCORP or any persons acting in concert with it has entered into any arrangement including any arrangement involving rights over shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or to refrain from dealing.

2.4 By the persons with whom BSLCORP or any persons acting in concert with it has borrowed or lent

As at the LPD, there is no person with whom BSLCORP or any persons acting in concert with it has borrowed or lent any voting shares or convertible securities of BSLCORP.

FURTHER INFORMATION (Cont'd)

2.5 By MainStreet**(i) Disclosure of interest in BSLCORP**

As at the LPD, MainStreet does not have any interest, whether direct or indirect, in any voting shares of BSLCORP.

(ii) Dealings in the securities of BSLCORP

MainStreet has not dealt, directly or indirectly, in any voting shares of BSLCORP during the six (6)-month period prior to 23 June 2021, being the date of the Notice, up to the LPD.

(iii) Disclosure of interest in BSLCORP by funds whose investments are managed by MainStreet on a discretionary basis

As at the LPD, MainStreet is not involved in management of funds on a discretionary basis.

3. ARRANGEMENT AFFECTING DIRECTORS

- (i) As at the LPD, no payment or other benefit will be made or given to any directors of BSLCORP as compensation for loss of office or otherwise in connection with the Offer.
- (ii) As at the LPD, there is no agreement or arrangement between any directors of BSLCORP and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the outcome of the Offer.
- (iii) As at the LPD, save for the Acquisitions, the Joint Offerors or the persons acting in concert with them (if any) have not entered into any material contract in which any directors of BSLCORP has a material personal interest.

4. SERVICE CONTRACTS

As at the LPD, neither BSLCORP nor its subsidiaries have any service contracts with any directors of BSLCORP or proposed directors of BSLCORP, which have been entered into or amended within six (6) months before the commencement of the Offer Period or which are fixed term contracts with more than 12 months to run.

For the purpose of this section, the term “service contracts” excludes those expiring or determinable by the employing company without payment of compensation within 12 months from the date of this IAC.

FURTHER INFORMATION (Cont'd)

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours of 9.00 a.m. to 5.00 p.m. from Mondays to Fridays (except for public holidays) from the date of this IAC up to and including the Closing Date, at the registered office of BSLCORP at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia:

- (i) Constitution of BSLCORP;
- (ii) The audited consolidated financial statements of BSLCORP for the FYEs 31 August 2018, 31 August 2019 and 31 August 2020;
- (iii) Latest unaudited consolidated financial statement of BSLCORP for the six (6)-month FPE 28 February 2021;
- (iv) The letters of consent referred to in Section 1 of this Attachment;
- (v) The Notice;
- (vi) Valuation reports prepared by the Valuer; and
- (vii) Copy of the letter from the SC dated 23 July 2021 in relation to this IAC.