



**BSL**  
CORPORATION  
BHD 651118-K

GO GREEN.  
TOGETHER WE CARE.  
ANNUAL REPORT 2015



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# NOTICE OF TWELFTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twelfth Annual General Meeting of BSL Corporation Berhad (“the Company”) will be held at Meeting Room, Ground Floor, Hotel S.Damansara, No. 1, Jalan Cempaka SD 12/5, Bandar Sri Damansara, PJU 9, 52200 Kuala Lumpur on Friday, 26 February 2016 at 10.00 a.m. for the following purposes:-

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 August 2015 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 2)**
2. To re-elect the following Directors who retire pursuant to Article 78 of the Company’s Articles of Association:-
  - (i) Ngiam Tee Wee **(Resolution 1)**
  - (ii) To’ Puan Rozana Bte Tan Sri Redzuan [Please refer to Note 3] **(Resolution 2)**
  - (iii) Ng Wai Pin [Please refer to Note 3] **(Resolution 3)**
3. To approve the payment of Directors’ fees for the financial year ended 31 August, 2015. **(Resolution 4)**
4. To re-appoint Messrs Mazars as Auditors of the Company and authorise the Directors to fix their remuneration. **(Resolution 5)**

## AS SPECIAL BUSINESS

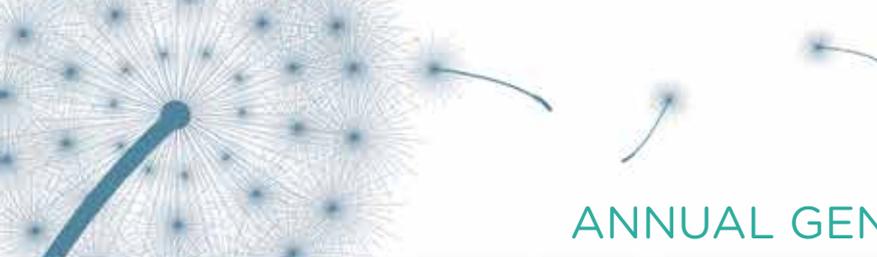
To consider and if thought fit, to pass, with or without modifications, the following Ordinary Resolutions:-

5. **ORDINARY RESOLUTION**  
**- AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** **(Please refer to Note 4(a))**

“THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting.” **(Resolution 6)**
6. **ORDINARY RESOLUTION**  
**- PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK** **(Please refer to Note 4 (b))**

“THAT, subject to the Companies Act, 1965, the Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the Main Market (“LR”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase its own ordinary shares of RM0.50 each (“Shares”) through Bursa Securities (“Proposed Share Buy-Back”) from time to time, upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that:- **(Resolution 7)**

  - (a) The aggregate number of Shares in the Company which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company at the time of purchase(s) subject to any amount as may be determined by Bursa Securities from time to time and compliance with the public shareholding spread requirements as stipulated in Paragraph 8.02(1) of the LR;
  - (b) The maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the Company’s audited retained profits and/or share premium accounts at the time of purchase(s);



## NOTICE OF TWELFTH ANNUAL GENERAL MEETING (CONT'D)

- (c) The authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:-
- (i) the conclusion of the next Annual General Meeting (“AGM”) at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
  - (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first; and

- (d) Upon the purchase(s) by the Company of its own Shares, the Board of Directors of the Company (“Board”) be and is hereby authorised to:-
- (i) cancel all or part of the Shares purchased pursuant to the Proposed Share Buy-Back (“Purchased Shares”); and/or
  - (ii) retain all or part of the Purchased Shares as treasury shares; and/or
  - (iii) distribute the treasury shares as share dividends to the Company’s shareholders for the time being; and/or
  - (iv) resell the treasury shares on Bursa Securities.

AND THAT authority be and is hereby given to the Board to take all such steps as are necessary or expedient to implement, finalise and give full effect to and to implement the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required or imposed by the relevant authorities from time to time and to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.”

### 7. ORDINARY RESOLUTION - CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

(Please refer  
to Note 4 (c))

“THAT, approval be and is hereby given for Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company.”

(Resolution 8)

“THAT, subject to the passing of Resolution 2, approval be and is hereby given for To’ Puan Rozana Bte Tan Sri Redzuan who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company.”

(Resolution 9)

“THAT, subject to the passing of Resolution 3, approval be and is hereby given for Ng Wai Pin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company.”

(Resolution 10)

8. To consider any other business of which due notice has been given.

By Order of the Board

**JOANNE TOH JOO ANN (LS 0008574)**  
**YAP SIT LEE (MAICSA 7028098)**  
Company Secretaries

Kuala Lumpur  
29 January, 2016

# NOTICE OF TWELFTH ANNUAL GENERAL MEETING (CONT'D)

## Notes:

### 1. APPOINTMENT OF PROXY

- (a) A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- (b) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead at the Meeting except where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, in which event it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (c) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (d) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
- (e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his (her) attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
- (f) The instrument appointing a proxy must be deposited at the Registered Office at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time set for the meeting or at any adjournment thereof.
- (g) Only members whose names appear in the Record of Depositors as at 17 February 2016 will be entitled to attend, vote and speak at the meeting or appoint proxy(ies) to attend, vote and speak on their behalf.

### 2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2015

The Audited Financial Statements is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this item on the Agenda is not put forward for voting by shareholders of the Company.

### 3. RE-ELECTION OF INDEPENDENT DIRECTORS

The Nomination Committee and the Board of Directors ("Board") had undertaken an annual assessment on the independence of To' Puan Rozana Bte Tan Sri Redzuan and Ng Wai Pin who are seeking for re-election pursuant to the Articles of Association of the Company, at the forthcoming Twelfth Annual General Meeting. The annual assessment has been disclosed in the Corporate Governance Statement of the Company's 2015 Annual Report.

### 4. EXPLANATORY NOTES ON SPECIAL BUSINESS

#### (a) AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

The proposed Resolution 6 is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). As at the date of this Notice, the Company did not allot and issue any shares pursuant to the mandate granted to the Directors at the Eleventh Annual General Meeting held on 26 February 2015 as there were no requirements for such fund raising activities.

The proposed Resolution 6, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

#### (b) PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

The proposed Resolution 7, if passed, will empower the Directors to purchase up to ten per centum (10%) of the issued and paid-up share capital of the Company through Bursa Securities. Please refer to the Statement to Shareholders dated 29 January 2016 in relation to the Proposed Renewal of Authority for Share Buy-Back for further details.

#### (c) CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to the Malaysian Code on Corporate Governance 2012, it is recommended that approval of shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years.

The Nomination Committee and the Board had assessed the independence of Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, To' Puan Rozana Bte Tan Sri Redzuan and Ng Wai Pin and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

- (i) they fulfilled the criteria of an Independent Director pursuant to Bursa Malaysia Securities Berhad Main Market Listing Requirements;
- (ii) they are familiar with the Company's business operations as they have been with the Company for a period of more than nine (9) years;
- (iii) their long tenures with the Company have neither impaired nor compromised their independent judgement. They continue to remain objective and are able to exercise independent judgement in expressing their views and in participating in deliberations and decision making of the Board and Board Committees in the best interest of the Company; and
- (iv) they have exercised due care during their tenure as Independent Directors of the Company and carried out their duties in the interest of the Company and shareholders.

The proposed Resolution 8, Resolution 9 and Resolution 10, if passed, will enable Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, To' Puan Rozana Bte Tan Sri Redzuan and Ng Wai Pin to continue to act as Independent Non-Executive Directors of the Company.

## BOARD OF DIRECTORS

**Ngiam Tong Kwan**

**Ngiam Tee Wee**

**Ngiam Tee Yang**

**Teh Yoon Loy**

**Datuk Dr Syed Muhamad Bin Syed Abdul Kadir**

**To' Puan Rozana Bte Tan Sri Redzuan**

**Ng Wai Pin**

Executive Chairman

Chief Executive Officer / Executive Director

Deputy Chairman / Executive Director

Executive Director

Independent Non-Executive Director

Independent Non-Executive Director

Independent Non-Executive Director

## AUDIT COMMITTEE

**Datuk Dr Syed Muhamad Bin Syed Abdul Kadir**

Chairman / Independent Non-Executive Director

**Ng Wai Pin**

Member / Independent Non-Executive Director

**To' Puan Rozana Bte Tan Sri Redzuan**

Member / Independent Non-Executive Director

## SHARE REGISTRAR

**Tricor Investor & Issuing House  
Services Sdn Bhd (11324H)**

Unit 32-01, Level 32, Tower A,

Vertical Business Suite

Avenue 3, Bangsar South,

No.8, Jalan Kerinchi,

59200 Kuala Lumpur.

Tel : 03 2783 9299

Fax : 03 2783 9222

## COMPANY SECRETARIES

**JOANNE TOH JOO ANN (LS 0008574)**

**YAP SIT LEE (MAICSA 7028098)**

## WEBSITE

[www.bsllcorp.com.my](http://www.bsllcorp.com.my)

## AUDITORS

**Mazars (AF1954)**

Wisma Selangor Dredging,

11th Floor, South Block,

142-A, Jalan Ampang, 50450 Kuala Lumpur,

Malaysia

Tel : 03 2161 5222

Fax : 03 2161 3909

## REGISTERED OFFICE

Unit 30-01, Level 30, Tower A,

Vertical Business Suite,

Avenue 3, Bangsar South,

No.8, Jalan Kerinchi,

59200 Kuala Lumpur.

Tel : 03 2783 9191

Fax : 03 2783 9111

## PRINCIPAL BANKERS

**OCBC Bank ( Malaysia ) Berhad**

## STOCK EXCHANGE LISTING

**Main Market of Bursa Malaysia Security Berhad**

Stock Name : BSLCORP

Stock Code : 7221

# PROFILE OF DIRECTORS

## NGIAM TONG KWAN

*Executive Chairman*

Aged 66, Malaysian. Appointed to the Board of BSL Corporation Bhd (“BSL”) on 28 April 2005, he started his career as an apprentice tool maker in 1966 at Perusahaan Winco Sdn. Bhd. Five (5) years later, he was promoted to Production Supervisor where he not only supervised employees in the production department but was also involved in production and material planning. He was later promoted to Sales Manager. In 1978, he decided to venture out on his own and set up Ban Seng Lee Industries Sdn. Bhd. (“BSLI”), guiding it through steady growth over the years. He is also the director and co-founder of Unique Forging & Components Sdn Bhd. (“Unique”), Crestronics (M) Sdn Bhd. (“Crestronics”) and Kotamech Engineering Sdn Bhd. (In Member’s Voluntary winding-up)

He is the Chairman of the Remuneration Committee of BSL.

He is the father of Ngiam Tee Wee, the Chief Executive Officer (“CEO”) of BSL, the uncle of Ngiam Tee Yang, an Executive Director of BSL and the brother-in-law of Teh Yoon Loy, an Executive Director of BSL.

## TEH YOON LOY

*Executive Director*

Aged 58, Malaysian. Appointed to the Board on 28 April 2005, he graduated with a Degree in Business Administration from Louisiana State University, USA, and after his graduation in 1982, he started his career as a credit and marketing officer with Sincere Leasing Sdn Bhd. He joined BSLI as a finance manager in 1984 and in 1989 he was appointed a Director of Unique.

He is the brother-in-law of the Executive Chairman, Ngiam Tong Kwan.

## NGIAM TEE WEE

*Chief Executive Officer / Executive Director*

Aged 47, Malaysian. Appointed to the Board on 28 April 2005, he graduated with a Bachelor of Land Surveying Degree from University of Melbourne, Australia, and started his career in 1993 as Factory Manager of Unique, a subsidiary of BSL. In 1995, he was transferred to BSLI as an Operations Manager. In 1998, one year after he completed his ISO 9000 Lead Assessor training, he led BSLI to ISO 9002 certification. He was promoted to General Manager in 2000 where his responsibilities included overseeing daily operations, sales and marketing, R&D and engineering. He is currently the Managing Director of BSLI and CEO of BSL.

He is responsible for the day-to-day operations of the Group. He is also responsible for business development as well as the implementation of corporate strategies.

He is a member of the Risk Assessment & Monitoring Committee of BSL.

He is the adopted son of the Executive Chairman, Ngiam Tong Kwan and the natural brother of Ngiam Tee Yang, an Executive Director of BSL.

## **NGIAM TEE YANG**

*Deputy Chairman / Executive Director*

Aged 50, Malaysian. Appointed to the Board on 28 April 2005, he graduated with a Bachelor of Engineering Degree from National University of Singapore in 1989 and later obtained his Graduate Diploma in Sales & Marketing Management from Temasek Polytechnic, Singapore in 1993. He started work as a Management Trainee in Miyoshi Precision (S) Pte Ltd, a Japanese precision metal stamping company in Singapore. He was attached to different departments holding various positions such as Assistant Manager of purchasing department and Sales Manager.

He joined BSLI as the Business Development Manager in 1992. In 1999, he was appointed the Deputy Managing Director for Crestronics. His duties include managing the day-to-day operations and business development for Crestronics. He was promoted to Managing Director of Crestronics in year 2005. In the year 2007, he was appointed as Deputy Chairman of BSL.

He is the nephew of Executive Chairman, Ngiam Tong Kwan and the natural brother of the CEO, Ngiam Tee Wee.

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## **DATUK DR. SYED MUHAMAD BIN SYED ABDUL KADIR**

*Independent Non-Executive Director*

Datuk Dr. Syed Muhamad bin Syed Abdul Kadir, a Malaysian aged 68, is an Independent Non-Executive Chairman of CIMB Islamic Bank Berhad and he was appointed to the Board on 28 May 2005. He graduated with a Bachelor of Arts (Hons.) from University of Malaya in 1971. He obtained a Masters of Business Administration from the University of Massachusetts, USA, in 1977. In 1982 he pursued the Ph. D. programme in Business Management at Virginia Polytechnic Institute and State University, USA and was conferred Ph.D in 1986. In 2005, he obtained a Bachelor of Jurisprudence (Hons.) from the University of Malaya. He obtained the Certificate in Legal Practice in 2008 from the Malaysian Professional Legal Board. He was admitted as an Advocate and Solicitor of the High Court of Malaya in July 2009, and obtained the Master of Law (Corporate Law) from Universiti Teknologi MARA in December 2009. In June 2011 he became a member of The Chartered Institute of Arbitrators, United Kingdom and in May 2012 became the fellow of the Institute.

He started his career in 1973 as Senior Project Officer, School of Financial Management at the National Institute of Public Administration (INTAN) and held various positions before his final appointment as Deputy Director (Academic). In November 1988, he joined the Ministry of Education as Secretary of Higher Education and there after assumed the post of Deputy Secretary (Foreign and Domestic Borrowing, Debt Management), Finance Division of the Federal Treasury. From 1993 to 1997, he joined the Board of Directors, Asian Development Bank, Manila, Philippines, first as Alternate Director and later as Executive Director. Datuk Dr. Syed Muhamad then joined the Ministry of Finance as Secretary (Tax Division) and subsequently became the Deputy Secretary General (Operations) of Ministry of Finance. Prior to his retirement, Datuk Dr. Syed Muhamad was Secretary General, Ministry of Human Resources,

During his career, he wrote and presented many papers relating to human resources development. His special achievement was that his dissertation "A Study on Board of Directors and Organizational Effectiveness" was published by Garland Publisher, Inc. of New York in 1991.

Datuk Dr. Syed Muhamad is also a Director of Euro Holdings Berhad, BSL Corporation Berhad, CIMB Bank Berhad, ACR ReTakaful SEA Berhad, Malakoff Corporation Berhad, Sun Life Malaysia Takaful Berhad and Sun Life Malaysia Assurance Berhad. He is also a Chairman of CIMB Islamic Bank Berhad, CIMB Middle East BSC and CIMB-Principal Islamic Asset Management Sdn Bhd. In addition, he holds a directorship in a number of private companies.

He does not have any family relationships with any directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has no convictions for any offences within the past ten years.

# PROFILE OF DIRECTORS

## TO' PUAN ROZANA BTE TAN SRI REDZUAN

*Independent Non-Executive Director*

Aged 51, Malaysian. Appointed to the Board on 28 December 2006, she is a member of the Chartered Association of Certified Accountants (ACCA) and Malaysian Institute of Accountants (MIA).

She was the Chief Executive Officer of Plantation & Development (M) Berhad (P&D), a company listed on Bursa Malaysia, from 1999 to 2003. P & D was involved in plantation activities, property development and construction. Prior to joining the P & D Group of companies in 1995, she was an accountant with Arthur Andersen & Co, and subsequently joined PB Securities Sdn. Bhd. She presently sits on the board of various private companies.

She also sits on the board of Tomypak Holdings Berhad.

She is a member of the Audit Committee, Remuneration Committee, Nomination Committee and Risk Assessment & Monitoring Committee of BSL.

She has no family relationship with any Director and/or major shareholders of BSL.

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## NG WAI PIN

*Independent Non-Executive Director*

Aged 50, Malaysian. Appointed to the Board on 28 December 2006, he graduated with a LLB Degree from University of Auckland in 1988 and was a barrister and solicitor attached to a leading legal firm in New Zealand for a number of years.

He later joined Shook Lin & Bok, a legal firm in Kuala Lumpur and was admitted as an Advocate and Solicitor of the High Court of Malaya in 1993. He is currently the Chairman and Managing Director of Frontken Corporation Berhad and he is also the Vice-Chairman and director of a public company in Taiwan.

He is a member of the Audit Committee, Remuneration Committee and Nomination Committee of BSL.

He has no family relationship with any Director and/or major shareholders of BSL.

Note :

a : None of the directors have any conviction for offence  
( other than traffic offences ) within the past 10 years.

b : None of the directors have any conflict of interest with the Company.

# CHAIRMAN'S STATEMENT



“Dear Shareholders, on behalf of the Board of Directors of BSL Corporation Berhad, we present this year’s Annual Report and Financial Statements for the year ended 31 August, 2015.”

## FINANCIAL REVIEW

For the financial year under review, the Group turnover for continuing operation increased by RM3.2 million or 3.4% to RM98.1 million compared to RM94.9 million in the previous year.

The Group reported a loss before tax for the financial year ended 31st August 2015 of RM2.67 million, compared to the loss before tax of RM10.49 million the previous financial year.

The Group posted an improved result by reducing losses by 74.5% despite a very challenging business environment. Efforts to consolidate our manufacturing plants to a single location and further internal improvement have helped contribute to the improved performance.

Loss per share for the continuing operations of the Group is 3.7 sen.

## OPERATIONAL REVIEW

The stamping division halted 4 years of continuous slide in revenue by registering a higher sales of RM75.4 million compared to RM69.2 million, an improvement of 8.96% or RM6.2 million compared to the previous financial year. The sales increase aided by operational improvement propelled this division to profitability, registering a profit before tax of RM0.94 million compared to a loss of RM2.2 million the previous year. Overall sales to clients in the television, agriculture, air-con, automotive and audio sectors increased compared to the year before. However there is concern over the sustainability of the sales increase due to the volatility of world’s economy suffering from the continuous drop in oil prices. We are also concerned for the expected further increase in minimum wages likely to be implement in the middle 2016 and the possible increase in electricity tariff in 2016.



Crestronics, our PCB assembly division posted a drop in sales from RM17.3 million to RM14.7 million. Despite the drop, Crestronics managed to reduce operational losses by RM0.2 million. However increase in impairment losses from RM1.97 million last year to RM2.2 million this year meant that this year loss of RM5.703 million to be almost similar to last year’s RM5.705 loss before tax. The internal operation of this division has improved since relocating to Rawang from Klang. Nevertheless this division continues to suffer from the volatility of subcontracted business.

The forging division’s sales decreased by 5.4% to RM7.83 million for the financial year ended 31st August 2015. This division posted a loss of RM0.24 million compared to a loss of RM0.85 million a year ago. As reported earlier, the forging operation started operations in Rawang beginning January 2015. We are happy to report that the merger of this operation with the stamping operation has been successful and has helped this division to reduce its losses substantially.

# CHAIRMAN'S STATEMENT (CONT'D)

## CORPORATE DEVELOPMENTS

We are cautiously optimistic that our PET aerosol project will get off the ground this financial year. Several potential clients are finalizing their testing of our solution and should be placing orders within this current financial year. In the meantime, we continue to invest in the patents associated with this product.

Our EMS business model is expected to launch two new products, air purifier and hand dryer at the later part of financial year 2016. We hope that this project will enhance our opportunity for more EMS jobs in the near future.

In September 2015, we entered into a joint venture partnership by setting up BSL Eco Energy Sdn. Bhd. with 51% equity interest. The targeted business areas are renewable energy such as solar, consultancy, construction of solar farms, etc. As part of our venture into solar, Crestronics recently received approval from relevant authorities to assemble solar inverters.

## DIVIDEND

The Board does not recommend any dividend payment in respect of the financial year ended 31st August 2015. We decided to be financially conservative in view of the uncertain economic condition and struggling Japanese clients.

## CORPORATE GOVERNANCE

The Board appointed an independent accounting firm to carry out orderly and timely third party internal audit review on the Group's operations and internal procedures. Thus far four internal audit reports have been issued and the Group has implemented the recommendations arising from these internal audit reports.

The Board remains resolute that the Group will continue to improve on the Group's best practices and adhere to the recommendations of the Malaysian Code on Corporate Governance 2012.

The level of compliance is set out in our Statement of Corporate Governance in pages 13 to 24.

## CURRENT YEAR OUTLOOK

We achieved a much better result in financial year 2015 through the diligent effort from our staff. Despite continuing with our effort, we are concerned that market fluctuations continue in 2016.



The weak Ringgit has helped improved our revenue but not as significant as in 1998. We intend to take this opportunity to further expand our EMS business model. Our team targets to participate in overseas manufacturer exhibition to promote our product and services. We expect our traditional component manufacturing to suffer from declining margins and target our EMS business to be the revenue driver in the coming years.

## APPRECIATION

On behalf of the Board, I would like to acknowledge and recognise the contribution by all the Directors, management and employees of the Group for their continuous support and commitment towards our achievements. I also would like to thank our shareholders, clients, business associates, partners and the relevant government authorities for their continuing support to the Group.

Thank you.

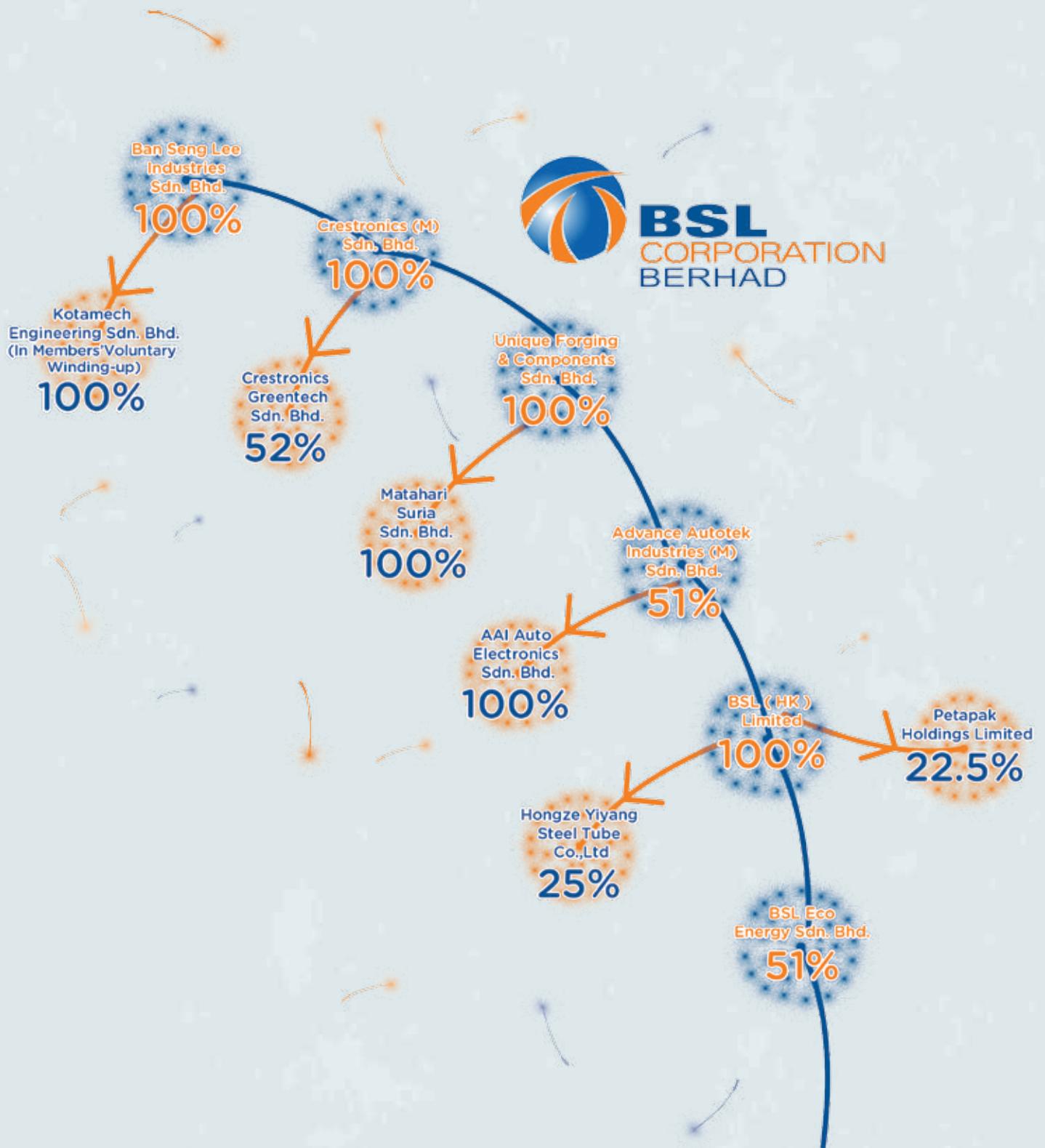
Ngiam Tong Kwan  
Chairman

29 January 2016



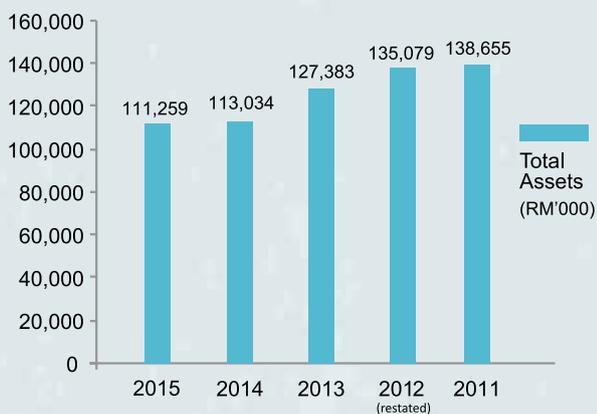
# CORPORATE STRUCTURE

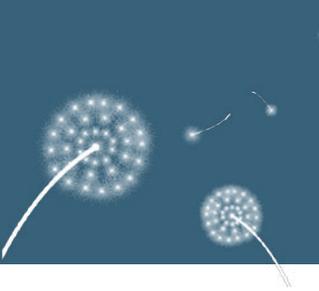
## AS AT 31 DECEMBER 2015



# GROUP FINANCIAL HIGHLIGHTS

	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000 (restated)	2011 RM'000
<b>Income</b>					
Revenue	98,076	94,883	112,210	146,534	181,519
(Loss) / Profit Before Tax	(2,675)	(10,496)	(3,973)	3,566	6,999
(Loss) / Profit Attributable to Shareholders	(3,568)	(9,804)	(4,189)	1,741	6,209
<b>Balance Sheet</b>					
Total Assets	111,259	113,034	127,383	135,079	138,655
Shareholders' Fund	66,395	71,376	81,071	85,584	84,085
Paid-up Capital	49,000	49,000	49,000	49,000	49,000
<b>Financial Ratios</b>					
Return on Shareholders' Fund (%)	(5.37)	(13.74)	(5.17)	2.03	7.38
Earnings/(Loss) per Share (sen)	(3.7)	(10.2)	(4.4)	1.8	5.3
Net Assets per Share (sen)	68.6	73.7	83.7	87.3	85.8
Gross Dividend per Share -First and Final (sen)	-	-	-	-	-





# CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the “Board”) of BSL Corporation Berhad (“the Company”) recognises the importance of establishing and maintaining good corporate governance within the Group and is committed to such a mission.

The Board is therefore pleased to present this statement of corporate governance which outlines how the Company has applied the Principles and Recommendations set out in the Malaysian Code of Corporate Governance 2012 (“the Code”) for the financial year ended 31 August 2015. Where there are gaps in the Company’s observation of any of the Recommendations of the Code, these are disclosed herein with explanations.

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

### 1.1 Clear Functions of the Board and Management

The Group acknowledges the pivotal role played by the Board in the stewardship of its direction and operations, and ultimately the enhancement of its shareholders’ value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals. The role and function of the Board, which includes the differing roles of Chairman, Chief Executive Officer (“CEO”), and Directors are clearly delineated and defined in the Board Charter.

To assist the Board in carrying out its fiduciary duties and to enhance business and operational efficiency, the Board delegates certain duties to its Board Committees, namely Audit Committee (“AC”), Risk Assessment and Monitoring Committee, Nomination Committee and Remuneration Committee.

All Board Committees have written terms of reference which are approved by the Board. The Chairman of the AC, Nomination Committee and Remuneration Committee report to the Board subsequent to the respective committee meetings.

The CEO has executive responsibilities for the day-to-day operations of the Company’s business and shall implement policies, strategies and decisions approved by the Board and shall be accountable for the management functions of the Company and/or Group and for the results and performance, including conduct and disciplines, which would include leadership by example.

### 1.2 Clear Roles and Responsibilities

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- Review and approve strategies, business plans and significant policies and ensure that the Group’s goals are clearly established, and to monitor implementation and performance of the strategy, policies, plans, legal and fiduciary obligations that affect the business by adopting performance appraisal measures;
- Ensure a competent management by establishing policies for strengthening the performance of the Group with a view to proactively build the business through innovation, initiative, technology, new products and the development of its business capital;
- To evaluate whether the business is being properly managed and to ensure that the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard the Company’s assets;
- To ensure that the Group has appropriate business risk management process, including adequate control environment be it the internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;
- Establish various Board Committees and ensure their effectiveness to address specific issues, by considering recommendations of the various board committees and acting on their reports;

# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (cont'd)

### 1.2 Clear Roles and Responsibilities (cont'd)

- Ensuring that the statutory accounts of the Company and Group are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;
- Ensuring that there is in place an appropriate succession plan for members of the Board and senior management;
- Ensuring that the Group adheres to high standards of ethics and corporate behaviour including transparency in the conduct of business. Directors are required to comply with the Directors' Code of Best Practice which among others includes the declaration of any personal, professional or business interests, direct or indirect which may conflict with directors responsibilities as a Board Member and to refrain from voting on such transaction with the Group; and
- Ensuring that there is in place an appropriate investor relations and communications policy.

The Board has a formal schedule of matters reserved to itself for decision, which includes the overall Group strategy and direction, acquisition and investment, consideration of significant financial matters and the review of the financial and operating performance of the Group. The schedule ensures that the governance of the Group is firmly in the Board's hand.

### 1.3 Formalised Ethical Standards through Code of Business Ethics

The Board has adopted a Code of Conduct which includes principles in relation to conflicts of interests, integrity, professionalism and the use of confidential information. The Board's Code of Conduct is provided in the Board Charter, which is available on the Company's website at [www.bslcorp.com.my](http://www.bslcorp.com.my).

The Group is committed to conduct its businesses and operations with integrity, openness and accountability and to also conduct its affairs in an ethical, responsible and transparent manner. To facilitate the observation and application of the above values, the Group encourages its employees to raise genuine concerns about possible improprieties in matters of financial reporting, compliance with regulatory requirements and other malpractices or misconducts.

### 1.4 Strategies Promoting Sustainability

The Group acknowledges that sustainability is an important aspect of its business and continues to undertake responsible practices that impact the society and environment in a positive manner and to inculcate a culture of responsibility in all aspects of our business. It therefore adopts a business approach to create shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.

The Company's commitment in governance is evidenced through the achievement of ISO 9001:2008 Quality Management and ISO 14001:2004 Environmental Management Systems in all major facilities within the Group.

The Board ensures that its long-term financial viability, loyalty of key stakeholders and preservation of the environment are achieved. The details of sustainability activities are set out in the Corporate Social Responsibility section on page 26 of the Annual Report.

### 1.5 Access to Information and Advice

Prior to the meetings of the Board and the Board Committees, the meetings' agenda together with previous meetings' minutes and other relevant qualitative and quantitative information were compiled into reports to be circulated to all members on a timely basis. Management is also invited to the Board and Board Committees' meetings to report or present on areas within their responsibilities to ensure the members were able to effectively discharge their responsibilities. All Directors also have full and free access to information within the Group, as well as the prerogative to seek the Company Secretaries' and independent professional advice, in furtherance of their duties, at the expense of the Group, should such advisory services be considered necessary.

# CORPORATE GOVERNANCE STATEMENT

## (CONT'D)

### 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (cont'd)

#### 1.6 Qualified and Competent Company Secretary

The Company Secretaries play an advisory role to the Board in relation to the Company's compliances to relevant regulatory requirements, guidelines and legislation and are capable of carrying out their duties efficiently to ensure the effective functioning of the Board. The Company Secretaries are suitably qualified and have attended relevant training and seminars to keep abreast with the statutory and regulatory requirements' updates.

On quarterly basis, the Company Secretaries serve notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares in accordance with Chapter 14 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR").

The Company Secretaries circulate relevant guidelines and updates on statutory and regulatory requirements from time to time for the Directors' reference. They also ensure that all Board and Board Committee meetings are properly convened and that deliberations, proceedings and resolutions are properly minuted and documented.

#### 1.7 Board Charter

The Board Charter outlines the roles and responsibilities of the Board. The charter shall be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is available at the Company's website at [www.bslcorp.com.my](http://www.bslcorp.com.my).

### 2. STRENGTHEN COMPOSITION

#### 2.1 Nomination Committee ("NC")

The NC assists the Board in proposing new nominees for appointment to the Board of the Company, assessing the effectiveness of Directors on an ongoing basis, and reviews the effectiveness of the CEO and Executive Directors. The NC also reviews and recommends training and orientation needs/requirements for each individual Director and ensures the same are fulfilled accordingly.

The NC is appointed by the Board and consists entirely of Independent Non-Executive Directors. It comprises the following members:-

- i) Datuk Dr Syed Muhamad Bin Syed Abdul Kadir - Chairman, Senior Independent Non-Executive Director
- ii) To' Puan Rozana Bte Tan Sri Redzuan - Independent Non-Executive Director
- iii) Ng Wai Pin - Independent Non-Executive Director

Among others, the duties and responsibilities of NC are as follows:-

- (i) To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of director.
- (ii) To evaluate the re-appointment of any Non-Executive Director at the conclusion of their specific term of office.
- (iii) To review the structure, size and composition (including skills, knowledge, experiences) of the Board and make recommendations to the Board with regard to any change.

Members of the NC may relinquish their membership in the NC with prior written notice to the Company Secretaries, and in which case, the NC will review and recommend to the Board for approval, another Director to fill the vacancy.

# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## 2. STRENGTHEN COMPOSITION (cont'd)

### 2.1 Nomination Committee ("NC") (cont'd)

The NC has full, free and unrestricted access to the Company's records, properties and personnel in carrying out its duties and responsibilities. The NC is also authorised to seek independent professional advice, subject to the approval of the Board, at the expense of the Company, in carrying out its duties. However, the NC is not authorised to implement its own recommendations but reports the same to the Board for the latter's consideration, approval and implementation.

The NC will meet at any time when the need arises. The presence of the majority of the Independent Non-Executive Directors shall form the quorum of the meeting.

### 2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

#### (a) Recruitment or New Appointment of Directors

The NC recommends to the Board, candidates for all directorships and to review the Board's policies and procedures for the selection of Board members. In making the recommendations, the NC should also consider candidates proposed by the Chairman/Chief Executive Officer, and within the bounds of practicability, by any other senior executive, Director or shareholder. In making its recommendations, the NC shall assess and consider the candidates':

- skills, knowledge, expertise and experience;
- professionalism;
- time commitment to effectively discharge his/her role as a director;
- contribution and performance;
- character, integrity and competence;
- boardroom diversity including gender diversity, ethnicity diversity, age group diversity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

New Directors are provided with comprehensive information on the Group to enable them to gain a better understanding of the Group's strategies and operations, and hence allow them to effectively contribute to the Board. The NC will ensure that a formal orientation programme is in place for future new recruits to the Board.

#### (b) Gender, Ethnicity and Age Group Diversity Policy

The Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board. The Company does not practice any form of gender, ethnicity and age group biasness as all candidates shall be given fair and equal treatment. The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Company. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

#### (c) Annual Assessment

The NC had on 22 January 2016 reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board, including core competencies of the Directors, the contribution of each individual Director as well as their character, integrity and time commitment, independence of the Independent Directors, effectiveness of the Board as a whole, and the Board Committees; and also the retirement of Directors eligible for re-election.

Self-evaluations had been conducted by each Individual Director and Independent Director and a summary of the self-evaluations was furnished to the NC prior to the NC meeting.

# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## 2. STRENGTHEN COMPOSITION (cont'd)

### 2.3 Directors' Remuneration

The Remuneration Committee ("RC") reviews and reports to the Board on remuneration and personnel policies, compensation and benefits programs with the aim to attract, retain and motivate individuals of the highest quality. The remuneration should be aligned with the business strategy and long-term objectives of the Company, and to reflect the Board's responsibilities, expertise and complexity of the Group's activities.

The RC shall be appointed by the Board and shall comprise exclusively or a majority of non-executive Directors. The members of the RC during the financial year are:-

- i) Ngiam Tong Kwan - Chairman, Executive Director;
- ii) To' Puan Rozana Bte Tan Sri Redzuan - Independent Non-Executive Director; and
- iii) Ng Wai Pin - Independent Non-Executive Director.

The remuneration package of each individual Executive Director is structured to reflect his experience, performance and scope of responsibilities. The remuneration of Non-Executive Directors are in the form of annual fees and reflects the experience and the level of responsibilities undertaken by the Non-Executive Director concerned. In addition, the Directors are also paid meeting allowances based on their attendance.

The RC has full, free and unrestricted access to the Company's records, properties and personnel in carrying out its duties and responsibilities. The RC is not authorised to implement its own recommendations but reports the same to the Board for the latter's consideration, approval and implementation.

Executive Directors shall abstain from the deliberation and voting on decisions in respect of their own remuneration package. In the event where the Chairman's remuneration is to be decided, he shall abstain from discussion and voting. The remuneration and entitlements of Non-Executive Directors should be a matter for the Board as a whole. The individuals concerned should abstain from discussions pertaining to their own remuneration.

The activities of the RC are developed from year to year by the Committee in consultation with the Board.

Details of the remuneration of the Directors for the financial year ended 31 August, 2015 are set out as below:

	Salaries & Bonus RM	Other benefits RM	Fees RM	Total RM
Executive Directors	1,188,460	-	137,600	1,326,060
Non-Executive Directors	-	4,200	94,600	98,800
Total	1,188,460	4,200	232,200	1,424,860

# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## 2. STRENGTHEN COMPOSITION (cont'd)

### 2.3 Directors' Remuneration (cont'd)

A breakdown of Directors' remuneration for the financial year ended 31 August 2015 in successive bands of RM50,000.00 are as follows :

Range of Remuneration (RM)	No. of Executive Director	No. of Non-Executive Director
1 – 50,000	-	3
200,001 – 250,000	2	-
300,001 – 350,000	1	-
350,001 – 400,000	1	-
Total	4	3

During the financial year, the RC had met to review and recommend to the Board, the remuneration package for the Chairman/Chief Executive Officer and Executive Directors of the Company. The fees of the Non-Executive Directors shall be determined by the Board as a whole where each individual Director abstains from discussions pertaining to his own fees. The directors' fees will be subject to the shareholders' approval at the Company's forthcoming Annual General Meeting ("AGM").

## 3. REINFORCE INDEPENDENCE

### 3.1 Annual Assessment of Independence

The Board recognises the importance of independence and that the Board members are responsible to act in the best interest of the shareholders of the Company. In view thereof, the NC assesses annually the independence of the Company's independent directors based on the criteria which had been developed prior to the assessment of independence of the Independent Directors.

The NC and the Board are of the view that all the three (3) Independent Non-Executive Directors of the Company continue to remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees and no individual or small group of individuals dominates the Board's decision-making process. All evaluations carried on the independence of the Independent Directors were tabled to the Board and are properly documented.

### 3.2 Tenure of Independent Directors

The Code recommends that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, the Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. The Board must justify and seek shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than nine (9) years.

The Company does not have term limits for the Independent Directors as the Board believes that experience with the Company's business operations brings benefits to the Board and the long serving Independent Directors possess knowledge of the Company's affairs.

## 3. REINFORCE INDEPENDENCE (cont'd)

### 3.3 Shareholders' approval for the retention of Independent Directors who have served more than nine (9) years

Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, To Puan Rozana Bte Tan Sri Redzuan and Ng Wai Pin were appointed to the Board as Independent Non-Executive Directors on 28 December 2006 and had served the Board for a cumulative term of more than nine (9) Years. The NC had assessed their independence and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

- (i) they fulfilled the criteria of an Independent Director pursuant to MMLR;
- (ii) they are familiar with the Company's business operations as they have been with the Company for a period of more than nine (9) years;
- (iii) their long tenures with the Company have neither impaired nor compromised their independent judgement. They continue to remain objective and are able to exercise independent judgement in expressing their views and in participating in deliberations and decision making of the Board and Board Committees in the best interest of the Company; and
- (iv) they have exercised due care during their tenure as Independent Directors of the Company and carried out their duties in the interest of the Company and shareholders.

Based on the recommendation of NC, the Board was satisfied with the knowledge, contributions and independent judgements of Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, To Puan Rozana Bte Tan Sri Redzuan and Ng Wai Pin. Hence, the Board recommended the retention of Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir, To Puan Rozana Bte Tan Sri Redzuan and Ng Wai Pin as Independent Non-Executive Directors of the Company, which will be tabled for shareholders' approval at the forthcoming Twelve (12th) AGM.

### 3.4 Separation of Positions of the Chairman and CEO

There is a clear division of responsibilities between the Chairman and the CEO to ensure a balance of authority and power. The Board is led by Ngiam Tong Kwan as the Executive Chairman and the executive management is led by Ngiam Tee Wee, CEO.

The role of the Chairman and the CEO are clearly defined in the Board Charter. The Chairman is responsible for running the Board and ensuring that all Directors receive sufficient information on financial and non-financial matters to enable them to participate actively in Board deliberations and decisions making process. Although the Chairman of the Board is not an Independent Non-Executive Director, he is primarily responsible for the orderly conduct and effective function of the Board. The CEO is responsible for the day-to-day management of the business as well as implementation of the Board's policies and decisions.

### 3.5 Composition of the Board

The Board currently has seven (7) members; comprising four (4) Executive Directors and three (3) Independent Non-Executive Directors.

The concept of independence adopted by the Board is in tandem with the definition of an independent director as stated in Paragraph 1.01 of the MMLR. The key element for fulfilling the criteria is the appointment of an independent Director who is not a member of management and who is free of any relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. The Board complies with Paragraph 15.02 of MMLR which requires that at least two (2) Directors or 1/3 of the Board of the Company, whichever is the higher, are Independent Directors. If the number of Directors of the Company is not three (3) or a multiple of three (3), then the number nearest to 1/3 shall be used.

# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## 3. REINFORCE INDEPENDENCE (cont'd)

### 3.5 Composition of the Board (cont'd)

The Directors with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, marketing and operations. The Executive Directors, are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies. The Independent Non-Executive Directors provide objective and independent judgement to decision making and serve as a capable check and balance for the Executive Directors.

The Code states that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director.

Although the Board does not comprise a majority of Independent Directors, the Board is of the view that the current composition is sufficient as the Group benefited from the Chairman who possesses in-depth knowledge of the Group's businesses and has proven commitment, experience and competence to effectively discharge his responsibilities.

## 4. FOSTER COMMITMENT

### 4.1 Time Commitment and Continuing Education Programmes

The Board usually meets at least four (4) times a year at quarterly intervals with additional meetings convened when necessary. During the financial year, the Board met on five (5) occasions; where it deliberated on matters such as the Group's financial results, major investments and strategic decisions, its business plan, corporate finance and developments and the strategic direction of the Group among others. Board meetings for each year are scheduled in advance before the end of the preceding year in order for Directors to plan their schedules.

The Board is satisfied with the level of time commitment of the Directors from their attendance at the Meetings. The record of the Directors' attendance at Board Meeting and various Committees' Meeting for the financial year ended 31 August 2015 is contained in the table below.

NAME OF DIRECTOR	NUMBER OF MEETINGS ATTENDED			
	BOARD	AUDIT COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE
Ngiam Tong Kwan	5/5	N/A	N/A	1/1
Ngiam Tee Wee	5/5	N/A	N/A	N/A
Ngiam Tee Yang	5/5	N/A	N/A	N/A
Teh Yoon Loy	5/5	N/A	N/A	N/A
Datuk Dr Syed Muhamad Bin Syed Abdul Kadir	5/5	5/5	1/1	N/A
To' Puan Rozana Bte Tan Sri Redzuan	5/5	5/5	1/1	1/1
Ng Wai Pin	5/5	5/5	1/1	1/1

# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## 4. FOSTER COMMITMENT (cont'd)

### 4.2 Directors' Training

All Directors of the Company have attended the Mandatory Accreditation Program prescribed by Bursa Malaysia Securities Berhad ("BMSB"). Most of Directors have attended various conferences, seminars and briefings to keep abreast with the latest development in the industry and the global environment in order for them to be effective in performing their fiduciary duties and responsibilities.

The NC had undertaken an assessment of the training needs of the Directors during the annual assessment.

The Directors will continue to undergo relevant training programs from time to time to further enhance their knowledge to enable them to discharge their duties and responsibilities more effectively.

During the financial year ended 31 August, 2015, the Directors had attended the following trainings, seminars and forums:

Name of Director	Title of Training/Seminar/Forum	Duration
Ngiam Tong Kwan	- Goods and Services Tax	One Day
Ngiam Tee Wee	- Goods and Services Tax	Two Day
Teh Yoon Loy	- Goods and Services Tax	One Day
Ngiam Tee Yang	- Goods and Services Tax	One Day
Ng Wai Pin	- Goods and Services Tax - Briefing on the amendments to the Listing Requirements in respect of the shortening of the time frame for the periodic reporting to Bursa Securities and the public consultation paper on the various changes to the Listing Requirements	One Day
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	- Goods and Services Tax - Malaysian Accounting Standards Board (MASB) - Invitation to UIM International Convention of Wisdom - PowerTalk Series by MINDA "Executing Your Growth Strategy with Certainty" with Mr. Anand Sharma (USA) - FIDE Forum – Special Invitation to Focus Group Discussion - FIDE Focus Group 1: Islamic Banking & Investment Banking Businesses – Chaired by Datuk Zaiton Mohd Hassan, Vice Chairman of FIDE Forum - FIDE Focus Group 2: Insurance, Takaful and Reinsurance Businesses – Chaired by Datuk Kamaruddin Taib, Board Member of FIDE Forum - Briefing Session on Bank Negara Malaysia Annual Report 2014 / Financial Stability & Payment Systems Report 2014 – Takaful Operators - BNM – FIDE Forum Dialogue with the Governor, Bank Negara Malaysia - Briefing Session on Shariah Risk Management Framework (SRMF)	One Day One Day

# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## 4. FOSTER COMMITMENT (cont'd)

### 4.2 Directors' Training (cont'd)

	- Bursa Invest Malaysia 2015	Two Day
	- FIDE Forum – Invitation to Industry Consultation Session	
	- FIDE Forum's Special Invite to "Board's Strategic Leadership: Innovation & Growth in Uncertain Times"	One Day
	- FIDE Forum's "Impact of the New Accounting Standards on Insurance Companies – What Directors should be aware of" by Mr. Darrel Scott	One Day
	- Asian World Summit 7th Annual Corporate Governance Summit	One Day
	- Panel Speaker at the MAICSA Annual Conference for the session on "Integrity – A Principal of Life"	One Day
	- FIDE Forum: 4th Distinguished Board Leadership Series on –"Board Leading Change: Organisational Transformation Strategy as Key to Sustainable Growth in Challenging Times" by Professor William J. Rothwell	One Day
	- Asian World Summit 7th Annual Corporate Governance Summit	One Day
	- FIDE Directors Register Focus Group Sessions:- Insurance Companies (Takaful & Conventional)	One Day
	- Guest Panelist for MINDA Advanced Women Directors' Training Programme (AWDTP) session on "The State of Board Leadership Today – What Must Change?"	One Day
	- Invitation for Panel Session: INSKEN Onboard SME Directors Programme (IDP)	One Day
	- Panelist at MINDA's Corporate Directors Onboarding Programme	One Day
	- Panelist in one of the sessions (Type: Panel Presentation) - Corporate Board Leadership Symposium 2015	One Day
To' Puan Rozana Bte Tan Sri Redzuan	- Goods and Services Tax	One Day
	- Detecting Financial Warning and Financial Shenanigans	One Day

## 5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

### 5.1 Compliance with Applicable Financial Reporting Standards

The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting and to ensure that the financial statements of the Group and the Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to BMSB and the annual audited financial statements. A Statement by the Board of its responsibilities in respect of the preparation of the annual audited financial statements is set out on page 25 of this Annual Report.

Through the annual audited financial statements, the quarterly financial results as well as the Chairman's statement and review of operations in the Annual Report, the Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects.

## 5. UPHOLD INTEGRITY IN FINANCIAL REPORTING (cont'd)

### 5.2 Assessment of Suitability and Independence of External Auditors

The AC oversees and appraises the quality of the audits conducted by the Company's external auditors; maintain open lines of communication between the Board and external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and assess the adequacy of the risk management systems and internal control environment as well as the financial reporting systems based on audit feedback from the external auditors. Key features underlying the relationship between the AC and the external auditors are included in the AC's Report as detailed on pages 31 to 35 of the Annual Report.

The AC had on 23 December 2015, reviewed the suitability and independence of the external auditors and recommended their re-appointment to the Board, upon which the shareholders' approval will be sought at the forthcoming Twelve (12th) AGM. The external auditors had provided their written confirmation to the AC that they had complied with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the Code of Conduct for Objectivity and their independence and objectivity had not been compromised throughout the conduct of their audit work for the Group. The external auditors also provide certain non-audit services. The AC will ensure that provision of these services do not compromise the External Auditors' independence.

## 6. RECOGNISE AND MANAGE RISK

### 6.1 Sound Framework to Manage Risk

The Board ensures that there is an on-going process of identifying, evaluating and managing the significant risks via the examination of principal business risks in critical areas, assessing the likelihood of material exposures and the identification of measures taken to mitigate, avoid or reduce these risks are undertaken by the Executive Directors and senior management through regular meetings held throughout the financial year. Kindly refer to pages 29 and 30 of the Annual Report on the Statement on Risk Management and Internal Control for more information.

### 6.2 Internal Audit Function

The Company has outsourced its internal audit function to an independent internal audit services provider for the financial year, which reports directly to the AC on the results of audit reviews on a quarterly basis. The AC oversees and appraises the quality of the audits conducted by the Company's internal auditors; maintain open lines of communication between the Board and the internal auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and assesses the adequacy of the effectiveness of the governance, risk management systems and internal control environment based on audit feedback from the internal auditors.

Key features underlying the relationship between the AC and the internal auditors are included in the AC's Report as detailed on pages 31 to 35 of the Annual Report. The Statement on Risk Management and Internal Control furnished on pages 29 to 30 of the Annual Report provides an overview of the system of internal controls of the Group.

# CORPORATE GOVERNANCE STATEMENT (CONT'D)

## 7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

### 7.1 Corporate Disclosure Policy (“CDP”)

The Company is committed to provide clear, accurate and timely disclosure of all material information pertaining to its performance and operations to its stakeholders and the general public. The Board does not have a Corporate Disclosure Policy. However, the Company ensure compliance with the disclosure requirements as set out in the MMLR at all times.

### 7.2 Leverage on Information Technology for Effective Dissemination of Information

The Company has established a website at [www.bsllcorp.com.my](http://www.bsllcorp.com.my) from which shareholders and members of the public may access the latest information on the operations and activities of the Group; announcements made to BMSB; Annual Report; Corporate Governance; financial information as well as the Board Charter. The Company’s website also serves as a platform to allow the shareholders, stakeholders or the public to channel any enquiries with regards to the Company and request for updates/announcements of the Company to be furnished to them via email alerts.

The Company ensures timely release of the financial results on a quarterly basis to provide an overview of the Group’s performance and operations to its shareholders. The Company also makes timely announcements to BMSB of any corporate manoeuvres in accordance with MMLR.

## 8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

### 8.1 Encourage Shareholder Participation at General Meetings

The Company recognises the importance of accountability to its shareholders through proper communication with them. The AGM is the principal forum for dialogue with the shareholders. Shareholders are notified of the meetings and provided with the Company’s Annual Report and Circular/Statement to shareholders (if any) at least twenty-one (21) days prior to the scheduled AGM. All shareholders are encouraged to attend the AGM and participate in its proceedings. Opportunity is given to the shareholders to ask questions pertaining to the resolutions being proposed and seek clarification on the business and performance of the Group.

### 8.2 Poll Voting

The Board encourages poll voting at general meetings in case of substantive resolutions which require shareholders’ approval. At the Eleventh (11th) AGM and Extraordinary General Meeting (“EGM”) held on 26 February 2015 and 9 October 2015 respectively, the Chairman had notified the shareholders at the commencement of the meetings of their right to demand for poll, provided that the minimum requirement for demanding a poll as set out the Articles of Association of the Company is met. All resolutions put forth for Shareholders’ approval at the 11th AGM and EGM were voted by show of hands.

### 8.3 Effective Communication and Proactive Engagement

At the previous AGM, all Directors were present in person to engage directly with the shareholders. The Chairman invited shareholders to raise questions before putting the resolutions to vote. The Directors, management and external auditors were in attendance to respond to the shareholders’ queries.



# DIRECTORS' RESPONSIBILITY STATEMENT

## IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at 31 August 2015 and of their profit or loss and cashflows for the year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been adhered to.

In preparing the financial statements, the Directors have applied consistently suitable accounting policies and have made reasonable and prudent judgements and estimates.

The Directors also have a general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent fraud and other irregularities.

# CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

The Group acknowledges that CSR is an important aspect of its business. The Group continues to undertake responsible practices that impact the society and environment in a positive manner and to inculcate a culture of responsibility in all aspects of its business. The CSR initiatives undertaken by the Group during the financial year are summarised below:

## a) Workplace

Creating a safe working environment and ensuring safe practices in all aspects is the paramount duty of the Group. As part of the Group’s commitment to provide a safe workplace, it has initiated health and safety programmes such as chemical health risk assessments, fire drills, audiometric test, safety campaign and safety system checks on the equipments. 5S have also been implemented with year-long audits being conducted and 5S incentives and awards are presented to employees yearly. Company dinners or trips are also organised yearly to foster togetherness and teamwork.

The Group also promotes enhancement in human capital through training, skills development, research and development in areas related to the Group’s operations.

The Group does not have any specific diversity policy for the workforce in terms of gender, ethnicity and age group. The recruitment and selection process of the Group’s workforce is mainly dependent on aspects such as the nature of the jobs, the skills and quality required for the jobs. However, the Group will consider to put in place appropriate diversity policy in terms of gender, ethnicity and age group in its workforce, if necessary.

As of 13 January 2016, the breakdown of the Group’s employees by gender, age group, and ethnicity in percentage are as follows:

Age range	EXECUTIVE STAFF									
	20>30		30>40		40>50		50>60		>60	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Malay	1%	1%	1%	1%	2%	1%	-	1%	-	-
Chinese	-	-	1%	1%	1%	1%	1%	-	1%	1%
India	1%	1%	1%	1%	1%	1%	-	1%	1%	-
Others	-	-	-	-	-	-	-	-	-	-

Age range	NON-EXECUTIVE STAFF									
	20>30		30>40		40>50		50>60		>60	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Malay	2%	2%	1%	3%	1%	2%	1%	1%	1%	-
Chinese	-	-	-	-	-	-	-	1%	-	-
India	1%	3%	1%	5%	-	3%	1%	2%	-	-
Others	17%	3%	16%	6%	3%	1%	-	-	-	-
<b>TOTAL</b>	<b>22%</b>	<b>10%</b>	<b>21%</b>	<b>17%</b>	<b>8%</b>	<b>9%</b>	<b>3%</b>	<b>6%</b>	<b>3%</b>	<b>1%</b>

## b) The Environment

The Group is aware of its responsibility towards preserving the environment and is committed to minimise adverse impacts on the environment through recycling, optimal usage of natural resources and the adoption of the “Green” concept by reducing usage of hazardous, non-recyclable materials in the Group’s operations. Recycling campaigns and drives organised by employees to promote recycling and re-use were carried out during the year. All major facilities within the Group are accredited with ISO 14001:2004 Environmental Management Systems.

The Group is certified Green partner with many major clients and also comply with ROHS and REACH requirements.

## c) The Market Place

The Company is committed to ensure that the interests of all its important stakeholders – its shareholders, suppliers and customers are being taken care of. The Company emphasises on good corporate governance practices to meet shareholders’ expectations. For its suppliers, the Company practices transparent and fair procurement policies. As for customers, all major facilities within the Group are accredited with ISO 9001:2008 Quality Management Systems. The Group is committed to supply quality products and meeting customers’ satisfaction through continual improvement in technology, processes and services.

# OTHER COMPLIANCE INFORMATION

## (a) Utilisation of Proceeds

The Company did not raise any proceeds from corporate proposals during the financial year ended 31 August, 2015.

## (b) Share Buy-back

Details of the Share Buy-Back of the Company during the financial year ended 31 August, 2015 are disclosed under Note 16 in the Audited Financial Statements on page 83 of this Annual Report.

During the financial year ended 31 August 2015, the Company had purchased a total of 66,000 ordinary shares of RM0.50 each (all of which are retained as Treasury Shares) from the open market, details of which are set out below:

Month of Purchase(s)	Number of Shares Purchased	Highest Price per Share (RM)	Lowest Price per Share (RM)	Purchase Price/ Average Purchase Price per Share (RM)	Total Consideration Paid (RM)
November 2014	10,000	0.2800	0.2750	0.2785	2,828.84
April 2015	26,000	0.2400	0.2300	0.2342	6,141.34
July 2015	30,000	0.2000	0.2000	0.2000	6,092.71

\*inclusive of brokerage expenses

None of the treasury shares were resold or cancelled during the financial year.

## (c) Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued during the financial year ended 31 August, 2015.

## (d) Depository Receipt Programme

The Company did not sponsor any of Depository Receipt Programme during the financial year ended 31 August, 2015.

## (e) Sanctions and / or Penalties

Save as disclosed below, there were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies :-

- i) Crestronics (M) Sdn Bhd ("CMSB"), a wholly owned subsidiary of the Company had on 24 December 2014, received two (2) Bills of Demand dated 19 December 2014 from the Royal Malaysian Customs Selangor ("RMCS") for the Import Duty and Sales Tax amounting to RM6,493,737.69 and RM4,637,773.57 respectively for the period December 2011 to July 2014.

CMSB is contesting the demands and will seek the necessary tax advice to file appeal application(s) against the demands to RMCS.

## (f) Non-audit Fees

There were non-audit fees of RM5,000 payable to the External Auditors during the financial year ended 31 August, 2015.

# OTHER COMPLIANCE INFORMATION (CONT'D)

**(g) Variation in Results**

There is no material variance between the audited results for the financial year ended 31 August, 2015 and the unaudited results previously announced on 27 October 2015.

**(h) Profit Guarantees**

During the financial year ended 31 August, 2015, there were no profit guarantees given by the Company or its subsidiaries.

**(i) Material Contracts or loans**

There were no material contract entered into by the Company which involved Directors' and major shareholders' interest, either still subsisting at the end of the financial year ended 31 August, 2015 or, if not then subsisting, entered into since the end of the previous financial year.

**(j) Recurrent Related Party Transactions**

All recurrent related party transactions entered into by the Group during the financial year ended 31 August, 2015 are disclosed in Note 31 to the financial statements in pages 92 and 93 of this Annual Report.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Malaysian Code on Corporate Governance 2012 requires the Board of Directors of listed companies to establish a sound risk management framework and internal control system to safeguard shareholders' investment and the Company's assets. Under Paragraph 15.26(b) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the Board of Directors of listed companies is required to produce a statement on the state of the Companies' internal control as a group in their Annual report. In this regard, the Board of Directors ("Board") of BSL Corporation Berhad ("BSL") is pleased to set out below the statement on risk management and internal control for BSL and its Subsidiary Companies ("Group").

## BOARD'S RESPONSIBILITY

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness whilst the role of management is to implement the Board's policies on risk and control.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board confirms that there is a continuous process for identifying, evaluating and managing the significant risks faced by the Group, which has been in place for the financial year under review and up to the date of approval of the annual report and financial statements.

## INTERNAL AUDIT FUNCTION

The Group had outsourced its internal audit function to an independent party who assists the Audit Committee as well as the Board in discharging their responsibilities by providing an independent, objective assurance and advisory services that add value and improve the operations by:

- ensuring existence of processes to monitor the effectiveness and efficiency of operations and the achievement of business objectives;
- ensuring adequacy and effectiveness of internal control systems for safeguarding of assets, providing consistent, accurate financial and operational data;
- promoting risk awareness and the value and nature of an effective internal control system;
- ensuring compliance with laws, regulations, corporate policies and procedures; and
- assisting management in accomplishing its objectives by adopting a systematic and disciplined audit approach to evaluating and improving the effectiveness of risk management, control and governance processes within the companies' operations.

The internal auditors conducted review on the Group's system of internal controls in a systematic and cyclic basis and on selected business processes. The Internal Auditors tabled the results of their review to the Audit Committee at Audit Committee meetings on a quarterly basis.

During the financial year ended 31 August 2015, the reviews covered areas on Payment Cycle, Human Resources Management, Warehouse Management and Invoicing Process. The Audit Committee had reviewed the Internal Auditors' findings and recommendations, management response and proposed action plans as well as presented its findings and recommendations to the Board. Follow up reviews on previous audit issues are carried out in order to ensure that the recommendations made by the Internal Auditors are adopted accordingly.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

## INTERNAL CONTROL SYSTEM

The key elements of the Group's internal control system are described below:

- Organisation structure with clearly defined delegation of responsibilities to the Committees of the Board;
- Regular meetings are held at operational and management levels to identify and resolve business, financial, operational and management issues;
- The subsidiary companies were accredited ISO 9001:2008 & ISO 14001:2004. Documented internal procedures and standard operating procedures have been put in place and surveillance audits are conducted once a year by assessors of the ISO certification body to ensure that the system is adequately implemented;
- Regular internal audit visits and other specific assignments, if and when the need arises, assigned by the Audit Committee and/or Board who monitors compliance with procedures and assesses the integrity of financial information provided;
- Regular information is provided by the management to the Board on financial performance and key business indicators;
- Monthly monitoring of results by the management through financial reports such as monthly management accounts and cash flow statements;
- Regular meetings between the Audit Committee and the management on the actions taken on internal control issues identified through reports prepared by the internal auditors, external auditors and/or management; and
- Proper approval and review by the Board on new ventures/business diversification.

The existing system of internal control has been in place for the financial year under review.

## RISK MANAGEMENT

The Board ensures that there is an on-going process of identifying, evaluating and managing the significant risks via the examination of principal business risks in critical areas, assessing the likelihood of material exposures and the identification of measures taken to mitigate, avoid or reduce these risks are undertaken by the Executive Directors and senior management through regular meetings held throughout the financial year.

The Group has also carried out risk assessment exercise individually for its subsidiary companies on a quarterly basis. The Senior Management and the Audit Committee were briefed on the key risks of the operating companies in the Group and the risk mitigation plans.

## CONCLUSION

The Board is of the view that the risk management and internal controls practices and processes in place for the financial year under review and up to the date of issuance of the financial statements are sound and adequate to safeguard the interest of shareholders. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of the Group's internal controls that would require separate disclosure in this Annual Report.

The CEO and Finance Manager had provided assurance to the Board that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively.

# AUDIT COMMITTEE REPORT

The Audit Committee currently comprises the following directors:

## **Datuk Dr Syed Muhamad Bin Syed Abdul Kadir**

Chairman, Independent Non-Executive Director

## **To' Puan Rozana Bte Tan Sri Redzuan**

Member, Independent Non-Executive Director

## **Ng Wai Pin**

Member, Independent Non-Executive Director

## **TERMS OF REFERENCE**

The Terms of Reference of the Audit Committee are as follows:

## **COMPOSITION OF THE COMMITTEE**

- (1) The Committee shall be appointed by the Board of Directors from among its members which fulfils the following requirements:-
  - (a) shall comprise not less than 3 members;
  - (b) all the audit committee members must be non-executive director, with a majority of them being independent directors; and
  - (c) at least one member of the audit committee : -
    - (i) must be a member of the Malaysian Institute of Accountants ("MIA"); or
    - (ii) if he is not a member of MIA, he must have least 3 years' working experience, and : -
      - (aa) he must have passed the examinations specified in Part 1 of the 1st schedule of the Accountants Act, 1967; or
      - (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
    - (iii) fulfils such other requirements as prescribed or approved by Bursa Securities Malaysia Berhad ("Bursa Securities").
  - (d) no alternate director is appointed as a member of the audit committee.
- (2) In the event of any vacancy in an audit committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months as per the Bursa Securities Listing Requirement.
- (3) The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

## **DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

The Committee shall discharge the following functions: -

- (1) To review the following and report the same to the Board of Directors: -
  - (a) with the external auditor, the audit plan, his/her evaluation of the system of internal controls, his/her audit report;
  - (b) the assistance given by the employees of the Company to the external auditor;

# AUDIT COMMITTEE REPORT (CONT'D)

## DUTIES AND RESPONSIBILITIES OF THE COMMITTEE (cont'd)

- (c) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
  - (d) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
  - (e) the quarterly results and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on: -
    - (i) change in or implementation of major accounting policy changes;
    - (ii) significant and unusual events; and
    - (iii) compliance with accounting standards and other legal requirements;
  - (f) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity;
  - (g) any letter of resignation from the external auditors of the Company; and
  - (h) whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment;
- (2) To recommend the nomination of a person or persons as external auditors.
  - (3) To report promptly to the Bursa Securities where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.
  - (4) To carry out any other function that may be mutually agreed upon by the Committee and the Board of Directors.

## RIGHTS OF THE COMMITTEE

The Committee shall: -

- (1) have authority to investigate any matter within its terms of reference;
- (2) have the resources which are required to perform its duties;
- (3) have full and unrestricted access to any information pertaining to the Company;
- (4) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- (5) be able to obtain independent professional or other advice; and
- (6) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

### PROCEDURE OF COMMITTEE MEETING

**(1) Chairman**

The chairman, who shall be an independent director, shall be elected by the Committee from among their members.

If at any meeting the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the members present shall choose one of their members, to act as chairman of the meeting.

**(2) Quorum**

The majority of members who must be the independent directors present shall be a quorum.

**(3) Attendance**

The head of group finance, the internal auditor and a representative of the external auditor shall normally attend the meeting. However, the Committee may invite any person to be in attendance to assist in its deliberations.

Any one of the Company Secretaries shall act as the secretary of the Committee during the term of his /her appointment.

**(4) Calling**

Any member may at any time, and the head of group finance and the Secretary shall on the requisition of any of the members or the external auditors summon a meeting.

The audit committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the Audit Committee Members as a whole to participate for the entire duration of the meeting, and that all information and documents for the meeting must be made available to all members prior to or at the meeting. A minute of the proceedings of such meeting duly signed by the Chairman is sufficient evidence of the proceedings to which it relates.

**(5) Frequency**

Meetings shall be held at least 4 times a year.

**(6) Notice**

Except in the case of an emergency, reasonable notice of every meeting shall be given in writing and the notice of each meeting shall be served to any member either personally or by sending it via fax or through the post or by courier or by e-mail to such member to his registered address as appearing in the Register of Directors, as the case may be.

**(7) Voting**

A resolution put to the vote of the meeting shall be decided on a show of hands.

In the case of an equality of votes, the Chairman shall be entitled to a second or casting vote.

**(8) Keeping of minutes**

The minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and shall be circulated to the Committee and the Board of Directors.

**(9) Custody, production and inspection of such minutes.**

The minutes shall be kept by the Company at the Registered Office or the principal place of business in Malaysia of the Company, and shall be open to the inspection of any member of the Committee without charge.

# AUDIT COMMITTEE REPORT (CONT'D)

## SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 31 August, 2015, the Audit Committee held five (5) meetings and the attendance record is as follows:

Name of Committee Members	Number of Meetings Attended
Datuk Dr Syed Muhamad Bin Syed Abdul Kadir	5/5
To' Puan Rozana Bte Tan Sri Redzuan	5/5
Ng Wai Pin	5/5

The following activities were carried out by the Audit Committee during the financial year ended 31 August, 2015:

- Evaluated the performance and independence of the external auditors and recommended their re-appointment to the Board.
- Considered and recommended to the Board of Directors, the remuneration payable to the external auditors
- Reviewed the external auditors' scope of work and audit plans for the financial year.
- Reviewed with the external auditors the results of the audit, the report and the management letter, including management's response.
- Reviewed the internal auditors' programmes and plan for the financial year under review.
- Reviewed the internal audit reports, which highlighted the audit issues, recommendations and management's response. Discussed with management on actions taken to improve the system of internal control based on improvement opportunities identified in the audit reports.
- Reviewed the audited financial statements of the Company and of the Group prior to making recommendation to the Board for consideration and approval.
- Reviewed the quarterly unaudited financial results announcements before recommending them to the Board for approval.
- Reviewed the Statement on Risk Management and Internal Control and Internal Audit Function as well as the Audit Committee Report and recommended the same to the Board for approval for inclusion in the Company's Annual Report.
- Reviewed the adequacy of the scope, function, competency and resources of the Internal Audit Function.
- Reviewed the related party transaction(s) entered into by the Group.

## INTERNAL AUDIT FUNCTION

The Company recognises that an internal audit function is essential to ensuring the effectiveness of the Group's systems of internal control and is an integral part of the risk management process.

In this regards, the Company has appointed an external independent professional firm to undertake the internal audit function and risk management function during the financial year with the aim to ensure its existing internal control system is effective and appropriate in mitigating against the Group's significant risks.

The internal auditors report independently to the Audit Committee with their findings and these findings are further deliberated during the Audit Committee Meeting and Board meeting.

The internal audit plan was approved by the Audit Committee and the scope of internal audit covers the audits of the selected business processes of operating subsidiary companies in the Group. The cost incurred for the internal audit function for the financial year ended 31 August 2015 was RM37,975.00.

# DIRECTOR'S REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 August 2015.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is an investment holding company.

The principal activities of the subsidiary companies are disclosed in Note 4 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the financial year.

## RESULTS

	Group RM	Company RM
(Loss)/Profit for the year	(3,527,421)	521,758
Attributable to:		
Equity holders of the Company	(3,567,866)	
Non-controlling interest	40,445	
	<u>(3,527,421)</u>	

## DIVIDENDS

No dividend has been declared or paid by the Company since the end of the previous financial year and the Directors do not recommend any dividend for the current financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

## DIRECTORS

The Directors in office since the date of last report are as follows:

Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir  
 Ngiam Tong Kwan  
 Ngiam Tee Wee  
 Ngiam Tee Yang  
 Teh Yoon Loy  
 Ng Wai Pin  
 To' Puan Rozana Bte Tan Sri Redzuan

In accordance with the Article 78 of the Company's Article of Association, Ngiam Tee Wee, To' Puan Rozana Bte Tan Sri Redzuan and Ng Wai Pin, retire from the board at the forthcoming Annual General Meeting and, being eligible, offers themselves for re-election.

## DIRECTORS' INTEREST IN SHARES

The shareholdings in the Company and the related companies of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act 1965, are as follows:

	Number of ordinary shares of RM0.50 each			Balance at 31.8.2015
	Balance at 1.9.2014	Bought	Sold	
<b>Shares in the Company</b>				
<b>Registered in name of Directors</b>				
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	100,000	-	-	100,000
Ngiam Tee Wee	135,000	-	-	135,000
Ngiam Tee Yang	100,000	-	-	100,000
Ngiam Tong Kwan	406,315	-	-	406,315
Teh Yoon Loy	36,347	-	-	36,347
<b>Deemed interest</b>				
Ngiam Tong Kwan*	49,980,000	-	-	49,980,000
Ngiam Tong Kwan**	4,057,670	-	-	4,057,670
Ng Wai Pin**	17,000	-	-	17,000

\* Deemed interest by virtue of his substantial interest in Esteem Role Sdn. Bhd.

\*\* Deemed interest held through his family members.

# DIRECTORS' REPORT (CONT'D)

## DIRECTORS' INTERESTS IN SHARES (cont'd)

	Number of ordinary shares of RM1 each			Balance at 31.8.2015
	Balance at 1.9.2014	Bought	Sold	
<b>Shares in the holding company, Esteem Role Sdn. Bhd.</b>				
<b>Registered in name of Directors</b>				
Ngiam Tee Wee	7,000	-	-	7,000
Ngiam Tee Yang	5,000	-	-	5,000
Ngiam Tong Kwan	25,472	-	-	25,472
Teh Yoon Loy	7,060	-	-	7,060

By virtue of their interests in the shares of the Company and holding company, the abovementioned Directors are deemed to have an interest in the shares of the related companies to the extent that the Company and the holding company have interest.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for those benefits which may be deemed to have arisen by virtue of those contracts and transactions entered into in the ordinary course of business by the Company with companies in which certain Directors are deemed to have substantial financial interests, as disclosed in Note 31 to the financial statements.

Neither at the end of the financial year nor at any time during the financial year, did there subsist any arrangements to which the Company was a party whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## OTHER STATUTORY INFORMATION

- (a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and
  - to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

## OTHER STATUTORY INFORMATION (cont'd)

- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would necessitate the writing off of bad debts or render the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent, or
  - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading, or
  - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person, or
  - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (d) No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.
- (e) At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (f) In the opinion of the Directors:
- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## HOLDING COMPANY

The Directors regard Esteem Role Sdn. Bhd., a company incorporated in Malaysia, as the holding company.

# DIRECTORS' REPORT (CONT'D)

## AUDITORS

The auditors, Mazars, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Directors in accordance with a Directors' resolution dated 23 December 2015

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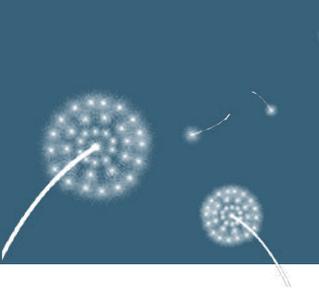
**NGIAM TONG KWAN**

Director

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**NGIAM TEE WEE**

Director



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BSL CORPORATION BERHAD ( INCORPORATED IN MALAYSIA )

## Report on the Financial Statements

We have audited the financial statements of BSL Corporation Berhad, which comprise the statements of financial position as at 31 August 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended and a summary of significant accounting policies and other explanatory information, as set out on page 43 to 107.

### *Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 August 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

### *Emphasis of Matter*

We draw attention to Note 34(b) to the financial statements which discloses the bills of demand issued by the relevant authority to Crestronics (M) Sdn. Bhd., a wholly owned subsidiary of the Company, demanding the payment of sales tax and import duty in respect of the period between December 2011 to July 2014. Our opinion is not qualified in respect of this matter.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BSL CORPORATION BERHAD (CONT'D) ( INCORPORATED IN MALAYSIA )

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of the subsidiary company of which we have not acted as auditors, which are indicated in Note 4 to the financial statements.
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

## Other Reporting Responsibilities

The supplementary information set out in note 41 on page 107 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("the MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

## Other Matters

1. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The financial statements of the Group and of the Company for the preceding financial year ended 31 August 2014 were audited by another firm of auditors whose report thereon dated 23 December 2014 expressed an unmodified opinion on those financial statements with emphasis of matter on bills of demand issued by relevant authority to a wholly owned subsidiary of the Company (Note 34(b)).

### MAZARS

No. AF: 001954

Chartered Accountants

### CHONG FAH YOW

No. 3004/07/16 (J)

Chartered Accountant

Date: 23 December 2015

Kuala Lumpur

# STATEMENTS OF FINANCIAL POSITION

## 31 AUGUST 2015

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
<b>ASSETS</b>					
Non-current assets					
Property, plant and equipment	3	48,194,185	63,147,538	-	-
Investment in subsidiary companies	4	-	-	48,493,048	49,046,047
Investment in associated company	5	-	-	-	-
Investment in joint venture	6	4,217,156	3,384,254	-	-
Other investment	7	-	-	-	-
<b>Total non-current assets</b>		<b>52,411,341</b>	<b>66,531,792</b>	<b>48,493,048</b>	<b>49,046,047</b>
Current assets					
Inventories	8	9,432,408	9,485,217	-	-
Trade receivables	9	17,344,881	14,925,052	-	-
Other receivables, deposits and prepayments	10	3,665,036	669,360	17,808	-
Amount owing by a corporate shareholder	11	7,824	-	-	-
Amount owing by a related party	31	-	7,286	-	-
Amount owing by subsidiary companies	4	-	-	17,760,705	16,118,164
Current tax assets		796,946	443,831	-	-
Short-term deposits with licensed banks	12	11,092,819	12,251,386	-	-
Cash and bank balances	13	6,946,507	8,720,180	122,093	611,708
		49,286,421	46,502,312	17,900,606	16,729,872
Non-current asset classified as held for sale	14	9,560,973	-	-	-
<b>Total current assets</b>		<b>58,847,394</b>	<b>46,502,312</b>	<b>17,900,606</b>	<b>16,729,872</b>
<b>TOTAL ASSETS</b>		<b>111,258,735</b>	<b>113,034,104</b>	<b>66,393,654</b>	<b>65,775,919</b>

# STATEMENTS OF FINANCIAL POSITION

## 31 AUGUST 2015 (CONT'D)

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
<b>EQUITY AND LIABILITIES</b>					
Equity					
Share capital	15	49,000,000	49,000,000	49,000,000	49,000,000
Treasury shares	16	(420,453)	(405,390)	(420,453)	(405,390)
Reserves	17	17,815,736	22,781,839	4,131,672	3,609,914
Equity attributable to equity holders of the Company		66,395,283	71,376,449	52,711,219	52,204,524
Non-controlling interests		5,152,023	4,967,578	-	-
<b>Total equity</b>		<b>71,547,306</b>	<b>76,344,027</b>	<b>52,711,219</b>	<b>52,204,524</b>
Non-current liabilities					
Hire purchase liabilities	18	713,796	489,030	-	-
Term loans	19	12,254,909	1,168,747	-	-
Deferred tax liabilities	20	1,443,433	1,092,000	-	-
<b>Total non-current liabilities</b>		<b>14,412,138</b>	<b>2,749,777</b>	<b>-</b>	<b>-</b>
Current liabilities					
Trade payables	21	14,702,747	9,657,887	-	-
Other payables and accruals	22	3,525,746	2,730,072	137,075	68,679
Provision	23	200,000	200,000	-	-
Amount owing to related parties	31	-	355,650	-	-
Amount owing to subsidiary companies	4	-	-	13,485,714	13,462,770
Hire purchase liabilities	18	754,548	569,560	-	-
Bank borrowings	24	3,092,584	4,029,456	-	-
Term loans	19	2,660,128	16,319,334	-	-
Derivative financial liability		11,162	11,162	-	-
Tax liabilities		81,308	67,179	59,646	39,946
		25,028,223	33,940,300	13,682,435	13,571,395
Liabilities directly associated with non-current asset classified as held for sale	14	271,068	-	-	-
<b>Total current liabilities</b>		<b>25,299,291</b>	<b>33,940,300</b>	<b>13,682,435</b>	<b>13,571,395</b>
<b>Total liabilities</b>		<b>39,711,429</b>	<b>36,690,077</b>	<b>13,682,435</b>	<b>13,571,395</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>111,258,735</b>	<b>113,034,104</b>	<b>66,393,654</b>	<b>65,775,919</b>

The accompanying notes form an integral part of the financial statements

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
Revenue		98,075,993	94,883,293	-	3,500,000
Other income		5,350,206	1,014,565	3,033,441	443,996
Investment income	25	282,701	384,242	-	-
Changes in inventories of work-in progress and finished goods		491,267	(63,078)	-	-
Raw materials and consumables used		(58,698,443)	(59,277,879)	-	-
Production overheads		(9,765,587)	(9,460,926)	-	-
Staff costs	26	(21,334,822)	(19,885,622)	-	-
Depreciation of property, plant and equipment	3	(5,808,445)	(6,546,213)	-	-
Finance costs	27	(1,253,666)	(1,361,727)	-	-
Other expenses		(9,668,565)	(9,021,250)	(2,398,233)	(4,972,438)
Share of results of associated company	5	-	(1,043,592)	-	-
Share of results of joint venture	6	(345,524)	(118,190)	-	-
(Loss)/Profit before tax	28	(2,674,885)	(10,496,377)	635,208	(1,028,442)
Tax (expense)/credit	29	(852,536)	692,499	(113,450)	(95,550)
(Loss)/Profit for the year		(3,527,421)	(9,803,878)	521,758	(1,123,992)
Other comprehensive (loss)/income:					
Exchange differences on translation of foreign operations		(1,398,237)	187,875	-	-
Other comprehensive (loss)/income for the year, net of tax		(1,398,237)	187,875	-	-
Total comprehensive (loss)/income for the year		(4,925,658)	(9,616,003)	521,758	(1,123,992)
Loss for the year attributable to:					
Equity holders of the Company		(3,567,866)	(9,863,961)		
Non-controlling interest		40,445	60,083		
		(3,527,421)	(9,803,878)		
Total comprehensive loss for the year attributable to:					
Equity holders of the Company		(4,966,103)	(9,676,086)		
Non-controlling interest		40,445	60,083		
		(4,925,658)	(9,616,003)		
Basic loss per ordinary share (sen)	30	(3.69)	(10.19)		

The accompanying notes form an integral part of the financial statements

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 AUGUST 2015

Group	← Non-distributable →				Distributable		Attributable to equity holders of the Company RM	Non-controlling interests RM	Total RM
	Share capital RM	Treasury shares RM	Share premium RM	Foreign currency translation reserve RM	reserve - Retained earnings RM	to equity holders of the Company RM			
At 1 September 2014	49,000,000	(405,390)	1,767,230	301,589	20,713,020	71,376,449	4,967,578	76,344,027	
Repurchase of shares	-	(15,063)	-	-	-	(15,063)	-	(15,063)	
Increase in share capital	-	-	-	-	-	-	144,000	144,000	
(Loss)/Profit for the year	-	-	-	-	(3,567,866)	(3,567,866)	40,445	(3,527,421)	
Other comprehensive loss, net of tax	-	-	-	(1,398,237)	-	(1,398,237)	-	(1,398,237)	
Total comprehensive (loss)/income for the year	-	-	-	(1,398,237)	(3,567,866)	(4,966,103)	40,445	(4,925,658)	
At 31 August 2015	49,000,000	(420,453)	1,767,230	(1,096,648)	17,145,154	66,395,283	5,152,023	71,547,306	

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 AUGUST 2015 (CONT'D)

Group	← Non-distributable →			Distributable reserve - Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total
	Share capital	Treasury shares	Share premium				
At 1 September 2013	49,000,000	(386,775)	1,767,230	113,714	81,071,150	4,907,495	85,978,645
Repurchase of shares	-	(18,615)	-	-	(18,615)	-	(18,615)
(Loss)/Profit for the year	-	-	-	-	(9,863,961)	60,083	(9,803,878)
Other comprehensive income, net of tax	-	-	-	187,875	187,875	-	187,875
Total comprehensive income/(loss) for the year	-	-	-	187,875	(9,676,086)	60,083	(9,616,003)
At 31 August 2014	49,000,000	(405,390)	1,767,230	301,589	71,376,449	4,967,578	76,344,027

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 AUGUST 2015 (CONT'D)

Company	Share capital RM	Treasury shares RM	Non-distributable reserve - Share premium RM	Distributable reserve - Retained earnings RM	Total RM
At 1 September 2013	49,000,000	(386,775)	1,767,230	2,966,676	53,347,131
Repurchase of shares	-	(18,615)	-	-	(18,615)
Loss for the year	-	-	-	(1,123,992)	(1,123,992)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,123,992)	(1,123,992)
At 31 August 2014	49,000,000	(405,390)	1,767,230	1,842,684	52,204,524
Repurchase of shares	-	(15,063)	-	-	(15,063)
Profit for the year	-	-	-	521,758	521,758
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	521,758	521,758
At 31 August 2015	49,000,000	(420,453)	1,767,230	2,364,442	52,711,219

The accompanying notes form an integral part of the financial statements

# STATEMENTS OF CASH FLOWS

## FOR THE YEAR ENDED 31 AUGUST 2015

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
(Loss)/Profit before tax	(2,674,885)	(10,496,377)	635,208	(1,028,442)
Adjustments for:				
Depreciation of property, plant and equipment	5,808,445	6,546,213	-	-
Impairment of property, plant and equipment	2,200,000	1,681,430	-	-
Interest expense	1,253,666	1,361,727	-	-
Share of results of associated company	-	1,043,592	-	-
Share of results of joint venture	345,524	118,190	-	-
Inventory written down	11,406	749,045	-	-
Provision	-	200,000	-	-
Impairment of investment in associated company	-	101,317	-	-
Impairment of investment in subsidiary company	-	-	552,999	-
Allowance for doubtful debts:				
- Trade receivables	6,050	57,574	-	-
- Amount owing from subsidiary company	-	-	1,350,000	4,266,313
Property, plant and equipment written off	1,055	1,385	-	-
Gain on fair value of interest rate swap	-	(115,919)	-	-
Gain on disposal of property, plant and equipment	(166,489)	(419,304)	-	-
Interest income	(282,701)	(384,242)	-	-
Unrealised (gain)/loss on foreign exchange	(2,970,000)	(244,344)	(2,582,911)	186,266
Dividend income	-	-	-	(3,500,000)
Interest receivable from subsidiary companies	-	-	(450,530)	(443,996)
Operating profit/(loss) before working capital changes	3,532,071	200,287	(495,234)	(519,859)
Changes in inventories	41,403	(357,686)	-	-
Changes in receivables	(5,018,201)	2,463,725	(17,808)	-
Changes in payables	5,080,230	(744,885)	68,396	21,414
Cash generated from/(used in) operations	3,635,503	1,561,441	(444,646)	(498,445)
Income tax refunded	30,420	1,352,244	-	144,114
Income tax paid	(599,441)	(883,140)	(93,750)	(60,000)
Net cash generated from/(used in) operating activities	3,066,482	2,030,545	(538,396)	(414,331)

# STATEMENTS OF CASH FLOWS

## FOR THE YEAR ENDED 31 AUGUST 2015 (CONT'D)

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM (Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Dividend received	-	-	-	3,500,000
Proceeds from disposal of property, plant and equipment	275,482	486,927	-	-
Interest received	282,701	384,242	-	-
Additions to property, plant and equipment (note)	(1,537,360)	(2,329,770)	-	-
Repayment from/(Advances to) subsidiaries companies	-	-	63,844	(4,630,241)
Increase in investment in indirect subsidiary by non-controlling interest	144,000	-	-	-
Increase in investment in joint venture	-	(3,502,444)	-	-
Net cash (used in)/generated from investing activities	(835,177)	(4,961,045)	63,844	(1,130,241)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of hire purchase liabilities	(778,999)	(1,243,922)	-	-
Repayment of bank borrowings	(936,872)	(71,718)	-	-
Interest paid	(1,189,381)	(1,371,492)	-	-
Repayment of term loans	(2,573,044)	(2,565,746)	-	-
(Increase)/Decrease in short-term deposits pledged with licensed banks	(16,301)	86,196	-	-
Payment for buy-back of shares	(15,063)	(18,615)	(15,063)	(18,615)
Net cash used in financing activities	(5,509,660)	(5,185,297)	(15,063)	(18,615)
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>				
	(3,278,355)	(8,115,797)	(489,615)	(1,563,187)
Effect of changes in foreign currency translation reserves	329,814	422,682	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>				
	20,454,060	28,147,175	611,708	2,174,895
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 13)</b>				
	17,505,519	20,454,060	122,093	611,708



# STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2015 (CONT'D)

Note: During the financial year, the Group acquired property, plant and equipment through the following arrangements:

	Group	
	2015 RM	2014 RM
Total cost of property, plant and equipment acquired	2,726,113	3,034,150
Less: Purchase consideration satisfied by hire purchase arrangements	(1,188,753)	(704,380)
Cash payments	1,537,360	2,329,770

The accompanying notes form an integral part of the financial statements

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 AUGUST 2015

### 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated in Malaysia under the Companies Act 1965 and listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office are disclosed on page 1.

The principal activity of the Company is an investment holding company.

The principal activities of the subsidiary companies are disclosed in Note 4.

There have been no significant changes in the nature of these activities during the financial year.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 1965 in Malaysia.

The measurement bases applied in the preparation of the financial statements include historical cost, recoverable value, realisable value and fair value.

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

#### (b) Application of new and revised standards

In current year, the Group and the Company have applied a number of new standards, amendments and interpretations that become effective mandatorily for the financial periods beginning on or after 1 September 2014.

The adoption of the new and revised standards, amendments and/or interpretations does not have significant impact on the financial statements of the Group and of the Company.

#### (c) Standards issued that are not yet effective

The Group and the Company have not applied the following new MFRS and Amendments to MFRSs that have been issued by MASB and relevant to their operations but are not yet effective:

New MFRS and Amendments to MFRSs		Effective for financial periods beginning on or after
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Standards issued that are not yet effective (cont'd)

New MFRS and Amendments to MFRSs		Effective for financial periods beginning on or after
Amendments to MFRS 5, MFRS 7 and MFRS 119 and MFRS 134	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendments to MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 116	Incorporating Bearer Plants into the Scope of MFRS 116	1 January 2017
Amendments to MFRS 141	Amendments Resulting from the Incorporation of Bearer Plants into the scope of MFRS 116	1 January 2017
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 9	Financial Instruments	1 January 2018

Except as otherwise indicated below, the adoption of the above new standards and amendments are not expected to have significant impact on the financial statements of the Group and of the Company.

### *MFRS 9 Financial Instruments*

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as oppose to 'incurred loss' model under MFRS 139), i.e. a loss event needs not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Group and the Company are currently assessing MFRS 9's full impact and intends to apply MFRS 9 when it is effective.

### *MFRS 15 Revenue from Contracts with Customers*

MFRS 15 introduces a new model for revenue recognition arising from contracts with customers. MFRS 15 will replace and supersede MFRS 111 Construction Contracts, MFRS 118 Revenue, Issues Committee Interpretation ("IC Interpretation") 13 Customer Loyalty Programmes, IC Interpretation 15 Agreements for the Construction of Real Estate, IC Interpretation 18 Transfers of Assets from Customers and IC Interpretation 31 Revenue - Barter Transactions Involving Advertising Services. The application of MFRS 15 may result in difference in timing of revenue recognition as compared with current accounting policies.

The Group is currently assessing the impact to the financial statements upon adopting MFRS 15, and will adopt MFRS 15 on the mandatory effective date.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (d) Significant accounting judgements and estimates

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the end of the reporting period, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### Critical judgements in applying the Group's accounting policies

The following is the critical judgements, apart from those including estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### (i) Classification of joint venture

The Group acquired 22.5% equity interest in an investment holding company, Petapak Holdings Ltd. ("PHL"). Based on the contractual arrangement between the Group and other investor, the Group has substantive rights in deciding certain relevant activities of PHL as they require unanimous consent of both parties collectively. Accordingly, PHL is classified as a joint venture of the Group. See Note 6 for details.

#### (ii) Provision

As mentioned in Note 23, as a result of the demand made by the relevant authority against Crestronic (M) Sdn Bhd, a wholly owned subsidiary company for the payment of unpaid sales tax and import duty, the Group made a provision of RM200,000. The provision was made based on Directors' best judgment and estimates based on information currently available and the advice of a consultant. As the amount of the claim is still subject to appeal, the ultimate amount of the claim that may ultimately be payable may differ from the provision made and the difference may be material.

#### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### (i) Impairment of receivables

The Group assesses as at the end of each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's loans and receivables at the end of the reporting period are disclosed in Notes 4, 9, 10, 11, 12, 13 and 31. The Group expects that there will be no material differences between present value of estimated future cash flows and the carrying amount at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (d) Significant accounting judgements and estimates (cont'd)

#### (ii) Depreciation of property, plant and equipment

The cost of property, plant and equipment except for freehold land and construction-in-progress, is depreciated on a straight-line basis over the assets' useful lives. The Group reviews the remaining useful lives of property, plant and equipment at the end of each reporting period and ensures consistency with previous estimates and patterns of consumptions of the economic benefits that embodies the items in these assets. Changes in useful lives of property, plant and equipment may result in revision of future depreciation charges. The carrying amount of the Group's property, plant and equipment at the end of the reporting period is disclosed in Note 3.

#### (iii) Impairment of assets

Determining whether assets are impaired requires an estimation of the recoverable amounts of the assets. As of 31 August 2015, the Group and the Company recognised accumulated impairment losses in respect of the following:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Property, plant and equipment	4,175,384	2,056,552	-	-
Investment in associated company	462,091	462,091	-	-
Investment in subsidiary company	-	-	552,999	-
Other investment	1,500,000	1,500,000	1,500,000	1,500,000

Management exercises its judgement in estimating the recoverable amounts of these assets.

When there is an indication that the carrying amount of an asset may be impaired, the asset's recoverable amount, being the higher of its fair value less costs to sell and its value-in-use ("VIU"), will be assessed. The assessment of the recoverable amounts involves a number of methodologies.

In determining the VIU of an asset, being the future economic benefits to be expected from its continued use and ultimate disposal, the Group and the Company make estimates and assumptions that requires significant judgements. While the Group and the Company believe these estimates and assumptions of VIU could be reasonable and appropriate, changes on these estimates and assumptions of VIU could impact the Group's and the Company's financial position and results.

#### (iv) Impairment of goodwill in joint venture

Determining whether goodwill is impaired requires an estimation of the VIU of the cash-generating units to which goodwill has been allocated. The VIU calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value of those cash flows. The carrying amount of goodwill at the end of the reporting period, pertaining to the investment in joint venture, was RM4,183,649 (2014: RM3,055,359) and no impairment loss has been recognised in profit or loss during the current financial year as the Directors are of the opinion that the recoverable amount of the cash-generating unit is higher than the carrying amount. Details of the cash-generating unit calculation is disclosed in Note 6.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (e) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiaries controlled by the Company made up to the end of the financial year.

The Company controls an entity if and only if the Company has all the following:

- (i) power over the entity;
- (ii) exposure, or rights, to variable returns from its involvement with the entity; and
- (iii) the ability to use its power over the entity to affect the amount of the returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

The Company reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of an entity shall begin from the date the Company obtains control of the entity and cease when the Company loses control of the entity.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

The Company attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to the non-controlling interests. The Company also attributes total comprehensive income to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### *Changes of interests in subsidiaries*

The changes of interests in subsidiaries that do not result in a loss of control are treated as equity transactions between the Group and non-controlling interest holders. Any gain or loss arising from equity transactions is recognised directly in equity.

#### *Loss of control*

When the Company loses control of a subsidiary:

- (i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.
- (ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.
- (iii) It recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant MFRS. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (f) Business combination

The Group accounts for each business combination by applying the acquisition method.

The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer.

The Group accounts for acquisition related costs as expenses in the periods in which the costs are incurred and the services are received.

For each business combination, the Group measures at the acquisition date, components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at either: (i) fair value; or (ii) the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

(a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interest in the acquiree; and (iii) in a business combination achieved in stages, the fair value of the Group's previously held equity interest in the investee.

(b) The net fair value of the identifiable assets acquired and the liabilities assumed.

A business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain in profit or loss on the acquisition date.

### (g) Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are measured at cost less impairment losses, if any. Impairment losses are charged to profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the subsidiary disposed of is recognised in profit or loss.

### (h) Investments in associate and joint venture

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investments in associate or joint venture are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investments in associate or joint venture are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associate or joint venture.

The Group's share of net profit or loss and changes recognised directly in the other comprehensive income of the associate or joint venture are recognised in the consolidated statement of profit or loss and other comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (h) Investments in associate and joint venture (cont'd)

An investment in an associate or joint venture is accounted for using the equity method from the date on which the Group obtains significant influence or joint control until the date the Group ceases to have a significant influence or joint control over the associate or joint venture.

Premium relating to an associate or a joint venture is included in the carrying value of the investment and it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment.

Discount on acquisition is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

Unrealised gains or losses on transactions between the Group and its associate or joint venture are eliminated to the extent of the Group's interest in the associate or joint venture.

Equity accounting is discontinued when the carrying amount of the investment in an associate diminishes by virtue of losses to zero, unless the Group has legal or constructive obligations or made payments on behalf of the associate.

The results and reserves of associate or joint venture are accounted for in the consolidated financial statements based on financial statements made up to the end of the financial year and prepared using accounting policies that confirm to those used by the Group for like transactions in similar circumstances.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate is recognised at fair value on the date when significant influence is lost. Any gain or loss arising from the loss of significant influence over an associate is recognised in profit or loss.

When changes in the Group's interests in an associate that do not result in a loss of significant influence, the retained interests in the associate are not remeasured. Any gain or loss arising from the changes in the Group's interests in the associate is recognised in profit or loss.

In the Company's separate financial statements, investments in associate and joint venture are measured at cost less impairment losses, if any. Impairment losses are recognised in profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the associate disposed of is recognised in profit or loss.

### (i) Property, plant and equipment

#### (i) *Measurement basis*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the assets. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (i) Property, plant and equipment (cont'd)

#### (i) Measurement basis (cont'd)

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

#### (ii) Depreciation

Freehold land and construction-in-progress are not depreciated.

Depreciation is calculated to write off the depreciable amount of other property, plant and equipment on a straight line basis over their estimated useful lives. Depreciable amount of property, plant and equipment is determined after deducting the residual value from the cost.

The principal annual rates used for this purpose are:

Leasehold land	2%
Buildings	2%
Plant and machinery	10% - 12%
Office equipment, computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment	2% - 20%
Motor vehicles	10% - 20%

The residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

### (j) Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

#### (i) Finance lease

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Property, plant and equipment acquired by way of finance leases are stated at amounts equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and any impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is determinable; if not, the Group's incremental borrowing rate is used.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment or investment properties.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (j) Leases (cont'd)

#### (ii) Operating lease

An operating lease is a lease other than a finance lease.

Operating lease income or operating lease rentals are credited or charged to profit or loss on a straight line basis over the period of the lease.

Leasehold land which in substance is an operating lease is classified as prepaid lease payment.

### (k) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiary companies over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary companies at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

### (l) Inventories

Inventories are valued at the lower of cost and net realisable value after due allowance is made for all damaged, obsolete and slow moving items. Cost of raw materials is determined on a first-in, first-out basis and includes the purchase price plus cost incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes direct materials, direct labour and a proportion of direct manufacturing overheads.

### (m) Non-current asset held for sale

Non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition and the sale is highly probable subject only to terms that are usual and customary.

Upon classification as held for sale, non-current asset (or disposal group) will not be depreciated, and will be measured at the lower of its carrying value and fair value less cost to sell. Any differences are recognised in profit or loss.

On initial classification as held for sale, non-current asset is measured at the lower of its carrying amount and fair value less cost to sell. Impairment loss will be recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less cost to sell. On the other hand, gain on any subsequent increase in fair value less cost to sell will also be recognised, but not in excess of the cumulative impairment loss that has been recognised previously.

# NOTES TO THE FINANCIAL STATEMENTS

## (CONT'D)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (n) Equity instruments

Equity instruments are initially recognised at cost and are not remeasured subsequently.

##### (i) Issuance expenses

Costs incurred directly attributable to the issuance of equity instruments are accounted for as a deduction from share premium, if any, otherwise it is charged to profit or loss.

##### (ii) Ordinary shares

Ordinary shares are recorded at nominal value and proceeds received in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity.

##### (iii) Preference shares

Preference shares are classified as equity if it is non-redeemable or its redemption is at the discretion of the Company.

##### (iv) Dividends

Dividends to shareholders are recognised in equity in the period in which they are declared.

#### (o) Share buy-back

When shares are repurchased and held as treasury shares, the amount of the consideration paid, including directly attributable costs, is recognised as cost and set off against equity.

When shares are repurchased and cancelled, the nominal value of the shares repurchased is cancelled by a debit to share capital and an equivalent amount is transferred to capital redemption reserve. The consideration, including any acquisition cost and premium or discount arising from the shares repurchased, is adjusted to share premium or any other suitable reserve.

When such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental external cost and the related tax effects, is recognised in equity.

#### (p) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### (q) Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (r) Financial instrument

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

#### (ii) Financial instrument categories and subsequent measurement

##### Financial assets

The Group and the Company have financial assets classified as either loans and receivables or available-for-sale financial assets, as appropriate. Management determines the classification of the financial assets as set out below upon initial recognition.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned. A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using settlement date accounting.

##### *Loans and receivables*

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the end of each reporting period, which are classified as non-current asset.

Subsequent measurement of financial assets in this category is at amortised cost using the effective interest method, less allowance for impairment loss. Any gains or losses arising from derecognition or impairment, and through the amortisation process of loans and receivables are recognised in profit or loss.

Known bad debts are written off and allowance is made for any receivables considered to be doubtful of collection.

##### *Available-for-sale financial assets*

This category comprises investment in equity that are not held for trading or designation at fair value through profit or loss.

Subsequent measurement of financial assets in this category is at fair value. Where fair value cannot be measured reliably, they are measured at cost less impairment loss.

Any gains or losses arising from changes in fair value are recognised in other comprehensive income, except for impairment losses, until the investment is derecognised, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

All financial assets are subject to review for impairment.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (r) Financial instrument (cont'd)

#### (ii) Financial instrument categories and subsequent measurement (cont'd)

##### Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss comprises financial liabilities that are held for trading, derivatives (except for a designated and effective hedging instrument) and financial liabilities that are specifically designated into this category upon initial recognition. These financial liabilities are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

#### (iii) Derecognition of financial assets and liabilities

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in equity is recognised in profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

On derecognition of a financial liabilities, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### (iv) Derivative financial instruments

The Company entered into derivative financial instruments (interest rate swap) in prior year to manage its exposure to interest rate risk. Further details of derivative financial instrument are disclosed in Notes 35 and 36.

Derivative is initially recognised at fair value at the date of the derivative contract is entered into and is subsequently remeasured at fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of hedge relationship.

A derivative with a positive fair value recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (s) Impairment of non-financial assets

- (i) Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the goodwill may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from synergies of the business combination.

An impairment loss is recognised when the carrying amount of the cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit and then to the other assets of the cash-generating unit proportionately on the basis of the carrying amount of each asset in the cash-generating unit.

Impairment loss recognised for goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

- (ii) Property, plant and equipment

Property, plant and equipment and investments in subsidiary and associates are assessed at the end of each reporting period to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are charged to profit or loss.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

### (t) Impairment of financial assets

All financial assets are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

- (i) Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (t) Impairment of financial assets (cont'd)

#### (i) Assets carried at amortised cost (cont'd)

If in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

#### (ii) Assets carried at cost

If there is objective evidence that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Such impairment losses are not reversed in subsequent periods.

#### (iii) Available-for-sale financial assets

If there is objective evidence that an impairment loss on available-for-sale financial assets has been incurred, the amount of the loss is measured as the difference between the asset's acquisition cost and the asset's current fair value, less any impairment loss previously recognised. When a decline in the fair value of an asset has been previously recognised in other comprehensive income, the cumulative losses in other comprehensive income are reclassified from equity to profit or loss.

### (u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue of the Group represents amounts receivable for goods and services provided in the normal course of business net of returns and trade discounts and allowances. Revenue of the Company represents dividend income from subsidiary companies.

The Group and the Company recognise revenue when the amount of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group and the Company, upon satisfying the conditions of the Group's and the Company's activities as set out below.

Sales of goods are recognised upon delivery of products and when risks and rewards of ownership have passed. Dividend income is recognised when the shareholders' rights to receive payment is established.

### (v) Income tax

The income tax expense in profit or loss represents the aggregate amount of current tax and deferred tax.

Current tax is the expected income tax payable or receivable on the taxable income or loss for the year, estimated using the tax rates enacted or substantially enacted by the end of the reporting period.

On the statement of financial position, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is only recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax losses can be utilised.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (v) Income tax (cont'd)

No deferred tax is recognised for temporary differences arising from the initial recognition of:

- (i) goodwill, or
- (ii) an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted or substantively enacted by the end of the reporting period that are expected to apply to the period when the asset is realised or when the liability is settled.

Current tax and deferred tax are charged or credited directly to other comprehensive income if the tax relates to items that are credited or charged, whether in the same or a different period, directly to other comprehensive income.

### (w) Borrowing costs

Borrowing costs incurred on assets under development that take a substantial period of time to complete are capitalised into the carrying value of the assets. Capitalisation of borrowing costs ceases when development is completed or during extended periods when active development is interrupted.

All other borrowing costs are charged to profit or loss in the period in which they are incurred. The interest component of hire purchase payments is charged to profit or loss over the hire purchase period so as to give a constant periodic rate of interest on the remaining tenure of the hire purchase contract.

### (x) Employee benefits

#### (i) *Short term employee benefits*

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

#### (ii) *Post-employment benefits*

The Company and its Malaysian subsidiaries pay monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company and its Malaysian subsidiaries is limited to the amount that they agree to contribute to the EPF. The contributions to the EPF are charged to profit or loss in the period to which they relate.

Some of the Company's foreign subsidiary companies make contributions to their respective countries statutory pension schemes which are recognised as an expense in profit or loss as incurred.

# NOTES TO THE FINANCIAL STATEMENTS

## (CONT'D)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (y) Foreign currencies

- (i) Functional currency is the currency of the primary economic environment in which an entity operates.

The financial statements of each entity within the Group are measured using their respective functional currency.

- (ii) *Transactions and balances in foreign currencies*

Transactions in foreign currencies are translated to Ringgit Malaysia at the rates of exchange prevailing at the date of the transaction. Monetary items denominated in foreign currencies at the end of each reporting period are translated to Ringgit Malaysia at the foreign exchange rates prevailing at that date. Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated to Ringgit Malaysia at the foreign exchange rates prevailing at the date of the initial transaction.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated to Ringgit Malaysia using the foreign exchange rates prevailing at the date when the fair values were determined.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

When a gain or loss on a non-monetary item is recognised directly in equity, any corresponding exchange gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any corresponding exchange gain or loss is recognised in profit or loss.

- (iii) *Translation of foreign operations*

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the reporting date.

Income and expense items are translated at exchange rates approximating those ruling on transactions dates.

All exchange differences arising from the translation of the financial statements of foreign operations are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

#### (z) Cash and cash equivalents

Cash and cash equivalents are cash in hands, short term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flow, cash and cash equivalents are presented net of bank overdrafts.

#### (aa) Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed by the chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 3. PROPERTY, PLANT AND EQUIPMENT

Group	2015 Cost	Freehold land		Leasehold land	Buildings		Plant and machinery	Office equipment, computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment		Motor vehicles	Construction-in-progress	Total RM
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
At 1 September 2014	10,923,043	3,616,943	30,150,981	75,001,906	7,514,332	4,390,108	736,030	132,333,343				
Additions	-	16,077	-	1,281,170	637,152	434,176	357,538	2,726,113				
Reclassification	-	-	1,093,568	-	-	-	(1,093,568)	-				
Disposals	-	-	(100,000)	(1,001,841)	(316,000)	(475,334)	-	(1,893,175)				
Write-offs	-	-	-	(3,548,304)	-	-	-	(3,548,304)				
Transfer to non-current asset held for sale	(6,130,000)	-	(3,670,000)	-	-	-	-	(9,800,000)				
At 31 August 2015	4,793,043	3,633,020	27,474,549	71,732,931	7,835,484	4,348,950	-	119,817,977				
<b>Accumulated depreciation</b>												
At 1 September 2014	-	69,801	2,118,917	57,395,832	4,669,549	2,875,154	-	67,129,253				
Additions	-	38,173	614,500	4,134,022	491,078	530,672	-	5,808,445				
Disposals	-	-	(16,000)	(964,445)	(293,134)	(429,435)	-	(1,703,014)				
Write-offs	-	-	-	(3,547,249)	-	-	-	(3,547,249)				
Transfer to non-current asset held for sale	-	-	(239,027)	-	-	-	-	(239,027)				
At 31 August 2015	-	107,974	2,478,390	57,018,160	4,867,493	2,976,391	-	67,448,408				

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land	Leasehold land	Buildings	Plant and machinery	Office equipment, computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment	Motor vehicles	Construction-in-progress	Total
2015								
Accumulated impairment								
At 1 September 2014	-	-	-	2,056,552	-	-	-	2,056,552
Additions	-	-	-	1,877,587	230,117	92,296	-	2,200,000
Disposals	-	-	-	(81,168)	-	-	-	(81,168)
At 31 August 2015	-	-	-	3,852,971	230,117	92,296	-	4,175,384
<b>Net book value</b>								
At 31 August 2015	4,793,043	3,525,046	24,996,159	10,861,800	2,737,874	1,280,263	-	48,194,185

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land	Leasehold land	Buildings	Plant and machinery	Office equipment, computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment	Motor vehicles	Construction-in-progress	Total
2014								
Cost								
At 1 September 2013	10,923,043	3,616,943	29,729,918	75,892,099	7,287,633	4,372,442	-	131,822,078
Additions	-	-	421,063	1,178,859	254,152	444,046	736,030	3,034,150
Disposals	-	-	-	(2,069,052)	(14,000)	(426,380)	-	(2,509,432)
Write-offs	-	-	-	-	(13,453)	-	-	(13,453)
At 31 August 2014	10,923,043	3,616,943	30,150,981	75,001,906	7,514,332	4,390,108	736,030	132,333,343
Accumulated depreciation								
At 1 September 2013	-	31,728	1,511,421	54,529,878	4,221,717	2,742,173	-	63,036,917
Additions	-	38,073	607,496	4,935,005	472,479	493,160	-	6,546,213
Disposals	-	-	-	(2,069,051)	(12,579)	(360,179)	-	(2,441,809)
Write-offs	-	-	-	-	(12,068)	-	-	(12,068)
At 31 August 2014	-	69,801	2,118,917	57,395,832	4,669,549	2,875,154	-	67,129,253

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land	Leasehold land	Buildings	Plant and machinery	Office equipment, computer equipment, furniture, fittings, renovation, factory upgrade and factory equipment	Motor vehicles	Construction-in-progress	Total
2014								
Accumulated impairment								
At 1 September 2013	-	-	-	375,122	-	-	-	375,122
Additions	-	-	-	1,681,430	-	-	-	1,681,430
At 31 August 2014	-	-	-	2,056,552	-	-	-	2,056,552
<b>Net book value</b>								
At 31 August 2014	10,923,043	3,547,142	28,032,064	15,549,522	2,844,783	1,514,954	736,030	63,147,538

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Included in property, plant and equipment of the Group are the following assets acquired under hire purchase arrangements:

	Group	
	2015 RM	2014 RM
Net book value:		
Plant and machinery	2,085,119	1,138,205
Motor vehicles	643,034	682,020
	2,728,153	1,820,225

Included in property, plant and equipment of the Group are the following fully depreciated assets which are still in use:

	Group	
	2015 RM	2014 RM
Cost:		
Plant and machinery	35,445,531	27,884,833
Office equipment and furniture, fittings, renovation, factory upgrade and factory equipment	2,318,579	2,543,240
Motor vehicles	1,390,337	762,332
	39,154,447	31,190,405

During the year, as a result of the poor performance of the printed circuit board ("PCB") and module assembly segment of the Group, the Group carried out a review of the recoverable amount of plant and machinery in this segment. The recoverable amount is determined from value-in-use calculation which uses cash flow projections based on financial budget approved by the Directors covering a five-year period and a discount rate of 8.57% (2014: 10%) per annum. The key assumptions for the value-in-use calculation are those regarding the revenue growth rates, budgeted gross margin and expected changes to selling prices and direct costs during the projection period.

The Directors estimate discount rate used reflects current market assessment of the time value of money and the risk specific to the PCB and module assembly segment.

The Directors believed that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the PCB and module assembly segment.

In addition to the review above, the Group has identified certain plant and machinery which are under utilise. Thus, an impairment loss of RM2,200,000 was recognised in profit or loss.

In prior year, the review above led to the recognition of an impairment loss of RM1,681,430, which was recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

As of 31 August 2015, the following property, plant and equipment are charged to licensed banks as security for term loans and other credit facilities, as mentioned in Notes 19 and 24, granted to the Group:

	Group	
	2015 RM	2014 RM
Net book value:		
Freehold land	8,200,000	10,923,043
Leasehold land	3,525,046	3,547,142
Buildings	24,455,464	27,944,726
	36,180,510	42,414,911

## 4. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2015 RM	2014 RM
Unquoted shares at cost	49,046,047	49,046,047
Less: Accumulated impairment losses	(552,999)	-
	48,493,048	49,046,047

The details of the subsidiary companies are as follows:

Name of subsidiary companies	Effective equity interest		Country of incorporation	Principal activity
	2015 %	2014 %		
<i>Direct subsidiaries</i>				
Ban Seng Lee Industries Sdn. Bhd.	100	100	Malaysia	Stamping and manufacturing of precision metal parts and fabrication of tools and dies.
Crestronics (M) Sdn. Bhd.	100	100	Malaysia	Printed circuit board assembly and assembly of all types of electronic and electrical components, devices and system.
Unique Forging & Components Sdn. Bhd.	100	100	Malaysia	Fabrication and forging of base metal components.
BSL (HK) Limited*	100	100	Hong Kong, People's Republic of China	Investment holding.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 4. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Name of subsidiary companies	Effective equity interest		Country of incorporation	Principal activity
	2015 %	2014 %		
<i>Direct subsidiaries</i>				
Advance Autotek Industries (M) Sdn. Bhd.	51	51	Malaysia	Investment holding.
<i>Indirect subsidiaries</i>				
Kotamech Engineering Sdn. Bhd.**@	100	100	Malaysia	In Members' Voluntary Liquidation.
Crestronics Greentech (M) Sdn. Bhd.***	52	52	Malaysia	Research and development, trading and manufacturing of energy efficient products.
AAI Auto Electronics Sdn. Bhd.#	51	51	Malaysia	Dormant.

\* Audited by a firm of auditors other than Mazars.

\*\* Held through Ban Seng Lee Industries Sdn. Bhd.

\*\*\* Held through Crestronics (M) Sdn. Bhd.

# Held through Advance Autotek Industries (M) Sdn. Bhd.

@ The shareholders at an Extraordinary General Meeting held on 16 October 2015 resolved to place the company under Members' Voluntary Liquidation.

Details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

	Proportion of ownership interests and voting right held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2015	2014	2015	2014	2015	2014
	%	%	RM	RM	RM	RM
Advance Autotek Industries (M) Sdn. Bhd.	49	49	74,942	71,341	4,960,950	4,886,008
Individually immaterial subsidiary companies with non-controlling interests					191,073	81,570
					5,152,023	4,967,578

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 4. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Summarised financial information in respect of the Group's subsidiary company that has material non-controlling interest is set out below. The summarised financial information below represents amount before intragroup eliminations.

<b>Advance Auototek Industries (M) Sdn. Bhd.</b>	<b>2015 RM</b>	<b>2014 RM</b>
Current assets	10,163,848	10,011,284
Current liabilities	39,459	39,837
Equity attributable to owners of the Company	5,163,439	5,085,439
Non-controlling interest	4,960,950	4,886,008
Other income	227,372	222,590
Other expenses	(74,430)	(76,996)
Profit for the year	152,942	145,594
Profit attributable to owners of the Company	78,000	74,253
Profit attributable to the non-controlling interests	74,942	71,341
Profit for the year	152,942	145,594
Total comprehensive income attributable to owners of the Company	78,000	74,253
Total comprehensive income attributable to the non-controlling interest	74,942	71,341
Total comprehensive income for the year	152,942	145,594
Net cash outflow from operating activities	(74,808)	(107,651)
Net cash inflow from investing activities	227,373	222,824
Net cash inflow	152,565	115,173

Amount owing by subsidiary companies comprises as the following:

	<b>Company</b>	
	<b>2015 RM</b>	<b>2014 RM</b>
Gross outstanding	23,377,018	20,384,477
Less: Allowance for doubtful debts	(5,616,313)	(4,266,313)
	17,760,705	16,118,164

The amount owing by subsidiary companies arise mainly from dividend receivable and advances granted which bear interest at 3.5% (2014: 3.5%) per annum and is unsecured and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 4. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The currency exposure profile of amount owing by subsidiary companies are as follows:

	Company	
	2015 RM	2014 RM
Ringgit Malaysia	13,114,718	12,754,194
Hong Kong Dollar	4,645,987	3,363,970
	<u>17,760,705</u>	<u>16,118,164</u>

The amount owing to subsidiary company, which is denominated in Ringgit Malaysia, arose mainly from advances received and payments made on behalf, is unsecured, interest-free and repayable on demand.

## 5. INVESTMENT IN ASSOCIATED COMPANY

	Group	
	2015 RM	2014 RM
Unquoted shares at cost	4,701,171	4,701,171
Share of post-acquisition losses	(4,239,080)	(4,239,080)
	<u>462,091</u>	<u>462,091</u>
Less: Accumulated impairment losses	(462,091)	(462,091)
	<u>-</u>	<u>-</u>

In 2014, the Company made an additional impairment loss of RM101,317 in respect of its investment in Hongze Yiyang Steel Tubes Co., Ltd. due to the continuous losses incurred.

The associated company, which is incorporated in the People's Republic of China, is as follows:

Name of company	Effective equity interest		Principal activity
	2015 %	2014 %	
<i>Direct interest</i>			
Hongze Yiyang Steel Tubes Co., Ltd.	25	25	Production, manufacturing, sales and distribution of seamless steel tubes and pipes.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 5. INVESTMENT IN ASSOCIATED COMPANY (cont'd)

The following amounts represent the income, expenses, assets and liabilities of the associated company:

	2015 RM	2014 RM
Revenue	55,950,742	61,104,312
Other income	375,100	1,750,098
Other expenses	(57,490,550)	(67,028,777)
Loss before tax	(1,164,708)	(4,174,367)
Income tax expense	-	-
Loss after tax	(1,164,708)	(4,174,367)
Share of results of associated company	-	(1,043,592)
<i>Assets and liabilities</i>		
Current assets	18,001,706	16,565,520
Non-current assets	19,637,296	17,544,540
Current liabilities	(38,398,442)	(33,704,792)
Net (liabilities)/assets	(759,440)	405,268
Share of net assets of associated company	-	101,317
Impairment loss recognised	-	(101,317)
	-	-

## 6. INVESTMENT IN JOINT VENTURE

	2015 RM	Group 2014 RM
Unquoted shares at cost	3,502,444	3,502,444
Share of post-acquisition profit/(losses)	714,712	(118,190)
	4,217,156	3,384,254

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 6. INVESTMENT IN JOINT VENTURE (cont'd)

The joint venture company, which is incorporated in the Hong Kong, is as follows:

Name of company	Effective equity interest		Principal activity
	2015 %	2014 %	
<i>Direct interest</i>			
Petapak Holdings Ltd. ("PHL")	22.5	22.5	Investment holding company.

On 21 July 2014, BSL HK Limited ("BSL HK"), a wholly owned subsidiary company, entered into a sale and purchase of shares agreement ("SPA") with Southern Star Corporation ("SS") and Asim Salameh ("AS") (as guarantor to guarantee the performance of SS) for the acquisition of 225 ordinary shares by BSL HK from SS, representing 22.5% of the total issued and paid up share capital of PHL, for a total cash consideration of RM3,825,000.

Concurrent with the signing of the SPA, the following agreements were executed:

- (i) A subscription cum shareholders agreement ("SSA") was executed between PHL, BSL HK and SS to govern the conduct, obligation and understanding amongst the shareholders of PHL, including the subscription of additional 2,000 new ordinary shares to be issued by BSL HK and SS in accordance with the existing proportions of their shareholdings for working capital purposes for a cash consideration of RM3,000,000; and
- (ii) A master manufacturing agreement ("MMA") was executed by Ban Seng Lee Industries Sdn. Bhd. ("BSLI"), a wholly owned subsidiary company, with Petapak Aerosol International Limited ("PAIL"), a wholly owned subsidiary company of PHL and a company incorporated in Hong Kong, in respect of the appointment of BSLI by PAIL as an exclusive manufacturer and supplier for metal collars (a component of plastic aerosol containers) worldwide save for Australia and New Zealand. The MMA shall become effective on the date of MMA and shall be in full force and effect for 20 years thereafter, provided that BSLI shall not be in breach of the MMA, the term shall be automatically extended on a yearly basis.

PHL has two wholly owned subsidiary companies, namely PAIL and Petapak IP Limited ("PIPL"). PAIL is principally involved in the sales and marketing of polyethylene terephthalate ("PET") plastic aerosol containers. PIPL is principally involved in owning and developing the intellectual property rights. Both PAIL and PIPL are dormant at the end of the reporting period.

The above joint venture is accounted for using the equity method in these consolidated financial statements.

The following amounts represent the income, expenses, assets and liabilities of the joint venture:

	Group	
	2015 RM	2014 RM
Revenue	21,522	-
Other income	-	-
Other expenses	(1,557,185)	(525,289)
Loss before tax	(1,535,663)	(525,289)
Tax expense	-	-
Loss after tax	(1,535,663)	(525,289)
Share of results of joint venture	(345,524)	(118,190)

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 6. INVESTMENT IN JOINT VENTURE (cont'd)

	Group	
	2015 RM	2014 RM
<i>Assets and liabilities</i>		
Current assets	148,919	1,970,345
Non-current assets	-	3,151
Current liabilities	-	(511,742)
Net assets	148,919	1,461,754
Share of net assets of joint venture	33,507	328,895

Reconciliation of the above summaries financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	Group	
	2015 RM	2014 RM
Net assets of the joint venture	33,507	328,895
Goodwill	4,183,649	3,055,359
Carrying amount of the Group's interest in the joint venture	4,217,156	3,384,254

Goodwill arose from the acquisition of joint venture because the consideration paid for the joint venture effectively included amounts in relation to the expected synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Goodwill acquired in business combination is allocated to the cash generating unit ("CGU") that are expected to benefit from that business combination. Goodwill has been allocated to the PET Plastic Aerosol operation of the Group which is expected to be commenced operations in next financial year.

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Directors covering a five-year period, and a discount rate of 15% (2014: 15%) per annum.

Cash flow projections during the budget period are based on key assumptions on expected date of commercial operations, budgeted market share, budgeted gross profit, expected changes to selling prices and direct costs during the projection period.

The Directors estimate discount rate of 15% (2014: 15%) per annum reflects the current market assessment of the time value of money and the risk specific to the CGU. The Director believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the CGU.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 7. OTHER INVESTMENT

	Group and Company	
	2015	2014
	RM	RM
Available-for-sale financial assets:		
Unquoted subordinated bonds - at cost	1,500,000	1,500,000
Less: Accumulated impairment losses	(1,500,000)	(1,500,000)
	-	-

In year 2007, the Company participated in a Primary Collateralised Loan Obligations ("CLO") transaction and obtained an unsecured term loan facility of RM15,000,000. It includes a condition to subscribe for the subordinated bonds disclosed above pursuant to the CLO of up to 10% of the principal amount of the term loan. The term loan has been fully repaid by the Company in year 2011.

## 8. INVENTORIES

	Group	
	2015	2014
	RM	RM
Raw materials	4,106,741	4,286,244
Work-in-progress	2,564,174	2,614,857
Finished goods	2,756,123	2,584,116
Goods-in-transit	5,370	-
	9,432,408	9,485,217

Cost of inventories recognised as expenses of the Group amounting RM94,347,802 (2014: RM91,866,327).

The cost of inventories recognised as cost of sales in profit or loss includes RM11,406 (2014: RM749,045) in respect of write-downs of inventories to its net realisable value.

The amount of inventories carried at net realisable value is RM581,757 (2014: RM673,003).

## 9. TRADE RECEIVABLES

	Group	
	2015	2014
	RM	RM
Trade receivables	18,453,725	16,027,846
Less: Allowance for doubtful debts	(1,108,844)	(1,102,794)
	17,344,881	14,925,052

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 9. TRADE RECEIVABLES (cont'd)

Trade receivables comprise amounts receivable for sales of goods. The average credit period on sales of goods is from 30 days to 90 days (2014: 30 days to 90 days). No interest is charged on trade receivables.

The foreign currency exposure profile of trade receivables are as follows:

	Group	
	2015 RM	2014 RM
Ringgit Malaysia	14,120,097	13,005,923
United States Dollar	4,333,628	3,021,923
	18,453,725	16,027,846

## 10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group	
	2015 RM	2014 RM
Advance payment to suppliers	386,396	141,000
Other receivables	2,074,041	334,927
Refundable deposits	44,820	115,667
Prepayments	1,159,779	77,766
	3,665,036	669,360

## 11. AMOUNT OWING BY A CORPORATE SHAREHOLDER

The amount owing by a corporate shareholder is trade in nature and expected to be settled within the normal credit periods.

## 12. SHORT-TERM DEPOSITS WITH LICENSED BANKS

The short-term deposits of the Group bears interest at rates ranging from 2.45% to 3.51% (2014: 1.63% to 3.25%) per annum and have maturity periods ranging from 31 days to 231 days (2014: 15 days to 365 days).

Included in the short-term deposits of the Group are deposits amounting RM533,807 (2014: RM517,506) pledged to a licensed bank as collateral for term loan, bank overdrafts and other credit facilities granted to a subsidiary company as mentioned in Notes 19 and 24.

Short-term deposits with licensed banks are denominated in Ringgit Malaysia.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances	6,946,507	8,720,180	122,093	611,708
Short-term deposits with licensed banks (Note 12)	11,092,819	12,251,386	-	-
	18,039,326	20,971,566	122,093	611,708
Less: Short-term deposits pledged to a bank with maturity exceeding 90 days	(533,807)	(517,506)	-	-
	17,505,519	20,454,060	122,093	611,708

The foreign currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Ringgit Malaysia	4,874,046	7,311,540	122,093	611,708
United States Dollar	2,067,276	1,379,653	-	-
Hong Kong Dollar	5,185	28,987	-	-
	6,946,507	8,720,180	122,093	611,708

## 14. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

*Non-current asset classified as held for sale:*

	Group	
	2015 RM	2014 RM
At cost	9,800,000	-
Accumulated depreciation	(239,027)	-
Net book value	9,560,973	-

*Liabilities directly associated with non-current asset classified as held for sale:*

	Group	
	2015 RM	2014 RM
Deferred tax liabilities	271,068	-

On 9 September 2015, Crestronics (M) Sdn. Bhd., a wholly owned subsidiary, entered into sales and purchase agreement with a third party to dispose the freehold land and buildings with a purchase consideration of RM9,878,660. The transaction is yet to complete on the report date.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 15. SHARE CAPITAL

	Group and Company	
	2015	2014
	RM	RM
Authorised:		
500,000,000 ordinary shares of RM0.50 each	250,000,000	250,000,000
Issued and fully paid:		
98,000,000 ordinary shares of RM0.50 each	49,000,000	49,000,000

## 16. TREASURY SHARES

	Group and Company			
	Number of ordinary shares of RM0.50 each		Amounts	
	2015	2014	2015	2014
At 1 September	1,209,113	1,143,113	405,390	386,775
Repurchased during the year	66,000	75,000	15,063	18,615
At 31 August	1,275,113	1,209,113	420,453	405,390

During the financial year, the Company purchased 66,000 (2014: 75,000) of its own shares through purchases on Bursa Malaysia Securities Berhad for RM15,063 (2014: RM18,615) which has been deducted from equity. The repurchased transactions were financed by internally generated funds and the average price paid for the shares was RM0.2282 (2014: RM0.2482) per share.

## 17. RESERVES

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
Non-distributable reserves:					
Share premium	(i)	1,767,230	1,767,230	1,767,230	1,767,230
Foreign currency translation reserve		(1,096,648)	301,589	-	-
		670,582	2,068,819	1,767,230	1,767,230
Distributable reserve:					
Retained earnings		17,145,154	20,713,020	2,364,442	1,842,684
		17,815,736	22,781,839	4,131,672	3,609,914

- (i) Share premium arose from the issuance of ordinary shares of RM0.50 each at a premium of RM0.18 per share, net of listing expenses, in prior years.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 18. HIRE PURCHASE LIABILITIES

	Group	
	2015 RM	2014 RM
Total outstanding	1,565,004	1,115,676
Less: Interest-in-suspense	(96,660)	(57,086)
Principal outstanding	1,468,344	1,058,590
Less: Portion due within the next 12 months (shown under current liabilities)	(754,548)	(569,560)
Non-current portion	713,796	489,030

The non-current portion are repayable as follows:

	Group	
	2015 RM	2014 RM
Financial year ending August 31:		
2016	-	404,954
2017	528,677	84,076
2018 and thereafter	185,119	-
	713,796	489,030

The term of the hire purchase liabilities is 2 to 5 years and interest rates implicit in the hire purchase arrangements range from 4.46% to 6.56% (2014: 4.46% to 7.50%) per annum. The interest rates are fixed at the inception of the hire purchase arrangement.

## 19. TERM LOANS

	Group	
	2015 RM	2014 RM
Total outstanding	14,915,037	17,488,081
Less: Portion due within the next 12 months (shown under current liabilities)	(2,660,128)	(16,319,334)
Portion due after the next 12 months	12,254,909	1,168,747

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 19. TERM LOANS (cont'd)

The non-current portion of the term loans are repayable as follows:

	Group	
	2015 RM	2014 RM
Financial year ending 31 August:		
2016	-	191,701
2017	2,666,665	191,701
2018	2,592,668	191,701
2019	2,680,653	593,644
Thereafter	4,314,923	-
	12,254,909	1,168,747

The Group has term loans facilities totalling RM34,515,800 (2014: RM34,515,800) obtained from licensed banks. The term loans of the Group bears interest at rates ranging from 4.50% to 7.35% (2014: 4.50% to 7.35%) per annum.

The details of the outstanding term loans at year end are as follows:

- (i) A ten (10) year loan of RM14,670,000 repayable by 120 equal monthly installments of RM122,250 each, commencing in October 2009.

The outstanding balance as of 31 August 2015 was RM6,234,750 (2014: RM7,701,750); and

- (ii) A ten (10) year loan of RM9,700,000 repayable by 119 equal monthly installments of RM80,834 each plus a last installment of RM80,754. The first installment commenced on the first day of the first month immediately after full drawdown in June 2013.

The outstanding balance as of 31 August 2015 was RM7,517,482 (2014: RM8,487,490).

The abovementioned term loans are secured by fixed and floating charges over certain property, plant and equipment of a subsidiary company, a first party legal charge over the freehold land, and a corporate guarantee by the Company.

During the financial year ended 31 August 2014, following the non-compliance of certain loan covenant by a subsidiary company during the year, the non-current portion of the affected term loan has been reclassified as current portion as the said subsidiary company does not have an unconditional right to defer settlement of the term loans for at least twelve months after the reporting period.

During the financial year ended 31 August 2015, the subsidiary company has breached certain loan covenant. The bank has confirmed not to recall the term loan.

- (iii) A ten (10) year loan of RM1,530,533 repayable by 120 equal monthly installments of RM15,975 each, commencing in November 2012. The outstanding balance as at 31 August 2015 was RM1,162,805 (2014: RM1,298,841).

The said term loan is secured by a first party legal charge over the leasehold land of a subsidiary company, a pledge of fixed deposit (Note 12) and a corporate guarantee by the Company.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 20. DEFERRED TAX LIABILITIES

	Group	
	2015 RM	2014 RM
At 1 September	1,092,000	1,970,000
Recognised in profit or loss	622,501	(878,000)
Transfer to liability associated with non-current asset classified as held for sale	(271,068)	-
At 31 August	1,443,433	1,092,000

The components and movements of deferred tax liabilities during the financial year are as follows:

	Group	
	2015 RM	2014 RM
Tax effects of:		
- Excess of capital allowances over accumulated depreciation on property, plant and equipment	2,358,432	4,011,970
- Unabsorbed tax losses	-	(203,000)
- Unabsorbed capital allowances	(656,333)	(2,064,788)
- Others	(258,666)	(652,182)
	1,443,433	1,092,000

## 21. TRADE PAYABLES

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. The credit period granted to the Group on purchases of goods ranges from 60 days to 90 days (2014: 60 days to 90 days).

The currency exposure profile of trade payables are as follows:

	Group	
	2015 RM	2014 RM
Ringgit Malaysia	11,793,193	7,582,883
United States Dollar	2,909,554	2,075,004
	14,702,747	9,657,887

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 22. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Accrued expenses	2,420,778	2,122,996	137,075	50,312
Other payables	1,040,683	534,202	-	18,367
Interest payable	64,285	72,874	-	-
	<b>3,525,746</b>	<b>2,730,072</b>	<b>137,075</b>	<b>68,679</b>

The currency exposure profile of other payables and accrued expenses are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Ringgit Malaysia	3,483,466	2,674,973	137,075	68,679
Others	42,280	55,099	-	-
	<b>3,525,746</b>	<b>2,730,072</b>	<b>137,075</b>	<b>68,679</b>

## 23. PROVISION

	Group	
	2015 RM	2014 RM
At 1 September	200,000	-
Recognised in profit or loss	-	200,000
At 31 August (Note 34 (b))	<b>200,000</b>	<b>200,000</b>

## 24. BANK BORROWINGS

	Group	
	2015 RM	2014 RM
Bank overdrafts	2,822,584	3,217,456
Bankers' acceptances	270,000	812,000
	<b>3,092,584</b>	<b>4,029,456</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 24. BANK BORROWINGS (cont'd)

In addition to the term loans facilities as mentioned in Note 19, the Group has bank overdrafts and other credit facilities amounting to RM18,165,267 (2014: RM25,765,267) which bear interest at rates ranging from 1.20% to 8.35% (2014: 1.20% to 7.38%) per annum.

The overdrafts and other credit facilities amounting to RM6,765,267 (2014: RM11,865,267) are secured by:

- (i) Fixed and floating charges over certain property, plant and equipment of a subsidiary company (Note 3);
- (ii) Short-term deposits of a subsidiary company (Note 12); and
- (iii) Corporate guarantee by the Company.

## 25. INVESTMENT REVENUE

	Group	
	2015 RM	2014 RM
Interest income from short-term deposits with licensed banks	282,701	384,242

## 26. STAFF COSTS

Staff costs include salaries, contributions to EPF, bonuses and all other staff related expenses. During the financial year, included in staff costs are contributions to EPF made by the Group amounting to RM1,113,340 (2014: RM1,039,597).

The remuneration of the key management personnel, who are also the Directors of the Group and of the Company, are as disclosed in Note 28. The estimated monetary value of benefit-in-kind received by the Directors from the Group amounting to RM34,525 (2014: RM38,625).

## 27. FINANCE COSTS

	Group	
	2015 RM	2014 RM
Interest expense on:		
Term loans	892,676	1,015,708
Bankers acceptances	42,981	61,143
Hire purchase	76,770	63,157
Bank overdrafts	241,239	221,719
	1,253,666	1,361,727

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 28. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax is stated after charging:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Allowance for doubtful debts:				
- Trade receivables	6,050	57,574	-	-
- Amount owing by subsidiary company	-	-	1,350,000	4,266,313
Auditors' remuneration:				
- Current year	155,000	135,000	44,000	30,000
- Under provision in prior year	-	1,461	-	-
Directors' remuneration*	1,424,860	2,015,378	236,400	269,700
Impairment of:				
- Property, plant and equipment	2,200,000	1,681,430	-	-
- Investment in associated company	-	101,317	-	-
- Investment in subsidiary company	-	-	552,999	-
Inventories written down	11,406	749,045	-	-
Provision	-	200,000	-	-
Property, plant and equipment written off	1,055	1,385	-	-
Rental of motor vehicles	513,716	634,276	-	-
Rental of premises	125,000	307,500	-	-
Unrealised loss on foreign exchange	-	-	-	186,266
and crediting:				
Deposit forfeited from proposed sales of land and building	-	226,000	-	-
Dividend income	-	-	-	3,500,000
Gain on disposal of property, plant and equipment	166,489	419,304	-	-
Gain on fair value of interest rate swap	-	115,919	-	-
Gain on foreign exchange				
- Realised	427,992	5,295	-	-
- Unrealised	2,970,000	244,344	2,582,911	-
Interest income from short-term deposits	282,701	384,242	-	-
Interest receivable from subsidiary companies	-	-	450,530	443,996

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 28. (LOSS)/PROFIT BEFORE TAX (cont'd)

\* Directors' remuneration consists of the following:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive Directors:				
Company				
- Fees	137,600	162,600	137,600	175,100
Subsidiary companies				
- Other emoluments	1,188,460	1,754,578	-	-
	1,326,060	1,917,178	137,600	175,100
Non-executive Directors:				
- Fees	94,600	94,600	94,600	94,600
- Other emoluments	4,200	3,600	4,200	-
	1,424,860	2,015,378	236,400	269,700

## 29. TAX EXPENSE/(CREDIT)

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Current tax expense:				
- Current year	168,571	187,079	107,000	95,550
- Prior years	61,464	(1,578)	6,450	-
	230,035	185,501	113,450	95,550
Deferred tax:				
- Current year	413,265	(654,152)	-	-
- Prior years	209,236	(223,848)	-	-
	622,501	(878,000)	-	-
Total tax expense/(credit)	852,536	(692,499)	113,450	95,550

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 29. TAX EXPENSE/(CREDIT) (cont'd)

A reconciliation of tax applicable to (loss)/profit before tax at the applicable statutory income tax rate to income tax at the effective income tax rates of the Group and of the Company is as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
(Loss)/Profit before tax and share of results of associated company and joint venture:	(2,329,361)	(9,334,595)	635,208	(1,028,442)
Taxation at applicable tax rate of 25%	(582,340)	(2,333,649)	158,802	(257,111)
Tax effects arising from:				
- Expenses which are not deductible	548,200	471,358	498,777	1,227,661
- Income which are not taxable	(645,278)	(4,948)	(550,579)	(875,000)
- Reduction in tax rate	(71,438)	-	-	-
- Deferred tax assets not recognised	1,332,692	1,400,166	-	-
- Under/(Over) provision in prior years:				
Current tax	61,464	(1,578)	6,450	-
Deferred tax	209,236	(223,848)	-	-
	852,536	(692,499)	113,450	95,550

As of 31 August 2015, the tax exempt income of the Group and of the Company are as follows:

	Note	Group and Company	
		2015 RM	2014 RM
Reinvestment allowances	(i)	3,512,184	6,010,000
Tax exempt income	(ii)	342,192	478,000
		3,854,376	6,488,000

- (i) Arising from reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act, 1967.
- (ii) Arising from chargeable income on which tax was waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999.

The above tax exempt income, which is subject to approval by the tax authorities, is available for distribution of tax exempt dividends to the shareholders of the said subsidiary companies, except for Ban Seng Lee Industries Sdn. Bhd. in current year in which the tax exempt income had expired.

As explained in Note 2, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to net deferred tax assets are generally recognised to the extent it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised for set-off.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 29. TAX EXPENSE/(CREDIT) (cont'd)

Details of unused tax losses and unabsorbed capital allowances of the Group and of the Company which have not been recognised in the financial statements due to uncertainty of realisation are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Unused tax losses	4,844,199	3,123,195	-	189,068
Unabsorbed capital allowances	10,602,770	6,993,007	-	-
	15,446,969	10,116,202	-	189,068

The unabsorbed capital allowances and unused tax losses, which are subject to the agreement by the tax authorities, are available for offset against future chargeable income.

## 30. BASIC LOSS PER ORDINARY SHARE

	Group	
	2015 RM	2014 RM
Loss attributable to equity holders of the Company	(3,567,866)	(9,863,961)
Weighted average number of ordinary shares in issue	96,757,887	96,828,387
Basic loss per ordinary share (sen)	(3.69)	(10.19)

The basic loss per ordinary share is calculated by dividing the loss attributable to equity holders of Company of RM3,567,866 (2014: RM9,863,961) by weighted average number of ordinary shares in issue during the financial year of 96,757,887 (2014: 96,828,387) shares.

## 31. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The Company is a subsidiary company of Esteem Role Sdn. Bhd., a company incorporated in Malaysia, which is also regarded by the Directors as the ultimate holding company.

Related parties comprise:

- Entity in which a Director of the Company and a subsidiary company has substantial interest;
- Entity related to an associated company; and
- Non-controlling interest in a subsidiary company.

Amount owing by/(to) related parties, which arose mainly from trade transactions and payments made on behalf, is unsecured, interest-free and repayable on demand.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 32. SEGMENT REPORTING

### Business Segments

For management purposes, the Group is organised into the following segments:

- (i) Investment holding;
- (ii) Stamping and manufacturing of precision metal parts and fabrication of tools and dies;
- (iii) Printed circuit board ("PCB") assembly and assembly of all types of electronics and electrical components, devices and systems;
- (iv) Fabrication and forging of base metal components; and
- (v) Others (Trading of automotive components operation ceased in 2011 and a subsidiary company incorporated in 2013, Crestronics Greentech Sdn. Bhd. The management has reclassified these companies as Others as the said subsidiary companies are currently dormant and semi-active respectively).

Inter-segment sales are charged at cost plus a percentage of profit mark-up. Revenue from one major customer contributed approximately RM28,889,482 (2014: RM36,941,289) of the Group's total revenue.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs and Directors' salaries, profits of associates, investment revenue, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 32. SEGMENT REPORTING (cont'd)

Group 2015	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Others RM	Eliminations RM	Consolidated RM
<i>Revenue</i>							
External sales	-	75,363,600	14,685,521	7,833,963	192,909	-	98,075,993
Inter-segment sales	-	-	42,493	117,837	-	(160,330)	-
Total revenue	-	75,363,600	14,728,014	7,951,800	192,909	(160,330)	98,075,993
<i>Results</i>							
Segment results	635,208	1,806,922	(5,100,509)	(347,716)	(157,132)	1,804,831	(1,358,396)
Profit/(Loss) from operations	635,208	1,806,922	(5,100,509)	(347,716)	(157,132)	1,804,831	(1,358,396)
Finance costs	-	(905,511)	(611,220)	(180,113)	(7,352)	450,530	(1,253,666)
Share of results of joint venture	-	-	-	-	-	(345,524)	(345,524)
Investment income	-	39,026	-	282,167	227,373	(265,865)	282,701
Profit/(Loss) before tax	635,208	940,437	(5,711,729)	(245,662)	62,889	1,643,972	(2,674,885)
Tax expense	(113,450)	(632,258)	(59,279)	-	(47,549)	-	(852,536)
Profit/(Loss) for the year	521,758	308,179	(5,771,008)	(245,662)	15,340	1,643,972	(3,527,421)

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 32. SEGMENT REPORTING (cont'd)

Group 2015	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Others RM	Eliminations RM	Consolidated RM
<i>Other information</i>							
Capital additions	-	2,699,802	5,148	16,077	5,086	-	2,726,113
Impairment of property, plant and equipment	-	-	2,200,000	-	-	-	2,200,000
Depreciation of property, plant and equipment	-	3,723,896	1,708,052	372,229	4,268	-	5,808,445
<u>Consolidated statement of financial position</u>							
<i>Assets</i>							
Segment assets	66,393,654	97,110,830	14,992,829	8,280,846	15,593,565	(91,909,935)	110,461,789
Unallocated corporate assets							796,946
Consolidated total assets							111,258,735
<i>Liabilities</i>							
Segment liabilities	13,622,789	31,464,319	23,623,705	2,966,284	10,634,836	(44,125,245)	38,186,688
Unallocated corporate liabilities							1,524,741
Consolidated total liabilities							39,711,429

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 32. SEGMENT REPORTING (cont'd)

Group 2014	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Others RM	Eliminations RM	Consolidated RM
<i>Revenue</i>							
External sales	-	69,177,274	17,341,372	8,236,185	128,462	-	94,883,293
Inter-segment sales	3,500,000	-	67,512	191,638	-	(3,759,150)	-
<b>Total revenue</b>	<b>3,500,000</b>	<b>69,177,274</b>	<b>17,408,884</b>	<b>8,427,823</b>	<b>128,462</b>	<b>(3,759,150)</b>	<b>94,883,293</b>
<i>Results</i>							
Segment results	(1,683,034)	(1,384,152)	(5,264,290)	(742,890)	(46,263)	763,519	(8,357,110)
(Loss)/Profit from operations	(1,683,034)	(1,384,152)	(5,264,290)	(742,890)	(46,263)	763,519	(8,357,110)
Finance costs	-	(994,285)	(607,323)	(204,115)	-	443,996	(1,361,727)
Share of results of associated company	-	-	-	-	-	(1,043,592)	(1,043,592)
Share of results of joint venture	-	-	-	-	-	(118,190)	(118,190)
Investment income	-	142,118	-	19,300	222,824	-	384,242
(Loss)/Profit before tax	(1,683,034)	(2,236,319)	(5,871,613)	(927,705)	176,561	45,733	(10,496,377)
Tax (expense)/income	(95,550)	761,470	-	81,000	(54,421)	-	692,499
(Loss)/Profit for the year	(1,778,584)	(1,474,849)	(5,871,613)	(846,705)	122,140	45,733	(9,803,878)

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 32. SEGMENT REPORTING (cont'd)

Group 2014	Investment holding RM	Precision stamping and tooling RM	PCB and module assembly RM	Fabrication and forging RM	Others RM	Eliminations RM	Consolidated RM
<i>Other information</i>							
Capital additions	-	2,268,364	108,896	656,890	-	-	3,034,150
Impairment of property, plant and equipment	-	-	1,681,430	-	-	-	1,681,430
Depreciation of property, plant and equipment	-	3,399,369	2,346,120	799,891	833	-	6,546,213
<u>Consolidated statement of financial position</u>							
<i>Assets</i>							
Segment assets	73,573,659	92,123,653	19,138,545	10,531,772	10,660,522	(93,437,878)	112,590,273
Unallocated corporate assets							443,831
Consolidated total assets							113,034,104
<i>Liabilities</i>							
Segment liabilities	21,236,819	26,922,757	21,786,624	4,977,897	505,707	(39,898,906)	35,530,898
Unallocated corporate liabilities							1,159,179
Consolidated total liabilities							36,690,077
<u>Geographical segments</u>							

The Group's operations are located mainly in Malaysia. Therefore, information on geographical segments is not presented.

# NOTES TO THE FINANCIAL STATEMENTS

## (CONT'D)

### 33. CAPITAL COMMITMENT

As of 31 August 2015, the Group has the following capital commitment:

	Group	
	2015 RM	2014 RM
Approved and contracted for:		
Purchase of plant and machinery and motor vehicles	671,247	-
Investment in joint venture	1,000,000	1,000,000
Investment in a subsidiary company	509,999	-
	2,181,246	1,000,000

### 34. CONTINGENT LIABILITIES

(a) As of 31 August 2015, the Group and the Company have the following contingent liabilities:

	Group and Company	
	2015 RM	2014 RM
Unsecured corporate guarantees given to:		
Licensed banks for credit facilities granted to subsidiary companies	18,358,838	21,585,348
Creditor of a subsidiary company	1,117,127	1,456,895
	19,475,965	23,042,243

(b) During the financial year end, Crestronics (M) Sdn. Bhd. ("CSB"), a wholly owned subsidiary company, received bills of demand from the relevant authority demanding payment of sales tax and import duty amounting to RM11,100,000 that should have been paid in respect of the period December 2011 to July 2014.

The Directors have been in discussion with the relevant authority and have provided all necessary documentation to support their view. The Directors continue to engage with the relevant authority with regards to the claim.

The Directors of the Company have obtained advice from a consultant, and based on the advice received, the Directors are of the view that CSB should only be liable for up to RM200,000 and a provision for this had been made in the financial statements (Note 23). The remaining balance of the claim of RM10,900,000 represents a contingent liability which is subject to appeal to the authority. The amount ultimately determined to be payable may differ from the amount provided for in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 35. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
<i>Financial assets</i>				
Loans and receivables, at amortised cost:				
Trade receivables	17,344,881	14,925,052	-	-
Other receivables and deposits	2,505,257	591,594	17,808	-
Amount owing by subsidiary companies	-	-	17,760,705	16,118,164
Amount owing by a corporate shareholder	7,824	-	-	-
Amount owing by a related party	-	7,286	-	-
Short-term deposits with licensed banks	11,092,819	12,251,386	-	-
Cash and bank balances	6,946,507	8,720,180	122,093	611,708
<b>Total</b>	<b>37,897,288</b>	<b>36,495,498</b>	<b>17,900,606</b>	<b>16,729,872</b>
<i>Financial liabilities</i>				
At amortised cost:				
Trade payables	14,702,747	9,657,887	-	-
Other payables and accruals	3,525,746	2,730,072	137,075	68,679
Amount owing to subsidiary company	-	-	13,485,714	13,462,770
Amount owing to related parties	-	355,650	-	-
Hire purchase liabilities	1,468,344	1,058,590	-	-
Bank borrowings	3,092,584	4,029,456	-	-
Term loans	14,915,037	17,488,081	-	-
At fair value through profit or loss:				
Derivative financial liability	11,162	11,162	-	-
<b>Total</b>	<b>37,715,620</b>	<b>35,330,898</b>	<b>13,622,789</b>	<b>13,531,449</b>

### (b) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The carrying amounts of the Group's financial assets and liabilities as reported at the statement of financial position as of 31 August 2015 approximate their fair values because of the short maturity terms of these instruments except as follows:

Group	2015		2014	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
<i>Financial Liabilities</i>				
Hire purchase liabilities	1,468,344	1,481,435	1,058,590	1,108,028
Term loans	14,915,037	14,952,756	17,488,081	17,933,811
<b>Total</b>	<b>16,383,381</b>	<b>16,434,191</b>	<b>18,546,671</b>	<b>19,041,839</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 35. FINANCIAL INSTRUMENTS (cont'd)

### (b) Fair value of financial instruments (cont'd)

The fair value of the above financial assets and liabilities are estimated by level 3 input which is in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

The fair value of the Company's financial assets and financial liabilities are determined as follow:

- the fair value of financial assets with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices; and
- the fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements recognised in the statement of financial position.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, group into Levels 1 to 3 based on the degree to which the fair value is observable.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>31 August 2015</b>				
<i>Financial liabilities carried at fair value through profit or loss</i>				
Derivative financial liability	-	11,162	-	11,162
<b>31 August 2014</b>				
<i>Financial liabilities carried at fair value through profit or loss</i>				
Derivative financial liability	-	11,162	-	11,162

There were no transfers between levels 1, 2 and 3 during the financial year.

The fair values of the derivative financial liability are estimated based on discounted cash flow analysis. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of reporting period) and contract interest rates.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities expose it to a variety of financial risks including credit risk, interest rate risk, foreign currency exchange risk and liquidity and cash flow risk arising in the normal course of the businesses.

The Directors monitor the Group's and the Company's financial position closely with the objective to minimise potential adverse effects on the financial performance of the Group and the Company. The Directors reviews and agree policies for managing each of these risks and they are summarised below:

### (i) Credit risk

Credit risk arises from the possibility that a counter party may be unable to meet the terms of a contract in which the Group has a gain position.

The Group trades mainly with certain key customers and is exposed to significant credit risk from these trade receivables. The Group manages this risk based on careful evaluation of the customers' credit history.

As at the reporting date, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

The Group has no major concentration of credit risk except for amounts due from the Six (2014: Five) trade receivables which constitute approximately RM9,000,000 (2014: RM11,000,000) or 51% (2014: 65%) of gross trade receivables at the end of the reporting period.

The Group places its short-term deposits with creditworthy institutions. The carrying amount of financial assets in the financial statements, net of any provision of losses, represents the Group's maximum exposure to credit risk without taking into account the value of any collateral or other security obtained.

Trade receivables include amounts that are past due at the end of the reporting period but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right to offset against any amounts owed by the Group to the counterparty.

The analysis of trade receivables are as follows:

	2015 RM	2014 RM
Not past due and not impaired	15,023,212	8,896,431
Past due but not impaired:		
Past due 0-30 days	1,069,776	3,377,208
Past due 31-60 days	507,910	1,964,767
Past due 61-90 days	627,513	249,083
Past due 91-120 days	54,921	243,066
Past due more than 121 days	61,549	194,497
Past due and impaired	1,108,844	1,102,794
<b>Total trade receivables</b>	<b>18,453,725</b>	<b>16,027,846</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (i) Credit risk (cont'd)

Movement in allowance for doubtful debts:

	2015 RM	2014 RM
At 1 September	1,102,794	1,045,220
Recognised in profit or loss	6,050	57,574
At 31 August	1,108,844	1,102,794

Ageing of impaired trade receivables:

	2015 RM	2014 RM
Past due more than 90 days	1,108,844	1,102,794

### (ii) Interest rate risk

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. Interest rate risk arises only from the Group's term loans, hire purchase liabilities, bank borrowings and fixed deposits with licensed banks.

#### *Interest rate sensitivity*

If interest rates had been 50 (2014: 50) basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 31 August 2015 would decrease/increase by RM41,916 (2014: RM116,216). This is mainly attributable to the Group's exposure to interest rates on its variable rate for fixed deposits and borrowings.

#### *Interest rate swap contract*

Under interest rate swap contract, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amount. Such contract enables the Group to mitigate the risk of changing interest rates on the fair value of floating rate loan and the cash flow exposures on the variable rate loan. The fair value of interest rate swap at the end of reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract.

The following table details the notional principal amount and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

	Average contracted fixed interest rate		Notional principal value		Fair value liabilities	
	2015 %	2014 %	2015 RM	2014 RM	2015 RM	2014 RM
<b>Outstanding receive floating pay fixed contract</b>						
2 to 5 years	3.78	3.78	6,166,979	7,633,979	(11,162)	(11,162)

The interest rate swap settles on monthly basis. The Group will settle the difference between the fixed and floating interest rate on net basis.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (iii) Foreign currency risk

The Group undertakes trade transactions which are denominated in foreign currency.

The Group's financial assets and financial liabilities denominated in foreign currencies are disclosed in the respective notes.

The sensitivity rate used by the Group when reporting foreign currency risk internally to key management personnel is 8% (2014: 8%) and represents management's assessment of the reasonably possible change in foreign exchange rates.

If the United States Dollar (2014: United States Dollar) were to change by 8% up or down against the Ringgit Malaysia, the Group's loss for the year will increase/decrease by RM279,344 (2014: RM186,126).

### (iv) Liquidity and cash flow risk

Liquidity and cash flow risk are the risk that the Group and the Company will not be able to meet their financial obligations when they fall due. The Group's and the Company's exposure to liquidity and cash flow risk arises principally from its various payables.

The Group practises prudent liquidity and cash flow risk management to minimise the mismatch of financial assets and liabilities and maintain sufficient credit facilities as represented by the carrying amounts in the statement of financial position for contingent funding requirement of working capital.

#### *Analysis of financial instruments by remaining contractual maturities*

The table below summaries the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. The table includes both interest and principal cash flows.

Group 2015	Weighted average effective interest rate %	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Trade payables	-	14,702,747	-	-	14,702,747
Other payables and accruals	-	3,525,746	-	-	3,525,746
Derivative financial liability	1	11,162	-	-	11,162
Bank borrowings	7	3,092,584	-	-	3,092,584
Hire purchase liabilities	6	820,129	744,875	-	1,565,004
Term loans	5	2,796,593	11,070,938	3,242,602	17,110,133
		24,948,961	11,815,813	3,242,602	40,007,376

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iv) Liquidity and cash flow risk (cont'd)

Company 2015	Weighted average effective interest rate %	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Other payables and accruals	-	137,075	-	-	137,075
Amount owing to subsidiary	-	13,485,714	-	-	13,485,714
		13,622,789	-	-	13,622,789

Group 2014	Weighted average effective interest rate %	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Trade payables	-	9,657,887	-	-	9,657,887
Other payables and accruals	-	2,730,072	-	-	2,730,072
Amount owing to related parties	-	355,650	-	-	355,650
Derivative financial liability	1	11,192	-	-	11,192
Hire purchase liabilities	6	609,696	505,980	-	1,115,676
Bank borrowings	7	4,200,982	-	-	4,200,982
Term loans	5	16,379,586	761,386	1,393,696	18,534,668
		33,945,065	1,267,366	1,393,696	36,606,127

Company 2014	Weighted average effective interest rate %	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Other payables and accruals	-	68,679	-	-	68,679
Amount owing to subsidiary	-	13,462,770	-	-	13,462,770
		13,531,449	-	-	13,531,449

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 37. CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern in order to provide returns for shareholders and to sustain future development of the business.

The capital structure of the Group and the Company comprising share capital, reserves and retained earnings.

Management reviews and manages the capital structure regularly. To maintain or adjust the capital structure, the Group and the Company may adjust the payment of dividends or issue of new shares.

The Group's total debt-to-equity ratios at 31 August 2015 were as follow:

	2015 RM	2014 RM
Debt:		
Term loans	14,915,037	17,488,081
Hire purchase liabilities	1,468,344	1,058,590
Bank borrowings	3,092,584	4,029,456
	19,475,965	22,576,127
Equity	71,547,306	76,344,027
Debt to equity ratio (%)	27%	30%

The Company has no gearing as at 31 August 2015 and 2014.

## 38. SUBSEQUENT EVENTS

- (a) On 7 September 2015, the Company subscribed for 509,999 ordinary shares of RM1 each in BSL Eco Energy Sdn. Bhd. for a total cash consideration of RM509,999. As a result, the Company hold 51% equity shares in BSL Eco Energy Sdn. Bhd.
- (b) On 30 November 2015, Unique Forging & Components Sdn. Bhd., a wholly owned subsidiary company, acquired 100 ordinary shares of RM1 each in Matahari Suria Sdn Bhd for a total cash consideration of RM45,000 which resulted in Matahari Suria Sdn Bhd became a direct subsidiary.

## 39. COMPARATIVES

The following comparative figures have been reclassified to confirm with current year's presentation.

Company	As previously stated RM	Reclassification RM	As restated RM
Cash flows used in operating activities	(5,044,572)	4,630,242	(414,331)
Cash flows generated from/(used in) investing activities	3,500,000	(4,630,241)	(1,130,241)

## 40. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 23 December 2015 by the Board of Directors.

# NOTES TO THE FINANCIAL STATEMENTS

## (CONT'D)

### 41. SUPPLEMENTARY INFORMATION

#### *Breakdown of realised and unrealised profit or loss*

On 25 March 2010, Bursa Malaysia Securities Berhad (“Bursa Malaysia”) issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. This directive requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the retained earnings of the Group and of the Company as the end of reporting period, into realised and unrealised profits, pursuant to the directive are as follows:

	Group	
	2015 RM	2014 RM
Total retained earnings of the Company and its subsidiary companies:		
Realised	52,669,189	58,548,202
Unrealised	1,056,401	(5,516,616)
	53,725,590	53,031,586
Total share of post-acquisition results in associated company:		
Realised	(4,239,080)	(4,239,080)
Unrealised	(462,091)	(462,091)
	(4,701,171)	(4,701,171)
Total share of post-acquisition results in joint venture company:		
Realised	(463,714)	(118,190)
Unrealised	-	-
	(463,714)	(118,190)
Less: Consolidation adjustments	(31,415,551)	(27,499,205)
Total retained earnings as per statement of financial position	17,145,154	20,713,020
	Company	
	2015 RM	2014 RM
Total retained earnings of the Company:		
Realised	(218,469)	7,835,209
Unrealised	2,582,911	(5,992,525)
Total retained earnings as per statement of financial position	2,364,442	1,842,684

The determination of realised and unrealised profits or losses is based on Guidance of Special Matter No. 1 “Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements” as issued by the Malaysian Institute of Accountants on 20 December 2010. A charge or credit to profit or loss of a legal entity is deemed realised when it results from the consumption of a resource of all types and forms, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to profit or loss upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of a resource, such credit or charge should not be deemed as realised until the consumption of resource can be demonstrated.

This supplementary information has been made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and is not made for any other purposes.

# STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

In the opinion of the Directors, the financial statements set out on pages 43 to 106 are drawn up:

- (a) so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 August 2015 and of their results and cash flows for the year then ended; and
- (b) in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 1965 in Malaysia.

The information set out in Note 41 to the financial statements has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysia Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Directors in accordance with a Directors' resolution dated 23 December 2015

\_\_\_\_\_  
**NGIAM TONG KWAN**

Director

\_\_\_\_\_  
**NGIAM TEE WEE**

Director

## STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, Ngiam Tee Wee (I/C No.: 680302-10-5097), being the Director primarily responsible for the financial management of BSL Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements for the year ended 31 August 2015 as set out on pages 43 to 107, are in my opinion correct.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly	)	
declared by the above named	)	
Ngiam Tee Wee	)	
At Kuala Lumpur in the	)	NGIAM TEE WEE
State of Federal Territory	)	
	)	
this 23 day of December, 2015	)	Before me,

(Commissioner of Oaths)

# LIST OF PROPERTIES

The details of the properties of the BSL Group as at August 31, 2015 are set out below :

	<b>Name of registered owner / beneficial owner / Location</b>	<b>Description / Existing use</b>	<b>Land / built-up area ( sq. m. )</b>	<b>Approximate age of building ( Years )</b>	<b>Tenure</b>	<b>Audited NBV as at 31 August 2015 ( RM )</b>	<b>Date of Acquisition/ Revaluation</b>
<b>Ban Seng Lee Industries Sdn. Bhd.</b>							
1	Lot 4220 Persimpangan Jalan Batu Arang/ Lebuhraya PLUS, 48000 Rawang, Selangor Darul Ehsan  Geram No.50480 Lot No. 4220 Mukim Rawang Daerah Gombak Selangor Darul Ehsan	Single storey detached factory with annexed 2 storey office building / office and factory	19,551 / 11,941	18	Freehold	14,384,374	26 Aug 2009
2	Lot 4212 Mukim Rawang Daerah Gombak Selangor Darul Ehsan	11/2 Storey detached factory with office / office and factory	25,495 / 11,148	3	Freehold	18,271,090	30 Sep 2010
3	32A, 1 <sup>st</sup> Floor Jalan Bukit Idaman 8/1 Taman Bukit Idaman 68100 Batu Caves Selangor Darul Ehsan P.M. 289, Lot No. 52171 Mukim Batu Daerah Gombak Selangor Darul Ehsan	1 unit of apartment located on the 1st floor of 21/2 storey intermediate shop apartment / workers' hostel	Not applicable / 120	21	Leasehold for 99 years expiring on 17 Oct 2089	84,000	24 Aug 2007
4	35A, 1 <sup>st</sup> Floor Jalan Bukit Idaman 8/1 Taman Bukit Idaman 68100 Batu Caves Selangor Darul Ehsan P.M. 292, Lot No. 52174 Mukim Batu Daerah Gombak Selangor Darul Ehsan	1 unit of apartment located on the 1st floor of 21/2 storey intermediate shop apartment / workers' hostel	Not applicable / 120	21	Leasehold for 99 years expiring on 17 Oct 2089	84,000	24 Aug 2007

# LIST OF PROPERTIES (CONT'D)

Name of registered owner / beneficial owner / Location	Description / Existing use	Land / built-up area ( sq. m. )	Approximate age of building ( Years )	Tenure	Audited NBV as at 31 August 2015 ( RM )	Date of Acquisition/ Revaluation
<b>Ban Seng Lee Industries Sdn. Bhd.</b>						
5 36A, 1 <sup>st</sup> Floor Jalan Bukit Idaman 8/1 Taman Bukit Idaman 68100 Batu Caves Selangor Darul Ehsan P.M. 293, Lot No. 52175 Mukim Batu Daerah Gombak Selangor Darul Ehsan	1 unit of apartment located on the 1st floor of 21/2 storey intermediate shop apartment / workers' hostel	Not applicable / 120	21	Leasehold for 99 years expiring on 17 Oct 2089	84,000	24 Aug 2007
<b>Crestronics ( M ) Sdn. Bhd.</b>						
6 Lot 5002 Batu 51/2 Jalan Meru 41050 Klang Selangor Darul Ehsan H.S. ( M ) 21401 PT 13725 Mukim Kapar Daerah Klang Selangor Darul Ehsan	Manufacturing / Industrial / office and factory	10,906 / 6,651	25	Freehold	9,560,973	7 May 2012
<b>Unique Forging &amp; Components Sdn. Bhd.</b>						
7 HSD 62560 Lot No.PT1985 Mukim Bandar Kundang Daerah Gombak Selangor Darul Ehsan	Vacant Land	1,214 Hektar	-	Leasehold for 99 years expiring on 31 Mar 2107	3,525,046	31 Oct 2012

# ANALYSIS OF SHAREHOLDINGS AS AT DECEMBER 31, 2015

Authorised Share Capital	:	RM250,000,000
Issued and Paid-up Capital	:	RM49,000,000 (Including 1,280,113 treasury shares held)
Class of shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of Shares	%
1 - 99	6	0.531	317	0.000
100 - 1,000	463	40.937	113,527	0.117
1,001 - 10,000	348	30.769	1,936,912	2.003
10,001 - 100,000	241	21.309	7,933,187	8.202
100,001 - 4,835,993 (*)	72	6.366	36,755,944	38.003
4,835,994 and above (**)	1	0.088	49,980,000	51.675
<b>TOTAL :</b>	<b>1,131</b>	<b>100.000</b>	<b>96,719,887</b>	<b>100.000</b>

(\*) Less than 5% of issued shares

(\*\*) 5% and above of issued shares

## LIST OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Names	Direct Shareholdings		Indirect Shareholdings	
	No. of Shares	%	No. of Shares	%
Esteem Role Sdn. Bhd.	49,980,000	51.67	-	-
Ngiam Tong Kwan	406,315	0.42	49,980,000 (*)	51.67
Nyeam Tong Eng @ Ngiam Tong Yang	269,361	0.28	49,980,000 (*)	51.67
Teh Eng Hock	269,361	0.28	49,980,000 (*)	51.67

(\*) Deemed interest through their substantial shareholdings in Esteem Role Sdn Bhd pursuant to Section 6A(4) of the Companies Act, 1965.

## LIST OF DIRECTORS' SHAREHOLDINGS

Names	Direct Shareholdings		Indirect Shareholdings	
	No. of Shares	%	No. of Shares	%
Ngiam Tong Kwan	406,315	0.42	53,977,670 (*)	55.81
Ngiam Tee Wee	135,000	0.14	-	-
Ngiam Tee Yang	100,000	0.10	-	-
Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir	100,000	0.10	-	-
Teh Yoon Loy	36,347	0.04	-	-
To' Puan Rozana Bte Tan Sri Redzuan	-	-	-	-
Ng Wai Pin	-	-	17,000 (**)	0.02

(\*) Deemed interest through his substantial shareholding in Esteem Role Sdn Bhd pursuant to Section 6A(4) of the Companies Act, 1965, and by virtue of the shareholdings held by his spouse and child in the Company.

(\*\*) Deemed interest by virtue of the shareholding held by his spouse in the Company.

# ANALYSIS OF SHAREHOLDINGS AS AT DECEMBER 31, 2015 (CONT'D)

## LIST OF TOP 30 SHAREHOLDERS

No.	Name	Shareholdings	%
1	Esteem Role Sdn. Bhd.	49,980,000	51.674
2	Xadacorp Sdn Bhd	4,300,100	4.445
3	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Teh Pen Sim (M14)	3,880,670	4.012
4	Balakrishnan A/L Muthukaruppan	1,350,000	1.395
5	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Goh Hoon Ghee (M14)	1,347,900	1.393
6	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Kok Thye (E-SPI)	1,073,300	1.109
7	Kim Poh Holdings Sdn Bhd	1,000,000	1.033
8	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Soon Kwui	925,600	0.956
9	Yap See See	900,000	0.930
10	Chang Yoke Mooi	890,437	0.920
11	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Woo Yam Sang	868,000	0.897
12	Tan Eng Huat	865,700	0.895
13	Tan See Chong	834,900	0.863
14	Chang Yoke Lan	800,000	0.827
15	Cheang Wan Ying	800,000	0.827
16	Kong Chun Wah	766,800	0.792
17	S'ng King Kiok	711,700	0.735
18	Koh Ah Mee @ Hoh Ah Mee	699,800	0.723
19	Pang Sing Kon	604,300	0.624
20	Woo Yam Sang	546,400	0.564
21	Goh Toh Lim	505,000	0.522
22	CIMSEC Nominees (Asing) Sdn. Bhd. Exempt An for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	500,000	0.516
23	Loke Keng Hung	491,800	0.508
24	Chang See Phin	480,100	0.496
25	Maybank Nominees (Tempatan) Sdn. Bhd. Tan Lai Kiew	470,800	0.486
26	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Ah Lek (E-TSA)	470,800	0.486
27	Tan Kim Tiang	448,000	0.463
28	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yee Foong Seng (REM 646)	424,000	0.438
29	Nik Fauzi Bin Nik Hussein	423,500	0.437
30	Goh Yoke Choo	409,600	0.423



# ANALYSIS OF SHAREHOLDINGS AS AT DECEMBER 31, 2015 (CONT'D)

## SHARES IN THE HOLDING COMPANY, ESTEEM ROLE SDN. BHD.

### Registered in name of directors

Names	Ordinary Shares of RM1 each
Ngiam Tee Wee	7,000
Ngiam Tee Yang	5,000
Ngiam Tong Kwan	25,472
Teh Yoon Loy	7,060



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# PROXY FORM

BSL Corporation Berhad. (651118 K)  
(Incorporated in Malaysia)

## No of shares held

If more than 1 proxy, please specify number of shares represented by each proxy

Name of proxy 1:

Name of proxy 2:

I/We \_\_\_\_\_ (NRIC No./Company No.) \_\_\_\_\_  
FULL NAME IN BLOCK LETTERS

of \_\_\_\_\_  
FULL ADDRESS

being a member/members of **BSL CORPORATION BERHAD** hereby appoint \_\_\_\_\_  
(NRIC No.) \_\_\_\_\_

of \_\_\_\_\_

or failing whom \_\_\_\_\_ (NRIC No.) \_\_\_\_\_

of \_\_\_\_\_

or failing him/her, the chairman of the meeting as my/our proxy(ies) to vote for me/us and on my/our behalf at the Twelfth Annual General Meeting of the Company to be held at Meeting Room, Ground Floor, Hotel S.Damansara, No. 1, Jalan Cempaka SD 12/5, Bandar Sri Damansara, PJU 9, 52200 Kuala Lumpur on Friday, 26th day of February 2016 at 10.00 a.m. and at any adjournment thereof for/against the resolution(s) to be proposed thereat.

NO.	RESOLUTIONS	For	Against
1.	To re-elect Ngiam Tee Wee who retires pursuant to Article 78 of the Company's Articles of Association as Director.		
2.	To re-elect To' Puan Rozana Bte Tan Sri Redzuan who retires pursuant to Article 78 of the Company's Articles of Association as Director.		
3.	To re-elect Ng Wai Pin who retires pursuant to Article 78 of the Company's Articles of Association as Director.		
4.	To approve the payment of Directors' Fees for the financial year ended 31 August 2015.		
5.	To re-appoint Messrs Mazars as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	To grant authority to the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
7.	To approve the Proposed Renewal of Authority for Share Buy-Back.		
8.	To approve Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir to continue to act as an Independent Non-Executive Director.		
9.	To approve To' Puan Rozana Bte Tan Sri Redzuan to continue to act as an Independent Non-Executive Director.		
10.	To approve Ng Wai Pin to continue to act as an Independent Non-Executive Director.		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

\_\_\_\_\_  
Signature/Common Seal of member  
Contact Number:

\*Delete whichever is not applicable

### Notes:

- A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead at the Meeting except where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, in which event it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his (her) attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time set for the meeting or at any adjournment thereof.
- Only members whose names appear in the Record of Depositors as at 17 February 2016 will be entitled to attend, vote and speak at the meeting or appoint proxy(ies) to attend, vote and speak on their behalf.

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**STAMP**

To  
The Company Secretary  
**BSL Corporation Berhad**  
Unit 30-01, Level 30, Tower A,  
Vertical Business Suite,  
Avenue 3, Bangsar South,  
No.8, Jalan Kerinchi,  
59200 Kuala Lumpur.

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*Then fold here*



**BSL CORPORATION BHD (651118-K)**

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